

*This document constitutes two base prospectuses for the purposes of article 8(1) of Regulation (EU) 2017/1129 of the European Parliament and of the Council of June 14, 2017, as amended (the **Prospectus Regulation**): (i) the base prospectus of ZF Friedrichshafen AG, Friedrichshafen, Federal Republic of Germany in respect of non-equity securities within the meaning of article 2(c) of the Prospectus Regulation (**Non-Equity Securities**) and (ii) the base prospectus of ZF Finance GmbH, Friedrichshafen, Federal Republic of Germany in respect of Non-Equity Securities.*



ZF Friedrichshafen AG
(Friedrichshafen, Federal Republic of Germany)
as Issuer
and, in respect of Notes issued by ZF Finance GmbH,
as Guarantor

ZF Finance GmbH
(Friedrichshafen, Federal Republic of Germany)
as Issuer

EUR 7,500,000,000

Debt Issuance Programme
(the *Programme*)

Under this base prospectus (together with any documents incorporated by reference herein, the **Prospectus**), each of ZF Friedrichshafen AG and ZF Finance GmbH (each an **Issuer** and together the **Issuers**) may, subject to compliance with all relevant laws, regulations and directives, from time to time issue unsubordinated bearer notes in a minimum denomination of EUR 100,000 per Note (together the **Notes**). The payments of all amounts due in respect of Notes issued by ZF Finance GmbH will be unconditionally and irrevocably guaranteed by ZF Friedrichshafen AG (in such capacity, the **Guarantor**). The aggregate principal amount of Notes issued under the Programme outstanding will not at any time exceed EUR 7,500,000,000 (or the equivalent in other currencies).

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

This Prospectus has been approved by the *Commission de Surveillance du Secteur Financier* (the **CSSF**) in Luxembourg as competent authority under the Prospectus Regulation and the Luxembourg Act relating to prospectuses for securities dated July 16, 2019 (*Loi du 16 juillet 2019 relative aux prospectus pour valeurs mobilières*, the **Luxembourg Law**). The CSSF only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuers or the Guarantor or of the quality of the Notes issued under the Programme. Investors should make their own assessment as to the suitability of investing in the Notes.

By approving a prospectus, the CSSF shall give no undertaking as to the economic and financial soundness of the operation or the quality or solvency of each Issuer pursuant to article 6(4) Luxembourg Law.

Application has been made to list Notes on the official list of the Luxembourg Stock Exchange and to admit Notes to trading on the Luxembourg Stock Exchange's regulated market "*Bourse de Luxembourg*". The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive 2014/65/EU, as amended (**MiFID II**). However, Notes may also be issued under the Programme which are listed on a stock exchange other than the Luxembourg Stock Exchange or which are not listed on any stock exchange as specified in the relevant Final Terms.

This Prospectus and any supplement to 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). This Prospectus is valid for a period of twelve months after its approval. The validity ends upon expiration of April 9, 2022. The obligation to supplement this Prospectus in accordance with article 23 of the Prospectus Regulation in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Prospectus is no longer valid.

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

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

Prospective purchasers of the Notes should ensure that they understand the nature of the Notes and the extent of their exposure to risks and that they consider the suitability of the Notes as an investment in light of their own circumstances and financial condition. Investing in the Notes involves certain risks. Please review the section entitled "*Risk Factors*" beginning on page 11 of this Prospectus.

Arranger
Deutsche Bank

**BNP PARIBAS
Commerzbank
ING
Mizuho Securities**

SMBC Nikko

Dealers
**BofA Securities
Deutsche Bank
J.P. Morgan
MUFG**

**Citigroup
Helaba
Landesbank Baden-Württemberg
Santander Corporate & Investment
Banking
UniCredit**

RESPONSIBILITY STATEMENT

ZF Friedrichshafen AG with its registered office in Friedrichshafen, Federal Republic of Germany (**ZF**, **ZF AG**, the **Company** or the **Guarantor**) and ZF Finance GmbH, with its registered office in Friedrichshafen, Federal Republic of Germany (**ZF Finance GmbH**) (the Company and ZF Finance GmbH each an **Issuer** and together the **Issuers**) accept responsibility for the information contained in this Prospectus and for the information which will be contained in the Final Terms (as defined herein).

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

CERTAIN DEFINED TERMS

The terms **ZF Group** and **Group** or **we**, **us** or **our** as used in this Prospectus refer to ZF Friedrichshafen AG and its consolidated subsidiaries. On May 29, 2020, ZF AG completed the WABCO acquisition with the closing of the merger of Verona Merger Sub Corp. (**Verona**), an indirect wholly owned U.S. subsidiary of ZF AG, with WABCO Holdings Inc., a Delaware corporation (**WABCO**, and together with its subsidiaries, the **WABCO Group**), with WABCO surviving the merger as an indirect wholly owned subsidiary of ZF AG (the **Merger**). Accordingly, the terms "ZF Group" and "Group" and "we", "us" and "our", when used in this Prospectus with reference to any periods ended or dates prior to May 29, 2020, refer to ZF AG and its consolidated subsidiaries excluding WABCO and its consolidated subsidiaries, and, when used with reference to any periods ended or dates including and after May 29, 2020 (including the date of this Prospectus), refer to ZF AG and its consolidated subsidiaries including WABCO and its consolidated subsidiaries. In particular, the historical consolidated financial information of ZF as of and for the financial year ended December 31, 2019 does not include WABCO and its consolidated subsidiaries, while the historical consolidated financial information of ZF as of and for the financial year ended December 31, 2020 includes WABCO and its consolidated subsidiaries with effect from the closing date of the Merger.

NOTICE

This Prospectus should be read and understood in conjunction with any supplement hereto and with any other documents incorporated herein by reference and, in relation to any tranche of Notes (each a **Tranche**), together with the relevant Final Terms. Full information on the Issuers and any Tranche is only available on the basis of the combination of this Prospectus, any supplement to this Prospectus and the relevant Final Terms.

This Prospectus and any supplement hereto as well as any Final Terms reflect the status as of their respective dates of issue. Neither the delivery of this Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuers since the date hereof or the date upon which this Prospectus has been most recently supplemented or that there has been no adverse change in the financial position of the Issuers since the date hereof or the date upon which this Prospectus has been most recently supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

No person has been authorized to give any information which is not contained in or not consistent with this Prospectus or any other document entered into in relation to the Programme or any information supplied by any Issuer or any other information in the public domain and, if given or made, such information must not be relied upon as having been authorized by the Issuers, the Dealers or any of them.

Neither the Arranger nor any Dealer nor any other person mentioned in this Prospectus, excluding the Issuers, is responsible for the information contained in this Prospectus or any supplement hereto, or any Final Terms or any document incorporated herein by reference, and accordingly, and to the extent permitted by the laws of any

relevant jurisdiction, none of these persons accepts any responsibility for the accuracy and completeness of the information contained in any of these documents.

The distribution of this Prospectus and any Final Terms and the offering, sale and delivery of Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus or any Final Terms come are required to inform themselves about and observe any such restrictions. For a description of the restrictions applicable in the United States of America (**United States, U.S. or US**), the European Economic Area (**EEA**), the United Kingdom (the **UK**), Singapore and Switzerland, see "*Selling Restrictions*". In particular, the Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**), and include notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered in, into nor within the United States or to U.S. persons.

This Prospectus may only be used for the purpose for which it has been published.

This Prospectus and any Final Terms 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, any supplement thereto and any Final Terms do not constitute an offer or an invitation to subscribe for or purchase any Notes and should not be considered as a recommendation by the relevant Issuer or, as applicable, the Guarantor or any Dealer that any recipient of this Prospectus or any Final Terms should subscribe for or purchase any Notes. Each recipient of this Prospectus or any Final Terms shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the relevant Issuer and, as applicable, the Guarantor.

The language of this Prospectus is English. Any part of this Prospectus in the German language constitutes a translation. In respect of the issue of any Tranche of Notes under the Programme, the German text of the terms and conditions of the Notes (the **Terms and Conditions**) may be controlling and binding if so specified in the relevant Final Terms. In respect of the German law governed guarantee (the **Guarantee**) (including the negative pledge contained therein) the German language version is always controlling and binding.

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

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

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the **MiFID Product Governance Rules**), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules. None of ZF AG and ZF Finance GmbH is a manufacturer or Distributor for the purposes of MiFID II and its supplementing EU legislative acts.

UK MiFIR PRODUCT GOVERNANCE / TARGET MARKET – The Final Terms in respect of any Notes may include a legend entitled "UK MiFIR Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any Distributor should take into consideration the target market assessment; however, a Distributor subject to the UK Financial Conduct Authority (**FCA**) Handbook Product Intervention and Product Governance Sourcebook (the **UK MiFIR Product Governance Rules**) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules. None of ZF and ZF Finance is a manufacturer or Distributor for the purposes of the UK MiFIR Product Governance Rules.

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

UK PRIIPS REGULATION – UK RETAIL INVESTORS – If the Final Terms in respect of any Notes includes a legend entitled "Prohibition of Sales to UK Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of article 2 of Regulation (EU) No 2017/565 as it forms part of UK law by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended (**FSMA**) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK law by virtue of the EUWA. If the above mentioned legend is included in the relevant Final Terms, no key information document required by Regulation (EU) No 1286/2014 as it forms part of UK law by virtue of the EUWA (the **UK PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

IN CONNECTION WITH THE ISSUE OF ANY TRANCHE OF NOTES UNDER THE PROGRAMME, THE DEALER OR DEALERS (IF ANY) NAMED AS STABILIZATION MANAGER(S) (OR PERSONS ACTING ON BEHALF OF ANY STABILIZATION MANAGER(S)) IN THE APPLICABLE FINAL TERMS MAY OVER-ALLOT NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, STABILIZATION MAY NOT NECESSARILY OCCUR. ANY STABILIZATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE RELEVANT TRANCHE OF NOTES IS MADE AND, IF BEGUN, MAY CEASE AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE RELEVANT TRANCHE OF NOTES AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE RELEVANT TRANCHE OF NOTES. ANY STABILIZATION ACTION OR OVER-ALLOTMENT MUST BE CONDUCTED BY THE RELEVANT STABILIZATION MANAGER(S) (OR PERSON(S) ACTING ON BEHALF OF ANY STABILIZATION MANAGER(S)) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

ANY U.S. PERSON WHO HOLDS AN OBLIGATION UNDER THIS PROGRAMME THAT IS TREATED AS IN BEARER FORM FOR U.S. FEDERAL INCOME TAX PURPOSES WILL BE SUBJECT TO LIMITATIONS UNDER THE U.S. INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN CLAUSES 165(J) AND 1287(A) OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED.

BENCHMARK REGULATION - STATEMENT IN RELATION TO ADMINISTRATOR'S REGISTRATION – The Final Terms in respect of any Notes offered on the basis of this Prospectus may specify that interest amounts payable under the relevant Notes may be calculated by reference to the Euro Interbank Offered Rate (**EURIBOR**), which as at the date of this Prospectus is provided by the European Money Markets Institute (**EMMI**). As at the date of this Prospectus, each of EMMI and IBA appears on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority (**ESMA**) pursuant to article 36 of Regulation (EU) 2016/1011 of the European Parliament and of the Council of June 8, 2016, as amended (the **Benchmark Regulation**). The registration status of any administrator under the Benchmark Regulation is a matter of public record and save where required by applicable law the Issuers do not intend to include in the relevant Final Terms any information on the registration status of any administrator.

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

Tranches of Notes may be rated or unrated. Where a Tranche of Notes is rated, such rating and the respective rating agency will be specified in the relevant Final Terms. A rating is not a recommendation to buy, sell or hold Notes and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

To the extent not otherwise indicated, the information contained in this Prospectus on the market environment, market developments, growth rates, market trends and competition in the markets in which the Group operates is taken from publicly available sources, including, but not limited to, third-party studies or the Group's own estimates that are also primarily based on data or figures from publicly available sources. The information from third-party sources that is cited here has been reproduced accurately. As far as the Issuers are aware and are able to ascertain from information published by such third-party, no facts have been omitted which would render the reproduced information published inaccurate or misleading.

This Prospectus also contains estimates of market data and information derived from these estimates that would not be available from publications issued by market research firms or from any other independent sources. This information is based on the Group's internal estimates and, as such, may differ from the estimates made by the Group's competitors or from data collected in the future by market research firms or other independent sources. To the extent the Issuers derived or summarized the market information contained in this Prospectus from a number of different studies, an individual study is not cited unless the respective information can be taken from it directly.

Neither the Issuers nor the Dealers have independently verified the market data and other information on which third parties have based their studies or the external sources on which the Issuers' own estimates are based. Therefore, the Issuers assume no responsibility for the accuracy of the information on the market environment, market developments, growth rates, market trends and competitive situation presented in this Prospectus from third-party studies or the accuracy of the information on which the Issuers' own estimates are based. Any statements regarding the market environment, market developments, growth rates, market trends and competitive situation presented in this Prospectus regarding the ZF Group and its operating divisions contained in this Prospectus are based on own estimates and/or analysis unless other sources are specified.

FORWARD-LOOKING STATEMENTS

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" 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 the ZF 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 Issuers make to the best of their present knowledge. These forward-looking statements are subject to risks, uncertainties and other factors which could cause actual results, including the ZF Group's financial condition and results of operations, to differ materially from and be worse than results that have expressly or implicitly been assumed or described in these forward-looking statements. The ZF 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*", "*General Information on the Issuers and the Guarantor – ZF Friedrichshafen AG*", "*General Information on the Issuers and the Guarantor – ZF Finance GmbH*" and "*Business of the ZF Group*". These sections include more detailed descriptions of factors that might have an impact on the ZF 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 Issuers nor the Dealers assume any obligation, except as required by law, to update any forward-looking statement or to conform these forward-looking statements to actual events or developments.

ALTERNATIVE PERFORMANCE MEASURES

This Prospectus contains certain alternative performance measures (*APMs*) such as adjusted EBIT, adjusted EBIT margin, free cash flow, adjusted free cash flow, gross debt and net debt which are not recognized financial measures under the International Financial Reporting Standards as adopted by the European Union (*IFRS*). Such APMs must be considered only in addition to, and not as a substitute for or superior to, financial information prepared in accordance with IFRS included elsewhere in this Prospectus. Investors are cautioned not to place undue reliance on these APMs and are also advised to review them in conjunction with the consolidated financial statements of ZF AG including the related notes.

TABLE OF CONTENTS

General Description of the Programme.....	9
Risk Factors.....	11
General Information on the Issuers and the Guarantor.....	43
Business of the ZF Group.....	59
Issue Procedures.....	71
Terms and Conditions of the Notes.....	73
Form of Final Terms	188
Guarantee	209
Use of Proceeds.....	222
Taxation Warning.....	223
Subscription and Sale	224
General Information	230
Documents Incorporated by Reference	232
Names and Addresses.....	234

GENERAL DESCRIPTION OF THE PROGRAMME

General

Under this EUR 7,500,000,000 Debt Issuance Programme, the relevant Issuer, subject to compliance with all relevant laws, regulations and directives, may from time to time issue Notes to one or more of the following dealers: Banco Santander, S.A., BNP Paribas, BofA Securities Europe SA, Citigroup Global Markets Europe AG, Commerzbank Aktiengesellschaft, Deutsche Bank Aktiengesellschaft, ING Bank N.V., J.P. Morgan AG, Landesbank Baden-Württemberg, Landesbank Hessen-Thüringen Girozentrale, Mizuho Securities Europe GmbH, MUFG Securities (Europe) N.V., SMBC Nikko Capital Markets Europe GmbH and UniCredit Bank AG, and any additional dealer appointed under the Programme from time to time by the Issuers, which appointment may be for a specific issue or on an ongoing basis (together, the **Dealers**).

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

Deutsche Bank Luxembourg S.A. acts as listing agent (the **Listing Agent**).

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

The maximum aggregate principal amount of the Notes from time to time outstanding under the Programme (the **Programme Amount**) will not exceed EUR 7,500,000,000 (or nearly equivalent in another currency). The Issuers may increase the Programme Amount in accordance with the terms of the Dealer Agreement (as defined herein) from time to time. If the Issuers decide to increase the amount of the Programme, a supplement to the Prospectus will be prepared and published on the website of the Luxembourg Stock Exchange.

Issue of Notes

Notes issued by ZF Finance GmbH will have the benefit of a guarantee (the **Guarantee**) given by ZF Friedrichshafen AG (in such capacity the **Guarantor**). The Guarantee constitutes an irrevocable, unsecured and unsubordinated obligation of the Guarantor ranking *pari passu* with all other unsecured and unsubordinated obligations of the Guarantor.

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

Notes will be issued in such denomination as may be agreed between the relevant Issuer and the relevant Dealer(s) and as indicated in the applicable Final Terms save that the minimum denomination of the Notes will be, if in euro, EUR 100,000, and, if in any currency other than euro, an amount in such other currency equivalent to at least EUR 100,000 at the time of the issue of Notes. Subject to any applicable legal or regulatory restrictions, and requirements of relevant central banks, Notes may be issued in euro or any other currency.

Notes may be issued at an issue price, which is at par or at a discount to, or premium over, par, as stated in the relevant Final Terms. The issue price for Notes to be issued will be determined at the time of pricing on the basis of a yield which will be determined on the basis of the orders of the investors which are received by the Dealers during the offer period. Orders will specify a minimum yield and may only be confirmed at or above such yield. The resulting yield will be used to determine an issue price, all to correspond to the yield.

The yield for Notes with fixed interest rates is calculated in accordance with the ICMA (International Capital Market Association) method and based on the issue price of the Notes. The ICMA method determines the effective interest rate of notes taking into account accrued interest on a daily basis.

The specific terms of each Tranche will be set forth in the applicable Final Terms. The Final Terms of Notes listed on the official list and admitted to trading on the regulated market of the Luxembourg Stock Exchange will be displayed on the website of the Luxembourg Stock Exchange (www.bourse.lu). In the case of Notes listed on any other stock exchange in one or more member states of the EEA other than the Grand Duchy of Luxembourg, the Final Terms will be displayed on the website of ZF (www.zf.com).

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

Distribution of Notes

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

The Final Terms in respect of any Notes may include a legend entitled "*MiFID II Product Governance*" and/or "United Kingdom (UK) MiFIR Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a ***Distributor***) should take into consideration the target market assessment; however, a Distributor subject to MiFID II and/or Regulation (EU) No 600/2014 as it forms part of UK law by virtue of the European Union (Withdrawal) Act 2018 (***UK MiFIR***) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance Rules and/or the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules and/or the UK MiFIR Product Governance Rules. None of ZF AG and ZF Finance GmbH is a manufacturer or Distributor for the purposes of the MiFID Product Governance Rules and the UK MiFIR Product Governance Rules.

Listing and Admission to Trading

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

RISK FACTORS

*Before deciding to purchase any Notes, investors should carefully review and consider the following risk factors and the other information contained in this Prospectus (including any document incorporated by reference) or any supplement to this Prospectus. Should one or more of the risks described below materialize, this may have a material adverse effect on the business, financial condition and results of operations of ZF AG, ZF Finance GmbH and the ZF Group. Moreover, if any of these risks materialize, the market value of the Notes and the ability of ZF AG and/or ZF Finance GmbH to fulfill their respective payment obligations under the Notes and the Guarantee may be affected, in which case holders of Notes issued under the Programme (the **Holders** and each a **Holder**) could lose all or part of their investments. Additional risks and uncertainties, which are not currently known to ZF AG and ZF Finance GmbH, or which ZF AG and ZF Finance GmbH currently not consider material, could impair the business operations of ZF AG, ZF Finance GmbH or the ZF Group and have a material adverse effect on their businesses, financial condition and results of operations. The risks to which the business of ZF AG, ZF Finance GmbH or the Group is exposed may result in inaccuracies in risk assessments or other forward-looking statements. An investment in the Notes is only suitable for investors experienced in financial matters who are in a position to fully assess the risks relating to such an investment and who have sufficient financial means to absorb any potential loss stemming therefrom.*

Risks Relating to the ZF Group and its Business

I. Risks relating to the ZF Group's Business and Industry

We operate in a cyclical industry and our business could be adversely impacted by periodic downturns in target markets, in particular within the automotive industry.

Sales to our customers in the automotive industry of our business sectors Cars and light commercial vehicles and Commercial vehicles (which together generated by far the largest part of our sales in the current and in the preceding financial year) are cyclical and depend, among other things, on general economic conditions as well as on consumer spending and preferences, which can be affected by a number of factors, including the currently observed effects from, and in connection with measures taken against, the SARS-CoV-2 (**Coronavirus**) pandemic, employment, consumer confidence and income, energy costs, regulatory requirements, interest rate levels, inflation and the availability of consumer financing. Sales to our customers of our business sector Construction and agricultural machinery, marine craft, aircraft, special and rail vehicles and wind power primarily depend, among other things, on fiscal policies, infrastructure programs or consumer behavior in general in certain countries or industry sectors. Due to this wide variety of factors influencing our markets, the demand for our products is characterized by volatility. In addition, automotive and industrial original equipment manufacturers (**OEMs**) generally do not commit to purchasing minimum quantities from their suppliers. These uncertainties make it difficult for us to accurately estimate the ideal level of production capacity or reliably predict our future working capital requirements.

The realization of any of these risks could have a material adverse effect on our business, financial condition and results of operations, which could in turn adversely affect our ability to fulfill our obligations under the Notes and, as applicable, the Guarantee or cause the market price of the Notes to decline.

Our business could suffer if we are not able to develop new technologies and new business models and/or if we cannot keep pace with the technical developments of our competitors or new entrants. The industry in which we operate is characterized by new inflection points: electrification, automatization and software defined cars could penetrate the market faster than originally expected. Connected with a not fast enough shift of our resources this could have an adverse effect on our business.

Our customers demand increasingly complex and innovative solutions to meet their needs. The ability to anticipate technological trends and respond to customer needs by developing innovative solutions in

a timely manner is crucial to major parts of our business. For example, the markets for automotive vehicles and, as a result, our business with OEM customers, are currently subject to a number of market trends and technical developments to which we are required to respond. These include an increasing level of standardization due to further globalization, tighter emissions regulations and the uncertainty about the future of the traditional combustion engine in general and the diesel technology in particular and its unknown legal implications, growing environmental awareness and an increasing demand for vehicle safety, as well as for autonomous driving functionalities. We also face a major change in electronic architectures and a shift from hardware to software defined technologies. In some countries there is the discussion of a complete ban of combustion engines by 2035. There are also driving bans for diesel vehicles in certain European cities and the "new-energy" vehicle quota in the People's Republic of China (*China*), under which battery electric vehicles, plug-in hybrids and fuel cell vehicles must account for a certain share of manufacturers' new vehicle fleets. As a result of these and further market trends and technical developments, the vehicle mix sold by our customers and the technical features thereof have shifted considerably in the last few years and is also expected to change further in the future, and we may not be able to successfully foresee and assess these changes and to successfully adapt and implement our strategy for the future development of the Group. This is particularly relevant as the development of products sold by us and the ramp-up of new product lines requires substantial amounts of time and investment, including research and production costs.

We currently generate a substantial portion of our sales with products based on the combustion engine driveline. The progressive electrification in the passenger car and commercial vehicle segment, as well as other technological changes, may jeopardize our market position, and we may not be successful to foresee and adapt to these developments by stepping up sufficient activities in these new sectors and to successfully expand our expertise in new technologies. New technologies may also be disruptive and change the entire market environment of a product, which constitutes a further specific risk.

In addition, innovative and increasingly complex products and solutions are particularly exposed to the risk of yet unknown and/or undetected defects and errors which in turn may expose us to increased risk from warranty and product liability claims (see also "*Products that do not meet customer specifications or that contain, or are perceived to contain, defects or errors or that are otherwise incompatible with their intended end use could impose significant costs on us, including from warranty and product liability claims. In addition, quality risks could also damage our reputation.*"). If we fail to innovate and develop new solutions, fail to develop enough new solutions to generate sufficient sales, or if our future solutions fail to receive regulatory approval, or if we fail to introduce new products of sufficient quality or are otherwise unsuccessful to adapt our business to trends, technical developments or customer demand, this failure could have a material adverse effect on our business, financial condition and results of operations, which could in turn adversely affect our ability to fulfill our obligations under the Notes and, as applicable, the Guarantee or cause the market price of the Notes to decline.

Generally, ZF is also facing risks regarding sustainability and environmental protection. This is a particular consequence of increased civil awareness and respective demands resulting from the debate on climate change. Relevant legislative and regulatory action is implemented worldwide. Significant past investments were required to improve our environmental performance in preparation for new regulations or customer expectations. Relevant measures regarding legislation and regulation are further substantiated, binding regulations for the implementation of decarbonization and sustainability measures in general are rather expected in the short and medium term. Significant investments are required to improve our environmental performance and prepare for new regulations or customer expectations.

Adverse developments in the global economic environment and disruptions in financial markets, in particular those caused by the current global Coronavirus pandemic, could have an adverse impact on our business, financial condition and results of operations.

We are exposed to substantial risks associated with the performance of the global economy and global financial markets. In general, demand for automotive products and services as well as for the industrial sectors is highly cyclical and directly related to the strength of the global economy. Therefore, our income and results of operations have been, and will continue to be, influenced by the general state and the performance of the global economy.

The state of the economy could be affected by geopolitical instability. Diplomatic tensions and protectionist tendencies between individual countries can lead to volatile financial markets as well as unfavorable global market developments. We continue to expect tariffs and trade barriers in connection with the United Kingdom having left the EU or the new United States-Mexico-Canada Agreement (*USMCA*) which enters into force as a successor to the North American Free Trade Agreement.

Tariffs on vehicle and parts imports from global markets may significantly affect our value chains as well as those of our customers and suppliers and could be detrimental to our sales, profitability and financing conditions. Although a relaxation of U.S. foreign policy relations is expected due to the outcome of the U.S. election in 2020, we still see the trade conflicts between the USA and China as well as increasing trade tensions between the United States and Europe as major risks. In this context, we expect Chinese tariffs to focus on high-technology components and products and the USMCA agreement to provide reinforced "Buy American" incentives.

As a result of the continuing trade conflicts between the United States and China, there is a risk that more countries could be affected. The growing tendencies towards protectionism and potential restrictions and limitations impacting international trade may have a negative impact on the export economy in general, and on our sales and results of operations in particular. We particularly see the risk that individual countries might take further protectionist measures when trying to protect or improve their competitiveness on the global market, and other countries may institute corresponding counter-measures. This might result in market access barriers, such as higher import duties or more complicated certification processes in order to reduce imports, up to an international trade war. Due to the current increase in protectionist tendencies around the world, we particularly see ourselves at risk from additional or higher tariffs on automobiles and on the products, components and raw materials we supply or purchase. These and other measures and/or tariffs could lead to a growing uncertainty on the demand side and a decrease in the sales of vehicles, in demand for automotive products and services in the industrial sector, causing demand for our products to drop and/or costs to increase. Moreover, fiercer competition, especially in our key sales markets in Europe, the United States, India and China, may also adversely affect our sales development and sales prices.

Most recently, the rapid global spread of the Coronavirus and the resulting containment measures and restrictions have resulted in a material deterioration of the conditions for the global economy and have severely affected the automotive industry as well as the industrial technology market in 2020 and 2021. The economic consequences have a significant impact on ZF's economic success. Lockdown measures in many countries in which we operate resulted in restrictions, either discretionary or imposed by public authorities on a regional, national or international level, on business activities of our suppliers, customers and ourselves, including our personnel. Our business was also affected by lower demand for our products in almost all major markets, by interrupted supply chains caused by our suppliers' production downtimes, by restrictions in goods transport in the markets affected by the Coronavirus and by extreme swings in demand for and supply of certain pre-products which, for example, resulted in a severe shortage of, and significantly higher prices for, semiconductors that we need for our products.

Although intensive government relief measures in terms of monetary and fiscal policy were implemented, not only in 2020 global growth was significantly below the level of 2019, we also expect that this development will continue to adversely affect our business and result of operation. The effects of the Coronavirus pandemic will be exacerbated the longer the Coronavirus pandemic lasts. While it is currently impossible to estimate and quantify the extent of its further negative effects on our business, results of operations and financial condition, the Coronavirus pandemic poses material risks to our supply chains, our production, the sales of our products and the delivery of our services. It could also have adverse effects on our financial condition and our liquidity, which could in turn adversely affect our ability to fulfill our obligations under the Notes and, as applicable, the Guarantee or cause the market price of the Notes to decline.

There are numerous other factors that may have an impact on the global economy and also affect the demand for our products, such as a further economic slowdown in Argentina, Brazil, Russia, India and China, where we are widely operating. Economic downturns in these countries may particularly lead to declining sales and payment defaults. Low growth rates and trade barriers in China are of a particular

risk to our Car Powertrain Technology, Car Chassis Technology, Electronics and ADAS (Advanced Driver Assistance Systems), Passive Safety Systems and Active Passive Safety Systems (formerly Active & Passive Safety), Commercial Vehicle Technology as well as our Industrial Technology and E-Mobility divisions.

Any downturn in the European and global economies could cause demand in our relevant market segments to decline and adversely affect our business, financial position and results of operations, which could in turn (in particular in the event of a significant and sudden decline of our sales) adversely affect our financing conditions and our ability to meet our financial covenants and other obligations under our credit facilities or other indebtedness, and to fulfill our obligations under the Notes and, as applicable, the Guarantee or cause the market price of the Notes to decline.

The demand for our products is subject to fluctuations. If our production capacities or the management of our supply chains do not meet the actual demand for our products, this could affect our results of operations.

If markets do not grow or shrink faster than we have anticipated, we risk underutilization of our production facilities. Market developments and industry overcapacity may lead to underutilization of our production facilities, which may result in idle capacity costs, write-offs of inventories and fixed assets as well as losses on products due to falling average selling prices. Fluctuations in the rate at which industry capacity grows relative to the growth rate of demand for our products may in the future put pressure on our average selling prices and negatively affect our results of operations. On the other hand, during periods of increased demand, we may not have sufficient capacity to meet customer orders. Following the Coronavirus pandemic related reduction of orders by customers, we have – like other suppliers – adapted our order volumes accordingly. Due to this development, global semiconductor shortages now could hinder us to meet the customer demands for our products, who have ramped up production again. In the past, we have responded to increased demand by opening new production facilities, providing for additional capacities in existing production facilities or entering into strategic alliances, which in many cases resulted in significant expenditures. If we are unable to meet rapidly increasing customer demand, we may be exposed to damage claims or even lose customers, resulting in a loss of market share.

The realization of any of these risks could have a material adverse effect on our business, financial condition and results of operations, which could in turn adversely affect our ability to fulfill our obligations under the Notes and, as applicable, the Guarantee or cause the market price of the Notes to decline.

The industry in which we operate is characterized by intense competition and commoditization of products, which could reduce our sales and/or put continued pressure on our sales prices.

The markets in which we operate are competitive and have been characterized by changes in market penetration, increased price competition, and the development and introduction of new products, product designs and technologies by significant existing and new competitors. We compete primarily on the basis of price, quality, timeliness of delivery and design as well as the ability to provide engineering support and service on a global basis. Should we fail to secure the quality of our products and the reliability of our supply in the future, then our customers could decide to procure products from our competitors.

The automotive industry, in particular, has been characterized by rapid technological change, high capital expenditures, intense pricing pressure from major OEM customers, periods of oversupply and continuous advancements in process technologies and manufacturing facilities. New competitors enter the market, as well as new customers who bring new customer needs and demands to which we may be unable to adapt. We compete with other international suppliers and, to a lesser extent, regional companies. Increasing pricing-pressure in a more competitive market environment, combined with increased requirements concerning product performance and enhanced functionalities may create a challenge to offset effects from a price and cost perspective. If we became unable to offset price reductions through improved operating efficiencies and the realization of synergies, price reductions could negatively impact our profit margins.

Furthermore, establishing a strong position in the Asian market is a key component of our global growth strategy. While the automotive supply market in Asia is already highly competitive, as the size of the Asian market, in particular in China, continues to be the world's biggest market with long term growth potential, additional competitors may seek to enter the Asian and the global market, and may act aggressively to establish their market share, increasing competition further. Competition can lead to price reductions, reduced margins and an inability to gain or maintain market share. If we are unable to compete successfully, our sales, profitability and financial condition could be adversely affected.

Continued insourcing coupled with increasing price pressure results in a particular need to implement cost-cutting measures in our divisions, which we may not be able to implement successfully. The spare parts business is particularly influenced by the increasing market power of wholesalers which is further increasing the already high price pressure (especially for merchandise) and recently resulted in a need to restructure our business divisions. If we are unable to successfully adapt our business to these competitive needs, our sales, profitability and financial condition could be adversely affected.

The realization of any of these risks could have a material adverse effect on our business, financial condition and results of operations, which could in turn adversely affect our ability to fulfill our obligations under the Notes and, as applicable, the Guarantee or cause the market price of the Notes to decline.

Due to the characteristics of the industry in which we operate, a substantial portion of our sales is generated from a limited number of customers. The loss or default of, or a significant reduction in purchases by, such key customers could have a material adverse effect on our results.

We generate a substantial portion of our sales from a limited number of customers, predominantly from OEMs in the automotive sector. If one or more of our major customers ceases to do business with us or significantly reduces orders, this would significantly reduce volumes, sales and earnings and worsen our cost situation, in particular the coverage of fixed costs. In addition, the original investments made by us to provide such services or products, or outstanding claims against such customers, could be wholly or partially lost. Furthermore, our customers in the automotive industry have a powerful bargaining position and are therefore able to exert a high degree of influence on the terms and conditions of contracts. This may lead to disadvantageous conditions for us in these contracts. Additionally, we may suffer losses in the event that one or more of our larger customers should become unable to fulfill its or their contractual obligations vis-à-vis our Group or should become insolvent (counterparty default).

The realization of any of these risks could have a material adverse effect on our business, financial condition and results of operations, which could in turn adversely affect our ability to fulfill our obligations under the Notes and, as applicable, the Guarantee or cause the market price of the Notes to decline.

A reduction in outsourcing activities or the insourcing of activities by our customers, or the loss of any material production or assembly programs, combined with a failure to secure sufficient alternative programs, could have a material adverse effect on our profitability.

We depend on the outsourcing of components, modules and assemblies by automobile manufacturers. The extent of automobile manufacturer outsourcing is influenced by a number of factors, including: relative cost, quality and timeliness of production by suppliers as compared to automobile manufacturers; capacity utilization; automobile manufacturers' perceptions regarding the strategic importance of certain components/modules to them; labor relations among automobile manufacturers, their employees and unions; access to capital; and other considerations. A reduction in outsourcing activities or the insourcing of activities by automobile manufacturers, or the loss of any material production or assembly programs combined with the failure to secure alternative programs with sufficient volumes and margins, could have a material adverse effect on our profitability. Furthermore, due to increasing electrification, in particular regarding pure battery electric vehicles, many OEMs face a significant reduction in value-add components for traditional combustion engine vehicles (e.g., engines, transmissions and exhausts). In order to off-set the losses resulting therefrom, these OEMs may consider insourcing electrical components.

The realization of any of these risks could have a material adverse effect on our business, financial condition and results of operations, which could in turn adversely affect our ability to fulfill our obligations under the Notes and, as applicable, the Guarantee or cause the market price of the Notes to decline.

We rely on a limited number of suppliers for certain products, manufacturing equipment and materials and could suffer shortages if these suppliers were to interrupt the supply or increase their prices.

We require substantial amounts of raw materials, components and electric power. We are subject to the risk that any or all of these materials may become in short supply or be unavailable. Although our general policy is to source raw materials from a number of different suppliers, reliance on a single supplier cannot always be avoided and, consequently, we are dependent on certain suppliers, including their financial stability and other problems affecting them. Furthermore, our procurement logistics may experience supply delays, cancellations, strikes, insufficient quantities or inadequate quality which would result in interruptions in production and, therefore, have a negative impact on our production capacity and lead to underutilization of our production sites. This in turn may cause delays in the delivery of products to our customers in these areas. If any one of our suppliers becomes unable to meet our delivery requirements for any reason (for example, due to insolvency, force majeure, effects from the ongoing Coronavirus pandemic and the resulting containment measures and restrictions, subcontractor default or refusal to perform following a change in control), we might be unable to source input products from other suppliers on short notice and/ or at the required volume or we might be required to pay higher prices for these products, which would reduce our operating margin. Furthermore, if we are unable to provide our products to our customers in the agreed time, quantity or quality due to such interruptions, this could also lead to order cancellations or even claims for damages against us.

Furthermore, scarcity of materials, resources (including software) and qualified employees (see "*We could have difficulties in hiring and retaining qualified executives and employees, in particular engineers and/or IT and software specialists.*") in new upcoming fields of our industry could prevent us from keeping pace with technical developments and market trends (see "*Our business could suffer if we are not able to develop new technologies and/or if we cannot keep pace with the technical developments of our competitors.*").

The realization of any of these risks could have a material adverse effect on our business, financial condition and results of operations, which could in turn adversely affect our ability to fulfill our obligations under the Notes and, as applicable, the Guarantee or cause the market price of the Notes to decline.

Products that do not meet customer specifications or that contain, or are perceived to contain, defects or errors or that are otherwise incompatible with their intended end use could impose significant costs on us, including from warranty and product liability claims. In addition, quality risks could also damage our reputation.

As a manufacturer, we are subject to product liability lawsuits and other proceedings alleging violations of due care, violations of warranty obligations, treatment errors and claims arising from breaches of contract, recall actions or fines imposed by government or regulatory authorities. Any such lawsuits, proceedings and other claims could result in increased costs for us. Defective products could result in loss of sales, loss of customers, and loss of market acceptance, in particular against the background that many of our products are important components which could have an impact on the overall safety, durability and performance of our customers' end product. In addition, where vehicle manufacturers are themselves exposed to product liability lawsuits, claims and/or vehicle recall claims due to products delivered by us, they may seek a contribution from us for any such liabilities and claims. Moreover, those manufacturers may attempt to modify or amend contractual terms and conditions concerning warranty and recall participation in the future. The risks arising from such warranty claims and product liability lawsuits, proceedings and other claims are insured up to levels we consider economically reasonable, but the insurance coverage could prove insufficient in individual cases. Additionally, any allegations of a defect in one of our products could also have a material

adverse effect on our reputation and market perception, which in turn could have a significant adverse effect on our business, financial condition and results of operations.

This particularly applies to high-volume and safety-related products. We have supplied various designs of airbag control units (*ACUs*) to certain OEMs that include a common application-specific integrated circuit (*ASIC*). Electrical overstress (*EOS*) in ACUs has been observed in certain crash events involving certain vehicles where there is no airbag deployment. The investigation into this issue is ongoing and we are cooperating fully with our customers and the U.S. National Highway Traffic Safety Administration (*NHTSA*). Approximately 5.8 million vehicles equipped with our ACUs have been recalled by certain OEMs since 2016 on a voluntary basis. By way of announcement dated April 23, 2019, the NHTSA estimated the total number of vehicles with a ZF ACU that uses the ASIC in question in the United States at approximately 12.3 million (also see "*Regulatory, Legal and Tax Risks – We are subject to legal disputes and proceedings, the outcome of which could lead to substantial payment obligations, fines and related damage claims*"). ZF is fully cooperating with the NHTSA and one of our customers in connection with an investigation into a field event with a fatality in the United States involving a 2002 vehicle with an airbag inflator product supplied by ZF and we estimate that approximately 2.8 million dual stage inflators of this propellant type were delivered to ZF customers. In 2016-2017, Toyota recalled about 660,000 single stage inflators that had product supplied by ZF (TRW Automotive Holdings Corp. (*TRW Holding*), and together with its subsidiaries, *TRW*)). In November 2020, Volvo recalled S60 and S80 sedan model years 2001 and 2003 located in specific hot/humid regions of the U.S., Europe and Australia that incorporated a dual stage inflator product that were supplied by ZF (TRW) to Autoliv, who supplied modules to Volvo. The investigation into the issue is ongoing and it is uncertain whether and to what extent it might affect ZF and the outcome cannot be predicted at this time.

Furthermore, as a general rule, we manufacture many products pursuant to OEM customer specifications and quality requirements. Where OEMs or end users allege that the products manufactured and delivered by us do not meet the requirements stipulated by our OEM customers at the agreed date of delivery, we generally discontinue production of the relevant products until the cause of the alleged non-compliance has been identified and/or remedied. However, our OEM customers may seek damages on the basis of breach of contract, even if the cause of the alleged non-compliance is remedied at a later point in time. Allegations of our failure to perform with respect to quality requirements could negatively affect the market acceptance of our other products and our market reputation in various market segments.

The realization of any of these risks could have a material adverse effect on our business, financial condition and results of operations, which could in turn adversely affect our ability to fulfill our obligations under the Notes and, as applicable, the Guarantee or cause the market price of the Notes to decline.

Shifts in market shares among vehicles or vehicle segments or shifts away from vehicles for which we supply significant parts could have a material adverse effect on our profitability.

While we supply parts for a wide variety of vehicles produced globally, we do not supply parts for all vehicles produced, nor is the number or value of parts we supply evenly distributed among the vehicles for which we do supply parts. Shifts in market shares among vehicles or vehicle segments, particularly shifts away from vehicles for which we supply significant parts and shifts away from vehicle segments in which our sales may be more heavily concentrated (such as vehicles with traditional combustion engine technology), could have a material adverse effect on our profitability. Similarly, outstanding authorizations according to the new Worldwide Harmonized Light Vehicle Test Procedure (WLTP) fuel efficiency test cycle may pose a potential risk to the volumes of our OEM customers, which could result in lower demand for our products and thereby have a material adverse effect on our profitability.

The realization of any of these risks could have a material adverse effect on our business, financial condition and results of operations, which could in turn adversely affect our ability to fulfill our obligations under the Notes and, as applicable, the Guarantee or cause the market price of the Notes to decline.

II. Risks relating to the ZF Group's Business Operations

We are subject to risks related to our international operations which could have an adverse impact on our business, financial condition and results of operations.

We and our customers have significant international operations. In the financial year ended December 31, 2020, our sales to customers in Europe (Germany, Western and Eastern Europe) accounted for 45% of our sales (46% in the financial year ended December 31, 2019). In the markets of North and South America we generated 29% of our sales in the financial year ended December 31, 2020 (32% in the financial year ended December 31, 2019). Africa and the Asia-Pacific accounted for 26% of total sales in the financial year ended December 31, 2020 (22% in the financial year ended December 31, 2019), with China being the most important single market.

Our international operations and those of our customers are exposed to a number of factors, over which we and our customers have little to no control. These factors include, but are not limited to, the following:

- foreign currency control regulations and other regulations or government interventions or the negative impacts related to exchange rates, foreign currencies and taxation;
- restrictions on capital transfer;
- absence of independent and experienced judiciary and inability to enforce contracts, as well as corruption;
- reimbursement rates and services covered by government reimbursement programs;
- trade restrictions and sanctions regimes; and
- restrictions on repatriation of earnings.

Any material deterioration in any of the factors named above could, directly or indirectly, have a material adverse effect on our business, financial condition and results of operations, which could in turn adversely affect our ability to fulfill our obligations under the Notes and, as applicable, the Guarantee or cause the market price of the Notes to decline.

We are subject to material location and country-specific risks.

We operate locations in 42 countries worldwide. In the financial year ended December 31, 2020, we already generated approximately 55% of our sales outside our traditional markets in Europe (Germany, Western and Eastern Europe), in particular in North and South America as well as in the Asia-Pacific region, with China as the core market and India as the growth market, and we expect this percentage to increase further. As an internationally operating group, we are subject to material location and country-specific risks, such as logistical risks, risks related to international deliveries, risks of order processing and fulfillment, local price and cost pressure, and risks arising from different legal and tax systems.

In several countries in which we operate we are exposed to political risks (e.g. the risk of political unrest, war and the risk of terrorist attacks). In addition, some countries may lack infrastructure which may give rise to logistical risks. Furthermore, there is a risk that we may lose some or all of our investments in buildings and production sites due to political unrest, war, terrorist attacks or natural disasters in a country in which we operate or in neighboring countries. Should such force majeure event occur, the production capacities of large sites could not be replaced on short notice. This could impair our ability to fulfil our obligations towards our customers, give rise to temporary suspensions of production at the customers and result in substantial claims for damages against our Group.

In addition, when we commence operations in a new country, we must comply with that country's legal system, which may differ significantly from the legal systems which we are currently accustomed to. Therefore, we may be unable to obtain the franchise licenses, other licenses and permits required for the operation of our sites in the new country or such franchise licenses, other licenses and permits may be revoked. As a result, there is a risk that the production sites in a new country will be unable to commence operations or to continue operations for a certain period or will have to be closed.

The realization of any of these risks could have a material adverse effect on our business, financial condition and results of operations, which could in turn adversely affect our ability to fulfill our obligations under the Notes and, as applicable, the Guarantee or cause the market price of the Notes to decline.

We may experience failures of or other malfunctions in our cyber & IT systems as well as data breaches.

The increasing reliance on cyber & IT systems (hardware and software that is internally or externally hosted and which partially is also build upon external cloud-based infrastructures and software services that provided by external partners) and the necessity of their permanent availability impose high demands on the information technology used. Our IT systems support almost all functions of our Group, including all business units and geographic locations. Our products and systems generate and store significant volumes of personal and sensitive business information, including personally identifiable information of customers, drivers, employees, partners and suppliers. The volume and complexity of electronically processed data moreover continues to increase as we increasingly sell driver assistance and autonomous driving solutions, which involve the transfer and analysis of data, such as sensor and vehicle data.

An extended outage in an internal or external data center or telecommunications network utilized by our systems, any malfunction, fault or security breach in our IT systems and data, including possible cyber-attacks, disruptions, misdirections of services, or unauthorized access by outsiders, for instance by hackers, computer viruses or social engineering, or any similar event could lead to an extended unanticipated interruption of our systems or networks or loss of data (see "*We are exposed to the risk of product-related crime and industrial espionage.*") or loss of cash, for example in case of unauthorized money transfers. Furthermore, it cannot be ruled out that doubts may arise regarding the security of the data and information collected and managed by us. In any such case, we may have to expend substantial amounts of money and resources on the prevention and fixing of potential or existing security breaches and their consequences.

We are subject to privacy, information and cyber security regulations with respect to, among other things, the use and disclosure of personal data, and the confidentiality, integrity and availability of such information. If we fail to adequately safeguard confidential personal or other sensitive data or such data is wrongfully used by us (or by third parties) or disclosed to unauthorized persons, this could result in claims for damages and other liabilities, significant fines and other penalties and the loss of customers and reputation. In particular, we are subject to the stringent requirements of the EU General Data Protection Regulation, which came into force in May 2018, and a violation could trigger fines of up to 4% of our global sales.

The realization of any risks related to our IT system and network disruptions as well as data security could have a material adverse effect on our business, financial condition and results of operations, which could in turn adversely affect our ability to fulfill our obligations under the Notes and, as applicable, the Guarantee or cause the market price of the Notes to decline.

We could have difficulties in hiring and retaining qualified executives and employees, in particular engineers and/or IT and software specialists.

Our success depends largely on our executives and employees in key functions. The loss of executives or key employees, in particular engineers and/or IT and software specialists, could have a material adverse effect on our market position and prospects. Considerable expertise could be lost or access thereto gained by competitors. Due to intense competition within the industry, there is a risk of losing qualified employees to competitors or being unable to find a sufficient number of appropriate new employees. There is no guarantee that we will be successful in retaining our executives and the employees in key positions or in attracting new employees with corresponding qualifications. Although we try to retain the commitment of our executives and key employees through different benefit schemes as well as performance-based remuneration systems, there is a risk that any such individuals would leave the ZF Group.

The realization of any of these risks could have a material adverse effect on our business, financial condition and results of operations, which could in turn adversely affect our ability to fulfill our obligations under the Notes and, as applicable, the Guarantee or cause the market price of the Notes to decline.

Work stoppages and/or other labor issues at our facilities or the facilities of our customers or those in our supply chain could have a material adverse effect on our business.

Our relationships with our employees and our unions could deteriorate in the future and we could experience additional strikes, unionization efforts or other types of conflicts with labor unions or our employees. In addition, many of our customers and our suppliers also have unionized workforces. Refusals to work or work downtime experienced by our customers or our suppliers could result in decreased or delayed demand for our products (in case of work stoppages affecting our customers) or could require us to slow or shut down our production (in case of supply delays or work stoppages in our production facilities). This could have a material adverse effect on our business, financial condition and results of operations, which could in turn adversely affect our ability to fulfill our obligations under the Notes and, as applicable, the Guarantee or cause the market price of the Notes to decline.

We may incur additional costs as a result of industry collective bargaining agreements or new sectoral collective agreements applicable to our German employees or any other country where collective bargaining agreements are in place.

If the conditions of employment of individuals entitled to the benefits of industry collective bargaining agreements fall below the standard of industry collective bargaining agreements in Germany, an employee, the union or relevant social insurance institutions may object to these conditions. If they are successful, we could incur higher employment costs. If employment contracts fall below the standard of applicable collective bargaining agreements, we could also incur higher social security contributions for the past and future with regard to our German employees. Similar risks exist in other countries where collective bargaining agreements are in place. Also, if the cost effects of new sectoral collective agreements are higher than assumed in the planning, our results of operations may be adversely affected.

The realization of any of these risks could have a material adverse effect on our business, financial condition and results of operations, which could in turn adversely affect our ability to fulfill our obligations under the Notes and, as applicable, the Guarantee or cause the market price of the Notes to decline.

We do not control certain of our joint ventures and minority investments.

We have, and will continue to have, a number of strategic partnerships and joint ventures, investments and alliances in which we hold a non-controlling interest. As of the date of this Prospectus, we hold minority interests, *inter alia*, in Brakes India Private Limited, Chennai (India) – which has to be divested within a certain period of time based on an order of the Indian Merger Control Authority (CCI) in connection with the takeover of Wabco Holdings Inc., which ZF agreed to sell the shares in Brakes India Private Limited to its joint venture partner, – and in CSG TRW Chassis Systems Co., Ltd., Chongqing (China). There can be no assurance that the arrangements will be successful and/or achieve their planned objectives. The performance of all such operations in which we do not have a controlling interest will depend on the financial and strategic support of the other shareholders. Such other shareholders may make ill-informed or inadequate management decisions, or may fail to supply or be unwilling to supply the required operational, strategic and financial resources, which could materially adversely affect these operations. If any of our strategic partners were to encounter financial difficulties, change their business strategies or no longer be willing to participate in these strategic partnerships, joint ventures and alliances, our business, financial condition and results of operations could be materially adversely affected. Moreover, in some of these businesses, we may not have the power to control the payment of dividends or other distributions. As a result even if the business is performing well, we may not receive payment of our share of any profits. Finally, there could be circumstances in which we may wish or be required to acquire the ownership interests of our partners, and there can be

no assurance that we will have access to the funds necessary to do so, on commercially reasonable terms or at all.

The realization of any of these risks could have a material adverse effect on our business, financial condition and results of operations, which could in turn adversely affect our ability to fulfill our obligations under the Notes and, as applicable, the Guarantee or cause the market price of the Notes to decline.

We rely on strategic partners and other third-party contractors, and our business could be harmed if they fail to perform as expected or relationships with them were to be terminated.

Many of our OEM customers reserve the right to approve the suppliers we use. Our ability to source input products from additional or alternate suppliers on short notice may be limited if the relevant OEM customer needs time to approve the additional or alternate supplier. If approved suppliers fail to perform as expected or the relationships with them were terminated, this could lead to order cancellations or even damages and could harm our long-term relationships with OEM customers, who may choose to select another supplier. The realization of any of these risks could have a material adverse effect on our business, financial condition and results of operations, which could in turn adversely affect our ability to fulfill our obligations under the Notes and, as applicable, the Guarantee or cause the market price of the Notes to decline.

We may be adversely affected by supply shortages and rising prices for raw material and energy.

In our production processes, we are heavily dependent on the availability and cost of numerous commodities and raw materials (in particular, steel and aluminum), which account for a significant portion of our cost base. The global scarcity of semiconductors as consequence of the Coronavirus pandemic affects our supply chain and also those of our customers. As OEMs have ramped up their production we might thus not be able to meet the demands for our products.

Commodities, raw materials and energy are subject to substantial price fluctuations. These price fluctuations may give rise to material earnings risks. Due to the strong competition on the markets relevant for our Group, it is often not possible to pass on these price fluctuations to our customers. We only hedge ourselves against these price risks to a limited extent and there is no assurance that we can hedge ourselves at all. Consequently, a continued rise in the cost of the commodities and raw materials we use could have a material adverse effect on our business, financial condition and results of operations, which could in turn adversely affect our ability to fulfill our obligations under the Notes and, as applicable, the Guarantee or cause the market price of the Notes to decline.

We are exposed to compliance risks.

We are exposed to a large variety of business and compliance risks. Since our domestic and foreign managers retain a certain amount of operational and decision-making flexibility we cannot guarantee that our domestic and foreign managers will not take actions, or, in particular cases, take fraudulent actions against us or third parties, or experience problems or conflicts of interests that could be detrimental to our business, financial condition and results of operations or damage our reputation. Individual employees of the ZF Group could violate applicable laws, for example in the areas of antitrust law as well as anticorruption laws. This could have a material adverse effect on our business, financial condition and results of operations, which could in turn adversely affect our ability to fulfill our obligations under the Notes and, as applicable, the Guarantee or cause the market price of the Notes to decline.

We are exposed to the risk of product-related crime and economic and/or industrial espionage.

As a manufacturer and supplier of high-quality products, we face certain crime risks. These include, among others, theft, misuse and counterfeiting of products (including attempts at these crimes). This is often accompanied by an infringement of trademark rights. The risk resulting from illegal trading of counterfeit products by criminal third parties relates to the fact that in most cases, the quality of counterfeit products is inferior to that of the original products. Products originating from illegal third-

party manufacturing not only endanger users and the environment, but also jeopardize our reputation and that of our products and therefore undermine our competitiveness. The sophistication and complexity of product-related crime has increased significantly in recent years. The material damage cannot easily be estimated, in particular because an exact number of cases of product related crimes is not available. The impact of product related crimes on business activities differs by case and is influenced by factors specific to regions and products.

Furthermore, there is a risk of loss of sensitive business information, other data or the tangible and intangible expertise due to an ineffective protection of confidential information, in particular as a result of any possible form of offence such as economic and/or industrial espionage (also see "*We may experience failures of or other malfunctions in our IT systems as well as data breaches.*"). Our key employees and officers have access to sensitive confidential information relating to our business such as insights about strategic developments, business case planning and core technology. We have implemented various measures to protect such confidential data. However, in the event that competitors, third parties or the general public gain access to such confidential information in spite of our protective measures, be it on purpose or by accident, our market position could be materially weakened.

The realization of any of these risks could have a material adverse effect on our business, financial condition and results of operations, which could in turn adversely affect our ability to fulfill our obligations under the Notes and, as applicable, the Guarantee or cause the market price of the Notes to decline.

Our business could suffer if the reputation of our brands is damaged.

Our business depends to a significant extent on our reputation and the reputation of the brands under which we market our products. Actual or alleged instances of inferior service or product quality or of damage caused or allegedly caused by our services or products, could damage our reputation in the markets in which we operate and could lead to customers becoming less willing to work with the relevant company of our Group. The realization of any of these risks could have a material adverse effect on our business, financial condition and results of operations, which could in turn adversely affect our ability to fulfill our obligations under the Notes and, as applicable, the Guarantee or cause the market price of the Notes to decline.

We face environmental risks associated with soil, water, or groundwater contamination or for risks related to hazardous materials.

The majority of the sites at which we operate have been used historically for industrial purposes for many years, so in certain cases this leads to risks of contamination and the resulting site restoration obligations. We could be held responsible for the remediation of areas adjacent to our sites if these areas were contaminated due to our activities or activities of the former operator. In particular, soil, water or groundwater contamination has been discovered at our sites in Union Springs, New York (United States), Sullivan, Missouri (United States) and South Daton Dump/Dayton, Ohio (United States) in the past as well as different public landfill remediation projects in the United States where ZF is part of the remediation superfunds.

The competent authorities could assert claims against us, as the owner or tenant of the affected plots for the examination or remediation of such soil or groundwater contamination, or order us to dispose of or treat contaminated soil excavated in the course of construction. We could also be required to indemnify the owners of plots leased by us or of other properties, if the authorities were to pursue claims against the relevant owner of the property and if we caused the contamination. On several of the sites where contaminations have been discovered, remediation activities have already taken place upon order by or agreement with the competent authorities. Costs typically incurred in connection with such claims are generally difficult to predict. Also, if any contamination were to become a subject of public discussion, there is a risk that our reputation or relations with our customers could be harmed.

Furthermore, at certain sites at which we operate, hazardous materials were used in the past, such as asbestos-containing building materials used for heat insulation. The health and safety of third parties (such as former employees) may have been affected due to the use of such hazardous materials and we

could therefore be exposed to related damage claims in the future. We face similar risks with respect to former sites which we sold in the past. Even if we have contractually excluded or limited our liability in connection with the sale of such properties, we could be held responsible for currently unknown contamination on properties which we previously owned or used.

In addition, manufacturers of friction lining materials are sometimes defendants in suits brought by individuals claiming personal injuries as a result of alleged exposure to asbestos or asbestos-containing products. Claims of this nature have been filed against certain of our subsidiaries in various jurisdictions (including the United States) as a result of sales of friction material containing asbestos made until the mid 1990s.

The realization of any of these risks could have a material adverse effect on our business, financial condition and results of operations, which could in turn adversely affect our ability to fulfill our obligations under the Notes and, as applicable, the Guarantee or cause the market price of the Notes to decline.

Natural disasters could disrupt our supply of products to our customers which could have a material adverse effect on our operations and profitability.

Our manufacturing facilities as well as manufacturing facilities in our supply chain are subject to risks associated with natural disasters, including fires, floods, hurricanes and earthquakes. The occurrence of any of these disasters could cause the total or partial destruction of a manufacturing facility, thus preventing us from supplying products to our customers and disrupting production at their facilities for an indeterminate period of time. The inability to promptly resume the supply of products following a natural disaster at a manufacturing facility could have a material adverse effect on our operations and profitability.

The realization of any of these risks could have a material adverse effect on our business, financial condition and results of operations, which could in turn adversely affect our ability to fulfill our obligations under the Notes and, as applicable, the Guarantee or cause the market price of the Notes to decline.

ZF Finance GmbH is a financing vehicle for the ZF Group and has no material assets or sources of sales except for claims against entities of the ZF Group resulting from intercompany loans and relies on funding from such entities to service and repay the Notes.

ZF Finance GmbH is a subsidiary wholly owned by ZF AG with limited assets which concentrates on financing activities for the ZF Group. ZF Finance GmbH will on-lend the proceeds from the sale of any Notes issued by it by way of intercompany loans to ZF or other entities of the Group. ZF Finance GmbH intends to service and repay the Notes out of the payments it receives under these intercompany loans. Other than the receivables under these intercompany loans and any other proceeds that may be made in connection with potential other financing transactions by ZF Finance GmbH, ZF Finance GmbH has no material assets or sources of sales. ZF Finance GmbH's ability to service and repay the Notes therefore depends on the ability of entities of the ZF Group to service in full any intercompany loans extended to them by ZF Finance GmbH. In the event that any entities of the ZF Group were to fail to make payments under intercompany loans extended to them by ZF Finance GmbH, ZF Finance GmbH may not be able to meet its obligations under the Notes when due. In meeting its payment obligations under the Notes, ZF Finance GmbH is therefore wholly dependent on the profitability and cash flow of ZF and its subsidiaries.

As ZF Friedrichshafen AG operates in part through its subsidiaries and participations, its ability to meet its payment obligations under the Notes and, as applicable, the Guarantee also depends – to a certain extent – on the receipt of funds from its subsidiaries and participations.

ZF Friedrichshafen AG acts as the main operating and holding company for the ZF Group and performs group-wide functions as a management company. In its holding function, ZF Friedrichshafen AG's ability to serve its payment obligations also depends on the receipt of funds from its subsidiaries and participations. Therefore, ZF Friedrichshafen AG's cash flow and its ability to meet its cash

requirements, including its obligations as Issuer of Notes and as Guarantor under the Guarantee, is – to a certain extent – subject to the profitability and cash flow of its subsidiaries and payments by such subsidiaries to it in the form of loans, dividends, fees, or otherwise, as well as upon ZF Friedrichshafen AG's own business and credit arrangements. The ability of ZF Friedrichshafen AG's subsidiaries to make payments to ZF Friedrichshafen AG may be restricted by, among other things, applicable corporate and other laws and regulations and by the terms of covenants and restrictions contained in financing agreements to which such subsidiaries are or will be a party. In addition to any limitations on payment to ZF Friedrichshafen AG contained in such agreements, any failure to comply with the covenants and restrictions contained in such agreements could trigger defaults under those agreements which could delay or preclude the distribution of dividend payments or any other similar payments to ZF Friedrichshafen AG.

III. Financial Risks relating to the ZF Group

The financial resources available to us may be insufficient to meet our capital needs.

Our cash flow from operating activities, current cash resources, existing sources of external financing and the proceeds from the issue and sale of the Notes could be insufficient to meet our future capital needs.

Our access to and costs of financing are influenced by investor perceptions and expectations and the general reputation of the industry in which we operate. Should public or investor perception of the automotive sector in general, or ZF in particular, deteriorate, this may impact our ability to obtain future financing or the cost of such financing. Furthermore, future disruptions in the financial markets, including the bankruptcy, insolvency or restructuring of a number of financial institutions, and further changes in the regulatory environment affecting financial institutions could adversely impact the availability and cost of additional financing for us and could adversely affect the availability of financing already arranged or committed. Our liquidity could also be adversely impacted if our suppliers tighten terms of payment as the result of any decline in our financial condition or if our customers were to extend their normal payment terms.

Moreover, due to the fact that the shares of ZF Friedrichshafen AG are not publicly listed but held by two foundations, the access to raise additional equity from outside the Group is limited.

The realization of any of these risks could have a material adverse effect on our business, financial condition and results of operations, which could in turn adversely affect our ability to fulfill our obligations under the Notes and, as applicable, the Guarantee or cause the market price of the Notes to decline.

We may be adversely affected by changes in our borrowing costs.

The costs at which we can obtain financing depend on general market conditions, particularly on the development of interest rates and our (perceived) creditworthiness and ratings. In the case of deteriorating general market conditions, only debt financing with comparatively higher interest rates may be available. In addition, a relevant part of our financing arrangements contains unhedged variable interest rates. There is no assurance that increased interest rates may be compensated by other means. In this case, a rise of interest rates would have an adverse effect on our business, financial condition and results of operations, which could in turn adversely affect our ability to fulfill our obligations under the Notes and, as applicable, the Guarantee or cause the market price of the Notes to decline.

A decrease in interest rates, on the other hand, would adversely impact our interest income on our interest-earning financial investments.

We may be adversely affected by changes in currency exchange rates.

Our earnings are exposed to currency exchange rate fluctuations, since our reporting currency is the Euro. However, a significant portion of our sales is denominated in U.S. dollar. Therefore, fluctuations in exchange rates between Euro and other non-euro currencies, primarily the U.S. dollar, will affect the

translation of our consolidated financial results into Euro and will also affect the value of any distributions that our business segment make to us. This could lead to the value of our production costs not matching the value of the consideration received in transactions, because income and expenditure arise in different currencies. Exchange rate fluctuations affect the levels of proceeds and receivables in particular. In addition, a significant amount of our consolidated debt from time to time outstanding was denominated in U.S. dollars. Our ability to use cash received in currencies other than the Euro or U.S. dollar to service that debt could be adversely affected by changes in exchange rates against the Euro or the U.S. dollar.

Furthermore, currency effects arise at subsidiaries whose functional currency is not the Euro, since on the one hand the earnings of these companies determined in a foreign currency are translated at average rates and recognized in profit or loss, and on the other hand the net assets are translated into Euro at spot rates and result in currency-related fluctuations in the equity of our Group.

In addition, the financing of the acquisition in 2015 of TRW and the resulting cash flows between the Eurozone and U.S. dollar area may lead to risks that cannot be hedged in their entirety.

There is no assurance that these fluctuations in currency exchange rates can be compensated by other means. Any uncompensated fluctuations may have a material adverse effect on our business, financial condition and results of operations, which could in turn adversely affect our ability to fulfill our obligations under the Notes and, as applicable, the Guarantee or cause the market price of the Notes to decline.

Our leverage and debt service obligations could have a material adverse effect on our business.

We have incurred substantial indebtedness. On top of our existing indebtedness, we are able to borrow additional funds subject to compliance with certain covenants and other conditions. Increasing our level of indebtedness could have important consequences for investors in the Notes. For example, it could:

- make it more difficult for us to satisfy our obligations with respect to our indebtedness;
- increase our vulnerability to adverse economic and industry conditions;
- require us to dedicate a substantial portion of cash flow from operating activities to payments on our existing indebtedness, which could reduce the availability of cash flow to fund capital expenditures, future acquisitions and other general corporate needs;
- limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate;
- place us at a competitive disadvantage compared to our competitors with less debt;
- put pressure on our credit ratings; and
- limit our ability to borrow additional funds.

The realization of any of these risks could have a material adverse effect on our business, financial condition and results of operations, which could in turn adversely affect our ability to fulfill our obligations under the Notes and, as applicable, the Guarantee or cause the market price of the Notes to decline.

We are exposed to a number of risks associated with our existing indebtedness.

Our existing financing agreements and instruments contain a number of restrictive and affirmative covenants that include, but are not limited to, restrictions on the incurrence of financial indebtedness in respect of ZF's subsidiaries, asset disposals, the granting of security (so-called 'negative pledge'), loans and guarantees, corporate restructurings and change of business. Some of our existing financing arrangements also contain a financial covenant which requires us to maintain a specified financial ratio regarding the maximum level of net indebtedness (leverage) as well as a minimum level of liquid funds (including certain available credit commitments). According to our current financial projections, the relevant financial covenants included in our financing agreements will be observed. Other financing agreements or instruments that we may enter into or issue in the future may include similar covenants and financial covenants.

In light of the cyclical nature of our business and the possible effects on our business activities and results of operations as well as the other market and business-related risks described herein, we may not be able to maintain our current sales and profitability at the levels required for meeting the leverage related financial ratio or retain sufficient liquid funds to meet the minimum liquidity covenant. Hence, we cannot assure that we will continue to comply with these financial covenants in the future. A breach of any other covenant, as well as the inability to comply with the required financial ratio, could result in a default under the respective agreement or facility unless we can obtain waivers for the breach of any covenant or financial obligations thereunder. We cannot assure that such waivers will be granted by the respective lenders. In the event of any default under a financing agreement or instrument, the respective lenders will not be required to lend any additional amounts to us and could elect to declare all outstanding borrowings, together with accrued interest, fees and other amounts due, to be immediately due and payable. In addition, indebtedness under other agreements or instruments that contain cross-default or cross-acceleration provisions also may be accelerated and become immediately due and payable. If any of our debt was to be accelerated, we cannot assure that our assets would be sufficient to repay such debt in full.

Furthermore, in addition to the compliance with specific covenants, our existing indebtedness (as well as the Notes) provides for covenants and undertakings that limit our operations as well as change of control provisions. If we fail to comply with any of these covenants or undertakings, a change of control occurs, or if a cross default or cross acceleration provision is triggered, and we are unable to obtain a waiver from the respective lenders, a default or mandatory redemption could result under the relevant financing instrument, which then could be declared to be immediately due and payable and/or would then become immediately due and payable.

The realization of any of these risks could have a material adverse effect on our business, financial condition and results of operations, which could in turn adversely affect our ability to fulfill our obligations under the Notes and, as applicable, the Guarantee or cause the market price of the Notes to decline.

Significant intangible assets on our consolidated statement of financial position could become impaired.

We carry significant intangible assets on our consolidated statement of financial position. As of December 31, 2020, the carrying amount of intangible assets on our consolidated statement of financial position was EUR 12,735 million (as of December 31, 2019: EUR 6,841 million), representing 35% of our total assets (as of December 31, 2019: 21%). This carrying amount includes EUR 7,558 million as of December 31, 2020 (as of December 31, 2019: EUR 4,139 million) in goodwill resulting from the consolidation of investments in subsidiaries which is carried out according to the purchase method. This goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. In the financial year ended December 31, 2020, we recorded a goodwill impairment in the amount of EUR 31 million. However, there is no guarantee that additional impairments will not occur, particularly in the event of a substantial deterioration of our future prospects or general economic conditions. A significant impairment of intangible assets could have a material adverse effect on our business, financial condition and results of operations, which could in turn adversely affect our ability to fulfill our obligations under the Notes and, as applicable, the Guarantee or cause the market price of the Notes to decline. Specific impairment risks exist with regard to the WABCO acquisition and are described in sub-section V. below, see *"If unexpected difficulties were to arise in the course of the integration of the WABCO Group, or if the ZF Group's business (including the WABCO Group) failed to perform and/or develop as anticipated, we could be forced to recognize impairment losses on the tangible or intangible assets and/or goodwill of the ZF Group in the future."*

Changes in accounting standards could have a material adverse effect on our financial condition and results of operations.

Our consolidated financial statements are prepared in accordance with IFRS and the additional requirements of German commercial law pursuant to § 315e(1) of the German Commercial Code (*Handelsgesetzbuch*). In the financial year ended December 31, 2019, we applied IFRS 16 (Leases) for the first time which requires lessees to recognize lease arrangements on-balance. In the measurement of

the right-of-use asset and the lease liability, we are required to make accounting estimates about the lease term and whether options will be exercised in the future. Changes in such accounting estimates may have an adverse effect on the amount of right-of-use assets capitalized and lease liabilities assumed, and, therefore, may have an adverse impact on our equity ratio and indebtedness.

New or changed accounting standards may lead to adjustments in the relevant accounting positions of our Group which could have a material adverse effect on our financial condition and results of operations, which could in turn adversely affect our ability to fulfill our obligations under the Notes and, as applicable, the Guarantee or cause the market price of the Notes to decline.

Our pension and other post-retirement benefits obligations are significant and the related expense and funding requirements of our pension plans (including obligations from medical care benefits) could materially increase.

We maintain defined benefit pension plans in Germany, the United States, the United Kingdom and certain other countries which, however, have been mainly closed for both new entrants as well as for new contributions (with the exception of Germany). As of December 31, 2020, the present value of our defined benefit plans (including obligations from medical care benefits) amounted to EUR 11,075 million (as of December 31, 2019: EUR 9,263 million) and our net liability for defined benefit obligations shown in our consolidated statement of financial position as provisions for pensions (net liability) amounted to EUR 6,735 million (as of December 31, 2019: EUR 5,348 million). The net liability for defined benefit obligations includes our obligations from medical care benefits of EUR 172 million as of December 31, 2020 (as of December 31, 2019: EUR 208 million).

The plan assets and special funds are invested in different asset classes including stocks, fixed-income securities and asset backed securities. The values attributable to the externally invested pension plan assets are subject to fluctuations in the capital markets that are beyond our influence. Unfavorable developments in the capital markets could result in a substantial coverage shortfall for these pension obligations, resulting in an increase in our net liability for defined benefit plans. Any such increase in our net liability for defined benefit plans could adversely affect our financial condition due to an increased additional outflow of funds to finance the pension obligations.

Also, we are primarily exposed to risks associated with longevity and interest rate changes in connection with our pension commitments as an interest rate decrease could have an adverse effect on our net liability under these pension schemes.

The realization of any of these risks could have a material adverse effect on our business, financial condition and results of operations, which could in turn adversely affect our ability to fulfill our obligations under the Notes and, as applicable, the Guarantee or cause the market price of the Notes to decline.

IV. Regulatory, Legal and Tax Risks relating to the ZF Group

We are subject to legal disputes and proceedings, the outcome of which could lead to substantial payment obligations, fines and related damage claims.

Companies of the ZF Group are regularly parties to legal disputes and arbitration proceedings. We are also subject to regulatory investigations and enforcement proceedings by various governmental authorities, including national and supranational antitrust authorities.

In 2014, the Brazilian *Conselho Administrativo de Defesa Economica* (CADE) conducted an on-site inspection to investigate the alleged involvement of one of our Brazilian subsidiaries in anticompetitive pricing arrangements relating to car components. Antitrust procedures are also pending in Brazil against a subsidiary of ZF which relate to the alleged involvement of such subsidiary in anticompetitive agreements relating to other car components.

If in any of these or other proceedings we are found to have breached antitrust regulations, we may be fined by the relevant authorities and we may become subject to follow-on claims for damages by third

parties, including customers, based on such breaches. Specifically, ZF is currently exposed to damage claims by customers, following two decisions of the EU Commission in 2018 and 2019 regarding cartels in which TRW (acquired by ZF in 2015) was involved. The amount of any such fines and follow-on claims for damages cannot currently be determined with any certainty, but could be, individually or in the aggregate, substantial and may exceed provisions recorded by us in view of such proceedings. In addition, there is no assurance that current or future internal investigations that we conduct will not reveal further potential or actual non-compliance with competition laws. In addition, alleged or actual anti-competitive behavior might seriously disrupt business relationships with business partners.

On June 10, 2020 the Stuttgart public prosecutor's office imposed a fine against ZF in the amount of EUR 42.5 million. ZF waived all legal remedies. While we are of the view that our current product portfolio is in line with the existing legal requirements that are applicable to us, due to the complexity of the issues involved, it cannot be excluded that other authorities or courts could conclude in individual cases in current or future proceedings and investigations that ZF has breached regulations. In such case, we could be liable to third parties including customers and may be fined by the relevant authorities and/or courts. The amount of any such liabilities and fines cannot currently be predicted with any certainty, but could be substantial as well.

Furthermore, following the NHTSA announcement on April 23, 2019 regarding damaged ACUs (see *"Risks relating to the ZF Group's Business and Industry – Products that do not meet customer specifications or that contain, or are perceived to contain, defects or errors or that are otherwise incompatible with their intended end use could impose significant costs on us, including from warranty and product liability claims. In addition, quality risks could also damage our reputation."*) and the corresponding investigation of the NHTSA in the United States regarding certain vehicles that are equipped with ZF airbag control units and which have been subject to recalls by Toyota, Fiat Chrysler Automobiles, Hyundai-Kia Motors Corporation and Volvo, 27 class actions have been filed against us in the United States and three class actions have been filed in Canada, seeking, *inter alia*, compensatory damages, punitive damages, statutory penalties and attorneys' fees. The class actions have been consolidated in the United States into a consolidated proceeding under federal multi-district litigation (MDL) procedural laws.

The realization of any of these risks could have a material adverse effect on our business, financial condition and results of operations, which could in turn adversely affect our ability to fulfil our obligations under the Notes and, as applicable, the Guarantee or cause the market price of the Notes to decline.

We may be unable to protect our intellectual property rights effectively.

Our products and services are highly dependent upon our technological know-how and the scope and limitations of our proprietary rights therein. We have obtained or applied for a large number of intellectual property rights, such as patents, that are of considerable importance to our business.

The process of seeking patent protection can be lengthy and expensive. Furthermore, patents may not be granted on currently pending or future applications or may not be of sufficient scope or strength to provide us with meaningful protection or commercial advantage. In addition, while there is a presumption that patents are valid, the granting of a patent does not necessarily imply that it is effective or that possible patent claims can be enforced to the degree necessary or desired. Furthermore, a major part of our know-how and industrial secrets is not patented or cannot be protected through intellectual property rights. Consequently, there is a risk that certain parts of our know-how and trade secrets are transferred to collaboration partners, customers or suppliers. Granted patents for important products may also expire before these products are replaced by new products. This poses a risk that competitors will copy our know-how without incurring any expenses of their own or compensate us for that.

Moreover, we have concluded a number of license, cross-license, and cooperation and development agreements with our customers, competitors and other third parties under which our Group is granted rights in industrial property and/or know-how of such third parties. It is possible that license agreements could be terminated, for example, in the event of the licensing partner's insolvency or

bankruptcy and/or in the event of a change-of-control in either party, leaving our Group with reduced access to intellectual property rights to commercialize its own technologies.

The realization of any of these risks could have a material adverse effect on our business, financial condition and results of operations, which could in turn adversely affect our ability to fulfill our obligations under the Notes and, as applicable, the Guarantee or cause the market price of the Notes to decline.

There is a risk that we may infringe intellectual property rights of third parties.

There is a risk that we may infringe intellectual property rights of third parties, since our competitors, suppliers and customers also submit a large number of inventions for industrial property protection. It is not always possible to determine with certainty whether processes, methods or applications we use are subject to intellectual property rights of third parties. Therefore, third parties could assert infringements of intellectual property rights (including illegitimate ones) against the ZF Group. As a result, we could be required to cease manufacturing, using or marketing the relevant technologies or products in certain countries or be forced to make changes to manufacturing processes and/or products. In addition, we could be liable to pay compensation for infringements or could be forced to purchase licenses to make use of technology from third parties. The realization of any of these risks could have a material adverse effect on our business, financial condition and results of operations, which could in turn adversely affect our ability to fulfill our obligations under the Notes and, as applicable, the Guarantee or cause the market price of the Notes to decline.

We may not have validly acquired employee inventions or could fail to validly acquire them in the future.

In certain jurisdictions, potential risks arise in case we have missed or will miss an opportunity to properly claim inventions of our employees. Former or present employees who made or make employee inventions may continue to be the owners of the rights to inventions if not claimed by the relevant company of the ZF Group in a timely manner. If this circumstance should occur, and we nevertheless register an employee invention as a patent or utility model, the employee who made the invention may possess a claim for transfer of ownership in the patent/ utility model and may be able to assert claims for damages for the unauthorized use of his or her invention against the relevant company of the ZF Group. In addition, a claim could be asserted against us to enjoin our use of the invention, or we could be forced to enter into a license agreement providing for the payment of royalties or to acquire the invention in order to use the invention. Additionally, in certain jurisdictions, a risk may exist from potential claims for payment or under-payment for employee invention compensation. Risks from potentially unacquired employee inventions or potential employee invention compensation claims could have a material adverse effect on our business, financial condition and results of operations, which could in turn adversely affect our ability to fulfill our obligations under the Notes and, as applicable, the Guarantee or cause the market price of the Notes to decline.

Developments or assertions by or against the ZF Group relating to intellectual property rights could materially impact its business.

The ZF Group owns significant intellectual property, including a number of patents, trademarks, copyrights and trade secrets and is involved in numerous licensing arrangements. The ZF Group's intellectual property plays an important role in maintaining its competitive position in a number of the markets served. The ZF Group may potentially utilize intellectual property in its products that requires a license from a third-party. While the Company believes that such licenses generally can be obtained, there is no assurance that the necessary licenses can be obtained on commercially acceptable terms or at all. Failure to obtain the right to use third-party intellectual property could potentially result in litigation. If a third party asserts or claims that we infringe or misappropriate its intellectual property rights, we could potentially face a number of risks that could potentially harm our results of operations, financial condition and competitive position, including: (1) potential patent infringement and other intellectual property claims, which would be costly and time consuming to defend, whether or not the claims have merit, and which could potentially delay a product and divert management's attention from our business; (2) potential damages for past infringement, which we may have to pay if a court

determines that our product or services infringe or misappropriates another's intellectual property rights; (3) a court could potentially prohibit or enjoin us from offering our products in the marketplace as a result of an unfavorable ruling or judgement; or (4) if a license is available from a third party, we may have to potentially pay royalties or lump-sum payments or grant cross licenses to our patents or other proprietary rights to obtain that license. Accordingly, developments or assertions by or against the ZF Group relating to intellectual property rights could potentially materially impact the ZF Group's business.

We are subject to export controls or sanctions regulations that could subject us to liability or impair our ability to compete in international markets.

We are subject to export control laws and sanctions regulations that may limit where and to whom we may sell certain of our products and with whom we conduct business. We are subject to routine foreign trade audits by competent authorities, e.g. in Germany. Moreover, export licenses are required from government agencies for some of our products in accordance with various statutory and regulatory authorities and in some cases we are not allowed to conduct any business. Failure to obtain these necessary licenses or to comply with applicable export controls, or the termination or significant limitation on our ability to export certain of our products, could result in a material adverse effect on our business, financial condition and/or results of operations and individual penalties/sanctions for each involved employee.

Governmental regulations, international trade barriers and/or taxes could increase our costs and could adversely affect our business and results of operations.

We must observe a large number of different regulatory systems across the world that change frequently and are continuously evolving and becoming more stringent, in particular with respect to environmental regulations, chemicals and hazardous materials, as well as workers' health regulations. This applies also to air, water and soil pollution regulations and to waste legislation, all of which have recently become more stringent through new laws, in particular in the European Union and the United States. For instance, ISO 14001 is the Group standard for all our production and main development locations, and 246 of our plants are certified according to the British Standard for Occupational Health and Safety Assessment Series 18001 (*OHSAS*). The number of *OHSAS* certified plants is steadily increasing. Recently, the European legislators have become focused on the regulation of the supply and value chain. For example, the German Government has formally adopted the draft Act for a German Supply Chain Duty of Care Act (*Lieferkettengesetz*), which will require German companies at first with more than 3,000 employees to conduct adequate due diligence in relation to human rights and certain environmental risks. If this draft will be passed by the German parliament, it shall be applicable as of January 1, 2023 and in the event of non-compliance with (inter alia) the imposed due diligence obligations, companies shall face administrative fines. In addition, for our sites and operations, we require various permits and we have to comply with the requirements specified therein. In the past, adjusting to new requirements has required significant investments and we assume that further significant investments in this regard will be required in the future. Furthermore, any additional regulation restricting or limiting car traffic with an aim at reducing carbon emissions could lead to a material decrease in car sales and consequently adversely affect demand for our products and services.

Furthermore, an introduction of regional or international trade barriers, including tariffs such as those recently imposed by the United States on selected imports from a number of trading partners and a broad range of imports from China and retaliation by those trading partners and China, withdrawal from or renegotiation of bi- and multilateral trade agreements by the United States, or any countermeasures by regional or global trading partners, including the European Union, could have a negative impact on the global economic environment and thereby result in lower demand for the Group's products (also see "*Risks relating to the ZF Group's Business and Industry – Adverse developments in the global economic environment could have an adverse impact on our business, financial condition and results of operations.*"). In particular, an increase in such protectionist tendencies globally may impose a risk of additional or higher tariffs on automobiles and on the products, components and raw materials the Group supplies or purchases. Any such development may cause demand for the Group's products to drop and costs to increase, and could have a negative impact

on the Group's business, sales and earnings situation, the Group's supply chain, if suppliers are also negatively affected, or may lead to payment difficulties on the customers' side.

In addition, any change in legislation concerning corporate income tax and other future changes in tax law in Germany or other countries in which we are subject to taxation could lead to higher tax expenses and also have the potential to significantly influence the development of the markets in which we operate generally. In addition, increasing taxes reducing the income available for consumption may also weaken the global demand in the automotive markets. Tax increases are a likely reaction of the national governments (especially of the EU member states) to the increase of national debt resulting from the various bailout programs set out for banks or, e.g., the stabilization package for EU member states.

The realization of any of these risks could have a material adverse effect on our business, financial condition and results of operations, which could in turn adversely affect our ability to fulfill our obligations under the Notes and, as applicable, the Guarantee or cause the market price of the Notes to decline.

We could be subject to tax risks attributable to previous tax assessment periods.

We could accrue unanticipated tax expenses in relation to previous tax assessment periods which have not yet been subject to a tax audit or are currently subject to a tax audit in the various countries in which we operate.

Many of our German and foreign companies, including ZF Friedrichshafen AG, are subject to a routine tax audit by German or foreign tax authorities. In ongoing or future tax audits, the tax laws or relevant facts, especially in relation to acquisitions or group restructuring activities, could be interpreted by the tax authorities in a manner deviating from the relevant company's view. As a result, the tax authorities could revise original tax assessments and substantially increase the tax burden (including interest and penalty payments) of the relevant company.

So far, our companies have not been made aware by any tax auditor of any significant findings which would not be covered by the tax provisions and liabilities the respective company has accounted for. Nevertheless, it cannot be ruled out that ongoing and/or future tax audits may lead to an additional tax expense and/or payment, which may have a material adverse effect on our business, financial condition and results of operations, which could in turn adversely affect our ability to fulfill our obligations under the Notes and, as applicable, the Guarantee or cause the market price of the Notes to decline.

We could be subject to tax risks relating to the recent acquisition of the WABCO Group

The recent acquisition of WABCO by ZF could raise additional tax risks and affect our overall effective tax rate.

A number of WABCO entities are subject to routine tax audits. Specifically, WABCO India is subject to a VAT tax audit relating to the years between 2009/2010 and 2015/2016. Moreover, the Indian tax authorities had filed a Special Leave Petition in the Supreme Court of India against the order of the Madras High Court in a case against one of the group entities. The Supreme Court had a hearing and admitted the case. In addition, Wabco Europe BVBA, Belgium is subject to a tax audit relating to interest payments for the years 2015-2019. The companies have not been made aware by any tax auditor and/ or court of Law of any significant findings, which would not be covered by the tax provisions and liabilities the respective company has accounted for. Nevertheless, as outlined above, it cannot be ruled out that those or future proceedings will lead to additional tax expenses and/or payments.

Finally, as a result of the takeover of WABCO by ZF, the Group's global intangible low-taxed income (*GILTI*) position in the United States might be negatively impacted. Delays in remediating those effects can lead to additional tax expenses and/or payments. On December 22, 2017, the U.S. government enacted the so-called Tax Cuts and Jobs Act, which includes a *GILTI* provision. The tax policy plans of the recently established new administration in the United States in January 2021 could

lead to further negative impacts. The GILTI provision requires the company to include in its U.S. income tax return foreign subsidiary earnings in excess of an allowable return on foreign subsidiary's tangible assets. This inclusion had to be increased for the combined company compared to the stand alone WABCO Group upon closing of the WABCO acquisition by ZF.

V. Risks relating to acquisitions, divestments and/or other strategic partnerships of the ZF Group

We are exposed to risks relating to acquisitions, divestments and/or strategic partnerships, in particular in connection with the recent acquisition and integration of WABCO.

On May 29, 2020, ZF AG closed the Merger with WABCO. The completion of the WABCO acquisition was subject to regulatory approvals and certain conditions to be fulfilled post closing. In this context the Indian merger control authority (CCI) imposed remedies on ZF. The remedies include the divestment of a part of ZF's local business (Brakes India Private Limited, Chennai, a joint venture between ZF and TVS group Friedrichshafen) within a certain period of time, which ZF agreed to sell the shares in Brakes India Private Limited to its joint venture partner, and may include financial risk. Further, due to the regulations in India, ZF had to issue a mandatory takeover offer for the remaining 25% outstanding shares in WABCO India Ltd. and, as a result thereof, ZF acquired further shares in WABCO India Ltd. in September 2020 of which 70% were sold again in March 2021. Due to regulatory requirements, ZF has to divest further 30% of the additional shares in WABCO India Ltd. which were acquired as a result of the takeover offer in September 2020. This could result in financial gains or losses. Furthermore, the U.S. Department of Justice demanded to sell WABCO's shares in R.H. Sheppard Co. Inc. which was completed on June 3, 2020, in which market standard representations and warranties have been agreed upon in the sales documentation. The Chinese merger control authority (SAMR) imposed behavioural remedies which might negatively affect the future automated manual transmissions controller business in China.

The implementation of the WABCO acquisition involves risks. For instance, the price paid as consideration for WABCO Group's shares may be considered too high by ZF's investors, the WABCO acquisition may prove to be less successful than anticipated, WABCO's financial or operational performance – in addition to the current impact of the Coronavirus pandemic – may not develop as expected, or sales, earnings and cash flow goals pursued by way of the WABCO acquisition may not be met. In addition, the WABCO acquisition, as well as other potential acquisitions in the future, is subject to a number of risks, including unexpected losses of key employees; extraordinary or unexpected legal, regulatory, contractual and other costs; difficulties in integrating the financial, technological and management standards, processes, procedures and controls of WABCO and its subsidiaries with those of our existing operations; challenges in managing the increased scope, geographic diversity and complexity of our operations; mitigating contingent and/or assumed liabilities; the possible loss of customers and/or suppliers; and control issues in relation to joint ventures and other arrangements where we do not exercise sole control. Hence, we may not be able to integrate WABCO Group into the ZF Group as planned or only at a higher cost than originally planned, and/or any intended synergy effects may not be realized to the extent planned or at all.

In addition, the WABCO acquisition may expose us to the following risks:

- *Commitment of management capacity:* The integration of WABCO Group into the ZF Group requires a large amount of the time and attention of both companies' management. If integration issues significantly divert management's attention from other responsibilities, our and WABCO Group's business could be adversely affected.
- *Increased Indebtedness:* As a result of the WABCO acquisition, our indebtedness increased considerably as a result of the financing obtained in connection with the WABCO acquisition (also see "*Risks relating to ZF Group and its business – Financial Risks – We are exposed to a number of risks associated with our existing indebtedness.*").
- *Possible loss of key employees:* We (the ZF Group including the WABCO Group) depend on our respective key employees for the successful integration and implementation of a common strategy. The loss of key employees due to their combination or other reasons, could render a rapid integration and leveraging of the respective strengths of each company more difficult.

- *Risks relating to the separation of WABCO from American Standard:* WABCO was spun off from American Standard Companies Inc. (**American Standard**) on July 31, 2007. Subsequent to the spin-off, American Standard changed its name to Trane Inc. (**Trane**). On June 5, 2008, Trane was acquired in a merger with Ingersoll-Rand Company Limited (**Ingersoll Rand**) and exists today as a wholly owned subsidiary of Ingersoll Rand. WABCO Group is responsible for certain of Trane's contingent and other corporate liabilities. Under the indemnification and cooperation agreement, the separation and distribution agreement and the tax sharing agreement, WABCO Group's wholly owned subsidiary WABCO Europe BVBA has assumed and is responsible for certain contingent liabilities related to Trane's business (including certain associated costs and expenses, whether arising prior to, at or after the distribution) and will indemnify Trane for these liabilities. Among the contingent liabilities against which WABCO Group will indemnify Trane and the other indemnities are liabilities associated with certain non-U.S. tax liabilities and certain U.S. and non-U.S. environmental liabilities associated with certain Trane entities.

We continue to examine possibilities to expand our business through acquisitions. We may thus grow further through additional acquisitions. No guarantee can be given that additional suitable acquisition targets can be found or that further acquisitions that are identified as strategically important can be realized. The consummation of such further acquisitions may involve risks similar to those described above with regard to the WABCO acquisition. Divestments, on the other side, bear risks arising from the sale contract with the purchaser and that the achieved sale price is too low in the view of the market.

Past and future investments made in joint ventures and acquisitions may weaken our financial profile, especially in the short term, which may result, among others, in rating downgrades. We may not realize the anticipated cost savings, synergies, future earnings or other benefits that we intend to achieve from acquisitions or joint ventures, or the acquired entities or established joint ventures may not develop as expected. We cannot guarantee that any acquisition or joint venture will yield benefits that are sufficient to justify the expenses we have incurred or will incur in completing such acquisition or joint venture. Furthermore, any acquisition or joint venture may not be as successful as the acquisitions or joint ventures that we have completed in the past. We could also take on additional risks as a result of acquisitions or joint ventures, including the risk of potential guarantee or liability claims resulting from the disposal of former business units or joint ventures.

The ZF Group reviews the goodwill associated with its acquisitions for impairment at least once a year. Changes in the Group's expectations due to changes in market developments which the Group cannot foresee have in the past resulted in the Group impairing goodwill of acquired companies, and future changes may require additional impairments in future periods, which could have a material adverse effect on its financial results.

The realization of any of these risks could have a material adverse effect on our business, financial condition and results of operations, which could in turn adversely affect our ability to fulfill our obligations under the Notes and, as applicable, the Guarantee or cause the market price of the Notes to decline.

If unexpected difficulties were to arise in the course of the integration of the WABCO Group, or if the ZF Group's business (including the WABCO Group) failed to perform and/or develop as anticipated, we could be forced to recognize impairment losses on the tangible or intangible assets and/or goodwill of the ZF Group in the future.

Following the completion of the WABCO acquisition on May 29, 2020 and the associated first time consolidation as of June 1, 2020, we have to recognize a substantial portion of the difference between the amount paid for the WABCO acquisition and the book value of WABCO Group's equity as tangible and intangible assets and/or goodwill of the WABCO Group. IFRS, in particular the International Accounting Standard 36 (Impairment of Assets) (**IAS 36**), require us to test goodwill and intangible assets with indefinite lives at least annually, or more frequently if there is an indication of impairment, by using a single-step quantitative test performed at the level of a cash-generating unit (**CGU**) or group of CGUs which compares the carrying amount of a CGU or group of CGUs with its recoverable amount. The excess (if any) of the carrying amount over the recoverable amount has to be recorded as

an impairment loss. Tangible and intangible assets with definite lives are not tested annually, we are required to assess at each reporting date whether there are any indicators of impairment. The impairment test itself only has to be carried out if there are such indicators and is also performed on a CGU or group of CGU level and an excess (if any) of the carrying amount over the recoverable amount has to be recorded as an impairment loss. As a result, we may be forced to recognize an impairment loss on the tangible and intangible assets and/or goodwill also related to the acquisition of the WABCO Group in accordance with IFRS, in particular IAS 36, if unexpected difficulties were to arise in the course of the integration of the WABCO Group into the ZF Group, if the ZF Group's business (including the WABCO Group) were to fail to develop as expected or if any other unexpected development were to occur affecting the performance or sustainability of ZF Group's business. This risk is substantially increased as a result of the current market downturns and the impacts of the Coronavirus pandemic, both of which may have a material adverse effect on the business, financial condition and results of operations of the ZF Group (including the WABCO Group).

Any such impairment losses could have a material adverse effect on our business, financial condition and results of operations, which could in turn adversely affect our ability to fulfill our obligations under the Notes and, as applicable, the Guarantee or cause the market price of the Notes to decline.

Risks Relating to the Notes

Any investment in the Notes involves certain risks associated with the characteristics, specification and type of Notes which could lead to substantial losses that Holders may have to bear in the event of selling their Notes or with regard to receiving interest payments and repayment of principal. Risks regarding the Notes comprise, inter alia, the following risks:

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:

- *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 to this Prospectus;*
- *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 investment in the Notes will have on its overall investment portfolio;*
- *have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal and interest payments is different from the potential investor's functional currency;*
- *understand thoroughly the terms of the Notes and be familiar with the financial markets; and*
- *be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks; and*
- *recognize that it may not be possible to dispose of the Notes for a substantial period of time or at all.*

The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers prior to investing in the Notes to determine whether and to what extent (i) the Notes are permitted investments for it, (ii) where relevant, the Notes can be used as collateral for various types of borrowing, and (iii) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules. Each investor should also consider the tax consequences of investing in the Notes and consult its own tax advisers with respect to the acquisition, sale and redemption of the Notes in light of its personal situation.

I. Risks relating to the structural subordination of the Notes and the relevant Issuer's or, as applicable, the Guarantor's solvency

The Notes in general are structurally subordinated to other creditors of the relevant Issuer's or, as applicable, the Guarantor's subsidiaries.

Generally, claims of creditors of a subsidiary, including trade creditors, secured creditors, and creditors holding indebtedness and guarantees issued by the subsidiary, will have priority with respect to the assets and earnings of the subsidiary over the claims of creditors of its parent company. However, in case of Notes issued by ZF Finance GmbH under the Programme, Holders will have direct claims against the Guarantor under the guarantee issued by the Guarantor guaranteeing the Notes issued by ZF Finance GmbH under the Programme on an unsecured basis.

Accordingly, the Notes will be structurally subordinated to all creditors, including trade creditors, of ZF Friedrichshafen AG's subsidiaries (other than ZF Finance GmbH in case of Notes issued by such issuer). Any right of ZF Friedrichshafen AG to receive assets of any subsidiary upon the insolvency or liquidation of the subsidiary (and the consequent rights of the Holders to participate in those assets) will be structurally subordinated to the claims of these subsidiary's creditors, except to the extent ZF Friedrichshafen AG's claims do not result from (i) its shareholdings, (ii) shareholder loans (or their economic equivalent) subordinated by law, or (iii) contractually subordinated claims, in which case its claims would still be subordinated with respect to any assets of the subsidiary pledged to secure other indebtedness, and any indebtedness of the subsidiary senior to that held by ZF Friedrichshafen AG. In addition, holders of secured indebtedness of ZF Friedrichshafen AG would have a claim on the assets securing such indebtedness that is prior to the Holders and would have a claim that is *pari passu* with the Holders to the extent the security did not satisfy such indebtedness.

The Notes would be subordinated to any secured debt of the relevant Issuer and, as applicable, the Guarantor to the extent of the value of the assets securing such debt.

The market value of the Notes could decrease if the creditworthiness of the relevant Issuer or, as applicable, the Guarantor worsens or is perceived to worsen.

If, for example, because of the materialization of any of the risks regarding the ZF Group, the relevant Issuer or, as applicable, the Guarantor is less likely to be in a position to fully perform all of its obligations under the Notes or the Guarantee, respectively, when due, the market value of the Notes may suffer. Even if the relevant Issuer or, as applicable, the Guarantor is not actually less likely to be in a position to fully perform all such obligations when due, market participants (including rating agencies) could nevertheless have a different perception. In addition, the market participants' estimation of the creditworthiness of corporate debtors in general or debtors operating in the same business areas as the ZF Group could adversely change.

If any of these risks occurs, the market value of the Notes could decrease, potentially by a significant amount.

The Notes and the Guarantee could become effectively subordinated to the Group's debt to the extent such debt is secured by assets that are not also securing the Notes.

Although the Terms and Conditions and the Guarantee restrict the relevant Issuer's and, as applicable, the Guarantor's and, to the extent legally possible, ZF Friedrichshafen AG's material subsidiaries' ability to provide asset security for the benefit of other capital market indebtedness without securing the Notes equally, the requirement to provide equal security to the Notes is subject to a number of exceptions and carve-outs. To the extent the relevant Issuer or, as applicable, the Guarantor provides asset security for the benefit of other debt without also securing the Notes, the Notes and, as applicable, the Guarantee will be effectively subordinated to such debt to the extent of such assets.

As a result of the foregoing, holders of (present or future) secured debt of the Group may recover disproportionately more on their claims than the Holders in an insolvency, bankruptcy or similar

proceeding. The relevant Issuer and the Guarantor may not have sufficient assets remaining to make payments on the Notes or, as applicable, the Guarantee.

The proceeds from the enforcement of the Guarantee may not be sufficient to satisfy the obligations under the Notes.

The Notes issued by ZF Finance GmbH will be guaranteed by the Guarantor as specified in the Terms and Conditions. No appraisal of the value of the assets of the Guarantor has been made in connection with the issue of the Notes. In addition, the Terms and Conditions permit the incurrence of financial indebtedness in the future that is secured by the Guarantor's assets. The amount to be received upon an enforcement of the Guarantee would depend on numerous factors affecting the financial situation of the Guarantor at the time of its enforcement. In the event of a foreclosure, liquidation, bankruptcy or similar proceeding of the Guarantor, the payments under the Guarantee may not be sufficient to repay the obligations under the Notes.

Credit ratings may not reflect all risks and are subject to change, suspension, or withdrawal at any time.

S&P Global Ratings Europe Limited (**S&P**) and Moody's Deutschland GmbH (**Moody's**) have assigned a credit rating to ZF AG and are expected to assign credit ratings to the Notes which will be issued under the Programme. The market value of the relevant Notes is likely to be dependent upon the level of such credit ratings assigned. In April 2020, S&P lowered its long-term ratings to ZF AG to "BB+" and assigned a negative outlook. This downgrade happened due to the Coronavirus pandemic and its caused forecasted decline in global auto demand resulting in intense pressure on auto suppliers in 2020. The outlook remained negative, since the duration and the definite impact of the Coronavirus pandemic on the global auto supplier industry remains uncertain. At the same time, Moody's lowered ZF's long-term corporate credit rating to "Ba1" with review for further downgrade. On June 16, 2020, Moody's has confirmed the Ba1 rating (outlook: negative).

However, such credit ratings only reflect the assessment by the aforementioned rating agencies of the credit risks associated with the ZF Group or the relevant Notes. They may not reflect the potential impact of all risks related to the structure, market and additional factors discussed herein, recent developments and other factors that may affect the value of the relevant Notes. A credit rating is not a recommendation to buy, sell or hold the Notes and may be revised, suspended or withdrawn by the respective rating agency at any time. Any change, suspension or withdrawal of the credit rating assigned to ZF AG and/or the relevant Notes by one or more of the credit rating agencies may adversely affect the cost and terms and conditions of the relevant Issuer's or, as applicable, the Guarantor's financings. In addition, in the event of a change, suspension or withdrawal of a credit rating, the price and the market value of the Notes may be affected. As a result, an investor may incur financial losses as he may only be able to sell the Notes at a lower price.

Where a tranche of Notes is rated, the applicable rating(s) will be specified in the relevant Final Terms. Whether or not each credit rating applied for in relation to a relevant Tranche of Notes will be issued or endorsed by a credit rating agency established in the EEA and registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of September 16, 2009 on credit rating agencies, as amended (the **CRA Regulation**) or by a credit rating agency which is certified under the CRA Regulation will be disclosed in the Final Terms. In general, European regulated investors are restricted from using a rating for regulatory purposes unless (1) such rating is issued by a credit rating agency established in the EEA and registered under the CRA Regulation or (2) the rating is provided by a credit rating agency not established in the EEA but is endorsed by a credit rating agency established in the EEA and registered under the CRA Regulation or (3) the rating is provided by a credit rating agency not established in the EEA which is certified under the CRA Regulation.

Although the occurrence of specific change of control events will permit Holders to require redemption or repurchase of the Notes, the relevant Issuer may not be able to redeem or repurchase such Notes.

Upon the occurrence of specific change of control events, the Holders will have the right to require the redemption or repurchase of all or part of their Notes at an amount specified in the Final Terms, plus accrued and unpaid interest. The Issuers' ability to redeem or repurchase Notes upon such a change of control event will be limited by the relevant Issuer's access to funds at the time of the redemption or repurchase. Upon a change of control event, the relevant Issuer and, as applicable, the Guarantor may be required immediately to repay the outstanding principal, any accrued interest on and any other amounts owed by it under one or more of its bank facilities or other debt. The source of funds for these repayments would be the available cash or cash generated from other sources. However, it cannot be assured that there will be sufficient funds available upon a change of control event to make these repayments and any required redemption or repurchases of Notes. In that case, the relevant Issuer's failure to purchase any of the Notes would constitute an event of default under the Terms and Conditions, which would likely cause a default under other debt obligations.

II. Liquidity Risk

There is no active public trading market for the Notes.

Application has been made to the Luxembourg Stock Exchange for Notes issued under this Programme to be listed on the official list of the Luxembourg Stock Exchange and to be admitted to trading on the regulated market of the Luxembourg Stock Exchange. However, the Programme provides that Notes may be listed on other or further stock exchanges or may not be listed at all. Regardless of whether the Notes are listed or not, there can be no assurance regarding the future development of a market for the Notes or the ability of Holders to sell their Notes or the price at which Holders may be able to sell their Notes. If such a market were to develop, the Notes could trade at prices that may be higher or lower than the initial offering price depending on many factors, including prevailing interest rates, the Group's operating results, the market for similar securities and other factors, including general economic conditions, performance and prospects, as well as recommendations of securities analysts. The liquidity of, and the trading market for, the Notes may also be adversely affected by declines in the market for debt securities generally. Such a decline may affect any liquidity and trading of the Notes independent of the Group's financial performance and prospects. If Notes are not listed on any exchange, pricing information for such Notes may be more difficult to obtain which may affect the liquidity of the Notes adversely.

III. Market Price and Exchange Rate Risk

The development of market prices of the Notes depends on various factors.

The development of 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 Note. The Holders are therefore exposed to potential unfavorable developments in the market prices of their Notes which would be realized if the Holders sell the Notes prior to the final maturity of such Notes. If a Holder decides to hold the Notes until final maturity, the Notes will be redeemed at the amount set out in the relevant Final Terms.

A Holder of Notes denominated in a foreign currency (i.e. a currency other than the home currency of such Holder) is exposed to the risk of changes in currency exchange rates which may affect the yield of such Notes.

A Holder of Notes denominated in a foreign currency (i.e. a currency other than the home currency of such Holder) is particularly exposed to the risk of changes in currency exchange rates which may affect the yield of such Notes. Changes in currency exchange rates result from various factors, such as macro-economic factors, speculative transactions and interventions by central banks and governments. A change in the value of any foreign currency against the euro, for example, will result in a corresponding change in the euro value of Notes denominated in a currency other than euro and a corresponding

change in the euro value of interest and principal payments made in a currency other than euro in accordance with the terms of such Notes. If the underlying exchange rate falls and the value of the euro rises correspondingly, the price of the Notes and the value of interest and principal payments made thereunder expressed in euro falls. 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.

The Notes are subject to inflation risks.

The inflation risk is the risk of future money depreciation. The real yield from an investment is reduced by inflation. The higher the rate of inflation, the lower the real yield on a Note. If the inflation rate is equal to or higher than the nominal yield, the real yield is zero or even negative.

IV. Risks relating to specific Terms and Conditions of the Notes or associated with Notes with a specific Use of Proceeds

The Issuer may redeem the Notes early.

The relevant Issuer will always have the right to redeem the Notes prior to maturity in case the relevant Issuer will be required to pay additional amounts (gross-up payments) on the Notes for reasons of taxation as set out in the Terms and Conditions.

In addition, the applicable Final Terms will indicate if the relevant Issuer has the right to call the Notes prior to maturity (optional call right) (i) at the option of the relevant Issuer on any specified Call Redemption Date(s), (ii) at the option of the relevant Issuer at the Make-Whole Amount (each as defined in the Terms and Conditions), (iii) upon the occurrence of a transaction related event, (iv) if payments on the Notes are linked to a benchmark and such benchmark is discontinued or otherwise unavailable and it is not possible, in the opinion of the relevant Issuer, to determine a successor benchmark and/or (v) at the option of the Issuer for reason of minimal outstanding principal amount.

If the relevant Issuer redeems the Notes prior to maturity, a Holder of such Notes is exposed to the risk that his investment will have a lower than expected yield due to such early redemption and, in addition, Holders would be required to re-invest the funds concerned earlier than expected.

The market-value of fixed rate Notes is dependent on market interest rates.

A Holder of a fixed rate Note is exposed to the risk that the price of such Note declines as a result of an increase in the market interest rate. While the nominal interest rate of a fixed rate Note as specified in the applicable Final Terms is fixed during the life of such Note, 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 rate Note also changes, but in the opposite direction. If the market interest rate increases, the price of a fixed 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 rate Note typically increases, until the yield of such Note is approximately equal to the market interest rate. If the Holder of a fixed rate Note holds such Note until maturity, changes in the market interest rate are without relevance to such Holder as the Note will be redeemed at a specified redemption amount, usually the principal amount of such Note.

A Holder of a floating rate Note is exposed to the risk of fluctuating interest rate levels and uncertain interest income.

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

Floating rate Notes may be structured to include caps or floors, or any combination of those features. The effect of a cap is that the amount of interest will never rise above and beyond the predetermined cap, so that the Holder will not be able to benefit from any actual favourable development beyond the cap. The yield could therefore be considerably lower than that of similar floating rate Notes without a cap.

Risks associated with the reform of EURIBOR and other interest rate benchmarks.

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

International proposals for reform of Benchmarks include the European Council's regulation (EU) 2016/1011 of June 8, 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (the **Benchmark Regulation**) which is fully applicable since January 1, 2018.

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

- a rate or index which is a Benchmark may only be used if its administrator obtains authorization or is registered and in case of an administrator which is based in a non-EU jurisdiction, if the administrator's legal benchmark system is considered equivalent (article 30 Benchmark Regulation), the administrator is recognized (article 32 Benchmark Regulation) or the Benchmark is endorsed (article 33 Benchmark Regulation) (subject to applicable transitional provisions). If this is not the case, Notes linked to such Benchmarks could be impacted; and
- the methodology or other terms of the Benchmark could be changed in order to comply with the terms of the Benchmark Regulation, and such changes could have the effect of reducing or increasing the rate or level or affecting the volatility of the published rate or level, and could impact the Notes, including calculation agent determination of the rate.

Interest amounts payable under floating rate Notes issued under the Programme are calculated by reference to EURIBOR which is as at the date of this Prospectus provided by the European Money Markets Institute (**EMMI**). As at the date of this Prospectus, EMMI appear on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority (**ESMA**) pursuant to article 36 Benchmark Regulation.

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

Following the implementation of any such potential reforms, the manner of administration of Benchmarks may change, with the result that they may perform differently than in the past, or Benchmarks could be eliminated entirely, or there could be other consequences which cannot be predicted. If a Benchmark were to be discontinued or if its methodology were materially changed or if such Benchmark were otherwise unavailable, the rate of interest for floating rate Notes which are linked to such Benchmark will be determined for the relevant period by the fallback provisions applicable to such Notes, which in the end could lead, *inter alia*, to determination of the applicable interest rate on the basis of another benchmark determined by the Issuer in its discretion, or to a previously available rate of the Benchmark being applied until maturity of the floating rate Notes, effectively turning the floating rate of interest into a fixed rate of interest, or to an early termination of the relevant Notes at the option of the Issuer. Under these fallback provisions, the Benchmark will be

substituted, if possible, by a replacement offered interest rate or an alternative offered interest rate determined by the Issuer (possibly after consultation with an independent adviser and possibly after application of adjustments or spreads). If this is not possible, the interest rate for the relevant interest period will be determined on the basis of the offered interest rate that was used for the last preceding interest period and such rate will continue to apply for future interest periods of the Notes until a replacement offered interest rate or an alternative offered interest rate will be determined by the Issuer in accordance with the fallback provisions. In addition, if, in the Issuer's opinion, it is not possible to determine a replacement offered interest rate or an alternative offered interest rate in accordance with the fallback provisions and if the Final Terms so provide, the Issuer will be entitled to call the Notes for redemption at their principal amount, together with interest accrued (if any). Due to the uncertainty concerning the availability of a replacement offered interest rate or an alternative offered interest rate, the relevant further fallback provisions may not operate as intended at the relevant time.

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 linked to the relevant Benchmark, investors should be aware that any changes to a relevant Benchmark may have a material adverse effect on the value or liquidity of, and the amounts payable on, floating rate Notes whose rate of interest is linked to such Benchmark.

Risks associated with Notes with a specific use of proceeds, such as Green Bonds

The Final Terms relating to any tranche of Notes issued under the Programme may provide that it will be the Issuer's intention to apply the proceeds from an offer of those Notes specifically for projects and activities that promote climate friendly and other environmental or social purposes (***Green Projects***). Such Notes are hereinafter referred to as green bonds (***Green Bonds***). Prospective investors should have regard to the information set out in the relevant Final Terms regarding such use of proceeds and must determine for themselves the relevance of such information for the purpose of any investment in such Green Bonds together with any other investigation such investor deems necessary. In particular, no assurance is given by the Issuer or, as applicable, the Guarantor that the use of such proceeds for any Green Projects will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any Green Projects. Furthermore, notwithstanding the current legislative efforts on EU level regarding the regulation of sustainable finance, amongst others the adoption of Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment (the so called EU Taxonomy), it should be noted that there is currently no clearly defined definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes, a "green" or "sustainable" or an equivalently labelled project or as to what precise attributes are required for a particular project to be defined as "green" or "sustainable" or such other equivalent label nor can any assurance be given that such a clear definition or consensus will develop over time.

There can be no assurance by the relevant Issuer nor the Dealers that the use of proceeds of any Green Bonds will satisfy, whether in whole or in part, any future legislative or regulatory requirements, or any present or future investor expectations or requirements with respect to investment criteria or guidelines with which any investor or its investments are required to comply under its own by-laws or other governing rules or investment portfolio mandates. In addition, no assurance is or can be given to investors that any adverse environmental and/or other impacts will not occur during the implementation of any projects or uses the subject of, or related to, any Green Projects. Also the criteria for what constitutes a Green Project may be changed from time to time.

In connection with the issue of Green Bonds, the Issuer may appoint one or more external provider(s) to provide a green or equivalent evaluation (the ***Evaluation***). Such Evaluation is not incorporated in, and does not form part of, this Prospectus. Such Evaluation provides an opinion on certain environmental and related considerations and is not intended to address any credit, market or other

aspects of an investment in Green Bonds including without limitation market price, marketability, investor preference or suitability of any security. Such Evaluation is a statement of opinion, not a statement of fact. Such Evaluation is not a recommendation to buy, sell or hold Green Bonds. No assurance is given that such Evaluation correctly assesses the potential environmental impact of the issue of Green Bonds or the Issuer generally. Such Evaluation generally is only current as of the date it is released and may be updated, suspended or withdrawn by the relevant provider(s) at any time. Currently, the providers of green or equivalent evaluations are not subject to any specific regulatory regime or other regime or oversight. Prospective investors must determine for themselves the relevance of any Evaluation for the purpose of any investment in Green Bonds. In particular, no assurance or representation is made or given that any such Evaluation reflects any present or future requirements, investment criteria or guidelines which may apply to any investor or its investments. Holders of Green Bonds will have no recourse against the provider(s) of any Evaluation.

None of the Issuer and, as applicable, the Guarantor is responsible for any third party assessment of the Green Bonds. Nor is any Dealer responsible for (i) any assessment of Green Bonds, or (ii) the monitoring of the use of proceeds. In addition, it would not constitute an event of default under the terms of the Green Bonds or, as applicable, the Guarantee if the Issuer or, as applicable, the Guarantor were to fail to observe the provisions set out in the Final Terms for the Green Bonds relating to the use of proceeds of the Green Bonds.

In the event that any of the Green Bonds are listed or admitted to trading on any dedicated "green", "environmental", "sustainable" or other similarly labelled segment of any stock exchange or securities market (whether or not regulated), or are included in any dedicated "green", "environmental", "sustainable" or other equivalently-labelled index, no representation or assurance is given by the Issuer or any other person that such listing or admission, or inclusion in such index, satisfies any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates. Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another and also the criteria for inclusion in such index may vary from one index to another. Moreover, no representation or assurance is given or made by the Issuer or any other person that any such listing or admission to trading, or inclusion in any such index, will be obtained in respect of Green Bonds or, if obtained, that any such listing or admission to trading, or inclusion in such index, will be maintained during the life of Green Bonds.

Any failure to apply the proceeds from the offer of the Green Bonds as set out in the relevant Final Terms for and/or any negative change to, or withdrawal or suspension of, any third-party assessment of the Green Bonds and/or Green Bonds no longer being listed or admitted to trading on any stock exchange or securities market as aforesaid may have a material adverse effect on the value of the Green Bonds and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

V. Risks relating to laws and regulations applicable to the Notes as well as transaction costs applicable to the purchase, holding and sale of the Notes

Resolutions of Holders

If the Terms and Conditions of Notes provide for meetings of Holders of a series of Notes or the taking of votes without a meeting, the Terms and Conditions of such Notes and the Guarantee may be amended (as proposed or agreed by the relevant Issuer and/or the Guarantor) by majority resolution of the Holders of such Notes and any such majority resolution will be binding on all Holders. Any Holder is therefore subject to the risk that its rights against the Issuer under the Terms and Conditions of the relevant series of Notes are amended, reduced or even cancelled by a majority resolution of the Holders. Any such majority resolution will even be binding on Holders who have declared their claims arising from the Notes due and payable based on the occurrence of an event of default but who have not received payment from the Issuer or, as applicable, the Guarantor prior to the amendment taking effect. According to the German Act on Debt Securities of 2009 (*Schuldverschreibungsgesetz – SchVG*), the relevant majority for Holders' resolutions is generally based on votes cast, rather than on the aggregate principal amount of the relevant Notes outstanding. Therefore, any such resolution may

effectively be passed with the consent of less than a majority of the aggregate principal amount of the relevant Notes outstanding.

Holders' Representative

If the Notes provide that the Holders of a series of Notes are entitled to appoint a Holders' representative (the ***Holders' Representative***) by a majority resolution of such Holders or if a Holders' Representative has been appointed in the Terms and Conditions of a series of Notes it is possible that a Holder may be deprived of its individual right to pursue and enforce its rights under the Terms and Conditions against the Issuer or, as applicable, the Guarantor, such right passing to the Holders' Representative who is then exclusively responsible to claim and enforce the rights of all the Holders of the relevant series of Notes. On the other hand, if the appointment of a Holders' Representative is delayed or does not occur, this will make it more difficult for Holders to take collective action to enforce their rights under the Notes and, as applicable, the Guarantee.

Quorum requirement and SchVG risks in case of certain events of default

The Terms and Conditions provide that, in case of certain events of default, any notice declaring the Notes due and payable shall become effective only when the Fiscal Agent has received such default notices from Holders representing at least 10% of the aggregate principal amount of Notes then outstanding. Under the SchVG, even if a default notice is given by a sufficient number of Holders of Notes, this could be rescinded by majority resolution within three months. A simple majority of votes would be sufficient for a resolution on the rescission of such acceleration but, in any case, more Holders would have to consent to a rescission than have delivered default notices.

Holders should be aware that, as a result, they may not be able to accelerate their Notes upon the occurrence of certain events of default, unless the required quorum of Holders delivers default notices and such acceleration is not rescinded by majority resolution of the Holders.

No assurance can be given as to the impact of any possible judicial decision or change of laws or administrative practices after the date of this Prospectus.

The Terms and Conditions of the Notes will be based on the laws of Germany in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to the laws of Germany or administrative practice or the official application or interpretation of German law after the date of this Prospectus. Any such decision, change, application or interpretation could have a material adverse impact on the market value of the Notes.

Holders are subject to tax risks.

Potential investors of the 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 Notes are subject to transaction costs and charges.

When Notes are purchased or sold, several types of incidental costs (including transaction fees and commissions) are incurred in addition to the purchase or sale price of the Notes. These incidental costs may significantly reduce or eliminate any profit from holding the Notes. Credit institutions generally charge commissions which are either fixed minimum commissions or pro-rata commissions, depending on the value of the order. To the extent that additional parties are involved in the execution of an order, including domestic dealers or brokers in foreign markets, Holders may also be charged for the brokerage fees, commissions and other fees and expenses of such parties (third-party costs). In addition to such costs directly related to the purchase of securities (direct costs), potential investors must also take into account any follow-up costs (such as custody fees). Potential investors should inform themselves about any additional costs or fees incurred in connection with the purchase, custody or sale of the Notes before investing in the Notes.

GENERAL INFORMATION ON THE ISSUERS AND THE GUARANTOR

ZF FRIEDRICHSHAFEN AG

General Information

Incorporation, Registered Office, Duration, Name, Website

ZF AG was incorporated on May 27, 1921 under the laws of Germany as a stock corporation (*Aktiengesellschaft*). It is registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Ulm, Germany, under registration number HRB 630206 and has its registered office at Löwentaler Straße 20, 88046 Friedrichshafen, Germany (telephone number: +49 7541 77-0). The duration of ZF AG is indefinite. ZF AG's Legal Entity Identifier (LEI) is 529900CAYOWB8YIG7X25.

ZF AG's legal and commercial name is "ZF Friedrichshafen AG".

ZF AG's website is available at www.zf.com. The information on ZF AG's website does not form part of this Prospectus unless it is explicitly incorporated by reference into this Prospectus.

History and Development

ZF's history stretches back to its foundation as a gearwheel factory named Zahnradfabrik GmbH in 1915 with the objective to produce gears and transmissions for aircraft, motor vehicles, and motorboats. In 1921, the company's legal form was changed to a German stock corporation (*Aktiengesellschaft*) named Zahnradfabrik Aktiengesellschaft. In 2011, the major German ZF subsidiaries were merged into ZF. As of today, ZF is ZF Group's main operating entity and acts as the management and holding company for the ZF Group, which operates locations in 41 countries worldwide.

From the very beginning, ZF's aim was to create innovative products designed for optimum mobility. ZF has continuously developed from its early days, producing gearwheels and transmissions for the Zeppelin airships, to become the present-day international group supplying driveline, chassis as well as active and passive safety technology especially to the automotive industry. Some of the key milestones of the Group's development in recent years were:

- the takeover of Mannesmann Sachs AG with its powertrain, chassis, rubber-metal and aftermarket trading business units in 2001;
- the acquisition of the Cherry Corporation in 2008 in order to reinforce our competence profile in the fields of mechatronics and electronics;
- the acquisition of Hansen Transmissions International N.V. in 2011 and of the industrial gears and wind turbine gearbox business from Bosch Rexroth in 2015 in order to further diversify our product portfolio in the area of wind turbine gearboxes;
- the acquisition of TRW in 2015 in order to enhance our global footprint, expand our customer base and to further diversify our product portfolio in the areas of integrated safety and automated driving systems;
- the foundation of Zukunft Ventures GmbH, the venture capital company of the ZF Group in 2016, and the following investments in participations such as Ibeo Automotive Systems GmbH and doubleSlash Net Business GmbH (40% each);
- the presentation of the ZF ProAI platform in 2017 as a result of ZF's cooperation with NVIDIA, a system for automated freeway driving that is based on NVIDIA's artificial intelligence solutions and enables vehicles to "understand" their surroundings by using deep learning technology to process and interpret data from sensors and cameras;
- investments in participations such as e.GO Moove GmbH, Astyx GmbH (both in 2017), ASAP Holding GmbH and the Indian IT service provider AVIN Systems (both in 2018), as well as the sale of the Group's Body Control Systems business unit (in 2018);
- the partnership entered into in 2019 among ZF, Transdev Group S.A., a leading operator and global integrator of mobility solutions, and e.GO Moove GmbH, a manufacturer of electric

vehicles, to jointly develop a new shared mobility solutions a specialist for image-based 3D systems for the recording and analysis of human movement;

- the acquisition in 2019 of majority stakes in 2getthere B.V., which offers complete automated and electric transport systems, to strengthen ZF's foothold in the mobility-as-a-service and automated guided vehicle growth markets and to complement ZF's existing activities in these fields, as well as in Simi Reality Motion Systems GmbH;
- the opening in 2019 of a joint transmission plant in Jiaxing (China) by ZF and Beiqi Foton Motor Co., Ltd. (*Foton*) a Chinese commercial vehicle manufacturer, to produce automatic commercial vehicle transmissions for the Chinese market;
- the partnership entered into in 2019 between ZF Windpower and Envision Energy, a wind turbine technology company based in Shanghai, China, to jointly development and supply gearbox solutions for next-generation offshore wind turbines;
- the partnership entered into in 2019 with Danfoss Silicon power GmbH, a specialist company in silicon-cabride power modules, to improve the efficiency of electric drivelines by leveraging engineering and cost benefits at the interface between power modules and inverters;
- the acquisition in 2020 of WABCO, a global supplier of electronic, mechanical, electro-mechanical and aerodynamic products for major manufacturers of commercial trucks, buses and trailers, as well as passenger cars, designed to improve vehicle safety, efficiency and performance while reducing overall vehicle operating costs; and
- the disposal of WABCO's shares in R.H. Sheppard Co. Inc., completed in June 2020.

ZF also consequently divested certain non-core business lines.

Organizational Structure

ZF acts as the main operating and holding company for the ZF Group and performs group-wide functions as a management company. These include, for example, financing, group controlling and accounting, research and development, purchasing, as well as legal affairs, internal auditing, corporate communication, and human resources management.

Our Group is set up as a matrix organization which links the Group-wide competencies of the corporate functions with the global business responsibility of the divisions and business units. The central departments of our Group are headed by members of the Board of Management. ZF Group comprises the following business divisions: Active Safety Systems, Electrified Powertrain Technology (established on January 1, 2021 by combining the former divisions Car Chassis Technology and E-Mobility), Car Powertrain Technology, Electronics and ADAS (Advanced Driver Assistance Systems), Passive Safety Systems, Commercial Vehicle Control Systems, Commercial Vehicle Technology, Industrial Technology and Aftermarket. The business divisions are directly assigned to members of the Board of Management. The same applies to the responsibilities with regard to the North America, South America, and Asia-Pacific regions.

The Group's organizational structure as of the date of this Prospectus is set forth in the following chart:

Active Safety Systems Division	Car Chassis Technology Division	Electric Powertrain Technology Division	Electronics and ADAS Division	Passive Safety Systems Division	Commercial Vehicle Control Systems Division	Commercial Vehicle Technology Division	Industrial Technology Division	Aftermarket Division
Foundation Brakes Brake Controls Rack Drive Column Drive	Chassis Systems Chassis Components Suspension Technology	Automatic Transmissions Manual Transmissions / Dual Clutch Transmissions Powertrain Modules Electronic Systems Electric Traction Drive Axle Drives Electronic Interfaces System House	Advanced Driver Assistance Systems (ADAS) Safety Electronics	Inflatable Restraint Systems Seat Belt Systems Steering Wheel Systems	Vehicle Dynamics & Control & Autonomous Driving Driveline & Suspension Controls – Wheel End Solutions Vehicle Energy Management Systems Fleet Solutions Trailer Systems Off-Highway Solutions Car Systems	Truck & Van Driveline Technology Axle & Transmission Systems for Buses & Coaches CV Chassis Technology CV Powertrain Modules CV Steering Systems	Off-Highway Systems Industrial Drives Marine & Special Driveline Technology Test Systems Aviation Technology Wind Power Technology	Independent Aftermarket Original Equipment Service Specific Original Equipment Manufacturing Friction Materials Group
Corporate Functions/Regions								

Administrative, Management and Supervisory Bodies

The governing bodies of ZF are the Board of Management (*Vorstand*) (the **Board of Management**), the Supervisory Board (*Aufsichtsrat*) (the **Supervisory Board**) and the general shareholders' meeting (*Hauptversammlung*).

Board of Management

The Board of Management is responsible for managing the ZF Group's day-to-day business and for representing ZF in dealings with third parties. As of the date of this Prospectus, the Board of Management comprises seven members. Their respective responsibilities and their principal activities outside the ZF Group to the extent those activities are significant with respect to the ZF Group are set out below:

Name	Member since	Responsibilities	Membership on other administrative, management or supervisory bodies
Wolf-Henning Scheider (Chief Executive Officer)	2018	Corporate Research & Development, Corporate Sales	- Deputy of the Chairman of the foundation board of Zeppelin University - Member of the board of the German Automotive Association (<i>Verband der Automobilindustrie – VDA</i>)

Dr. Konstantin Sauer (Chief Financial Officer)	2010	Finance, IT, M&A	• Vice Chairman of the supervisory board of SupplyOn AG • Chairman of the supervisory board of Flughafen Friedrichshafen GmbH • Member of the supervisory board of the Institute of Accounting, Control and Auditing of the University of St. Gallen (ACA-HSG) • Member of the finance committee (<i>Finanzausschuss</i>) of the German Automotive Industry Association (<i>Verband der Automobilindustrie – VDA</i>) • Representative of ZF Friedrichshafen AG at Zeppelin Luftschifftechnik GmbH
Sabine Jaskula (Member)	2019	Human Resources and Legal Affairs, Director of Labour Relations	• Member of the board of management of bayme vbw • Member of the board of management of südwestmetall
Dr. Martin Fischer (Member)	2019	Electronics and ADAS, Passive Safety Systems, Active Safety Systems North America Region, South America Region Corporate Quality	Member of the board of directors of OESA (Original Equipment Suppliers Association)
Dr. Holger Klein (Member)	2018	Car Chassis Technology Aftermarket Region Asia Pacific Region India Corporate Production	None
Stephan von Schuckmann (Member)	2021	Electrified Powertrain Technology	None
Wilhelm Rehm (Member)	2012	Commercial Vehicle Technology, Commercial Vehicle Control Systems, Industrial Technology, Corporate Materials Management	Member of the main management board of the German Mechanical Engineering Industry Association (<i>Verband Maschinen und Anlagenbau – VDMA</i>)

The members of the Board of Management may be contacted at the business address of ZF AG: Löwentaler Straße 20, 88046 Friedrichshafen, Germany.

Supervisory Board

The Supervisory Board supervises and advises the Board of Management in its management of ZF Group and represents ZF in transactions between a member of the Board of Management and ZF. The Supervisory Board appoints and may dismiss members of the Board of Management. In general, the Supervisory Board is not directly involved in the day-to-day management of ZF Group. However, pursuant to the Articles of Association, certain transactions require the consent of the Supervisory Board.

The Supervisory Board consists of 20 members, including ten members elected by the shareholders at a shareholders' meeting in accordance with the provisions of the German Stock Corporation Act

(*Aktiengesetz*) and ten members selected by the ZF employees, in accordance with the provisions of the German Codetermination Act (*Mitbestimmungsgesetz*). The Supervisory Board members are usually elected for a fixed term of five years. Each term expires at the end of the annual general meeting in the fourth financial year after the year in which such Supervisory Board member was elected. Supervisory Board members may be re-elected.

As of the date of this Prospectus, the members of the Supervisory Board and their principal activities outside the ZF Group to the extent those activities are significant with respect to the ZF Group, are:

Name	Function	Membership on other administrative, management or supervisory bodies
Dr.-Ing. Franz-Josef Paefgen	Chairman	Member of the supervisory board of MAHLE Group
Andreas Brand	Member	• Lord Mayor of the City of Friedrichshafen • Chairman of the supervisory board of ZEPPELIN GmbH • Chairman of the supervisory board of Luftschiffbau Zeppelin GmbH • Member of the supervisory board of Zeppelin Systems GmbH • Chairman of the supervisory board of the Zeppelin Foundation • Chairman of the supervisory board of Technical Works Friedrichshafen GmbH • Vice Chairman of the supervisory board of STADTWERK AM SEE GmbH & Co. KG • Chairman of the supervisory board of Friedrichshafen Exhibition GmbH • Chairman of the advisory board of Katamaran Reederei Bodensee GmbH & Co. KG • Chairman of the supervisory board of Friedrichshafen Clinical Center • Chairman of the board of trustees of ZF Cultural Foundation • Member of the board of trustees of Zeppelin University (ZU) Foundation
Robert Friedmann	Member	• Chairman of the central managing board of the Würth Group, Künzelsau • Member of the supervisory board of Krones AG, Neutraubling
Dr. Heinrich Hiesinger	Member	• Member of the supervisory board of Fresenius Management SE • Member of the supervisory board of Deutsche Post AG • Member of the supervisory board of BMW AG

Prof. Dr.-Ing. Gisela Lanza	Member	• Holder of the Professorship for Production System and Quality Management at the Karlsruhe Institute of Technology (KIT), Karlsruhe • Director of the Global Advanced Manufacturing Institute (GAMI), Suzhou/China • Member of the supervisory board of MAHLE Group • Member of the advisory board of Balluff GmbH • Member of the supervisory board of König & Bauer AG • Member of the supervisory board of Hager SE
Dr. Joachim Meinecke	Member	Chairman of the Board of Trustees of the Dr. Jürgen und Irmgard Ulderup Stiftung
Jürgen Otto	Member	None
Dr. Mohsen Sohi	Member	• Chief executive officer of Freudenberg SE, Weinheim • Chairman of the board of directors, Steris plc • Chairman of the board of partners, Freudenberg Stiftung
Dagmar Steinert	Member	Member of the executive board (chief financial officer) of Fuchs Petrolub SE, Mannheim
Axel Strotbek	Member	None
Roman Zitzelsberger*	Deputy Chairman	• Member of the supervisory board of Daimler AG • Member of the supervisory board of Daimler Truck AG
Jürgen Bunge*	Member	None
Achim Dietrich*	Member	None
Joachim Holzner*	Member	None
Peter Kippes*	Member	Member of the supervisory board of SKF GmbH
Mario Kläs*	Member	None
Oliver Moll*	Member	None
Hermann Sicklinger*	Member	None
Helene Sommer*	Member	• Member of the supervisory board of mtu Friedrichshafen GmbH • Member of the supervisory board of Rolls-Royce-Powersystems AG
Erdal Tahta*	Member	• Member of the board union IG Metall Koblenz • Member of the supervisory board ZF Active Safety GmbH, Koblenz

(*) Employee Representative

The members of the Supervisory Board may be contacted at the business address of ZF AG: Löwentaler Straße 20, 88046 Friedrichshafen, Germany.

Conflicts of Interest of the Members of the Corporate Bodies

As of the date of this Prospectus, there are no potential conflicts of interests between any duties to the Company of the above mentioned members of the Board of Management or the Supervisory Board and their private interests and/or other duties.

Financial Year

The financial year of ZF AG corresponds to the calendar year.

Auditors

The independent auditor of ZF AG is Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, Germany (*EY*), a member of the German Chamber of Public Accountants (*Wirtschaftsprüferkammer*), Berlin, Germany.

EY has audited the consolidated financial statements of ZF AG as of and for the financial years ended December 31, 2020 and December 31, 2019, prepared in accordance with International Financial Reporting Standards as adopted by the European Union (*IFRS*) and the additional requirements of German commercial law pursuant to § 315e paragraph 1 of the German Commercial Code (*Handelsgesetzbuch*), and issued unqualified independent auditor's reports (*Bestätigungsvermerke des unabhängigen Abschlussprüfers*) thereon. EY conducted its audits of the German language versions of these consolidated financial statements in accordance with § 317 of the German Commercial Code (*Handelsgesetzbuch*) and the German generally accepted standards for financial statement audits promulgated by the Institute of Public Auditors in Germany (*Institut der Wirtschaftsprüfer in Deutschland e.V., IDW*).

Share Capital

As of December 31, 2020, ZF AG had a registered share capital of EUR 500,000,000.00, divided into 500,000,000 no-par value registered shares, each of which represents one vote in the general shareholders' meeting of ZF AG. All shares have been fully paid up.

Major Shareholders

As of the date of this Prospectus, the Zeppelin Foundation, Friedrichshafen, Germany (the ***Zeppelin Foundation***), is the main shareholder of ZF, holding 93.8% of our shares. The Zeppelin Foundation is a dependent foundation (*unselbständige Stiftung*) without legal capacity (*nicht rechtsfähig*). It is managed by the City of Friedrichshafen and dedicated mainly to promoting science and research, the arts and culture, and the welfare of children and young people. The financial resources of Zeppelin Foundation may only be used to fund non-profit charitable or social projects.

Our other shareholder is the Dr. Jürgen and Irmgard Ulderup Foundation, Lemförde, Germany, which holds 6.2% of our shares. ZF AG has not issued employee stocks.

Historical Financial Information

The English language translations of the German language audited consolidated financial statements of ZF AG as of and for the financial years ended December 31, 2020 and December 31, 2019 which were prepared in accordance with IFRS applicable at the relevant reporting date and the additional requirements of German commercial law pursuant to § 315e paragraph 1 of the German Commercial Code (*Handelsgesetzbuch*), and the independent auditor's reports (*Bestätigungsvermerke des unabhängigen Abschlussprüfers*) thereon are incorporated by reference into this Prospectus.

References to "2020" and "2019" (unless otherwise specified) refer to the financial years ended December 31, 2020 and 2019, respectively.

Certain numerical data, financial information and market data in this Prospectus are subject to rounding adjustments that were carried out according to customary commercial standards. As a result, the aggregate amounts herein may not correspond in all cases to the data contained in the underlying sources.

Selected Financial Information

The selected financial information below should be regarded only as an introduction and any investment decision should be based on a review of the entire Prospectus.

The following tables set out selected financial information relating to the ZF Group. The financial information has been extracted or derived from ZF AG's audited consolidated financial statements as of and for the financial years ended December 31, 2020 and December 31, 2019 as well as from ZF AG's internal accounting records or management reporting system.

Where financial information in the tables below is labeled "audited", this means that it has been extracted from our audited consolidated financial statements mentioned above. The label "unaudited" is used in the tables below to indicate financial information that has not been extracted from our audited consolidated financial statements mentioned above but rather was extracted or derived from our internal accounting records or management reporting systems, or has been calculated on the basis of financial information from the previously mentioned sources. A dash ("–") means that the relevant figure is not available, while a zero ("0") means that the relevant figure has been rounded to or equals zero.

Selected Consolidated Statement of Profit or Loss Information

	<u>Jan. 1 – Dec. 31,</u>	
	<u>2020</u>	<u>2019</u>
	(audited, unless otherwise indicated)	
	(in EUR million)	
Sales.....	32,611	36,518
Gross profit on sales	4,943	5,750
EBIT	(211)	927
Net financial result (financial income and financial expenses) (unaudited)	(534)	(387)
Net profit or loss before tax	(745)	540
Net profit or loss after tax	(741)	400
- thereof shareholders of ZF Friedrichshafen AG.....	(825)	350
- thereof non-controlling interests.....	84	50

Selected Consolidated Statement of Financial Position Information

	<u>December 31,</u>	
	<u>2020</u>	<u>2019</u>
	(audited)	
	(in EUR million)	
Current assets	12,908	14,816
Cash and cash equivalents.....	2,341	2,302
Trade receivables	5,481	5,041
Inventories	4,171	3,948
Non-current assets	23,822	17,534
Intangible assets	12,735	6,841
Property, plant and equipment	7,910	7,669
Total assets	36,730	32,350
Current liabilities.....	10,577	10,154
Trade payables	5,598	5,417
Non-current liabilities	21,710	15,090
Financial liabilities.....	12,768	8,430
Provisions for pensions	6,735	5,348
Equity	4,443	7,106
Retained earnings.....	3,218	5,935
Total liabilities and equity.....	36,730	32,350

Selected Consolidated Statement of Cash Flows Information

	<u>Jan. 1 – Dec. 31,</u>	
	<u>2020</u>	<u>2019</u>
	(audited)	
	(in EUR million)	
Cash flow from operating activities.....	2,223	2,439
Cash flow from investing activities	(4,507)	(4,183)
Cash flow from financing activities.....	2,328	3,211
Net change in cash	44	1,467
Cash position at the end of the financial year	2,341	2,402

Selected Geographical and Operational Information

	<u>Jan. 1 – Dec. 31,</u>	
	<u>2020</u>	<u>2019</u>
	(audited, unless otherwise indicated)	
	(in EUR million)	
Sales	32,611	36,518
<i>By geographical regions:</i>		
Europe ^{(1) (2)}	14,810	16,699
North America	8,587	10,435
South America	752	1,068
Asia-Pacific	8,147	7,847
Africa	315	469
	(unaudited)	
<i>By division:</i>		
Car Powertrain Technology	6,342	7,312
Car Chassis Technology	6,680	7,684
Commercial Vehicle Technology	3,307	3,701
Commercial Vehicle Control Systems	1,539	-
Industrial Technology	2,687	2,990
E-Mobility	2,117	2,346
Active Safety Systems	4,987	6,303
Passive Safety Systems	3,503	4,337
Electronics and Advanced Driver Assistance Systems (ADAS)	1,561	1,848
Aftermarket	2,522	2,929
Corporate functions	262	327
- Consolidation (elimination of internal sales)	(2,896)	(3,259)

⁽¹⁾ Europe comprises Germany, Western and Eastern Europe.

⁽²⁾ Unaudited.

Selected Other Consolidated Financial Information

	<u>Jan. 1 – Dec. 31,</u>	
	<u>2020</u>	<u>2019</u>
	(unaudited, unless otherwise indicated)	
	(in EUR million, unless otherwise indicated)	
Sales.....	32,611 ⁽¹⁾	36,518 ⁽¹⁾
EBIT	(211) ⁽¹⁾	927 ⁽¹⁾
Adjusted EBIT ^{(2), (3)}	1,047	1,503
Adjusted EBIT margin ^{(2), (4)}	3.2%	4.1%
Free cash flow ^{(2), (5)}	(2,284)	(1,744)
Adjusted free cash flow ^{(2), (5)}	994	803
Expenditures for investments in property, plant and equipment.....	1,278 ⁽¹⁾	1,681 ⁽¹⁾
	<u>December 31,</u>	
	<u>2020</u>	<u>2019</u>
	(unaudited)	
	(in EUR million)	
Gross debt ^{(2), (6)}	13,283	9,647
Net debt ^{(2), (6)}	10,842	4,748

(1) Audited.

(2) Non-IFRS financial measures. The Group presents non-IFRS financial measures because some investors may find it helpful. Non-IFRS financial measures are not defined by IFRS. The definitions of non-IFRS financial measures may not be comparable to other similarly titled measures of other companies and have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of the Group's operating results as reported under IFRS. Non-IFRS financial measures and ratios should not be considered as alternatives to EBIT, net profit after tax, cash flow from operating activities or any other performance or liquidity measures derived in accordance with IFRS.

(3) The Group defines adjusted EBIT as follows: EBIT plus/minus net effects from purchase price allocation (including amortization and depreciation), net effects from M&A activities, restructuring costs and other special items that are considered exceptional or non-recurring in nature. The Group discloses this figure because the Group believes that investors may find it helpful in order to compare the Group's operational profitability between periods. The table below shows the reconciliation for adjusted EBIT:

	<u>Jan. 1 – Dec. 31,</u>	
	<u>2020</u>	<u>2019</u>
	(unaudited, unless otherwise indicated)	
	(in EUR million)	
EBIT	(211)^(a)	927^(a)
+/- Net effects from purchase price allocations (including amortization and depreciation) ^(b)	794	531
+/- Net effects from M&A activities ^(c)	(11)	11
+/- Restructuring costs ^(d)	514	34
+/- Other special items ^(e)	(39)	-
Adjusted EBIT	1,047	1,503

- (a) Audited.
- (b) The net effects from purchase price allocations (including amortization and depreciation) shown in the above table mainly relate to the purchase price allocations from the acquisition of TRW and the acquisition of the WABCO Group (starting from June 2020) by the Group.
- (c) The net effects from M&A activities shown in the above table relate (i) in the financial year ended December 31, 2020 mainly to transaction costs, related to the WABCO acquisition and compensating capital gains, mainly from the sale of Astyx GmbH (ii) in the financial year ended December 31, 2019 mainly related to the transactions cost due to the WABCO acquisition.
- (d) The restructuring costs shown in the above table relate (i) in the financial year ended December 31, 2019 mainly to adapting cost structure at specific production facilities and (ii) in the financial year ended December 31, 2020 mainly to a long-term restructuring programme aiming at strengthening the Group's competitiveness by reducing costs and adapting structures in order to further advance the transformation process towards future technologies and the digitalization of processes as well as the structural alignment of the Group with the new market conditions.
- (e) The other special items shown in the above table in the financial year ended December 31, 2020 mainly relate to an impairment of one of our participations, a fine imposed by the Stuttgart public prosecutor's office as well as a compensating positive effect due to a plan amendment of defined benefit obligations.
- (4) Adjusted EBIT margin means adjusted EBIT as a percentage of sales. The Group discloses this figure because the Group believes that investors may find it helpful in order to compare the Group's operational profitability between periods.
- (5) The Group defines free cash flow as cash flow from operating activities plus cash flow from investing activities. The Group defines adjusted free cash flow as free cash flow plus/minus adjustments for M&A activities and investments in/proceeds from securities. The Group discloses free cash flow and adjusted free cash flow because the Group believes that investors may find these figures helpful for evaluating and comparing the Group's financial performance between periods. The table below shows the reconciliation for free cash flow and adjusted free cash flow:

	<u>Jan. 1 – Dec. 31,</u>	
	<u>2020</u>	<u>2019</u>
	(unaudited, unless otherwise indicated)	
	(in EUR million)	
Cash flow from operating activities.....	2,223 ^(a)	2,439 ^(a)
.....		
+/- Cash flow from investing activities.....	(4,507) ^(a)	(4,183) ^(a)
Free cash flow	(2,284)	(1,744)
+/- Adjustments for M&A activities ^(b)	5,758	47
+/- investments in/proceeds from securities ^(c)	(2,480)	2,500
Adjusted free cash flow	994	803

(a) Audited.

- (b) The adjustments for M&A activities shown in the above table relate (i) in the financial year ended December 31, 2019 mainly to the cash inflow from the disposal of the Haldex Aktiebolag shares in September 2019, as well as the cash outflow from the acquisition of shares in 2getthere Holding B.V. and Simi Reality Motion Systems GmbH, and (ii) in the financial year ended December 31, 2020 mainly to the cash outflow for the acquisition of the WABCO Group and the mandatory offer to the minority shareholders of WABCO India Limited as well as the cash inflow from the disposal of R.H. Sheppard Co.
- (c) The cash outflow for investments in securities in the financial year ended December 31, 2019 reflects the proceeds from the capital transactions in connection with the WABCO acquisition which was used for short-term investments in special funds in October 2019. The proceeds from securities in the financial year ended December 31, 2020 reflects the cash inflow from the disposal of short-term investments in special funds in connection with the WABCO acquisition.

- (6) The Group defines gross debt as current financial liabilities plus non-current financial liabilities minus total derivative financial instruments included in financial liabilities. The Group defines net debt as gross debt minus cash, cash equivalents as well as marketable securities included in non-current and current financial assets. The Groups disclose these figures because the Group believes that investors may find them helpful for evaluating the Group's indebtedness. The table below shows the reconciliation for gross debt and net debt:

	<u>Dec. 31,</u>	
	<u>2020</u>	<u>2019</u>
	(unaudited, unless otherwise indicated)	
	(in EUR million)	
Current financial liabilities	549 ^(a)	1,259 ^(a)
+ Non-current financial liabilities.....	12,768 ^(a)	8,430 ^(a)
- Derivative financial instruments.....	(34) ^(a)	(42) ^(a)
Gross debt.....	13,283	9,647
- Cash and cash equivalents.....	(2,341) ^(a)	(2,302) ^(a)
- Marketable securities.....	(100)	(2,597)
Net debt.....	10,842	4,748

(a) Audited.

Trend Information and Significant Changes

After the significant collapse of the global economy in 2020 due to the Coronavirus pandemic, ZF expects that the recovery trend that could already be seen in the second half of 2020 will continue in 2021. If the market recovers as predicted and assuming stable exchange rates, ZF expects sales for the full financial year 2021 to be above the previous financial year's level. However, the general conditions will remain challenging in 2021 and the further effects with regard to the uncertainties caused by the Coronavirus pandemic, the strictness and duration of corresponding lockdowns as well as the current delivery bottlenecks of electronic microchips on the ZF Group cannot be adequately determined or reliably quantified as of the date of the Prospectus. Other than that, there has been no material adverse change in the prospects of ZF AG since December 31, 2020 and no significant change in the financial position or in the financial performance of the ZF Group since December 31, 2020.

Legal and Arbitration Proceedings

Please refer to "*Business of the ZF Group – Legal and Arbitration Proceedings*".

Material Contracts

Please refer to "*Business of the ZF Group – Material Contracts*".

Rating

S&P has assigned a solicited long-term credit rating of "BB+"¹ (outlook: negative) to ZF AG.

Moody's has assigned a solicited long-term credit rating of "Ba1"² (outlook: negative) to ZF AG.

¹ According to the definition published by S&P Global Ratings Europe Limited on its homepage BB means "Obligations rated 'BB', 'B', 'CCC', 'CC', and 'C' are regarded as having significant speculative characteristics. 'BB' indicates the least degree of speculation and 'C' the highest. While such obligations will likely have some quality and protective characteristics, these may be outweighed by large uncertainties or major exposure to adverse conditions. 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."

² According to the definition published by Moody's Investors Service, Inc., Moody's Analytics, Inc. and/or their affiliates and licensors on its homepage: "Obligations rated Ba are judged to be speculative and are subject to substantial credit risk. Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification

S&P and Moody's are established in the European Union and registered under the CRA Regulation.

In April 2020, S&P lowered its long-term ratings to ZF AG to "BB+" and assigned a negative outlook. This downgrade happened due to the Coronavirus pandemic and its caused forecasted decline in global auto demand resulting in intense pressure on auto suppliers in 2020. The outlook remained negative, since the duration and the definite impact of the Coronavirus pandemic on the global auto supplier industry remains uncertain. At the same time, Moody's lowered ZF's long-term corporate credit rating to "Ba1" with review for further downgrade. On June 16, 2020, Moody's has confirmed the Ba1 rating (outlook: negative).

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 Notes and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

from Aa through Caa. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category."

ZF FINANCE GMBH

General Information

The legal and commercial name of the company is ZF Finance GmbH.

ZF Finance GmbH was incorporated as a private limited liability company (*Gesellschaft mit beschränkter Haftung*) under the laws of the Federal Republic of Germany on July 14, 2020 and is governed by the laws of the Federal Republic of Germany. ZF Finance GmbH has its registered office and business office at Löwentaler Straße 20, 88046 Friedrichshafen, Germany. Its phone number is +49 7541 77-0. The duration of ZF Finance GmbH is indefinite. ZF Finance GmbH conducts its business under its legal name.

ZF Finance GmbH is registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Ulm, Germany, under registration number HRB 740352.

The Legal Entity Identifier (LEI) of ZF Finance GmbH is 5493001N9T6QDCCXB426.

Principal Activities

The principal activity of ZF Finance GmbH is to act as finance company within the ZF Group, including the provision of loans to ZF AG and to companies of the ZF Group financed with funds acquired from the capital markets.

Organizational Structure and Major Shareholder

ZF Finance GmbH is a wholly owned subsidiary of ZF AG and belongs to the ZF Group. For more information on the organizational structure of ZF Group, see "*General Information on the Issuers and the Guarantor—ZF Friedrichshafen AG—Organizational structure*".

ZF Finance GmbH does not have any subsidiaries of its own and is dependent upon administrative and management services provided by ZF AG and certain subsidiaries of ZF AG.

Administrative, Management and Supervisory Bodies

ZF Finance GmbH is managed by a management board which consists of two directors. As a privately held company it is not subject to public corporate governance standards.

The directors of ZF Finance GmbH are Herbert Hertnagel and Ulrich Brändle.

There are no potential conflicts between any duties to ZF Finance GmbH of the directors of ZF Finance GmbH and their respective private interests and/or other of their respective duties.

The directors can be contacted under the business address of ZF Finance GmbH.

ZF Finance GmbH is in the process of establishing a supervisory board which will consist of three members. The supervisory board will advise and monitor the management board of ZF Finance GmbH and deal with the duties pursuant to section 107 para 3 sentence 2 and sentence 3 of the German Stock Corporation Act (*Aktiengesetz*). ZF Finance GmbH has no audit committee.

Financial Year

ZF Finance GmbH's financial year corresponds to the calendar year.

Historical Financial Information and Auditors

The independent auditor of ZF Finance GmbH is Rödl & Partner GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Nuremberg, Germany (**Rödl & Partner**), a member of the German Chamber of Public Accountants (*Wirtschaftsprüferkammer*), Berlin, Germany.

Rödl & Partner has audited the financial statements of ZF Finance GmbH for the short financial year ended December 31, 2020, which were prepared in accordance with the provisions of German commercial law applicable to cooperations (German Commercial Code (*Handelsgesetzbuch, HGB*)), and issued an unqualified independent auditor's report (*Bestätigungsvermerk des unabhängigen Abschlussprüfers*) thereon. Rödl & Partner conducted its audit of the German language version of these financial statements in accordance with the German generally accepted standards for financial

statement audits promulgated by the Institute of Public Auditors in Germany (*Institut der Wirtschaftsprüfer in Deutschland e.V., IDW*).

The English language translations of the German language audited financial statements of ZF Finance GmbH for the short financial year ended December 31, 2020 and the independent auditor's report (*Bestätigungsvermerk des unabhängigen Abschlussprüfers*) thereon are incorporated by reference into this Prospectus.

Selected Financial Information

The following financial information for ZF Finance GmbH is based on the audited financial statements of ZF Finance GmbH for the short financial year from July 16, 2020 to December 31, 2020 prepared in accordance with the provisions of German commercial law applicable to cooperations (German Commercial Code (*Handelsgesetzbuch, HGB*)).

Audited Financial Statements of ZF Finance GmbH for the short financial year from July 16, 2020 to December 31, 2020

	<u>Dec. 31,</u>	<u>July 16,</u>
	<u>2020</u>	<u>2020</u>
	(audited)	(audited)
	(in EUR)	(in EUR)
Subscribed capital.....	100,000.00	100,000.00
Equity	100,000.00	100,000.00
Liabilities	2,017,063,452.33	0.00
Balance sheet total	2,039,533,736.78	100,000.00
Net result for the year after profit and loss transfer	0.00 ¹	n/a

¹ Transfer of loss of EUR 26,624.89 to ZF Friedrichshafen AG

Trend Information and Significant Changes

There has been no material adverse change in the prospects of ZF Finance GmbH since December 31, 2020.

There has been no significant change in the financial performance of ZF Finance GmbH since December 31, 2020.

There has been no significant change in the financial position of ZF Finance GmbH since December 31, 2020.

Recent Events

There have been no relevant recent events particular to ZF Finance GmbH which are to a material extent relevant to the evaluation of the ZF Finance GmbH's solvency.

Legal and Arbitration Proceedings

Please refer to "*Business of the ZF Group – Legal and Arbitration Proceedings*".

Material Contracts

Please refer to "*Business of the ZF Group – Material Contracts*".

Rating

ZF Finance GmbH has not been assigned any credit rating with its cooperation or at its request.

BUSINESS OF THE ZF GROUP

BUSINESS OVERVIEW

Founded in 1915 to produce gears and transmissions for aircraft, motor vehicles, and motorboats, we are today a global leader in the design, manufacturing and sale of driveline and chassis technology as well as active and passive safety technology for the automotive industry and certain industrial sectors. We have production companies in approximately 31 countries, maintain 18 major development locations in Europe, North America, and Asia, and are headquartered in Friedrichshafen, Germany.

We are primarily active in the automotive industry, in particular in the areas of transmission systems, active and passive safety systems, units and components, as well as chassis systems and components for passenger car and commercial vehicle manufacturers. However, our activities also cover other market segments such as construction and agricultural machinery, wind power, marine propulsion, aviation technology, rail drives, special drives and test systems.

In 2020, by far the largest part of our sales were in the business sector Cars and light commercial vehicles below six tons, followed by sales in the business sector Commercial vehicles over six tons and the business sector Construction and agricultural machinery, marine craft, aircraft and wind power.

Our strong presence in the world's largest automotive markets is complemented by a significant footprint in key emerging markets as we are continually expanding our global market presence. In recent years, particularly our operations outside of Western Europe have become increasingly important with not only the established markets in North and South America, Germany and Western Europe and Japan, but also the new markets in the Asia-Pacific region (especially China and India) and Eastern Europe playing a major role. We are expanding our global presence by adapting our products to specific customers and market requirements while considering the most cost effective country for production and procurement. We support the international expansion of our existing customers while also servicing new customers in the markets which we enter. In 2020, we generated approximately 55% (2019: 54%) of our sales outside our traditional markets in Europe (Germany, Western and Eastern Europe), in particular in North America (26%; 2019: 29%) and South America (2%; 2019: 3%) as well as the Asia-Pacific region (25%; 2019: 21%), with China as the core market and India as the growth market.

In addition to our primary product offering, we offer a wide range of services that are mainly marketed by our Aftermarket organization. Our global service network of more than 10,000 workshop partners offers our customers an extensive range of services globally. These services primarily involve the spare-parts business for driveline and chassis technology as well as maintenance and repair services.

STRATEGY

With our strategy "Next Generation Mobility" we strive to deliver a clean, safe, comfortable and affordable mobility. Our key strategic technology domains are: Automated Driving, Vehicle Motion Control, Integrated Safety and Electric Mobility. This "Next Generation Mobility" strategy builds upon the improvement of the following five core strategic targets: "Innovation and Cost Leadership", "Balanced Market Penetration", "Financial Independence", "Globally Attractive Employer" and "Diversified Product Portfolio". Due to megatrends such as e-mobility, autonomous driving, new mobility concepts, digitalization, urbanization, globalization, demographic change and the war for talents as well as scarce resources/energy efficiency and global warming, the automotive industry is currently experiencing a rapid change. Focusing on these megatrends with "Next Generation Mobility", we intend to tackle the massive on-going transformation with our broad portfolio serving the demands of the customers in the different markets. With our broad product portfolio, we are a global system supplier of mobility products and services for passenger cars, commercial vehicles as well as mobility-as-a-service solutions and industrial technology applications. In order to successfully implement the technological transformation of ZF's product portfolio, ZF aims to connect its technologies through digitalization and connecting software. As an example, we have set up our Internet of Things (IoT) cloud-based system in order to enable extensive networking between systems with our software "Middleware". This enables us to address the current strong trend within our OEM customer base to

move towards new electrical/electronic architectures and software-defined vehicles. We will be active globally and across all applications in these fields, namely for passenger cars, commercial vehicles, off-highway vehicles and industrial technology. A very important addition to ZF's set of long term strategic key performance indicators is the sustainability commitment to become climate-neutral by 2040 in all three relevant scopes: along the supply chain, in own production and also for products sold / in-use. Regarding global markets, we seek to expand our presence in China to enable further development and the manufacturing of our complete product portfolio to support the local market in full. We already offer customers in China high-tech solutions for e-mobility and autonomous driving and we seek to continuously increase our existing supply and customer base with Chinese manufacturers and new mobility providers. In order to further increase our footprint in China, we invest significantly in the expansion of our production capacities and on-site development in China. To highlight the importance of the Chinese market to ZF, our board member Dr. Holger Klein, with responsibility for the Asia-Pacific region, has been directing our business in this increasingly important region directly from ZF's China headquarters in Shanghai. In addition, in 2019 we opened a joint transmission plant in Jiaxing (China) together with Foton, a Chinese commercial vehicle manufacturer, to produce leading edge automatic transmissions for commercial vehicles in the Chinese market.

In 2015, as part of our "Strategy 2025", the Group acquired TRW and was able to integrate it into the corporate structure within a timeframe of about two years. During that time, we were also able to steadily reduce the debts incurred in connection with this acquisition and significantly increase investments in property, plant and equipment, as well as expenditure in research and development. Since then, we have made further acquisitions and entered into strategic partnerships, in particular in the field of mobility-as-a-service and automated guided vehicle growth markets. In 2020, the acquisition of WABCO constituted a further milestone in our corporate history (see "*General Information on the Issuers and the Guarantor–ZF Friedrichshafen AG–General Information–History and Development*").

In order to ensure that our organization and structure continues to meet all the requirements from the different markets and customers in the future, in 2018 we decided to adjust our organizational set-up in line with our strategy. One transformation was the introduction of a dual operating system that allows ZF Group to operate at different speeds and organizational modes. The goal is to achieve a maximum of standardized internal processes while remaining very flexible when it comes to serving customers and markets. Additionally, this change aimed at empowering the divisions to better steer their business by giving them a lean and efficient structure.

ZF DIVISIONS

Our operating activities are organized into the following divisions:

Active Safety Systems

The Active Safety Systems division includes our braking and steering business and has its headquarters in Livonia, Michigan (United States). Products include Electronic Stability Control, Integrated Brake Control, Electric Park Brakes, Electrically Powered Steering Systems and Electrically Powered Hydraulic Steering Systems.

The Active Safety Systems division comprises the business units Foundation Brakes, Brake Controls, Rack Drive and Column Drive.

In 2020, the Active Safety Systems division generated sales of EUR 4,987 million (2019: EUR 6,303 million).

Car Chassis Technology

The Car Chassis Technology division has the overall responsibility for passenger car chassis products applicable for vehicles up to 6 tons. The product portfolio includes complete front and rear axles, chassis and steering components, dampers, electronic damper and chassis systems for vehicles from all renowned global manufacturers.

The Car Chassis Technology division comprises the business units Chassis Systems, Chassis Components and Suspension Technology.

In 2020, the Car Chassis Technology division generated sales of EUR 6,680 million (2019: EUR 7,684 million).

Electrified Powertrain Technology

Since January 1, 2021, the former divisions of Car Powertrain and E-Mobility were combined into the Electrified Powertrain Technology division, in order to concentrate on the transformation to an electrified powertrain technology. This was a result of ZF's decision in the middle of 2020 to no longer develop driveline components that can exclusively be used in vehicles with pure combustion engines. The Electrified Powertrain Technology division pools our activities for passenger car driveline technology, in particular the development, production, and sale of transmissions and powertrain modules, as well as develops and produces hybrid modules, plug-in hybrid transmissions as well as electric drives for vehicles complete with power electronics and system integration.

The Electrified Powertrain Technology division comprises the following business units: Automatic Transmissions, Manual Transmissions/ Dual Clutch Transmissions and Powertrain Modules, as well as Axle Drives, Electronic Interfaces as well as the System House where all electromobility-related customer requests are processed and the competencies of the Group are bundled.

In 2020, the former Car Powertrain Technology division generated sales of EUR 6,342 million (2019: EUR 7,312 million). -

In 2020, the former E-Mobility division generated sales of EUR 2,117 million (2019: EUR 2,346 million).

Electronics and ADAS

The Electronics & ADAS division is responsible for advanced driver assist systems (ADAS), sensor technologies, integrated electronics including advanced safety domain control units and safety electronics such as airbag electronic control units and crash sensors for the automotive industry. Electronics and ADAS has its headquarters in Farmington Hills, Michigan (United States).

The Electronics & ADAS division comprises the business units Advanced Driver Assistance Systems (ADAS) and Safety Electronics.

In 2020, the Electronics and ADAS division generated sales of EUR 1,561 million (2019: EUR 1,848 million).

Passive Safety Systems

The Passive Safety Systems division is responsible for the development and production of occupant safety systems for the automotive industry. Products include airbags, airbag inflators, seat belt systems and steering wheels. The division includes our former Occupant Safety Systems business and has its headquarters in Alfdorf, Germany.

The Passive Safety Systems division comprises the business units Inflatable Restraint Systems, Seat Belt Systems and Steering Wheel Systems.

In 2020, the Passive Safety Systems division generated sales of EUR 3,503 million (2019: EUR 4,337 million).

Commercial Vehicle Control Systems

The Commercial Vehicle Control Systems division, formerly known as WABCO Holdings Inc., was established on May 29, 2020, following the closing of the WABCO acquisition.

The Commercial Vehicle Control Systems division comprises the business units Vehicle Dynamics & Control & Autonomous Driving, Driveline & Suspension Controls – Wheel End Solutions, Vehicle Energy Management Systems, Fleet Solutions, Trailer Systems, Off-highway Solutions and Car. In the period since its establishment and ended December 31, 2020, the Commercial Vehicle Control Systems division generated sales of EUR 1,539 million.

Commercial Vehicle Technology

The Commercial Vehicle Technology division is responsible for our international business of powertrain and chassis technology for commercial vehicles, including automated and manual transmissions, powerline transmissions, and powertrain components, shock absorbers, cabin dampers, axle systems and ADAS technology such as automated, camera and radar-based safety and comfort functions for trucks and buses.

The Commercial Vehicle Technology division comprises the following business units: Truck & Van Driveline Technology, Axle & Transmission Systems for Buses & Coaches, CV Chassis Technology, CV Powertrain Modules and CV Steering Systems.

In 2020, the Commercial Vehicle Technology division generated sales of EUR 3,307 million (2019: EUR 3,701 million).

Industrial Technology

The Industrial Technology division bundles our activities for "Off-Road" applications. It focuses on the development and production of transmissions and axles for agricultural and construction machinery as well as driveline technology for material handling systems, rail and special vehicles as well as marine transmissions, aviation technology, wind turbine transmissions and test systems.

The Industrial Technology division comprises the following business units: Off-Highway Systems, Industrial Drives, Marine & Special Driveline Technology, Test Systems, Aviation Technology and Wind Power Technology.

In 2020, the Industrial Technology division generated sales of EUR 2,687 million (2019: EUR 2,990 million).

Aftermarket

The division Aftermarket combines our aftersales business as well as the global offering of the ZF Group in retail, services and customer service. The term "aftermarket" refers to the market of spare parts that are used in the maintenance and repair of passenger cars and commercial vehicles. The division supports the performance and efficiency of vehicles throughout their life cycle with integrated solutions and the entire ZF product portfolio. In the aftermarket sector, we generally distribute the same products which we also supply to our OEM clients.

Since 2017, the division combines the former ZF Services and TRW Aftermarket business units. The TRW name has been retained as a product brand and enhances the existing brand portfolio alongside ZF, Sachs, Lemförder, Boge and Openmatics.

The Aftermarket division comprises the following business units: Independent Aftermarket, Original Equipment Service/Specific Original Equipment, Manufacturing and Friction Materials Group.

In 2020, the Aftermarket division generated sales of EUR 2,522 million (2019: EUR 2,929 million).

RESEARCH AND DEVELOPMENT

To provide innovative products which generate the greatest possible added value for vehicle manufacturers and end customers, we invest a substantial part of our sales in research and development (**R&D**) every year. In the financial year ended December 31, 2020, our R&D expenditure amounted to EUR 2,516 million (defined as R&D costs of EUR 2,168 million recognized in our consolidated statement of profit and loss and the capitalized development costs as inventories and intangible assets of EUR 370 million and excluding the respective amortization of the capitalized development costs of EUR 23 million) compared to R&D expenditure of EUR 2,652 million (R&D costs of EUR 2,270 million recognized in our consolidated statement of profit and loss and the capitalized development costs as inventories and intangible assets of EUR 409 million and excluding the respective amortization of the capitalized development costs of EUR 27 million) in the financial year ended December 31, 2019. We expect to continue to invest significantly in the years to come in order to further strengthen and expand the Group's position.

Our R&D centers comprise 18 main development locations around the world including Friedrichshafen, Koblenz, Schweinfurt, Alfdorf, Hanover, Düsseldorf, Dielingen, Passau and Auerbach in Germany, as well as Detroit (United States), Shanghai (China), Hyderabad and Chennai (India), Czestochowa and Wrocław (Poland), Pilsen (Czech Republic), Solihull (UK) and Yokohama (Japan). In 2020, we filed submitted a total of 3,428 patent applications worldwide, 1,264 of which were first-time patent applications.

In 2020, ZF was focused on the transformation of its portfolio to support the shift to an electrified powertrain technology. ZF launched an energy efficient conversion programme for the development of a fuel cell. In order to increase the range of battery electric vehicles, ZF is focusing on improving drive efficiency. ZF is working intensively on improving the technologies used, for example wide-band gap semiconductors or new cooling processes. Further improvements are made by intelligently optimizing the overall system (driveline, brake, chassis, driving strategy). Calculations and initial tests have shown that energy savings of about 15% are to be expected.

ZF also focused its R&D efforts in 2020 on digitalization and software development. ZF aims to expand the business models for digital products and services as well as for pure software products. In addition, ZF invests in further establishing and expanding its global centers for core competencies of software development, artificial intelligence (**AI**), cyber security and system development. At the moment, vehicles are equipped with around 100 different electronic control units (**ECUs**) each of which has its own integrated piece of software. This decentralized system reaches its limits in light of the challenges of automated and networked driving. Here, ZF uses its new middleware to accelerate development processes and significantly reduce the complexity of integrating hardware and software. The ZF middleware constitutes the link between a vehicle's software applications and hardware components, so that only the middleware needs to be connected to the vehicle's operating system. This approach minimizes the number of interfaces, enables fast communication between all system parts and helps vehicle manufacturers to significantly reduce the complexity of system integration into the vehicle. Volume production of the ZF middleware as a comprehensive platform is expected to start in 2024. Its development is closely linked to that of applications for the technology fields of automated driving, electromobility, vehicle motion control and integrated safety.

In February 2021, ZF announced that it is investing USD 200 million in commercial vehicle transmission manufacturing in North America. Beginning in 2023, ZF will produce the ZF PowerLine 8-speed automatic transmission at its manufacturing facility in Gray Court, South Carolina, United States.

Our R&D centers work in close cooperation in all key areas of product development with customers of the automotive industry and with customers with demands for non-automotive drive technology. We use tools, such as simulation and rapid prototyping, for developing increasingly complex products that involve mechatronics. Due to the high technological bandwidth mastered, ranging from mechanics via hydraulics, pneumatics and electro mechanics up to highly complex electronics and mechatronics systems, we are capable of realizing large-scale systems integration projects in-house.

RAW MATERIALS AND SUPPLIERS

In the financial year ended December 31, 2020, our cost of raw materials, supplies, and merchandise amounted to EUR 20,433 million (2019: EUR 22,823 million³).

Steel and aluminum are the principal raw materials used in many of our products. We purchase raw materials from global sources with whom we work closely to assure steel quality. Other important production materials include castings, turned parts and forgings. We obtain raw materials from a variety of sources and in general from more than one supplier. Prices of raw materials and energy resources are subject to curtailment or change due to, among other things, new laws or regulations, changes in demand levels, suppliers' allocations to other purchasers, interruptions in production by suppliers, changes in exchange rates and prevailing price levels.

COMPETITION

We compete with a large number of other companies in our several business divisions and independent business units.

Our key competitors in the automotive supply business are worldwide active suppliers of mechanical or electronic components, such as Robert Bosch GmbH (Germany), Continental AG (Germany), Denso Corp. (Japan), Delphi Corp. (United States), and Magna International Inc. (Canada). In many segments, we also have strong in-house competition of our larger OEM customers.

In addition to these global players, we compete with a wide number of other companies in certain product areas, such as, for passenger cars / light vehicles:

- in the field of car automatic transmissions: Aisin AW Co., Ltd. (Japan), Jatco Ltd. (Japan) and Magna PT B.V. & Co. KG (formerly known as GETRAG Getriebe- und Zahnradfabrik Hermann Hagenmeyer GmbH & Cie. KG) (Germany);
- in the field of starting devices (e.g. clutches): Valeo Group (Paris, France), LuK GmbH & Co. KG (Germany) and Exedy Corp. (Japan);
- in the field of e-Mobility selected main competitors are: Robert Bosch GmbH (Germany), Continental AG (Germany), BluE Nexus Corporation (Japan), Delphi (United States), Siemens / Valeo Group (France), Magna International Inc. (Canada), Schaeffler AG (Germany), GKN Automotive Limited (United Kingdom), Nidec Corporation (Japan), LG (South Korea) as well as OEM in-house manufacturing (e.g. Volkswagen Group (Germany), Hyundai Mobis (South Korea), BYD Co. Ltd. (China), AB Volvo (Sweden), Daimler AG (Germany), Tesla Inc (United States);
- for chassis: Somic Ishikawa Inc. (Hamamatsu, Japan), THK Co., Ltd. (Japan), CTR (South Korea), Musashi Seimitsu Industry Co., Ltd. (Japan) for chassis components, for dampers Tenneco Inc. (United States), KYB Corporation (Japan), Showa Corp. (Japan), Hitachi, Ltd. (Japan), Mando Corporation (South Korea), ThyssenKrupp Bilstein (Germany);
- for steering systems: Robert Bosch GmbH (Germany), JTEKT Corporation (Japan), Nexteer (United States), Showa Corp. (Japan), Hitachi (Japan), NSK (Japan), Mando Corporation (South Korea), KYB Corporation (Japan), ThyssenKrupp Presta (Liechtenstein);
- for Braking systems: Robert Bosch GmbH (Germany), Continental AG (Germany), Advics (Japan), Mando Corporation (South Korea), Mobis (South Korea), Akebono (Japan); Chassis Brakes International (the Netherlands), Brembo (Italy), Veoneer (Sweden);
- for safety systems (airbags, seatbelts, steering wheels): Autoliv (Sweden), Joyson Safety Systems (United States), Toyota Gosei (Japan), Tokai Rika (Japan);

³ In the fiscal year 2020, expenses related to inventory change of development and tooling costs capitalized in inventories are being allocated to the cost of materials. Previously, these costs were recorded under other expenses. For better comparability, the 2019 figure was adjusted from EUR 22,481 million to EUR 22,823 million.

- for ADAS components: Robert Bosch GmbH (Germany), Continental AG (Germany), Denso (Japan), Aptiv plc (Ireland), Marelli (former Calsonic Kansei), Valeo Group (France), Veoneer Inc (Sweden).

In the area of heavy commercial vehicles, we primarily compete with:

- with regard to heavy commercial vehicle transmissions: Eaton Corporation Plc (Ireland), Allison Transmission, Inc. (United States), Voith GmbH (Germany) and Shaanxi Fast Gear Co., Ltd. (China) as well as Inhouse Manufacturers e.g. Daimler AG (Germany), Volvo AB (Sweden), TRATON Group (Germany);
- in clutches: Valeo Group (France), LuK GmbH & Co. KG (Germany) and Exedy Corp. (Japan), Setco (United Kingdom) as well as Eaton Corporation Plc (Ireland);
- in chassis components and shock absorbers: Tenneco, Inc. (United States), Dongfeng (China), Dalian Anda (China), THK Co., Ltd. (Japan), Clevite (United States);
- for steering systems: Bosch Lenksysteme (Germany), CAAS China Automotive Systems (China), R.H. Sheppard Co. Inc. (Belgium) (acquired by Knorr-Bremse AG in June 2020);
- for electric / electrified powertrain: DANA Corporation (+TM4) (United States), Siemens AG (Germany), Meritor Inc. (United States), Robert Bosch GmbH (Germany), Cummins Inc. (United States), BAE Systems plc (United Kingdom) as well as inhouse manufacturers e.g. BYD Auto Company Ltd (China), Volvo AB (Sweden), Zhengzhou Yutong Group Co., Ltd. (China), TRATON Group (Germany);
- for ADAS Components: Robert Bosch GmbH (Germany), Continental AG (Germany), Aptiv plc (Ireland), Valeo Group (France);
- for CV Braking Systems: Knorr-Bremse AG (Germany), Haldex AB (Sweden), SORL Auto Parts, Inc. (Ruili Group Ruian Auto Parts Co. Ltd, China), VIE Science and Technology Co., Ltd. (China).

Our competitors in the Industrial Technology division depend on the specific industry. Mainly, we compete with in-house production at the big OEMs. In addition, our further main competitors are Dana, Carraro, Kordel, TwinDisc, Reintjes, Renk, Schottel, Winergy, Moventas, NGC, Bosch Rexroth, China High Speed, Voith, Flender and Wateeuw.

EMPLOYEES

As of December 31, 2020, we had 153,522 (as of December 31, 2019: 147,797) employees (in headcounts; excluding temporary workforce) in 42 countries worldwide.

LEGAL AND ARBITRATION PROCEEDINGS

Companies of the ZF Group are regularly parties to legal disputes and arbitration proceedings. We are also subject to regulatory investigations and enforcement proceedings by various governmental authorities, including national and supranational antitrust authorities.

On June 10, 2020, the Stuttgart public prosecutor's office imposed a fine against ZF in the amount of EUR 42.5 million in connection with its investigations of emission and consumption topics. ZF waived all legal remedies.

Furthermore, following the NHTSA announcement on April 23, 2019 regarding damaged ACUs (see *"Risks relating to the ZF Group's Business and Industry – Products that do not meet customer specifications or that contain, or are perceived to contain, defects or errors or that are otherwise incompatible with their intended end use could impose significant costs on us, including from warranty and product liability claims. In addition, quality risks could also damage our reputation."*) and the corresponding investigation of the NHTSA in the United States regarding certain vehicles that are equipped with ZF airbag control units and which have been subject to recalls by Toyota, Fiat Chrysler Automobiles, Hyundai-Kia Motors Corporation and Volvo, 27 class actions have been filed against us in the United States and three class actions have been filed in Canada, seeking, *inter alia*,

compensatory damages, punitive damages, statutory penalties and attorneys' fees. The class actions have been consolidated in the United States into a consolidated proceeding under federal multi-district litigation (MDL) procedural laws.

MATERIAL CONTRACTS

Description of other indebtedness

Existing ZF Bonds

The following bonds issued by ZF North America Capital Inc. (***ZF North America***), a wholly owned subsidiary of ZF, issued in April 2015 and each guaranteed by ZF on an unconditional and irrevocable basis (together, the ***Existing NA ZF Bonds***), are outstanding as of the date of this Prospectus:

- USD 1.0 billion in aggregate principal amount of 4.500% fixed rate notes due April 29, 2022 (the ***4.500% USD 2022 Notes***).
- USD 1.5 billion in aggregate principal amount of 4.750% fixed rate notes due April 29, 2025 (the ***4.750% USD 2025 Notes***).
- EUR 1.1 billion in aggregate principal amount of 2.750% fixed rate notes due April 27, 2023 (the ***2.750% EUR 2023 Notes***).

As a result of buy-backs, especially completed in December 2017, as of the date of this Prospectus, Existing NA ZF Bonds in the following principal amounts are outstanding: USD 621.5 million in the 4.500% USD 2022 Notes, USD 1,077.4 million in the 4.750% USD 2025 Notes and EUR 1,075.0 million in the 2.750% EUR 2023 Notes.

The following bonds issued by ZF Europe Finance B. V., a wholly owned subsidiary of ZF, issued in October 2019 and each guaranteed by ZF on an unconditional and irrevocable basis (together, the ***Existing NL ZF Bonds***), are outstanding as of the date of this Prospectus:

- EUR 500 million 1.250% fixed rate notes in bearer form due October 23, 2023 (the ***1.250% EUR 2023 Notes***).
- EUR 900 million 2.000% fixed rate notes in bearer form due February 23, 2026 (the ***2.000% EUR 2026 Notes***).
- EUR 600 million 2.500% fixed rate notes in bearer form due October 23, 2027 (the ***2.500% EUR 2027 Notes***).
- EUR 700 million 3.000% fixed rate notes in bearer form due October 23, 2029 (the ***3.000% EUR 2029 Notes***).

The following Notes issued by ZF Finance GmbH under the Programme and each guaranteed by ZF on an unconditional and irrevocable basis (collectively the ***Existing DE ZF Bonds*** and, together with the Existing NA ZF Bonds and the Existing NL ZF Bonds, the ***Existing ZF Bonds***) are outstanding as of the date of this Prospectus:

- EUR 750,000,000 3.000% fixed rate notes in bearer form due September 21, 2025 (the ***3.000% EUR 2025 Notes***).
- EUR 750,000,000 3.750% fixed rate notes in bearer form due September 21, 2028 (the ***3.750% EUR 2028 Notes***).
- EUR 500,000,000 2.750% fixed rate notes in bearer form due May 25, 2027 (the ***2.750% EUR 2027 Notes***).

The Existing ZF Bonds provide for a redemption right of the holders upon the occurrence of a change of control event. The Existing ZF Bonds further provide for events of default entitling their holders to demand immediate redemption thereof (including a cross-acceleration provision for liabilities in excess of EUR 100 million). The Existing ZF Bonds also contain a negative pledge provision (including certain customary exemptions).

ZF Bonded Loans 2012/2015 (Schuldscheindarlehen)

As of the date of this Prospectus, tranches of fixed rate euro-denominated bonded loans (*Schuldscheindarlehen*) with a nominal value of EUR 345.0 million, issued by ZF AG in January 2015 and maturing in January 2022, bearing interest at a rate of 2.910% (the ***ZF Bonded Loans 2015***) are still outstanding.

The ZF Bonded Loans 2015 provide for an increase of the interest rate by 75 basis points *per annum* if our net debt is equal to or more than three times of our EBITDA (calculated in accordance with certain parameters stipulated by the respective ZF Bonded Loan).

The ZF Bonded Loans 2015 contain certain undertakings of ZF such as a negative pledge provision (including certain customary exemptions) as well as a restriction on disposals with regard to ZF and its material subsidiaries (including certain exemptions which include a general exemption in relation to disposals in an aggregate amount of not more than EUR 500,000,000 for each year as well as an exemption with respect to disposal proceeds which are re-invested in the ZF Group).

Each of the ZF Bonded Loans 2015 also includes a termination right for the relevant lender in case of certain events of default (including a cross-acceleration provision for liabilities in excess of EUR 60 million) as well as in case of a change of control.

The obligations represented by the ZF Bonded Loans 2015 rank *pari passu* with all other senior unsecured obligations of ZF.

ZF Bonded Loans 2019 (Schuldscheindarlehen)

On September 30, 2019, ZF AG entered into several fixed rate and floating rate tranches of euro-denominated bonded loans (*Schuldscheindarlehen*) which have been paid out to ZF AG on October 25, 2019 and partially on January 20, 2020 and February 6, 2020 (the ***ZF Bonded Loans 2019***):

<u>Tranche</u>	<u>Maturity</u>	<u>Interest rate</u>	<u>Nominal value</u> <u>(in EUR million)</u> <u>(unaudited)</u>
ZF 2019-2022	October 2022	1.100%/floating	565.0
ZF 2019-2023	January 2023	1.100%/floating	143.5
ZF 2019-2024	October 2024	1.400%/floating	508.0
ZF 2019-2025	January 2025	1.400%/floating	152.0
ZF 2019-2026	October 2026	1.600%/floating	552.5
ZF 2019-2027	January 2027	1.600%/floating	86.5
ZF 2019-2029	October 2029	1.800%/floating	49.0
Total.....			2,056.5

The ZF Bonded Loans 2019 contain certain undertakings of ZF such as a negative pledge provision (including certain customary exemptions).

In case a change of control in relation to ZF occurs, the relevant lender under the ZF Bonded Loans 2019 may claim prepayment of its participation in the ZF Bonded Loans 2019.

Each of the ZF Bonded Loans 2019 also includes a termination right for the relevant lender in case of certain events of default (including a cross-acceleration provision for financial liabilities in excess of EUR 75 million).

The obligations represented by the ZF Bonded Loans 2019 rank *pari passu* with all other senior unsecured obligations of ZF.

Senior Facilities Agreement

On July 27, 2016, ZF as borrower and guarantor, certain of its subsidiaries and certain financial institutions entered into an unsecured syndicated EUR 3,500,000,000 multicurrency term loan and revolving credit facilities agreement (as such agreement has been amended from time to time, the last time on May 14, 2020, the ***Senior Facilities Agreement***) consisting of a EUR 3,000,000,000 revolving loan facility (the ***RCF***) and a EUR 500,000,000 term loan facility (the ***Term Loan***). The Term Loan

was fully repaid in 2016 and is no longer available for utilization. Both extension options under the Senior Facilities Agreement were exercised, hence the RCF matures in July 2023.

The Senior Facilities Agreement contains customary events of default, the occurrence of which would allow for, among other things, the cancellation of the lenders' commitments or a declaration that all or part of the loans together with accrued interest and all other amounts outstanding under the finance documents are immediately due and payable. Additionally, the Senior Facilities Agreement contains a mandatory prepayment event and termination right of a lender's commitment in case of a change of control with regard to ZF subject to a negotiation period. Furthermore, the Senior Facilities Agreement contains a mandatory prepayment event with respect to a creditor's commitment if such lender's respective participation in a loan becomes unlawful.

The RCF bears interest in the aggregate of EURIBOR (floored at zero) and a margin, with such margin being adjusted depending on the public long-term rating from certain rating agencies, increasing or decreasing dependent on such rating. The margin of the RCF will be increased by 0.20 per cent. *per annum* if the ratio of ZF's consolidated total net borrowings to its consolidated adjusted EBITDA (calculated in accordance with certain parameters stipulated by the Senior Facilities Agreement) is above 4.00:1 and it will be increased by 0.40 per cent. *per annum* if such ratio of is above 4.50:1.

The Senior Facilities Agreement contains a number of affirmative and negative covenants customary for this type of financing which are subject to certain specified exceptions. These covenants include, among others, the obligation to provide financial statements and management accounts and also comprise certain other customary information obligations.

The restrictive covenants include, but are not limited to, restrictions on the incurrence of financial indebtedness in respect of ZF's subsidiaries, asset disposals, the granting of security (so called 'negative pledge'), loans and guarantees out, corporate restructurings, change of business, and substantial change of the general nature of the business of the ZF Group (including WABCO).

Furthermore, ZF must ensure that the ratio of its consolidated total net borrowings to its consolidated adjusted EBITDA (calculated in accordance with certain parameters stipulated by the Senior Facilities Agreement) does not exceed certain thresholds. According to the terms of the Senior Facilities Agreement, ZF must ensure that the aforementioned ratio does not exceed 5.50:1 until and including March 31, 2021, thereafter the aforementioned ratio is reduced in certain pre-defined steps to 3.75:1 until and including December 31, 2021 and finally to 3.25:1 (which ratio must be observed from December 31, 2023). The Senior Facilities Agreement also provides for an obligation of ZF to maintain liquid funds, including certain available credit facilities (determined in accordance with certain parameters stipulated by the Senior Facilities Agreement) of not less than EUR 1,500,000,000; such obligation however only applies from June 30, 2020 to June 30, 2021.

EIB loan

On December 21, 2016, ZF AG entered into a finance contract with the European Investment Bank (**EIB**), under which EIB established a credit in favor of ZF in an amount of EUR 500,000,000 (as amended from time to time, the last time on May 26, 2020, the **EIB Loan**) in order to finance certain R&D activities (the **Project**). The EIB Loan was fully disbursed in one single tranche on June 29, 2018 and with a repayment of the full amount being due on June 29, 2024.

The EIB Loan contains customary events of default, the occurrence of which would entitle EIB to demand (in writing) that all or part of the EIB Loan together with all other accrued interest or outstanding amounts under the EIB Loan are immediately due and payable. Additionally, the EIB Loan contains certain compulsory prepayment events relating to the overall costs and financing of the Project and EIB's proportionate participation therein, the voluntary prepayment of non EIB financings, it becoming unlawful for the EIB to perform its obligations, and the occurrence of a change of control, upon which ZF may have to prepay part or all of the EIB Loan.

The loan drawn under the EIB Loan bears interest at the applicable 3-month EURIBOR plus a fixed margin *per annum*.

The EIB Loan contains a number of affirmative and negative covenants customary for this type of financing which are subject to certain specified exceptions. These covenants include, among others, the obligation to provide financial statements and management accounts as well as business plans and also comprise certain other customary information obligations.

The restrictive covenants include, but are not limited to, restrictions on the incurrence of financial indebtedness in respect of ZF's subsidiaries, asset disposals, the granting of security (so called 'negative pledge'), loans and guarantees out, corporate restructurings, change of business, and substantial change of the general nature of the business of the ZF Group.

The EIB Loan also contains certain covenants in relation to the Project, particularly but not limited to, in respect of procurement procedure, costs and completion.

Furthermore, ZF AG must ensure that the ratio of its consolidated total net debt to its consolidated adjusted EBITDA (calculated in accordance with certain parameters stipulated by the EIB Loan) does not exceed certain thresholds.

According to the terms of the EIB Loan, ZF must ensure that the aforementioned ratio does not exceed 5.50:1 until and including March 31, 2021; thereafter, the aforementioned ratio is reduced in certain pre-defined steps to 3.75:1 until and including December 31, 2023 and finally to 3.25:1 (which ratio must be observed from December 31, 2023).

The EIB Loan also provides for an obligation of ZF to maintain liquid funds, including certain available credit facilities (determined in accordance with certain parameters stipulated by the EIB Loan agreement) of not less than EUR 1,500,000,000; such obligation however only applies from June 30, 2020 to June 30, 2021.

Syndicated Facilities Agreement

In connection with the WABCO acquisition, ZF AG on March 28, 2019 entered into a syndicated credit facilities agreement, with ZF AG as borrower, J.P. Morgan Securities plc as mandated lead arranger, J.P. Morgan Europe Ltd as agent and various lenders, including some of the Dealers or their affiliates, as amended from time to time, the last time on May 15, 2020 (the ***Syndicated Facilities Agreement***). Under the Syndicated Facilities Agreement, ZF AG was able to utilize an aggregate amount of EUR 7.3 billion to finance the acquisition costs for the acquisition of all shares in WABCO and any costs related to such acquisition. The Syndicated Facilities Agreement originally consisted of a term loan facility (bridge to capital market) in an amount of EUR 4.8 billion which has already been fully replaced through the issue of bonded loans and eurobonds (***Facility A***), a term loan facility in an amount of EUR 1.0 billion with maturity in March 2022 (***Facility B***) - which has been partially repaid in November 2020 and March 2021 resulting in an amount of EUR 300 million being outstanding as of March 31, 2021 - and a third term loan facility in an amount of EUR 1.5 billion with maturity in March 2024 (***Facility C***). As of March 31, 2021, Facility C was utilized in full.

The terms of the Syndicated Facilities Agreement are substantially the same as the terms of the Senior Facilities Agreement. Accordingly, the Syndicated Facilities Agreement contains customary events of default, the occurrence of which would allow for, among other things, the cancellation of the lenders' commitments or a declaration that all or part of the loans together with accrued interest and all other amounts outstanding under the Syndicated Facilities Agreement (and related agreements) are immediately due and payable. Interest payable in relation to Facility B and Facility C will be adjusted depending on the public long-term rating from certain rating agencies, increasing or decreasing dependent on such rating.

The Syndicated Facilities Agreement also contains a mandatory prepayment event and termination right of a lender's commitment in case of a change of control with regard to ZF AG subject to a negotiation period.

The Syndicated Facilities Agreement contains a number of affirmative and negative covenants customary for this type of financing which are subject to certain specified exceptions. These covenants include, among others, the obligation to provide financial statements and management accounts as well as acquisition related information and also comprise certain other customary information obligations. The restrictive covenants include, but are not limited to, restrictions on the incurrence of financial indebtedness in respect of ZF AG's subsidiaries, asset disposals, the granting of security (so-called negative pledge), loans and guarantees out, corporate restructurings, change of business, and substantial change of the general nature of the business of the ZF Group.

Furthermore, ZF must ensure that the ratio of its consolidated total net borrowings to its consolidated adjusted EBITDA (calculated in accordance with certain parameters stipulated by the Syndicated Facilities Agreement) does not exceed certain thresholds. According to the terms of the Syndicated

Facilities Agreement, ZF must ensure that the aforementioned ratio does not exceed 5.50:1 until and including March 31, 2021; thereafter the aforementioned ratio is reduced in certain pre-defined steps to 3.75:1 until and including December 31, 2021 and finally to 3.25:1 (which ratio must be observed from December 31, 2023). The Syndicated Facilities Agreement also provides for an obligation of ZF to maintain liquid funds, including certain available credit facilities (determined in accordance with certain parameters stipulated by the Senior Facilities Agreement) of not less than EUR 1,500,000,000; such obligation however only applies from June 30, 2020 to June 30, 2021.

Bilateral loan agreements

In addition to the financing instruments above, ZF AG and certain of its subsidiaries have entered into bilateral loan agreements with certain banks or other financial institutions. As of December 31, 2020 the financial liabilities (excluding accrued interest and fees) relating to such agreements amounted to approximately EUR 140 million.

Contingent liabilities

As of December 31, 2020, the ZF Group had contingent liabilities in an amount of EUR 213 million.

RECENT EVENTS

On May 29, 2020, ZF AG closed the Merger with WABCO. The completion of the WABCO acquisition was subject to regulatory approvals and certain conditions to be fulfilled post-Closing. In this context the Indian merger control authority (CCI) imposed remedies on ZF; in parallel India regulations applied (companies act and SEBI stock exchange authority regulations) which made certain corporate actions/ capital markets transactions necessary.

Brakes India divestment

As of the date of this Prospectus, ZF holds minority interests (49%), inter alia, in Brakes India Private Limited, Chennai (India): a long-standing joint venture between ZF Friedrichshafen and TVS Group. This minority stake has to be divested within a certain period of time based on an order of the Indian Merger Control Authority (CCI) in connection with the takeover of Wabco Holdings Inc.. ZF is committed to comply with this remedy by selling its shares in Brakes India Private Limited to its joint venture partner TVS Group. Accordingly, in March 2021 a share purchase agreement with a group of TVS Group affiliates has been signed for the purpose of effecting the divestment of ZF International UK Ltd.'s shares in Brakes India Private Limited.

Wabco India shares

Prior to the WABCO acquisition, ZF International UK Ltd. held 75% of shares in Wabco India Ltd. In connection with the WABCO acquisition, ZF had to issue a mandatory takeover offer for the remaining 25% outstanding shares in Wabco India Ltd. and such mandatory takeover offer resulted in an increase of ZF's shareholding in Wabco India Ltd. by 18%. However, due to regulatory requirements, ZF is required to decrease its stake in Wabco India Ltd. back to 75% (SEBI / stock exchange regulation for minimum public shareholding of 25%). Therefore, in March 2021, ZF International UK Ltd. sold 70% of the shares acquired by it as a result of the mandatory takeover offer in a first tranche of an offer for sale to a variety of investors (both retail and institutional). Another tranche is to follow in due course, subject to India stock exchange procedures

In the first quarter of 2021, ZF also repaid outstanding indebtedness in form of bonds, bonded loans, US private placements and term loans in the aggregate amount of EUR 377 million, including a partial repayment in the amount of EUR 200 million of Facility B under the Syndicated Facilities Agreement (see "*Material Contracts – Syndicated Facilities Agreement*").

ISSUE PROCEDURES

General

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

Options for sets of Terms and Conditions

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

Option I – Terms and Conditions for Notes with fixed interest rates;

Option II – Terms and Conditions for Notes with floating interest rates;

With respect to Notes with fixed interest rates, Option IA is incorporated by reference into this Prospectus for the purpose of a potential increase of Notes outstanding and originally issued prior to the date of this Prospectus.

Documentation of the Conditions

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

- The Final Terms shall be completed as set out therein. The Final Terms shall determine which of Option I or Option II, including certain further options contained therein, respectively, shall be applicable to the individual issue of Notes by replicating the relevant provisions and completing the relevant placeholders of the relevant set of Terms and Conditions as set out in this Prospectus in the Final Terms. The replicated and completed provisions of the set of Terms and Conditions alone shall constitute the Conditions, which will be attached to each global note representing the Notes of the relevant Tranche.
- Alternatively, the Final Terms shall determine which of Option I or Option II and of the respective further options contained in each of Option I and Option II are applicable to the individual issue by only referring to the specific sections of the relevant set of Terms and Conditions as set out in this Prospectus. The Final Terms will specify that the provisions of the Final Terms and the relevant set of Terms and Conditions as set out in this Prospectus, taken together, shall constitute the Conditions. Each global note representing a particular Tranche of Notes will have the Final Terms and the relevant set of Terms and Conditions as set out in this Prospectus attached.

Determination of Options / Completion of Placeholders

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

Determination of Options

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

Completion of Placeholders

The Final Terms will specify the information with which the placeholders in the relevant set of Terms and Conditions will be completed. In case the provisions of the Final Terms and the relevant set of

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

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

Controlling Language

The relevant Issuer will elect either German or English to be the controlling language in the Conditions.

TERMS AND CONDITIONS OF THE NOTES

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

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

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

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

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

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

*Die Emissionsbedingungen für die Schuldverschreibungen (die **Emissionsbedingungen**) sind nachfolgend in zwei Optionen aufgeführt.*

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

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

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

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

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

Terms and Conditions

[In case the options applicable to an individual issue are to be determined by referring in the Final Terms to the relevant options contained in the set of Terms and Conditions for Option I or Option II:

The provisions of these Terms and Conditions apply to the Notes as completed by the terms of the final terms which are attached hereto (the **Final Terms**). The blanks in the provisions of these Terms and Conditions which are applicable to the Notes shall be deemed to be

Emissionsbedingungen

[Im Fall, dass die Optionen, die für eine einzelne Emission anwendbar sind, in den Endgültigen Bedingungen durch Verweis auf die weiteren Optionen bestimmt werden, die im Satz der Emissionsbedingungen der Option I oder Option II enthalten sind:

Die Bestimmungen dieser Emissionsbedingungen gelten für diese Schuldverschreibungen so, wie sie durch die Angaben der beigefügten endgültigen Bedingungen (die **Endgültigen Bedingungen**) vervollständigt werden. Die Leerstellen in den

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

auf die Schuldverschreibungen anwendbaren Bestimmungen dieser Emissionsbedingungen gelten als durch die in den Endgültigen Bedingungen enthaltenen Angaben ausgefüllt, als ob die Leerstellen in den betreffenden Bestimmungen durch diese Angaben ausgefüllt wären; alternative oder wählbare Bestimmungen dieser Emissionsbedingungen, deren Entsprechungen in den Endgültigen Bedingungen nicht ausgefüllt oder gestrichen sind, gelten als aus diesen Emissionsbedingungen gestrichen; sämtliche auf die Schuldverschreibungen nicht anwendbaren Bestimmungen dieser Emissionsbedingungen (einschließlich der Anweisungen, Anmerkungen und der Texte in eckigen Klammern) gelten als aus diesen Emissionsbedingungen gestrichen, so dass die Bestimmungen der Endgültigen Bedingungen Geltung erhalten. Kopien der Endgültigen Bedingungen sind kostenlos bei der bezeichneten Geschäftsstelle der Emissionsstelle und bei den bezeichneten Geschäftsstellen einer jeden Zahlstelle erhältlich; bei nicht an einer Börse notierten Schuldverschreibungen sind Kopien der betreffenden Endgültigen Bedingungen allerdings ausschließlich für die Gläubiger solcher Schuldverschreibungen erhältlich.]

**OPTION I – Terms and Conditions for Notes with fixed interest rate /
Emissionsbedingungen für Schuldverschreibungen mit fester Verzinsung**

TERMS AND CONDITIONS

§ 1

(CURRENCY, DENOMINATION, FORM)

(1) Currency; Denomination.

This series of Notes (the *Notes*) of [ZF Friedrichshafen AG] [ZF Finance GmbH] ([ZF Friedrichshafen AG] [ZF Finance GmbH] or the *Issuer*) is being issued in [*Specified Currency*] (the *Specified Currency*) in the aggregate principal amount [*in the case the Global Note is an NGN (New Global Note) the following applies: (subject to § 1(3))*] of [*aggregate principal amount*] (in words: [*aggregate principal amount in words*]) in the denomination of [*Specified Denomination*] (the *Specified Denomination*).

(2) Form.

The Notes are being issued in bearer form.

[In the case of Notes which are represented by a Permanent Global Note the following applies:

(3) Permanent Global Note.

The Notes are represented by a permanent global note (the *Permanent Global Note* or the *Global Note*) without coupons. The Permanent Global Note shall be signed manually by authorized signatories of the Issuer and shall be authenticated by or on behalf of the Fiscal Agent. Definitive Notes and interest coupons will not be issued.]

[In the case of Notes which are initially represented by a Temporary Global Note the following applies:

(3) Temporary Global Note – Exchange.

- (a) 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 Specified Denominations represented by a permanent global note (the *Permanent Global Note* and together with the Temporary Global Note, the *Global Notes*) without coupons. *[In the case of Euroclear and CBL and if the Global Note is an NGN the following*

EMISSIONSBEDINGUNGEN

§ 1

(WÄHRUNG, STÜCKELUNG, FORM)

(1) Währung; Stückelung.

Diese Serie von Schuldverschreibungen (die *Schuldverschreibungen*) der [ZF Friedrichshafen AG] [ZF Finance GmbH] ([ZF Friedrichshafen AG] [ZF Finance GmbH] oder die *Emittentin*) wird in [*Festgelegte Währung*] (die *Festgelegte Währung*) im Gesamtnennbetrag [*falls die Globalurkunde eine NGN (New Global Note) ist, ist folgendes anwendbar: (vorbehaltlich § 1(3))*] von [*Gesamtnennbetrag*] (in Worten: [*Gesamtnennbetrag in Worten*]) in einer Stückelung von [*Festgelegte Stückelung*] (die *Festgelegte Stückelung*) begeben.

(2) Form.

Die Schuldverschreibungen lauten auf den Inhaber.

[Im Fall von Schuldverschreibungen, die durch eine Dauerglobalurkunde verbrieft sind, ist folgendes anwendbar:

(3) Dauerglobalurkunde.

Die Schuldverschreibungen sind durch eine Dauerglobalurkunde (die *Dauerglobalurkunde* oder die *Globalurkunde*) ohne Zinsscheine verbrieft. Die Dauerglobalurkunde trägt die eigenhändigen Unterschriften ordnungsgemäß bevollmächtigter Vertreter der Emittentin und ist von der Emissionsstelle oder in deren Namen mit einer Kontrollunterschrift versehen. Einzelurkunden und Zinsscheine werden nicht ausgegeben.]

[Im Fall von Schuldverschreibungen, die anfänglich durch eine Vorläufige Globalurkunde verbrieft sind, ist folgendes anwendbar:

(3) Vorläufige Globalurkunde – Austausch.

- (a) Die Schuldverschreibungen sind anfänglich durch eine vorläufige Globalurkunde (die *Vorläufige Globalurkunde*) ohne Zinsscheine verbrieft. Die Vorläufige Globalurkunde wird gegen Schuldverschreibungen in den Festgelegten Stückelungen, die durch eine Dauerglobalurkunde (die *Dauerglobalurkunde* und zusammen mit der Vorläufigen Globalurkunde, die *Globalurkunden*) ohne Zinsscheine

applies: The details of such exchange shall be entered in the records of the ICSDs (as defined below).] The Global Notes shall each be signed manually by authorized signatories of the Issuer and shall each be authenticated by or on behalf of the Fiscal Agent. Definitive Notes and interest coupons will not be issued.

- (b) The Temporary Global Note shall be exchanged for the Permanent Global Note on a date (the **Exchange Date**) not earlier than 40 days after the date of issue of the Notes. Such exchange shall only be made upon delivery of certifications to the effect that the beneficial owner or owners of the Notes 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 Notes will be treated as a request to exchange the Temporary Global Note pursuant to subparagraph (b) of this § 1(3). Any Notes delivered in exchange for the Temporary Global Note shall be delivered only outside of the United States (as defined in § 1(6)).]

(4) Clearing System.

Each Global Note 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 [if more than one Clearing System, the following applies: each of] the following: [Clearstream Banking AG, Frankfurt am Main (**CBF**)] [Clearstream Banking S.A. (**CBL**)] [and] [Euroclear Bank SA/NV as operator of the Euroclear System (**Euroclear**)] and any successor in such capacity. [In the case of **CBL** and **Euroclear** as Clearing System the

verbrieft sind, ausgetauscht. [**Im Fall von Euroclear und CBL und wenn die Globalurkunde eine NGN ist, ist folgendes anwendbar:** Die Einzelheiten eines solchen Austausches werden in die Aufzeichnungen der ICSDs (wie nachstehend definiert) aufgenommen.] Die Globalurkunden tragen jeweils die eigenhändigen Unterschriften ordnungsgemäß bevollmächtigter Vertreter der Emittentin und sind jeweils von der Emissionsstelle oder in deren Namen mit einer Kontrollunterschrift versehen. Einzelurkunden und Zinsscheine werden nicht ausgegeben.

- (b) Die Vorläufige Globalurkunde wird an einem Tag (der **Austauschtag**) gegen die Dauerglobalurkunde ausgetauscht, der nicht weniger als 40 Tage nach dem Tag der Begebung der Schuldverschreibungen liegt. Ein solcher Austausch darf nur nach Vorlage von Bescheinigungen erfolgen, wonach der oder die wirtschaftlichen Eigentümer der Schuldverschreibungen keine U.S.-Personen sind (ausgenommen bestimmte Finanzinstitute oder bestimmte Personen, die Schuldverschreibungen über solche Finanzinstitute halten). Solange die Schuldverschreibungen durch eine Vorläufige Globalurkunde verbrieft sind, werden Zinszahlungen erst nach Vorlage dieser Bescheinigungen vorgenommen. Eine gesonderte Bescheinigung ist für jede solche Zinszahlung erforderlich. Jede Bescheinigung, die am oder nach dem 40. Tag nach dem Tag der Begebung der Schuldverschreibungen eingeht, wird als ein Ersuchen behandelt werden, diese Vorläufige Globalurkunde gemäß Absatz (b) dieses § 1(3) auszutauschen. Schuldverschreibungen, die im Austausch für die Vorläufige Globalurkunde geliefert werden, dürfen nur außerhalb der Vereinigten Staaten (wie in § 1(6) definiert) geliefert werden.]

(4) Clearingsystem.

Die Globalurkunde wird solange von einem oder im Namen eines Clearingsystems verwahrt, bis sämtliche Verbindlichkeiten der Emittentin aus den Schuldverschreibungen erfüllt sind. **Clearingsystem** bedeutet [bei mehr als einem Clearingsystem ist folgendes anwendbar: jeweils] folgendes: [Clearstream Banking AG, Frankfurt am Main (**CBF**)] [Clearstream Banking S.A. (**CBL**)] [und] [Euroclear Bank SA/NV als Betreiberin des Euroclear Systems (**Euroclear**)] sowie jeder Funktionsnachfolger. [**Im Fall von CBL oder Euroclear als**

following applies: International Central Securities Depository or ICSD means each of CBL and Euroclear (together, the ICSDs).]

[In the case of Notes kept in custody on behalf of the ICSDs and the global note is a NGN, the following applies: The Notes are issued in new global note (NGN) form and are kept in custody by a common safekeeper on behalf of both ICSDs.

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

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

[In the case of Notes kept in custody on behalf of the ICSDs and the global note is a CGN, the following applies: The Notes are issued in classical global note (CGN) form and are kept in custody by a common depositary on behalf of both ICSDs.]

(5) Holder of Notes.

Holder means any holder of a proportionate co-ownership or other beneficial interest or right in

Clearingsystem ist folgendes anwendbar: International Central Securities Depository oder ICSD bezeichnet jeweils CBL und Euroclear (zusammen die ICSDs).]

[Im Fall von Schuldverschreibungen, die im Namen der ICSDs verwahrt werden, und falls die Globalurkunde eine NGN ist, ist folgendes anwendbar: Die Schuldverschreibungen werden in Form einer New Global Note (NGN) ausgegeben und von einer gemeinsamen Verwahrstelle im Namen beider ICSDs verwahrt.

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

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

[Im Fall von Schuldverschreibungen, die im Namen der ICSDs verwahrt werden, und falls die Globalurkunde eine CGN ist, ist folgendes anwendbar: Die Schuldverschreibungen werden in Form einer Classical Global Note (CGN) ausgegeben und von einer gemeinsamen Verwahrstelle im Namen beider ICSDs verwahrt.]

(5) Gläubiger von Schuldverschreibungen.

Gläubiger bedeutet jeder Inhaber eines Miteigentumsanteils oder anderen vergleichbaren Rechts an den

the Notes.

[In the case the Temporary Global Note is a NGN, the following applies: On an exchange of a portion only of the Notes represented by a Temporary Global Note, the Issuer shall procure that details of such exchange shall be entered *pro rata* in the records of the ICSDs.]

(6) United States.

For the purposes of these Terms and Conditions, **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).

§ 2

**(STATUS, NEGATIVE PLEDGE
[IN THE CASE OF NOTES ISSUED BY AN
ISSUER OTHER THAN ZF
FRIEDRICHSHAFEN AG, THE FOLLOWING
APPLIES: , GUARANTEE])**

(1) Status.

The Notes constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank *pari passu* without any preference among themselves and at least *pari passu* with all other unsubordinated and unsecured obligations of the Issuer, present or future, unless such obligations are accorded priority under mandatory provisions of statutory law.

(2) Negative Pledge of the Issuer.

[In the case of Notes issued by ZF Friedrichshafen AG, the following applies:

(a) While any amounts remain outstanding under the Notes, but only up to the time all amounts payable to Holders under the Notes in accordance with these Terms and Conditions have been paid to the Clearing System or to its order, the Issuer undertakes

(i) it will not create or permit to subsist any security interest *in rem* (*dingliche Sicherheit*) over all or part of its present or future assets as security for any Capital Market Indebtedness (as

Schuldverschreibungen.

[Falls die Globalurkunde eine NGN ist, ist folgendes anwendbar: Bei Austausch nur eines Teils von Schuldverschreibungen, die durch eine Vorläufige Globalurkunde verbrieft sind, wird die Emittentin sicherstellen, dass die Einzelheiten dieses Austauschs *pro rata* in die Register der ICSDs aufgenommen werden.]

(6) Vereinigte Staaten.

Für die Zwecke dieser Emissionsbedingungen 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).

§ 2

**(STATUS, NEGATIVVERPFLICHTUNG
[IM FALL VON SCHULDVERSCHREIBUNGEN,
DIE VON EINER ANDEREN EMITTENTIN ALS
DER ZF FRIEDRICHSHAFEN AG BEGEBEN
WERDEN, IST FOLGENDES ANWENDBAR: ,
GARANTIE])**

(1) Status.

Die Schuldverschreibungen begründen unmittelbare, unbedingte, nicht nachrangige und nicht besicherte Verbindlichkeiten der Emittentin und stehen im gleichen Rang untereinander und mindestens im gleichen Rang mit allen anderen gegenwärtigen und zukünftigen nicht besicherten und nicht nachrangigen Verbindlichkeiten der Emittentin, soweit diesen Verbindlichkeiten nicht durch zwingende gesetzliche Bestimmungen ein Vorrang eingeräumt wird.

(2) Negativverpflichtung der Emittentin.

[Bei von ZF Friedrichshafen AG begebenen Schuldverschreibungen, ist folgendes anwendbar:

(a) Solange Zahlungen aus den Schuldverschreibungen ausstehen, jedoch nur bis zu dem Zeitpunkt, an dem alle auf die Schuldverschreibungen gemäß diesen Emissionsbedingungen an die Gläubiger zu zahlenden Beträge an das Clearingsystem oder an dessen Order gezahlt worden sind, verpflichtet sich die Emittentin

(i) für Kapitalmarktverbindlichkeiten (wie in § 2(2)(d) definiert) (einschließlich hierfür abgegebener Garantien und Freistellungserklärungen) keine

defined in § 2(2)(d)) (including any guarantees and indemnities given in respect thereof), and

- (ii) it will procure, to the extent legally permissible, that no Material Subsidiary will at any time create or permit to subsist any security interest *in rem* upon all or any of its present or future assets as security for any Capital Market Indebtedness (including any guarantees and indemnities given in respect thereof) issued by the Issuer or a Material Subsidiary,

unless at the same time or prior thereto, the Issuer's obligations under the Notes are secured equally and rateably therewith or benefit from a security interest *in rem* in substantially identical terms thereto.

- (b) Exemptions from the Negative Pledge of the Issuer. The undertaking pursuant to § 2(2)(a) shall not apply to a security which
 - (i) is mandatory according to applicable laws, or
 - (ii) is required as a prerequisite for governmental approvals, or
 - (iii) is existing on the issue date of the Notes, or
 - (iv) is provided by the Issuer or by any Material Subsidiary over any of the Issuer's claims or claims of any Material Subsidiary against any affiliated companies within the meaning of § 15 et seqq. of the German Stock Corporation Act (*Aktiengesetz*) or any third party, which claims exist now or arise at any time in the future, as a result of the passing on of the proceeds from the issuance of any securities, provided that any such security serves to secure obligations under such securities issued by the Issuer or by a Material

dinglichen Sicherheiten in Bezug auf ihr gesamtes gegenwärtiges oder zukünftiges Vermögen oder Teile ihres gegenwärtigen oder zukünftigen Vermögens zu gewähren oder bestehen zu lassen, und

- (ii) soweit rechtlich möglich, sicherzustellen, dass keine Wesentliche Tochtergesellschaft für Kapitalmarktverbindlichkeiten (einschließlich hierfür abgegebener Garantien und Freistellungserklärungen), die von der Emittentin oder einer Wesentlichen Tochtergesellschaft begeben wurden, irgendwelche dinglichen Sicherheiten in Bezug auf ihr gesamtes gegenwärtiges oder zukünftiges Vermögen oder Teile ihres gegenwärtigen oder zukünftigen Vermögens gewährt oder bestehen lässt,

sofern nicht die Verpflichtungen der Emittentin aus den Schuldverschreibungen gleichrangig und anteilig an einer solchen dinglichen Sicherheit teilhaben, oder diesbezüglich eine dingliche Sicherheit zu im Wesentlichen gleichen Bedingungen bestellt wird.

- (b) Ausnahmen von der Negativverpflichtung der Emittentin. Die Verpflichtung nach § 2(2)(a) besteht jedoch nicht für solche Sicherheiten, die
 - (i) gesetzlich vorgeschrieben sind, oder
 - (ii) als Voraussetzung für staatliche Genehmigungen verlangt werden, oder
 - (iii) am Begebungstag der Schuldverschreibungen bestehen, oder
 - (iv) durch die Emittentin oder von einer Wesentlichen Tochtergesellschaft zur Sicherung von gegenwärtigen oder zukünftigen Ansprüchen der Emittentin oder Ansprüchen einer Wesentlichen Tochtergesellschaft gegen verbundene Unternehmen im Sinne der §§ 15 ff. Aktiengesetz oder gegen Dritte aufgrund der Weiterleitung von Erlösen aus der Emission von Wertpapieren bestehen, soweit diese Sicherheiten zur Sicherung von Verpflichtungen aus diesen durch die Emittentin oder durch eine Wesentliche Tochtergesellschaft ausgegebenen Wertpapieren dienen,

Subsidiary, or

- (v) secures Capital Market Indebtedness existing at the time of an acquisition that becomes an obligation of the Issuer or any member of the Group as a consequence of such acquisition, provided that such Capital Market Indebtedness was not created in contemplation of such acquisition, or
- (vi) is provided in connection with any issuance of asset backed securities by the Issuer or by any member of the Group, or
- (vii) is provided in respect of any issuance of asset backed securities made by a special purpose vehicle where the Issuer or any member of the Group is the originator of the underlying assets, or
- (viii) is provided in respect of any financing of any project or asset, provided that the assets on which the security is created are (A) the assets which are used or to be used in or in connection with the project to which such Capital Markets Indebtedness relates or (B) revenues or claims which arise from the use, operation, failure to meet specifications, exploitation, sale, or loss of or damage to, such assets and provided further that such Capital Markets Indebtedness is not directly or indirectly the subject of any guarantee, indemnity or other form of assurance, undertaking or support from any other member of the Group, or
- (ix) constitutes the renewal, extension or replacement of any security pursuant to foregoing (i) through (viii), or
- (x) do not fall within the scope of application of (i) through (ix) above

oder

- (v) eine im Zeitpunkt einer Akquisition bestehende Kapitalmarktverbindlichkeit besichern, die infolge der Akquisition eine Verpflichtung der Emittentin oder einer Gesellschaft der Gruppe wird, sofern diese Kapitalmarktverbindlichkeit nicht im Hinblick auf diese Akquisition begründet wurde, oder
- (vi) im Zusammenhang mit der Begebung von asset backed securities (ABS) durch die Emittentin oder eine Gesellschaft der Gruppe bestellt werden, oder
- (vii) im Zusammenhang mit der Begebung von asset backed securities (ABS) durch eine Zweckgesellschaft gegeben werden, bei denen die Emittentin oder eine Gesellschaft der Gruppe der Originator der zugrunde liegenden Vermögenswerte ist, oder
- (viii) im Zusammenhang mit der Finanzierung von Projekten oder Vermögensgegenständen gegeben werden, vorausgesetzt, dass die Vermögensgegenstände, an denen das Sicherungsrecht besteht, (A) Vermögensgegenstände sind, die in dem Projekt oder im Zusammenhang mit dem Projekt, auf das sich die Kapitalmarktverbindlichkeiten beziehen, genutzt werden oder genutzt werden sollen, oder (B) Einnahmen oder Ansprüche sind, die aufgrund der Nutzung, des Betriebs, der Nichteinhaltung von Spezifikationen, der Verwertung, des Verkaufs, des Verlusts/Untergangs oder der Beschädigung dieser Vermögensgegenstände entstehen, und weiter vorausgesetzt, dass diese Kapitalmarktverbindlichkeiten weder direkt noch indirekt Gegenstand einer Garantie, Freistellung oder anderen Form der Zusicherung, Verpflichtung oder Unterstützung irgendeines anderen Mitglieds der Gruppe sind, oder
- (ix) eine Erneuerung, Verlängerung oder Ersetzung irgendeiner Sicherheit gemäß vorstehend (i) bis (viii) darstellen, oder
- (x) nicht in den Anwendungsbereich von (i) bis (ix) fallen und

and which secure Capital Market Indebtedness with a principal amount (when aggregated with the principal amount of other Capital Markets Indebtedness which has the benefit of security (issued by the Issuer or any Material Subsidiary) other than any falling within the scope of application of (i) through (ix) above) not exceeding EUR 300,000,000 (or its equivalent in other currencies).

- (c) Any security which is to be provided pursuant to § 2(2)(a) may also be provided to a person acting as trustee for the Holders.

- (d) Definitions.

The expressions "assets" and "obligation for the payment or repayment of money that is borrowed" as used in this § 2(2) do not include assets of the Issuer or any Material Subsidiary which, pursuant to the requirements of law and accounting principles generally accepted in the Federal Republic of Germany (*Germany*) or such other applicable law and accepted accounting principles generally, as the case may be, need not, and are not, reflected in the Issuer's or in a Material Subsidiary's balance sheets.

Capital Market Indebtedness means any present or future obligation for the payment or repayment of money (including obligations by reason of any guarantee or other liability agreement for obligations of third parties) that is borrowed either in the form of (i) bonded loans (*Schuldscheindarlehen*), (ii) registered notes (*Namensschuldverschreibungen*), or (iii) in the form of an issuance of notes with an original maturity of more than one year and which are, or are capable of being, quoted, listed or traded on a stock exchange or other recognized securities market.

Group means the Issuer and all of its fully consolidated Subsidiaries (as defined in this § 2(2)(d)) from time to time.

Kapitalmarktverbindlichkeiten besichern, deren Kapitalbetrag (zusammen mit dem Kapitalbetrag anderer Kapitalmarktverbindlichkeiten, für die andere dingliche Sicherheiten als solche (begeben durch die Emittentin oder eine Wesentliche Tochtergesellschaft), die in den Anwendungsbereich von (i) bis (ix) fallen, bestehen) EUR 300.000.000 (bzw. den Gegenwert in anderen Währungen) nicht überschreitet.

- (c) Eine nach § 2(2)(a) zu stellende Sicherheit kann auch zu Gunsten der Person eines Treuhänders der Gläubiger bestellt werden.

- (d) Definitionen.

Die in diesem § 2(2) benutzten Begriffe "Vermögen" und "Verpflichtung zur Zahlung oder Rückzahlung von Geldern" schließen nicht solche Vermögensgegenstände der Emittentin oder einer Wesentlichen Tochtergesellschaft mit ein, die im Einklang mit den Gesetzen der Bundesrepublik Deutschland (*Deutschland*) und den dort anerkannten Regeln der Bilanzierung und Buchführung oder den jeweils anwendbaren Gesetzen und anerkannten Regeln der Bilanzierung und Buchführung nicht in den Bilanzen der Emittentin oder einer Wesentlichen Tochtergesellschaft ausgewiesen werden müssen und darin auch nicht ausgewiesen werden.

Kapitalmarktverbindlichkeit bezeichnet jede gegenwärtige oder zukünftige Verpflichtung zur Zahlung oder Rückzahlung von Geldern (einschließlich Verpflichtungen aus Garantien oder anderen Haftungsvereinbarungen für Verbindlichkeiten von Dritten) entweder (i) aus Schuldscheindarlehen, (ii) aus Namensschuldverschreibungen oder (iii) aus Schuldverschreibungen, sofern diese eine ursprüngliche Laufzeit von mehr als einem Jahr haben und an einer Börse oder an einem anderen anerkannten Wertpapiermarkt notiert, zugelassen oder gehandelt werden oder notiert, zugelassen oder gehandelt werden können.

Gruppe bezeichnet die Emittentin und ihre jeweiligen vollkonsolidierten Tochtergesellschaften (wie in diesem § 2(2)(d) definiert).

Subsidiary means an entity of which a person has direct or indirect control or owns directly or indirectly more than 50% of the voting capital or similar right of ownership and "control" in this context means the power to direct the management and the policies of the entity whether through the ownership of voting capital, by contract or otherwise within the meaning of § 17 of the German Stock Corporation Act (*Aktiengesetz*) (cases of multiple dependency (*mehrfache Abhängigkeit*) in relation of joint ventures where no partner holds more than 50% of the voting rights shall be excluded).

Material Subsidiaries means a Subsidiary of the Issuer which has unconsolidated gross assets or unconsolidated turnover (based on the latest annual financial statements of the respective Subsidiary which was consolidated into the latest audited consolidated financial statements of the Group (*Konzernabschluss*)) representing 5% or more of the unconsolidated gross assets or unconsolidated turnover of the Group, provided that any newly acquired subsidiary of the Issuer shall in no event constitute a Material Subsidiary until expiry of a six-month period from the completion of the relevant acquisition. A certificate issued by the Issuer's auditors stating that a Subsidiary is or is not or was or was not at a specified date a Material Subsidiary shall, in the absence of manifest error, be conclusive and binding on all parties.]

[In the case of Notes issued by an issuer other than ZF Friedrichshafen AG, the following applies:

- (a) While any amounts remain outstanding under the Notes, but only up to the time all amounts payable to Holders under the Notes in accordance with these Terms and Conditions have been paid to the Clearing System or to its order, the Issuer undertakes that it will not create or permit to subsist any security interest *in rem* (*dingliche Sicherheit*) over all or part of its present or future assets as security for any Capital Market Indebtedness (as defined in § 2(4)) (including any guarantees and

Tochtergesellschaft bezeichnet ein Unternehmen, bei dem eine Person die unmittelbare oder mittelbare Kontrolle besitzt oder unmittelbar oder mittelbar Eigentümer von mehr als 50 % des stimmberechtigten Kapitals oder entsprechender Eigentumsrechte ist; "Kontrolle" bedeutet in diesem Zusammenhang die Berechtigung, die Geschäftsführung und die Politik des Unternehmens sei es über das Eigentum am stimmberechtigten Kapital, mittels eines Vertrages oder auf andere Weise im Sinne von § 17 Aktiengesetz zu bestimmen (Fälle mehrfacher Abhängigkeit bei Gemeinschaftsunternehmen, bei denen kein Partner mehr als 50 % der Stimmrechte hält, sind dabei ausgeschlossen).

Wesentliche Tochtergesellschaft bezeichnet eine Tochtergesellschaft der Emittentin, deren nicht konsolidiertes Bruttovermögen oder deren nicht konsolidierter Umsatz (gemäß dem letzten Jahresabschluss der betreffenden Tochtergesellschaft, der in den letzten geprüften Konzernabschluss konsolidiert wurde) mindestens 5 % des nicht konsolidierten Bruttovermögens oder des nicht konsolidierten Umsatzes der Gruppe ausmacht, wobei eine neu erworbene Tochtergesellschaft der Emittentin bis zum Ablauf von sechs Monaten ab Durchführung des Erwerbs nicht als Wesentliche Tochtergesellschaft gilt. Ein Bericht der Wirtschaftsprüfer der Emittentin darüber, ob ihrer Meinung nach eine Tochtergesellschaft zu einem bestimmten Zeitpunkt eine Wesentliche Tochtergesellschaft ist oder war bzw. nicht ist oder nicht war, ist, sofern nicht ein offensichtlicher Irrtum vorliegt, für alle Beteiligten endgültig und bindend.]

[Bei Schuldverschreibungen, die von einer anderen Emittentin als der ZF Friedrichshafen AG begeben werden, ist folgendes anwendbar:

- (a) Solange Zahlungen aus den Schuldverschreibungen ausstehen, jedoch nur bis zu dem Zeitpunkt, an dem alle auf die Schuldverschreibungen gemäß diesen Emissionsbedingungen an die Gläubiger zu zahlenden Beträge an das Clearingsystem oder an dessen Order gezahlt worden sind, verpflichtet sich die Emittentin, für Kapitalmarktverbindlichkeiten (wie in § 2(4) definiert) (einschließlich hierfür abgegebener Garantien und Freistellungserklärungen), die von der

indemnities given in respect thereof) issued by the Issuer, unless the Issuer's obligations under the Notes are secured equally and rateably therewith or benefit from a security interest *in rem* in substantially identical terms thereto.

- (b) Exemptions from the Negative Pledge of the Issuer. The undertaking pursuant to § 2(2)(a) shall not apply to a security which
- (i) is mandatory according to applicable laws, or
 - (ii) is required as a prerequisite for governmental approvals, or
 - (iii) is existing on the issue date of the Notes, or
 - (iv) provided by the Issuer over any of the Issuer's claims against any affiliated companies within the meaning of § 15 et seqq. of the German Stock Corporation Act (*Aktiengesetz*) or any third party, which claims exist now or arise at any time in the future, as a result of the passing on of the proceeds from the issuance of any securities, provided that any such security serves to secure obligations under such securities issued by the Issuer, or
 - (v) secures Capital Market Indebtedness existing at the time of an acquisition that becomes an obligation of the Issuer or any member of the Group as a consequence of such acquisition, provided that such Capital Market Indebtedness was not created in contemplation of such acquisition, or
 - (vi) is provided in connection with any issuance of asset backed securities by the Issuer or by any member of the Group, or

Emittentin begeben worden sind, keine dinglichen Sicherheiten in Bezug auf ihr gesamtes gegenwärtiges oder zukünftiges Vermögen oder Teile ihres gegenwärtigen oder zukünftigen Vermögens zu gewähren oder bestehen zu lassen, sofern nicht die Verpflichtungen der Emittentin aus den Schuldverschreibungen gleichrangig und anteilig an einer solchen dinglichen Sicherheit teilhaben, oder diesbezüglich eine dingliche Sicherheit zu im Wesentlichen gleichen Bedingungen bestellt wird.

- (b) Ausnahmen von der Negativverpflichtung der Emittentin. Die Verpflichtung nach § 2(2)(a) besteht jedoch nicht für solche Sicherheiten, die
- (i) gesetzlich vorgeschrieben sind, oder
 - (ii) als Voraussetzung für staatliche Genehmigungen verlangt werden, oder
 - (iii) am Begebungstag der Schuldverschreibungen bestehen, oder
 - (iv) durch die Emittentin zur Sicherung von gegenwärtigen oder zukünftigen Ansprüchen der Emittentin gegen verbundene Unternehmen im Sinne der §§ 15 ff. Aktiengesetz oder gegen Dritte aufgrund der Weiterleitung von Erlösen aus der Emission von Wertpapieren bestehen, soweit diese Sicherheiten zur Sicherung von Verpflichtungen aus diesen durch die Emittentin ausgegebenen Wertpapieren dienen, oder
 - (v) eine im Zeitpunkt einer Akquisition bestehende Kapitalmarktverbindlichkeit besichern, die infolge der Akquisition eine Verpflichtung der Emittentin oder einer Gesellschaft der Gruppe wird, sofern diese Kapitalmarktverbindlichkeit nicht im Hinblick auf diese Akquisition begründet wurde, oder
 - (vi) im Zusammenhang mit der Begebung von asset backed securities (ABS) durch die Emittentin oder eine Gesellschaft der Gruppe bestellt werden, oder

- | | |
|--|---|
| <p>(vii) is provided in respect of any issuance of asset backed securities made by a special purpose vehicle where the Issuer or any member of the Group is the originator of the underlying assets, or</p> | <p>(vii) im Zusammenhang mit der Begebung von asset backed securities (ABS) durch eine Zweckgesellschaft gegeben werden, bei denen die Emittentin oder eine Gesellschaft der Gruppe der Originator der zugrunde liegenden Vermögenswerte ist, oder</p> |
| <p>(viii) is provided in respect of any financing of any project or asset, provided that the assets on which the security is created are (A) the assets which are used or to be used in or in connection with the project to which such Capital Markets Indebtedness relates or (B) revenues or claims which arise from the use, operation, failure to meet specifications, exploitation, sale, or loss of or damage to, such assets and provided further that such Capital Markets Indebtedness is not directly or indirectly the subject of any guarantee, indemnity or other form of assurance, undertaking or support from any other member of the Group, or</p> | <p>(viii) im Zusammenhang mit der Finanzierung von Projekten oder Vermögensgegenständen gegeben werden, vorausgesetzt, dass die Vermögensgegenstände, an denen das Sicherungsrecht besteht, (A) Vermögensgegenstände sind, die in dem Projekt oder im Zusammenhang mit dem Projekt, auf das sich die Kapitalmarktverbindlichkeiten beziehen, genutzt werden oder genutzt werden sollen, oder (B) Einnahmen oder Ansprüche sind, die aufgrund der Nutzung, des Betriebs, der Nichteinhaltung von Spezifikationen, der Verwertung, des Verkaufs, des Verlusts/Untergangs oder der Beschädigung dieser Vermögensgegenstände entstehen, und weiter vorausgesetzt, dass diese Kapitalmarktverbindlichkeiten weder direkt noch indirekt Gegenstand einer Garantie, Freistellung oder anderen Form der Zusicherung, Verpflichtung oder Unterstützung irgendeines anderen Mitglieds der Gruppe sind, oder</p> |
| <p>(ix) constitutes the renewal, extension or replacement of any security pursuant to foregoing (i) through (viii), or</p> | <p>(ix) eine Erneuerung, Verlängerung oder Ersetzung irgendeiner Sicherheit gemäß vorstehend (i) bis (viii) darstellen, oder</p> |
| <p>(x) do not fall within the scope of application of (i) through (ix) above and which secure Capital Market Indebtedness with a principal amount (when aggregated with the principal amount of other Capital Markets Indebtedness which has the benefit of security issued by the Issuer, the Guarantor or any Material Subsidiary (as defined in § 2(4)) other than any falling within the scope of application of (i) through (ix) above) not exceeding EUR 300,000,000 (or its equivalent in other currencies).</p> | <p>(x) nicht in den Anwendungsbereich von (i) bis (ix) fallen und Kapitalmarktverbindlichkeiten besichern, deren Kapitalbetrag (zusammen mit dem Kapitalbetrag anderer Kapitalmarktverbindlichkeiten, für die andere dingliche Sicherheiten als solche (begeben durch die Emittentin, die Garantin oder eine Wesentliche Tochtergesellschaft (wie in § 2(4) definiert)), die in den Anwendungsbereich von (i) bis (ix) fallen, bestehen) EUR 300.000.000 (bzw. den Gegenwert in anderen Währungen) nicht überschreitet.</p> |
| <p>(c) Any security which is to be provided pursuant to this § 2(2)(a) may also be provided to a person acting as trustee for</p> | <p>(c) Eine nach § 2(2)(a) zu stellende Sicherheit kann auch zu Gunsten der Person eines Treuhänders der Gläubiger bestellt</p> |

the Holders.]

[In the case of Notes issued by an issuer other than ZF Friedrichshafen AG, the following applies:

(3) Guarantee and Negative Pledge.

(a) ZF Friedrichshafen AG (the **Guarantor**) has given an unconditional and irrevocable guarantee (the **Guarantee**) for the due and punctual payment of principal of, and interest on, and any other amounts payable under any Notes. The Guarantee constitutes a contract for the benefit of the Holders from time to time as third party beneficiaries in accordance with § 328 paragraph 1 of the German Civil Code (*Bürgerliches Gesetzbuch*)⁴, giving rise to the right of each Holder to require performance of the obligations assumed in the Guarantee directly from the Guarantor and to enforce such obligations directly against the Guarantor. Copies of the Guarantee may be obtained free of charge at the specified office of the Fiscal Agent.

(b) Negative Pledge of the Guarantor. While any amounts remain outstanding under the Notes, but only up to the time all amounts payable to Holders under the Notes in accordance with these Terms and Conditions have been paid to the Clearing System or to its order, the Guarantor has undertaken in the Guarantee that

(i) it will not create or permit to subsist any security interest *in rem* (*dingliche Sicherheit*) over all or part of its present or future assets as security for any Capital Market Indebtedness (as defined in § 2(4)) (including any guarantees and indemnities given in respect thereof), and

(ii) it will procure, to the extent legally permissible, that no Material Subsidiary (as defined in § 2(4)) will at any time create or permit to subsist any security interest *in rem* upon all or any of its present or future assets as security for any Capital Market Indebtedness (including any guarantees

werden.]

[Im Fall von Schuldverschreibungen, die von einer anderen Emittentin als der ZF Friedrichshafen AG begeben werden, ist folgendes anwendbar:

(3) Garantie und Negativverpflichtung.

(a) Die ZF Friedrichshafen AG (die **Garantin**) hat eine unbedingte und unwiderrufliche Garantie (die **Garantie**) für die ordnungsgemäße und pünktliche Zahlung von Kapital und Zinsen auf die Schuldverschreibungen sowie von jeglichen sonstigen Beträgen, die auf die Schuldverschreibungen zahlbar sind, übernommen. Die Garantie stellt einen Vertrag zugunsten Dritter im Sinne des § 328 Abs. 1 BGB dar, der jedem Gläubiger das Recht gibt, die Erfüllung der in der Garantie übernommenen Verpflichtungen unmittelbar von der Garantin zu verlangen und die Garantie unmittelbar gegen die Garantin durchzusetzen. Kopien der Garantie sind kostenfrei bei der bezeichneten Geschäftsstelle der Emissionsstelle erhältlich.

(b) Negativverpflichtung der Garantin. Solange Zahlungen aus den Schuldverschreibungen ausstehen, jedoch nur bis zu dem Zeitpunkt, an dem alle auf die Schuldverschreibungen gemäß diesen Emissionsbedingungen an die Gläubiger zu zahlenden Beträge an das Clearingsystem oder an dessen Order gezahlt worden sind, hat sich die Garantin in der Garantie verpflichtet,

(i) für Kapitalmarktverbindlichkeiten (wie in § 2(4) definiert) (einschließlich hierfür abgegebener Garantien und Freistellungserklärungen) keine dinglichen Sicherheiten in Bezug auf ihr gesamtes gegenwärtiges oder zukünftiges Vermögen oder Teile ihres gegenwärtigen oder zukünftigen Vermögens zu gewähren oder bestehen zu lassen, und

(ii) soweit rechtlich möglich, sicherzustellen, dass keine ihrer Wesentlichen Tochtergesellschaften (wie in § 2(4) definiert) Sicherungsrechte an gegenwärtigen oder zukünftigen Teilen ihres Vermögens oder ihres Vermögens insgesamt zur Sicherung der

⁴ An English language convenience translation of § 328 paragraph 1 of the German Civil Code (*Bürgerliches Gesetzbuch*) reads as follows: A contract may stipulate performance for the benefit of a third party, to the effect that the third party acquires the right directly to demand performance.

and indemnities given in respect thereof) issued by the Guarantor or a Material Subsidiary,

unless at the same time or prior thereto, the Issuer's obligations under the Notes are secured equally and rateably therewith or benefit from a security interest *in rem* in substantially identical terms thereto.

- (c) Exemptions from the Negative Pledge of the Guarantor. The undertaking pursuant to § 2(3)(b) shall not apply to a security which
- (i) is mandatory according to applicable laws, or
 - (ii) is required as a prerequisite for governmental approvals, or
 - (iii) is existing on the issue date of the Notes, or
 - (iv) provided by the Guarantor or by any Material Subsidiary over any of the Guarantor's claims or claims of any Material Subsidiary against any affiliated companies within the meaning of § 15 et seqq. of the German Stock Corporation Act (*Aktiengesetz*) or any third party, which claims exist now or arise at any time in the future, as a result of the passing on of the proceeds from the issuance of any securities, provided that any such security serves to secure obligations under such securities issued by the Guarantor or by a Material Subsidiary, or
 - (v) secures Capital Market Indebtedness existing at the time of an acquisition that becomes an obligation of the Guarantor or any member of the Group as a consequence of such acquisition, provided that such Capital Market Indebtedness was not created in contemplation of such acquisition, or
 - (vi) is provided in connection with any issuance of asset backed securities by the Guarantor or by any member of

gegenwärtigen oder zukünftigen Kapitalmarktverbindlichkeiten, bestellt oder fortbestehen lässt, ohne jeweils die Gläubiger zur gleichen Zeit auf gleiche Weise und anteilig an diesen Sicherungsrechten teilhaben zu lassen.

sofern nicht die Verpflichtungen der Emittentin aus den Schuldverschreibungen gleichrangig und anteilig an einer solchen dinglichen Sicherheit teilhaben, oder diesbezüglich eine dingliche Sicherheit zu im Wesentlichen gleichen Bedingungen bestellt wird.

- (c) Ausnahmen von der Negativverpflichtung der Garantin. Die Verpflichtung nach § 2(3)(b) besteht jedoch nicht für solche Sicherheiten, die
- (i) gesetzlich vorgeschrieben sind, oder
 - (ii) als Voraussetzung für staatliche Genehmigungen verlangt werden, oder
 - (iii) am Begebungstag der Schuldverschreibungen bestehen, oder
 - (iv) durch die Garantin oder von einer Wesentlichen Tochtergesellschaft zur Sicherung von gegenwärtigen oder zukünftigen Ansprüchen der Garantin oder Ansprüchen einer Wesentlichen Tochtergesellschaft gegen verbundene Unternehmen im Sinne der §§ 15 ff. Aktiengesetz oder gegen Dritte aufgrund der Weiterleitung von Erlösen aus der Emission von Wertpapieren bestehen, soweit diese Sicherheiten zur Sicherung von Verpflichtungen aus diesen durch die Garantin oder durch eine Wesentliche Tochtergesellschaft ausgegebenen Wertpapieren dienen, oder
 - (v) eine im Zeitpunkt einer Akquisition bestehende Kapitalmarktverbindlichkeit besichern, die infolge der Akquisition eine Verpflichtung der Garantin oder einer Gesellschaft der Gruppe wird, sofern diese Kapitalmarktverbindlichkeit nicht im Hinblick auf diese Akquisition begründet wurde, oder
 - (vi) im Zusammenhang mit der Begebung von asset backed securities (ABS) durch die Garantin oder eine Gesellschaft der Gruppe bestellt

the Group, or

(vii) is provided in respect of any issuance of asset backed securities made by a special purpose vehicle where the Guarantor or any member of the Group is the originator of the underlying assets, or

(viii) is provided in respect of any financing of any project or asset, provided that the assets on which the security is created are (A) the assets which are used or to be used in or in connection with the project to which such Capital Markets Indebtedness relates or (B) revenues or claims which arise from the use, operation, failure to meet specifications, exploitation, sale, or loss of or damage to, such assets and provided further that such Capital Markets Indebtedness is not directly or indirectly the subject of any guarantee, indemnity or other form of assurance, undertaking or support from any other member of the Group, or

(ix) constitutes the renewal, extension or replacement of any security pursuant to foregoing (i) through (viii), or

(x) do not fall within the scope of application of (i) through (ix) above and which secure Capital Market Indebtedness with a principal amount (when aggregated with the principal amount of other Capital Markets Indebtedness which has the benefit of security (issued by the Issuer, the Guarantor or any Material Subsidiary) other than any falling within the scope of application of (i) through (ix) above) not exceeding EUR 300,000,000 (or its equivalent in other currencies).

(d) Any security which is to be provided pursuant to § 2(3)(b) may also be provided

werden, oder

(vii) im Zusammenhang mit der Begebung von asset backed securities (ABS) durch eine Zweckgesellschaft gegeben werden, bei denen die Garantin oder eine Gesellschaft der Gruppe der Originator der zugrunde liegenden Vermögenswerte ist, oder

(viii) im Zusammenhang mit der Finanzierung von Projekten oder Vermögensgegenständen gegeben werden, vorausgesetzt, dass die Vermögensgegenstände, an denen das Sicherungsrecht besteht, (A) Vermögensgegenstände sind, die in dem Projekt oder im Zusammenhang mit dem Projekt, auf das sich die Kapitalmarktverbindlichkeiten beziehen, genutzt werden oder genutzt werden sollen, oder (B) Einnahmen oder Ansprüche sind, die aufgrund der Nutzung, des Betriebs, der Nichteinhaltung von Spezifikationen, der Verwertung, des Verkaufs, des Verlusts/Untergangs oder der Beschädigung dieser Vermögensgegenstände entstehen, und weiter vorausgesetzt, dass diese Kapitalmarktverbindlichkeiten weder direkt noch indirekt Gegenstand einer Garantie, Freistellung oder anderen Form der Zusicherung, Verpflichtung oder Unterstützung irgendeines anderen Mitglieds der Gruppe sind, oder

(ix) eine Erneuerung, Verlängerung oder Ersetzung irgendeiner Sicherheit gemäß vorstehend (i) bis (viii) darstellen, oder

(x) nicht in den Anwendungsbereich von (i) bis (ix) fallen und Kapitalmarktverbindlichkeiten besichern, deren Kapitalbetrag (zusammen mit dem Kapitalbetrag anderer Kapitalmarktverbindlichkeiten, für die andere dingliche Sicherheiten als solche (begeben durch die Emittentin, die Garantin oder eine Wesentliche Tochtergesellschaft), die in den Anwendungsbereich von (i) bis (ix) fallen, bestehen) EUR 300.000.000 (bzw. den Gegenwert in anderen Währungen) nicht überschreitet.

(d) Eine nach § 2(3)(b) zu stellende Sicherheit kann auch zu Gunsten der Person eines

to a person acting as trustee for the Holders.

- (e) Release of Guarantee. The Guarantee shall be released only upon discharge in full of the aggregate principal amount of all Notes then outstanding, any interest due thereon and all other amounts under the Notes then due and owing.]

[In the case of Notes issued by an issuer other than ZF Friedrichshafen AG, the following applies:

(4) Definitions.

The expressions "assets" and "obligation for the payment or repayment of money that is borrowed" as used in this § 2 do not include assets of the Issuer, Guarantor or any Material Subsidiary which, pursuant to the requirements of law and accounting principles generally accepted in the Federal Republic of Germany (**Germany**) or such other applicable law and accepted accounting principles generally, as the case may be, need not, and are not, reflected in the Issuer's, Guarantor's or in a Material Subsidiary's balance sheets.

Capital Market Indebtedness means any present or future obligation for the payment or repayment of money (including obligations by reason of any guarantee or other liability agreement for obligations of third parties) that is borrowed either in the form of (i) bonded loans (*Schuldscheindarlehen*), (ii) registered notes (*Namensschuldverschreibungen*), or (iii) in the form of an issuance of notes with an original maturity of more than one year and which are, or are capable of being, quoted, listed or traded on a stock exchange or other recognized securities market.

Group means the Guarantor and all of its fully consolidated Subsidiaries (as defined in this § 2(4)) from time to time.

Subsidiary means an entity of which a person has direct or indirect control or owns directly or indirectly more than 50% of the voting capital or similar right of ownership and "control" in this context means the power to direct the

Treuhänders der Gläubiger bestellt werden.

- (e) Freigabe der Garantie. Die Garantie darf nur nach vollständiger Zahlung des Gesamtnennbetrages aller zum jeweiligen Zeitpunkt ausstehenden Schuldverschreibungen, der hierauf fälligen Zinsen und jeglicher sonstigen zum jeweiligen Zeitpunkt fälligen und geschuldeten Beträge aus den Schuldverschreibungen freigegeben werden.]

[Im Fall von Schuldverschreibungen, die von einer anderen Emittentin als der ZF Friedrichshafen AG begeben werden, ist folgendes anwendbar:

(4) Definitionen.

Die in diesem § 2 benutzten Begriffe "Vermögen" und "Verpflichtung zur Zahlung oder Rückzahlung von Geldern" schließen nicht solche Vermögensgegenstände der Emittentin, der Garantin oder einer Wesentlichen Tochtergesellschaft mit ein, die im Einklang mit den Gesetzen der Bundesrepublik Deutschland (**Deutschland**) und den dort anerkannten Regeln der Bilanzierung und Buchführung oder den jeweils anwendbaren Gesetzen und anerkannten Regeln der Bilanzierung und Buchführung nicht in den Bilanzen der Emittentin, der Garantin oder einer Wesentlichen Tochtergesellschaft ausgewiesen werden müssen und darin auch nicht ausgewiesen werden.

Kapitalmarktverbindlichkeit bezeichnet jede gegenwärtige oder zukünftige Verpflichtung zur Zahlung oder Rückzahlung von Geldern (einschließlich Verpflichtungen aus Garantien oder anderen Haftungsvereinbarungen für Verbindlichkeiten von Dritten) entweder (i) aus Schuldscheindarlehen, (ii) aus Namensschuldverschreibungen oder (iii) aus Schuldverschreibungen, sofern diese eine ursprüngliche Laufzeit von mehr als einem Jahr haben und an einer Börse oder an einem anderen anerkannten Wertpapiermarkt notiert, zugelassen oder gehandelt werden oder notiert, zugelassen oder gehandelt werden können.

Gruppe bezeichnet die Garantin und ihre jeweiligen vollkonsolidierten Tochtergesellschaften (wie in diesem § 2(4) definiert).

Tochtergesellschaft bezeichnet ein Unternehmen, bei dem eine Person die unmittelbare oder mittelbare Kontrolle besitzt oder unmittelbar oder mittelbar Eigentümer von mehr als 50 % des stimmberechtigten Kapitals

management and the policies of the entity whether through the ownership of voting capital, by contract or otherwise within the meaning of § 17 of the German Stock Corporation Act (*Aktiengesetz*) (cases of multiple dependency (*mehrfache Abhängigkeit*) in relation of joint ventures where no partner holds more than 50% of the voting rights shall be excluded).

Material Subsidiaries means a Subsidiary of the Guarantor which has unconsolidated gross assets or unconsolidated turnover (based on the latest annual financial statements of the respective Subsidiary which was consolidated into the latest audited consolidated financial statements of the Group (*Konzernabschluss*)) representing 5% or more of the unconsolidated gross assets or unconsolidated turnover of the Group, provided that any newly acquired subsidiary of the Guarantor shall in no event constitute a Material Subsidiary until expiry of a six-month period from the completion of the relevant acquisition. A certificate issued by the Guarantor's auditors stating that a subsidiary is or is not or was or was not at a specified date a Material Subsidiary shall, in the absence of manifest error, be conclusive and binding on all parties.]

§ 3 (INTEREST)

(1) Rate of Interest and Interest Payment Dates.

The Notes shall bear interest on their Specified Denomination at the rate of [*Rate of Interest*] % *per annum* from (and including) [*Interest Commencement Date*] to (but excluding) the Maturity Date (as defined in § 5(1)). Interest shall be payable in arrear on [*Interest Payment Date(s)*] in each year (each such date, an *Interest Payment Date*). The first payment of interest shall be made on [*First Interest Payment Date*] [*if the First Interest Payment Date is not the first anniversary of the Interest Commencement Date, the following applies:* and will amount to [*Initial Broken Amount per Specified Denomination*] per Specified Denomination.] [*If Maturity Date is not an Interest Payment Date, the following applies:* Interest in respect of the period from (and including) [*last Interest Payment Date preceding the Maturity Date*] to (but excluding) the Maturity Date will amount to [*Final Broken Amount per Specified Denomination*] per

oder ent-sprechender Eigentumsrechte ist; "Kontrolle" bedeutet in diesem Zusammenhang die Berechtigung, die Geschäftsführung und die Politik des Unternehmens sei es über das Eigentum am stimmberechtigten Kapital, mittels eines Vertrages oder auf andere Weise im Sinne von § 17 Aktiengesetz zu bestimmen (Fälle mehrfacher Abhängigkeit bei Gemeinschaftsunternehmen, bei denen kein Partner mehr als 50 % der Stimmrechte hält, sind dabei ausgeschlossen).

Wesentliche Tochtergesellschaft bezeichnet eine Tochtergesellschaft der Garantin, deren nicht konsolidiertes Bruttovermögen oder deren nicht konsolidierter Umsatz (gemäß dem letzten Jahresabschluss der betreffenden Tochtergesellschaft, der in den letzten geprüften Konzernabschluss konsolidiert wurde) mindestens 5 % des nicht konsolidierten Bruttovermögens oder des nicht konsolidierten Umsatzes der Gruppe ausmacht, wobei eine neu erworbene Tochtergesellschaft der Garantin bis zum Ablauf von sechs Monaten ab Durchführung des Erwerbs nicht als Wesentliche Tochtergesellschaft gilt. Ein Bericht der Wirtschaftsprüfer der Garantin darüber, ob ihrer Meinung nach eine Tochtergesellschaft zu einem bestimmten Zeitpunkt eine Wesentliche Tochtergesellschaft ist oder war bzw. nicht ist oder nicht war, ist, sofern nicht ein offensichtlicher Irrtum vorliegt, für alle Beteiligten endgültig und bindend.]

§ 3 (ZINSEN)

(1) Zinssatz und Zinszahlungstage.

Die Schuldverschreibungen werden bezogen auf ihre Festgelegte Stückelung verzinst, und zwar vom [*Verzinsungsbeginn*] (einschließlich) bis zum Fälligkeitstag (wie in § 5(1) definiert) (ausschließlich) mit jährlich [*Zinssatz*] %. Die Zinsen sind nachträglich am [*Zinszahlungstag(e)*] eines jeden Jahres zahlbar (jeweils ein *Zinszahlungstag*). Die erste Zinszahlung erfolgt am [*erster Zinszahlungstag*] [*sofern der erste Zinszahlungstag nicht der erste Jahrestag des Verzinsungsbeginns ist, ist folgendes anwendbar:* und beläuft sich auf [*anfänglicher Bruchteilzinsbetrag je Festgelegte Stückelung*] je Festgelegte Stückelung.] [*Sofern der Fälligkeitstag kein Zinszahlungstag ist, ist folgendes anwendbar:* Die Zinsen für den Zeitraum vom [*letzter dem Fälligkeitstag vorausgehender Zinszahlungstag*] (einschließlich) bis zum Fälligkeitstag (ausschließlich) belaufen sich auf [*abschließender Bruchteilzinsbetrag je*

Specified Denomination.]

(2) Accrual of Interest.

The Notes shall cease to bear interest from the expiry of the day preceding the day on which they are due for redemption. If the Issuer for any reason fails to redeem the Notes when due, interest shall continue to accrue at the default rate of interest established by statutory law⁵ on the outstanding aggregate principal amount of the Notes from (and including) the due date to (but excluding) the day on which such redemption payment is made to the Holders.

(3) Calculation of Interest for Periods other than a full Year.

If interest is to be calculated for a period other than a full year, it shall be calculated on the basis of the Day Count Fraction (as defined below). **[If the Specified Currency is Euro and if Actual/Actual (ICMA) is applicable, the following applies:** The number of Interest Payment Dates per calendar year (each a **Determination Date**) is **[number of regular Interest Payment Dates per calendar year].**]

(4) Day Count Fraction.

Day Count Fraction means with regard to the calculation of the amount of interest on the Notes for any period of time (the **Calculation Period**):

Festgelegte Stückelung] je Festgelegte Stückelung.]

(2) Auflaufende Zinsen.

Der Zinslauf der Schuldverschreibungen endet mit Ablauf des Tages, der dem Tag vorangeht, an dem sie zur Rückzahlung fällig werden. Falls die Emittentin die Schuldverschreibungen bei Fälligkeit aus irgendeinem Grund nicht zurückzahlt, wird der ausstehende Gesamtnennbetrag der Schuldverschreibungen von dem Tag der Fälligkeit (einschließlich) bis zum Tag der vollständigen Rückzahlung an die Gläubiger (ausschließlich) mit dem gesetzlich bestimmten Verzugszins⁶ verzinst.

(3) Berechnung der Zinsen für Zeiträume, die nicht einem vollen Jahr entsprechen.

Sofern Zinsen für einen Zeitraum, der nicht einem vollen Jahr entspricht, zu berechnen sind, erfolgt die Berechnung auf der Grundlage des Zinstagequotienten (wie nachfolgend definiert). **[Falls die Festgelegte Währung Euro ist, und falls Actual/Actual (ICMA) anwendbar ist, ist folgendes anwendbar:** Die Anzahl der Zinszahlungstage im Kalenderjahr (jeweils ein **Feststellungstermin**) beträgt **[Anzahl der regulären Zinszahlungstage im Kalenderjahr].**]

(4) Zinstagequotient.

Zinstagequotient bezeichnet im Hinblick auf die Berechnung von Zinsbeträgen auf die Schuldverschreibungen für einen beliebigen Zeitraum (der **Zinsberechnungszeitraum**):

⁵ The default rate of interest established by statutory law is five percentage points above the basis rate of interest published by Deutsche Bundesbank from time to time, §§ 288 paragraph 1, 247 paragraph 1 of the German Civil Code (*Bürgerliches Gesetzbuch*).

⁶ Der gesetzliche Verzugszinssatz beträgt für das Jahr fünf Prozentpunkte über dem von der Deutsche Bundesbank von Zeit zu Zeit veröffentlichten Basiszinssatz, §§ 288 Abs. 1, 247 Abs. 1 BGB.

[If the Specified Currency is Euro and if Actual/Actual (ICMA) is applicable the following applies:

- (a) if the Calculation Period (from and including the first day of such period but excluding the last) is equal to or shorter than the Determination Period during which the Calculation Period ends, the number of days in such Calculation Period (from and including the first day of such period but excluding the last) divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in § 3(3)) that would occur in one calendar year; or
- (b) if the Calculation Period is longer than the Determination Period during which the Calculation Period ends, the sum of: (A) the number of days in such Calculation Period falling in the Determination Period in which the Calculation Period begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in § 3(3)) that would occur in one calendar year and (B) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in § 3(3)) that would occur in one calendar year.

Determination Period means the period from (and including) a Determination Date to, (but excluding) the next Determination Date. For the purpose of determining the relevant Determination Period, ***[deemed Interest Payment Date(s)]*** shall [each] be deemed to be a Determination Date.]

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

[Falls die Festgelegte Währung Euro ist und Actual/Actual (ICMA) anwendbar ist, ist folgendes anwendbar:

- (a) wenn der Zinsberechnungszeitraum (einschließlich des ersten aber ausschließlich des letzten Tages dieser Periode) kürzer ist als die Feststellungsperiode, in die das Ende des Zinsberechnungszeitraumes fällt oder ihr entspricht, die Anzahl der Tage in dem betreffenden Zinsberechnungszeitraum (einschließlich des ersten aber ausschließlich des letzten Tages dieser Periode) geteilt durch das Produkt (1) der Anzahl der Tage in der Feststellungsperiode und (2) der Anzahl der Feststellungstermine (wie in § 3(3) angegeben) in einem Kalenderjahr; oder
- (b) wenn der Zinsberechnungszeitraum länger ist als die Feststellungsperiode, in die das Ende des Zinsberechnungszeitraumes fällt, die Summe aus (A) der Anzahl der Tage in dem Zinsberechnungszeitraum, die in die Feststellungsperiode fallen, in welcher der Zinsberechnungszeitraum beginnt, geteilt durch das Produkt aus (1) der Anzahl der Tage in dieser Feststellungsperiode und (2) der Anzahl der Feststellungstermine (wie in § 3(3) angegeben) in einem Kalenderjahr und (B) der Anzahl der Tage in dem Zinsberechnungszeitraum, die in die nächste Feststellungsperiode fallen, geteilt durch das Produkt aus (1) der Anzahl der Tage in dieser Feststellungsperiode und (2) der Anzahl der Feststellungstermine (wie in § 3(3) angegeben) in einem Kalenderjahr.

Feststellungsperiode ist die Periode ab einem Feststellungstermin (einschließlich desselben) bis zum nächsten Feststellungstermin (ausschließlich desselben). Zum Zwecke der Bestimmung der maßgeblichen Feststellungsperiode ist ***[fiktive(r) Zinszahlungstag(e)]*** [jeweils] ein Feststellungstermin.]

[Im Fall von 30/360, 360/360 oder Bond Basis, ist folgendes anwendbar: die Anzahl von Tagen im Zinsberechnungszeitraum, dividiert durch 360, wobei die Anzahl der Tage auf der Grundlage eines Jahres von 360 Tagen mit zwölf Monaten zu je 30 Tagen zu ermitteln ist (es sei denn, (A) der letzte Tag des Zinsberechnungszeitraums fällt auf den 31. Tag eines Monats, während der erste Tag des Zinsberechnungszeitraumes weder auf den 30. noch auf den 31. Tag eines Monats fällt, in welchem Fall der diesen Tag enthaltende Monat

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

[In the case of 30E/360 or Eurobond Basis the following applies: the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with twelve 30-day months, without regard to the date of the first day or last day of the Calculation Period unless, in the case of the final Calculation Period, the Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month).]

§ 4 (PAYMENTS)

- (1) Payment of Principal and Payment of Interest.
 - (a) Payment of principal in respect of the Notes shall be made, subject to subparagraph (2) below, to the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System.
 - (b) Payment of Interest on the Notes shall be made, subject to subparagraph (2), to the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System.

[In the case of interest payable on a Temporary Global Note, the following applies: Payment of interest on Notes represented by the Temporary Global Note shall be made, subject to subparagraph (2), to the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System, upon due certification as provided in § 1(3)(b).]

- (2) Manner of Payment.

Subject to applicable fiscal and other laws and regulations, payments of amounts due in respect of the Notes shall be made in the Specified Currency.

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

[Im Fall von 30E/360 oder Eurobond Basis, ist folgendes anwendbar: die Anzahl der Tage im Zinsberechnungszeitraum, dividiert durch 360 (dabei ist die Anzahl der Tage auf der Grundlage eines Jahres von 360 Tagen mit zwölf Monaten zu 30 Tagen zu ermitteln, und zwar ohne Berücksichtigung des Datums des ersten oder letzten Tages des Zinsberechnungszeitraumes, es sei denn, dass im Fall des letzten Zinsberechnungszeitraumes der Fälligkeitstag der letzte Tag des Monats Februar ist, in welchem Fall der Monat Februar als nicht auf einen Monat zu 30 Tagen verlängert gilt).]

§ 4 (ZAHLUNGEN)

- (1) Zahlungen auf Kapital und Zahlung von Zinsen.
 - (a) Zahlungen von Kapital auf die Schuldverschreibungen erfolgen nach Maßgabe des nachstehenden Absatzes (2) an das Clearingsystem oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearingsystems.
 - (b) Die Zahlung von Zinsen auf die Schuldverschreibungen erfolgt nach Maßgabe des nachstehenden Absatzes (2) an das Clearingsystem oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearingsystems.

[Im Fall von Zinszahlungen auf eine Vorläufige Globalurkunde ist folgendes anwendbar: Die Zahlung von Zinsen auf Schuldverschreibungen, die durch die Vorläufige Globalurkunde verbrieft sind, erfolgt nach Maßgabe des nachstehenden Absatzes (2) an das Clearingsystem oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearingsystems, und zwar nach ordnungsgemäßer Bescheinigung gemäß § 1(3)(b).]

- (2) Zahlungsweise.

Vorbehaltlich geltender steuerlicher und sonstiger gesetzlicher Regelungen und Vorschriften erfolgen zu leistende Zahlungen auf die Schuldverschreibungen in der Festgelegten Währung.

(3) Discharge.

The Issuer [*in the case of Notes issued by an issuer other than ZF Friedrichshafen AG, the following applies:* or, as the case may be, the Guarantor] shall be discharged by payment to, or to the order of, the Clearing System.

(4) Payment Business Day.

If the date for payment of any amount in respect of any Note is not a Payment Business Day then the Holder shall not be entitled to payment until the next such day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay.

For these purposes, **Payment Business Day** means any day (other than a Saturday or a Sunday) on which the Clearing System is operational

[*In the case the Notes are not denominated in Euro the following applies:* and on which commercial banks and foreign exchange markets settle payments in [*relevant financial center(s)*].]

[*In the case the Notes are denominated in Euro the following applies:* and all relevant parts of TARGET2 are operational to forward the relevant payment.]

(5) References to Principal and Interest.

References in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable: [*if the Notes are redeemable at the option of the Issuer for other than tax reasons or reasons of minimal outstanding principal amount, the following applies:* the Call Redemption Amount of the Notes;] [*if the Notes are redeemable at the option of the Issuer (Make-Whole), the following applies:* the Make-Whole Amount of the Notes;] [*If the Notes are subject to Early Redemption at the Option of the Issuer upon the occurrence of a Transaction Trigger Event the following applies:* the Event Redemption Amount of the Notes;] [*if the Notes are redeemable at the option of the Holder other than in case of a Put Event following a Change of Control the following applies:* the Put Redemption Amount of the Notes;] and any premium and any other amounts which may be payable under or in respect of the Notes. References in these Terms and Conditions to

(3) Erfüllung.

Die Emittentin [*bei Schuldverschreibungen, die von einer anderen Emittentin als der ZF Friedrichshafen AG begeben werden, ist folgendes anwendbar:* bzw. die Garantin] wird durch Leistung der Zahlung an das Clearingsystem oder dessen Order von ihrer Zahlungspflicht befreit.

(4) Zahltag.

Fällt der Fälligkeitstag einer Zahlung in Bezug auf eine Schuldverschreibung auf einen Tag, der kein Zahltag ist, dann hat der Gläubiger keinen Anspruch auf Zahlung vor dem nächsten Zahltag am jeweiligen Geschäftsort. Der Gläubiger ist nicht berechtigt, weitere Zinsen oder sonstige Zahlungen aufgrund dieser Verspätung zu verlangen.

Für diese Zwecke bezeichnet **Zahltage** einen Tag, (außer einem Samstag oder Sonntag), an dem das Clearingsystem betriebsbereit ist

[*Im Fall von nicht auf Euro lautenden Schuldverschreibungen, ist folgendes anwendbar:* und an dem Geschäftsbanken und Devisenmärkte Zahlungen in [*relevante(s) Finanzzentrum(en)*] abwickeln.]

[*Im Fall von auf Euro lautenden Schuldverschreibungen, ist folgendes anwendbar:* sowie alle betroffenen Bereiche des TARGET2 betriebsbereit sind, um die betreffenden Zahlungen weiterzuleiten.]

(5) Bezugnahmen auf Kapital und Zinsen.

Bezugnahmen in diesen Emissionsbedingungen auf Kapital der Schuldverschreibungen schließen, soweit anwendbar, die folgenden Beträge ein: [*falls die Emittentin das Wahlrecht hat, die Schuldverschreibungen aus anderen als steuerlichen Gründen oder aufgrund eines geringfügig ausstehenden Nennbetrags vorzeitig zurückzuzahlen, ist folgendes anwendbar:* den Wahl-Rückzahlungsbetrag (Call) der Schuldverschreibungen;] [*falls die Emittentin das Wahlrecht hat, die Schuldverschreibungen vorzeitig zurückzuzahlen (Make-Whole), ist folgendes anwendbar:* den Make-Whole Betrag der Schuldverschreibungen;] [*falls die Emittentin das Wahlrecht hat, die Schuldverschreibungen vorzeitig bei Eintritt eines Transaktions-Ereignisses zurückzuzahlen, ist folgendes anwendbar:* den Ereignis-Rückzahlungsbetrag der Schuldverschreibungen;] [*falls der Gläubiger ein Wahlrecht hat, die Schuldverschreibungen, außer bei Vorliegen*

interest in respect of the Notes shall be deemed to include, as applicable, any Additional Amounts which may be payable under § 7.

(6) Deposit of Principal and Interest.

The Issuer [*in the case of Notes issued by an issuer other than ZF Friedrichshafen AG, the following applies:* or, as the case may be, the Guarantor] may deposit with the local court (Amtsgericht) in Frankfurt/Main principal or interest not claimed by Holders within twelve months after the Maturity Date, even though such Holders may not be in default of acceptance of payment. If and to the extent that the deposit is effected and the right of withdrawal is waived, the respective claims of such Holders against the Issuer shall cease.

**§ 5
(REDEMPTION; PURCHASE AND
CANCELLATION)**

(1) Final Redemption.

Unless previously redeemed in whole or in part or purchased and cancelled, the Notes shall be redeemed at their principal amount on [*Maturity Date*] (the *Maturity Date*).

(2) Early Redemption for Reasons of Taxation.

If as a result of any change in, or amendment to, the laws or regulations of any Relevant Taxing Jurisdiction (as defined in § 7 herein) or any political subdivision or taxing authority thereto or therein affecting taxation or the obligation to pay duties of any kind, or any change in, or amendment to, an official interpretation or application of such laws or regulations, which amendment or change is effective on or after the date on which the last tranche of this series of Notes was issued, the Issuer [*in the case of Notes issued by an issuer other than ZF Friedrichshafen AG, the following applies:* or the Guarantor, as the case may be,] is required to pay Additional Amounts (as defined in § 7 herein) on the next succeeding Interest Payment Date (as defined in § 3(1)), and this obligation cannot be avoided by the use of reasonable

eines Rückzahlungsereignisses nach Eintritt eines Kontrollwechsels, vorzeitig zu kündigen, ist folgendes anwendbar: den Wahl-Rückzahlungsbetrag (Put) der Schuldverschreibungen;] sowie jeden Aufschlag sowie sonstige auf oder in Bezug auf die Schuldverschreibungen zahlbaren Beträge. Bezugnahmen in diesen Emissionsbedingungen auf Zinsen auf die Schuldverschreibungen sollen, soweit anwendbar, sämtliche gemäß § 7 zahlbaren Zusätzlichen Beträge einschließen.

(6) Hinterlegung von Kapital und Zinsen.

Die Emittentin [*bei Schuldverschreibungen, die von einer anderen Emittentin als der ZF Friedrichshafen AG begeben werden, ist folgendes anwendbar:* bzw. die Garantin] ist berechtigt, beim Amtsgericht Frankfurt am Main Zins- oder Kapitalbeträge zu hinterlegen, die von den Gläubigern nicht innerhalb von zwölf Monaten nach dem Fälligkeitstag beansprucht worden sind, auch wenn die Gläubiger sich nicht in Annahmeverzug befinden. Soweit eine solche Hinterlegung erfolgt, und auf das Recht der Rücknahme verzichtet wird, erlöschen die diesbezüglichen Ansprüche der Gläubiger gegen die Emittentin.

**§ 5
(RÜCKZAHLUNG; ANKAUF UND
ENTWERTUNG)**

(1) Rückzahlung bei Endfälligkeit.

Soweit nicht zuvor bereits ganz oder teilweise zurückgezahlt oder angekauft und entwertet, werden die Schuldverschreibungen zu ihrem Nennbetrag am [*Fälligkeitstag*] (der *Fälligkeitstag*) zurückgezahlt.

(2) Vorzeitige Rückzahlung aus steuerlichen Gründen.

Die Schuldverschreibungen können insgesamt, jedoch nicht teilweise, nach Wahl der Emittentin mit einer Kündigungsfrist von nicht mehr als 60 und nicht weniger als 30 Tagen durch Erklärung gegenüber der Emissionsstelle und Benachrichtigung gemäß § 12 gegenüber den Gläubigern vorzeitig gekündigt und zu ihrem Nennbetrag zuzüglich etwaiger bis zum für die Rückzahlung festgesetzten Tag (ausschließlich) aufgelaufener Zinsen zurückgezahlt werden, falls die Emittentin [*bei Schuldverschreibungen, die von einer anderen Emittentin als der ZF Friedrichshafen AG begeben werden, ist folgendes anwendbar:* oder die Garantin] als Folge einer Änderung oder Ergänzung der Steuer- oder Abgabengesetze und -vorschriften einer Relevanten Steuerjurisdiktion (wie in § 7 dieser Bedingungen definiert) oder

measures available to the Issuer [*in the case of Notes issued by an issuer other than ZF Friedrichshafen AG, the following applies:* or the Guarantor, as the case may be,] the Notes may be redeemed, in whole but not in part, at the option of the Issuer, upon not more than 60 days' nor less than 30 days' prior notice of redemption given to the Fiscal Agent and, in accordance with § 12 to the Holders, at their principal amount, together with interest (if any) accrued to the date fixed for redemption (excluding).

However, no such notice of redemption may be given (i) earlier than 90 days prior to the earliest date on which the Issuer [*in the case of Notes issued by an issuer other than ZF Friedrichshafen AG, the following applies:* or the Guarantor] would be obligated to pay such Additional Amounts were a payment in respect of the Notes [*in the case of Notes issued by an issuer other than ZF Friedrichshafen AG, the following applies:* or the Guarantee] then due, or (ii) if at the time such notice is given, such obligation to pay such Additional Amounts does not remain in effect.

Any such notice shall be given in accordance with § 12. It shall be irrevocable, must specify the date fixed for redemption and must set forth a statement in summary form of the facts constituting the basis for the right of the Issuer so to redeem.

Before the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Fiscal Agent a certificate signed by an executive director of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal or tax advisers of recognized standing to the effect that the Issuer [*in the case of Notes issued by an issuer other than ZF Friedrichshafen AG, the following applies:* or the Guarantor, as the case may be,] has or will become obliged to pay such Additional Amounts as a result of such change

deren politischen Untergliederungen oder Steuerbehörden oder als Folge einer Änderung oder Ergänzung der Anwendung oder der offiziellen Auslegung dieser Gesetze und Vorschriften (vorausgesetzt, diese Änderung oder Ergänzung wird am oder nach dem Tag, an dem die letzte Tranche dieser Serie von Schuldverschreibungen begeben wird, wirksam) am nächstfolgenden Zinszahlungstag (wie in § 3(1) definiert) zur Zahlung von Zusätzlichen Beträgen (wie in § 7 dieser Bedingungen definiert) verpflichtet sein wird und diese Verpflichtung nicht durch das Ergreifen zumutbarer, der Emittentin [*bei Schuldverschreibungen, die von einer anderen Emittentin als der ZF Friedrichshafen AG begeben werden, ist folgendes anwendbar:* oder der Garantin] zur Verfügung stehender Maßnahmen vermieden werden kann.

Eine solche Kündigung darf allerdings nicht (i) früher als 90 Tage vor dem frühestmöglichen Termin erfolgen, an dem die Emittentin [*bei Schuldverschreibungen, die von einer anderen Emittentin als der ZF Friedrichshafen AG begeben werden, ist folgendes anwendbar:* oder die Garantin] verpflichtet wäre, solche Zusätzlichen Beträge zu zahlen, falls eine Zahlung auf die Schuldverschreibungen [*bei Schuldverschreibungen, die von einer anderen Emittentin als der ZF Friedrichshafen AG begeben werden, ist folgendes anwendbar:* oder die Garantie] dann fällig sein würde, oder (ii) erfolgen, wenn zu dem Zeitpunkt, zu dem die Kündigung erklärt wird, die Verpflichtung zur Zahlung von Zusätzlichen Beträgen nicht mehr wirksam ist.

Eine solche Kündigung ist gemäß § 12 bekanntzumachen. Sie ist unwiderruflich, muss den für die Rückzahlung festgelegten Termin nennen und eine zusammenfassende Erklärung enthalten, welche die das Rückzahlungsrecht der Emittentin begründenden Umständen darlegt.

Vor Bekanntgabe einer Mitteilung über eine Rückzahlung gemäß diesen Bestimmungen hat die Emittentin der Emissionsstelle eine von einem Mitglied der Geschäftsleitung der Emittentin unterzeichnete Bescheinigung zukommen zu lassen, der zufolge die Emittentin berechtigt ist, eine entsprechende Rückzahlung zu leisten, und in der nachvollziehbar dargelegt ist, dass die Bedingungen für das Recht der Emittentin zur Rückzahlung gemäß diesen Bestimmungen erfüllt sind; zusätzlich hat die Emittentin ein von unabhängigen und anerkannten Rechts- oder Steuerberatern erstelltes Gutachten vorzulegen, demzufolge die Emittentin [*bei Schuldverschreibungen, die von*

or amendment.

[If the Notes are subject to Early Redemption at the Option of the Issuer for Reasons of Minimal Outstanding Principal Amount, the following applies:

- (3) Early Redemption at the Option of the Issuer for Reasons of Minimal Outstanding Principal Amount.

If 80% or more in principal amount of the Notes then outstanding have been redeemed or purchased by the Issuer ***[in the case of Notes issued by an issuer other than ZF Friedrichshafen AG, the following applies:]*** ZF Friedrichshafen AG] or any Subsidiary of ZF Friedrichshafen AG, the Issuer may, on not less than 30 or more than 60 days' notice to the Holders of Notes redeem, at its option, the remaining Notes as a whole at their principal amount, together with interest (if any) accrued to the date fixed for redemption (excluding).]

[If the Holders may request the repurchase of the Notes in case of a Put Event following a Change of Control, the following applies:

- (4) Early Redemption at the Option of the Holders in case of a Put Event following a Change of Control.

- (a) Publication of a Change of Control.

If a Change of Control occurs, the Issuer will give notice in accordance with § 12 of the Change of Control and the Record Date as soon as practicable after becoming aware thereof.

- (b) Publication of a Put Event.

If a Put Event occurs, the Issuer will give notice of the Put Event and the Put Record Date specifying the nature of the Put Event within 21 days of the end of the Change of Control Period in accordance with § 12.

einer anderen Emittentin als der ZF Friedrichshafen AG begeben werden, ist folgendes anwendbar: oder die Garantin] in Folge einer entsprechenden Änderung oder Ergänzung zur Zahlung Zusätzlicher Beträge verpflichtet ist oder sein wird.

[Falls die Schuldverschreibungen nach Wahl der Emittentin bei geringfügig ausstehendem Nennbetrag vorzeitig kündbar sind, ist folgendes anwendbar:

- (3) Vorzeitige Rückzahlung nach Wahl der Emittentin bei geringfügig ausstehendem Nennbetrag.

Wenn 80% oder mehr des Nennbetrags der dann ausstehenden Schuldverschreibungen durch die Emittentin ***[im Fall von Schuldverschreibungen, die von einer anderen Emittentin als der ZF Friedrichshafen AG begeben werden, ist folgendes anwendbar:]*** ZF Friedrichshafen AG] oder eine Tochtergesellschaft von ZF Friedrichshafen AG zurückgezahlt oder zurückerworben wurde, ist die Emittentin berechtigt, nach ihrer Wahl alle ausstehenden Schuldverschreibungen mit einer Frist von mindestens 30 und höchstens 60 Tagen gegenüber den Gläubigern zu kündigen und zum Nennbetrag zuzüglich etwaiger bis zum Rückzahlungstag (ausschließlich) aufgelaufener Zinsen zurück zu zahlen.]

[Falls die Gläubiger bei Vorliegen eines Rückzahlungsereignisses nach Eintritt eines Kontrollwechsels den Ankauf der Schuldverschreibungen verlangen können, ist folgendes anwendbar:

- (4) Vorzeitige Rückzahlung nach Wahl der Gläubiger bei Vorliegen eines Rückzahlungsereignisses nach Eintritt eines Kontrollwechsels.

- (a) Veröffentlichung eines Kontrollwechsels.

Wenn ein Kontrollwechsel eintritt, wird die Emittentin sobald wie möglich, nachdem sie Kenntnis davon erhalten hat, den Kontrollwechsel und den Stichtag gemäß § 12 mitteilen.

- (b) Veröffentlichung eines Rückzahlungsereignisses.

Wenn ein Rückzahlungsereignis eintritt, wird die Emittentin innerhalb von 21 Tagen nach Ablauf des Kontrollwechselzeitraums das Rückzahlungsereignis und den Rückzahlungsstichtag unter Angabe der Umstände des Rückzahlungsereignisses gemäß § 12 mitteilen.

- (c) Early Redemption at the Option of the Holders.

If the Issuer gives notice in accordance with § 5(4)(b) of a Put Event, each Holder may at his option on giving not less than 7 days' notice declare due all or only some of his Notes not previously redeemed with effect on the Put Record Date. In such case the Issuer will redeem such Notes on the Put Record Date at the Principal Amount plus interest accrued, if any, to (but excluding) the Put Record Date.

A notice of termination pursuant to this § 5(4)(c) is irrevocable and must be effected by delivering a notice in text form (§ 126b of the German Civil Code (*Bürgerliches Gesetzbuch*)) to the Fiscal Agent together with evidence by means of a certificate of the Custodian (as defined in § 15(4)) in accordance with § 15(4)(a) that such Holder at the time of such notice is the holder of the relevant Notes.

- (d) Definitions.

Record Date means the day on which the Change of Control occurred.

A **Change of Control** occurs if the Issuer [*in the case of Notes issued by an issuer other than ZF Friedrichshafen AG, the following applies:* or the Guarantor] becomes aware that any Person or group of Persons acting in concert, other than the Zeppelin-Stiftung Friedrichshafen or any entity directly or indirectly controlled by the Zeppelin-Stiftung Friedrichshafen, has become the owner, directly or indirectly, of more than 50% of the voting shares of ZF Friedrichshafen AG.

Person means any individual or legal entity.

Acting in concert means "gemeinsam handelnd" within the meaning of § 2 paragraph 5 of the German Securities Acquisition and Take Over Act (*Wertpapiererwerbs- und Übernahmegesetz*).

A **Put Event** will occur if

- (i) the Issuer announces a Change of Control; and
- (ii) a Rating Decline occurs.

Rating Decline means that if, at the time of the

- (c) Vorzeitige Rückzahlung nach Wahl der Gläubiger.

Falls die Emittentin gemäß § 5(4)(b) ein Rückzahlungsereignis bekannt gemacht hat, ist jeder Gläubiger nach seiner Wahl berechtigt, mit einer Frist von mindestens 7 Tagen mit Wirkung zum Rückzahlungsstichtag alle oder einzelne seiner Schuldverschreibungen, die noch nicht zurückgezahlt wurden, vorzeitig fällig zu stellen. In einem solchen Fall hat die Emittentin die betreffenden Schuldverschreibungen am Rückzahlungsstichtag zu ihrem Nennbetrag zuzüglich etwaiger bis zum Rückzahlungsstichtag (ausschließlich) aufgelaufener Zinsen zurückzuzahlen.

Eine Kündigung gemäß diesem § 5(4)(c) ist unwiderruflich und hat in Textform (§ 126b BGB) gegenüber der Emissionsstelle, zusammen mit dem Nachweis durch eine Bescheinigung der Depotbank (wie in § 15(4) definiert) gemäß § 15(4)(a), dass der betreffende Gläubiger im Zeitpunkt der Kündigung Inhaber der betreffenden Schuldverschreibung ist, zu erfolgen.

- (d) Definitionen.

Stichtag bezeichnet den Tag, an dem der Kontrollwechsel eingetreten ist.

Ein **Kontrollwechsel** liegt vor, sobald die Emittentin [*im Fall von Schuldverschreibungen, die von einer anderen Emittentin als der ZF Friedrichshafen AG begeben werden, ist folgendes anwendbar:* oder die Garantin] Kenntnis davon erlangt, dass eine Person oder eine Gruppe von gemeinsam handelnden Personen, jedoch mit Ausnahme der Zeppelin-Stiftung Friedrichshafen und jeder von der Zeppelin-Stiftung Friedrichshafen direkt oder indirekt beherrschten Person, direkt oder indirekt mehr als 50 % der stimmberechtigten Aktien der ZF Friedrichshafen AG erlangt.

Person bezeichnet jede natürliche oder juristische Person.

Gemeinsam handelnd bedeutet gemeinsam handelnd im Sinne von § 2 Abs. 5 des Wertpapiererwerbs- und Übernahmegesetzes (WpÜG).

Ein **Rückzahlungsereignis** tritt ein, wenn

- (i) die Emittentin einen Kontrollwechsel bekannt macht; und
- (ii) eine Ratingherabstufung eintritt.

Eine **Ratingherabstufung** liegt vor, falls die ZF

occurrence of a Change of Control, ZF Friedrichshafen AG has been, from any Rating Agency it has solicited, (a) rated Investment Grade and such rating from any Rating Agency is, within the Change of Control Period, either downgraded to a non-investment grade rating or withdrawn and is not within the Change of Control Period subsequently (in the case of a downgrade) upgraded to Investment Grade by such Rating Agency or (in the case of withdrawal) replaced by an Investment Grade rating from any other Rating Agency; or (b) rated below Investment Grade and such rating from any Rating Agency is, within the Change of Control Period, downgraded by one or more gradations (including gradations within Rating Categories as well as between Rating Categories, but excluding, for the avoidance of doubt, any changes in the outlook) and is not within the Change of Control Period subsequently upgraded to its earlier credit rating or better by such Rating Agency, provided that if at the time of the occurrence of the Change of Control ZF Friedrichshafen AG or the Group carries a rating from more than one Rating Agency, at least one of which is Investment Grade, then sub-paragraph (a) will apply. In making the relevant decision(s) referred to above, the relevant Rating Agency announces publicly or confirms in writing to ZF Friedrichshafen AG that such decision(s) resulted, in whole or in part, from the occurrence of the Change of Control.

However, no Ratings Decline will occur if at the end of the Change of Control Period ZF Friedrichshafen AG has been rated Investment Grade by at least two Rating Agencies.

If the rating designations employed by any of the Rating Agencies are changed, the Issuer [*in the case of Notes issued by an issuer other than ZF Friedrichshafen AG, the following applies:* or the Guarantor] shall determine the rating designations of the Rating Agencies (as appropriate) as are most equivalent to the prior rating designations of the respective Rating Agencies. The term "Rating Decline" shall be construed accordingly.

Change of Control Period means the period ending 90 days after the Record Date.

Friedrichshafen AG bei Eintritt des Kontrollwechsels von einer Ratingagentur, bei der die ZF Friedrichshafen AG ein solches Rating beauftragt hat, (a) mit Investment Grade bewertet ist und dieses Rating von einer Ratingagentur innerhalb des Kontrollwechselzeitraums zu einem non-investment grade Rating herabgestuft oder das Rating zurückgezogen wurde und nicht innerhalb des Kontrollwechselzeitraums anschließend (im Falle einer Herabstufung) durch diese Ratingagentur wieder auf ein Investment Grade Rating heraufgestuft oder (im Falle eines Zurückziehens) durch das Investment Grade Rating einer anderen Ratingagentur ersetzt wurde; oder (b) unterhalb von Investment Grade bewertet ist und dieses Rating von einer Ratingagentur innerhalb des Kontrollwechselzeitraums um eine oder mehrere Stufen (einschließlich Untergliederungen innerhalb von sowie zwischen Ratingkategorien, nicht jedoch einer Änderung des Ausblicks) herabgestuft und nicht innerhalb des Kontrollwechselzeitraums anschließend wieder auf das ursprüngliche oder ein besseres Rating durch diese Ratingagentur heraufgestuft wurde; wobei, falls die ZF Friedrichshafen AG oder die Gruppe zum Zeitpunkt des Eintritts des Kontrollwechsels über ein Rating von mehr als einer Ratingagentur verfügen, von denen mindestens eines ein Investment Grade Rating ist, Absatz (a) Anwendung findet; und im Zusammenhang mit einer der oben genannten Entscheidungen die betreffende Ratingagentur öffentlich bekannt macht oder gegenüber ZF Friedrichshafen AG schriftlich bestätigt, dass diese Entscheidung ganz oder teilweise auf den Kontrollwechsel zurückzuführen ist.

Eine Ratingherabstufung liegt jedoch nicht vor, falls die ZF Friedrichshafen AG am Ende des Kontrollwechselzeitraums von mindestens zwei Ratingagenturen mit Investment Grade bewertet wird.

Falls sich die von den Ratingagenturen verwendeten Ratingkategorien ändern sollten, wird die Emittentin [*im Fall von Schuldverschreibungen, die von einer anderen Emittentin als der ZF Friedrichshafen AG begeben werden, ist folgendes anwendbar:* oder die Garantin] diejenigen Ratingkategorien der Ratingagenturen bestimmen, die den früheren Ratingkategorien der jeweiligen Ratingagenturen möglichst nahe kommen. Der Begriff "Ratingherabstufung" ist dann entsprechend auszulegen.

Kontrollwechselzeitraum bezeichnet die Periode, die 90 Tage nach dem Stichtag endet.

Rating Agency means each of Moody's Deutschland GmbH (**Moody's**) or S&P Global Ratings Europe Limited, a division of S&P Global Inc. (**S&P**) or Fitch Ratings Ltd (**Fitch**) or any of their respective successors or any other rating agency of equivalent international standing specified from time to time by the Issuer.

Investment Grade means a rating of (i) BBB- or higher by S&P and Fitch and (ii) Baa3 or higher by Moody's, or the equivalent of such ratings by S&P, Moody's or Fitch and the equivalent in respect of rating categories of any Rating Agencies substituted for S&P, Moody's or Fitch.

Put Record Date means the Payment Business Day fixed by the Issuer pursuant to § 5(4)(b) which will be not less than 20 nor more than 30 days after the notice of the Put Event has been published in accordance with § 12.]

[If the Notes are subject to Early Redemption at the Option of the Issuer the following applies:

[(5)] Early Redemption at the Option of the Issuer.

- (a) The Issuer may, upon notice given in accordance with clause (b), redeem all or some only of the Notes within the Call Redemption Period(s) at the Call Redemption Amount(s) set forth below together with accrued interest, if any, to (but excluding) the relevant redemption date.

Call Redemption Period(s)	Call Redemption Amount(s)
[Call Redemption Period(s)]	[Call Redemption Amount(s)]
[•]	[•]
[•]	[•]

[If Notes are subject to Early Redemption at the Option of the Holder, the following applies: The Issuer may not exercise such option in respect of any Note which is the subject of the prior exercise by the Holder thereof of its option to require the redemption of such Note under subparagraph [(8)] of this § 5.]

Ratingagentur bezeichnet jeweils Moody's Deutschland GmbH (**Moody's**) oder S&P Global Ratings Europe Limited, eine Abteilung von S&P Global Inc. (**S&P**), oder Fitch Ratings Ltd (**Fitch**) oder deren entsprechende Nachfolger oder jede andere Ratingagentur mit entsprechendem internationalen Ansehen, die von der Emittentin benannt wird.

Investment Grade bezeichnet ein Rating von (i) BBB- oder höher im Fall von S&P und Fitch und (ii) Baa3 oder höher im Fall von Moody's, oder das entsprechende Äquivalent dieser Ratings im Fall von S&P, Moody's oder Fitch sowie das entsprechende Äquivalent in den Ratingkategorien einer anderen Ratingagentur, durch die S&P, Moody's oder Fitch ersetzt wurde.

Rückzahlungsstichtag bezeichnet den von der Emittentin gemäß § 5(4)(b) festgelegten Geschäftstag, der nicht weniger als 20 und nicht mehr als 30 Tage nach dem Tag der Veröffentlichung des Rückzahlungsereignisses gemäß § 12 liegen darf.]

[Falls die Emittentin das Wahlrecht hat, die Schuldverschreibungen vorzeitig zurückzuzahlen, ist folgendes anwendbar:

[(5)] Vorzeitige Rückzahlung nach Wahl der Emittentin.

- (a) Die Emittentin kann, nachdem sie gemäß Absatz (b) gekündigt hat, die Schuldverschreibungen insgesamt oder teilweise innerhalb des/der Wahl-Rückzahlungszeitraums/räume (Call) zum/zu den Wahl-Rückzahlungsbetrag/beträgen (Call), wie nachfolgend angegeben, nebst etwaigen bis zum maßgeblichen Rückzahlungstag (ausschließlich) aufgelaufenen Zinsen zurückzahlen.

Wahl-Rück- zahlungszeitraum/räu- me (Call)	Wahl-Rück- zahlungsbetrag/ beträge (Call)
[Wahl- Rückzahlungs- zeitraum/ räume]	[Wahl- Rückzahlungs- betrag/beträge]
[•]	[•]
[•]	[•]

[Falls der Gläubiger ein Wahlrecht hat, die Schuldverschreibungen vorzeitig zu kündigen, ist folgendes anwendbar: Der Emittentin steht dieses Wahlrecht nicht in Bezug auf eine Schuldverschreibung zu, deren Rückzahlung bereits der Gläubiger in Ausübung seines Wahlrechts nach Absatz [(8)] dieses § 5 verlangt

- (b) Notice of redemption shall be given by the Issuer to the Holders of the Notes in accordance with § 12. Such notice shall specify:
- (i) the series of Notes subject to redemption;
 - (ii) whether such series is to be redeemed in whole or in part only and, if in part only, the aggregate principal amount of the Notes which are to be redeemed;
 - (iii) the relevant redemption date, which shall be not less than 20 nor more than 40 days after the date on which notice is given by the Issuer to the Holders; and
 - (iv) the Call Redemption Amount at which such Notes are to be redeemed.
- (c) In the case of a partial redemption of Notes, Notes to be redeemed shall be selected in accordance with the rules of the relevant Clearing System. **[In the case of Notes in NGN form, the following applies:** For technical procedure of the ICSDs, in the case of a partial redemption the outstanding redemption amount will be reflected in the records of the ICSDs as either a reduction in nominal amount or as a pool factor, at the discretion of the ICSDs.])

[If the Notes are subject to Early Redemption at the Option of the Issuer (Make-Whole), the following applies:

- [(6)] Early Redemption at the Option of the Issuer (Make-Whole).
- (a) The Issuer may, upon notice given in accordance with clause (b), redeem all or some only of the Notes at its option, at a redemption price equal to 100% of the principal amount of the Notes being redeemed plus accrued interest, if any, to the redemption date, plus the excess (if any) of:
 - (i) as determined by the Calculation Agent, the sum of the present values

hat.]

- (b) Die Kündigung ist den Gläubigern der Schuldverschreibungen durch die Emittentin gemäß § 12 bekanntzugeben. Sie muss die folgenden Angaben enthalten:
- (i) die zurückzuzahlende Serie von Schuldverschreibungen;
 - (ii) eine Erklärung, ob diese Serie ganz oder teilweise zurückgezahlt wird und im letzteren Fall den Gesamtnennbetrag der zurückzuzahlenden Schuldverschreibungen;
 - (iii) den maßgeblichen Rückzahlungstag, der nicht weniger als 20 und nicht mehr als 40 Tage nach dem Tag der Kündigung durch die Emittentin gegenüber den Gläubigern liegen darf; und
 - (iv) den Wahl-Rückzahlungsbetrag (Call), zu dem die Schuldverschreibungen zurückgezahlt werden.
- (c) Wenn die Schuldverschreibungen nur teilweise zurückgezahlt werden, werden die zurückzuzahlenden Schuldverschreibungen in Übereinstimmung mit den Regeln des betreffenden Clearingsystems ausgewählt. **[Falls die Schuldverschreibungen in Form einer NGN begeben werden, ist folgendes anwendbar:** Für das technische Verfahren der ICSDs wird im Fall einer teilweisen Rückzahlung der entstehende Rückzahlungsbetrag entweder als reduzierter Nennbetrag oder als Poolfaktor nach Ermessen der ICSDs in das Register der ICSDs aufgenommen.])

[Falls die Emittentin das Wahlrecht hat, die Schuldverschreibungen vorzeitig zurückzahlen (Make-Whole), ist folgendes anwendbar:

- [(6)] Vorzeitige Rückzahlung nach Wahl der Emittentin (Make-Whole).
- (a) Die Emittentin kann, nachdem sie gemäß Absatz (b) gekündigt hat, die Schuldverschreibungen insgesamt oder teilweise nach ihrer Wahl zu einem Rückzahlungsbetrag von 100 % des Nennbetrags, nebst etwaigen bis zum maßgeblichen Rückzahlungstag (ausschließlich) aufgelaufenen Zinsen, zuzüglich des Betrages (sofern sich ein solcher ergibt), um den
 - (i) die durch die Berechnungsstelle ermittelte Summe der Barwerte der

of the remaining scheduled payments of principal and interest on the Notes being redeemed not including any portion of such payment of interest accrued on the date of redemption, from the redemption date to the earlier of (x) the first day on which the Notes may be redeemed at the option of the Issuer at their principal amount and (y) the Maturity Date, each discounted at the Benchmark Yield plus *[margin]*% to the redemption date by applying the Day Count Fraction set out in § 3(4); over

- (ii) the principal amount of the Notes being redeemed

(the *Make-Whole Amount*).

Benchmark Yield means the yield as at the Redemption Calculation Date as appearing at around *[relevant time]* on the Screen Page in respect of the Benchmark Security, or if such yield cannot be so determined at such time, the yield determined as aforesaid as appearing on the Screen Page at such other time on the Redemption Calculation Date as may be considered to be appropriate by the Calculation Agent.

Screen Page means Bloomberg [HP (setting "Last Yield To Convention" and using the pricing source "FRNK")] *[other relevant screen page]* (or any successor page or successor pricing source) for the Benchmark Security, or, if such Bloomberg page or pricing source is not available, such other page (if any) from such other information provider displaying substantially similar data as may be considered to be appropriate by the Calculation Agent.

Benchmark Security means the *[euro denominated benchmark debt security of the Federal Republic of Germany]* *[other relevant benchmark]* due *[maturity]*, carrying ISIN *[ISIN of the reference bond used at pricing the Notes]*, or, if such security is no longer outstanding on the Redemption Calculation Date, such substitute benchmark security selected by the Calculation Agent, in each case as

verbleibenden planmäßigen Kapitalrückzahlungen und Zinszahlungen auf die zurückzuzahlenden Schuldverschreibungen (nicht eingerechnet der am Rückzahlungstag aufgelaufene Teil dieser Zinszahlungen) vom Rückzahlungstag bis zum früheren der beiden folgenden Daten (x) der erste Tag, an dem die Emittentin nach ihrer Wahl die Schuldverschreibungen zu ihrem Nennbetrag zurückzahlen darf, oder (y) der Fälligkeitstag, jeweils abgezinst auf den Rückzahlungstag unter Anwendung des in § 3(4) bestimmten Zinstagequotienten und auf Basis der Benchmark-Rendite zuzüglich *[Marge]*%,

- (ii) den Nennbetrag der zurückzuzahlenden Schuldverschreibungen übersteigt,

(der *Make-Whole Betrag*) zurückzahlen.

Die **Benchmark-Rendite** ist die am Rückzahlungs-Berechnungstag bestehende Rendite, wie sie etwa um *[maßgebliche Uhrzeit]* auf der Bildschirmseite für die Referenzanleihe, oder, sollte zu diesem Zeitpunkt keine Rendite festgestellt werden können, die vorstehend bestimmte Rendite so wie sie zu einem anderen Zeitpunkt, der von der Berechnungsstelle für angemessen erachtet wird, am Rückzahlungs-Berechnungstag auf der Bildschirmseite angezeigt wird.

Bildschirmseite ist Bloomberg [HP (Einstellung "Last Yield to Convention" und Verwendung der Preisquelle "FRNK")] *[andere Bildschirmseite]* (oder jede Nachfolgeside oder Nachfolge-Preisquelle) für die Referenzanleihe, oder, falls diese Bloomberg-Seite oder Preisquelle nicht verfügbar ist, eine andere Seite (falls vorhanden) eines Informationsanbieters, die weitgehend ähnliche Daten anzeigt, wie von der Berechnungsstelle für angemessen erachtet.

Referenzanleihe ist die *[Euro-Referenz-Anleihe der Bundesrepublik Deutschland]* *[andere Referenzanleihe]* fällig *[Fälligkeitstermin]* mit ISIN *[ISIN der Referenzanleihe, die bei der Preisbestimmung der Schuldverschreibungen genannt wurde]* oder, falls diese Anleihe am Rückzahlungs-Berechnungstag nicht mehr aussteht, eine von der Berechnungsstelle ausgewählte

having a maturity comparable to the remaining term of the Note to the Maturity Date, that would be used at the time of selection and in accordance with customary financial practice in pricing new issues of corporate debt securities of comparable maturity to the Maturity Date.

Redemption Calculation Date means the sixth Payment Business Day prior to the date on which the Notes are redeemed as a result of any event specified in this § 5[(6)].

- (b) Notice of redemption shall be given by the Issuer to the Holders of the Notes in accordance with § 12. Such notice shall specify:
 - (i) the series of Notes subject to redemption;
 - (ii) whether such series is to be redeemed in whole or in part only and, if in part only, the aggregate principal amount of the Notes which are to be redeemed; and
 - (iii) the relevant redemption date, which shall be not less than 20 nor more than 40 days after the date on which notice is given by the Issuer to the Holders.
- (c) In the case of a partial redemption of Notes, Notes to be redeemed shall be selected in accordance with the rules of the relevant Clearing System. **[In the case of Notes in NGN form, the following applies:** For technical procedure of the ICSDs, in the case of a partial redemption the outstanding redemption amount will be reflected in the records of the ICSDs as either a reduction in nominal amount or as a pool factor, at the discretion of the ICSDs.])

[If the Notes are subject to Early Redemption at the Option of the Issuer upon the occurrence of a Transaction Trigger Event the following applies:

[(7)] Early Redemption at the Option of the Issuer upon the occurrence of a Transaction Trigger

ersetzende Referenzanleihe, jeweils mit einer Laufzeit, die mit der verbleibenden Restlaufzeit der Schuldverschreibung bis zum Fälligkeitstag vergleichbar ist, und die im Zeitpunkt der Auswahlentscheidung und in Übereinstimmung mit der üblichen Finanzmarktpaxis zur Preisbestimmung bei Neuemissionen von Unternehmensanleihen mit einer bis zum Fälligkeitstag der Schuldverschreibung vergleichbaren Laufzeit verwendet würde.

Rückzahlungs-Berechnungstag ist der sechste Zahltag vor dem Tag, an dem die Schuldverschreibungen aufgrund eines in diesem § 5[(6)] genannten Ereignisses zurückgezahlt werden.

- (b) Die Kündigung ist den Gläubigern der Schuldverschreibungen durch die Emittentin gemäß § 12 bekanntzugeben. Sie muss die folgenden Angaben enthalten:
 - (i) die zurückzuzahlende Serie von Schuldverschreibungen;
 - (ii) eine Erklärung, ob diese Serie ganz oder teilweise zurückgezahlt wird und im letzteren Fall den Gesamtnennbetrag der zurückzuzahlenden Schuldverschreibungen; und
 - (iii) den maßgeblichen Rückzahlungstag, der nicht weniger als 20 und nicht mehr als 40 Tage nach dem Tag der Kündigung durch die Emittentin gegenüber den Gläubigern liegen darf.
- (c) Wenn die Schuldverschreibungen nur teilweise zurückgezahlt werden, werden die zurückzuzahlenden Schuldverschreibungen in Übereinstimmung mit den Regeln des betreffenden Clearingsystems ausgewählt. **[Falls die Schuldverschreibungen in Form einer NGN begeben werden, ist folgendes anwendbar:** Für das technische Verfahren der ICSDs wird im Fall einer teilweisen Rückzahlung der entstehende Rückzahlungsbetrag entweder als reduzierter Nennbetrag oder als Poolfaktor nach Ermessen der ICSDs in das Register der ICSDs aufgenommen.])

[Falls die Emittentin das Wahlrecht hat, die Schuldverschreibungen vorzeitig bei Eintritt eines Transaktions-Ereignisses zurückzuzahlen, ist folgendes anwendbar:

[(7)] Vorzeitige Rückzahlung nach Wahl der Emittentin bei Eintritt eines Transaktions-

Event.

- (a) Upon the occurrence of a Transaction Trigger Event, the Issuer may, upon notice given in accordance with clause (b), redeem all of the Notes on the Event Redemption Date at the Event Redemption Amount together with interest (if any) to the Event Redemption Date (excluding).

The Issuer may waive its right to call the Notes for redemption based on a Transaction Trigger Event by giving notice in accordance with § 12.

[If the Notes are subject to Early Redemption at the Option of the Holder the following applies: The Issuer may not exercise such option in respect of any Note which is the subject of the prior exercise by the Holder thereof of its option to require the redemption of such Note under § 5[(8)].]

- (b) Notice of redemption shall be given by the Issuer to the Holders of the Notes in accordance with § 12. Such notice shall specify:
- (i) the series of Notes subject to redemption;
 - (ii) the Event Redemption Date, which shall be not less than 30 days nor more than 60 days after the date on which notice of the occurrence of the Transaction Trigger Event is given by the Issuer to the Holders; and
 - (iii) the Event Redemption Amount at which such Notes are to be redeemed.

- (c) Whereby:

Event Redemption Amount means [insert amount per Note].

Event Redemption Date means the date fixed for redemption of the Notes pursuant to § 5 [(7)] (b).

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

Ereignisses.

- (a) Die Emittentin kann, nachdem ein Transaktions-Ereignis aufgetreten ist und sie gemäß Absatz (b) gekündigt hat, die Schuldverschreibungen insgesamt an dem Ereignis-Rückzahlungstag zum Ereignis-Rückzahlungsbetrag, wie nachfolgend angegeben, nebst etwaigen bis zum Ereignis-Rückzahlungstag (ausschließlich) aufgelaufenen Zinsen zurückzahlen.

Die Emittentin kann auf ihr Recht zur vorzeitigen Kündigung der Schuldverschreibungen aufgrund eines Transaktions-Ereignisses durch Bekanntmachung gemäß § 12 verzichten.

[Falls der Gläubiger ein Wahlrecht hat, die Schuldverschreibungen vorzeitig zu kündigen, ist folgendes anwendbar: Der Emittentin steht dieses Wahlrecht nicht in Bezug auf eine Schuldverschreibung zu, deren Rückzahlung bereits der Gläubiger in Ausübung seines Wahlrechts nach § 5[(8)] verlangt hat.]

- (b) Die Kündigung ist den Gläubigern der Schuldverschreibungen durch die Emittentin gemäß § 12 bekanntzugeben. Sie muss die folgenden Angaben enthalten:
- (i) die zurückzuzahlende Serie von Schuldverschreibungen;
 - (ii) den Ereignis-Rückzahlungstag, der nicht weniger als 30 Tage und nicht mehr als 60 Tage nach dem Tag der Mitteilung des Eintritts eines Transaktions-Ereignisses durch die Emittentin gegenüber den Gläubigern liegen darf; und
 - (iii) den Ereignis-Rückzahlungsbetrag, zu dem die Schuldverschreibungen zurückgezahlt werden.

- (c) Dabei gilt:

Ereignis-Rückzahlungsbetrag bezeichnet [Betrag pro Schuldverschreibung einfügen].

Ereignis-Rückzahlungstag bezeichnet den Tag, der für die Rückzahlung der Schuldverschreibungen gemäß § 5 [(7)] (b) festgesetzt wurde.

Transaktion bezeichnet [Beschreibung der geplanten Akquisitionstransaktion, für deren Finanzierung die

Transaction Trigger Event means a notice given by the Issuer to the Holders *[in the case of a Transaction Trigger Cut-off Date insert: on or prior to [Transaction Trigger Cut-off Date]]* in accordance with § 12 that the Transaction has been terminated prior to completion and the Issuer has publicly stated that it no longer intends to pursue the Transaction.]

[If the Notes are subject to Early Redemption at the Option of the Holder the following applies:

[(8)] Early Redemption at the Option of a Holder.

- (a) The Issuer shall, at the option of the Holder of any Note, redeem such Note on the Put Redemption Date(s) at the Put Redemption Amount(s) set forth below together with accrued interest, if any, to (but excluding) the Put Redemption Date.

Put Redemption Date(s)	Put Redemption Amount(s)
[Put Redemption Date(s)]	[Put Redemption Amount(s)]
[●]	[●]
[●]	[●]

The Holder may not exercise such option in respect of any Note which is the subject of the prior exercise by the Issuer of any of its options to redeem such Note under this § 5.

- (b) In order to exercise such option, the Holder must, not less than **[Minimum Notice to Issuer]** nor more than **[Maximum Notice to Issuer]** days before the Put Redemption Date on which such redemption is required to be made as specified in the Put Redemption Notice (as defined below), submit during normal business hours at the specified office of the Fiscal Agent a duly completed early redemption notice (**Put Redemption Notice**) in the form available from the specified offices of the Fiscal Agent and the Paying Agent. The Put Redemption Notice must specify (i) the principal amount of the Notes in respect of which such option is exercised, and (ii) the

Schuldverschreibungen begeben werden].

Transaktions-Ereignis bezeichnet die Mitteilung der Emittentin **[Im Fall eines Transaktions-Stichtages, einfügen: an oder vor dem [Transaktions-Stichtag]]** an die Gläubiger gemäß § 12, dass die Transaktion vor ihrem Abschluss abgebrochen wurde und die Emittentin öffentlich erklärt hat, dass sie nicht länger beabsichtigt, die Transaktion zu verfolgen.]

[Falls der Gläubiger ein Wahlrecht hat, die Schuldverschreibungen vorzeitig zu kündigen, ist folgendes anwendbar:

[(8)] Vorzeitige Rückzahlung nach Wahl des Gläubigers.

- (a) Die Emittentin hat eine Schuldverschreibung nach Ausübung des entsprechenden Wahlrechts durch den Gläubiger am/an den Wahl-Rückzahlungstag(en) (Put) zum/zu dem/den Wahl-Rückzahlungsbetrag/beträgen (Put), wie nachfolgend angegeben nebst etwaigen bis zum Wahl-Rückzahlungstag (Put) (ausschließlich) aufgelaufener Zinsen zurückzuzahlen.

Wahl-Rückzahlungstag(e) (Put)	Wahl-Rückzahlungsbetrag/ beträge (Put)
[Wahl- Rückzahlungstag(e)]	[Wahl- Rückzahlungsbetrag/beträge]
[●]	[●]
[●]	[●]

Dem Gläubiger steht dieses Wahlrecht nicht in Bezug auf eine Schuldverschreibung zu, deren Rückzahlung die Emittentin zuvor in Ausübung eines ihrer Wahlrechte nach diesem § 5 verlangt hat.

- (b) Um dieses Wahlrecht auszuüben, hat der Gläubiger nicht weniger als **[Mindestkündigungsfrist]** und nicht mehr als **[Höchstkündigungsfrist]** Tage vor dem Wahl-Rückzahlungstag (Put), an dem die Rückzahlung gemäß der Rückzahlungs-Ausübungserklärung (wie nachfolgend definiert) erfolgen soll, der bezeichneten Geschäftsstelle der Emissionsstelle während der normalen Geschäftszeiten eine ordnungsgemäß ausgefüllte Mitteilung zur vorzeitigen Rückzahlung (die **Rückzahlungs-Ausübungserklärung**), wie sie bei den bezeichneten Geschäftsstellen der Emissionsstelle und der Zahlstelle erhältlich ist, zu übermitteln. Die

securities identification number of such Notes, if any. No option so exercised may be revoked or withdrawn. The Issuer shall only be required to redeem Notes in respect of which such option is exercised against delivery of such Notes to the Issuer or to its order.]

(9) Purchase

Subject to applicable laws, the Issuer [*in the case of Notes issued by an issuer other than ZF Friedrichshafen AG, the following applies:*, the Guarantor] 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.

§ 6

(THE FISCAL AGENT[,] [AND] THE PAYING AGENT [AND THE CALCULATION AGENT])

(1) Appointment; Specified Office.

The initial fiscal agent (the *Fiscal Agent*) and the initial paying agent (the *Paying Agent*) and its initial specified office shall be:

Deutsche Bank Aktiengesellschaft
Trust & Agency Services
Taunusanlage 12
60325 Frankfurt am Main
Germany

[If the Notes are subject to Early Redemption at the Option of the Issuer (Make-Whole), the following shall apply:

The initial calculation agent (the *Calculation Agent*) and its initial specified office shall be:

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

[•]]

Rückzahlungs-Ausübungserklärung hat anzugeben: (i) den Nennbetrag der Schuldverschreibungen, für die das Wahlrecht ausgeübt wird und (ii) die Wertpapier-Kenn-Nummer dieser Schuldverschreibungen (soweit vergeben). Die Ausübung des Wahlrechts kann nicht widerrufen werden. Die Rückzahlung der Schuldverschreibungen, für welche das Wahlrecht ausgeübt worden ist, erfolgt nur gegen Lieferung der Schuldverschreibungen an die Emittentin oder deren Order.]

(9) Ankauf

Die Emittentin [*im Fall von Schuldverschreibungen, die von einer anderen Emittentin als der ZF Friedrichshafen AG begeben werden, ist folgendes anwendbar:*, die Garantin] oder eine Tochtergesellschaft können, soweit gesetzlich zulässig, jederzeit Schuldverschreibungen auf dem freien Markt oder anderweitig sowie zu jedem beliebigen Preis kaufen. Derartig erworbene Schuldverschreibungen können entwertet, gehalten oder wieder veräußert werden.

§ 6

(DIE EMISSIONSSTELLE[,] [UND] DIE ZAHLSTELLE [UND DIE BERECHNUNGSSTELLE])

(1) Bestellung; bezeichnete Geschäftsstelle.

Die anfänglich bestellte Emissionsstelle (die *Emissionsstelle*) und die anfänglich bestellte Zahlstelle (die *Zahlstelle*) und ihre bezeichnete Geschäftsstelle lautet wie folgt:

Deutsche Bank Aktiengesellschaft
Trust & Agency Services
Taunusanlage 12
60325 Frankfurt am Main
Deutschland

[Falls die Emittentin das Wahlrecht hat, die Schuldverschreibungen vorzeitig zurück-zuzahlen (Make-Whole), ist folgendes anwendbar:

Die anfänglich bestellte Berechnungsstelle (die *Berechnungsstelle*) und ihre bezeichnete Geschäftsstelle lautet wie folgt:

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

[•]]

The Fiscal Agent[,] [and] the Paying Agent [and the Calculation Agent] reserve the right at any time to change their respective specified offices to some other specified office in the same country.

(2) Variation or Termination of Appointment.

The Issuer reserves the right to vary or terminate the appointment of the Fiscal Agent or any Paying Agent [or the Calculation Agent] at any time and to appoint another Fiscal Agent or additional or other Paying Agents [or another Calculation Agent]. The Issuer shall at all times maintain (i) a Fiscal Agent [*in the case of Notes listed on a stock exchange the following applies:* [,] [and] (ii) so long as the Notes are listed on the [*name of Stock Exchange*], a Paying Agent (which may be the Fiscal Agent) with a specified office in [*location of Stock Exchange*] and/or in such other place as may be required by the rules of such stock exchange] [,] [and] [(iii)] a Paying Agent in an EU Member State, if possible, that will not be obliged to withhold or deduct tax in connection with any payment made in relation to the Notes unless the Paying Agent would be so obliged in each other EU Member State if it were located there, [*if the Notes are subject to Early Redemption at the Option of the Issuer (Make-Whole), the following shall apply:* [,][and] [(iv)] a Calculation Agent] [*in the case of payments in United States dollar the following applies:* and [(v)] if payments at or through the offices of all Paying Agents outside the United States (as defined in § 1(6)) become illegal or are effectively precluded because of the imposition of exchange controls or similar restrictions on the full payment or receipt of such amounts in United States dollar, a Paying Agent with a specified office in New York City]. Any variation, termination, appointment or other 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 § 12.

(3) Agent of the Issuer.

The Fiscal Agent[,] [and] the Paying Agent [and the Calculation Agent] act solely as the agents of

Die Emissionsstelle[,] [und] die Zahlstelle [und die Berechnungsstelle] behalten sich das Recht vor, jederzeit ihre jeweiligen bezeichneten Geschäftsstellen durch eine andere bezeichnete Geschäftsstelle in demselben Land zu ersetzen.

(2) Änderung der Bestellung oder Abberufung.

Die Emittentin behält sich das Recht vor, die Bestellung der Emissionsstelle oder einer Zahlstelle [oder der Berechnungsstelle] jederzeit zu ändern oder zu beenden und eine andere Emissionsstelle oder zusätzliche oder andere Zahlstellen [oder eine andere Berechnungsstelle] zu bestellen. Die Emittentin wird zu jedem Zeitpunkt (i) eine Emissionsstelle unterhalten [*im Fall von Schuldverschreibungen, die an einer Börse notiert sind, ist folgendes anwendbar:* [,] [und] (ii) solange die Schuldverschreibungen an der [*Name der Börse*] notiert sind, eine Zahlstelle (die die Emissionsstelle sein kann) mit bezeichneter Geschäftsstelle in [*Sitz der Börse*] und/oder an solchen anderen Orten unterhalten, die die Regeln dieser Börse verlangen] [,] [und] [(iii)] eine Zahlstelle in einem Mitgliedsstaat der Europäischen Union, sofern dies möglich ist, unterhalten, die nicht zum Einbehalt oder Abzug von Quellensteuern oder sonstigen Abzügen verpflichtet ist, es sei denn, dass eine solche Einbehalts- oder Abzugspflicht auch in allen anderen Mitgliedsstaaten der Europäischen Union bestünde [*falls die Emittentin das Wahlrecht hat, die Schuldverschreibungen vorzeitig zurückzuzahlen (Make-Whole), ist folgendes anwendbar:* [,][und] [(iv)] eine Berechnungsstelle unterhalten] [*im Fall von Zahlungen in US-Dollar ist folgendes anwendbar:* und [(v)] falls Zahlungen bei den oder durch die Geschäftsstellen aller Zahlstellen außerhalb der Vereinigten Staaten (wie in § 1(6) definiert) aufgrund der Einführung von Devisenbeschränkungen oder ähnlichen Beschränkungen hinsichtlich der vollständigen Zahlung oder des Empfangs der entsprechenden Beträge in US-Dollar widerrechtlich oder tatsächlich ausgeschlossen werden, eine Zahlstelle mit bezeichneter Geschäftsstelle in New York City 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 Gläubiger hierüber gemäß § 12 vorab unter Einhaltung einer Frist von mindestens 30 und nicht mehr als 45 Tagen informiert wurden.

(3) Erfüllungsgehilfe(n) der Emittentin.

Die Emissionsstelle[,] [und] die Zahlstelle [und die Berechnungsstelle] handeln ausschließlich

the Issuer and do not assume any obligations towards or relationship of agency or trust for any Holder.

§ 7
(TAXATION)

[In the case of Notes issued by ZF Friedrichshafen AG, the following applies:

All payments of principal and interest made by the Issuer in respect of the Notes to the Holders shall be made free and clear of, and without withholding or deduction for, any present or future taxes or duties of whatever nature imposed or levied by way of deduction or withholding by or on behalf of (1) the Federal Republic of Germany or any authority therein or thereof having power to tax, (2) any jurisdiction from or through which payment on the Notes is made, or any political subdivision or governmental authority thereof or therein having the power to tax and/or (3) any other jurisdiction in which the payor is organized or otherwise considered to be resident or doing business for tax purposes, or any political subdivision or governmental authority thereof or therein having the power to tax (each a ***Relevant Taxing Jurisdiction***), unless such deduction or withholding is required by law. In that event the Issuer shall pay such additional amounts (the ***Additional Amounts***) as shall result in receipt by the Holders of such amounts as would have been received by them had no such withholding or deduction been required, except that no Additional Amounts shall be payable with respect to:

- (a) taxes or duties which 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
- (b) payments that would not have been so imposed but for the existence of any present or former connection between such Holder (or between a fiduciary, settlor, beneficiary, member or shareholder of, or a person having a power over, such Holder)

als Erfüllungsgehilfen der Emittentin und übernehmen keinerlei Verpflichtungen gegenüber den Gläubigern und es wird kein Auftrags- oder Treuhandverhältnis zwischen ihnen und den Gläubigern begründet.

§ 7
(STEUERN)

[Im Fall von Schuldverschreibungen, die von ZF Friedrichshafen AG begeben werden, ist folgendes anwendbar:

Alle in Bezug auf die Schuldverschreibungen von der Emittentin an die Gläubiger zahlbaren Kapital- oder Zinsbeträge werden ohne Einbehalt oder Abzug an der Quelle für oder wegen gegenwärtiger oder zukünftiger Steuern oder Abgaben gleich welcher Art gezahlt, die von oder im Namen (1) der Bundesrepublik Deutschland oder einer dort zur Steuererhebung ermächtigten Behörde, (2) einer Rechtsordnung, aus der bzw. über die eine Zahlung auf die Schuldverschreibungen geleistet wird, oder einer dort zur Steuererhebung ermächtigten Gebietskörperschaft oder Behörde, und/oder (3) einer anderen Rechtsordnung, in der die zahlende Partei errichtet ist oder anderweitig als gebietsansässig gilt oder im steuerlichen Sinn geschäftlich tätig ist, oder einer dort zur Steuererhebung ermächtigten Gebietskörperschaft oder Behörde (jeweils eine ***Relevante Steuerjurisdiktion***) im Wege des Abzugs oder Einbehalts auferlegt oder erhoben werden, es sei denn, ein solcher Abzug oder Einbehalt ist gesetzlich vorgeschrieben. In diesem Fall wird die Emittentin diejenigen zusätzlichen Beträge (***Zusätzliche Beträge***) zahlen, die erforderlich sind, damit die den Gläubigern zufließenden Nettobeträge nach diesem Einbehalt oder Abzug jeweils den Beträgen an Kapital und Zinsen entsprechen, die ohne einen solchen Einbehalt oder Abzug von den Gläubigern erhalten worden wären; jedoch sind solche zusätzlichen Beträge nicht zu zahlen in Bezug auf:

- (a) Steuern oder Abgaben, die von einer als Depotbank oder Inkassobeauftragter eines Gläubigers handelnden Person oder auf eine sonstige Weise zu entrichten sind, die keinen Abzug oder Einbehalt von Zahlungen von Kapital oder Zinsen durch die Emittentin darstellen; oder
- (b) Zahlungen, die nicht erhoben worden wären, wenn nicht eine gegenwärtige oder ehemalige Beziehung zwischen dem betreffenden Gläubiger (oder einem Treuhänder, Treugeber, Begünstigten, Mitglied oder Gesellschafter dieses

and any Relevant Taxing Jurisdiction including, without limitation, such Holder (or such fiduciary, settlor, beneficiary, member, shareholder or person having such a power) being or having been a citizen or resident or treated as a resident of, being or having been engaged in a trade or business in, or having or having had a permanent establishment in, a Relevant Taxing Jurisdiction other than any connections arising solely from a Holder acquiring, holding or disposing of, receiving any payment under or with respect to or enforcing a Note; or

- (c) payments to, or to a third party on behalf of, a Holder where no such withholding or deduction would have been required to be made if the Notes were credited at the time of payment to a securities deposit account with a bank, financial services institution, securities trading business or securities trading bank, in each case outside the Relevant Taxing Jurisdiction; or
- (d) payments where such withholding or deduction is imposed pursuant to (i) any European Union Directive or Regulation concerning the taxation of savings, or (ii) any international treaty or understanding relating to such taxation and to which the Relevant Taxing Jurisdiction or the European Union is a party/are parties, or (iii) any provision of law implementing, or complying with, or introduced to conform with, such Directive, Regulation, treaty or understanding, or (iv) the Luxembourg law of December 23, 2005; or
- (e) payments to the extent such withholding or deduction is payable by or on behalf of a Holder who could lawfully mitigate (but has not so mitigated) such withholding or deduction by complying or procuring that any third party complies with any statutory requirements or by making or procuring that a third party makes a declaration of non-residence or other similar claim for

Gläubigers oder einer Person, die beherrschenden Einfluss auf diesen Gläubiger hat) und einer Relevanten Steuerjurisdiktion bestehen würde, unter anderem in der Form, dass der betreffende Gläubiger (bzw. Treuhänder, Treugeber, Begünstigte, Mitglied, Gesellschafter oder die Person, die solchen Einfluss hat) Staatsbürger einer Relevanten Steuerjurisdiktion ist oder war oder dort ansässig ist oder war oder als dort ansässig gilt oder galt oder dort ein Gewerbe oder eine Geschäftstätigkeit betreibt oder betrieben hat oder dort eine Betriebsstätte unterhält oder unterhalten hat, mit Ausnahme von Beziehungen, die allein dadurch entstehen, dass ein Gläubiger eine Schuldverschreibung erwirbt, hält oder veräußert bzw. eine Zahlung darunter oder in Bezug auf diese erhält oder Ansprüche darauf geltend macht; oder

- (c) Zahlungen an den Gläubiger oder an einen Dritten für den Gläubiger, falls kein Einbehalt oder Abzug hätte erfolgen müssen, wenn die Schuldverschreibung zum Zeitpunkt der fraglichen Zahlung einem Depotkonto bei einer bzw. einem nicht in der Relevanten Steuerjurisdiktion ansässigen Bank, Finanzdienstleistungsinstitut, Wertpapierhandelsunternehmen oder Wertpapierhandelsbank gutgeschrieben gewesen wäre; oder
- (d) falls der Einbehalt oder Abzug gemäß (i) einer Richtlinie oder Verordnung der Europäischen Union zur Zinsbesteuerung oder (ii) einem internationalen Abkommen oder Übereinkommen zu einer solchen Besteuerung, bei dem die Relevante Steuerjurisdiktion oder die Europäische Union Parteien sind, oder (iii) einem diese Richtlinie oder Verordnung oder dieses Abkommen oder Übereinkommen umsetzenden oder sie befolgenden oder zu ihrer Befolgung erlassenen Gesetz, oder (iv) dem Luxemburger Gesetz vom 23. Dezember 2005 erhoben wird; oder
- (e) soweit der Einbehalt oder Abzug von dem Gläubiger oder von einem Dritten für den Gläubiger zahlbar ist, der einen solchen Einbehalt oder Abzug dadurch rechtmäßigerweise hätte vermindern können (aber nicht vermindert hat), dass er gesetzliche Vorschriften beachtet, oder dafür sorgt, dass Dritte dieses tun, oder dadurch dass er eine Nicht-

exemption to any tax authority in the place where the payment is effected; or

(f) payments to the extent such withholding or deduction is payable by or on behalf of a Holder who would have been able to mitigate such withholding or deduction by effecting a payment via another paying agent in a Member State of the European Union not obliged to withhold or deduct tax; or

(g) payments to the extent such withholding or deduction is for or on account of the presentation by the Holder of any Note for payment on a date more than 30 days after the date on which such payment became due and payable or the date on which payment thereof is duly provided for, whichever occurs later; or

(h) payments to the extent such withholding or deduction is required pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (the **Internal Revenue Code**), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Internal Revenue Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Internal Revenue Code; or

(i) any combination of items (a)-(h);

nor shall any Additional Amounts be paid with respect to any payment on a Note to a Holder who is a fiduciary or partnership or who is other than the sole beneficial owner of such payment to the extent such payment would be required by the laws of the Relevant Taxing Jurisdiction(s) to be included in the income, for tax purposes, of a beneficiary or settlor with respect to such fiduciary or a member of such partnership or a beneficial owner who would not have been entitled to such Additional Amounts had such

ansässigkeitserklärung oder einen ähnlichen Antrag auf Quellensteuerbefreiung gegenüber der am Zahlungsort zuständigen Steuerbehörde abgibt oder dafür sorgt, dass dies durch einen Dritten erfolgt, oder

(f) soweit der Einbehalt oder Abzug von dem Gläubiger oder von einem Dritten für den Gläubiger vorzunehmen ist, der einen solchen Einbehalt oder Abzug durch die Bewirkung einer Zahlung über eine andere Zahlstelle in einem Mitgliedsstaat der Europäischen Union, welche nicht zu einem solchen Einbehalt oder Abzug verpflichtet ist, hätte vermindern können; oder

(g) soweit der Einbehalt oder Abzug für einen Gläubiger oder dessen Rechnung vorzunehmen ist, der Schuldverschreibungen mehr als 30 Tage nach dem Tag, an dem eine Zahlung unter den Schuldverschreibungen fällig und zahlbar wurde bzw., soweit dies später eintritt, nach dem Tag, an dem die Zahlung ordnungsgemäß vorgenommen wurde, vorgelegt hat; oder

(h) soweit der Einbehalt oder Abzug gemäß §§ 1471 bis 1474 des U.S. Internal Revenue Code von 1986 in seiner jeweils gültigen Fassung (der **Internal Revenue Code**), jeder gegenwärtigen oder zukünftigen Verordnung oder offiziellen Auslegung davon, jeder Vereinbarung, die gemäß § 1471(b) des Internal Revenue Codes eingegangen wurde oder jeder steuerlichen oder regulatorischen Gesetzgebung, sowie steuerlichen und regulatorischen Gesetzen oder Vorgehensweisen, die nach einem zwischenstaatlichen Vertrag, der zur Umsetzung der Bestimmungen des Internal Revenue Codes geschlossen wurde, vorzunehmen ist; oder

(i) jegliche Kombination der Absätze (a)-(h).

Zudem werden keine Zusätzlichen Beträge im Hinblick auf Zahlungen auf die Schuldverschreibungen an einen Gläubiger gezahlt, welcher die Zahlung als Treuhänder oder Personengesellschaft oder als sonstiger nicht alleiniger wirtschaftlicher Eigentümer erhält, soweit nach den Gesetzen der Relevanten Steuerjurisdiktion(en) eine solche Zahlung für Steuerzwecke dem Einkommen des Begünstigten bzw. Gründers eines Treuhandvermögens oder dem Gesellschafter

beneficiary, settlor, member or beneficial owner been the Holder of the Note.]

[In the case of Notes issued by an issuer other than ZF Friedrichshafen AG, the following applies:

All payments of principal and interest made by the Issuer in respect of the Notes to the Holders shall be made free and clear of, and without withholding or deduction for, any present or future taxes or duties of whatever nature imposed or levied by way of deduction or withholding by or on behalf of (1) the Federal Republic of Germany or any authority therein or thereof having power to tax, (2) any jurisdiction from or through which payment on the Notes or the Guarantee is made, or any political subdivision or governmental authority thereof or therein having the power to tax and/or (3) any other jurisdiction in which the payor is organized or otherwise considered to be resident or doing business for tax purposes, or any political subdivision or governmental authority thereof or therein having the power to tax (each a **Relevant Taxing Jurisdiction**), unless such deduction or withholding is required by law. In that event the Issuer shall pay such additional amounts (the **Additional Amounts**) as shall result in receipt by the Holders of such amounts as would have been received by them had no such withholding or deduction been required, except that no Additional Amounts shall be payable with respect to

- (a) taxes or duties which 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 or the Guarantor, as applicable, from payments of principal or interest made by it; or
- (b) payments that would not have been so imposed but for the existence of any present or former connection between such

der Personengesellschaft zugerechnet würde, der jeweils selbst nicht zum Erhalt von Zusätzlichen Beträgen berechtigt gewesen wäre, wenn der Begünstigte, Gründer eines Treuhandvermögens, Gesellschafter oder wirtschaftliche Eigentümer unmittelbarer Gläubiger der Schuldverschreibungen wäre.]

[Im Fall von Schuldverschreibungen, die von einer anderen Emittentin als der ZF Friedrichshafen AG begeben werden, ist folgendes anwendbar:

Alle in Bezug auf die Schuldverschreibungen von der Emittentin an die Gläubiger zahlbaren Kapital- oder Zinsbeträge werden ohne Einbehalt oder Abzug an der Quelle für oder wegen gegenwärtiger oder zukünftiger Steuern oder Abgaben gleich welcher Art gezahlt, die von oder im Namen (1) der Bundesrepublik Deutschland oder einer dort zur Steuererhebung ermächtigten Behörde, (2) einer Rechtsordnung, aus der bzw. über die eine Zahlung auf die Schuldverschreibungen oder die Garantie geleistet wird, oder einer dort zur Steuererhebung ermächtigten Gebietskörperschaft oder Behörde, und/oder (3) einer anderen Rechtsordnung, in der die zahlende Partei errichtet ist oder anderweitig als gebietsansässig gilt oder im steuerlichen Sinn geschäftlich tätig ist, oder einer dort zur Steuererhebung ermächtigten Gebietskörperschaft oder Behörde (jeweils eine **Relevante Steuerjurisdiktion**) im Wege des Abzugs oder Einbehalts auferlegt oder erhoben werden, es sei denn, ein solcher Abzug oder Einbehalt ist gesetzlich vorgeschrieben. In diesem Fall wird die Emittentin diejenigen zusätzlichen Beträge (**Zusätzliche Beträge**) zahlen, die erforderlich sind, damit die den Gläubigern zufließenden Nettobeträge nach diesem Einbehalt oder Abzug jeweils den Beträgen an Kapital und Zinsen entsprechen, die ohne einen solchen Einbehalt oder Abzug von den Gläubigern erhalten worden wären; jedoch sind solche Zusätzlichen Beträge nicht zu zahlen in Bezug auf:

- (a) Steuern oder Abgaben, die von einer als Depotbank oder Inkassobeauftragter eines Gläubigers handelnden Person oder auf eine sonstige Weise zu entrichten sind, die keinen Abzug oder Einbehalt von Zahlungen von Kapital oder Zinsen durch die Emittentin bzw. die Garantin darstellen; oder
- (b) Zahlungen, die nicht erhoben worden wären, wenn nicht eine gegenwärtige oder ehemalige Beziehung zwischen dem

Holder (or between a fiduciary, settlor, beneficiary, member or shareholder of, or a person having a power over, such Holder) and any Relevant Taxing Jurisdiction including, without limitation, such Holder (or such fiduciary, settlor, beneficiary, member, shareholder or person having such a power) being or having been a citizen or resident or treated as a resident of, being or having been engaged in a trade or business in, or having or having had a permanent establishment in, a Relevant Taxing Jurisdiction other than any connections arising solely from a Holder acquiring, holding or disposing of, receiving any payment under or with respect to or enforcing a Note or the Guarantee; or

- (c) payments to, or to a third party on behalf of, a Holder where no such withholding or deduction would have been required to be made if the Notes were credited at the time of payment to a securities deposit account with a bank, financial services institution, securities trading business or securities trading bank, in each case outside the Relevant Taxing Jurisdiction; or
- (d) payments where such withholding or deduction is imposed pursuant to (i) any European Union Directive or Regulation concerning the taxation of savings, or (ii) any international treaty or understanding relating to such taxation and to which the Relevant Taxing Jurisdiction or the European Union is a party/are parties, or (iii) any provision of law implementing, or complying with, or introduced to conform with, such Directive, Regulation, treaty or understanding, or (iv) the Luxembourg law of December 23, 2005; or
- (e) payments to the extent such withholding or deduction is payable by or on behalf of a Holder who could lawfully mitigate (but has not so mitigated) such withholding or deduction by complying or procuring that any third party complies with any statutory

betreffenden Gläubiger (oder einem Treuhänder, Treugeber, Begünstigten, Mitglied oder Gesellschafter dieses Gläubigers oder einer Person, die beherrschenden Einfluss auf diesen Gläubiger hat) und einer Relevanten Steuerjurisdiktion bestehen würde, unter anderem in der Form, dass der betreffende Gläubiger (bzw. Treuhänder, Treugeber, Begünstigte, Mitglied, Gesellschafter oder die Person, die solchen Einfluss hat) Staatsbürger einer Relevanten Steuerjurisdiktion ist oder war oder dort ansässig ist oder war oder als dort ansässig gilt oder galt oder dort ein Gewerbe oder eine Geschäftstätigkeit betreibt oder betrieben hat oder dort eine Betriebsstätte unterhält oder unterhalten hat, mit Ausnahme von Beziehungen, die allein dadurch entstehen, dass ein Gläubiger eine Schuldverschreibung oder Ansprüche aus der Garantie erwirbt, hält oder veräußert bzw. eine Zahlung darunter oder in Bezug auf diese erhält oder Ansprüche darauf geltend macht; oder

- (c) Zahlungen an den Gläubiger oder an einen Dritten für den Gläubiger, falls kein Einbehalt oder Abzug hätte erfolgen müssen, wenn die Schuldverschreibung zum Zeitpunkt der fraglichen Zahlung einem Depotkonto bei einer bzw. einem nicht in der Relevanten Steuerjurisdiktion ansässigen Bank, Finanzdienstleistungsinstitut, Wertpapierhandelsunternehmen oder Wertpapierhandelsbank gutgeschrieben gewesen wäre; oder
- (d) falls der Einbehalt oder Abzug gemäß (i) einer Richtlinie oder Verordnung der Europäischen Union zur Zinsbesteuerung oder (ii) einem internationalen Abkommen oder Übereinkommen zu einer solchen Besteuerung, bei dem die Relevante Steuerjurisdiktion oder die Europäische Union Parteien sind, oder (iii) einem diese Richtlinie oder Verordnung oder dieses Abkommen oder Übereinkommen umsetzenden oder sie befolgenden oder zu ihrer Befolgung erlassenen Gesetz, oder (iv) dem Luxemburger Gesetz vom 23. Dezember 2005 erhoben wird; oder
- (e) soweit der Einbehalt oder Abzug von dem Gläubiger oder von einem Dritten für den Gläubiger zahlbar ist, der einen solchen Einbehalt oder Abzug dadurch rechtmäßigerweise hätte vermindern können (aber nicht vermindert hat), dass er

requirements or by making or procuring that a third party makes a declaration of non-residence or other similar claim for exemption to any tax authority in the place where the payment is effected; or

- (f) payments to the extent such withholding or deduction is payable by or on behalf of a Holder who would have been able to mitigate such withholding or deduction by effecting a payment via another paying agent in a Member State of the European Union not obliged to withhold or deduct tax; or
- (g) payments to the extent such withholding or deduction is for or on account of the presentation by the Holder of any Note for payment on a date more than 30 days after the date on which such payment became due and payable or the date on which payment thereof is duly provided for, whichever occurs later; or
- (h) payments to the extent such withholding or deduction is required pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (the **Internal Revenue Code**), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Internal Revenue Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Internal Revenue Code; or
- (i) any combination of items (a)-(h);

nor shall any Additional Amounts be paid with respect to any payment on a Note to a Holder who is a fiduciary or partnership or who is other than the sole beneficial owner of such payment to the extent such payment would be required by the laws of the Relevant Taxing Jurisdiction(s) to be included in the income, for tax purposes, of a beneficiary or settlor with respect to such

gesetzliche Vorschriften beachtet, oder dafür sorgt, dass Dritte dieses tun, oder dadurch dass er eine Nicht-ansässigkeitserklärung oder einen ähnlichen Antrag auf Quellensteuerbefreiung gegenüber der am Zahlungsort zuständigen Steuerbehörde abgibt oder dafür sorgt, dass dies durch einen Dritten erfolgt, oder

- (f) soweit der Einbehalt oder Abzug von dem Gläubiger oder von einem Dritten für den Gläubiger vorzunehmen ist, der einen solchen Einbehalt oder Abzug durch die Bewirkung einer Zahlung über eine andere Zahlstelle in einem Mitgliedsstaat der Europäischen Union, welche nicht zu einem solchen Einbehalt oder Abzug verpflichtet ist, hätte vermindern können; oder
- (g) soweit der Einbehalt oder Abzug für einen Gläubiger oder dessen Rechnung vorzunehmen ist, der Schuldverschreibungen mehr als 30 Tage nach dem Tag, an dem eine Zahlung unter den Schuldverschreibungen fällig und zahlbar wurde bzw., soweit dies später eintritt, nach dem Tag, an dem die Zahlung ordnungsgemäß vorgenommen wurde, vorgelegt hat; oder
- (h) soweit der Einbehalt oder Abzug gemäß §§ 1471 bis 1474 des U.S. Internal Revenue Code von 1986 in seiner jeweils gültigen Fassung (der **Internal Revenue Code**), jeder gegenwärtigen oder zukünftigen Verordnung oder offiziellen Auslegung davon, jeder Vereinbarung, die gemäß § 1471(b) des Internal Revenue Codes eingegangen wurde oder jeder steuerlichen oder regulatorischen Gesetzgebung, sowie steuerlichen und regulatorischen Gesetzen oder Vorgehensweisen, die nach einem zwischenstaatlichen Vertrag, der zur Umsetzung der Bestimmungen des Internal Revenue Codes geschlossen wurde, vorzunehmen ist; oder
- (i) jegliche Kombination der Absätze (a)-(h).

Zudem werden keine Zusätzlichen Beträge im Hinblick auf Zahlungen auf die Schuldverschreibungen an einen Gläubiger gezahlt, welcher die Zahlung als Treuhänder oder Personengesellschaft oder als sonstiger nicht alleiniger wirtschaftlicher Eigentümer erhält, soweit nach den Gesetzen der Relevanten Steuerjurisdiktion(en) eine solche Zahlung für

fiduciary or a member of such partnership or a beneficial owner who would not have been entitled to such Additional Amounts had such beneficiary, settlor, member or beneficial owner been the Holder of the Note.]

For the avoidance of doubt: No Additional Amounts will be paid with respect to German *Kapitalertragsteuer* (including *Abgeltungsteuer*) to be deducted or withheld pursuant to the German Income Tax Act, even if the deduction or withholding has to be made by the Issuer or its representative, and the German Solidarity Surcharge (*Solidaritätszuschlag*) or any other tax which may substitute the German *Kapitalertragsteuer* or *Solidaritätszuschlag*, as the case may be.

§ 8 (PRESENTATION PERIOD)

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

§ 9 (EVENTS OF DEFAULT)

(1) Events of default.

Each Holder shall be entitled to declare due and payable by notice to the Fiscal Agent its entire claims arising from the Notes and demand immediate redemption thereof at the principal amount together with accrued interest (if any) to (but excluding) the date of repayment, in the event that:

- (a) the Issuer fails to pay principal or interest under the Notes within 10 Payment Business Days from the relevant due date, or
- (b) *[in the case of Notes issued by an issuer other than ZF Friedrichshafen AG, the following applies: the Guarantor fails to pay amounts payable under the Guarantee within 10 Payment Business Days from the relevant due date, or]*
- (c) the Issuer fails to duly perform any other material obligation arising from the Notes *[in the case of Notes issued by an issuer other than ZF Friedrichshafen AG, the*

Steuerzwecke dem Einkommen des Begünstigten bzw. Gründers eines Treuhandvermögens oder dem Gesellschafter der Personengesellschaft zugerechnet würde, der jeweils selbst nicht zum Erhalt von Zusätzlichen Beträgen berechtigt gewesen wäre, wenn der Begünstigte, Gründer eines Treuhandvermögens, Gesellschafter oder wirtschaftliche Eigentümer unmittelbarer Gläubiger der Schuldverschreibungen wäre.]

Zur Klarstellung: Keine Zusätzlichen Beträge werden gezahlt in Bezug auf die deutsche Kapitalertragsteuer (inklusive der sog. Abgeltungsteuer), die nach dem deutschen Einkommensteuergesetz abgezogen oder einbehalten wird, auch wenn der Abzug oder Einbehalt durch die Emittentin oder ihren Vertreter vorzunehmen ist, und den deutschen Solidaritätszuschlag oder jede andere Steuer, welche die deutsche Kapitalertragsteuer bzw. den Solidaritätszuschlag ersetzen sollte.

§ 8 (VORLEGUNGSFRIST)

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

§ 9 (KÜNDIGUNG)

(1) Kündigungsgründe.

Jeder Gläubiger ist berechtigt, seine sämtlichen Forderungen aus den Schuldverschreibungen durch Kündigung gegenüber der Emissionsstelle fällig zu stellen und die unverzügliche Rückzahlung zum Nennbetrag, zuzüglich etwaiger bis zum Tag der Rückzahlung (ausschließlich) aufgelaufener Zinsen zu verlangen, falls:

- (a) die Emittentin auf die Schuldverschreibungen Kapital oder Zinsen nicht innerhalb von 10 Zahltagen nach dem betreffenden Fälligkeitstag zahlt; oder
- (b) *[im Fall von Schuldverschreibungen, die von einer anderen Emittentin als der ZF Friedrichshafen AG begeben werden, ist folgendes anwendbar: die Garantin auf die Garantie zahlbare Beträge nicht innerhalb von 10 Zahltagen nach dem Fälligkeitstag zahlt; oder]*
- (c) die Emittentin die ordnungsgemäße Erfüllung irgendeiner anderen wesentlichen Verpflichtung aus den Schuldverschreibungen unterlässt *[im Fall*

following applies: or the Guarantor fails to perform any other material obligation arising from the Guarantee] and such failure continues unremedied for more than 30 days after the Fiscal Agent has received a request thereof in the manner set forth in § 9(3) from a Holder to perform such obligation; or

- (d) the Issuer [*in the case of Notes issued by an issuer other than ZF Friedrichshafen AG, the following applies:*, the Guarantor] or any Material Subsidiary fails to fulfil any payment obligation in excess of EUR 100,000,000 or the equivalent thereof under any Capital Market Indebtedness of or under any guarantees or suretyships given for any Capital Market Indebtedness of others within 30 days from its due date or, in the case of such guarantee or suretyship, within 30 days of such guarantee or suretyship being invoked, unless the Issuer [*in the case of Notes issued by an issuer other than ZF Friedrichshafen AG, the following applies:*, the Guarantor] or the relevant Material Subsidiary contests in good faith that such payment obligation exists or is due or that such guarantee or suretyship has been validly invoked; or

- (e) any Capital Market Indebtedness of the Issuer [*in the case of Notes issued by an issuer other than ZF Friedrichshafen AG, the following applies:*, the Guarantor] or any Material Subsidiary in excess of EUR 100,000,000 or the equivalent thereof becomes due and payable prior to its specified maturity as a result of an event of default (however described) for which the Issuer [*in the case of Notes issued by an issuer other than ZF Friedrichshafen AG, the following applies:*, the Guarantor] or the Material Subsidiary is responsible; or

von Schuldverschreibungen, die von einer anderen Emittentin als der ZF Friedrichshafen AG begeben werden, ist folgendes anwendbar: oder die Garantin die Erfüllung irgendeiner anderen wesentlichen Verpflichtung aus der Garantie unterlässt] und die Unterlassung jeweils länger als 30 Tage fort dauert, nachdem die Emissionsstelle eine Aufforderung in der in § 9(3) vorgesehenen Art und Weise von dem Gläubiger erhalten hat, die Verpflichtung zu erfüllen; oder

- (d) die Emittentin [*im Fall von Schuldverschreibungen, die von einer anderen Emittentin als der ZF Friedrichshafen AG begeben werden, ist folgendes anwendbar:*, die Garantin] oder eine Wesentliche Tochtergesellschaft eine Zahlungsverpflichtung in Höhe oder im Gegenwert von mehr als EUR 100.000.000 aus einer Kapitalmarktverbindlichkeit oder aufgrund einer Bürgschaft oder Garantie, die für Kapitalmarktverbindlichkeiten Dritter gegeben wurde, nicht innerhalb von 30 Tagen nach ihrer Fälligkeit bzw. im Fall einer Bürgschaft oder Garantie nicht innerhalb von 30 Tagen nach Inanspruchnahme aus dieser Bürgschaft oder Garantie erfüllt, es sei denn, die Emittentin [*im Fall von Schuldverschreibungen, die von einer anderen Emittentin als der ZF Friedrichshafen AG begeben werden, ist folgendes anwendbar:*, die Garantin] oder die betreffende Wesentliche Tochtergesellschaft bestreitet in gutem Glauben, dass diese Zahlungsverpflichtung besteht oder fällig ist bzw. diese Bürgschaft oder Garantie berechtigterweise geltend gemacht wird; oder

- (e) eine Kapitalmarktverbindlichkeit der Emittentin [*im Fall von Schuldverschreibungen, die von einer anderen Emittentin als der ZF Friedrichshafen AG begeben werden, ist folgendes anwendbar:*, der Garantin] oder einer Wesentlichen Tochtergesellschaft in Höhe oder im Gegenwert von mehr als EUR 100.000.000 vor dem Ende ihrer festgelegten Laufzeit als Folge einer von der Emittentin [*im Fall von Schuldverschreibungen, die von einer anderen Emittentin als der ZF Friedrichshafen AG begeben werden, ist folgendes anwendbar:*, der Garantin] oder

- einer Wesentlichen Tochtergesellschaft zu vertretenden Leistungsstörung (wie auch immer diese beschrieben ist) fällig gestellt wird; oder
- (f) the Issuer [*in the case of Notes issued by an issuer other than ZF Friedrichshafen AG, the following applies:*, the Guarantor] or any Material Subsidiary suspends its payments generally or announces its inability to meet its financial obligations; or
- (g) any competent court institutes insolvency proceedings against the Issuer [*in the case of Notes issued by an issuer other than ZF Friedrichshafen AG, the following applies:*, the Guarantor] or a Material Subsidiary and such proceedings have not been discharged or stayed within 90 days, or the Issuer [*in the case of Notes issued by an issuer other than ZF Friedrichshafen AG, the following applies:*, the Guarantor] or a Material Subsidiary applies for the institution of such proceedings, or an application for the institution of such proceedings has been filed but rejected by the competent court for lack of assets, or if the Issuer [*in the case of Notes issued by an issuer other than ZF Friedrichshafen AG, the following applies:*, the Guarantor] or a Material Subsidiary offers or makes a general arrangement for the benefit of all of its creditors; or
- (h) the Issuer [*in the case of Notes issued by an issuer other than ZF Friedrichshafen AG, the following applies:*, the Guarantor] or a Material Subsidiary goes into liquidation (except in connection with a merger or reorganization or other form of combination with another company and such company or, as the case may be, companies effectively assume substantially all of the assets and liabilities of the Issuer [*in the case of Notes issued by an issuer other than ZF Friedrichshafen AG, the following applies:*, the Guarantor] or the relevant Material Subsidiary, as the case may be).
- (f) die Emittentin [*im Fall von Schuldverschreibungen, die von einer anderen Emittentin als der ZF Friedrichshafen AG begeben werden, ist folgendes anwendbar:*, die Garantin] oder eine Wesentliche Tochtergesellschaft ihre Zahlungen einstellt oder ihre Zahlungsunfähigkeit bekannt gibt; oder
- (g) ein Gericht ein Insolvenzverfahren gegen die Emittentin [*im Fall von Schuldverschreibungen, die von einer anderen Emittentin als der ZF Friedrichshafen AG begeben werden, ist folgendes anwendbar:*, die Garantin] oder eine Wesentliche Tochtergesellschaft eröffnet und ein solches Verfahren nicht innerhalb von 90 Tagen aufgehoben oder ausgesetzt worden ist, oder die Emittentin [*im Fall von Schuldverschreibungen, die von einer anderen Emittentin als der ZF Friedrichshafen AG begeben werden, ist folgendes anwendbar:*, die Garantin] oder eine Wesentliche Tochtergesellschaft die Eröffnung eines solchen Verfahrens beantragt, oder ein auf Eröffnung eines solchen Verfahrens gestellter Antrag von dem zuständigen Gericht mangels Masse abgelehnt wird, oder die Emittentin [*im Fall von Schuldverschreibungen, die von einer anderen Emittentin als der ZF Friedrichshafen AG begeben werden, ist folgendes anwendbar:*, die Garantin] oder eine Wesentliche Tochtergesellschaft eine allgemeine Schuldenregelung zu Gunsten all ihrer Gläubiger trifft oder diese anbietet; oder
- (h) die Emittentin [*im Fall von Schuldverschreibungen, die von einer anderen Emittentin als der ZF Friedrichshafen AG begeben werden, ist folgendes anwendbar:*, die Garantin] oder eine Wesentliche Tochtergesellschaft in Liquidation tritt (es sei denn, dies geschieht im Zusammenhang mit einer Verschmelzung, Reorganisation oder einer anderen Form des Zusammenschlusses mit einer anderen Gesellschaft oder im Zusammenhang mit einer Umwandlung, sofern die andere oder neue Gesellschaft oder gegebenenfalls die anderen neuen Gesellschaften im Wesentlichen alle Aktiva und Passiva der Emittentin [*im*

Fall von Schuldverschreibungen, die von einer anderen Emittentin als der ZF Friedrichshafen AG begeben werden, ist folgendes anwendbar:, der Garantin] oder der betreffenden Wesentlichen Tochtergesellschaft übernimmt oder übernehmen).

(2) No Termination.

The right to declare Notes due shall terminate if the situation giving rise to it has been cured before the right is exercised. No event or circumstance other than an event specified in § 9(1) shall entitle Holders to declare their Notes due and payable prior to their stated maturity, save as expressly provided for in these Terms and Conditions and subject to applicable mandatory law.

(3) Notice.

Any default notice in accordance with § 9(1) is irrevocable and shall be made at least in text form (§ 126b of the German Civil Code, *Bürgerliches Gesetzbuch*) to the specified office of the Fiscal Agent together with evidence by means of a certificate of the Holder's Custodian (as defined in § 15(4)) that such Holder, at the time of such notice, is a holder of the relevant Notes.

(4) Quorum.

In the events specified in [§ 9(1)(c)], [§ 9(1)(d)] and/or [§ 9(1)(e)], any notice declaring Notes due shall, unless at the time such notice is received any of the events specified in § 9(1)(a)[, § 9(1)(b)] and [§ 9(1)(f)] through [§ 9(1)(h)] entitling Holders to declare their Notes due has occurred, become effective only when the Fiscal Agent has received such default notices from the Holders representing at least 10% of the aggregate principal amount of Notes then outstanding.

**§ 10
(SUBSTITUTION)**

(1) Substitution.

The Issuer (or the Substitute Debtor) may, without the consent of the Holders, if no payment of principal or of interest or any other amount in respect of the Notes is in default, at any time substitute for the Issuer [*in the case of Notes issued by an issuer other than ZF Friedrichshafen AG, the following applies: ZF Friedrichshafen AG or*] any Affiliate as principal debtor in respect of all obligations arising from

(2) Keine Kündigung.

Das Kündigungsrecht erlischt, falls der Kündigungsgrund vor Ausübung des Rechts geheilt wurde. Vorbehaltlich anwendbaren zwingenden Rechts berechtigen andere Ereignisse oder Umstände als die in § 9(1) genannten den Gläubiger nicht dazu, seine Schuldverschreibungen vorzeitig zur Rückzahlung fällig zu stellen, es sei denn, dies ist ausdrücklich in diesen Emissionsbedingungen bestimmt.

(3) Kündigungserklärung.

Eine Kündigungserklärung gemäß § 9(1) ist unwiderruflich und hat in der Weise zu erfolgen, dass der Gläubiger bei der angegebenen Geschäftsstelle der Emissionsstelle eine entsprechende Erklärung zumindest in Textform (§ 126b Bürgerliches Gesetzbuch) übergibt und dabei durch eine Bescheinigung seiner Depotbank (wie in § 15(4) definiert) nachweist, dass er die betreffenden Schuldverschreibungen zum Zeitpunkt der Erklärung hält.

(4) Quorum.

In den Fällen gemäß [§ 9(1)(c)], [§ 9(1)(d)] und/oder [§ 9(1)(e)] wird eine Kündigungserklärung, sofern nicht bei deren Eingang zugleich einer der in § 9(1)(a)[, § 9(1)(b)] und [§ 9(1)(f)] bis [§ 9(1)(h)] bezeichneten Kündigungsgründe vorliegt, erst wirksam, wenn bei der Emissionsstelle Kündigungserklärungen von Gläubigern im Nennbetrag von mindestens 10 % des Gesamtnennbetrages der zu diesem Zeitpunkt noch insgesamt ausstehenden Schuldverschreibungen eingegangen sind.

**§ 10
(ERSETZUNG)**

(1) Ersetzung

Die Emittentin (oder die Nachfolgeschuldnerin) ist jederzeit berechtigt, sofern sie sich nicht mit einer Zahlung von Kapital oder Zinsen oder einer anderen Zahlung aus den Schuldverschreibungen in Verzug befindet, ohne Zustimmung der Gläubiger [*im Fall von Schuldverschreibungen, die von einer anderen Emittentin als der ZF Friedrichshafen AG begeben werden, ist folgendes anwendbar: ZF*

or in connection with the Notes (the *Substitute Debtor*) provided that:

- (a) the Substitute Debtor assumes all obligations of the Issuer in respect of the Notes;
- (b) the Substitute Debtor has obtained all necessary governmental authorizations and may transfer to the Principal Paying Agent in the Specified Currency 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;
- (c) the Substitute Debtor has agreed to indemnify and hold harmless each Holder against any tax, duty, assessment or governmental charge imposed on such Holder as a result of such substitution;
- (d) *[In the case of Notes issued by ZF Friedrichshafen AG, the following applies: the Issuer] [in the case of Notes issued by an issuer other than ZF Friedrichshafen AG, the following applies: the Guarantor if it is not itself the Substitute Debtor] irrevocably and unconditionally guarantees in favour of each Holder the payment of all sums payable by the Substitute Debtor in respect of the Notes on terms equivalent to the terms of [in the case of Notes issued by ZF Friedrichshafen AG, the following applies: the guarantee in respect of notes to be issued by an issuer other than ZF Friedrichshafen AG under its Debt Issuance Programme] [in the case of Notes issued by an issuer other than ZF Friedrichshafen AG, the following applies: the Guarantee];*
- (e) no event would occur as a result of the

Friedrichshafen AG oder] ein verbundenes Unternehmen an Stelle der Emittentin als Hauptschuldnerin (die *Nachfolgeschuldnerin*) für alle Verpflichtungen aus und im Zusammenhang mit dieser Emission einzusetzen, vorausgesetzt, dass:

- (a) die Nachfolgeschuldnerin alle Verpflichtungen der Emittentin in Bezug auf die Schuldverschreibungen übernimmt;
- (b) die Nachfolgeschuldnerin alle erforderlichen behördlichen Genehmigungen erhalten hat und berechtigt ist, an die Hauptzahlstelle die zur Erfüllung der Zahlungsverpflichtungen auf die Schuldverschreibungen zu zahlenden Beträge in der Festgelegten Währung 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;
- (c) die Nachfolgeschuldnerin sich verpflichtet hat, jeden Gläubiger hinsichtlich solcher Steuern, Abgaben oder behördlichen Lasten freizustellen, die einem Gläubiger infolge der Ersetzung auferlegt werden;
- (d) *[Im Fall von Schuldverschreibungen, die von ZF Friedrichshafen AG begeben werden, ist folgendes anwendbar: die Emittentin] [im Fall von Schuldverschreibungen, die von einer anderen Emittentin als der ZF Friedrichshafen AG begeben werden, ist folgendes anwendbar: die Garantin, falls sie nicht selbst die Nachfolgeschuldnerin ist,] unwiderruflich und unbedingt gegenüber den Gläubigern die Zahlung aller von der Nachfolgeschuldnerin auf die Schuldverschreibungen zu zahlenden Beträge zu Bedingungen garantiert, [im Fall von Schuldverschreibungen, die von ZF Friedrichshafen AG begeben werden, ist folgendes anwendbar: die den Bedingungen der Garantie hinsichtlich der Schuldverschreibungen, die von einer anderen Emittentin als ZF Friedrichshafen AG unter dem Debt Issuance Programme begeben werden,] [im Fall von Schuldverschreibungen, die von einer anderen Emittentin als der ZF Friedrichshafen AG begeben werden, ist folgendes anwendbar: die den Bedingungen der Garantie] entsprechen;*
- (e) aufgrund der Ersetzung kein Ereignis

substitution that would give rise to the right of the Substitute Debtor to call the Notes for redemption pursuant to § 5(2); and

- (f) there will have been delivered to the Principal Paying Agent an opinion or opinions with respect to the relevant jurisdictions of lawyers of recognized standing to the effect that the provisions of this § 10(1) have been satisfied.

Affiliate shall mean any affiliated company (*verbundenes Unternehmen*) within the meaning of § 15 et seq. of the German Stock Corporation Act (*Aktiengesetz*) of ZF Friedrichshafen AG.

(2) References.

In the event of a substitution pursuant to § 10(1), any reference in these Terms and Conditions to the Issuer will be a reference to the Substitute Debtor and any reference to the Federal Republic of Germany will be a reference to the Substitute Debtor's country (countries) of domicile for tax purposes. For the avoidance of doubt this will apply only to the extent that the meaning and purpose of the relevant condition does not require that the relevant reference will continue to be a reference only to ZF Friedrichshafen AG (i.e. in particular in relation to § 5(4) (Put Event following a Change of Control), or that the reference will be to the Substitute Debtor and ZF Friedrichshafen AG, in relation to ZF Friedrichshafen AG's obligations under the guarantee pursuant to § 10(1)(d), at the same time).

(3) Notice and Effectiveness of Substitution.

Notice of any substitution of the Issuer will be given by publication in accordance with § 12. Upon such publication, the substitution will become effective, and the Issuer and in the event of a repeated application of this § 10, any previous Substitute Debtor will be discharged from any and all obligations under the Notes.

(4) Appointment of Authorized Agent.

For any Proceedings (as defined in § 15(4)) before German courts, the Substitute Debtor, unless it has its domicile in Germany, shall appoint ZF Friedrichshafen AG, Löwentaler Straße 20, 88046 Friedrichshafen, Federal Republic of Germany, as its authorized agent for

eintreten würde, welches die Nachfolgeschuldnerin dazu berechtigen würde, die Schuldverschreibung gemäß § 5(2) zu kündigen und zurückzuzahlen; und

- (f) der Hauptzahlstelle jeweils ein oder mehrere Rechtsgutachten bezüglich der betroffenen Rechtsordnungen von anerkannten Rechtsanwälten vorgelegt werden, das bestätigt bzw. die bestätigen, dass die Bestimmungen in diesem § 10(1) erfüllt wurden.

Verbundenes Unternehmen bedeutet jedes mit der ZF Friedrichshafen AG verbundene Unternehmen im Sinne der §§ 15 f. Aktiengesetz.

(2) Bezugnahmen.

Im Fall einer Schuldnerersetzung gemäß § 10(1) gilt jede Bezugnahme in diesen Emissionsbedingungen auf die Emittentin als eine solche auf die Nachfolgeschuldnerin und jede Bezugnahme auf die Bundesrepublik Deutschland als eine solche auf den Staat (die Staaten), in welchem die Nachfolgeschuldnerin steuerlich ansässig ist. Klarstellend sei erwähnt, dass dies nur gilt, soweit sich nicht aus Sinn und Zweck der jeweiligen Bedingung ergibt, dass die Bezugnahme entweder weiterhin nur auf die ZF Friedrichshafen AG erfolgen soll (also insbesondere im Hinblick auf § 5(4) (Rückzahlungsereignis nach Eintritt eines Kontrollwechsels), oder dass die Bezugnahme auf die Nachfolgeschuldnerin und gleichzeitig auch auf die ZF Friedrichshafen AG, im Hinblick auf deren Verpflichtungen aus der Garantie gemäß § 10(1)(d), erfolgen soll).

(3) Bekanntmachung und Wirksamwerden der Ersetzung.

Die Ersetzung der Emittentin ist gemäß § 12 bekannt zu machen. Mit der Bekanntmachung der Ersetzung wird die Ersetzung wirksam und die Emittentin und im Falle einer wiederholten Anwendung dieses § 10 jede frühere Nachfolgeschuldnerin von ihren sämtlichen Verbindlichkeiten aus den Schuldverschreibungen frei.

(4) Bestellung eines Zustellungsbevollmächtigten.

Für etwaige Rechtsstreitigkeiten (wie in § 15(4) definiert) vor deutschen Gerichten wird die Nachfolgeschuldnerin, sofern sie ihren Sitz nicht in Deutschland hat, die ZF Friedrichshafen AG, Löwentaler Straße 20, 88046 Friedrichshafen, Bundesrepublik Deutschland, zu ihrer Zustellungsbevollmächtigten in Deutschland

service of process in Germany.

§ 11 (FURTHER ISSUES)

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

§ 12 (NOTICES)

[In the case of Notes which are listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange, the following applies:

(1) Publication.

As long as the 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 (and as long as the rules and regulations of the Luxembourg Stock Exchange so require), all notices concerning the Notes will be made by means of electronic publication on the internet website of the Luxembourg Stock Exchange (www.bourse.lu). Any notice will be deemed to have been validly given on the third day following the date of such publication (or, if published more than once, on the third day following the date of the first such publication).

(2) Notification to Clearing System.

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 (1) shall apply. If the Rules of the Luxembourg Stock Exchange otherwise 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 as set forth in subparagraph (1) above; any such notice shall be deemed to have been given on the seventh day after the day on which the said notice was given to the Clearing System.]

bestellen.

§ 11 (BEGEBUNG WEITERER SCHULDVERSCHREIBUNGEN)

Die Emittentin kann ohne Zustimmung der Gläubiger weitere Schuldverschreibungen begeben, die in jeder Hinsicht (gegebenenfalls mit Ausnahme des Tags der Begebung, des Zinslaufbeginns und/oder des Ausgabepreises) die gleichen Bedingungen wie die Schuldverschreibungen dieser Anleihe haben und die zusammen mit den Schuldverschreibungen dieser Anleihe eine einheitliche Gesamtemission bilden.

§ 12 (MITTEILUNGEN)

[Im Fall von Schuldverschreibungen, die im amtlichen Kursblatt (official list) der Luxemburger Börse notiert und zum Handel am regulierten Markt der Luxemburger Börse zugelassen sind, ist folgendes anwendbar:

(1) Bekanntmachung.

Solange Schuldverschreibungen im amtlichen Kursblatt (*official list*) der Luxemburger Börse notiert und zum Handel am regulierten Markt der Luxemburger Börse zugelassen sind (und die Vorschriften der Luxemburger Börse dies verlangen), sind alle die Schuldverschreibungen betreffenden Mitteilungen auf der Internetseite der Luxemburger Börse (www.bourse.lu) zu veröffentlichen. Jede derartige Mitteilung gilt mit dem dritten Tag nach dem Tag der Veröffentlichung (oder bei mehreren Veröffentlichungen mit dem dritten Tag nach dem Tag der ersten solchen Veröffentlichung) als wirksam erfolgt.

(2) Mitteilungen an das Clearingsystem.

Solange Schuldverschreibungen im amtlichen Kursblatt (*official list*) der Luxemburger Börse notiert und zum Handel am regulierten Markt der Luxemburger Börse zugelassen sind, sind alle die Schuldverschreibungen betreffenden Mitteilungen gemäß Absatz 1 bekanntzumachen. Soweit die Regeln der Luxemburger Börse dies zulassen, kann die Emittentin eine Veröffentlichung nach Absatz 1 durch eine Mitteilung an das Clearing System zur Weiterleitung an die Gläubiger ersetzen; jede derartige Mitteilung gilt am siebten Tag nach dem Tag der Mitteilung an das Clearing System als den Gläubigern mitgeteilt.]

[In the case of Notes which are listed on another stock exchange, the following applies:

(1) Publication.

All notices concerning the Notes will be made by means of electronic publication on the internet website of the stock exchange with respect to which the Issuer initiated the listing of the Notes, as long as the Notes are listed on such stock exchange and if the rules of such stock exchange so permit. Any such notice will be deemed to have been validly given on the third day following the date of such publication (or, if published more than once, on the third day following the date of the first such publication).

(2) Notification to Clearing System.

So long as any Notes are listed on such a stock exchange, subparagraph (1) shall apply. If the rules of such stock exchange otherwise 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 as set forth in subparagraph (1) above; any such notice shall be deemed to have been given on the seventh day after the day on which the said notice was given to the Clearing System.]

[In the case of Notes which are unlisted the following applies:

The Issuer will deliver all notices to the Clearing System for communication by the Clearing System to the Holders. Any such notice shall be deemed to have been given to the Holders on the seventh day after the day on which the said notice was given to the Clearing System.]

[In the case of Notes that provide for Resolutions of Holders the following applies:

**§ 13
AMENDMENTS TO THE TERMS AND
CONDITIONS BY RESOLUTION, JOINT
REPRESENTATIVE [IN THE CASE OF NOTES
ISSUED BY AN ISSUER OTHER THAN ZF
FRIEDRICHSHAFEN AG, THE FOLLOWING
APPLIES; AMENDMENT OF THE
GUARANTEE]**

(1) Majority Resolutions pursuant to the German Act on Issues of Debt Securities.

The Issuer may agree with the Holders on amendments to the Terms and Conditions by

[Im Fall von Schuldverschreibungen, die an einer anderen Börse notiert sind, ist folgendes anwendbar:

(1) Bekanntmachung.

Alle die Schuldverschreibungen betreffenden Mitteilungen sind auf der Internetseite der Börse, an der die Emittentin das Listing der Notes veranlasst hat zu veröffentlichen, solange die Schuldverschreibungen an dieser Börse notiert sind und die Regeln dieser Börse dies zulassen. Jede derartige Mitteilung gilt mit dem dritten Tag nach dem Tag der Veröffentlichung (oder bei mehreren Veröffentlichungen mit dem dritten Tag nach dem Tag der ersten solchen Veröffentlichung) als wirksam erfolgt.

(2) Mitteilungen an das Clearingsystem.

Solange Schuldverschreibungen an dieser Börse notiert sind, sind alle die Schuldverschreibungen betreffenden Mitteilungen gemäß Absatz 1 bekanntzumachen. Soweit die Regeln dieser Börse dies zulassen, kann die Emittentin eine Veröffentlichung nach Absatz 1 durch eine Mitteilung an das Clearing System zur Weiterleitung an die Gläubiger ersetzen; jede derartige Mitteilung gilt am siebten Tag nach dem Tag der Mitteilung an das Clearing System als den Gläubigern mitgeteilt.]

[Im Fall von Schuldverschreibungen, die nicht an einer Börse notiert sind, ist folgendes anwendbar:

Die Emittentin wird alle die Schuldverschreibungen betreffenden Mitteilungen an das Clearing System zur Weiterleitung an die Gläubiger übermitteln. Jede derartige Mitteilung gilt am siebten Tag nach dem Tag der Mitteilung an das Clearing System als den Gläubigern mitgeteilt.]

[Im Fall von Schuldverschreibungen, die Beschlüsse der Gläubiger vorsehen, ist folgendes anwendbar:

**§ 13
ÄNDERUNG DER EMISSIONSBEDINGUNGEN
DURCH BESCHLUSS DER GLÄUBIGER;
GEMEINSAMER VERTRETER [IM FALL VON
SCHULDVERSCHREIBUNGEN, DIE VON
EINER ANDEREN EMITTENTIN ALS DER ZF
FRIEDRICHSHAFEN AG BEGEBEN WERDEN,
IST FOLGENDES ANWENDBAR; ÄNDERUNG
DER GARANTIE]**

(1) Mehrheitsbeschlüsse nach dem Schuldverschreibungsgesetz.

Die Emittentin kann mit den Gläubigern gemäß §§ 5 ff. des Gesetzes über

virtue of a majority resolution of the Holders pursuant to § 5 et seqq. of the German Act on Issues of Debt Securities (*Gesetz über Schuldverschreibungen aus Gesamtemissionen – 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 paragraph 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 equally upon all Holders.

(2) Qualified Majority.

Except as provided by the following sentence and provided that the quorum requirements are being met, the Holders may pass resolutions by simple majority of the voting rights participating in the vote. Resolutions which materially change the substance of the Terms and Conditions, in particular in the cases of § 5 paragraph 3 numbers 1 through 9 of the SchVG, or relating to material other matters may only be passed by a majority of at least 75% of the voting rights participating in the vote (a *Qualified Majority*).

(3) Voting.

The Holders may pass resolutions in a meeting (*Gläubigerversammlung*) in accordance with § 5 et seqq. of the SchVG or by means of a vote without a meeting (*Abstimmung ohne Versammlung*) in accordance with § 18 and § 5 et seqq. of the SchVG.

(4) Holders' Meeting.

If resolutions of the Holders shall be made by means of a meeting the convening notice (*Einberufung*) will provide for 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 the Holders together with the convening notice. Attendance at the meeting and exercise of voting rights is subject to the Holders' registration. The registration must be received at the address stated in the convening notice no later than the third day preceding the meeting. As part of the registration, Holders must demonstrate their eligibility to participate in the vote by means of a special confirmation of a Custodian in accordance with § 15(4) hereof in text form and by submission of a blocking instruction by the Custodian stating that the relevant Notes are not transferable from and including the day such

Schuldverschreibungen aus Gesamtemissionen (*Schuldverschreibungsgesetz – SchVG*) in seiner jeweils geltenden Fassung Änderungen der Emissionsbedingungen durch Mehrheitsbeschluss der Gläubiger vereinbaren. Insbesondere können die Gläubiger durch Beschluss mit der in § 13(2) genannten Mehrheit Änderungen zustimmen, durch welche der wesentliche Inhalt der Emissionsbedingungen geändert wird, einschließlich der in § 5 Abs. 3 SchVG genannten Maßnahmen. Ein ordnungsgemäß gefasster Mehrheitsbeschluss ist für alle Gläubiger gleichermaßen verbindlich.

(2) Qualifizierte Mehrheit.

Vorbehaltlich der Bestimmungen des folgenden Satzes und der Erreichung der erforderlichen Beschlussfähigkeit können die Gläubiger Beschlüsse mit der einfachen Mehrheit der an der Abstimmung teilnehmenden Stimmrechte fassen. Beschlüsse, durch welche der wesentliche Inhalt der Emissionsbedingungen geändert wird, insbesondere in den Fällen des § 5 Abs. 3 Nr. 1 bis 9 SchVG, oder sonstige wesentliche Maßnahmen beschlossen werden, dürfen nur mit einer Mehrheit von mindestens 75 % der an der Abstimmung teilnehmenden Stimmrechte (eine *Qualifizierte Mehrheit*) gefasst werden.

(3) Abstimmung.

Die Gläubiger können Beschlüsse in einer Gläubigerversammlung gemäß §§ 5 ff. SchVG oder im Wege einer Abstimmung ohne Versammlung gemäß § 18 und §§ 5 ff. SchVG fassen.

(4) Gläubigerversammlung.

Falls Beschlüsse der Gläubiger in einer Gläubigerversammlung gefasst werden, enthält die Bekanntmachung der Einberufung nähere Angaben zu den Beschlüssen und zu den Abstimmungsmodalitäten. Die Gegenstände und Vorschläge zur Beschlussfassung werden den Gläubigern mit der Bekanntmachung der Einberufung bekannt gemacht. Die Teilnahme an der Gläubigerversammlung und die Ausübung der Stimmrechte sind von einer vorherigen Anmeldung der Gläubiger abhängig. Die Anmeldung muss unter der in der Bekanntmachung der Einberufung mitgeteilten Adresse spätestens am dritten Tag vor der Gläubigerversammlung zugehen. Mit der Anmeldung müssen die Gläubiger ihre Berechtigung zur Teilnahme an der Abstimmung durch einen in Textform erstellten besonderen Nachweis einer Depotbank gemäß

registration has been sent until and including the stated end of the meeting.

(5) Passing Resolutions without Holders' Meeting.

If resolutions of the Holders shall be made by means of a vote without a meeting the request for voting (*Aufforderung zur Stimmabgabe*) will provide for 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 the Holders together with the request for voting. The exercise of voting rights is subject to the Holders' registration. The registration must be received at the address stated in the request for voting no later than the third day preceding the beginning of the voting period. As part of the registration, Holders must demonstrate their eligibility to participate in the vote by means of a special confirmation of a Custodian in accordance with § 15(4) hereof in text form and by submission of a blocking instruction by the Custodian stating that the relevant Notes are not transferable from and including the day such registration has been sent until and including the day the voting period ends.

(6) Failed Quorum, Second Holders' Meeting.

If it is ascertained that no quorum exists for the meeting pursuant to § 13(4) or the vote without a meeting pursuant to § 13(5), in case of a meeting the chairman (*Vorsitzender*) may convene a second meeting in accordance with § 15 paragraph 3 sentence 2 of the SchVG or in case of a vote without a meeting the scrutineer (*Abstimmungsleiter*) may convene a second meeting within the meaning of § 15 paragraph 3 sentence 3 of the SchVG. Attendance at the second meeting and exercise of voting rights is subject to the Holders' registration. The registration must be received at the address stated in the convening notice no later than the third day preceding the second meeting. As part of the registration, Holders must demonstrate their eligibility to participate in the vote by means of a special confirmation of a Custodian in accordance with § 15(4) hereof in text form and by submission of a blocking instruction by the Custodian stating that the relevant Notes are

§ 15(4) und durch Vorlage eines Sperrvermerks der Depotbank, aus dem hervorgeht, dass die betreffenden Schuldverschreibungen ab dem Tag der Absendung der Anmeldung (einschließlich) bis zum angegebenen Ende der Gläubigerversammlung (einschließlich) nicht übertragbar sind, nachweisen.

(5) Beschlussfassung ohne Versammlung.

Falls Beschlüsse der Gläubiger im Wege einer Abstimmung ohne Versammlung gefasst werden, enthält die Aufforderung zur Stimmabgabe nähere Angaben zu den Beschlüssen und zu den Abstimmungsmodalitäten. Die Gegenstände und Vorschläge zur Beschlussfassung werden den Gläubigern mit der Aufforderung zur Stimmabgabe bekannt gemacht. Die Ausübung der Stimmrechte ist von einer vorherigen Anmeldung der Gläubiger abhängig. Die Anmeldung muss unter der in der Aufforderung zur Stimmabgabe mitgeteilten Adresse spätestens am dritten Tag vor Beginn des Abstimmungszeitraums zugehen. Mit der Anmeldung müssen die Gläubiger ihre Berechtigung zur Teilnahme an der Abstimmung durch einen in Textform erstellten besonderen Nachweis einer Depotbank gemäß § 15(4) und durch Vorlage eines Sperrvermerks der Depotbank, aus dem hervorgeht, dass die betreffenden Schuldverschreibungen ab dem Tag der Absendung der Anmeldung (einschließlich) bis zum letzten Tag des Abstimmungszeitraums (einschließlich) nicht übertragbar sind, nachweisen.

(6) Mangelnde Beschlussfähigkeit, zweite Versammlung.

Wird für die Gläubigerversammlung gemäß § 13(4) oder die Abstimmung ohne Versammlung gemäß § 13(5) die mangelnde Beschlussfähigkeit festgestellt, kann – im Fall der Gläubigerversammlung – der Vorsitzende eine zweite Versammlung im Sinne von § 15 Abs. 3 Satz 2 SchVG und – im Fall der Abstimmung ohne Versammlung – der Abstimmungsleiter eine zweite Versammlung im Sinne von § 15 Abs. 3 Satz 3 SchVG einberufen. Die Teilnahme an der zweiten Versammlung und die Ausübung der Stimmrechte sind von einer vorherigen Anmeldung der Gläubiger abhängig. Die Anmeldung muss unter der in der Bekanntmachung der Einberufung mitgeteilten Adresse spätestens am dritten Tag vor der zweiten Versammlung zugehen. Mit der Anmeldung müssen die Gläubiger ihre Berechtigung zur Teilnahme an der Abstimmung durch einen in Textform erstellten

not transferable from and including the day such registration has been sent until and including the stated end of the meeting.

(7) Holders' representative.

[If no Holders' Representative is designated in the Terms and Conditions of the Notes the following applies: 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. § 13(2) to (6) also apply to the resolution regarding the appointment of a Holders' Representative. Appointment of a Holders' Representative may only be passed by a Qualified Majority if such Holders' Representative is to be authorized to consent, in accordance with § 13(2) hereof, to a material change in the substance of the Terms and Conditions or other material matters.]

[If the Holders' Representative is appointed in the Terms and Conditions of the Notes, the following applies: The joint representative (the **Holders' Representative**) shall be [name, address]. The Holders' Representative shall have the duties and responsibilities and powers provided for by law. The liability of the Holders' Representative shall be limited to ten times the amount of its annual remuneration, unless the Holders' Representative has acted willfully or with gross negligence. The provisions of the SchVG apply with respect to the dismissal of the Holders' Representative and the other rights and obligations of the Holders' Representative.]

(8) Publication.

Any notices concerning this § 13 shall be made exclusively pursuant to the provisions of the SchVG.

besonderen Nachweis einer Depotbank gemäß § 15(4) und durch Vorlage eines Sperrvermerks der Depotbank, aus dem hervorgeht, dass die betreffenden Schuldverschreibungen ab dem Tag der Absendung der Anmeldung (einschließlich) bis zum angegebenen Ende der Versammlung (einschließlich) nicht übertragbar sind, nachweisen.

(7) Gemeinsamer Vertreter.

[Im Fall, dass kein Gemeinsamer Vertreter in den Emissionsbedingungen der Schuldverschreibungen bestimmt ist, ist folgendes anwendbar: Die Gläubiger können durch Mehrheitsbeschluss einen gemeinsamen Vertreter der Gläubiger (der **Gemeinsame Vertreter**) bestellen oder abberufen, und die Pflichten, Aufgaben und Befugnisse des Gemeinsamen Vertreters, die Übertragung der Rechte der Gläubiger auf den Gemeinsamen Vertreter und eine Beschränkung der Haftung des Gemeinsamen Vertreters festlegen. § 13(2) bis (6) gelten auch für die Beschlussfassung über die Bestellung eines Gemeinsamen Vertreters. Der Beschluss zur Bestellung eines Gemeinsamen Vertreters bedarf einer Qualifizierten Mehrheit, wenn der Gemeinsame Vertreter befugt ist, Änderungen des wesentlichen Inhalts der Emissionsbedingungen oder sonstigen wesentlichen Maßnahmen gemäß § 13(2) zuzustimmen.]

[Im Fall, dass ein Gemeinsamer Vertreter in den Emissionsbedingungen bestimmt wird, ist folgendes anwendbar: Der gemeinsame Vertreter (der **Gemeinsame Vertreter**) ist [Name, Adresse]. Der Gemeinsame Vertreter hat die Pflichten und Verantwortlichkeiten und Rechte, die ihm von Gesetzes wegen zustehen. Die Haftung des Gemeinsamen Vertreters ist auf den zehnfachen Betrag seiner jährlichen Vergütung begrenzt, es sei denn, der Gemeinsame Vertreter hat vorsätzlich oder grob fahrlässig gehandelt. Die Vorschriften des SchVG gelten im Hinblick auf die Abberufung des Gemeinsamen Vertreters und die sonstigen Rechte und Pflichten des Gemeinsamen Vertreters.]

(8) Bekanntmachung.

Bekanntmachungen betreffend diesen § 13 erfolgen ausschließlich gemäß den Bestimmungen des SchVG.

(9) Amendment of the Guarantee.

The provisions set out above applicable to the amendment of the Terms and Conditions of the Notes shall apply *mutatis mutandis* [in the case of Notes issued by an issuer other than ZF Friedrichshafen AG, the following applies: to the Guarantee and] to any guarantee granted in connection with a substitution of the Issuer.]

**§ 14
(INFORMATION)**

[In the case of Notes issued by ZF Friedrichshafen AG, the following applies:

- (1) The Issuer undertakes that for such time as the Notes have not been redeemed or repurchased and cancelled, to publish an English language version of the Periodic Financial Information on its internet website no later than on the dates specified below (or, if any such day is not a business day in Friedrichshafen, Germany, on the following business day).

Periodic Financial Information means:

(i) the audited consolidated financial statements of the Issuer prepared in accordance with Regulation (EC) No. 1606/2002 as amended from time to time or the respective applicable successor provision including the group management report which have to be published no later than six months after the end of the Issuer's preceding financial year; and

(ii) the unaudited condensed consolidated half-yearly interim financial statements of the Issuer (comprising consolidated statement of financial position, condensed consolidated statement of profit or loss and consolidated statement of cash flows) which has to be published no later than the ninetieth calendar day following the end of the second quarter of the Issuer's recent financial year.

- (2) The Issuer undertakes not to provide information about itself or any other factors which may affect the value of the Notes to any Holder in addition to the Periodic Financial Information, without providing such information to all Holders at the same time, unless the relevant Holder is provided with such information

(9) Änderung der Garantie.

Die oben aufgeführten auf die Änderung der Emissionsbedingungen der Schuldverschreibungen anwendbaren Bestimmungen gelten entsprechend für [im Fall von Schuldverschreibungen, die von einer anderen Emittentin als der ZF Friedrichshafen AG begeben werden, ist folgendes anwendbar: die Bestimmungen der Garantie und] die Bestimmungen einer etwaigen im Zusammenhang mit einer Ersetzung der Emittentin gewährten Garantie.]

**§ 14
(INFORMATIONEN)**

[Im Fall von Schuldverschreibungen, die von der ZF Friedrichshafen AG begeben werden, ist folgendes anwendbar:

- (1) Die Emittentin verpflichtet sich, solange die Schuldverschreibungen noch nicht zurückgezahlt oder zurückgekauft und entwertet wurden, spätestens an den nachstehend bestimmten Tagen (oder, falls ein solcher Tag kein Geschäftstag in Friedrichshafen, Deutschland, ist, am nächstfolgenden Geschäftstag) eine englischsprachige Fassung der Regelmäßigen Finanzinformationen auf ihrer Internetseite zu veröffentlichen.

Regelmäßige Finanzinformationen bezeichnet:

(i) den im Einklang mit der Verordnung (EG) 1606/2002 in ihrer jeweils geltenden Fassung bzw. der jeweils anwendbaren Nachfolgeregelung aufgestellten geprüften Konzernabschluss der Emittentin einschließlich des Konzernlageberichts, der jeweils spätestens sechs Monate nach Ende des vorangegangenen Geschäftsjahrs der Emittentin veröffentlicht sein muss; und

(ii) den ungeprüften verkürzten Konzernhalbjahreszwischenabschluss der Emittentin (bestehend aus Konzernbilanz, vereinfachter Konzern-Gewinn- und Verlustrechnung und Konzern-Kapitalflussrechnung), der jeweils spätestens am neunzigsten Kalendertag nach dem Ende des zweiten Quartals des jeweils laufenden Geschäftsjahrs der Emittentin zu veröffentlichen ist.

- (2) Die Emittentin verpflichtet sich, es zu unterlassen, einem Gläubiger über die Regelmäßigen Finanzinformationen hinaus, Informationen über sich selbst oder andere Umstände, die den Wert der Schuldverschreibungen beeinflussen können, zukommen zu lassen, ohne diese Informationen zur gleichen

because of a legal relationship with the Issuer which is independent from its status as Holder.]

[In the case of Notes issued by an issuer other than ZF Friedrichshafen AG, the following applies:

- (1) The Guarantor has undertaken in the Guarantee that for such time as the Notes have not been redeemed or repurchased and cancelled, the Guarantor shall publish an English language version of the Periodic Financial Information on its internet website no later than on the dates specified below (or, if any such day is not a business day in Friedrichshafen, Germany, on the following business day).

Periodic Financial Information means

(i) the audited consolidated financial statements of the Guarantor prepared in accordance with Regulation (EC) No. 1606/2002 as amended from time to time or the respective applicable successor provision including the group management report which have to be published no later than six months after the end of the Guarantor's preceding financial year; and

(ii) the unaudited condensed consolidated half-yearly interim financial statements of the Guarantor (comprising consolidated statement of financial position, condensed consolidated statement of profit or loss and consolidated statement of cash flows) which has to be published no later than the ninetieth day following the end of the second quarter of the Guarantor's recent financial year.

- (2) The Guarantor has undertaken in the Guarantee not to provide information about the Guarantor or any other factors which may affect the value of the Notes to any Holder in addition to the Periodic Financial Information, without providing such information to all Holders at the same time, unless the relevant Holder is provided with such information because of a legal relationship with the Guarantor which is independent from its status as Holder.]

Zeit allen Gläubigern bekannt zu machen, es sei denn, der betreffende Gläubiger erhält solche Informationen aufgrund eines Rechtsverhältnisses mit der Emittentin, das von seiner Stellung als Gläubiger der Schuldverschreibungen unabhängig ist.]

[Im Fall von Schuldverschreibungen, die von einer anderen Emittentin als der ZF Friedrichshafen AG begeben werden, ist folgendes anwendbar:

- (1) Die Garantin hat sich in der Garantie verpflichtet, solange die Schuldverschreibungen noch nicht zurückgezahlt oder zurückgekauft und entwertet wurden, spätestens an den nachstehend bestimmten Tagen (oder, falls ein solcher Tag kein Geschäftstag in Friedrichshafen, Deutschland, ist, am nächstfolgenden Geschäftstag) eine englischsprachige Fassung der Regelmäßigen Finanzinformationen auf ihrer Internetseite zu veröffentlichen.

Regelmäßige Finanzinformationen bezeichnet

(i) den im Einklang mit der Verordnung (EG) 1606/2002 in ihrer jeweils geltenden Fassung bzw. der jeweils anwendbaren Nachfolgeregelung aufgestellten geprüften Konzernabschluss der Garantin einschließlich des Konzernlageberichts, der jeweils spätestens sechs Monate nach Ende des vorangegangenen Geschäftsjahrs der Garantin veröffentlicht sein muss; und

(ii) den ungeprüften verkürzten Konzernhalbjahreszwischenabschluss der Garantin (bestehend aus Konzernbilanz, vereinfachter Konzern-Gewinn- und Verlustrechnung und Konzern-Kapitalflussrechnung), der jeweils spätestens am neunzigsten Tag nach dem Ende des zweiten Quartals des jeweils laufenden Geschäftsjahrs der Garantin zu veröffentlichen ist.

- (2) Die Garantin hat sich in der Garantie dazu verpflichtet, es zu unterlassen, einem Gläubiger über die Regelmäßigen Finanzinformationen hinaus, Informationen über die Garantin oder andere Umstände, die den Wert der Schuldverschreibungen beeinflussen können, zukommen zu lassen, ohne diese Informationen zur gleichen Zeit allen Gläubigern bekannt zu machen, es sei denn, der betreffende Gläubiger erhält solche Informationen aufgrund eines Rechtsverhältnisses mit der Garantin, das von seiner Stellung als Gläubiger der Schuldverschreibungen unabhängig ist.]

§ 15
(FINAL PROVISIONS)

(1) Applicable Law.

The Notes are governed by, and construed in accordance with, the laws of the Federal Republic of Germany.

(2) Place of Jurisdiction.

Subject to any mandatory jurisdiction for specific proceedings under the SchVG, the non-exclusive place of jurisdiction for all proceedings arising from matters provided for in these Terms and Conditions will be Frankfurt am Main. The Issuer irrevocably waives any objection which it might now or hereafter have to the courts of Frankfurt am Main being nominated as the forum to hear and determine any proceedings and to settle any disputes and agrees not to claim that any of those courts is not a convenient or appropriate forum.

(3) Place of Performance.

Place of performance will be Frankfurt am Main, Federal Republic of Germany.

(4) Enforcement of Rights.

Any Holder may in any proceedings against the Issuer [*in the case of Notes issued by an issuer other than ZF Friedrichshafen AG, the following applies:* or the Guarantor] or to which the Holder and the Issuer [*in the case of Notes issued by an issuer other than ZF Friedrichshafen AG, the following applies:* or the Guarantor] are parties protect and enforce in his own name his rights arising under the Notes on the basis of:

- (a) a certificate issued by his Custodian (A) stating the full name and address of the Holder, (B) specifying an aggregate principal amount of Notes credited on the date of such statement to such Holder's securities account(s) maintained with his Custodian and (C) confirming that his Custodian has given a written notice to the Clearing System and the Principal Paying Agent containing the information specified in (A) and (B) and bearing acknowledgements of the Clearing System and the relevant account holder in the Clearing

§ 15
(SCHLUSSBESTIMMUNGEN)

(1) Anzuwendendes Recht.

Form und Inhalt der Schuldverschreibungen bestimmen sich nach dem Recht der Bundesrepublik Deutschland.

(2) Gerichtsstand.

Vorbehaltlich eines zwingend vorgeschriebenen Gerichtsstands für bestimmte Verfahren nach dem SchVG ist Frankfurt am Main nicht-ausschließlicher Gerichtsstand für alle Rechtsstreitigkeiten aus den in diesen Emissionsbedingungen geregelten Angelegenheiten. Die Emittentin verzichtet unwiderruflich auf jede Einrede, die sie jetzt oder später dagegen geltend machen könnte, dass die zuständigen Gerichte von Frankfurt am Main als Gerichtsstand für die Anhörung und Entscheidung von Verfahren und die Beilegung von Rechtsstreitigkeiten benannt sind, und verpflichtet sich, keine Rüge der Unzuständigkeit gegen eines dieser Gerichte zu erheben.

(3) Erfüllungsort.

Erfüllungsort ist Frankfurt am Main, Bundesrepublik Deutschland.

(4) Geltendmachung von Rechten.

Jeder Gläubiger ist berechtigt, in jedem Rechtsstreit gegen die Emittentin [*im Fall von Schuldverschreibungen, die von einer anderen Emittentin als der ZF Friedrichshafen AG begeben werden, ist folgendes anwendbar:* oder die Garantin] oder in jedem Rechtsstreit, in dem der Gläubiger und die Emittentin [*im Fall von Schuldverschreibungen, die von einer anderen Emittentin als der ZF Friedrichshafen AG begeben werden, ist folgendes anwendbar:* oder die Garantin] Partei sind, seine Rechte aus den Schuldverschreibungen im eigenen Namen geltend zu machen gegen Vorlage:

- (a) einer Bescheinigung der Depotbank, die (A) den vollen Namen und die volle Anschrift des Gläubigers bezeichnet, (B) den Gesamtnennbetrag von Schuldverschreibungen angibt, die am Ausstellungstag dieser Bescheinigung den bei dieser Depotbank bestehenden Depots dieses Gläubigers gutgeschrieben sind und (C) bestätigt, dass die Depotbank dem Clearingsystem und der Hauptzahlstelle eine schriftliche Mitteilung gemacht hat, die die Angaben gemäß (A) und (B) enthält und Bestätigungsvermerke des Clearingsystems sowie des betroffenen

System and

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

Custodian means any bank or other financial institution with which the Holder maintains a securities account in respect of any Notes and having an account maintained with the Clearing System, including the Clearing System.

§ 16 (LANGUAGE)

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

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

[If the Terms and Conditions are to be in the English language with a German language translation, the following applies:

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

[If the Terms and Conditions are to be in the English language only, the following applies:

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

[If the Notes are publicly offered in whole or in part in Germany or distributed in whole or in part to non-professional investors in Germany with English language Conditions, the following applies:

Eine deutsche Übersetzung der Emissionsbedingungen wird bei der ZF Friedrichshafen AG, Löwentaler Straße 20, 88046 Friedrichshafen, Bundesrepublik Deutschland zur kostenlosen Ausgabe

Kontoinhabers bei dem Clearingsystem trägt sowie

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

Depotbank bezeichnet ein Bank- oder sonstiges Finanzinstitut, bei dem der Gläubiger Schuldverschreibungen im Depot verwahren lässt und das ein Konto bei dem Clearingsystem hat, einschließlich des Clearingsystems.

§ 16 (SPRACHE)

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

Diese Emissionsbedingungen 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.]

[Falls die Emissionsbedingungen in englischer Sprache mit einer Übersetzung in die deutsche Sprache abgefasst sind, ist folgendes anwendbar:

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

[Falls die Emissionsbedingungen ausschließlich in deutscher Sprache abgefasst sind, ist folgendes anwendbar:

Diese Emissionsbedingungen sind ausschließlich in deutscher Sprache abgefasst.]

bereitgehalten.]

**OPTION II – Terms and Conditions for Notes with floating interest rate /
Emissionsbedingungen für Schuldverschreibungen mit variabler Verzinsung**

TERMS AND CONDITIONS

§ 1

(CURRENCY, DENOMINATION, FORM)

(1) Currency; Denomination.

This series of Notes (the *Notes*) of [ZF Friedrichshafen AG] [ZF Finance GmbH] (*ZF Friedrichshafen AG*) [ZF Finance GmbH] or the *Issuer*) is being issued in [*Specified Currency*] (the *Specified Currency*) in the aggregate principal amount [*in the case the Global Note is an NGN the following applies:* (subject to § 1(3))] of [*aggregate principal amount*] (in words: [*aggregate principal amount in words*]) in the denomination of [*Specified Denomination*] (the *Specified Denomination*).

(2) Form.

The Notes are being issued in bearer form.

[In the case of Notes which are represented by a Permanent Global Note the following applies:

(3) Permanent Global Note.

The Notes are represented by a permanent global note (the *Permanent Global Note* or the *Global Note*) without coupons. The Permanent Global Note shall be signed manually by authorized signatories of the Issuer and shall be authenticated by or on behalf of the Fiscal Agent. Definitive Notes and interest coupons will not be issued.]

[In the case of Notes which are initially represented by a Temporary Global Note the following applies:

(3) Temporary Global Note – Exchange.

- (a) 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 Specified Denominations represented by a permanent global note (the *Permanent Global Note* and together with the Temporary Global Note, the *Global Notes*) without coupons.

EMISSIONSBEDINGUNGEN

§ 1

(WÄHRUNG, STÜCKELUNG, FORM)

(1) Währung; Stückelung.

Diese Serie von Schuldverschreibungen (die *Schuldverschreibungen*) der [ZF Friedrichshafen AG] [ZF Finance GmbH] (*ZF Friedrichshafen AG*) [ZF Finance GmbH] oder die *Emittentin*) wird in [*Festgelegte Währung*] (die *Festgelegte Währung*) im Gesamtnennbetrag [*falls die Globalurkunde eine NGN (New Global Note) ist, ist folgendes anwendbar:* (vorbehaltlich § 1(3))] von [*Gesamtnennbetrag*] (in Worten: [*Gesamtnennbetrag in Worten*]) in einer Stückelung von [*Festgelegte Stückelung*] (die *Festgelegte Stückelung*) begeben.

(2) Form.

Die Schuldverschreibungen lauten auf den Inhaber.

[Im Fall von Schuldverschreibungen, die durch eine Dauerglobalurkunde verbrieft sind, ist folgendes anwendbar:

(3) Dauerglobalurkunde.

Die Schuldverschreibungen sind durch eine Dauerglobalurkunde (die *Dauerglobalurkunde* oder die *Globalurkunde*) ohne Zinsscheine verbrieft. Die Dauerglobalurkunde trägt die eigenhändigen Unterschriften ordnungsgemäß bevollmächtigter Vertreter der Emittentin und ist von der Emissionsstelle oder in deren Namen mit einer Kontrollunterschrift versehen. Einzelurkunden und Zinsscheine werden nicht ausgegeben.]

[Im Fall von Schuldverschreibungen, die anfänglich durch eine Vorläufige Globalurkunde verbrieft sind, ist folgendes anwendbar:

(3) Vorläufige Globalurkunde – Austausch.

- (a) Die Schuldverschreibungen sind anfänglich durch eine vorläufige Globalurkunde (die *Vorläufige Globalurkunde*) ohne Zinsscheine verbrieft. Die Vorläufige Globalurkunde wird gegen Schuldverschreibungen in den Festgelegten Stückelungen, die durch eine Dauerglobalurkunde (die *Dauerglobalurkunde* und zusammen mit der

[In the case of Euroclear and CBL and if the Global Note is an NGN the following applies: The details of such exchange shall be entered in the records of the ICSDs (as defined below).] The Global Notes shall each be signed manually by authorized signatories of the Issuer and shall each be authenticated by or on behalf of the Fiscal Agent. Definitive Notes and interest coupons will not be issued.

- (b) The Temporary Global Note shall be exchanged for the Permanent Global Note on a date (the **Exchange Date**) not earlier than 40 days after the date of issue of the Notes. Such exchange shall only be made upon delivery of certifications to the effect that the beneficial owner or owners of the Notes 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 Notes will be treated as a request to exchange the Temporary Global Note pursuant to subparagraph (b) of this § 1(3). Any Notes delivered in exchange for the Temporary Global Note shall be delivered only outside of the United States (as defined in § 1(6)).]

(4) Clearing System.

Each Global Note 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 **[if more than one Clearing System, the following applies:** each of] the following: [Clearstream Banking AG, Frankfurt am Main (**CBF**)] [Clearstream Banking S.A. (**CBL**)] [and] [Euroclear Bank SA/NV as operator of the Euroclear System (**Euroclear**)] and any

Vorläufigen Globalurkunde, die **Globalurkunden**) ohne Zinsscheine verbrieft sind, ausgetauscht. **[Im Fall von Euroclear und CBL und wenn die Globalurkunde eine NGN ist, ist folgendes anwendbar:** Die Einzelheiten eines solchen Austausches werden in die Aufzeichnungen der ICSDs (wie nachstehend definiert) aufgenommen.] Die Globalurkunden tragen jeweils die eigenhändigen Unterschriften ordnungsgemäß bevollmächtigter Vertreter der Emittentin und sind jeweils von der Emissionsstelle oder in deren Namen mit einer Kontrollunterschrift versehen. Einzelurkunden und Zinsscheine werden nicht ausgegeben.

- (b) Die Vorläufige Globalurkunde wird an einem Tag (der **Austauschtag**) gegen die Dauerglobalurkunde ausgetauscht, der nicht weniger als 40 Tage nach dem Tag der Begebung der Schuldverschreibungen liegt. Ein solcher Austausch darf nur nach Vorlage von Bescheinigungen erfolgen, wonach der oder die wirtschaftlichen Eigentümer der Schuldverschreibungen keine U.S.-Personen sind (ausgenommen bestimmte Finanzinstitute oder bestimmte Personen, die Schuldverschreibungen über solche Finanzinstitute halten). Solange die Schuldverschreibungen durch eine Vorläufige Globalurkunde verbrieft sind, werden Zinszahlungen erst nach Vorlage dieser Bescheinigungen vorgenommen. Eine gesonderte Bescheinigung ist für jede solche Zinszahlung erforderlich. Jede Bescheinigung, die am oder nach dem 40. Tag nach dem Tag der Begebung der Schuldverschreibungen eingeht, wird als ein Ersuchen behandelt werden, diese Vorläufige Globalurkunde gemäß Absatz (b) dieses § 1(3) auszutauschen. Schuldverschreibungen, die im Austausch für die Vorläufige Globalurkunde geliefert werden, dürfen nur außerhalb der Vereinigten Staaten (wie in § 1(6) definiert) geliefert werden.]

(4) Clearingsystem.

Die Globalurkunde wird solange von einem oder im Namen eines Clearingsystems verwahrt, bis sämtliche Verbindlichkeiten der Emittentin aus den Schuldverschreibungen erfüllt sind. **Clearingsystem** bedeutet **[bei mehr als einem Clearingsystem ist folgendes anwendbar:** jeweils] folgendes: [Clearstream Banking AG, Frankfurt am Main (**CBF**)] [Clearstream Banking S.A. (**CBL**)] [und] [Euroclear Bank SA/NV als Betreiberin des Euroclear Systems

successor in such capacity. **[In the case of CBL and Euroclear as Clearing System the following applies: International Central Securities Depository or ICSD means each of CBL and Euroclear (together, the ICSDs).]**

[In the case of Notes kept in custody on behalf of the ICSDs and the global note is a NGN, the following applies: The Notes are issued in new global note (NGN) form and are kept in custody by a common safekeeper on behalf of both ICSDs.

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

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

[In the case of Notes kept in custody on behalf of the ICSDs and the global note is a CGN, the following applies: The Notes are issued in classical global note (CGN) form and are kept in custody by a common depositary on behalf of both ICSDs.]

(5) Holder of Notes.

(Euroclear)] sowie jeder Funktionsnachfolger. **[Im Fall von CBL oder Euroclear als Clearingsystem ist folgendes anwendbar: International Central Securities Depository oder ICSD bezeichnet jeweils CBL und Euroclear (zusammen die ICSDs).]**

[Im Fall von Schuldverschreibungen, die im Namen der ICSDs verwahrt werden, und falls die Globalurkunde eine NGN ist, ist folgendes anwendbar: Die Schuldverschreibungen werden in Form einer New Global Note (NGN) ausgegeben und von einer gemeinsamen Verwahrstelle im Namen beider ICSDs verwahrt.

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

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

[Im Fall von Schuldverschreibungen, die im Namen der ICSDs verwahrt werden, und falls die Globalurkunde eine CGN ist, ist folgendes anwendbar: Die Schuldverschreibungen werden in Form einer Classical Global Note (CGN) ausgegeben und von einer gemeinsamen Verwahrstelle im Namen beider ICSDs verwahrt.]

(5) Gläubiger von Schuldverschreibungen.

Holder means any holder of a proportionate co-ownership or other beneficial interest or right in the Notes.

[In the case the Temporary Global Note is a NGN, the following applies: On an exchange of a portion only of the Notes represented by a Temporary Global Note, the Issuer shall procure that details of such exchange shall be entered *pro rata* in the records of the ICSDs.]

(6) United States.

For the purposes of these Terms and Conditions, **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).

§ 2

**(STATUS, NEGATIVE PLEDGE
[IN THE CASE OF NOTES ISSUED BY AN
ISSUER OTHER THAN ZF FRIEDRICHSHAFEN
AG, THE FOLLOWING APPLIES: ,
GUARANTEE])**

(1) Status.

The Notes constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank *pari passu* without any preference among themselves and at least *pari passu* with all other unsubordinated and unsecured obligations of the Issuer, present or future, unless such obligations are accorded priority under mandatory provisions of statutory law.

(2) Negative Pledge of the Issuer.

[In the case of Notes issued by ZF Friedrichshafen AG, the following applies:

- (a) While any amounts remain outstanding under the Notes, but only up to the time all amounts payable to Holders under the Notes in accordance with these Terms and Conditions have been paid to the Clearing System or to its order, the Issuer undertakes

- (i) it will not create or permit to subsist any security interest *in rem* (dingliche

Gläubiger bedeutet jeder Inhaber eines Miteigentumsanteils oder anderen vergleichbaren Rechts an den Schuldverschreibungen.

[Falls die Globalurkunde eine NGN ist, ist folgendes anwendbar: Bei Austausch nur eines Teils von Schuldverschreibungen, die durch eine Vorläufige Globalurkunde verbrieft sind, wird die Emittentin sicherstellen, dass die Einzelheiten dieses Austauschs *pro rata* in die Register der ICSDs aufgenommen werden.]

(6) Vereinigte Staaten.

Für die Zwecke dieser Emissionsbedingungen 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).

§ 2

**(STATUS, NEGATIVVERPFLICHTUNG
[IM FALL VON SCHULDVERSCHREIBUNGEN,
DIE VON EINER ANDEREN EMITTENTIN ALS
DER ZF FRIEDRICHSHAFEN AG BEGEBEN
WERDEN, IST FOLGENDES ANWENDBAR: ,
GARANTIE])**

(1) Status.

Die Schuldverschreibungen begründen unmittelbare, unbedingte, nicht nachrangige und nicht besicherte Verbindlichkeiten der Emittentin und stehen im gleichen Rang untereinander und mindestens im gleichen Rang mit allen anderen gegenwärtigen und zukünftigen nicht besicherten und nicht nachrangigen Verbindlichkeiten der Emittentin, soweit diesen Verbindlichkeiten nicht durch zwingende gesetzliche Bestimmungen ein Vorrang eingeräumt wird.

(2) Negativverpflichtung der Emittentin.

[Bei von ZF Friedrichshafen AG begebenen Schuldverschreibungen, ist folgendes anwendbar:

- (a) Solange Zahlungen aus den Schuldverschreibungen ausstehen, jedoch nur bis zu dem Zeitpunkt, an dem alle auf die Schuldverschreibungen gemäß diesen Emissionsbedingungen an die Gläubiger zu zahlenden Beträge an das Clearingsystem oder an dessen Order gezahlt worden sind, verpflichtet sich die Emittentin

- (i) für Kapitalmarktverbindlichkeiten (wie in § 2(2)(d) definiert)

Sicherheit) over all or part of its present or future assets as security for any Capital Market Indebtedness (as defined in § 2(2)(d)) (including any guarantees and indemnities given in respect thereof), and

- (ii) it will procure, to the extent legally permissible, that no Material Subsidiary will at any time create or permit to subsist any security interest *in rem* upon all or any of its present or future assets as security for any Capital Market Indebtedness (including any guarantees and indemnities given in respect thereof) issued by the Issuer or a Material Subsidiary,

unless at the same time or prior thereto, the Issuer's obligations under the Notes are secured equally and rateably therewith or benefit from a security interest *in rem* in substantially identical terms thereto.

- (b) Exemptions from the Negative Pledge of the Issuer. The undertaking pursuant to § 2(2)(a) shall not apply to a security which

- (i) is mandatory according to applicable laws, or
- (ii) is required as a prerequisite for governmental approvals, or
- (iii) is existing on the issue date of the Notes, or
- (iv) is provided by the Issuer or by any Material Subsidiary over any of the Issuer's claims or claims of any Material Subsidiary against any affiliated companies within the meaning of § 15 et seqq. of the German Stock Corporation Act (*Aktiengesetz*) or any third party, which claims exist now or arise at any time in the future, as a result of the passing on of the proceeds from the issuance of any securities, provided that any such security serves to secure

(einschließlich hierfür abgegebener Garantien und Freistellungserklärungen) keine dinglichen Sicherheiten in Bezug auf ihr gesamtes gegenwärtiges oder zukünftiges Vermögen oder Teile ihres gegenwärtigen oder zukünftigen Vermögens zu gewähren oder bestehen zu lassen, und

- (ii) soweit rechtlich möglich, sicherzustellen, dass keine Wesentliche Tochtergesellschaft für Kapitalmarktverbindlichkeiten (einschließlich hierfür abgegebener Garantien und Freistellungserklärungen), die von der Emittentin oder einer Wesentlichen Tochtergesellschaft begeben wurden, irgendwelche dinglichen Sicherheiten in Bezug auf ihr gesamtes gegenwärtiges oder zukünftiges Vermögen oder Teile ihres gegenwärtigen oder zukünftigen Vermögens gewährt oder bestehen lässt,

sofern nicht die Verpflichtungen der Emittentin aus den Schuldverschreibungen gleichrangig und anteilig an einer solchen dinglichen Sicherheit teilhaben, oder diesbezüglich eine dingliche Sicherheit zu im Wesentlichen gleichen Bedingungen bestellt wird.

- (b) Ausnahmen von der Negativverpflichtung der Emittentin. Die Verpflichtung nach § 2(2)(a) besteht jedoch nicht für solche Sicherheiten, die

- (i) gesetzlich vorgeschrieben sind, oder
- (ii) als Voraussetzung für staatliche Genehmigungen verlangt werden, oder
- (iii) am Begebungstag der Schuldverschreibungen bestehen, oder
- (iv) durch die Emittentin oder von einer Wesentlichen Tochtergesellschaft zur Sicherung von gegenwärtigen oder zukünftigen Ansprüchen der Emittentin oder Ansprüchen einer Wesentlichen Tochtergesellschaft gegen verbundene Unternehmen im Sinne der §§ 15 ff. Aktiengesetz oder gegen Dritte aufgrund der Weiterleitung von Erlösen aus der Emission von Wertpapieren bestehen, soweit diese Sicherheiten zur Sicherung von Verpflichtungen aus

obligations under such securities issued by the Issuer or by a Material Subsidiary, or

- (v) secures Capital Market Indebtedness existing at the time of an acquisition that becomes an obligation of the Issuer or any member of the Group as a consequence of such acquisition, provided that such Capital Market Indebtedness was not created in contemplation of such acquisition, or
- (vi) is provided in connection with any issuance of asset backed securities by the Issuer or by any member of the Group, or
- (vii) is provided in respect of any issuance of asset backed securities made by a special purpose vehicle where the Issuer or any member of the Group is the originator of the underlying assets, or
- (viii) is provided in respect of any financing of any project or asset, provided that the assets on which the security is created are (A) the assets which are used or to be used in or in connection with the project to which such Capital Markets Indebtedness relates or (B) revenues or claims which arise from the use, operation, failure to meet specifications, exploitation, sale, or loss of or damage to, such assets and provided further that such Capital Markets Indebtedness is not directly or indirectly the subject of any guarantee, indemnity or other form of assurance, undertaking or support from any other member of the Group, or
- (ix) constitutes the renewal, extension or replacement of any security pursuant to foregoing (i) through (viii), or

diesen durch die Emittentin oder durch eine Wesentliche Tochtergesellschaft ausgegebenen Wertpapieren dienen, oder

- (v) eine im Zeitpunkt einer Akquisition bestehende Kapitalmarktverbindlichkeit besichern, die infolge der Akquisition eine Verpflichtung der Emittentin oder einer Gesellschaft der Gruppe wird, sofern diese Kapitalmarktverbindlichkeit nicht im Hinblick auf diese Akquisition begründet wurde, oder
- (vi) im Zusammenhang mit der Begebung von asset backed securities (ABS) durch die Emittentin oder eine Gesellschaft der Gruppe bestellt werden, oder
- (vii) im Zusammenhang mit der Begebung von asset backed securities (ABS) durch eine Zweckgesellschaft gegeben werden, bei denen die Emittentin oder eine Gesellschaft der Gruppe der Originator der zugrunde liegenden Vermögenswerte ist, oder
- (viii) im Zusammenhang mit der Finanzierung von Projekten oder Vermögensgegenständen gegeben werden, vorausgesetzt, dass die Vermögensgegenstände, an denen das Sicherungsrecht besteht, (A) Vermögensgegenstände sind, die in dem Projekt oder im Zusammenhang mit dem Projekt, auf das sich die Kapitalmarktverbindlichkeiten beziehen, genutzt werden oder genutzt werden sollen, oder (B) Einnahmen oder Ansprüche sind, die aufgrund der Nutzung, des Betriebs, der Nichteinhaltung von Spezifikationen, der Verwertung, des Verkaufs, des Verlusts/Untergangs oder der Beschädigung dieser Vermögensgegenstände entstehen, und weiter vorausgesetzt, dass diese Kapitalmarktverbindlichkeiten weder direkt noch indirekt Gegenstand einer Garantie, Freistellung oder anderen Form der Zusicherung, Verpflichtung oder Unterstützung irgendeines anderen Mitglieds der Gruppe sind, oder
- (ix) eine Erneuerung, Verlängerung oder Ersetzung irgendeiner Sicherheit gemäß vorstehend (i) bis (viii)

- (x) do not fall within the scope of application of (i) through (ix) above and which secure Capital Market Indebtedness with a principal amount (when aggregated with the principal amount of other Capital Markets Indebtedness which has the benefit of security (issued by the Issuer or any Material Subsidiary) other than any falling within the scope of application of (i) through (ix) above) not exceeding EUR 300,000,000 (or its equivalent in other currencies).
- (c) Any security which is to be provided pursuant to § 2(2)(a) may also be provided to a person acting as trustee for the Holders.
- (d) Definitions.

The expressions "assets" and "obligation for the payment or repayment of money that is borrowed" as used in this § 2(2) do not include assets of the Issuer or any Material Subsidiary which, pursuant to the requirements of law and accounting principles generally accepted in the Federal Republic of Germany (*Germany*) or such other applicable law and accepted accounting principles generally, as the case may be, need not, and are not, reflected in the Issuer's or in a Material Subsidiary's balance sheets.

Capital Market Indebtedness means any present or future obligation for the payment or repayment of money (including obligations by reason of any guarantee or other liability agreement for obligations of third parties) that is borrowed either in the form of (i) bonded loans (*Schuldscheindarlehen*), (ii) registered notes (*Namensschuldverschreibungen*), or (iii) in the form of an issuance of notes with an original maturity of more than one year and which are, or are capable of being, quoted, listed or traded on a stock exchange or other recognized securities market.

Group means the Issuer and all of its fully

darstellen, oder

- (x) nicht in den Anwendungsbereich von (i) bis (ix) fallen und Kapitalmarktverbindlichkeiten besichern, deren Kapitalbetrag (zusammen mit dem Kapitalbetrag anderer Kapitalmarktverbindlichkeiten, für die andere dingliche Sicherheiten als solche (begeben durch die Emittentin oder eine Wesentliche Tochtergesellschaft), die in den Anwendungsbereich von (i) bis (ix) fallen, bestehen) EUR 300.000.000 (bzw. den Gegenwert in anderen Währungen) nicht überschreitet.
- (c) Eine nach § 2(2)(a) zu stellende Sicherheit kann auch zu Gunsten der Person eines Treuhänders der Gläubiger bestellt werden.
- (d) Definitionen.

Die in diesem § 2(2) benutzten Begriffe "Vermögen" und "Verpflichtung zur Zahlung oder Rückzahlung von Geldern" schließen nicht solche Vermögensgegenstände der Emittentin oder einer Wesentlichen Tochtergesellschaft mit ein, die im Einklang mit den Gesetzen der Bundesrepublik Deutschland (*Deutschland*) und den dort anerkannten Regeln der Bilanzierung und Buchführung oder den jeweils anwendbaren Gesetzen und anerkannten Regeln der Bilanzierung und Buchführung nicht in den Bilanzen der Emittentin oder einer Wesentlichen Tochtergesellschaft ausgewiesen werden müssen und darin auch nicht ausgewiesen werden.

Kapitalmarktverbindlichkeit bezeichnet jede gegenwärtige oder zukünftige Verpflichtung zur Zahlung oder Rückzahlung von Geldern (einschließlich Verpflichtungen aus Garantien oder anderen Haftungsvereinbarungen für Verbindlichkeiten von Dritten) entweder (i) aus Schuldscheindarlehen, (ii) aus Namensschuldverschreibungen oder (iii) aus Schuldverschreibungen, sofern diese eine ursprüngliche Laufzeit von mehr als einem Jahr haben und an einer Börse oder an einem anderen anerkannten Wertpapiermarkt notiert, zugelassen oder gehandelt werden oder notiert, zugelassen oder gehandelt werden können.

Gruppe bezeichnet die Emittentin und ihre

consolidated Subsidiaries (as defined in this § 2(2)(d)) from time to time.

Subsidiary means an entity of which a person has direct or indirect control or owns directly or indirectly more than 50% of the voting capital or similar right of ownership and "control" in this context means the power to direct the management and the policies of the entity whether through the ownership of voting capital, by contract or otherwise within the meaning of § 17 of the German Stock Corporation Act (*Aktiengesetz*) (cases of multiple dependency (*mehrfache Abhängigkeit*) in relation of joint ventures where no partner holds more than 50% of the voting rights shall be excluded).

Material Subsidiaries means a Subsidiary of the Issuer which has unconsolidated gross assets or unconsolidated turnover (based on the latest annual financial statements of the respective Subsidiary which was consolidated into the latest audited consolidated financial statements of the Group (*Konzernabschluss*)) representing 5% or more of the unconsolidated gross assets or unconsolidated turnover of the Group, provided that any newly acquired subsidiary of the Issuer shall in no event constitute a Material Subsidiary until expiry of a six-month period from the completion of the relevant acquisition. A certificate issued by the Issuer's auditors stating that a Subsidiary is or is not or was or was not at a specified date a Material Subsidiary shall, in the absence of manifest error, be conclusive and binding on all parties.]

[In the case of Notes issued by an issuer other than ZF Friedrichshafen AG, the following applies:

- (a) While any amounts remain outstanding under the Notes, but only up to the time all amounts payable to Holders under the Notes in accordance with these Terms and Conditions have been paid to the Clearing System or to its order, the Issuer undertakes that it will not create or permit to subsist any security interest *in rem* (dingliche

jeweiligen vollkonsolidierten Tochtergesellschaften (wie in diesem § 2(2)(d) definiert).

Tochtergesellschaft bezeichnet ein Unternehmen, bei dem eine Person die unmittelbare oder mittelbare Kontrolle besitzt oder unmittelbar oder mittelbar Eigentümer von mehr als 50 % des stimmberechtigten Kapitals oder entsprechender Eigentumsrechte ist; "Kontrolle" bedeutet in diesem Zusammenhang die Berechtigung, die Geschäftsführung und die Politik des Unternehmens sei es über das Eigentum am stimmberechtigten Kapital, mittels eines Vertrages oder auf andere Weise im Sinne von § 17 Aktiengesetz zu bestimmen (Fälle mehrfacher Abhängigkeit bei Gemeinschaftsunternehmen, bei denen kein Partner mehr als 50 % der Stimmrechte hält, sind dabei ausgeschlossen).

Wesentliche Tochtergesellschaft bezeichnet eine Tochtergesellschaft der Emittentin, deren nicht konsolidiertes Bruttovermögen oder deren nicht konsolidierter Umsatz (gemäß dem letzten Jahresabschluss der betreffenden Tochtergesellschaft, der in den letzten geprüften Konzernabschluss konsolidiert wurde) mindestens 5 % des nicht konsolidierten Bruttovermögens oder des nicht konsolidierten Umsatzes der Gruppe ausmacht, wobei eine neu erworbene Tochtergesellschaft der Emittentin bis zum Ablauf von sechs Monaten ab Durchführung des Erwerbs nicht als Wesentliche Tochtergesellschaft gilt. Ein Bericht der Wirtschaftsprüfer der Emittentin darüber, ob ihrer Meinung nach eine Tochtergesellschaft zu einem bestimmten Zeitpunkt eine Wesentliche Tochtergesellschaft ist oder war bzw. nicht ist oder nicht war, ist, sofern nicht ein offensichtlicher Irrtum vorliegt, für alle Beteiligten endgültig und bindend.]

[Bei Schuldverschreibungen, die von einer anderen Emittentin als der ZF Friedrichshafen AG begeben werden, ist folgendes anwendbar:

- (a) Solange Zahlungen aus den Schuldverschreibungen ausstehen, jedoch nur bis zu dem Zeitpunkt, an dem alle auf die Schuldverschreibungen gemäß diesen Emissionsbedingungen an die Gläubiger zu zahlenden Beträge an das Clearingsystem oder an dessen Order gezahlt worden sind, verpflichtet sich die Emittentin, für

Sicherheit) over all or part of its present or future assets as security for any Capital Market Indebtedness (as defined in § 2(4)) (including any guarantees and indemnities given in respect thereof) issued by the Issuer, unless the Issuer's obligations under the Notes are secured equally and rateably therewith or benefit from a security interest *in rem* in substantially identical terms thereto.

- (b) Exemptions from the Negative Pledge of the Issuer. The undertaking pursuant to § 2(2)(a) shall not apply to a security which
 - (i) is mandatory according to applicable laws, or
 - (ii) is required as a prerequisite for governmental approvals, or
 - (iii) is existing on the issue date of the Notes, or
 - (iv) provided by the Issuer over any of the Issuer's claims against any affiliated companies within the meaning of § 15 et seqq. of the German Stock Corporation Act (*Aktiengesetz*) or any third party, which claims exist now or arise at any time in the future, as a result of the passing on of the proceeds from the issuance of any securities, provided that any such security serves to secure obligations under such securities issued by the Issuer, or
 - (v) secures Capital Market Indebtedness existing at the time of an acquisition that becomes an obligation of the Issuer or any member of the Group as a consequence of such acquisition, provided that such Capital Market Indebtedness was not created in contemplation of such acquisition, or
 - (vi) is provided in connection with any issuance of asset backed securities by the Issuer or by any member of the Group, or

Kapitalmarktverbindlichkeiten (wie in § 2(4) definiert) (einschließlich hierfür abgegebener Garantien und Freistellungserklärungen), die von der Emittentin begeben worden sind, keine dinglichen Sicherheiten in Bezug auf ihr gesamtes gegenwärtiges oder zukünftiges Vermögen oder Teile ihres gegenwärtigen oder zukünftigen Vermögens zu gewähren oder bestehen zu lassen, sofern nicht die Verpflichtungen der Emittentin aus den Schuldverschreibungen gleichrangig und anteilig an einer solchen dinglichen Sicherheit teilhaben, oder diesbezüglich eine dingliche Sicherheit zu im Wesentlichen gleichen Bedingungen bestellt wird.

- (b) Ausnahmen von der Negativverpflichtung der Emittentin. Die Verpflichtung nach § 2(2)(a) besteht jedoch nicht für solche Sicherheiten, die
 - (i) gesetzlich vorgeschrieben sind, oder
 - (ii) als Voraussetzung für staatliche Genehmigungen verlangt werden, oder
 - (iii) am Begebungstag der Schuldverschreibungen bestehen, oder
 - (iv) durch die Emittentin zur Sicherung von gegenwärtigen oder zukünftigen Ansprüchen der Emittentin gegen verbundene Unternehmen im Sinne der §§ 15 ff. Aktiengesetz oder gegen Dritte aufgrund der Weiterleitung von Erlösen aus der Emission von Wertpapieren bestehen, soweit diese Sicherheiten zur Sicherung von Verpflichtungen aus diesen durch die Emittentin ausgegebenen Wertpapieren dienen, oder
 - (v) eine im Zeitpunkt einer Akquisition bestehende Kapitalmarktverbindlichkeit besichern, die infolge der Akquisition eine Verpflichtung der Emittentin oder einer Gesellschaft der Gruppe wird, sofern diese Kapitalmarktverbindlichkeit nicht im Hinblick auf diese Akquisition begründet wurde, oder
 - (vi) im Zusammenhang mit der Begebung von asset backed securities (ABS) durch die Emittentin oder eine Gesellschaft der Gruppe bestellt werden, oder

- (vii) is provided in respect of any issuance of asset backed securities made by a special purpose vehicle where the Issuer or any member of the Group is the originator of the underlying assets, or
- (viii) is provided in respect of any financing of any project or asset, provided that the assets on which the security is created are (A) the assets which are used or to be used in or in connection with the project to which such Capital Markets Indebtedness relates or (B) revenues or claims which arise from the use, operation, failure to meet specifications, exploitation, sale, or loss of or damage to, such assets and provided further that such Capital Markets Indebtedness is not directly or indirectly the subject of any guarantee, indemnity or other form of assurance, undertaking or support from any other member of the Group, or
- (ix) constitutes the renewal, extension or replacement of any security pursuant to foregoing (i) through (viii), or
- (x) do not fall within the scope of application of (i) through (ix) above and which secure Capital Market Indebtedness with a principal amount (when aggregated with the principal amount of other Capital Markets Indebtedness which has the benefit of security issued by the Issuer, the Guarantor or any Material Subsidiary (as defined in § 2(4)) other than any falling within the scope of application of (i) through (ix) above) not exceeding EUR 300,000,000 (or its equivalent in other currencies).
- (c) Any security which is to be provided pursuant to this § 2(2)(a) may also be provided to a person acting as trustee for
- (vii) im Zusammenhang mit der Begebung von asset backed securities (ABS) durch eine Zweckgesellschaft gegeben werden, bei denen die Emittentin oder eine Gesellschaft der Gruppe der Originator der zugrunde liegenden Vermögenswerte ist, oder
- (viii) im Zusammenhang mit der Finanzierung von Projekten oder Vermögensgegenständen gegeben werden, vorausgesetzt, dass die Vermögensgegenstände, an denen das Sicherungsrecht besteht, (A) Vermögensgegenstände sind, die in dem Projekt oder im Zusammenhang mit dem Projekt, auf das sich die Kapitalmarktverbindlichkeiten beziehen, genutzt werden oder genutzt werden sollen, oder (B) Einnahmen oder Ansprüche sind, die aufgrund der Nutzung, des Betriebs, der Nichteinhaltung von Spezifikationen, der Verwertung, des Verkaufs, des Verlusts/Untergangs oder der Beschädigung dieser Vermögensgegenstände entstehen, und weiter vorausgesetzt, dass diese Kapitalmarktverbindlichkeiten weder direkt noch indirekt Gegenstand einer Garantie, Freistellung oder anderen Form der Zusicherung, Verpflichtung oder Unterstützung irgendeines anderen Mitglieds der Gruppe sind, oder
- (ix) eine Erneuerung, Verlängerung oder Ersetzung irgendeiner Sicherheit gemäß vorstehend (i) bis (viii) darstellen, oder
- (x) nicht in den Anwendungsbereich von (i) bis (ix) fallen und Kapitalmarktverbindlichkeiten besichern, deren Kapitalbetrag (zusammen mit dem Kapitalbetrag anderer Kapitalmarktverbindlichkeiten, für die andere dingliche Sicherheiten als solche (begeben durch die Emittentin, die Garantin oder eine Wesentliche Tochtergesellschaft (wie in § 2(4) definiert)), die in den Anwendungsbereich von (i) bis (ix) fallen, bestehen) EUR 300.000.000 (bzw. den Gegenwert in anderen Währungen) nicht überschreitet.
- (c) Eine nach § 2(2)(a) zu stellende Sicherheit kann auch zu Gunsten der Person eines Treuhänders der Gläubiger bestellt

the Holders.]

[In the case of Notes issued by an issuer other than ZF Friedrichshafen AG, the following applies:

- (3) Guarantee and Negative Pledge.
- (a) ZF Friedrichshafen AG (the **Guarantor**) has given an unconditional and irrevocable guarantee (the **Guarantee**) for the due and punctual payment of principal of, and interest on, and any other amounts payable under any Notes. The Guarantee constitutes a contract for the benefit of the Holders from time to time as third party beneficiaries in accordance with § 328 paragraph 1 of the German Civil Code (*Bürgerliches Gesetzbuch*)⁷, giving rise to the right of each Holder to require performance of the obligations assumed in the Guarantee directly from the Guarantor and to enforce such obligations directly against the Guarantor. Copies of the Guarantee may be obtained free of charge at the specified office of the Fiscal Agent.
- (b) Negative Pledge of the Guarantor. While any amounts remain outstanding under the Notes, but only up to the time all amounts payable to Holders under the Notes in accordance with these Terms and Conditions have been paid to the Clearing System or to its order, the Guarantor has undertaken in the Guarantee that
- (i) it will not create or permit to subsist any security interest *in rem* (*dingliche Sicherheit*) over all or part of its present or future assets as security for any Capital Market Indebtedness (as defined in § 2(4)) (including any guarantees and indemnities given in respect thereof), and
- (ii) it will procure, to the extent legally permissible, that no Material Subsidiary (as defined in § 2(4)) will at any time create or permit to subsist any security interest *in rem* upon all or any of its present or future assets as security for any Capital Market Indebtedness (including any guarantees

werden.]

[Im Fall von Schuldverschreibungen, die von einer anderen Emittentin als der ZF Friedrichshafen AG begeben werden, ist folgendes anwendbar:

- (3) Garantie und Negativverpflichtung.
- (a) Die ZF Friedrichshafen AG (die **Garantin**) hat eine unbedingte und unwiderrufliche Garantie (die **Garantie**) für die ordnungsgemäße und pünktliche Zahlung von Kapital und Zinsen auf die Schuldverschreibungen sowie von jeglichen sonstigen Beträgen, die auf die Schuldverschreibungen zahlbar sind, übernommen. Die Garantie stellt einen Vertrag zugunsten Dritter im Sinne des § 328 Abs. 1 BGB dar, der jedem Gläubiger das Recht gibt, die Erfüllung der in der Garantie übernommenen Verpflichtungen unmittelbar von der Garantin zu verlangen und die Garantie unmittelbar gegen die Garantin durchzusetzen. Kopien der Garantie sind kostenfrei bei der bezeichneten Geschäftsstelle der Emissionsstelle erhältlich.
- (b) Negativverpflichtung der Garantin. Solange Zahlungen aus den Schuldverschreibungen ausstehen, jedoch nur bis zu dem Zeitpunkt, an dem alle auf die Schuldverschreibungen gemäß diesen Emissionsbedingungen an die Gläubiger zu zahlenden Beträge an das Clearingsystem oder an dessen Order gezahlt worden sind, hat sich die Garantin in der Garantie verpflichtet,
- (i) für Kapitalmarktverbindlichkeiten (wie in § 2(4) definiert) (einschließlich hierfür abgegebener Garantien und Freistellungserklärungen) keine dinglichen Sicherheiten in Bezug auf ihr gesamtes gegenwärtiges oder zukünftiges Vermögen oder Teile ihres gegenwärtigen oder zukünftigen Vermögens zu gewähren oder bestehen zu lassen, und
- (ii) soweit rechtlich möglich, sicherzustellen, dass keine ihrer Wesentlichen Tochtergesellschaften (wie in § 2(4) definiert) Sicherungsrechte an gegenwärtigen oder zukünftigen Teilen ihres Vermögens oder ihres Vermögens insgesamt zur Sicherung der

⁷ An English language convenience translation of § 328 paragraph 1 of the German Civil Code (*Bürgerliches Gesetzbuch*) reads as follows: A contract may stipulate performance for the benefit of a third party, to the effect that the third party acquires the right directly to demand performance.

and indemnities given in respect thereof) issued by the Guarantor or a Material Subsidiary,

unless at the same time or prior thereto, the Issuer's obligations under the Notes are secured equally and rateably therewith or benefit from a security interest *in rem* in substantially identical terms thereto.

- (c) Exemptions from the Negative Pledge of the Guarantor. The undertaking pursuant to § 2(3)(b) shall not apply to a security which
- (i) is mandatory according to applicable laws, or
 - (ii) is required as a prerequisite for governmental approvals, or
 - (iii) is existing on the issue date of the Notes, or
 - (iv) provided by the Guarantor or by any Material Subsidiary over any of the Guarantor's claims or claims of any Material Subsidiary against any affiliated companies within the meaning of § 15 et seqq. of the German Stock Corporation Act (*Aktiengesetz*) or any third party, which claims exist now or arise at any time in the future, as a result of the passing on of the proceeds from the issuance of any securities, provided that any such security serves to secure obligations under such securities issued by the Guarantor or by a Material Subsidiary, or
 - (v) secures Capital Market Indebtedness existing at the time of an acquisition that becomes an obligation of the Guarantor or any member of the Group as a consequence of such acquisition, provided that such Capital Market Indebtedness was not created in contemplation of such acquisition, or
 - (vi) is provided in connection with any issuance of asset backed securities by the Guarantor or by any member of the

gegenwärtigen oder zukünftigen Kapitalmarktverbindlichkeiten, bestellt oder fortbestehen lässt, ohne jeweils die Gläubiger zur gleichen Zeit auf gleiche Weise und anteilig an diesen Sicherungsrechten teilhaben zu lassen.

sofern nicht die Verpflichtungen der Emittentin aus den Schuldverschreibungen gleichrangig und anteilig an einer solchen dinglichen Sicherheit teilhaben, oder diesbezüglich eine dingliche Sicherheit zu im Wesentlichen gleichen Bedingungen bestellt wird.

- (c) Ausnahmen von der Negativverpflichtung der Garantin. Die Verpflichtung nach § 2(3)(b) besteht jedoch nicht für solche Sicherheiten, die
- (i) gesetzlich vorgeschrieben sind, oder
 - (ii) als Voraussetzung für staatliche Genehmigungen verlangt werden, oder
 - (iii) am Begebungstag der Schuldverschreibungen bestehen, oder
 - (iv) durch die Garantin oder von einer Wesentlichen Tochtergesellschaft zur Sicherung von gegenwärtigen oder zukünftigen Ansprüchen der Garantin oder Ansprüchen einer Wesentlichen Tochtergesellschaft gegen verbundene Unternehmen im Sinne der §§ 15 ff. Aktiengesetz oder gegen Dritte aufgrund der Weiterleitung von Erlösen aus der Emission von Wertpapieren bestehen, soweit diese Sicherheiten zur Sicherung von Verpflichtungen aus diesen durch die Garantin oder durch eine Wesentliche Tochtergesellschaft ausgegebenen Wertpapieren dienen, oder
 - (v) eine im Zeitpunkt einer Akquisition bestehende Kapitalmarktverbindlichkeit besichern, die infolge der Akquisition eine Verpflichtung der Garantin oder einer Gesellschaft der Gruppe wird, sofern diese Kapitalmarktverbindlichkeit nicht im Hinblick auf diese Akquisition begründet wurde, oder
 - (vi) im Zusammenhang mit der Begebung von asset backed securities (ABS) durch die Garantin oder eine Gesellschaft der Gruppe bestellt

Group, or

- (vii) is provided in respect of any issuance of asset backed securities made by a special purpose vehicle where the Guarantor or any member of the Group is the originator of the underlying assets, or
 - (viii) is provided in respect of any financing of any project or asset, provided that the assets on which the security is created are (A) the assets which are used or to be used in or in connection with the project to which such Capital Markets Indebtedness relates or (B) revenues or claims which arise from the use, operation, failure to meet specifications, exploitation, sale, or loss of or damage to, such assets and provided further that such Capital Markets Indebtedness is not directly or indirectly the subject of any guarantee, indemnity or other form of assurance, undertaking or support from any other member of the Group, or
 - (ix) constitutes the renewal, extension or replacement of any security pursuant to foregoing (i) through (viii), or
 - (x) do not fall within the scope of application of (i) through (ix) above and which secure Capital Market Indebtedness with a principal amount (when aggregated with the principal amount of other Capital Markets Indebtedness which has the benefit of security (issued by the Issuer, the Guarantor or any Material Subsidiary) other than any falling within the scope of application of (i) through (ix) above) not exceeding EUR 300,000,000 (or its equivalent in other currencies).
- (d) Any security which is to be provided pursuant to § 2(3)(b) may also be provided to a person acting as trustee for the Holders.

werden, oder

- (vii) im Zusammenhang mit der Begebung von asset backed securities (ABS) durch eine Zweckgesellschaft gegeben werden, bei denen die Garantin oder eine Gesellschaft der Gruppe der Originator der zugrunde liegenden Vermögenswerte ist, oder
 - (viii) im Zusammenhang mit der Finanzierung von Projekten oder Vermögensgegenständen gegeben werden, vorausgesetzt, dass die Vermögensgegenstände, an denen das Sicherungsrecht besteht, (A) Vermögensgegenstände sind, die in dem Projekt oder im Zusammenhang mit dem Projekt, auf das sich die Kapitalmarktverbindlichkeiten beziehen, genutzt werden oder genutzt werden sollen, oder (B) Einnahmen oder Ansprüche sind, die aufgrund der Nutzung, des Betriebs, der Nichteinhaltung von Spezifikationen, der Verwertung, des Verkaufs, des Verlusts/Untergangs oder der Beschädigung dieser Vermögensgegenstände entstehen, und weiter vorausgesetzt, dass diese Kapitalmarktverbindlichkeiten weder direkt noch indirekt Gegenstand einer Garantie, Freistellung oder anderen Form der Zusicherung, Verpflichtung oder Unterstützung irgendeines anderen Mitglieds der Gruppe sind, oder
 - (ix) eine Erneuerung, Verlängerung oder Ersetzung irgendeiner Sicherheit gemäß vorstehend (i) bis (viii) darstellen, oder
 - (x) nicht in den Anwendungsbereich von (i) bis (ix) fallen und Kapitalmarktverbindlichkeiten besichern, deren Kapitalbetrag (zusammen mit dem Kapitalbetrag anderer Kapitalmarktverbindlichkeiten, für die andere dingliche Sicherheiten als solche (begeben durch die Emittentin, die Garantin oder eine Wesentliche Tochtergesellschaft), die in den Anwendungsbereich von (i) bis (ix) fallen, bestehen) EUR 300.000.000 (bzw. den Gegenwert in anderen Währungen) nicht überschreitet.
- (d) Eine nach § 2(3)(b) zu stellende Sicherheit kann auch zu Gunsten der Person eines

Treuhänders der Gläubiger bestellt werden.

- (e) Release of Guarantee. The Guarantee shall be released only upon discharge in full of the aggregate principal amount of all Notes then outstanding, any interest due thereon and all other amounts under the Notes then due and owing.]

[In the case of Notes issued by an issuer other than ZF Friedrichshafen AG, the following applies:

(4) Definitions.

The expressions "assets" and "obligation for the payment or repayment of money that is borrowed" as used in this § 2 do not include assets of the Issuer, Guarantor or any Material Subsidiary which, pursuant to the requirements of law and accounting principles generally accepted in the Federal Republic of Germany (**Germany**) or such other applicable law and accepted accounting principles generally, as the case may be, need not, and are not, reflected in the Issuer's, Guarantor's or in a Material Subsidiary's balance sheets.

Capital Market Indebtedness means any present or future obligation for the payment or repayment of money (including obligations by reason of any guarantee or other liability agreement for obligations of third parties) that is borrowed either in the form of (i) bonded loans (*Schuldscheindarlehen*), (ii) registered notes (*Namensschuldverschreibungen*), or (iii) in the form of an issuance of notes with an original maturity of more than one year and which are, or are capable of being, quoted, listed or traded on a stock exchange or other recognized securities market.

Group means the Guarantor and all of its fully consolidated Subsidiaries (as defined in this § 2(4)) from time to time.

Subsidiary means an entity of which a person has direct or indirect control or owns directly or indirectly more than 50% of the voting capital or similar right of ownership and "control" in this context means the power to direct the management and the policies of the entity whether through the ownership of voting capital,

- (e) Freigabe der Garantie. Die Garantie darf nur nach vollständiger Zahlung des Gesamtnennbetrages aller zum jeweiligen Zeitpunkt ausstehenden Schuldverschreibungen, der hierauf fälligen Zinsen und jeglicher sonstigen zum jeweiligen Zeitpunkt fälligen und geschuldeten Beträge aus den Schuldverschreibungen freigegeben werden.]

[Im Fall von Schuldverschreibungen, die von einer anderen Emittentin als der ZF Friedrichshafen AG begeben werden, ist folgendes anwendbar:

(4) Definitionen.

Die in diesem § 2 benutzten Begriffe "Vermögen" und "Verpflichtung zur Zahlung oder Rückzahlung von Geldern" schließen nicht solche Vermögensgegenstände der Emittentin, der Garantin oder einer Wesentlichen Tochtergesellschaft mit ein, die im Einklang mit den Gesetzen der Bundesrepublik Deutschland (**Deutschland**) und den dort anerkannten Regeln der Bilanzierung und Buchführung oder den jeweils anwendbaren Gesetzen und anerkannten Regeln der Bilanzierung und Buchführung nicht in den Bilanzen der Emittentin, der Garantin oder einer Wesentlichen Tochtergesellschaft ausgewiesen werden müssen und darin auch nicht ausgewiesen werden.

Kapitalmarktverbindlichkeit bezeichnet jede gegenwärtige oder zukünftige Verpflichtung zur Zahlung oder Rückzahlung von Geldern (einschließlich Verpflichtungen aus Garantien oder anderen Haftungsvereinbarungen für Verbindlichkeiten von Dritten) entweder (i) aus Schuldscheindarlehen, (ii) aus Namensschuldverschreibungen oder (iii) aus Schuldverschreibungen, sofern diese eine ursprüngliche Laufzeit von mehr als einem Jahr haben und an einer Börse oder an einem anderen anerkannten Wertpapiermarkt notiert, zugelassen oder gehandelt werden oder notiert, zugelassen oder gehandelt werden können.

Gruppe bezeichnet die Garantin und ihre jeweiligen vollkonsolidierten Tochtergesellschaften (wie in diesem § 2(4) definiert).

Tochtergesellschaft bezeichnet ein Unternehmen, bei dem eine Person die unmittelbare oder mittelbare Kontrolle besitzt oder unmittelbar oder mittelbar Eigentümer von mehr als 50 % des stimmberechtigten Kapitals oder entsprechender Eigentumsrechte ist; "Kontrolle" bedeutet in diesem Zusammenhang

by contract or otherwise within the meaning of § 17 of the German Stock Corporation Act (*Aktiengesetz*) (cases of multiple dependency (*mehrfache Abhängigkeit*) in relation of joint ventures where no partner holds more than 50% of the voting rights shall be excluded).

Material Subsidiaries means a Subsidiary of the Guarantor which has unconsolidated gross assets or unconsolidated turnover (based on the latest annual financial statements of the respective Subsidiary which was consolidated into the latest audited consolidated financial statements of the Group (*Konzernabschluss*)) representing 5% or more of the unconsolidated gross assets or unconsolidated turnover of the Group, provided that any newly acquired subsidiary of the Guarantor shall in no event constitute a Material Subsidiary until expiry of a six-month period from the completion of the relevant acquisition. A certificate issued by the Guarantor's auditors stating that a subsidiary is or is not or was or was not at a specified date a Material Subsidiary shall, in the absence of manifest error, be conclusive and binding on all parties.]

§ 3 (INTEREST)

(1) Interest Payment Dates.

- (a) The Notes shall bear interest on their Specified Denomination from (and including) [*Interest Commencement Date*] (the *Interest Commencement Date*) to (but excluding) the first Interest Payment Date and thereafter from (and including) each Interest Payment Date to (but excluding) the next following Interest Payment Date. Interest on the Notes shall be payable in arrear on each Interest Payment Date.

(b) *Interest Payment Date* means

[*In case of Specified Interest Payment Dates, the following applies: each [Specified Interest Payment Dates].*]

[*In case of Specified Interest Periods, the following applies: each date which (except as otherwise provided in these Terms and Conditions) falls [number] [weeks] [months] after the preceding Interest*

die Berechtigung, die Geschäftsführung und die Politik des Unternehmens sei es über das Eigentum am stimmberechtigten Kapital, mittels eines Vertrages oder auf andere Weise im Sinne von § 17 Aktiengesetz zu bestimmen (Fälle mehrfacher Abhängigkeit bei Gemeinschaftsunternehmen, bei denen kein Partner mehr als 50 % der Stimmrechte hält, sind dabei ausgeschlossen).

Wesentliche Tochtergesellschaft bezeichnet eine Tochtergesellschaft der Garantin, deren nicht konsolidiertes Bruttovermögen oder deren nicht konsolidierter Umsatz (gemäß dem letzten Jahresabschluss der betreffenden Tochtergesellschaft, der in den letzten geprüften Konzernabschluss konsolidiert wurde) mindestens 5 % des nicht konsolidierten Bruttovermögens oder des nicht konsolidierten Umsatzes der Gruppe ausmacht, wobei eine neu erworbene Tochtergesellschaft der Garantin bis zum Ablauf von sechs Monaten ab Durchführung des Erwerbs nicht als Wesentliche Tochtergesellschaft gilt. Ein Bericht der Wirtschaftsprüfer der Garantin darüber, ob ihrer Meinung nach eine Tochtergesellschaft zu einem bestimmten Zeitpunkt eine Wesentliche Tochtergesellschaft ist oder war bzw. nicht ist oder nicht war, ist, sofern nicht ein offensichtlicher Irrtum vorliegt, für alle Beteiligten endgültig und bindend.]

§ 3 (ZINSEN)

(1) Zinszahlungstage.

- (a) Die Schuldverschreibungen werden bezogen auf ihre Festgelegte Stückelung vom [*Verzinsungsbeginn*] (der *Verzinsungsbeginn*) (einschließlich) bis zum ersten Zinszahlungstag (ausschließlich) und danach von jedem Zinszahlungstag (einschließlich) bis zum nächstfolgenden Zinszahlungstag (ausschließlich) verzinst. Die Zinsen auf die Schuldverschreibungen sind nachträglich an jedem Zinszahlungstag zahlbar.

(b) *Zinszahlungstag* bedeutet

[*Im Fall von festgelegten Zinszahlungstagen ist folgendes anwendbar: jeder [festgelegte Zinszahlungstage].*]

[*Im Fall von festgelegten Zinsperioden ist folgendes anwendbar: (soweit diese Emissionsbedingungen keine abweichenden Bestimmungen vorsehen) jeweils der Tag, der [Zahl] [Wochen]*

Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.]

- (c) If any Interest Payment Date would otherwise fall on a day which is not a Business Day (as defined below), it shall be:

[In case of Modified Following Business Day Convention, the following applies: postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event the Interest Payment Date shall be the immediately preceding Business Day.]

[In case of FRN Convention, the following applies: postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) the Interest Payment Date shall be the immediately preceding Business Day and (ii) each subsequent Interest Payment Date shall be the last Business Day in the month which falls [insert number] [months] [insert other specified periods] after the preceding applicable Interest Payment Date.]

[In case of Following Business Day Convention, the following applies: postponed to the next day which is a Business Day.]

[In case of Preceding Business Day Convention, the following applies: the immediately preceding Business Day.]

- (d) In this § 3, **Business Day** means a day (other than a Saturday or a Sunday) on which the Clearing System is operational

[In case the Notes are not denominated in Euro, the following applies: and on which commercial banks are generally open for business, and foreign exchange markets settle payments in [relevant financial centre(s)].]

[In case the Notes are denominated in Euro, the following applies: and all relevant parts of the Trans-European Automated Real-time Gross settlement Express Transfer system (TARGET2) are

[Monate] nach dem vorausgehenden Zinszahlungstag liegt, oder im Fall des ersten Zinszahlungstages, nach dem Verzinsungsbeginn.]

- (c) Fällt ein Zinszahlungstag auf einen Tag, der kein Geschäftstag (wie nachfolgend definiert) ist, so wird der Zinszahlungstag

[Im Fall der modifizierten folgender Geschäftstag-Konvention ist folgendes anwendbar: auf den nächstfolgenden Geschäftstag verschoben, es sei denn, jener würde dadurch in den nächsten Kalendermonat fallen; in diesem Fall wird der Zinszahlungstag auf den unmittelbar vorhergehenden Geschäftstag vorgezogen.]

[Im Fall der FRN-Konvention ist folgendes anwendbar: auf den nächstfolgenden Geschäftstag verschoben, es sei denn, jener würde dadurch in den nächsten Kalendermonat fallen; in diesem Fall (i) wird der Zinszahlungstag auf den unmittelbar vorhergehenden Geschäftstag vorgezogen und (ii) ist jeder nachfolgende Zinszahlungstag der jeweils letzte Geschäftstag des Monats, der [Zahl einfügen] [Monate] [andere festgelegte Zeiträume einfügen] nach dem vorhergehenden anwendbaren Zinszahlungstag liegt.]

[Im Fall der folgender Geschäftstag-Konvention ist folgendes anwendbar: auf den nachfolgenden Geschäftstag verschoben.]

[Im Fall der vorhergehender Geschäftstag-Konvention ist folgendes anwendbar: auf den unmittelbar vorhergehenden Geschäftstag vorgezogen.]

- (d) In diesem § 3 bezeichnet **Geschäftstag** einen Tag (außer einem Samstag oder Sonntag), an dem das Clearingsystem betriebsbereit ist

[Im Fall von nicht auf Euro lautenden Schuldverschreibungen ist folgendes anwendbar: und an dem Geschäftsbanken allgemein für Geschäfte in [relevante(s) Finanzzentrum(en)] geöffnet sind und Devisenmärkte Zahlungen in [relevante(s) Finanzzentrum(en)] abwickeln.]

[Im Fall von auf Euro lautenden Schuldverschreibungen, ist folgendes anwendbar: sowie alle betroffenen Bereiche des Trans-European Automated Real-time Gross settlement Express

operational to effect the relevant payment.]

(2) Rate of Interest.

[In case the offered quotation for deposits in the Specified Currency is EURIBOR, the following applies:

- (a) The rate of interest (the **Rate of Interest**) for each Interest Period (as defined below) will, except as provided below or in § 3(2)(b) **[in case of Minimum Rate of Interest or Maximum Rate of Interest the following applies: or § 3(3)]**, be the offered quotation (expressed as a percentage rate *per annum*) for deposits in the Specified Currency for that Interest Period which appears on the Screen Page as of 11:00 a.m. (Brussels time) on the Interest Determination Date (as defined below) **[in case of a Margin the following applies: [plus] [minus] the Margin (as defined below)],** all as determined by the Calculation Agent (as defined in § 6(1)).

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

Interest Determination Date means the second TARGET2 Business Day prior to the commencement of the relevant Interest Period. **TARGET2 Business Day** means a day (other than a Saturday or Sunday) on which the Trans-European Automated Real-time Gross settlement Express Transfer system (TARGET2) is open.

[In case of a Margin, the following applies: Margin means **[insert relevant Margin]% per annum.**]

Screen Page means the Reuters screen page EURIBOR01 or the relevant successor page on that service or on any other service as may be nominated as the information vendor for the purposes of displaying rates or prices comparable to the relevant offered quotation.

If the Screen Page is not available or if no

Transfer system (TARGET2) betriebsbereit sind, um die betreffende Zahlung abzuwickeln.]

(2) Zinssatz.

[Falls der Angebotssatz für Einlagen in der Festgelegten Währung EURIBOR ist, ist folgendes anwendbar:

- (a) Der Zinssatz (der **Zinssatz**) für jede Zinsperiode (wie nachstehend definiert) ist, sofern nachstehend oder in § 3(2)(b) **[im Fall eines Mindestzinssatzes oder Höchstzinssatzes ist folgendes anwendbar: oder § 3(3)]** nichts Abweichendes bestimmt wird, der Angebotssatz (ausgedrückt als Prozentsatz *per annum*) für Einlagen in der Festgelegten Währung für die jeweilige Zinsperiode, der auf der Bildschirmseite am Zinsfestlegungstag (wie nachstehend definiert) um ca. 11.00 Uhr (Brüsseler Ortszeit) angezeigt wird **[im Fall einer Marge, ist folgendes anwendbar: [zuzüglich] [abzüglich] der Marge (wie nachstehend definiert)],** wobei alle Festlegungen durch die Berechnungsstelle (wie in § 6(1) definiert) erfolgen.

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

Zinsfestlegungstag bezeichnet den zweiten TARGET2-Geschäftstag vor Beginn der jeweiligen Zinsperiode. **TARGET2-Geschäftstag** bezeichnet einen Tag (außer einem Samstag oder Sonntag), an dem das Trans-European Automated Real-time Gross settlement Express Transfer system (TARGET2) betriebsbereit ist.

[Im Fall einer Marge ist folgendes anwendbar: Die **Marge** beträgt **[entsprechende Marge einfügen]% per annum.**]

Bildschirmseite bedeutet Reuters Bildschirmseite EURIBOR01 oder die jeweilige Nachfolgeside, die vom selben System angezeigt wird oder aber von einem anderen System, das zum Vertreiber von Informationen zum Zwecke der Anzeigen von Sätzen oder Preisen ernannt wurde, die mit dem betreffenden Angebotssatz vergleichbar sind.

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such quotation appears at such time, in each case for reasons other than the occurrence of a Benchmark Event (as defined below), the Calculation Agent shall request each of the Reference Banks (as defined below) to provide the Calculation Agent with its offered quotation (expressed as a percentage rate *per annum*) for deposits in the Specified Currency for the relevant Interest Period and in a representative amount to prime banks in the interbank market in the Euro-Zone at approximately 11.00 a.m. (Brussels time) on the Interest Determination Date. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean (rounded if necessary to the nearest one thousandth of a percentage point, with 0.0005 being rounded upwards) of such offered quotations **[in case of a Margin the following applies:** [plus] [minus] the Margin], all as determined by the Calculation Agent.

If on any Interest Determination Date only one or none of the Reference Banks provides the Calculation Agent with such offered quotations as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate *per annum* which the Calculation Agent determines as being the arithmetic mean (rounded if necessary to the nearest one thousandth of a percentage point, with 0.0005 being rounded upwards) of the rates, as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, as at 11.00 a.m. (Brussels time) on the relevant Interest Determination Date, deposits in the Specified Currency for the relevant Interest Period by leading banks in the Euro-Zone interbank market **[in case of a Margin, the following applies:** [plus] [minus] the Margin] or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for the relevant Interest Period, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for the relevant Interest Period, at which, on the relevant Interest Determination Date, any

Verfügung stehen oder wird zu der genannten Zeit kein Angebotssatz angezeigt und beruht dies jeweils auf anderen Gründen als dem Eintritt eines Benchmark-Ereignisses (wie nachstehend definiert), wird die Berechnungsstelle von den Referenzbanken (wie nachstehend definiert) deren jeweilige Angebotssätze (jeweils als Prozentsatz *per annum* ausgedrückt) für Einlagen in der festgelegten Währung für die betreffende Zinsperiode und über einen repräsentativen Betrag gegenüber führenden Banken im Interbanken-Markt in der Euro-Zone um ca. 11.00 (Brüsseler Ortszeit) am Zinsfestlegungstag anfordern. Falls zwei oder mehr Referenzbanken der Berechnungsstelle solche Angebotssätze nennen, ist der Zinssatz für die betreffende Zinsperiode das arithmetische Mittel (falls erforderlich, auf- oder abgerundet auf das nächste ein Tausendstel Prozent, wobei 0,0005 aufgerundet wird) dieser Angebotssätze **[im Fall einer Marge ist folgendes anwendbar:** [zuzüglich] [abzüglich] der Marge], wobei alle Festlegungen durch die Berechnungsstelle erfolgen.

Falls an einem Zinsfestlegungstag nur eine oder keine der Referenzbanken der Berechnungsstelle solche im vorstehenden Absatz beschriebenen Angebotssätze nennt, ist der Zinssatz für die betreffende Zinsperiode der Satz *per annum*, den die Berechnungsstelle als das arithmetische Mittel (falls erforderlich, auf- oder abgerundet auf das nächste ein Tausendstel Prozent, wobei 0,0005 aufgerundet wird) der Angebotssätze ermittelt, die die Referenzbanken oder zwei oder mehr von diesen der Berechnungsstelle auf ihre Anfrage als den jeweiligen Satz nennen, zu dem ihnen um 11.00 Uhr (Brüsseler Ortszeit) am betreffenden Zinsfestlegungstag Einlagen in der festgelegten Währung für die betreffende Zinsperiode von führenden Banken am Interbankenmarkt in der Euro-Zone **[im Fall einer Marge ist folgendes anwendbar:** [zuzüglich] [abzüglich] der Marge] angeboten wurden; falls weniger als zwei der Referenzbanken der Berechnungsstelle solche Angebotssätze nennen, dann ist der Zinssatz für die betreffende Zinsperiode der Angebotssatz für Einlagen in der festgelegten Währung für die betreffende Zinsperiode oder das arithmetische Mittel (gerundet wie oben beschrieben) der Angebotssätze für Einlagen in der

one or more banks (which bank or banks is or are in the opinion of the Calculation Agent and the Issuer suitable for such purpose) inform(s) the Calculation Agent it is or they are quoting to leading banks in the Euro-Zone interbank market (or, as the case may be, the quotations of such bank or banks to the Calculation Agent) [*in case of a Margin, the following applies*: [plus] [minus] the Margin]. If the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be the offered quotation or the arithmetic mean of the offered quotations on the Screen Page, as described above, on the last day preceding the Interest Determination Date on which such quotation was offered [*in case of a Margin, the following applies*: [plus] [minus] the Margin (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period for the Margin relating to that last preceding Interest Period)].

Reference Banks means four major banks in the interbank market in the Euro-Zone.

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

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

- (b) If the Issuer determines that a Benchmark Event occurred prior to the Interest Determination Date in respect of the relevant Interest Period, the following shall apply:

(i) If the Reference Rate (as defined below) is substituted by an officially announced

festgelegten Währung für die betreffende Zinsperiode, den bzw. die eine oder mehrere Banken (die nach Ansicht der Berechnungsstelle und der Emittentin für diesen Zweck geeignet ist bzw. sind) der Berechnungsstelle als Sätze bekannt geben, die sie an dem betreffenden Zinsfestlegungstag gegenüber führenden Banken am Euro-Zone-Interbanken-Markt nennen (bzw. den diese Bank bzw. Banken der Berechnungsstelle nennt bzw. nennen) [*im Fall einer Marge ist folgendes anwendbar*: [zuzüglich] [abzüglich] der Marge]. Für den Fall, dass der Zinssatz nicht gemäß den vorstehenden Bestimmungen dieses Absatzes ermittelt werden kann, ist der Zinssatz der Angebotssatz oder das arithmetische Mittel der Angebotssätze auf der Bildschirmseite, wie vorstehend beschrieben, an dem letzten Tag vor dem Zinsfestlegungstag, an dem ein solcher Angebotssatz angezeigt wurde [*im Fall einer Marge ist folgendes anwendbar*: [zuzüglich] [abzüglich] der Marge (wobei jedoch, falls für die betreffende Zinsperiode eine andere Marge als für die unmittelbar vorhergehende Zinsperiode gilt, die Marge der betreffenden Zinsperiode an die Stelle der Marge für die vorangegangenen Zinsperiode tritt)].

Referenzbanken bezeichnet vier Großbanken im Interbanken-Markt in der Euro-Zone.

repräsentativer Betrag bedeutet ein Betrag, der zu der jeweiligen Zeit in dem jeweiligen Markt für eine einzelne Transaktion repräsentativ ist.

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

- (b) Falls die Emittentin feststellt, dass vor dem Zinsfestlegungstag für die maßgebliche Zinsperiode ein Benchmark-Ereignis eingetreten ist, gilt das Folgende:

(i) Wird der Referenzsatz (wie nachstehend definiert) durch einen offiziell bekannt-

substitute reference rate which complies with the requirements set out in Regulation (EU) 2016/1011 of the European Parliament and of the Council of June 8, 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds, as amended from time to time or any successor provisions thereto (the **Benchmark Regulation**), the Rate of Interest shall for the relevant Interest Period and any future Interest Period be determined on the basis of such officially announced substitute reference rate as notified by the Issuer to the Fiscal Agent, the Calculation Agent at least 5 days prior to the relevant Interest Determination Date and, in accordance with § 12 of these Terms and Conditions, to the Holders. A substitute reference rate shall be deemed to be officially announced in particular if recommended as the successor rate for the Reference Rate by the administrator of the Reference Rate, the competent central bank or a relevant regulatory or supervisory authority or a group of them, or any working group or committee sponsored or chaired by, or constituted at the request of, any of them or the Financial Stability Board.

(ii) If the Reference Rate is not substituted by an officially announced substitute reference rate which complies with the requirements set out in the Benchmark Regulation, the Issuer may in its discretion determine a suitable substitute offered quotation which, in the opinion of the Issuer after consultation with an independent financial adviser appointed by it, comes as close as possible to the composition of the Reference Rate and which complies with the requirements set out in the Benchmark Regulation and in such case, the Rate of Interest shall for the relevant Interest Period and any future Interest Period be determined on the basis of such substitute reference rate determined by the Issuer and the Issuer shall give notice of such substitution to the Fiscal Agent, the Calculation Agent at least 5 days prior to the relevant Interest Determination Date and, in accordance with § 12 of these Terms and Conditions, to the Holders.

gegebenen Ersatz-Referenzsatz ersetzt, der die Anforderungen der Verordnung (EU) 2016/1011 des Europäischen Parlaments und des Rates vom 8. Juni 2016 über Indizes, die bei Finanzinstrumenten und Finanzkontrakten als Referenzwert oder zur Messung der Wertentwicklung eines Investmentfonds verwendet werden, in ihrer jeweils geltenden Fassung oder etwaiger Nachfolgebestimmungen (die **Benchmark-Verordnung**) erfüllt, dann soll der Zinssatz für die betreffende Zinsperiode und alle folgenden Zinsperioden auf Basis dieses offiziell bekanntgegebenen Ersatz-Referenzsatzes bestimmt werden, den die Emittentin der Emissionsstelle, der Berechnungsstelle mindestens 5 Tage vor dem relevanten Zinsfestlegungstag und gemäß § 12 dieser Emissionsbedingungen den Gläubigern mitteilt. Ein Ersatz-Referenzsatz gilt insbesondere dann als offiziell bekanntgegeben, wenn er vom Administrator des Referenzsatzes, von der zuständigen Zentralbank oder einer maßgeblichen Kontroll- oder Aufsichtsbehörde oder einer Gruppe von diesen oder von einer Arbeitsgruppe oder einem Ausschuss, die von einem oder mehreren von ihnen oder dem Financial Stability Board gefördert oder geleitet wird oder auf dessen bzw. deren Verlangen gebildet wird, als Nachfolge-Referenzsatz für den Referenzsatz empfohlen wird.

(ii) Wird der Referenzsatz nicht durch einen offiziell bekanntgegebenen Ersatz-Referenzsatz, der die Anforderungen der Benchmark-Verordnung erfüllt, ersetzt, kann die Emittentin nach ihrem Ermessen beschließen, einen geeigneten Ersatz-Referenzsatz zu bestimmen, der nach Ansicht der Emittentin nach Konsultation mit einem von ihr bestellten unabhängigen Sachverständigen dem Referenzsatz in seiner Zusammensetzung möglichst nahekommt und die Anforderungen der Benchmark-Verordnung erfüllt; in diesem Fall soll der Zinssatz für die betreffende Zinsperiode und alle folgenden Zinsperioden auf Basis dieses von der Emittentin bestimmten Ersatz-Referenzsatzes bestimmt werden und die Emittentin wird eine solche Ersetzung der Emissionsstelle, der Berechnungsstelle mindestens 5 Tage vor dem relevanten Zinsfestlegungstag und gemäß § 12 dieser Emissionsbedingungen den Gläubigern mitteilen.

(iii) A substitute reference rate determined in accordance with sub-clause(i) or (ii) of this § 3(2)(b) will comply with the requirements set out in the Benchmark Regulation if:

- (A) in accordance with Article 29(1) of the Benchmark Regulation, the substitute reference rate, (I) will be provided by an administrator located in the European Union and will be included in the register as referred to in Article 36 of the Benchmark Regulation or (II) will be provided by an administrator located in a third country for use in the European Union; and
- (B) the substitute reference rate as well as the administrator will be included in the register as referred to in Article 36 of the Benchmark Regulation.

[In case the specific fallback provision "Reference Rate for the preceding Interest Period" shall apply, the following applies:

(iv) If it is not possible, in the Issuer's opinion, to determine a successor reference rate in accordance with sub-clause (i) or (ii) of this § 3(2)(b), the Rate of Interest for the relevant Interest Period and any future Interest Period shall be determined on the basis of the Reference Rate used for determining the relevant Rate of Interest for the Interest Period immediately preceding the relevant Interest Period and the Issuer shall give notice thereof to the Fiscal Agent, the Calculation Agent and, in accordance with § 12 of these Terms and Conditions, to the Holders.]

In case of a substitution in accordance with sub-clause (i) or (ii) above, the Issuer will specify which screen page or other source shall be used for determining the substitute reference rate and if, in the opinion of the Issuer (after consultation with an independent financial adviser appointed by it), it would be impracticable to determine the substitute reference rate on the date specified as Interest Determination Date in these Terms and Conditions, the Issuer will specify a suitable date to replace the Interest Determination Date. In addition, the Issuer (after consultation with an independent financial adviser appointed by

(iii) Ein gemäß Unterabsatz (i) oder (ii) dieses § 3(2)(b) bestimmter Ersatz-Referenzsatz erfüllt die Anforderungen der Benchmark-Verordnung, wenn:

- (A) der Ersatz-Referenzwert gemäß Artikel 29 Absatz 1 der Benchmark-Verordnung, (I) von einem Administrator bereitgestellt wird, der in der Europäischen Union angesiedelt ist und in das Register nach Artikel 36 der Benchmark-Verordnung eingetragen ist oder (II) von einem in einem Drittstaat angesiedelten Administrator für die Verwendung in der Europäischen Union bereitgestellt wird; und
- (B) der Ersatz-Referenzwert sowie der Administrator in das Register nach Artikel 36 der Benchmark-Verordnung eingetragen sind.

[Für den Fall, dass die besondere Fallbackregelung "Referenzsatz der vorangegangenen Zinsperiode" anwendbar ist, ist folgendes anwendbar:

(iv) Falls es nach Auffassung der Emittentin nicht möglich ist, einen Ersatz-Referenzsatz gemäß Unterabsatz (i) oder (ii) dieses § 3(2)(b) zu bestimmen, ist der Zinssatz für die maßgebliche Zinsperiode und alle folgenden Zinsperioden auf Basis des Referenzsatzes zu bestimmen, der für die Bestimmung des Zinssatzes für die der Zinsperiode unmittelbar vorangegangene Zinsperiode verwendet worden war und die Emittentin wird dies der Emissionsstelle, der Berechnungsstelle und gemäß § 12 dieser Emissionsbedingungen den Gläubigern mitteilen.]

Im Fall einer Ersetzung gemäß vorstehendem Unterabsatz (i) oder (ii), legt die Emittentin fest, welche Bildschirmseite oder andere Quelle zur Ermittlung des Ersatz-Referenzsatzes verwendet werden soll und, falls nach Meinung der Emittentin (nach Konsultation mit einem von ihr bestellten unabhängigen Sachverständigen) die Bestimmung des Ersatz-Referenzsatzes an dem in diesen Emissionsbedingungen festgelegten Zinsfestlegungstag impraktikabel wäre, legt die Emittentin einen geeigneten Tag als neuen Zinsfestlegungstag fest. Zusätzlich kann die Emittentin (nach Konsultation mit einem

it) may specify an interest adjustment factor or fraction which shall be applied in determining the Rate of Interest and calculating the Interest Amount and may also make any further adjustments to the Terms and Conditions (including, but not limited to, amendments with respect to the Day Count Fraction, Business Day Convention, Business Days and the method to determine the fallback rate to the substitute reference rate), for the purpose of achieving a result which is consistent with the economic substance of the Notes before the Benchmark Event occurred. The Issuer shall give notice of the above specifications to the Fiscal Agent, the Calculation Agent and, in accordance with § 12 of these Terms and Conditions, to the Holders.

Reference Rate means the offered quotation specified in the Final Terms and, following the occurrence of a Benchmark Event, the relevant substitute reference rate determined in accordance with this § 3(2)(b).

Benchmark Event means:

- (i) any permanent and final termination of the determination, provision or publication of the Reference Rate by any administrator in circumstances where no successor administrator exists, or any other permanent and final discontinuation of the existence of the Reference Rate; or
- (ii) a material change in the methodology of determining or calculating the Reference Rate as compared to the methodology used at the date of the issuance of the Notes or, as applicable, at the date on which the relevant substitute reference rate was determined in accordance with these Terms and Conditions if such change results in the Reference Rate, calculated in accordance with the new methodology, no longer representing, or being apt to represent adequately, the Reference Rate (as defined above) or in terms of economic substance no longer being comparable to the Reference Rate (as defined above) determined or calculated in accordance

von ihr bestellten unabhängigen Sachverständigen) einen Zinsanpassungsfaktor oder Bruch festlegen, der bei der Ermittlung des Zinssatzes und bei der Berechnung des zu Zinsbetrags angewendet werden soll, und kann weitere Anpassungen der Emissionsbedingungen vornehmen (einschließlich, aber nicht beschränkt auf Anpassungen in Bezug auf den Zinstagequotienten, die Geschäftstag-Konvention, die Geschäftstage sowie die Methode der Bestimmung eines Fallbacksatzes zum Ersatz-Referenzsatz), mit dem Ziel ein Ergebnis zu erzielen, das mit dem wirtschaftlichen Gehalt der Schuldverschreibung vor Eintritt des Benchmark-Ereignisses vereinbar ist. Die Emittentin wird die vorgenannten Festlegungen der Emissionsstelle, der Berechnungsstelle und gemäß § 12 dieser Emissionsbedingungen den Gläubigern mitteilen.

Referenzsatz bezeichnet den in den Endgültigen Bedingungen festgelegten Angebotssatz bzw., nach Eintritt eines Benchmark-Ereignisses, den jeweiligen gemäß diesem § 3(2)(b) bestimmten Ersatz-Referenzsatz.

Benchmark-Ereignis bezeichnet:

- (i) eine dauerhafte und endgültige Einstellung der Ermittlung, Bereitstellung oder Veröffentlichung des Referenzsatzes durch einen Administrator, ohne dass ein Nachfolge-Administrator existiert, oder ein sonstiger dauerhafter und endgültiger Wegfall des Referenzsatzes; oder
- (ii) eine wesentliche Änderung der Methodik zur Ermittlung oder Berechnung des Referenzsatzes im Vergleich zu derjenigen, die am Tag der Begebung der Schuldverschreibungen oder gegebenenfalls am Tag der Festlegung des betreffenden Ersatz-Referenzsatzes zur Anwendung kam, wenn diese dazu führt, dass der gemäß der neuen Methodik ermittelte und berechnete Referenzsatz nicht mehr den Referenzsatz (wie oben definiert) repräsentiert oder zu repräsentieren geeignet ist oder dass der gemäß der neuen Methodik ermittelte und berechnete Referenzsatz aus sonstigen Gründen seinem wirtschaftlichen

with the methodology used at the date of the issuance of the Notes or, as applicable, at the date on which the relevant substitute reference rate was determined in accordance with these Terms and Conditions; or

- (iii) the applicability of any law or any other legal provision, or of any administrative or judicial order, decree or other binding measure, pursuant to which the Reference Rate may no longer be used as a reference rate to determine the payment obligations under the Notes, or pursuant to which any such use is subject to not only immaterial restrictions or adverse consequences.

[In case of a Minimum Rate of Interest, the following applies:

- (3) Minimum Rate of Interest.

If the Rate of Interest in respect of any Interest Period determined in accordance with the above provisions is less than [***Minimum Rate of Interest***], the Rate of Interest for such Interest Period shall be [***Minimum Rate of Interest***].

[In case of a Maximum Rate of Interest the following applies:

- (3) Maximum Rate of Interest.

If the Rate of Interest in respect of any Interest Period determined in accordance with the above provisions is greater than [***Maximum Rate of Interest***], the Rate of Interest for such Interest Period shall be [***Maximum Rate of Interest***].

- [(4)] Interest Amount.

The Calculation Agent will, on or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest and calculate the amount of interest (the ***Interest Amount***) payable on the Notes in respect of each Specified Denomination for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest and the Day Count Fraction (as defined below) to each Specified Denomination and rounding the resultant figure to the nearest unit of the Specified Currency, with 0.5 of such unit

Gehalt nach nicht mehr dem Referenzsatz (wie oben definiert) vergleichbar ist, der mit der am Tag der Begebung der Schuldverschreibungen oder gegebenenfalls am Tag der Festlegung des betreffenden Ersatz-Referenzsatzes zur Anwendung kommenden Methodik ermittelt oder berechnet wurde; oder

- (iii) die Anwendbarkeit eines Gesetzes oder einer sonstigen Rechtsvorschrift oder einer behördlichen oder gerichtlichen Anordnung, Verfügung oder sonstigen verbindlichen Maßnahme, die unmittelbar dazu führt, dass der Referenzsatz nicht mehr als Referenzwert zur Bestimmung von Zahlungsverpflichtungen unter den Schuldverschreibungen verwendet werden darf oder nach der eine derartige Verwendung nicht nur unwesentlichen Beschränkungen oder nachteiligen Folgen unterliegt.

[Im Fall eines Mindestzinssatzes ist folgendes anwendbar:

- (3) Mindestzinssatz.

Wenn der gemäß den obigen Bestimmungen für eine Zinsperiode ermittelte Zinssatz niedriger ist als [***Mindestzinssatz***], so ist der Zinssatz für diese Zinsperiode [***Mindestzinssatz***].

[Im Fall eines Höchstzinssatzes ist folgendes anwendbar:

- (3) Höchstzinssatz.

Wenn der gemäß den obigen Bestimmungen für eine Zinsperiode ermittelte Zinssatz höher ist als [***Höchstzinssatz***], so ist der Zinssatz für diese Zinsperiode [***Höchstzinssatz***].

- [(4)] Zinsbetrag.

Die Berechnungsstelle wird zu oder baldmöglichst nach jedem Zeitpunkt, an dem der Zinssatz zu bestimmen ist, den Zinssatz bestimmen und den auf die Schuldverschreibungen zahlbaren Zinsbetrag in Bezug auf jede Festgelegte Stückelung (der ***Zinsbetrag***) für die entsprechende Zinsperiode berechnen. Der Zinsbetrag wird ermittelt, indem der Zinssatz und der Zinstagequotient (wie nachfolgend definiert) auf jede Festgelegte Stückelung angewendet werden, wobei der resultierende Betrag auf die kleinste Einheit der

being rounded upwards.

[(5)] Notification of Rate of Interest and Interest Amount.

The Calculation Agent will cause the Rate of Interest, each Interest Amount for each Interest Period, each Interest Period and the relevant Interest Payment Date to be notified to the Issuer [*in the case of Notes issued by an issuer other than ZF Friedrichshafen AG, the following applies:* and the Guarantor] and to the Holders in accordance with § 12 as soon as possible after their determination, but in no event later than the fourth [TARGET2] [*relevant financial centre(s)*] Business Day (as defined in § 3(2)) thereafter and if required by the rules of any stock exchange on which the Notes are from time to time listed, to such stock exchange as soon as possible after their determination, but in no event later than the first day of the relevant Interest Period. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to any stock exchange on which the Notes are then listed and to the Holders in accordance with § 12.

[(6)] Determinations Binding.

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this § 3 by the Calculation Agent shall (in the absence of manifest error) be binding on the Issuer, [*in the case of Notes issued by an issuer other than ZF Friedrichshafen AG, the following applies:* the Guarantor,] the Fiscal Agent, the Paying Agents and the Holders.

[(7)] Accrual of Interest.

The Notes shall cease to bear interest from the expiry of the day preceding the day on which they are due for redemption. If the Issuer for any reason fails to redeem the Notes when due, interest shall continue to accrue at the default

Festgelegten Währung auf- oder abgerundet wird, wobei 0,5 solcher Einheiten aufgerundet werden.

[(5)] Mitteilung von Zinssatz und Zinsbetrag.

Die Berechnungsstelle wird veranlassen, dass der Zinssatz, der Zinsbetrag für die jeweilige Zinsperiode, die jeweilige Zinsperiode und der betreffende Zinszahlungstag der Emittentin [*bei Schuldverschreibungen, die von einer anderen Emittentin als der ZF Friedrichshafen AG begeben werden, ist folgendes anwendbar:* und der Garantin] sowie den Gläubigern gemäß § 12 baldmöglichst, aber keinesfalls später als am vierten auf die Berechnung jeweils folgenden [TARGET2] [*relevante(s) Finanzzentrum(en)*] Geschäftstag (wie in § 3(2) definiert) sowie jeder Börse, an der die betreffenden Schuldverschreibungen zu diesem Zeitpunkt notiert sind und deren Regeln eine Mitteilung an die Börse verlangen, baldmöglichst nach der Bestimmung, aber keinesfalls später als am ersten Tag der jeweiligen Zinsperiode mitgeteilt werden. Im Fall einer Verlängerung oder Verkürzung der Zinsperiode können der mitgeteilte Zinsbetrag und Zinszahlungstag ohne Vorankündigung nachträglich geändert (oder andere geeignete Anpassungsregelungen getroffen) werden. Jede solche Änderung wird umgehend allen Börsen, an denen die Schuldverschreibungen zu diesem Zeitpunkt notiert sind, sowie den Gläubigern gemäß § 12 mitgeteilt.

[(6)] Verbindlichkeit der Festsetzungen.

Alle Bescheinigungen, Mitteilungen, Gutachten, Festsetzungen, Berechnungen, Angebotssätze und Entscheidungen, die von der Berechnungsstelle für die Zwecke dieses § 3 gemacht, abgegeben, getroffen oder eingeholt werden, sind (sofern nicht ein offensichtlicher Irrtum vorliegt) für die Emittentin, [*bei Schuldverschreibungen, die von einer anderen Emittentin als der ZF Friedrichshafen AG begeben werden, ist folgendes anwendbar:* die Garantin,], die Emissionsstelle, die Zahlstellen und die Gläubiger bindend.

[(7)] Auflaufende Zinsen.

Der Zinslauf der Schuldverschreibungen endet mit Ablauf des Tages, der dem Tag vorangeht, an dem sie zur Rückzahlung fällig werden. Falls die Emittentin die Schuldverschreibungen bei Fälligkeit aus irgendeinem Grund nicht

rate of interest established by statutory law⁸ on the outstanding aggregate principal amount of the Notes from (and including) the due date to (but excluding) the day on which such redemption payment is made to the Holders.

[(8)] Day Count Fraction.

Day Count Fraction means with regard to the calculation of the amount of interest on the Notes for any period of time (the **Calculation Period**):

[In case of Actual/365 or Actual/Actual (ISDA) the following applies:

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

[In the case of Actual/365 (Fixed) the following applies:

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

[In the case of Actual/360 the following applies:

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

§ 4 (PAYMENTS)

- (1) Payment of Principal and Payment of Interest.
 - (a) Payment of principal in respect of the Notes shall be made, subject to subparagraph (2) below, to the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System.
 - (b) Payment of Interest on the Notes shall be made, subject to subparagraph (2), to the Clearing System or to its order for credit to the accounts of the relevant account holders

zurückzahlt, wird der ausstehende Gesamtnennbetrag der Schuldverschreibungen von dem Tag der Fälligkeit (einschließlich) bis zum Tag der vollständigen Rückzahlung an die Gläubiger (ausschließlich) mit dem gesetzlich bestimmten Verzugszins⁹ verzinst.

[(8)] Zinstagequotient.

Zinstagequotient bezeichnet im Hinblick auf die Berechnung von Zinsbeträgen auf die Schuldverschreibungen für einen beliebigen Zeitraum (der **Zinsberechnungszeitraum**):

[Im Fall von Actual/365 oder Actual/Actual, ist folgendes anwendbar:

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

[Im Fall von Actual/365 (Fixed), ist folgendes anwendbar:

die tatsächliche Anzahl von Tagen im Zinsberechnungszeitraum, dividiert durch 365.]

[Im Fall von Actual/360, ist folgendes anwendbar:

die tatsächliche Anzahl von Tagen im Zinsberechnungszeitraum, dividiert durch 360.]

§ 4 (ZAHLUNGEN)

- (1) Zahlungen auf Kapital und Zahlung von Zinsen.
 - (a) Zahlungen von Kapital auf die Schuldverschreibungen erfolgen nach Maßgabe des nachstehenden Absatzes (2) an das Clearingsystem oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearingsystems.
 - (b) Die Zahlung von Zinsen auf die Schuldverschreibungen erfolgt nach Maßgabe des nachstehenden Absatzes (2) an das Clearingsystem oder dessen Order zur Gutschrift auf den Konten der

⁸ The default rate of interest established by statutory law is five percentage points above the basis rate of interest published by Deutsche Bundesbank from time to time, §§ 288 paragraph 1, 247 paragraph 1 of the German Civil Code (*Bürgerliches Gesetzbuch*).

⁹ Der gesetzliche Verzugszinssatz beträgt für das Jahr fünf Prozentpunkte über dem von der Deutsche Bundesbank von Zeit zu Zeit veröffentlichten Basiszinssatz, §§ 288 Abs. 1, 247 Abs. 1 BGB.

of the Clearing System.

[In the case of interest payable on a Temporary Global Note, the following applies: Payment of interest on Notes represented by the Temporary Global Note shall be made, subject to subparagraph (2), to the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System, upon due certification as provided in § 1(3)(b).]

(2) Manner of Payment.

Subject to applicable fiscal and other laws and regulations, payments of amounts due in respect of the Notes shall be made in the Specified Currency.

(3) Discharge.

The Issuer **[in the case of Notes issued by an issuer other than ZF Friedrichshafen AG, the following applies:** or, as the case may be, the Guarantor] shall be discharged by payment to, or to the order of, the Clearing System.

(4) Payment Business Day.

If the date for payment of any amount in respect of any Note is not a Payment Business Day then the Holder shall not be entitled to payment until the next such day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay.

For these purposes, **Payment Business Day** means a day (other than a Saturday or a Sunday) on which the Clearing System is operational

[In the case the Notes are not denominated in Euro the following applies: and on which commercial banks and foreign exchange markets settle payments in **[relevant financial center(s)]**.]

[In the case the Notes are denominated in Euro the following applies: and on which all relevant parts of TARGET2 are operational to forward the relevant payment.]

(5) References to Principal and Interest.

References in these Terms and Conditions to principal in respect of the Notes shall be deemed

jeweiligen Kontoinhaber des Clearingsystems.

[Im Fall von Zinszahlungen auf eine Vorläufige Globalurkunde ist folgendes anwendbar: Die Zahlung von Zinsen auf Schuldverschreibungen, die durch die Vorläufige Globalurkunde verbrieft sind, erfolgt nach Maßgabe des nachstehenden Absatzes (2) an das Clearingsystem oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearingsystems, und zwar nach ordnungsgemäßer Bescheinigung gemäß § 1(3)(b).]

(2) Zahlungsweise.

Vorbehaltlich geltender steuerlicher und sonstiger gesetzlicher Regelungen und Vorschriften erfolgen zu leistende Zahlungen auf die Schuldverschreibungen in der Festgelegten Währung.

(3) Erfüllung.

Die Emittentin **[bei Schuldverschreibungen, die von einer anderen Emittentin als der ZF Friedrichshafen AG begeben werden, ist folgendes anwendbar:** bzw. die Garantin] wird durch Leistung der Zahlung an das Clearingsystem oder dessen Order von ihrer Zahlungspflicht befreit.

(4) Zahltag.

Fällt der Fälligkeitstag einer Zahlung in Bezug auf eine Schuldverschreibung auf einen Tag, der kein Zahltag ist, dann hat der Gläubiger keinen Anspruch auf Zahlung vor dem nächsten Zahltag am jeweiligen Geschäftsort. Der Gläubiger ist nicht berechtigt, weitere Zinsen oder sonstige Zahlungen aufgrund dieser Verspätung zu verlangen.

Für diese Zwecke bezeichnet **Zahltage** einen Tag, (außer einem Samstag oder Sonntag), an dem das Clearingsystem betriebsbereit ist

[Im Fall von nicht auf Euro lautenden Schuldverschreibungen, ist folgendes anwendbar: und an dem Geschäftsbanken und Devisenmärkte Zahlungen in **[relevante(s) Finanzzentrum(en)]** abwickeln.]

[Im Fall von auf Euro lautenden Schuldverschreibungen, ist folgendes anwendbar: sowie alle betroffenen Bereiche des TARGET2 betriebsbereit sind, um die betreffenden Zahlungen weiterzuleiten.]

(5) Bezugnahmen auf Kapital und Zinsen.

Bezugnahmen in diesen Emissionsbedingungen auf Kapital der Schuldverschreibungen

to include, as applicable: *[if the Notes are redeemable at the option of the Issuer for other than tax reasons or reasons of minimal outstanding principal amount, the following applies: the Call Redemption Amount of the Notes;]* *[If the Notes are subject to Early Redemption at the Option of the Issuer upon the occurrence of a Transaction Trigger Event the following applies: the Event Redemption Amount of the Notes;]* *[if the Notes are redeemable at the option of the Holder other than in case of a Put Event following a Change of Control the following applies: the Put Redemption Amount of the Notes;]* and any premium and any other amounts which may be payable under or in respect of the Notes. References in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any Additional Amounts which may be payable under § 7.

(6) Deposit of Principal and Interest.

The Issuer *[in the case of Notes issued by an issuer other than ZF Friedrichshafen AG, the following applies: or, as the case may be, the Guarantor]* may deposit with the local court (Amtsgericht) in Frankfurt/Main principal or interest not claimed by Holders within twelve months after the Maturity Date, even though such Holders may not be in default of acceptance of payment. If and to the extent that the deposit is effected and the right of withdrawal is waived, the respective claims of such Holders against the Issuer shall cease.

§ 5 (REDEMPTION; PURCHASE AND CANCELLATION)

(1) Final Redemption.

Unless previously redeemed in whole or in part or purchased and cancelled, the Notes shall be redeemed at their principal amount on the Interest Payment Date falling in *[Redemption Month]* (the *Maturity Date*).

(2) Early Redemption for Reasons of Taxation.

If as a result of any change in, or amendment to,

schließen, soweit anwendbar, die folgenden Beträge ein: *[falls die Emittentin das Wahlrecht hat, die Schuldverschreibungen aus anderen als steuerlichen Gründen oder aufgrund eines geringfügig ausstehenden Nennbetrags vorzeitig zurückzahlen, ist folgendes anwendbar: den Wahl-Rückzahlungsbetrag (Call) der Schuldverschreibungen;]* *[falls die Emittentin das Wahlrecht hat, die Schuldverschreibungen vorzeitig bei Eintritt eines Transaktions-Ereignisses zurückzahlen, ist folgendes anwendbar: den Ereignis-Rückzahlungsbetrag der Schuldverschreibungen;]* *[falls der Gläubiger ein Wahlrecht hat, die Schuldverschreibungen, außer bei Vorliegen eines Rückzahlungsereignisses nach Eintritt eines Kontrollwechsels, vorzeitig zu kündigen, ist folgendes anwendbar: den Wahl-Rückzahlungsbetrag (Put) der Schuldverschreibungen;]* sowie jeden Aufschlag sowie sonstige auf oder in Bezug auf die Schuldverschreibungen zahlbaren Beträge. Bezugnahmen in diesen Emissionsbedingungen auf Zinsen auf die Schuldverschreibungen sollen, soweit anwendbar, sämtliche gemäß § 7 zahlbaren Zusätzlichen Beträge einschließen.

(6) Hinterlegung von Kapital und Zinsen.

Die Emittentin *[bei Schuldverschreibungen, die von einer anderen Emittentin als der ZF Friedrichshafen AG begeben werden, ist folgendes anwendbar: bzw. die Garantin]* ist berechtigt, beim Amtsgericht Frankfurt am Main Zins- oder Kapitalbeträge zu hinterlegen, die von den Gläubigern nicht innerhalb von zwölf Monaten nach dem Fälligkeitstag beansprucht worden sind, auch wenn die Gläubiger sich nicht in Annahmeverzug befinden. Soweit eine solche Hinterlegung erfolgt, und auf das Recht der Rücknahme verzichtet wird, erlöschen die diesbezüglichen Ansprüche der Gläubiger gegen die Emittentin.

§ 5 (RÜCKZAHLUNG; ANKAUF UND ENTWERTUNG)

(1) Rückzahlung bei Endfälligkeit.

Soweit nicht zuvor bereits ganz oder teilweise zurückgezahlt oder angekauft und entwertet, werden die Schuldverschreibungen zu ihrem Nennbetrag am in den *[Rückzahlungsmonat]* fallenden Zinszahlungstag (der *Fälligkeitstag*) zurückgezahlt.

(2) Vorzeitige Rückzahlung aus steuerlichen Gründen.

Die Schuldverschreibungen können insgesamt,

the laws or regulations of any Relevant Taxing Jurisdiction (as defined in § 7 herein) or any political subdivision or taxing authority thereto or therein affecting taxation or the obligation to pay duties of any kind, or any change in, or amendment to, an official interpretation or application of such laws or regulations, which amendment or change is effective on or after the date on which the last tranche of this series of Notes was issued, the Issuer [*in the case of Notes issued by an issuer other than ZF Friedrichshafen AG, the following applies:* or the Guarantor, as the case may be,] is required to pay Additional Amounts (as defined in § 7 herein) on the next succeeding Interest Payment Date (as defined in § 3(1)), and this obligation cannot be avoided by the use of reasonable measures available to the Issuer [*in the case of Notes issued by an issuer other than ZF Friedrichshafen AG, the following applies:* or the Guarantor, as the case may be,] the Notes may be redeemed, in whole but not in part, at the option of the Issuer, upon not more than 60 days' nor less than 30 days' prior notice of redemption given to the Fiscal Agent and, in accordance with § 12 to the Holders, at their principal amount, together with interest (if any) accrued to the date fixed for redemption (excluding).

However, no such notice of redemption may be given (i) earlier than 90 days prior to the earliest date on which the Issuer [*in the case of Notes issued by an issuer other than ZF Friedrichshafen AG, the following applies:* or the Guarantor] would be obligated to pay such Additional Amounts were a payment in respect of the Notes [*in the case of Notes issued by an issuer other than ZF Friedrichshafen AG, the following applies:* or the Guarantee] then due, or (ii) if at the time such notice is given, such obligation to pay such Additional Amounts does not remain in effect. The date fixed for redemption must be an Interest Payment Date.

Any such notice shall be given in accordance with § 12. It shall be irrevocable, must specify the date fixed for redemption and must set forth

jedoch nicht teilweise, nach Wahl der Emittentin mit einer Kündigungsfrist von nicht mehr als 60 und nicht weniger als 30 Tagen durch Erklärung gegenüber der Emissionsstelle und Benachrichtigung gemäß § 12 gegenüber den Gläubigern vorzeitig gekündigt und zu ihrem Nennbetrag zuzüglich etwaiger bis zum für die Rückzahlung festgesetzten Tag (ausschließlich) aufgelaufener Zinsen zurückgezahlt werden, falls die Emittentin [*bei Schuldverschreibungen, die von einer anderen Emittentin als der ZF Friedrichshafen AG begeben werden, ist folgendes anwendbar:* oder die Garantin] als Folge einer Änderung oder Ergänzung der Steuer- oder Abgabengesetze und -vorschriften einer Relevanten Steuerjurisdiktion (wie in § 7 dieser Bedingungen definiert) oder deren politischen Untergliederungen oder Steuerbehörden oder als Folge einer Änderung oder Ergänzung der Anwendung oder der offiziellen Auslegung dieser Gesetze und Vorschriften (vorausgesetzt, diese Änderung oder Ergänzung wird am oder nach dem Tag, an dem die letzte Tranche dieser Serie von Schuldverschreibungen begeben wird, wirksam) am nächstfolgenden Zinszahlungstag (wie in § 3(1) definiert) zur Zahlung von Zusätzlichen Beträgen (wie in § 7 dieser Bedingungen definiert) verpflichtet sein wird und diese Verpflichtung nicht durch das Ergreifen zumutbarer, der Emittentin [*bei Schuldverschreibungen, die von einer anderen Emittentin als der ZF Friedrichshafen AG begeben werden, ist folgendes anwendbar:* oder der Garantin] zur Verfügung stehender Maßnahmen vermieden werden kann.

Eine solche Kündigung darf allerdings nicht (i) früher als 90 Tage vor dem frühestmöglichen Termin erfolgen, an dem die Emittentin [*bei Schuldverschreibungen, die von einer anderen Emittentin als der ZF Friedrichshafen AG begeben werden, ist folgendes anwendbar:* oder die Garantin] verpflichtet wäre, solche Zusätzlichen Beträge zu zahlen, falls eine Zahlung auf die Schuldverschreibungen [*bei Schuldverschreibungen, die von einer anderen Emittentin als der ZF Friedrichshafen AG begeben werden, ist folgendes anwendbar:* oder die Garantie] dann fällig sein würde, oder (ii) erfolgen, wenn zu dem Zeitpunkt, zu dem die Kündigung erklärt wird, die Verpflichtung zur Zahlung von Zusätzlichen Beträgen nicht mehr wirksam ist. Der für die Rückzahlung festgelegte Termin muss ein Zinszahlungstag sein.

Eine solche Kündigung ist gemäß § 12 bekanntzumachen. Sie ist unwiderruflich, muss den für die Rückzahlung festgelegten Termin

a statement in summary form of the facts constituting the basis for the right of the Issuer so to redeem.

Before the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Fiscal Agent a certificate signed by an executive director of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal or tax advisers of recognized standing to the effect that the Issuer **[in the case of Notes issued by an issuer other than ZF Friedrichshafen AG, the following applies:** or the Guarantor, as the case may be,] has or will become obliged to pay such Additional Amounts as a result of such change or amendment.

[If the Notes are subject to Early Redemption at the Option of the Issuer for Reasons of Minimal Outstanding Principal Amount, the following applies:

- (3) Early Redemption at the Option of the Issuer for Reasons of Minimal Outstanding Principal Amount.

If 80% or more in principal amount of the Notes then outstanding have been redeemed or purchased by the Issuer **[in the case of Notes issued by an issuer other than ZF Friedrichshafen AG, the following applies:**, ZF Friedrichshafen AG] or any Subsidiary of ZF Friedrichshafen AG, the Issuer may, on not less than 30 or more than 60 days' notice to the Holders of Notes redeem, at its option, the remaining Notes as a whole at their principal amount, together with interest (if any) accrued to the date fixed for redemption (excluding).]

[If the Notes are subject to Early Redemption at the Option of the Issuer upon the occurrence of a Benchmark Event, the following applies:

- (4) Early Redemption at the Option of the Issuer upon the occurrence of a Benchmark Event.

If a Benchmark Event has occurred and it is not

nennen und eine zusammenfassende Erklärung enthalten, welche die das Rückzahlungsrecht der Emittentin begründenden Umständen darlegt.

Vor Bekanntgabe einer Mitteilung über eine Rückzahlung gemäß diesen Bestimmungen hat die Emittentin der Emissionsstelle eine von einem Mitglied der Geschäftsleitung der Emittentin unterzeichnete Bescheinigung zukommen zu lassen, der zufolge die Emittentin berechtigt ist, eine entsprechende Rückzahlung zu leisten, und in der nachvollziehbar dargelegt ist, dass die Bedingungen für das Recht der Emittentin zur Rückzahlung gemäß diesen Bestimmungen erfüllt sind; zusätzlich hat die Emittentin ein von unabhängigen und anerkannten Rechts- oder Steuerberatern erstelltes Gutachten vorzulegen, demzufolge die Emittentin **[bei Schuldverschreibungen, die von einer anderen Emittentin als der ZF Friedrichshafen AG begeben werden, ist folgendes anwendbar:** oder die Garantin] in Folge einer entsprechenden Änderung oder Ergänzung zur Zahlung Zusätzlicher Beträge verpflichtet ist oder sein wird.

[Falls die Schuldverschreibungen nach Wahl der Emittentin bei geringfügig ausstehendem Nennbetrag vorzeitig kündbar sind, ist folgendes anwendbar:

- (3) Vorzeitige Rückzahlung nach Wahl der Emittentin bei geringfügig ausstehendem Nennbetrag.

Wenn 80% oder mehr des Nennbetrags der dann ausstehenden Schuldverschreibungen durch die Emittentin **[im Fall von Schuldverschreibungen, die von einer anderen Emittentin als der ZF Friedrichshafen AG begeben werden, ist folgendes anwendbar:**, ZF Friedrichshafen AG] oder eine Tochtergesellschaft von ZF Friedrichshafen AG zurückgezahlt oder zurückerworben wurde, ist die Emittentin berechtigt, nach ihrer Wahl alle ausstehenden Schuldverschreibungen mit einer Frist von mindestens 30 und höchstens 60 Tagen gegenüber den Gläubigern zu kündigen und zum Nennbetrag zuzüglich etwaiger bis zum Rückzahlungstag (ausschließlich) aufgelaufener Zinsen zurück zu zahlen.]

[Falls die Schuldverschreibungen nach Wahl der Emittentin bei Eintritt eines Benchmark-Ereignisses vorzeitig kündbar sind, ist folgendes anwendbar:

- (4) Vorzeitige Rückzahlung nach Wahl der Emittentin bei Eintritt eines Benchmark-Ereignisses.

Falls ein Benchmark-Ereignis eingetreten ist und

possible, in the Issuer's opinion, to determine a successor reference rate in accordance with sub-clause (i) or (ii) of § 3(2)(b), the Issuer may, on not less than 30 or more than 60 days' notice to the Holders, redeem, at its option, all of the Notes at their principal amount, together with interest (if any) accrued to the date fixed for redemption (excluding).]

[If the Holders may request the repurchase of the Notes in case of a Put Event following a Change of Control, the following applies:

- (5) Early Redemption at the Option of the Holders in case of a Put Event following a Change of Control.

- (a) Publication of a Change of Control.

If a Change of Control occurs, the Issuer will give notice in accordance with § 12 of the Change of Control and the Record Date as soon as practicable after becoming aware thereof.

- (b) Publication of a Put Event.

If a Put Event occurs, the Issuer will give notice of the Put Event and the Put Record Date specifying the nature of the Put Event within 21 days of the end of the Change of Control Period in accordance with § 12.

- (c) Early Redemption at the Option of the Holders.

If the Issuer gives notice in accordance with § 5(5)(b) of a Put Event, each Holder may at his option on giving not less than 7 days' notice declare due all or only some of his Notes not previously redeemed with effect on the Put Record Date. In such case the Issuer will redeem such Notes on the Put Record Date at the Principal Amount plus interest accrued, if any, to (but excluding) the Put Record Date.

es nach Auffassung der Emittentin nicht möglich ist, einen Ersatz-Referenzsatz gemäß Unterabsatz (i) oder (ii) von § 3(2)(b) zu bestimmen, ist die Emittentin berechtigt, nach ihrer Wahl die Schuldverschreibungen insgesamt mit einer Frist von mindestens 30 und höchstens 60 Tagen gegenüber den Gläubigern zu kündigen und zum Nennbetrag, nebst etwaiger bis zum Rückzahlungstag (ausschließlich) aufgelaufener Zinsen zurückzahlen.]

[Falls die Gläubiger bei Vorliegen eines Rückzahlungsereignisses nach Eintritt eines Kontrollwechsels den Ankauf der Schuldverschreibungen verlangen können, ist folgendes anwendbar:

- (5) Vorzeitige Rückzahlung nach Wahl der Gläubiger bei Vorliegen eines Rückzahlungsereignisses nach Eintritt eines Kontrollwechsels.

- (a) Veröffentlichung eines Kontrollwechsels.

Wenn ein Kontrollwechsel eintritt, wird die Emittentin sobald wie möglich, nachdem sie Kenntnis davon erhalten hat, den Kontrollwechsel und den Stichtag gemäß § 12 mitteilen.

- (b) Veröffentlichung eines Rückzahlungsereignisses.

Wenn ein Rückzahlungsereignis eintritt, wird die Emittentin innerhalb von 21 Tagen nach Ablauf des Kontrollwechselzeitraums das Rückzahlungsereignis und den Rückzahlungsstichtag unter Angabe der Umstände des Rückzahlungsereignisses gemäß § 12 mitteilen.

- (c) Vorzeitige Rückzahlung nach Wahl der Gläubiger.

Falls die Emittentin gemäß § 5(5)(b) ein Rückzahlungsereignis bekannt gemacht hat, ist jeder Gläubiger nach seiner Wahl berechtigt, mit einer Frist von mindestens 7 Tagen mit Wirkung zum Rückzahlungsstichtag alle oder einzelne seiner Schuldverschreibungen, die noch nicht zurückgezahlt wurden, vorzeitig fällig zu stellen. In einem solchen Fall hat die Emittentin die betreffenden Schuldverschreibungen am Rückzahlungsstichtag zu ihrem Nennbetrag zuzüglich etwaiger bis zum Rückzahlungsstichtag (ausschließlich) aufgelaufener Zinsen zurückzuzahlen.

A notice of termination pursuant to this § 5(5)(c) is irrevocable and must be effected by delivering a notice in text form (§ 126b of the German Civil Code (*Bürgerliches Gesetzbuch*)) to the Fiscal Agent together with evidence by means of a certificate of the Custodian (as defined in § 15(4)) in accordance with § 15(4)(a) that such Holder at the time of such notice is the holder of the relevant Notes.

(d) Definitions.

Record Date means the day on which the Change of Control occurred.

A **Change of Control** occurs if the Issuer [*in the case of Notes issued by an issuer other than ZF Friedrichshafen AG, the following applies:* or the Guarantor] becomes aware that any Person or group of Persons acting in concert, other than the Zeppelin-Stiftung Friedrichshafen or any entity directly or indirectly controlled by the Zeppelin-Stiftung Friedrichshafen, has become the owner, directly or indirectly, of more than 50% of the voting shares of ZF Friedrichshafen AG.

Person means any individual or legal entity.

Acting in concert means "gemeinsam handelnd" within the meaning of § 2 paragraph 5 of the German Securities Acquisition and Take Over Act (*Wertpapiererwerbs- und Übernahmegesetz*).

A **Put Event** will occur if

- (i) the Issuer announces a Change of Control; and
- (ii) a Rating Decline occurs.

Rating Decline means that if, at the time of the occurrence of a Change of Control, ZF Friedrichshafen AG has been, from any Rating Agency it has solicited, (a) rated Investment Grade and such rating from any Rating Agency is, within the Change of Control Period, either downgraded to a non-investment grade rating or withdrawn and is not within the Change of Control Period subsequently (in the case of a downgrade) upgraded to Investment Grade by such Rating Agency or (in the case of

Eine Kündigung gemäß diesem § 5(5)(c) ist unwiderruflich und hat in Textform (§ 126b BGB) gegenüber der Emissionsstelle, zusammen mit dem Nachweis durch eine Bescheinigung der Depotbank (wie in § 15(4) definiert) gemäß § 15(4)(a), dass der betreffende Gläubiger im Zeitpunkt der Kündigung Inhaber der betreffenden Schuldverschreibung ist, zu erfolgen.

(d) Definitionen.

Stichtag bezeichnet den Tag, an dem der Kontrollwechsel eingetreten ist.

Ein **Kontrollwechsel** liegt vor, sobald die Emittentin [*im Fall von Schuldverschreibungen, die von einer anderen Emittentin als der ZF Friedrichshafen AG begeben werden, ist folgendes anwendbar:* oder die Garantin] Kenntnis davon erlangt, dass eine Person oder eine Gruppe von gemeinsam handelnden Personen, jedoch mit Ausnahme der Zeppelin-Stiftung Friedrichshafen und jeder von der Zeppelin-Stiftung Friedrichshafen direkt oder indirekt beherrschten Person, direkt oder indirekt mehr als 50 % der stimmberechtigten Aktien der ZF Friedrichshafen AG erlangt.

Person bezeichnet jede natürliche oder juristische Person.

Gemeinsam handelnd bedeutet gemeinsam handelnd im Sinne von § 2 Abs. 5 des Wertpapiererwerbs- und Übernahmegesetzes (WpÜG).

Ein **Rückzahlungsereignis** tritt ein, wenn

- (i) die Emittentin einen Kontrollwechsel bekannt macht; und
- (ii) eine Ratingherabstufung eintritt.

Eine **Ratingherabstufung** liegt vor, falls die ZF Friedrichshafen AG bei Eintritt des Kontrollwechsels von einer Ratingagentur, bei der die ZF Friedrichshafen AG ein solches Rating beauftragt hat, (a) mit Investment Grade bewertet ist und dieses Rating von einer Ratingagentur innerhalb des Kontrollwechselzeitraums zu einem non-investment grade Rating herabgestuft oder das Rating zurückgezogen wurde und nicht innerhalb des Kontrollwechselzeitraums anschließend (im

withdrawal) replaced by an Investment Grade rating from any other Rating Agency; or (b) rated below Investment Grade and such rating from any Rating Agency is, within the Change of Control Period, downgraded by one or more gradations (including gradations within Rating Categories as well as between Rating Categories, but excluding, for the avoidance of doubt, any changes in the outlook) and is not within the Change of Control Period subsequently upgraded to its earlier credit rating or better by such Rating Agency, provided that if at the time of the occurrence of the Change of Control ZF Friedrichshafen AG or the Group carries a rating from more than one Rating Agency, at least one of which is Investment Grade, then sub-paragraph (a) will apply. In making the relevant decision(s) referred to above, the relevant Rating Agency announces publicly or confirms in writing to ZF Friedrichshafen AG that such decision(s) resulted, in whole or in part, from the occurrence of the Change of Control.

However, no Ratings Decline will occur if at the end of the Change of Control Period ZF Friedrichshafen AG has been rated Investment Grade by at least two Rating Agencies.

If the rating designations employed by any of the Rating Agencies are changed, the Issuer [*in the case of Notes issued by an issuer other than ZF Friedrichshafen AG, the following applies:* or the Guarantor] shall determine the rating designations of the Rating Agencies (as appropriate) as are most equivalent to the prior rating designations of the respective Rating Agencies. The term "Rating Decline" shall be construed accordingly.

Change of Control Period means the period ending 90 days after the Record Date.

Rating Agency means each of Moody's Deutschland GmbH (*Moody's*) or S&P Global Ratings Europe Limited, a division

Falle einer Herabstufung) durch diese Ratingagentur wieder auf ein Investment Grade Rating heraufgestuft oder (im Falle eines Zurückziehens) durch das Investment Grade Rating einer anderen Ratingagentur ersetzt wurde; oder (b) unterhalb von Investment Grade bewertet ist und dieses Rating von einer Ratingagentur innerhalb des Kontrollwechselzeitraums um eine oder mehrere Stufen (einschließlich Untergliederungen innerhalb von sowie zwischen Ratingkategorien, nicht jedoch einer Änderung des Ausblicks) herabgestuft und nicht innerhalb des Kontrollwechselzeitraums anschließend wieder auf das ursprüngliche oder ein besseres Rating durch diese Ratingagentur heraufgestuft wurde; wobei, falls die ZF Friedrichshafen AG oder die Gruppe zum Zeitpunkt des Eintritts des Kontrollwechsels über ein Rating von mehr als einer Ratingagentur verfügen, von denen mindestens eines ein Investment Grade Rating ist, Absatz (a) Anwendung findet; und im Zusammenhang mit einer der oben genannten Entscheidungen die betreffende Ratingagentur öffentlich bekannt macht oder gegenüber ZF Friedrichshafen AG schriftlich bestätigt, dass diese Entscheidung ganz oder teilweise auf den Kontrollwechsel zurückzuführen ist.

Eine Ratingherabstufung liegt jedoch nicht vor, falls die ZF Friedrichshafen AG am Ende des Kontrollwechselzeitraums von mindestens zwei Ratingagenturen mit Investment Grade bewertet wird.

Falls sich die von den Ratingagenturen verwendeten Ratingkategorien ändern sollten, wird die Emittentin [*im Fall von Schuldverschreibungen, die von einer anderen Emittentin als der ZF Friedrichshafen AG begeben werden, ist folgendes anwendbar:* oder die Garantin] diejenigen Ratingkategorien der Ratingagenturen bestimmen, die den früheren Ratingkategorien der jeweiligen Ratingagenturen möglichst nahe kommen. Der Begriff "Ratingherabstufung" ist dann entsprechend auszulegen.

Kontrollwechselzeitraum bezeichnet die Periode, die 90 Tage nach dem Stichtag endet.

Ratingagentur bezeichnet jeweils Moody's Deutschland GmbH (*Moody's*) oder S&P Global Ratings Europe Limited, eine

of S&P Global Inc. (**S&P**) or Fitch Ratings Ltd (**Fitch**) or any of their respective successors or any other rating agency of equivalent international standing specified from time to time by the Issuer.

Investment Grade means a rating of (i) BBB- or higher by S&P and Fitch and (ii) Baa3 or higher by Moody's, or the equivalent of such ratings by S&P, Moody's or Fitch and the equivalent in respect of rating categories of any Rating Agencies substituted for S&P, Moody's or Fitch.

Put Record Date means the Payment Business Day fixed by the Issuer pursuant to § 5(4)(b) which will be not less than 20 nor more than 30 days after the notice of the Put Event has been published in accordance with § 12.]

[If the Notes are subject to Early Redemption at the Option of the Issuer the following applies:

[(6)] Early Redemption at the Option of the Issuer.

- (a) The Issuer may, upon notice given in accordance with clause (b), redeem all or some only of the Notes within the Call Redemption Period(s) at the Call Redemption Amount(s) set forth below together with accrued interest, if any, to (but excluding) the relevant redemption date.

Call Redemption Period(s)	Call Redemption Amount(s)
[Call Redemption Period(s)]	[Call Redemption Amount(s)]
[●]	[●]
[●]	[●]

[If Notes are subject to Early Redemption at the Option of the Holder, the following applies: The Issuer may not exercise such option in respect of any Note which is the subject of the prior exercise by the Holder thereof of its option to

Abteilung von S&P Global Inc. (**S&P**), oder Fitch Ratings Ltd (**Fitch**) oder deren entsprechende Nachfolger oder jede andere Ratingagentur mit entsprechendem internationalen Ansehen, die von der Emittentin benannt wird.

Investment Grade bezeichnet ein Rating von (i) BBB- oder höher im Fall von S&P und Fitch und (ii) Baa3 oder höher im Fall von Moody's, oder das entsprechende Äquivalent dieser Ratings im Fall von S&P, Moody's oder Fitch sowie das entsprechende Äquivalent in den Ratingkategorien einer anderen Ratingagentur, durch die S&P, Moody's oder Fitch ersetzt wurde.

Rückzahlungstichtag bezeichnet den von der Emittentin gemäß § 5(4)(b) festgelegten Geschäftstag, der nicht weniger als 20 und nicht mehr als 30 Tage nach dem Tag der Veröffentlichung des Rückzahlungsereignisses gemäß § 12 liegen darf.]

[Falls die Emittentin das Wahlrecht hat, die Schuldverschreibungen vorzeitig zurückzuzahlen, ist folgendes anwendbar:

[(6)] Vorzeitige Rückzahlung nach Wahl der Emittentin.

- (a) Die Emittentin kann, nachdem sie gemäß Absatz (b) gekündigt hat, die Schuldverschreibungen insgesamt oder teilweise innerhalb des/der Wahl-Rückzahlungszeitraums/räume (Call) zum/zu den Wahl-Rückzahlungsbetrag/beträgen (Call), wie nachfolgend angegeben, nebst etwaigen bis zum maßgeblichen Rückzahlungstag (ausschließlich) aufgelaufenen Zinsen zurückzahlen.

Wahl-Rück- zahlungszeitraum /räume (Call)	Wahl-Rück- zahlungsbetra g/ beträge (Call)
[Wahl- Rückzahlungs- zeitraum/ räume]	[Wahl- Rückzahlungs betrag/beträge]
[●]	[●]
[●]	[●]

[Falls der Gläubiger ein Wahlrecht hat, die Schuldverschreibungen vorzeitig zu kündigen, ist folgendes anwendbar: Der Emittentin steht dieses Wahlrecht nicht in Bezug auf eine Schuldverschreibung zu, deren Rückzahlung

require the redemption of such Note under subparagraph [(8)] of this § 5.]

- (b) Notice of redemption shall be given by the Issuer to the Holders of the Notes in accordance with § 12. Such notice shall specify:
 - (i) the series of Notes subject to redemption;
 - (ii) whether such series is to be redeemed in whole or in part only and, if in part only, the aggregate principal amount of the Notes which are to be redeemed;
 - (iii) the relevant redemption date, which shall be not less than 20 nor more than 40 days after the date on which notice is given by the Issuer to the Holders; and
 - (iv) the Call Redemption Amount at which such Notes are to be redeemed.
- (c) In the case of a partial redemption of Notes, Notes to be redeemed shall be selected in accordance with the rules of the relevant Clearing System. **[In the case of Notes in NGN form, the following applies:** For technical procedure of the ICSDs, in the case of a partial redemption the outstanding redemption amount will be reflected in the records of the ICSDs as either a reduction in nominal amount or as a pool factor, at the discretion of the ICSDs.])

[If the Notes are subject to Early Redemption at the Option of the Issuer upon the occurrence of a Transaction Trigger Event the following applies:

- [(7)] Early Redemption at the Option of the Issuer upon the occurrence of a Transaction Trigger Event.
 - (a) Upon the occurrence of a Transaction Trigger Event, the Issuer may, upon notice given in accordance with clause (b), redeem all of the Notes on the Event Redemption Date at the Event Redemption Amount together with interest (if any) to the Event Redemption Date (excluding).

bereits der Gläubiger in Ausübung seines Wahlrechts nach Absatz [(8)] dieses § 5 verlangt hat.]

- (b) Die Kündigung ist den Gläubigern der Schuldverschreibungen durch die Emittentin gemäß § 12 bekanntzugeben. Sie muss die folgenden Angaben enthalten:
 - (i) die zurückzuzahlende Serie von Schuldverschreibungen;
 - (ii) eine Erklärung, ob diese Serie ganz oder teilweise zurückgezahlt wird und im letzteren Fall den Gesamtnennbetrag der zurückzuzahlenden Schuldverschreibungen;
 - (iii) den maßgeblichen Rückzahlungstag, der nicht weniger als 20 und nicht mehr als 40 Tage nach dem Tag der Kündigung durch die Emittentin gegenüber den Gläubigern liegen darf; und
 - (iv) den Wahl-Rückzahlungsbetrag (Call), zu dem die Schuldverschreibungen zurückgezahlt werden.
- (c) Wenn die Schuldverschreibungen nur teilweise zurückgezahlt werden, werden die zurückzuzahlenden Schuldverschreibungen in Übereinstimmung mit den Regeln des betreffenden Clearingsystems ausgewählt. **[Falls die Schuldverschreibungen in Form einer NGN begeben werden, ist folgendes anwendbar:** Für das technische Verfahren der ICSDs wird im Fall einer teilweisen Rückzahlung der entstehende Rückzahlungsbetrag entweder als reduzierter Nennbetrag oder als Poolfaktor nach Ermessen der ICSDs in das Register der ICSDs aufgenommen.])

[Falls die Emittentin das Wahlrecht hat, die Schuldverschreibungen vorzeitig bei Eintritt eines Transaktions-Ereignisses zurückzahlen, ist folgendes anwendbar:

- [(7)] Vorzeitige Rückzahlung nach Wahl der Emittentin bei Eintritt eines Transaktions-Ereignisses.
 - (a) Die Emittentin kann, nachdem ein Transaktions-Ereignis aufgetreten ist und sie gemäß Absatz (b) gekündigt hat, die Schuldverschreibungen insgesamt an dem Ereignis-Rückzahlungstag zum Ereignis-Rückzahlungsbetrag, wie nachfolgend angegeben, nebst etwaigen bis zum Ereignis-Rückzahlungstag (ausschließlich) aufgelaufenen Zinsen zurückzahlen.

The Issuer may waive its right to call the Notes for redemption based on a Transaction Trigger Event by giving notice in accordance with § 12.

[If the Notes are subject to Early Redemption at the Option of the Holder the following applies: The Issuer may not exercise such option in respect of any Note which is the subject of the prior exercise by the Holder thereof of its option to require the redemption of such Note under § 5[(8)].]

- (b) Notice of redemption shall be given by the Issuer to the Holders of the Notes in accordance with § 12. Such notice shall specify:
 - (i) the series of Notes subject to redemption;
 - (ii) the Event Redemption Date, which shall be not less than 30 days nor more than 60 days after the date on which notice of the occurrence of the Transaction Trigger Event is given by the Issuer to the Holders; and
 - (iii) the Event Redemption Amount at which such Notes are to be redeemed.

- (c) Whereby:

Event Redemption Amount means [insert amount per Note].

Event Redemption Date means the date fixed for redemption of the Notes pursuant to § 5 [(7)] (b).

Transaction means [insert description of envisaged acquisition transaction for which the Notes are intended to be issued for (re)financing purposes].

Transaction Trigger Event means a notice given by the Issuer to the Holders [in the case of a Transaction Trigger Cut-off Date insert: on or prior to [Transaction Trigger Cut-off Date]] in accordance with § 12 that the Transaction has been terminated prior to completion and the Issuer has publicly stated that it no longer intends to pursue the Transaction.]

[If the Notes are subject to Early Redemption at the

Die Emittentin kann auf ihr Recht zur vorzeitigen Kündigung der Schuldverschreibungen aufgrund eines Transaktions-Ereignisses durch Bekanntmachung gemäß § 12 verzichten.

[Falls der Gläubiger ein Wahlrecht hat, die Schuldverschreibungen vorzeitig zu kündigen, ist folgendes anwendbar: Der Emittentin steht dieses Wahlrecht nicht in Bezug auf eine Schuldverschreibung zu, deren Rückzahlung bereits der Gläubiger in Ausübung seines Wahlrechts nach § 5[(8)] verlangt hat.]

- (b) Die Kündigung ist den Gläubigern der Schuldverschreibungen durch die Emittentin gemäß § 12 bekanntzugeben. Sie muss die folgenden Angaben enthalten:
 - (i) die zurückzuzahlende Serie von Schuldverschreibungen;
 - (ii) den Ereignis-Rückzahlungstag, der nicht weniger als 30 Tage und nicht mehr als 60 Tage nach dem Tag der Mitteilung des Eintritts eines Transaktions-Ereignisses durch die Emittentin gegenüber den Gläubigern liegen darf; und
 - (iii) den Ereignis-Rückzahlungsbetrag, zu dem die Schuldverschreibungen zurückgezahlt werden.

- (c) Dabei gilt:

Ereignis-Rückzahlungsbetrag bezeichnet [Betrag pro Schuldverschreibung einfügen].

Ereignis-Rückzahlungstag bezeichnet den Tag, der für die Rückzahlung der Schuldverschreibungen gemäß § 5 [(7)] (b) festgesetzt wurde.

Transaktion bezeichnet [Beschreibung der geplanten Akquisitionstransaktion, für deren (Re-)Finanzierung die Schuldverschreibungen begeben werden].

Transaktions-Ereignis bezeichnet die Mitteilung der Emittentin [Im Fall eines Transaktions-Stichtages, einfügen: an oder vor dem [Transaktions-Stichtag]] an die Gläubiger gemäß § 12, dass die Transaktion vor ihrem Abschluss abgebrochen wurde und die Emittentin öffentlich erklärt hat, dass sie nicht länger beabsichtigt, die Transaktion zu verfolgen.]

[Falls der Gläubiger ein Wahlrecht hat, die

Option of the Holder the following applies:

[(8)] Early Redemption at the Option of a Holder.

- (a) The Issuer shall, at the option of the Holder of any Note, redeem such Note on the Put Redemption Date(s) at the Put Redemption Amount(s) set forth below together with accrued interest, if any, to (but excluding) the Put Redemption Date.

Put Redemption Date(s)	Put Redemption Amount(s)
[Put Redemption Date(s)]	[Put Redemption Amount(s)]
[•]	[•]
[•]	[•]

The Holder may not exercise such option in respect of any Note which is the subject of the prior exercise by the Issuer of any of its options to redeem such Note under this § 5.

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

Schuldverschreibungen vorzeitig zu kündigen, ist folgendes anwendbar:

[(8)] Vorzeitige Rückzahlung nach Wahl des Gläubigers.

- (a) Die Emittentin hat eine Schuldverschreibung nach Ausübung des entsprechenden Wahlrechts durch den Gläubiger am/an den Wahl-Rückzahlungstag(en) (Put) zum/zu dem/den Wahl-Rückzahlungsbetrag/beträgen (Put), wie nachfolgend angegeben nebst etwaigen bis zum Wahl-Rückzahlungstag (Put) (ausschließlich) aufgelaufener Zinsen zurückzuzahlen.

Wahl-Rückzahlungstag(e) (Put)	Wahl-Rückzahlungsbetrag/ beträge (Put)
[Wahl-Rückzahlungstag(e)]	[Wahl-Rückzahlungsbetrag/beträge]
[•]	[•]
[•]	[•]

Dem Gläubiger steht dieses Wahlrecht nicht in Bezug auf eine Schuldverschreibung zu, deren Rückzahlung die Emittentin zuvor in Ausübung eines ihrer Wahlrechte nach diesem § 5 verlangt hat.

- (b) Um dieses Wahlrecht auszuüben, hat der Gläubiger nicht weniger als **[Mindestkündigungsfrist]** und nicht mehr als **[Höchstkündigungsfrist]** Tage vor dem Wahl-Rückzahlungstag (Put), an dem die Rückzahlung gemäß der Rückzahlungs-Ausübungserklärung (wie nachfolgend definiert) erfolgen soll, der bezeichneten Geschäftsstelle der Emissionsstelle während der normalen Geschäftszeiten eine ordnungsgemäß ausgefüllte Mitteilung zur vorzeitigen Rückzahlung (die **Rückzahlungs-Ausübungserklärung**), wie sie bei den bezeichneten Geschäftsstellen der Emissionsstelle und der Zahlstelle erhältlich ist, zu übermitteln. Die Rückzahlungs-Ausübungserklärung hat anzugeben: (i) den Nennbetrag der Schuldverschreibungen, für die das Wahlrecht ausgeübt wird und (ii) die Wertpapier-Kenn-Nummer dieser Schuldverschreibungen (soweit vergeben). Die Ausübung des Wahlrechts kann nicht widerrufen werden. Die Rückzahlung der Schuldverschreibungen, für welche das Wahlrecht ausgeübt worden ist, erfolgt nur gegen Lieferung der Schuldverschreibungen an die Emittentin oder deren

Order.]

(9) Purchase

Subject to applicable laws, the Issuer [*in the case of Notes issued by an issuer other than ZF Friedrichshafen AG, the following applies:*, the Guarantor] 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.

§ 6

(THE FISCAL AGENT, THE PAYING AGENT AND THE CALCULATION AGENT)

(1) Appointment; Specified Office.

The initial fiscal agent (the *Fiscal Agent*) and the initial paying agent (the *Paying Agent*) and its initial specified office shall be:

Deutsche Bank Aktiengesellschaft
Trust & Agency Services
Taunusanlage 12
60325 Frankfurt am Main
Germany

The initial calculation agent (the *Calculation Agent*) and its initial specified office shall be:

[Deutsche Bank Aktiengesellschaft
Trust & Agency Services
Taunusanlage 12
60325 Frankfurt am Main
Germany]

[•]

The Fiscal Agent, the Paying Agent and the Calculation Agent reserve the right at any time to change their respective specified offices to some other specified office in the same country.

(2) Variation or Termination of Appointment.

The Issuer reserves the right to vary or terminate the appointment of the Fiscal Agent or any Paying Agent or the Calculation Agent at any time and to appoint another Fiscal Agent or additional or other Paying Agents or another Calculation Agent. The Issuer shall at all times maintain (i) a Fiscal Agent [*in the case of Notes listed on a stock exchange the following applies:* [,] [and] (ii) so long as the Notes are listed on the [*name of Stock Exchange*], a

(9) Ankauf

Die Emittentin [*im Fall von Schuldverschreibungen, die von einer anderen Emittentin als der ZF Friedrichshafen AG begeben werden, ist folgendes anwendbar:*, die Garantin] oder eine Tochtergesellschaft können, soweit gesetzlich zulässig, jederzeit Schuldverschreibungen auf dem freien Markt oder anderweitig sowie zu jedem beliebigen Preis kaufen. Derartig erworbene Schuldverschreibungen können entwertet, gehalten oder wieder veräußert werden.

§ 6

(DIE EMISSIONSSTELLE, DIE ZAHLSTELLE UND DIE BERECHNUNGSSTELLE)

(1) Bestellung; bezeichnete Geschäftsstelle.

Die anfänglich bestellte Emissionsstelle (die *Emissionsstelle*) und die anfänglich bestellte Zahlstelle (die *Zahlstelle*) und ihre bezeichnete Geschäftsstelle lautet wie folgt:

Deutsche Bank Aktiengesellschaft
Trust & Agency Services
Taunusanlage 12
60325 Frankfurt am Main
Deutschland

Die anfänglich bestellte Berechnungsstelle (die *Berechnungsstelle*) und ihre bezeichnete Geschäftsstelle lautet wie folgt:

[Deutsche Bank Aktiengesellschaft
Trust & Agency Services
Taunusanlage 12
60325 Frankfurt am Main
Germany]

[•]

Die Emissionsstelle, die Zahlstelle und die Berechnungsstelle behalten sich das Recht vor, jederzeit ihre jeweiligen bezeichneten Geschäftsstellen durch eine andere bezeichnete Geschäftsstelle in demselben Land zu ersetzen.

(2) Änderung der Bestellung oder Abberufung.

Die Emittentin behält sich das Recht vor, die Bestellung der Emissionsstelle oder einer Zahlstelle oder der Berechnungsstelle jederzeit zu ändern oder zu beenden und eine andere Emissionsstelle oder zusätzliche oder andere Zahlstellen oder eine andere Berechnungsstelle zu bestellen. Die Emittentin wird zu jedem Zeitpunkt (i) eine Emissionsstelle unterhalten [*im Fall von Schuldverschreibungen, die an einer Börse notiert sind, ist folgendes anwendbar:* [,]

Paying Agent (which may be the Fiscal Agent) with a specified office in **[location of Stock Exchange]** and/or in such other place as may be required by the rules of such stock exchange] [,] [and] [(iii)] a Paying Agent in an EU Member State, if possible, that will not be obliged to withhold or deduct tax in connection with any payment made in relation to the Notes unless the Paying Agent would be so obliged in each other EU Member State if it were located there, [,] [and] [(iv)] a Calculation Agent **[in the case of payments in United States dollar the following applies:** and [(v)] if payments at or through the offices of all Paying Agents outside the United States (as defined in § 1(6)) become illegal or are effectively precluded because of the imposition of exchange controls or similar restrictions on the full payment or receipt of such amounts in United States dollar, a Paying Agent with a specified office in New York City]. Any variation, termination, appointment or other 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 § 12.

(3) Agent of the Issuer.

The Fiscal Agent, the Paying Agent and the Calculation Agent act solely as the agents of the Issuer and do not assume any obligations towards or relationship of agency or trust for any Holder.

**§ 7
(TAXATION)**

[In the case of Notes issued by ZF Friedrichshafen AG, the following applies:

All payments of principal and interest made by the Issuer in respect of the Notes to the Holders shall be made free and clear of, and without withholding or deduction for, any present or future taxes or duties of whatever nature imposed or levied by way of deduction or withholding by or on behalf of (1) the Federal Republic of Germany or any authority therein or

[und] (ii) solange die Schuldverschreibungen an der **[Name der Börse]** notiert sind, eine Zahlstelle (die die Emissionsstelle sein kann) mit bezeichneter Geschäftsstelle in **[Sitz der Börse]** und/oder an solchen anderen Orten unterhalten, die die Regeln dieser Börse verlangen] [,] [und] [(iii)] eine Zahlstelle in einem Mitgliedsstaat der Europäischen Union, sofern dies möglich ist, unterhalten, die nicht zum Einbehalt oder Abzug von Quellensteuern oder sonstigen Abzügen verpflichtet ist, es sei denn, dass eine solche Einbehalt- oder Abzugspflicht auch in allen anderen Mitgliedsstaaten der Europäischen Union bestünde [,] [und] [(iv)] eine Berechnungsstelle unterhalten **[im Fall von Zahlungen in US-Dollar ist folgendes anwendbar:** und [(v)] falls Zahlungen bei den oder durch die Geschäftsstellen aller Zahlstellen außerhalb der Vereinigten Staaten (wie in § 1(6) definiert) aufgrund der Einführung von Devisenbeschränkungen oder ähnlichen Beschränkungen hinsichtlich der vollständigen Zahlung oder des Empfangs der entsprechenden Beträge in US-Dollar widerrechtlich oder tatsächlich ausgeschlossen werden, eine Zahlstelle mit bezeichneter Geschäftsstelle in New York City 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 Gläubiger hierüber gemäß § 12 vorab unter Einhaltung einer Frist von mindestens 30 und nicht mehr als 45 Tagen informiert wurden.

(3) Erfüllungsgehilfe(n) der Emittentin.

Die Emissionsstelle, die Zahlstelle und die Berechnungsstelle handeln ausschließlich als Erfüllungsgehilfen der Emittentin und übernehmen keinerlei Verpflichtungen gegenüber den Gläubigern und es wird kein Auftrags- oder Treuhandverhältnis zwischen ihnen und den Gläubigern begründet.

**§ 7
(STEUERN)**

[Im Fall von Schuldverschreibungen, die von ZF Friedrichshafen AG begeben werden, ist folgendes anwendbar:

Alle in Bezug auf die Schuldverschreibungen von der Emittentin an die Gläubiger zahlbaren Kapital- oder Zinsbeträge werden ohne Einbehalt oder Abzug an der Quelle für oder wegen gegenwärtiger oder zukünftiger Steuern oder Abgaben gleich welcher Art gezahlt, die von oder im Namen (1) der Bundesrepublik Deutschland oder einer dort zur Steuererhebung

thereof having power to tax, (2) any jurisdiction from or through which payment on the Notes is made, or any political subdivision or governmental authority thereof or therein having the power to tax and/or (3) any other jurisdiction in which the payor is organized or otherwise considered to be resident or doing business for tax purposes, or any political subdivision or governmental authority thereof or therein having the power to tax (each a **Relevant Taxing Jurisdiction**), unless such deduction or withholding is required by law. In that event the Issuer shall pay such additional amounts (the **Additional Amounts**) as shall result in receipt by the Holders of such amounts as would have been received by them had no such withholding or deduction been required, except that no Additional Amounts shall be payable with respect to:

- (a) taxes or duties which 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
- (b) payments that would not have been so imposed but for the existence of any present or former connection between such Holder (or between a fiduciary, settlor, beneficiary, member or shareholder of, or a person having a power over, such Holder) and any Relevant Taxing Jurisdiction including, without limitation, such Holder (or such fiduciary, settlor, beneficiary, member, shareholder or person having such a power) being or having been a citizen or resident or treated as a resident of, being or having been engaged in a trade or business in, or having or having had a permanent establishment in, a Relevant Taxing Jurisdiction other than any connections arising solely from a Holder acquiring, holding or disposing of, receiving any payment under or with respect to or enforcing a Note; or

ermächtigten Behörde, (2) einer Rechtsordnung, aus der bzw. über die eine Zahlung auf die Schuldverschreibungen geleistet wird, oder einer dort zur Steuererhebung ermächtigten Gebietskörperschaft oder Behörde, und/oder (3) einer anderen Rechtsordnung, in der die zahlende Partei errichtet ist oder anderweitig als gebietsansässig gilt oder im steuerlichen Sinn geschäftlich tätig ist, oder einer dort zur Steuererhebung ermächtigten Gebietskörperschaft oder Behörde (jeweils eine **Relevante Steuerjurisdiktion**) im Wege des Abzugs oder Einbehalts auferlegt oder erhoben werden, es sei denn, ein solcher Abzug oder Einbehalt ist gesetzlich vorgeschrieben. In diesem Fall wird die Emittentin diejenigen zusätzlichen Beträge (**Zusätzliche Beträge**) zahlen, die erforderlich sind, damit die den Gläubigern zufließenden Nettobeträge nach diesem Einbehalt oder Abzug jeweils den Beträgen an Kapital und Zinsen entsprechen, die ohne einen solchen Einbehalt oder Abzug von den Gläubigern erhalten worden wären; jedoch sind solche Zusätzlichen Beträge nicht zu zahlen in Bezug auf:

- (a) Steuern oder Abgaben, die von einer als Depotbank oder Inkassobeauftragter eines Gläubigers handelnden Person oder auf eine sonstige Weise zu entrichten sind, die keinen Abzug oder Einbehalt von Zahlungen von Kapital oder Zinsen durch die Emittentin darstellen; oder
- (b) Zahlungen, die nicht erhoben worden wären, wenn nicht eine gegenwärtige oder ehemalige Beziehung zwischen dem betreffenden Gläubiger (oder einem Treuhänder, Treugeber, Begünstigten, Mitglied oder Gesellschafter dieses Gläubigers oder einer Person, die beherrschenden Einfluss auf diesen Gläubiger hat) und einer Relevanten Steuerjurisdiktion bestehen würde, unter anderem in der Form, dass der betreffende Gläubiger (bzw. Treuhänder, Treugeber, Begünstigte, Mitglied, Gesellschafter oder die Person, die solchen Einfluss hat) Staatsbürger einer Relevanten Steuerjurisdiktion ist oder war oder dort ansässig ist oder war oder als dort ansässig gilt oder galt oder dort ein Gewerbe oder eine Geschäftstätigkeit betreibt oder betrieben hat oder dort eine Betriebsstätte unterhält oder unterhalten hat, mit Ausnahme von Beziehungen, die allein dadurch entstehen, dass ein Gläubiger eine Schuldverschreibung erwirbt, hält oder veräußert bzw. eine Zahlung darunter oder

- in Bezug auf diese erhält oder Ansprüche darauf geltend macht; oder
- (c) payments to, or to a third party on behalf of, a Holder where no such withholding or deduction would have been required to be made if the Notes were credited at the time of payment to a securities deposit account with a bank, financial services institution, securities trading business or securities trading bank, in each case outside the Relevant Taxing Jurisdiction; or
 - (d) payments where such withholding or deduction is imposed pursuant to (i) any European Union Directive or Regulation concerning the taxation of savings, or (ii) any international treaty or understanding relating to such taxation and to which the Relevant Taxing Jurisdiction or the European Union is a party/are parties, or (iii) any provision of law implementing, or complying with, or introduced to conform with, such Directive, Regulation, treaty or understanding, or (iv) the Luxembourg law of December 23, 2005; or
 - (e) payments to the extent such withholding or deduction is payable by or on behalf of a Holder who could lawfully mitigate (but has not so mitigated) such withholding or deduction by complying or procuring that any third party complies with any statutory requirements or by making or procuring that a third party makes a declaration of non-residence or other similar claim for exemption to any tax authority in the place where the payment is effected; or
 - (f) payments to the extent such withholding or deduction is payable by or on behalf of a Holder who would have been able to mitigate such withholding or deduction by effecting a payment via another paying agent in a Member State of the European Union not obliged to withhold or deduct tax; or
 - (g) payments to the extent such withholding or deduction is for or on account of the
- (c) Zahlungen an den Gläubiger oder an einen Dritten für den Gläubiger, falls kein Einbehalt oder Abzug hätte erfolgen müssen, wenn die Schuldverschreibung zum Zeitpunkt der fraglichen Zahlung einem Depotkonto bei einer bzw. einem nicht in der Relevanten Steuerjurisdiktion ansässigen Bank, Finanzdienstleistungsinstitut, Wertpapierhandelsunternehmen oder Wertpapierhandelsbank gutgeschrieben gewesen wäre; oder
 - (d) falls der Einbehalt oder Abzug gemäß (i) einer Richtlinie oder Verordnung der Europäischen Union zur Zinsbesteuerung oder (ii) einem internationalen Abkommen oder Übereinkommen zu einer solchen Besteuerung, bei dem die Relevante Steuerjurisdiktion oder die Europäische Union Parteien sind, oder (iii) einem diese Richtlinie oder Verordnung oder dieses Abkommen oder Übereinkommen umsetzenden oder sie befolgenden oder zu ihrer Befolgung erlassenen Gesetz, oder (iv) dem Luxemburger Gesetz vom 23. Dezember 2005 erhoben wird; oder
 - (e) soweit der Einbehalt oder Abzug von dem Gläubiger oder von einem Dritten für den Gläubiger zahlbar ist, der einen solchen Einbehalt oder Abzug dadurch rechtmäßigerweise hätte vermindern können (aber nicht vermindert hat), dass er gesetzliche Vorschriften beachtet, oder dafür sorgt, dass Dritte dieses tun, oder dadurch dass er eine Nichtansässigkeitserklärung oder einen ähnlichen Antrag auf Quellensteuerbefreiung gegenüber der am Zahlungsort zuständigen Steuerbehörde abgibt oder dafür sorgt, dass dies durch einen Dritten erfolgt, oder
 - (f) soweit der Einbehalt oder Abzug von dem Gläubiger oder von einem Dritten für den Gläubiger vorzunehmen ist, der einen solchen Einbehalt oder Abzug durch die Bewirkung einer Zahlung über eine andere Zahlstelle in einem Mitgliedsstaat der Europäischen Union, welche nicht zu einem solchen Einbehalt oder Abzug verpflichtet ist, hätte vermindern können; oder
 - (g) soweit der Einbehalt oder Abzug für einen Gläubiger oder dessen Rechnung

presentation by the Holder of any Note for payment on a date more than 30 days after the date on which such payment became due and payable or the date on which payment thereof is duly provided for, whichever occurs later; or

- (h) payments to the extent such withholding or deduction is required pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (the **Internal Revenue Code**), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Internal Revenue Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Internal Revenue Code; or

- (i) any combination of items (a)-(h);

nor shall any Additional Amounts be paid with respect to any payment on a Note to a Holder who is a fiduciary or partnership or who is other than the sole beneficial owner of such payment to the extent such payment would be required by the laws of the Relevant Taxing Jurisdiction(s) to be included in the income, for tax purposes, of a beneficiary or settlor with respect to such fiduciary or a member of such partnership or a beneficial owner who would not have been entitled to such Additional Amounts had such beneficiary, settlor, member or beneficial owner been the Holder of the Note.]

[In the case of Notes issued by an issuer other than ZF Friedrichshafen AG, the following applies:

All payments of principal and interest made by the Issuer in respect of the Notes to the Holders shall be made free and clear of, and without withholding or deduction for, any present or future taxes or duties of whatever nature imposed or levied by way of deduction or withholding by or on behalf of (1) the Federal

vorzunehmen ist, der Schuldverschreibungen mehr als 30 Tage nach dem Tag, an dem eine Zahlung unter den Schuldverschreibungen fällig und zahlbar wurde bzw., soweit dies später eintritt, nach dem Tag, an dem die Zahlung ordnungsgemäß vorgenommen wurde, vorgelegt hat; oder

- (h) soweit der Einbehalt oder Abzug gemäß §§ 1471 bis 1474 des U.S. Internal Revenue Code von 1986 in seiner jeweils gültigen Fassung (der **Internal Revenue Code**), jeder gegenwärtigen oder zukünftigen Verordnung oder offiziellen Auslegung davon, jeder Vereinbarung, die gemäß § 1471(b) des Internal Revenue Codes eingegangen wurde oder jeder steuerlichen oder regulatorischen Gesetzgebung, sowie steuerlichen und regulatorischen Gesetzen oder Vorgehensweisen, die nach einem zwischenstaatlichen Vertrag, der zur Umsetzung der Bestimmungen des Internal Revenue Codes geschlossen wurde, vorzunehmen ist; oder

- (i) jegliche Kombination der Absätze (a)-(h).

Zudem werden keine Zusätzlichen Beträge im Hinblick auf Zahlungen auf die Schuldverschreibungen an einen Gläubiger gezahlt, welcher die Zahlung als Treuhänder oder Personengesellschaft oder als sonstiger nicht alleiniger wirtschaftlicher Eigentümer erhält, soweit nach den Gesetzen der Relevanten Steuerjurisdiktion(en) eine solche Zahlung für Steuerzwecke dem Einkommen des Begünstigten bzw. Gründers eines Treuhandvermögens oder dem Gesellschafter der Personengesellschaft zugerechnet würde, der jeweils selbst nicht zum Erhalt von Zusätzlichen Beträgen berechtigt gewesen wäre, wenn der Begünstigte, Gründer eines Treuhandvermögens, Gesellschafter oder wirtschaftliche Eigentümer unmittelbarer Gläubiger der Schuldverschreibungen wäre.]

[Im Fall von Schuldverschreibungen, die von einer anderen Emittentin als der ZF Friedrichshafen AG begeben werden, ist folgendes anwendbar:

Alle in Bezug auf die Schuldverschreibungen von der Emittentin an die Gläubiger zahlbaren Kapital- oder Zinsbeträge werden ohne Einbehalt oder Abzug an der Quelle für oder wegen gegenwärtiger oder zukünftiger Steuern oder Abgaben gleich welcher Art gezahlt, die von oder im Namen (1) der Bundesrepublik

Republic of Germany or any authority therein or thereof having power to tax, (2) any jurisdiction from or through which payment on the Notes or the Guarantee is made, or any political subdivision or governmental authority thereof or therein having the power to tax and/or (3) any other jurisdiction in which the payor is organized or otherwise considered to be resident or doing business for tax purposes, or any political subdivision or governmental authority thereof or therein having the power to tax (each a **Relevant Taxing Jurisdiction**), unless such deduction or withholding is required by law. In that event the Issuer shall pay such additional amounts (the **Additional Amounts**) as shall result in receipt by the Holders of such amounts as would have been received by them had no such withholding or deduction been required, except that no Additional Amounts shall be payable with respect to

- (a) taxes or duties which 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 or the Guarantor, as applicable, from payments of principal or interest made by it; or
- (b) payments that would not have been so imposed but for the existence of any present or former connection between such Holder (or between a fiduciary, settlor, beneficiary, member or shareholder of, or a person having a power over, such Holder) and any Relevant Taxing Jurisdiction including, without limitation, such Holder (or such fiduciary, settlor, beneficiary, member, shareholder or person having such a power) being or having been a citizen or resident or treated as a resident of, being or having been engaged in a trade or business in, or having or having had a permanent establishment in, a Relevant Taxing Jurisdiction other than any connections arising solely from a Holder acquiring, holding or disposing of, receiving any payment under or with respect to or enforcing a Note or the Guarantee; or

Deutschland oder einer dort zur Steuererhebung ermächtigten Behörde, (2) einer Rechtsordnung, aus der bzw. über die eine Zahlung auf die Schuldverschreibungen oder die Garantie geleistet wird, oder einer dort zur Steuererhebung ermächtigten Gebietskörperschaft oder Behörde, und/oder (3) einer anderen Rechtsordnung, in der die zahlende Partei errichtet ist oder anderweitig als gebietsansässig gilt oder im steuerlichen Sinn geschäftlich tätig ist, oder einer dort zur Steuererhebung ermächtigten Gebietskörperschaft oder Behörde (jeweils eine **Relevante Steuerjurisdiktion**) im Wege des Abzugs oder Einbehalts auferlegt oder erhoben werden, es sei denn, ein solcher Abzug oder Einbehalt ist gesetzlich vorgeschrieben. In diesem Fall wird die Emittentin diejenigen zusätzlichen Beträge (**Zusätzliche Beträge**) zahlen, die erforderlich sind, damit die den Gläubigern zufließenden Nettobeträge nach diesem Einbehalt oder Abzug jeweils den Beträgen an Kapital und Zinsen entsprechen, die ohne einen solchen Einbehalt oder Abzug von den Gläubigern erhalten worden wären; jedoch sind solche Zusätzlichen Beträge nicht zu zahlen in Bezug auf:

- (a) Steuern oder Abgaben, die von einer als Depotbank oder Inkassobeauftragter eines Gläubigers handelnden Person oder auf eine sonstige Weise zu entrichten sind, die keinen Abzug oder Einbehalt von Zahlungen von Kapital oder Zinsen durch die Emittentin bzw. die Garantin darstellen; oder
- (b) Zahlungen, die nicht erhoben worden wären, wenn nicht eine gegenwärtige oder ehemalige Beziehung zwischen dem betreffenden Gläubiger (oder einem Treuhänder, Treugeber, Begünstigten, Mitglied oder Gesellschafter dieses Gläubigers oder einer Person, die beherrschenden Einfluss auf diesen Gläubiger hat) und einer Relevanten Steuerjurisdiktion bestehen würde, unter anderem in der Form, dass der betreffende Gläubiger (bzw. Treuhänder, Treugeber, Begünstigte, Mitglied, Gesellschafter oder die Person, die solchen Einfluss hat) Staatsbürger einer Relevanten Steuerjurisdiktion ist oder war oder dort ansässig ist oder war oder als dort ansässig gilt oder galt oder dort ein Gewerbe oder eine Geschäftstätigkeit betreibt oder betrieben hat oder dort eine Betriebsstätte unterhält oder unterhalten hat, mit Ausnahme von Beziehungen, die allein

- dadurch entstehen, dass ein Gläubiger eine Schuldverschreibung oder Ansprüche aus der Garantie erwirbt, hält oder veräußert bzw. eine Zahlung darunter oder in Bezug auf diese erhält oder Ansprüche darauf geltend macht; oder
- (c) payments to, or to a third party on behalf of, a Holder where no such withholding or deduction would have been required to be made if the Notes were credited at the time of payment to a securities deposit account with a bank, financial services institution, securities trading business or securities trading bank, in each case outside the Relevant Taxing Jurisdiction; or
 - (d) payments where such withholding or deduction is imposed pursuant to (i) any European Union Directive or Regulation concerning the taxation of savings, or (ii) any international treaty or understanding relating to such taxation and to which the Relevant Taxing Jurisdiction or the European Union is a party/are parties, or (iii) any provision of law implementing, or complying with, or introduced to conform with, such Directive, Regulation, treaty or understanding, or (iv) the Luxembourg law of December 23, 2005; or
 - (e) payments to the extent such withholding or deduction is payable by or on behalf of a Holder who could lawfully mitigate (but has not so mitigated) such withholding or deduction by complying or procuring that any third party complies with any statutory requirements or by making or procuring that a third party makes a declaration of non-residence or other similar claim for exemption to any tax authority in the place where the payment is effected; or
 - (f) payments to the extent such withholding or deduction is payable by or on behalf of a Holder who would have been able to mitigate such withholding or deduction by effecting a payment via another paying agent in a Member State of the European Union not obliged to withhold or deduct tax; or
- (c) Zahlungen an den Gläubiger oder an einen Dritten für den Gläubiger, falls kein Einbehalt oder Abzug hätte erfolgen müssen, wenn die Schuldverschreibung zum Zeitpunkt der fraglichen Zahlung einem Depotkonto bei einer bzw. einem nicht in der Relevanten Steuerjurisdiktion ansässigen Bank, Finanzdienstleistungsinstitut, Wertpapierhandelsunternehmen oder Wertpapierhandelsbank gutgeschrieben gewesen wäre; oder
 - (d) falls der Einbehalt oder Abzug gemäß (i) einer Richtlinie oder Verordnung der Europäischen Union zur Zinsbesteuerung oder (ii) einem internationalen Abkommen oder Übereinkommen zu einer solchen Besteuerung, bei dem die Relevante Steuerjurisdiktion oder die Europäische Union Parteien sind, oder (iii) einem diese Richtlinie oder Verordnung oder dieses Abkommen oder Übereinkommen umsetzenden oder sie befolgenden oder zu ihrer Befolgung erlassenen Gesetz, oder (iv) dem Luxemburger Gesetz vom 23. Dezember 2005 erhoben wird; oder
 - (e) soweit der Einbehalt oder Abzug von dem Gläubiger oder von einem Dritten für den Gläubiger zahlbar ist, der einen solchen Einbehalt oder Abzug dadurch rechtmäßigerweise hätte vermindern können (aber nicht vermindert hat), dass er gesetzliche Vorschriften beachtet, oder dafür sorgt, dass Dritte dieses tun, oder dadurch dass er eine Nichtansässigkeitserklärung oder einen ähnlichen Antrag auf Quellensteuerbefreiung gegenüber der am Zahlungsort zuständigen Steuerbehörde abgibt oder dafür sorgt, dass dies durch einen Dritten erfolgt, oder
 - (f) soweit der Einbehalt oder Abzug von dem Gläubiger oder von einem Dritten für den Gläubiger vorzunehmen ist, der einen solchen Einbehalt oder Abzug durch die Bewirkung einer Zahlung über eine andere Zahlstelle in einem Mitgliedsstaat der Europäischen Union, welche nicht zu einem solchen Einbehalt oder Abzug verpflichtet ist, hätte vermindern können;

oder

(g) payments to the extent such withholding or deduction is for or on account of the presentation by the Holder of any Note for payment on a date more than 30 days after the date on which such payment became due and payable or the date on which payment thereof is duly provided for, whichever occurs later; or

(h) payments to the extent such withholding or deduction is required pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (the **Internal Revenue Code**), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Internal Revenue Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Internal Revenue Code; or

(i) any combination of items (a)-(h);

nor shall any Additional Amounts be paid with respect to any payment on a Note to a Holder who is a fiduciary or partnership or who is other than the sole beneficial owner of such payment to the extent such payment would be required by the laws of the Relevant Taxing Jurisdiction(s) to be included in the income, for tax purposes, of a beneficiary or settlor with respect to such fiduciary or a member of such partnership or a beneficial owner who would not have been entitled to such Additional Amounts had such beneficiary, settlor, member or beneficial owner been the Holder of the Note.]

For the avoidance of doubt: No Additional Amounts will be paid with respect to German *Kapitalertragsteuer* (including *Abgeltungsteuer*) to be deducted or withheld pursuant to the German Income Tax Act, even if the deduction or withholding has to be made by the Issuer or its representative, and the German Solidarity Surcharge (*Solidaritätszuschlag*) or any other tax

(g) soweit der Einbehalt oder Abzug für einen Gläubiger oder dessen Rechnung vorzunehmen ist, der Schuldverschreibungen mehr als 30 Tage nach dem Tag, an dem eine Zahlung unter den Schuldverschreibungen fällig und zahlbar wurde bzw., soweit dies später eintritt, nach dem Tag, an dem die Zahlung ordnungsgemäß vorgenommen wurde, vorgelegt hat; oder

(h) soweit der Einbehalt oder Abzug gemäß §§ 1471 bis 1474 des U.S. Internal Revenue Code von 1986 in seiner jeweils gültigen Fassung (der **Internal Revenue Code**), jeder gegenwärtigen oder zukünftigen Verordnung oder offiziellen Auslegung davon, jeder Vereinbarung, die gemäß § 1471(b) des Internal Revenue Codes eingegangen wurde oder jeder steuerlichen oder regulatorischen Gesetzgebung, sowie steuerlichen und regulatorischen Gesetzen oder Vorgehensweisen, die nach einem zwischenstaatlichen Vertrag, der zur Umsetzung der Bestimmungen des Internal Revenue Codes geschlossen wurde, vorzunehmen ist; oder

(i) jegliche Kombination der Absätze (a)-(h).

Zudem werden keine Zusätzlichen Beträge im Hinblick auf Zahlungen auf die Schuldverschreibungen an einen Gläubiger gezahlt, welcher die Zahlung als Treuhänder oder Personengesellschaft oder als sonstiger nicht alleiniger wirtschaftlicher Eigentümer erhält, soweit nach den Gesetzen der Relevanten Steuerjurisdiktion(en) eine solche Zahlung für Steuerzwecke dem Einkommen des Begünstigten bzw. Gründers eines Treuhandvermögens oder dem Gesellschafter der Personengesellschaft zugerechnet würde, der jeweils selbst nicht zum Erhalt von Zusätzlichen Beträgen berechtigt gewesen wäre, wenn der Begünstigte, Gründer eines Treuhandvermögens, Gesellschafter oder wirtschaftliche Eigentümer unmittelbarer Gläubiger der Schuldverschreibungen wäre.]

Zur Klarstellung: Keine Zusätzlichen Beträge werden gezahlt in Bezug auf die deutsche Kapitalertragsteuer (inklusive der sog. Abgeltungsteuer), die nach dem deutschen Einkommensteuergesetz abgezogen oder einbehalten wird, auch wenn der Abzug oder Einbehalt durch die Emittentin oder ihren Vertreter vorzunehmen ist, und den deutschen

which may substitute the German *Kapitalertragsteuer* or *Solidaritätszuschlag*, as the case may be.

§ 8 (PRESENTATION PERIOD)

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

§ 9 (EVENTS OF DEFAULT)

(1) Events of default.

Each Holder shall be entitled to declare due and payable by notice to the Fiscal Agent its entire claims arising from the Notes and demand immediate redemption thereof at the principal amount together with accrued interest (if any) to (but excluding) the date of repayment, in the event that:

- (a) the Issuer fails to pay principal or interest under the Notes within 10 Payment Business Days from the relevant due date, or
- (b) *[in the case of Notes issued by an issuer other than ZF Friedrichshafen AG, the following applies: the Guarantor fails to pay amounts payable under the Guarantee within 10 Payment Business Days from the relevant due date, or]*
- (c) the Issuer fails to duly perform any other material obligation arising from the Notes *[in the case of Notes issued by an issuer other than ZF Friedrichshafen AG, the following applies: or the Guarantor fails to perform any other material obligation arising from the Guarantee]* and such failure continues unremedied for more than 30 days after the Fiscal Agent has received a request thereof in the manner set forth in § 9(3) from a Holder to perform such obligation; or
- (d) the Issuer *[in the case of Notes issued by an issuer other than ZF Friedrichshafen AG, the following applies: the Guarantor]* or any Material Subsidiary fails to fulfil any payment obligation in excess of EUR 100,000,000 or the equivalent thereof

Solidaritätszuschlag oder jede andere Steuer, welche die deutsche Kapitalertragsteuer bzw. den Solidaritätszuschlag ersetzen sollte.

§ 8 (VORLEGUNGSFRIST)

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

§ 9 (KÜNDIGUNG)

(1) Kündigungsgründe.

Jeder Gläubiger ist berechtigt, seine sämtlichen Forderungen aus den Schuldverschreibungen durch Kündigung gegenüber der Emissionsstelle fällig zu stellen und die unverzügliche Rückzahlung zum Nennbetrag, zuzüglich etwaiger bis zum Tag der Rückzahlung (ausschließlich) aufgelaufener Zinsen zu verlangen, falls:

- (a) die Emittentin auf die Schuldverschreibungen Kapital oder Zinsen nicht innerhalb von 10 Zahltagen nach dem betreffenden Fälligkeitstag zahlt; oder
- (b) *[im Fall von Schuldverschreibungen, die von einer anderen Emittentin als der ZF Friedrichshafen AG begeben werden, ist folgendes anwendbar: die Garantin auf die Garantie zahlbare Beträge nicht innerhalb von 10 Zahltagen nach dem Fälligkeitstag zahlt; oder]*
- (c) die Emittentin die ordnungsgemäße Erfüllung irgendeiner anderen wesentlichen Verpflichtung aus den Schuldverschreibungen unterlässt *[im Fall von Schuldverschreibungen, die von einer anderen Emittentin als der ZF Friedrichshafen AG begeben werden, ist folgendes anwendbar: oder die Garantin die Erfüllung irgendeiner anderen wesentlichen Verpflichtung aus der Garantie unterlässt]* und die Unterlassung jeweils länger als 30 Tage fort dauert, nachdem die Emissionsstelle eine Aufforderung in der in § 9(3) vorgesehenen Art und Weise von dem Gläubiger erhalten hat, die Verpflichtung zu erfüllen; oder
- (d) die Emittentin *[im Fall von Schuldverschreibungen, die von einer anderen Emittentin als der ZF Friedrichshafen AG begeben werden, ist folgendes anwendbar: die Garantin]* oder eine Wesentliche Tochtergesellschaft eine

under any Capital Market Indebtedness of or under any guarantees or suretyships given for any Capital Market Indebtedness of others within 30 days from its due date or, in the case of such guarantee or suretyship, within 30 days of such guarantee or suretyship being invoked, unless the Issuer [*in the case of Notes issued by an issuer other than ZF Friedrichshafen AG, the following applies:*, the Guarantor] or the relevant Material Subsidiary contests in good faith that such payment obligation exists or is due or that such guarantee or suretyship has been validly invoked; or

- (e) any Capital Market Indebtedness of the Issuer [*in the case of Notes issued by an issuer other than ZF Friedrichshafen AG, the following applies:*, the Guarantor] or any Material Subsidiary in excess of EUR 100,000,000 or the equivalent thereof becomes due and payable prior to its specified maturity as a result of an event of default (however described) for which the Issuer [*in the case of Notes issued by an issuer other than ZF Friedrichshafen AG, the following applies:*, the Guarantor] or the Material Subsidiary is responsible; or
- (f) the Issuer [*in the case of Notes issued by an issuer other than ZF Friedrichshafen AG, the following applies:*, the Guarantor] or any Material Subsidiary suspends its payments generally or announces its inability to meet its financial obligations; or
- (g) any competent court institutes insolvency proceedings against the Issuer [*in the case of Notes issued by an issuer other than ZF Friedrichshafen AG, the following applies:*, the Guarantor] or a Material

Zahlungsverpflichtung in Höhe oder im Gegenwert von mehr als EUR 100.000.000 aus einer Kapitalmarktverbindlichkeit oder aufgrund einer Bürgschaft oder Garantie, die für Kapitalmarktverbindlichkeiten Dritter gegeben wurde, nicht innerhalb von 30 Tagen nach ihrer Fälligkeit bzw. im Fall einer Bürgschaft oder Garantie nicht innerhalb von 30 Tagen nach Inanspruchnahme aus dieser Bürgschaft oder Garantie erfüllt, es sei denn, die Emittentin [*im Fall von Schuldverschreibungen, die von einer anderen Emittentin als der ZF Friedrichshafen AG begeben werden, ist folgendes anwendbar:*, die Garantin] oder die betreffende Wesentliche Tochtergesellschaft bestreitet in gutem Glauben, dass diese Zahlungsverpflichtung besteht oder fällig ist bzw. diese Bürgschaft oder Garantie berechtigterweise geltend gemacht wird; oder

- (e) eine Kapitalmarktverbindlichkeit der Emittentin [*im Fall von Schuldverschreibungen, die von einer anderen Emittentin als der ZF Friedrichshafen AG begeben werden, ist folgendes anwendbar:*, der Garantin] oder einer Wesentlichen Tochtergesellschaft in Höhe oder im Gegenwert von mehr als EUR 100.000.000 vor dem Ende ihrer festgelegten Laufzeit als Folge einer von der Emittentin [*im Fall von Schuldverschreibungen, die von einer anderen Emittentin als der ZF Friedrichshafen AG begeben werden, ist folgendes anwendbar:*, der Garantin] oder einer Wesentlichen Tochtergesellschaft zu vertretenden Leistungsstörung (wie auch immer diese beschrieben ist) fällig gestellt wird; oder
- (f) die Emittentin [*im Fall von Schuldverschreibungen, die von einer anderen Emittentin als der ZF Friedrichshafen AG begeben werden, ist folgendes anwendbar:*, die Garantin] oder eine Wesentliche Tochtergesellschaft ihre Zahlungen einstellt oder ihre Zahlungsunfähigkeit bekannt gibt; oder
- (g) ein Gericht ein Insolvenzverfahren gegen die Emittentin [*im Fall von Schuldverschreibungen, die von einer anderen Emittentin als der ZF Friedrichshafen AG begeben werden, ist*

Subsidiary and such proceedings have not been discharged or stayed within 90 days, or the Issuer [*in the case of Notes issued by an issuer other than ZF Friedrichshafen AG, the following applies:*, the Guarantor] or a Material Subsidiary applies for the institution of such proceedings, or an application for the institution of such proceedings has been filed but rejected by the competent court for lack of assets, or if the Issuer [*in the case of Notes issued by an issuer other than ZF Friedrichshafen AG, the following applies:*, the Guarantor] or a Material Subsidiary offers or makes a general arrangement for the benefit of all of its creditors; or

- (h) the Issuer [*in the case of Notes issued by an issuer other than ZF Friedrichshafen AG, the following applies:*, the Guarantor] or a Material Subsidiary goes into liquidation (except in connection with a merger or reorganization or other form of combination with another company and such company or, as the case may be, companies effectively assume substantially all of the assets and liabilities of the Issuer [*in the case of Notes issued by an issuer other than ZF Friedrichshafen AG, the following applies:*, the Guarantor] or the relevant Material Subsidiary, as the case may be).

(2) No Termination.

The right to declare Notes due shall terminate if the situation giving rise to it has been cured before the right is exercised. No event or circumstance other than an event specified in § 9(1) shall entitle Holders to declare their Notes due and payable prior to their stated maturity, save as expressly provided for in these Terms and Conditions and subject to applicable mandatory law.

folgendes anwendbar:, die Garantin] oder eine Wesentliche Tochtergesellschaft eröffnet und ein solches Verfahren nicht innerhalb von 90 Tagen aufgehoben oder ausgesetzt worden ist, oder die Emittentin [*im Fall von Schuldverschreibungen, die von einer anderen Emittentin als der ZF Friedrichshafen AG begeben werden, ist folgendes anwendbar:*, die Garantin] oder eine Wesentliche Tochtergesellschaft die Eröffnung eines solchen Verfahrens beantragt, oder ein auf Eröffnung eines solchen Verfahrens gestellter Antrag von dem zuständigen Gericht mangels Masse abgelehnt wird, oder die Emittentin [*im Fall von Schuldverschreibungen, die von einer anderen Emittentin als der ZF Friedrichshafen AG begeben werden, ist folgendes anwendbar:*, die Garantin] oder eine Wesentliche Tochtergesellschaft eine allgemeine Schuldenregelung zu Gunsten all ihrer Gläubiger trifft oder diese anbietet; oder

- (h) die Emittentin [*im Fall von Schuldverschreibungen, die von einer anderen Emittentin als der ZF Friedrichshafen AG begeben werden, ist folgendes anwendbar:*, die Garantin] oder eine Wesentliche Tochtergesellschaft in Liquidation tritt (es sei denn, dies geschieht im Zusammenhang mit einer Verschmelzung, Reorganisation oder einer anderen Form des Zusammenschlusses mit einer anderen Gesellschaft oder im Zusammenhang mit einer Umwandlung, sofern die andere oder neue Gesellschaft oder gegebenenfalls die anderen neuen Gesellschaften im Wesentlichen alle Aktiva und Passiva der Emittentin [*im Fall von Schuldverschreibungen, die von einer anderen Emittentin als der ZF Friedrichshafen AG begeben werden, ist folgendes anwendbar:*, der Garantin] oder der betreffenden Wesentlichen Tochtergesellschaft übernimmt oder übernehmen).

(2) Keine Kündigung.

Das Kündigungsrecht erlischt, falls der Kündigungsgrund vor Ausübung des Rechts geheilt wurde. Vorbehaltlich anwendbaren zwingenden Rechts berechtigen andere Ereignisse oder Umstände als die in § 9(1) genannten den Gläubiger nicht dazu, seine Schuldverschreibungen vorzeitig zur Rückzahlung fällig zu stellen, es sei denn, dies ist ausdrücklich in diesen

(3) Notice.

Any default notice in accordance with § 9(1) is irrevocable and shall be made at least in text form (§ 126b of the German Civil Code, *Bürgerliches Gesetzbuch*) to the specified office of the Fiscal Agent together with evidence by means of a certificate of the Holder's Custodian (as defined in § 15(4)) that such Holder, at the time of such notice, is a holder of the relevant Notes.

(4) Quorum.

In the events specified in [§ 9(1)(c)], [§ 9(1)(d)] and/or [§ 9(1)(e)], any notice declaring Notes due shall, unless at the time such notice is received any of the events specified in § 9(1)(a)[, § 9(1)(b)] and [§ 9(1)(f)] through [§ 9(1)(h)] entitling Holders to declare their Notes due has occurred, become effective only when the Fiscal Agent has received such default notices from the Holders representing at least 10% of the aggregate principal amount of Notes then outstanding.

**§ 10
(SUBSTITUTION)**

(1) Substitution.

The Issuer (or the Substitute Debtor) may, without the consent of the Holders, if no payment of principal or of interest or any other amount in respect of the Notes is in default, at any time substitute for the Issuer [*in the case of Notes issued by an issuer other than ZF Friedrichshafen AG, the following applies:* ZF Friedrichshafen AG or] any Affiliate as principal debtor in respect of all obligations arising from or in connection with the Notes (the *Substitute Debtor*) provided that:

- (a) the Substitute Debtor assumes all obligations of the Issuer in respect of the Notes;
- (b) the Substitute Debtor has obtained all necessary governmental authorizations and may transfer to the Principal Paying Agent in the Specified Currency 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

Emissionsbedingungen bestimmt.

(3) Kündigungserklärung.

Eine Kündigungserklärung gemäß § 9(1) ist unwiderruflich und hat in der Weise zu erfolgen, dass der Gläubiger bei der angegebenen Geschäftsstelle der Emissionsstelle eine entsprechende Erklärung zumindest in Textform (§ 126b Bürgerliches Gesetzbuch) übergibt und dabei durch eine Bescheinigung seiner Depotbank (wie in § 15(4) definiert) nachweist, dass er die betreffenden Schuldverschreibungen zum Zeitpunkt der Erklärung hält.

(4) Quorum.

In den Fällen gemäß [§ 9(1)(c)], [§ 9(1)(d)] und/oder [§ 9(1)(e)] wird eine Kündigungserklärung, sofern nicht bei deren Eingang zugleich einer der in § 9(1)(a)[, § 9(1)(b)] und [§ 9(1)(f)] bis [§ 9(1)(h)] bezeichneten Kündigungsgründe vorliegt, erst wirksam, wenn bei der Emissionsstelle Kündigungserklärungen von Gläubigern im Nennbetrag von mindestens 10 % des Gesamtnennbetrages der zu diesem Zeitpunkt noch insgesamt ausstehenden Schuldverschreibungen eingegangen sind.

**§ 10
(ERSETZUNG)**

(1) Ersetzung

Die Emittentin (oder die Nachfolgeschuldnerin) ist jederzeit berechtigt, sofern sie sich nicht mit einer Zahlung von Kapital oder Zinsen oder einer anderen Zahlung aus den Schuldverschreibungen in Verzug befindet, ohne Zustimmung der Gläubiger [*im Fall von Schuldverschreibungen, die von einer anderen Emittentin als der ZF Friedrichshafen AG begeben werden, ist folgendes anwendbar:* ZF Friedrichshafen AG oder] ein verbundenes Unternehmen an Stelle der Emittentin als Hauptschuldnerin (die *Nachfolgeschuldnerin*) für alle Verpflichtungen aus und im Zusammenhang mit dieser Emission einzusetzen, vorausgesetzt, dass:

- (a) die Nachfolgeschuldnerin alle Verpflichtungen der Emittentin in Bezug auf die Schuldverschreibungen übernimmt;
- (b) die Nachfolgeschuldnerin alle erforderlichen behördlichen Genehmigungen erhalten hat und berechtigt ist, an die Hauptzahlstelle die zur Erfüllung der Zahlungsverpflichtungen auf die Schuldverschreibungen zu zahlenden Beträge in der Festgelegten Währung zu zahlen, ohne verpflichtet zu sein, jeweils in

residence, all amounts required for the fulfilment of the payment obligations arising under the Notes;

- (c) the Substitute Debtor has agreed to indemnify and hold harmless each Holder against any tax, duty, assessment or governmental charge imposed on such Holder as a result of such substitution;
- (d) [*In the case of Notes issued by ZF Friedrichshafen AG, the following applies:* the Issuer] [*in the case of Notes issued by an issuer other than ZF Friedrichshafen AG, the following applies:* the Guarantor if it is not itself the Substitute Debtor] irrevocably and unconditionally guarantees in favour of each Holder the payment of all sums payable by the Substitute Debtor in respect of the Notes on terms equivalent to the terms of [*in the case of Notes issued by ZF Friedrichshafen AG, the following applies:* the guarantee in respect of notes to be issued by an issuer other than ZF Friedrichshafen AG under its Debt Issuance Programme] [*in the case of Notes issued by an issuer other than ZF Friedrichshafen AG, the following applies:* the Guarantee];
- (e) 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(2); and
- (f) there will have been delivered to the Principal Paying Agent an opinion or opinions with respect to the relevant jurisdictions of lawyers of recognized standing to the effect that the provisions of this § 10(1) have been satisfied.

Affiliate shall mean any affiliated company (*verbundenes Unternehmen*) within the meaning of § 15 et seq. of the German Stock Corporation Act (*Aktiengesetz*) of ZF Friedrichshafen AG.

dem Land, in dem die Nachfolgeschuldnerin oder die Emittentin ihren Sitz oder Steuersitz haben, erhobene Steuern oder andere Abgaben jeder Art abzuziehen oder einzubehalten;

- (c) die Nachfolgeschuldnerin sich verpflichtet hat, jeden Gläubiger hinsichtlich solcher Steuern, Abgaben oder behördlichen Lasten freizustellen, die einem Gläubiger infolge der Ersetzung auferlegt werden;
- (d) [*Im Fall von Schuldverschreibungen, die von ZF Friedrichshafen AG begeben werden, ist folgendes anwendbar:* die Emittentin] [*im Fall von Schuldverschreibungen, die von einer anderen Emittentin als der ZF Friedrichshafen AG begeben werden, ist folgendes anwendbar:* die Garantin, falls sie nicht selbst die Nachfolgeschuldnerin ist,] unwiderruflich und unbedingt gegenüber den Gläubigern die Zahlung aller von der Nachfolgeschuldnerin auf die Schuldverschreibungen zu zahlenden Beträge zu Bedingungen garantiert, [*im Fall von Schuldverschreibungen, die von ZF Friedrichshafen AG begeben werden, ist folgendes anwendbar:* die den Bedingungen der Garantie hinsichtlich der Schuldverschreibungen, die von einer anderen Emittentin als ZF Friedrichshafen AG unter dem Debt Issuance Programme begeben werden,] [*im Fall von Schuldverschreibungen, die von einer anderen Emittentin als der ZF Friedrichshafen AG begeben werden, ist folgendes anwendbar:* die den Bedingungen der Garantie] entsprechen;
- (e) aufgrund der Ersetzung kein Ereignis eintreten würde, welches die Nachfolgeschuldnerin dazu berechtigen würde, die Schuldverschreibung gemäß § 5(2) zu kündigen und zurückzuzahlen; und
- (f) der Hauptzahlstelle jeweils ein oder mehrere Rechtsgutachten bezüglich der betroffenen Rechtsordnungen von anerkannten Rechtsanwälten vorgelegt werden, das bestätigt bzw. die bestätigen, dass die Bestimmungen in diesem § 10(1) erfüllt wurden.

Verbundenes Unternehmen bedeutet jedes mit der ZF Friedrichshafen AG verbundene Unternehmen im Sinne der §§ 15 f. Aktiengesetz.

(2) References.

In the event of a substitution pursuant to § 10(1), any reference in these Terms and Conditions to the Issuer will be a reference to the Substitute Debtor and any reference to the Federal Republic of Germany will be a reference to the Substitute Debtor's country (countries) of domicile for tax purposes. For the avoidance of doubt this will apply only to the extent that the meaning and purpose of the relevant condition does not require that the relevant reference will continue to be a reference only to ZF Friedrichshafen AG (i.e. in particular in relation to § 5(4) (Put Event following a Change of Control), or that the reference will be to the Substitute Debtor and ZF Friedrichshafen AG, in relation to ZF Friedrichshafen AG's obligations under the guarantee pursuant to § 10(1)(d), at the same time).

(3) Notice and Effectiveness of Substitution.

Notice of any substitution of the Issuer will be given by publication in accordance with § 12. Upon such publication, the substitution will become effective, and the Issuer and in the event of a repeated application of this § 10, any previous Substitute Debtor will be discharged from any and all obligations under the Notes.

(4) Appointment of Authorized Agent.

For any Proceedings (as defined in § 15(4)) before German courts, the Substitute Debtor, unless it has its domicile in Germany, shall appoint ZF Friedrichshafen AG, Löwentaler Straße 20, 88046 Friedrichshafen, Federal Republic of Germany, as its authorized agent for service of process in Germany.

**§ 11
(FURTHER ISSUES)**

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

(2) Bezugnahmen.

Im Fall einer Schuldnerersetzung gemäß § 10(1) gilt jede Bezugnahme in diesen Emissionsbedingungen auf die Emittentin als eine solche auf die Nachfolgeschuldnerin und jede Bezugnahme auf die Bundesrepublik Deutschland als eine solche auf den Staat (die Staaten), in welchem die Nachfolgeschuldnerin steuerlich ansässig ist. Klarstellend sei erwähnt, dass dies nur gilt, soweit sich nicht aus Sinn und Zweck der jeweiligen Bedingung ergibt, dass die Bezugnahme entweder weiterhin nur auf die ZF Friedrichshafen AG erfolgen soll (also insbesondere im Hinblick auf § 5(4) (Rückzahlungsereignis nach Eintritt eines Kontrollwechsels), oder dass die Bezugnahme auf die Nachfolgeschuldnerin und gleichzeitig auch auf die ZF Friedrichshafen AG, im Hinblick auf deren Verpflichtungen aus der Garantie gemäß § 10(1)(d), erfolgen soll).

(3) Bekanntmachung und Wirksamwerden der Ersetzung.

Die Ersetzung der Emittentin ist gemäß § 12 bekannt zu machen. Mit der Bekanntmachung der Ersetzung wird die Ersetzung wirksam und die Emittentin und im Falle einer wiederholten Anwendung dieses § 10 jede frühere Nachfolgeschuldnerin von ihren sämtlichen Verbindlichkeiten aus den Schuldverschreibungen frei.

(4) Bestellung eines Zustellungsbevollmächtigten.

Für etwaige Rechtsstreitigkeiten (wie in § 15(4) definiert) vor deutschen Gerichten wird die Nachfolgeschuldnerin, sofern sie ihren Sitz nicht in Deutschland hat, die ZF Friedrichshafen AG, Löwentaler Straße 20, 88046 Friedrichshafen, Bundesrepublik Deutschland, zu ihrer Zustellungsbevollmächtigten in Deutschland bestellen.

**§ 11
(BEGEBUNG WEITERER
SCHULDVERSCHREIBUNGEN)**

Die Emittentin kann ohne Zustimmung der Gläubiger weitere Schuldverschreibungen begeben, die in jeder Hinsicht (gegebenenfalls mit Ausnahme des Tags der Begebung, des Zinslaufbeginns und/oder des Ausgabepreises) die gleichen Bedingungen wie die Schuldverschreibungen dieser Anleihe haben und die zusammen mit den Schuldverschreibungen dieser Anleihe eine einheitliche Gesamtemission bilden.

**§ 12
(NOTICES)**

[In the case of Notes which are listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange, the following applies:

(1) Publication.

As long as the 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 (and as long as the rules and regulations of the Luxembourg Stock Exchange so require), all notices concerning the Notes will be made by means of electronic publication on the internet website of the Luxembourg Stock Exchange (www.bourse.lu). Any notice will be deemed to have been validly given on the third day following the date of such publication (or, if published more than once, on the third day following the date of the first such publication).

(2) Notification to Clearing System.

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 (1) shall apply. If the Rules of the Luxembourg Stock Exchange otherwise 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 as set forth in subparagraph (1) above; any such notice shall be deemed to have been given on the seventh day after the day on which the said notice was given to the Clearing System.]

[In the case of Notes which are listed on another stock exchange, the following applies:

(1) Publication.

All notices concerning the Notes will be made by means of electronic publication on the internet website of the stock exchange with respect to which the Issuer initiated the listing of the Notes, as long as the Notes are listed on such stock exchange and if the rules of such stock exchange so permit. Any such notice will be deemed to have been validly given on the third day following the date of such publication (or, if published more than once, on the third day following the date of the first such publication).

(2) Notification to Clearing System.

**§ 12
(MITTEILUNGEN)**

[Im Fall von Schuldverschreibungen, die im amtlichen Kursblatt (official list) der Luxemburger Börse notiert und zum Handel am regulierten Markt der Luxemburger Börse zugelassen sind, ist folgendes anwendbar:

(1) Bekanntmachung.

Solange Schuldverschreibungen im amtlichen Kursblatt (*official list*) der Luxemburger Börse notiert und zum Handel am regulierten Markt der Luxemburger Börse zugelassen sind (und die Vorschriften der Luxemburger Börse dies verlangen), sind alle die Schuldverschreibungen betreffenden Mitteilungen auf der Internetseite der Luxemburger Börse (www.bourse.lu) zu veröffentlichen. Jede derartige Mitteilung gilt mit dem dritten Tag nach dem Tag der Veröffentlichung (oder bei mehreren Veröffentlichungen mit dem dritten Tag nach dem Tag der ersten solchen Veröffentlichung) als wirksam erfolgt.

(2) Mitteilungen an das Clearingsystem.

Solange Schuldverschreibungen im amtlichen Kursblatt (*official list*) der Luxemburger Börse notiert und zum Handel am regulierten Markt der Luxemburger Börse zugelassen sind, sind alle die Schuldverschreibungen betreffenden Mitteilungen gemäß Absatz 1 bekanntzumachen. Soweit die Regeln der Luxemburger Börse dies zulassen, kann die Emittentin eine Veröffentlichung nach Absatz 1 durch eine Mitteilung an das Clearing System zur Weiterleitung an die Gläubiger ersetzen; jede derartige Mitteilung gilt am siebten Tag nach dem Tag der Mitteilung an das Clearing System als den Gläubigern mitgeteilt.]

[Im Fall von Schuldverschreibungen, die an einer anderen Börse notiert sind, ist folgendes anwendbar:

(1) Bekanntmachung.

Alle die Schuldverschreibungen betreffenden Mitteilungen sind auf der Internetseite der Börse, an der die Emittentin das Listing der Notes veranlasst hat zu veröffentlichen, solange die Schuldverschreibungen an dieser Börse notiert sind und die Regeln dieser Börse dies zulassen. Jede derartige Mitteilung gilt mit dem dritten Tag nach dem Tag der Veröffentlichung (oder bei mehreren Veröffentlichungen mit dem dritten Tag nach dem Tag der ersten solchen Veröffentlichung) als wirksam erfolgt.

(2) Mitteilungen an das Clearingsystem.

So long as any Notes are listed on such a stock exchange, subparagraph (1) shall apply. If the rules of such stock exchange otherwise 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 as set forth in subparagraph (1) above; any such notice shall be deemed to have been given on the seventh day after the day on which the said notice was given to the Clearing System.]

[In the case of Notes which are unlisted the following applies:

The Issuer will deliver all notices to the Clearing System for communication by the Clearing System to the Holders. Any such notice shall be deemed to have been given to the Holders on the seventh day after the day on which the said notice was given to the Clearing System.]

[In the case of Notes that provide for Resolutions of Holders the following applies:

**§ 13
AMENDMENTS TO THE TERMS AND
CONDITIONS BY RESOLUTION, JOINT
REPRESENTATIVE [IN THE CASE OF NOTES
ISSUED BY AN ISSUER OTHER THAN ZF
FRIEDRICHSHAFEN AG, THE FOLLOWING
APPLIES:; AMENDMENT OF THE
GUARANTEE]**

- (1) Majority Resolutions pursuant to the German Act on Issues of Debt Securities.

The Issuer may agree with the Holders on amendments to the Terms and Conditions by virtue of a majority resolution of the Holders pursuant to § 5 et seqq. of the German Act on Issues of Debt Securities (*Gesetz über Schuldverschreibungen aus Gesamtemissionen – 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 paragraph 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 equally upon all Holders.

- (2) Qualified Majority.

Except as provided by the following sentence and provided that the quorum requirements are

Solange Schuldverschreibungen an dieser Börse notiert sind, sind alle die Schuldverschreibungen betreffenden Mitteilungen gemäß Absatz 1 bekanntzumachen. Soweit die Regeln dieser Börse dies zulassen, kann die Emittentin eine Veröffentlichung nach Absatz 1 durch eine Mitteilung an das Clearing System zur Weiterleitung an die Gläubiger ersetzen; jede derartige Mitteilung gilt am siebten Tag nach dem Tag der Mitteilung an das Clearing System als den Gläubigern mitgeteilt.]

[Im Fall von Schuldverschreibungen, die nicht an einer Börse notiert sind, ist folgendes anwendbar:

Die Emittentin wird alle die Schuldverschreibungen betreffenden Mitteilungen an das Clearing System zur Weiterleitung an die Gläubiger übermitteln. Jede derartige Mitteilung gilt am siebten Tag nach dem Tag der Mitteilung an das Clearing System als den Gläubigern mitgeteilt.]

[Im Fall von Schuldverschreibungen, die Beschlüsse der Gläubiger vorsehen, ist folgendes anwendbar:

**§ 13
ÄNDERUNG DER EMISSIONSBEDINGUNGEN
DURCH BESCHLUSS DER GLÄUBIGER;
GEMEINSAMER VERTRETER [IM FALL VON
SCHULDVERSCHREIBUNGEN, DIE VON
EINER ANDEREN EMITTENTIN ALS DER ZF
FRIEDRICHSHAFEN AG BEGEBEN WERDEN,
IST FOLGENDES ANWENDBAR:; ÄNDERUNG
DER GARANTIE]**

- (1) Mehrheitsbeschlüsse nach dem Schuldverschreibungsgesetz.

Die Emittentin kann mit den Gläubigern gemäß §§ 5 ff. des Gesetzes über Schuldverschreibungen aus Gesamtemissionen (*Schuldverschreibungsgesetz – SchVG*) in seiner jeweils geltenden Fassung Änderungen der Emissionsbedingungen durch Mehrheitsbeschluss der Gläubiger vereinbaren. Insbesondere können die Gläubiger durch Beschluss mit der in § 13(2) genannten Mehrheit Änderungen zustimmen, durch welche der wesentliche Inhalt der Emissionsbedingungen geändert wird, einschließlich der in § 5 Abs. 3 SchVG genannten Maßnahmen. Ein ordnungsgemäß gefasster Mehrheitsbeschluss ist für alle Gläubiger gleichermaßen verbindlich.

- (2) Qualifizierte Mehrheit.

Vorbehaltlich der Bestimmungen des folgenden Satzes und der Erreichung der erforderlichen

being met, the Holders may pass resolutions by simple majority of the voting rights participating in the vote. Resolutions which materially change the substance of the Terms and Conditions, in particular in the cases of § 5 paragraph 3 numbers 1 through 9 of the SchVG, or relating to material other matters may only be passed by a majority of at least 75% of the voting rights participating in the vote (a *Qualified Majority*).

(3) Voting.

The Holders may pass resolutions in a meeting (*Gläubigerversammlung*) in accordance with § 5 et seqq. of the SchVG or by means of a vote without a meeting (*Abstimmung ohne Versammlung*) in accordance with § 18 and § 5 et seqq. of the SchVG.

(4) Holders' Meeting.

If resolutions of the Holders shall be made by means of a meeting the convening notice (*Einberufung*) will provide for 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 the Holders together with the convening notice. Attendance at the meeting and exercise of voting rights is subject to the Holders' registration. The registration must be received at the address stated in the convening notice no later than the third day preceding the meeting. As part of the registration, Holders must demonstrate their eligibility to participate in the vote by means of a special confirmation of a Custodian in accordance with § 15(4) hereof in text form and by submission of a blocking instruction by the Custodian stating that the relevant Notes are not transferable from and including the day such registration has been sent until and including the stated end of the meeting.

(5) Passing Resolutions without Holders' Meeting.

If resolutions of the Holders shall be made by means of a vote without a meeting the request for voting (*Aufforderung zur Stimmabgabe*) will provide for 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 the Holders together with the request for voting. The exercise of voting rights is subject to the Holders'

Beschlussfähigkeit können die Gläubiger Beschlüsse mit der einfachen Mehrheit der an der Abstimmung teilnehmenden Stimmrechte fassen. Beschlüsse, durch welche der wesentliche Inhalt der Emissionsbedingungen geändert wird, insbesondere in den Fällen des § 5 Abs. 3 Nr. 1 bis 9 SchVG, oder sonstige wesentliche Maßnahmen beschlossen werden, dürfen nur mit einer Mehrheit von mindestens 75 % der an der Abstimmung teilnehmenden Stimmrechte (eine *Qualifizierte Mehrheit*) gefasst werden.

(3) Abstimmung.

Die Gläubiger können Beschlüsse in einer Gläubigerversammlung gemäß §§ 5 ff. SchVG oder im Wege einer Abstimmung ohne Versammlung gemäß § 18 und §§ 5 ff. SchVG fassen.

(4) Gläubigerversammlung.

Falls Beschlüsse der Gläubiger in einer Gläubigerversammlung gefasst werden, enthält die Bekanntmachung der Einberufung nähere Angaben zu den Beschlüssen und zu den Abstimmungsmodalitäten. Die Gegenstände und Vorschläge zur Beschlussfassung werden den Gläubigern mit der Bekanntmachung der Einberufung bekannt gemacht. Die Teilnahme an der Gläubigerversammlung und die Ausübung der Stimmrechte sind von einer vorherigen Anmeldung der Gläubiger abhängig. Die Anmeldung muss unter der in der Bekanntmachung der Einberufung mitgeteilten Adresse spätestens am dritten Tag vor der Gläubigerversammlung zugehen. Mit der Anmeldung müssen die Gläubiger ihre Berechtigung zur Teilnahme an der Abstimmung durch einen in Textform erstellten besonderen Nachweis einer Depotbank gemäß § 15(4) und durch Vorlage eines Sperrvermerks der Depotbank, aus dem hervorgeht, dass die betreffenden Schuldverschreibungen ab dem Tag der Absendung der Anmeldung (einschließlich) bis zum angegebenen Ende der Gläubigerversammlung (einschließlich) nicht übertragbar sind, nachweisen.

(5) Beschlussfassung ohne Versammlung.

Falls Beschlüsse der Gläubiger im Wege einer Abstimmung ohne Versammlung gefasst werden, enthält die Aufforderung zur Stimmabgabe nähere Angaben zu den Beschlüssen und zu den Abstimmungsmodalitäten. Die Gegenstände und Vorschläge zur Beschlussfassung werden den Gläubigern mit der Aufforderung zur Stimmabgabe bekannt gemacht. Die Ausübung

registration. The registration must be received at the address stated in the request for voting no later than the third day preceding the beginning of the voting period. As part of the registration, Holders must demonstrate their eligibility to participate in the vote by means of a special confirmation of a Custodian in accordance with § 15(4) hereof in text form and by submission of a blocking instruction by the Custodian stating that the relevant Notes are not transferable from and including the day such registration has been sent until and including the day the voting period ends.

(6) Failed Quorum, Second Holders' Meeting.

If it is ascertained that no quorum exists for the meeting pursuant to § 13(4) or the vote without a meeting pursuant to § 13(5), in case of a meeting the chairman (*Vorsitzender*) may convene a second meeting in accordance with § 15 paragraph 3 sentence 2 of the SchVG or in case of a vote without a meeting the scrutineer (*Abstimmungsleiter*) may convene a second meeting within the meaning of § 15 paragraph 3 sentence 3 of the SchVG. Attendance at the second meeting and exercise of voting rights is subject to the Holders' registration. The registration must be received at the address stated in the convening notice no later than the third day preceding the second meeting. As part of the registration, Holders must demonstrate their eligibility to participate in the vote by means of a special confirmation of a Custodian in accordance with § 15(4) hereof in text form and by submission of a blocking instruction by the Custodian stating that the relevant Notes are not transferable from and including the day such registration has been sent until and including the stated end of the meeting.

(7) Holders' representative.

[If no Holders' Representative is designated in the Terms and Conditions of the Notes the following applies: 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

der Stimmrechte ist von einer vorherigen Anmeldung der Gläubiger abhängig. Die Anmeldung muss unter der in der Aufforderung zur Stimmabgabe mitgeteilten Adresse spätestens am dritten Tag vor Beginn des Abstimmungszeitraums zugehen. Mit der Anmeldung müssen die Gläubiger ihre Berechtigung zur Teilnahme an der Abstimmung durch einen in Textform erstellten besonderen Nachweis einer Depotbank gemäß § 15(4) und durch Vorlage eines Sperrvermerks der Depotbank, aus dem hervorgeht, dass die betreffenden Schuldverschreibungen ab dem Tag der Absendung der Anmeldung (einschließlich) bis zum letzten Tag des Abstimmungszeitraums (einschließlich) nicht übertragbar sind, nachweisen.

(6) Mangelnde Beschlussfähigkeit, zweite Versammlung.

Wird für die Gläubigerversammlung gemäß § 13(4) oder die Abstimmung ohne Versammlung gemäß § 13(5) die mangelnde Beschlussfähigkeit festgestellt, kann – im Fall der Gläubigerversammlung – der Vorsitzende eine zweite Versammlung im Sinne von § 15 Abs. 3 Satz 2 SchVG und – im Fall der Abstimmung ohne Versammlung – der Abstimmungsleiter eine zweite Versammlung im Sinne von § 15 Abs. 3 Satz 3 SchVG einberufen. Die Teilnahme an der zweiten Versammlung und die Ausübung der Stimmrechte sind von einer vorherigen Anmeldung der Gläubiger abhängig. Die Anmeldung muss unter der in der Bekanntmachung der Einberufung mitgeteilten Adresse spätestens am dritten Tag vor der zweiten Versammlung zugehen. Mit der Anmeldung müssen die Gläubiger ihre Berechtigung zur Teilnahme an der Abstimmung durch einen in Textform erstellten besonderen Nachweis einer Depotbank gemäß § 15(4) und durch Vorlage eines Sperrvermerks der Depotbank, aus dem hervorgeht, dass die betreffenden Schuldverschreibungen ab dem Tag der Absendung der Anmeldung (einschließlich) bis zum angegebenen Ende der Versammlung (einschließlich) nicht übertragbar sind, nachweisen.

(7) Gemeinsamer Vertreter.

[Im Fall, dass kein Gemeinsamer Vertreter in den Emissionsbedingungen der Schuldverschreibungen bestimmt ist, ist folgendes anwendbar: Die Gläubiger können durch Mehrheitsbeschluss einen gemeinsamen Vertreter der Gläubiger (der ***Gemeinsame Vertreter***) bestellen oder abberufen, und die Pflichten, Aufgaben und Befugnisse des

Holders' Representative and a limitation of liability of the Holders' Representative. § 13(2) to (6) also apply to the resolution regarding the appointment of a Holders' Representative. Appointment of a Holders' Representative may only be passed by a Qualified Majority if such Holders' Representative is to be authorized to consent, in accordance with § 13(2) hereof, to a material change in the substance of the Terms and Conditions or other material matters.]

[If the Holders' Representative is appointed in the Terms and Conditions of the Notes, the following applies: The joint representative (the **Holders' Representative**) shall be [name, address]. The Holders' Representative shall have the duties and responsibilities and powers provided for by law. The liability of the Holders' Representative shall be limited to ten times the amount of its annual remuneration, unless the Holders' Representative has acted willfully or with gross negligence. The provisions of the SchVG apply with respect to the dismissal of the Holders' Representative and the other rights and obligations of the Holders' Representative.]

(8) Publication.

Any notices concerning this § 13 shall be made exclusively pursuant to the provisions of the SchVG.

(9) Amendment of the Guarantee.

The provisions set out above applicable to the amendment of the Terms and Conditions of the Notes shall apply *mutatis mutandis* [in the case of Notes issued by an issuer other than ZF Friedrichshafen AG, the following applies: to the Guarantee and] to any guarantee granted in connection with a substitution of the Issuer.]

§ 14 (INFORMATION)

[In the case of Notes issued by ZF Friedrichshafen AG, the following applies:

- (1) The Issuer undertakes that for such time as the Notes have not been redeemed or repurchased and cancelled, to publish an English language version of the Periodic Financial Information on

Gemeinsamen Vertreters, die Übertragung der Rechte der Gläubiger auf den Gemeinsamen Vertreter und eine Beschränkung der Haftung des Gemeinsamen Vertreters festlegen. § 13(2) bis (6) gelten auch für die Beschlussfassung über die Bestellung eines Gemeinsamen Vertreters. Der Beschluss zur Bestellung eines Gemeinsamen Vertreters bedarf einer Qualifizierten Mehrheit, wenn der Gemeinsame Vertreter befugt ist, Änderungen des wesentlichen Inhalts der Emissionsbedingungen oder sonstigen wesentlichen Maßnahmen gemäß § 13(2) zuzustimmen.]

[Im Fall, dass ein Gemeinsamer Vertreter in den Emissionsbedingungen bestimmt wird, ist folgendes anwendbar: Der gemeinsame Vertreter (der **Gemeinsame Vertreter**) ist [Name, Adresse]. Der Gemeinsame Vertreter hat die Pflichten und Verantwortlichkeiten und Rechte, die ihm von Gesetzes wegen zustehen. Die Haftung des Gemeinsamen Vertreters ist auf den zehnfachen Betrag seiner jährlichen Vergütung begrenzt, es sei denn, der Gemeinsame Vertreter hat vorsätzlich oder grob fahrlässig gehandelt. Die Vorschriften des SchVG gelten im Hinblick auf die Abberufung des Gemeinsamen Vertreters und die sonstigen Rechte und Pflichten des Gemeinsamen Vertreters.]

(8) Bekanntmachung.

Bekanntmachungen betreffend diesen § 13 erfolgen ausschließlich gemäß den Bestimmungen des SchVG.

(9) Änderung der Garantie.

Die oben aufgeführten auf die Änderung der Emissionsbedingungen der Schuldverschreibungen anwendbaren Bestimmungen gelten entsprechend für [im Fall von Schuldverschreibungen, die von einer anderen Emittentin als der ZF Friedrichshafen AG begeben werden, ist folgendes anwendbar: die Bestimmungen der Garantie und] die Bestimmungen einer etwaigen im Zusammenhang mit einer Ersetzung der Emittentin gewährten Garantie.]

§ 14 (INFORMATIONEN)

[Im Fall von Schuldverschreibungen, die von der ZF Friedrichshafen AG begeben werden, ist folgendes anwendbar:

- (1) Die Emittentin verpflichtet sich, solange die Schuldverschreibungen noch nicht zurückgezahlt oder zurückgekauft und entwertet wurden, spätestens an den nachstehend

its internet website no later than on the dates specified below (or, if any such day is not a business day in Friedrichshafen, Germany, on the following business day).

Periodic Financial Information means:

(i) the audited consolidated financial statements of the Issuer prepared in accordance with Regulation (EC) No. 1606/2002 as amended from time to time or the respective applicable successor provision including the group management report which have to be published no later than six months after the end of the Issuer's preceding financial year; and

(ii) the unaudited condensed consolidated half-yearly interim financial statements of the Issuer (comprising consolidated statement of financial position, condensed consolidated statement of profit or loss and consolidated statement of cash flows) which has to be published no later than the ninetieth calendar day following the end of the second quarter of the Issuer's recent financial year.

- (2) The Issuer undertakes not to provide information about itself or any other factors which may affect the value of the Notes to any Holder in addition to the Periodic Financial Information, without providing such information to all Holders at the same time, unless the relevant Holder is provided with such information because of a legal relationship with the Issuer which is independent from its status as Holder.]

[In the case of Notes issued by an issuer other than ZF Friedrichshafen AG, the following applies:

- (1) The Guarantor has undertaken in the Guarantee that for such time as the Notes have not been redeemed or repurchased and cancelled, the Guarantor shall publish an English language version of the Periodic Financial Information on its internet website no later than on the dates specified below (or, if any such day is not a business day in Friedrichshafen, Germany, on the following business day).

bestimmten Tagen (oder, falls ein solcher Tag kein Geschäftstag in Friedrichshafen, Deutschland, ist, am nächstfolgenden Geschäftstag) eine englischsprachige Fassung der Regelmäßigen Finanzinformationen auf ihrer Internetseite zu veröffentlichen.

Regelmäßige Finanzinformationen bezeichnet:

(i) den im Einklang mit der Verordnung (EG) 1606/2002 in ihrer jeweils geltenden Fassung bzw. der jeweils anwendbaren Nachfolgeregelung aufgestellten geprüften Konzernabschluss der Emittentin einschließlich des Konzernlageberichts, der jeweils spätestens sechs Monate nach Ende des vorangegangenen Geschäftsjahrs der Emittentin veröffentlicht sein muss; und

(ii) den ungeprüften verkürzten Konzernhalbjahreszwischenabschluss der Emittentin (bestehend aus Konzernbilanz, vereinfachter Konzern-Gewinn- und Verlustrechnung und Konzern-Kapitalflussrechnung), der jeweils spätestens am neunzigsten Kalendertag nach dem Ende des zweiten Quartals des jeweils laufenden Geschäftsjahrs der Emittentin zu veröffentlichen ist.

- (2) Die Emittentin verpflichtet sich, es zu unterlassen, einem Gläubiger über die Regelmäßigen Finanzinformationen hinaus, Informationen über sich selbst oder andere Umstände, die den Wert der Schuldverschreibungen beeinflussen können, zukommen zu lassen, ohne diese Informationen zur gleichen Zeit allen Gläubigern bekannt zu machen, es sei denn, der betreffende Gläubiger erhält solche Informationen aufgrund eines Rechtsverhältnisses mit der Emittentin, das von seiner Stellung als Gläubiger der Schuldverschreibungen unabhängig ist.]

[Im Fall von Schuldverschreibungen, die von einer anderen Emittentin als der ZF Friedrichshafen AG begeben werden, ist folgendes anwendbar:

- (1) Die Garantin hat sich in der Garantie verpflichtet, solange die Schuldverschreibungen noch nicht zurückgezahlt oder zurückgekauft und entwertet wurden, spätestens an den nachstehend bestimmten Tagen (oder, falls ein solcher Tag kein Geschäftstag in Friedrichshafen, Deutschland, ist, am nächstfolgenden Geschäftstag) eine englischsprachige Fassung der Regelmäßigen Finanzinformationen auf ihrer Internetseite zu veröffentlichen.

Periodic Financial Information means

(i) the audited consolidated financial statements of the Guarantor prepared in accordance with Regulation (EC) No. 1606/2002 as amended from time to time or the respective applicable successor provision including the group management report which have to be published no later than six months after the end of the Guarantor's preceding financial year; and

(ii) the unaudited condensed consolidated half-yearly interim financial statements of the Guarantor (comprising consolidated statement of financial position, condensed consolidated statement of profit or loss and consolidated statement of cash flows) which has to be published no later than the ninetieth day following the end of the second quarter of the Guarantor's recent financial year.

- (2) The Guarantor has undertaken in the Guarantee not to provide information about the Guarantor or any other factors which may affect the value of the Notes to any Holder in addition to the Periodic Financial Information, without providing such information to all Holders at the same time, unless the relevant Holder is provided with such information because of a legal relationship with the Guarantor which is independent from its status as Holder.]

**§ 15
(FINAL PROVISIONS)**

- (1) Applicable Law.

The Notes are governed by, and construed in accordance with, the laws of the Federal Republic of Germany.

- (2) Place of Jurisdiction.

Subject to any mandatory jurisdiction for specific proceedings under the SchVG, the non-exclusive place of jurisdiction for all proceedings arising from matters provided for in these Terms and Conditions will be Frankfurt am Main. The Issuer irrevocably waives any objection which it might now or hereafter have to the courts of Frankfurt am Main being nominated as the forum to hear and determine any proceedings and to settle any disputes and agrees not to claim that any of those courts is not a convenient or appropriate forum.

Regelmäßige Finanzinformationen bezeichnet

(i) den im Einklang mit der Verordnung (EG) 1606/2002 in ihrer jeweils geltenden Fassung bzw. der jeweils anwendbaren Nachfolgeregelung aufgestellten geprüften Konzernabschluss der Garantin einschließlich des Konzernlageberichts, der jeweils spätestens sechs Monate nach Ende des vorangegangenen Geschäftsjahrs der Garantin veröffentlicht sein muss; und

(ii) den ungeprüften verkürzten Konzernhalbjahreszwischenabschluss der Garantin (bestehend aus Konzernbilanz, vereinfachter Konzern-Gewinn- und Verlustrechnung und Konzern-Kapitalflussrechnung), der jeweils spätestens am neunzigsten Tag nach dem Ende des zweiten Quartals des jeweils laufenden Geschäftsjahrs der Garantin zu veröffentlichen ist.

- (2) Die Garantin hat sich in der Garantie dazu verpflichtet, es zu unterlassen, einem Gläubiger über die Regelmäßigen Finanzinformationen hinaus, Informationen über die Garantin oder andere Umstände, die den Wert der Schuldverschreibungen beeinflussen können, zukommen zu lassen, ohne diese Informationen zur gleichen Zeit allen Gläubigern bekannt zu machen, es sei denn, der betreffende Gläubiger erhält solche Informationen aufgrund eines Rechtsverhältnisses mit der Garantin, das von seiner Stellung als Gläubiger der Schuldverschreibungen unabhängig ist.]

**§ 15
(SCHLUSSBESTIMMUNGEN)**

- (1) Anzuwendendes Recht.

Form und Inhalt der Schuldverschreibungen bestimmen sich nach dem Recht der Bundesrepublik Deutschland.

- (2) Gerichtsstand.

Vorbehaltlich eines zwingend vorgeschriebenen Gerichtsstands für bestimmte Verfahren nach dem SchVG ist Frankfurt am Main nicht-ausschließlicher Gerichtsstand für alle Rechtsstreitigkeiten aus den in diesen Emissionsbedingungen geregelten Angelegenheiten. Die Emittentin verzichtet unwiderruflich auf jede Einrede, die sie jetzt oder später dagegen geltend machen könnte, dass die zuständigen Gerichte von Frankfurt am Main als Gerichtsstand für die Anhörung und Entscheidung von Verfahren und die Beilegung von Rechtsstreitigkeiten benannt sind, und verpflichtet sich, keine Rüge der Unzuständigkeit gegen eines dieser Gerichte zu

(3) Place of Performance.

Place of performance will be Frankfurt am Main, Federal Republic of Germany.

(4) Enforcement of Rights.

Any Holder may in any proceedings against the Issuer [*in the case of Notes issued by an issuer other than ZF Friedrichshafen AG, the following applies:* or the Guarantor] or to which the Holder and the Issuer [*in the case of Notes issued by an issuer other than ZF Friedrichshafen AG, the following applies:* or the Guarantor] are parties protect and enforce in his own name his rights arising under the Notes on the basis of:

- (a) a certificate issued by his Custodian (A) stating the full name and address of the Holder, (B) specifying an aggregate principal amount of Notes credited on the date of such statement to such Holder's securities account(s) maintained with his Custodian and (C) confirming that his Custodian has given a written notice to the Clearing System and the Principal Paying Agent containing the information specified in (A) and (B) and bearing acknowledgements of the Clearing System and the relevant account holder in the Clearing System and
- (b) a copy of the Global Note relating to the Notes, certified as being a true copy by a duly authorized officer of the Clearing System or the Principal Paying Agent; or
- (c) any other means of evidence permitted in legal proceedings in the country of enforcement.

Custodian means any bank or other financial institution with which the Holder maintains a securities account in respect of any Notes and having an account maintained with the Clearing System, including the Clearing System.

**§ 16
(LANGUAGE)**

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

erheben.

(3) Erfüllungsort.

Erfüllungsort ist Frankfurt am Main, Bundesrepublik Deutschland.

(4) Geltendmachung von Rechten.

Jeder Gläubiger ist berechtigt, in jedem Rechtsstreit gegen die Emittentin [*im Fall von Schuldverschreibungen, die von einer anderen Emittentin als der ZF Friedrichshafen AG begeben werden, ist folgendes anwendbar:* oder die Garantin] oder in jedem Rechtsstreit, in dem der Gläubiger und die Emittentin [*im Fall von Schuldverschreibungen, die von einer anderen Emittentin als der ZF Friedrichshafen AG begeben werden, ist folgendes anwendbar:* oder die Garantin] Partei sind, seine Rechte aus den Schuldverschreibungen im eigenen Namen geltend zu machen gegen Vorlage:

- (a) einer Bescheinigung der Depotbank, die (A) den vollen Namen und die volle Anschrift des Gläubigers bezeichnet, (B) den Gesamtnennbetrag von Schuldverschreibungen angibt, die am Ausstellungstag dieser Bescheinigung den bei dieser Depotbank bestehenden Depots dieses Gläubigers gutgeschrieben sind und (C) bestätigt, dass die Depotbank dem Clearingsystem und der Hauptzahlstelle eine schriftliche Mitteilung gemacht hat, die die Angaben gemäß (A) und (B) enthält und Bestätigungsvermerke des Clearingsystems sowie des betroffenen Kontoinhabers bei dem Clearingsystem trägt sowie
- (b) einer von einem Vertretungsberechtigten des Clearingsystems oder der Hauptzahlstelle bestätigten Ablichtung der Globalurkunde; oder
- (c) eines anderen, in Rechtsstreitigkeiten in dem Land der Geltendmachung zulässigen Beweismittels.

Depotbank bezeichnet ein Bank- oder sonstiges Finanzinstitut, bei dem der Gläubiger Schuldverschreibungen im Depot verwahren lässt und das ein Konto bei dem Clearingsystem hat, einschließlich des Clearingsystems.

**§ 16
(SPRACHE)**

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

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

[If the Terms and Conditions are to be in the English language with a German language translation, the following applies:

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

[If the Terms and Conditions are to be in the English language only, the following applies:

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

[If the Notes are publicly offered in whole or in part in Germany or distributed in whole or in part to non-professional investors in Germany with English language Conditions, the following applies:

Eine deutsche Übersetzung der Emissionsbedingungen wird bei der ZF Friedrichshafen AG, Löwentaler Straße 20, 88046 Friedrichshafen, Bundesrepublik Deutschland zur kostenlosen Ausgabe bereitgehalten.]

Diese Emissionsbedingungen 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.]

[Falls die Emissionsbedingungen in englischer Sprache mit einer Übersetzung in die deutsche Sprache abgefasst sind, ist folgendes anwendbar:

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

[Falls die Emissionsbedingungen ausschließlich in deutscher Sprache abgefasst sind, ist folgendes anwendbar:

Diese Emissionsbedingungen sind ausschließlich in deutscher Sprache abgefasst.]

FORM OF FINAL TERMS

[MiFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, **MiFID II**); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate [Consider any negative target market]. Any person subsequently offering, selling or recommending the Notes (a **Distributor**) should take into consideration the manufacturer['s/s'] target market assessment; however, a Distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels. [ZF Friedrichshafen AG is not]¹⁰ [None of ZF Friedrichshafen AG and ZF Finance GmbH is]¹¹ a manufacturer or Distributor for the purposes of MiFID II and its supplementing EU legislative acts.]¹² [•]

[MiFID II PRODUKTÜBERWACHUNGSPFLICHTEN / ZIELMARKT PROFESSIONELLE INVESTOREN UND GEEIGNETE GEGENPARTEIEN – Die Zielmarktbestimmung im Hinblick auf die Schuldverschreibungen hat – ausschließlich für den Zweck des Produktgenehmigungsverfahrens [des/jedes] Konzepteurs – zu dem Ergebnis geführt, dass: (i) der Zielmarkt für die Schuldverschreibungen ausschließlich geeignete Gegenparteien und professionelle Kunden, jeweils im Sinne der Richtlinie 2014/65/EU (in der jeweils gültigen Fassung, **MiFID II**), umfasst und (ii) alle Kanäle für den Vertrieb der Schuldverschreibungen an geeignete Gegenparteien und professionelle Kunden angemessen sind [Negativen Zielmarkt berücksichtigen]. Jede Person, die in der Folge die Schuldverschreibungen anbietet, verkauft oder empfiehlt (ein **Vertriebsunternehmen**) soll die Beurteilung des Zielmarkts [des/der] Konzepteur[s/e] berücksichtigen; ein Vertriebsunternehmen, welches MiFID II unterliegt, ist indes dafür verantwortlich, seine eigene Zielmarktbestimmung im Hinblick auf die Schuldverschreibungen durchzuführen (entweder durch die Übernahme oder durch die Präzisierung der Zielmarktbestimmung [des/der] Konzepteur[s/e]) und angemessene Vertriebskanäle zu bestimmen. [ZF Friedrichshafen AG ist kein]¹³ [Weder ZF Friedrichshafen noch ZF Finance GmbH sind ein]¹⁴ Konzepteur oder ein Vertriebsunternehmen für Zwecke der MiFID II und diese ergänzende EU Rechtsakte.]¹⁵ [•]

[UNITED KINGDOM (UK) MiFIR PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the UK Financial Conduct Authority (**FCA**) Handbook Conduct of Business Sourcebook (**COBS**), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of UK law by virtue of the European Union (Withdrawal) Act 2018 (**UK MiFIR**); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate [Consider any negative target market]. Any person subsequently offering, selling or recommending the Notes (a **Distributor**) should take into consideration the manufacturer['s/s'] target market assessment; however, a Distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the **UK MiFIR Product Governance Rules**) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels. [ZF Friedrichshafen AG is not]¹⁶ [None of ZF

¹⁰ Include in case ZF Friedrichshafen AG is the issuer of the relevant Notes.

¹¹ Include in case ZF Finance GmbH is the issuer of the relevant Notes.

¹² Include legend in case MiFID II target market assessment in respect of the Notes is "Professional Investors and Eligible Counterparties only".

¹³ Einfügen, wenn ZF Friedrichshafen AG die Emittentin der betreffenden Schuldverschreibungen ist.

¹⁴ Einfügen, wenn ZF Finance GmbH die Emittentin der betreffenden Schuldverschreibungen ist.

¹⁵ Legende einsetzen, wenn MiFID II Zielmarktbestimmung im Hinblick auf die Schuldverschreibungen ergeben hat "Ausschließlich Professionelle Investoren und Geeignete Gegenparteien".

¹⁶ Include in case ZF Friedrichshafen AG is the issuer of the relevant Notes.

Friedrichshafen AG and ZF Finance GmbH is]¹⁷ a manufacturer or Distributor for the purposes of the UK MiFIR Product Governance Rules.]¹⁸

[VEREINIGTES KÖNIGREICH (VK) MiFIR PRODUKTÜBERWACHUNGSPFLICHTEN / ZIELMARKT PROFESSIONELLE INVESTOREN UND GEEIGNETE GEGENPARTEIEN – Die Zielmarktbestimmung im Hinblick auf die Schuldverschreibungen hat – ausschließlich für den Zweck des Produktgenehmigungsverfahrens [des/jedes] Konzepteurs – zu dem Ergebnis geführt, dass: (i) der Zielmarkt für die Schuldverschreibungen ausschließlich geeignete Gegenparteien, im Sinne des Handbuchs der Finanzaufsicht des VK (Financial Conduct Authority - **FCA**) "Conduct of Business Sourcebook" (**COBS**), und professionelle Kunden, im Sinne der Verordnung (EU) Nr. 600/2014, welche durch das EU Austrittsabkommen 2018 Teil des Rechts des VK ist (**VK MiFIR**), umfasst und (ii) alle Kanäle für den Vertrieb der Schuldverschreibungen an geeignete Gegenparteien und professionelle Kunden angemessen sind [Negativen Zielmarkt berücksichtigen]. Jede Person, die in der Folge die Schuldverschreibungen anbietet, verkauft oder empfiehlt (ein **Vertriebsunternehmen**) soll die Beurteilung des Zielmarkts [des/der] Konzepteur[s/e] berücksichtigen; ein VK Vertriebsunternehmen, welches dem Handbuch der FCA "Product Intervention and Product Governance Sourcebook" (**VK MiFIR Bestimmungen zu Produktüberwachungspflichten**) unterliegt, ist indes dafür verantwortlich, seine eigene Zielmarktbestimmung im Hinblick auf die Schuldverschreibungen durchzuführen (entweder durch die Übernahme oder durch die Präzisierung der Zielmarktbestimmung [des/der] Konzepteur[s/e]) und angemessene Vertriebskanäle zu bestimmen. [ZF Friedrichshafen AG ist kein]¹⁹ [Weder ZF Friedrichshafen AG noch ZF Finance GmbH sind ein]²⁰ Konzepteur oder ein Vertriebsunternehmen für Zwecke der VK MiFIR Bestimmungen zu Produktüberwachungspflichten.]]²¹

[MIFID II PRODUCT GOVERNANCE / RETAIL INVESTORS, PROFESSIONAL INVESTORS AND ECPS TARGET MARKET – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties, professional clients and retail clients, each as defined in Directive 2014/65/EU (as amended, **MiFID II**); **EITHER**²² [and (ii) all channels for distribution of the Notes are appropriate, including investment advice, portfolio management, non-advised sales and pure execution services] **OR**²³ [(ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the Notes to retail clients are appropriate - investment advice[,/ and] portfolio management[,/ and][non-advised sales][and pure execution services][, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable]] [Consider any negative target market]. Any person subsequently offering, selling or recommending the Notes (a **Distributor**) should take into consideration the manufacturer['s/s'] target market assessment; however, a Distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels[, subject to the Distributor's suitability and appropriateness obligations under MiFID II, as applicable].²⁴ [ZF Friedrichshafen AG is not]²⁵ [None of ZF Friedrichshafen AG and ZF Finance GmbH is]²⁶ a manufacturer or Distributor for the purposes of MiFID II and its supplementing EU legislative acts.]]²⁷ [•]

¹⁷ Include in case ZF Finance GmbH is the issuer of the relevant Notes.

¹⁸ Include legend in case UK MiFIR target market assessment in respect of the Notes is "Professional Investors and Eligible Counterparties only".

¹⁹ Einfügen, wenn ZF Friedrichshafen AG die Emittentin der betreffenden Schuldverschreibungen ist.

²⁰ Einfügen, wenn ZF Finance GmbH die Emittentin der betreffenden Schuldverschreibungen ist.

²¹ Legende einsetzen, wenn VK MiFIR Zielmarktbestimmung im Hinblick auf die Schuldverschreibungen ergeben hat "Ausschließlich Professionelle Investoren und Geeignete Gegenparteien".

²² Include for Notes that are not ESMA complex pursuant to the Guidelines on complex debt instruments and structured deposits (ESMA/2015/1787) (the **ESMA Guidelines**).

²³ Include for Notes that are ESMA complex pursuant to the ESMA Guidelines. This list may need to be amended, for example, if advised sales are deemed necessary. If there are advised sales, a determination of suitability and appropriateness will be necessary. In addition, if the Notes constitute "complex" products, pure execution services to retail clients are not permitted without the need to make the determination of appropriateness required under article 25(3) of MiFID II.

²⁴ If there are advised sales, a determination of suitability will be necessary.

²⁵ Include in case ZF Friedrichshafen AG is the issuer of the relevant Notes.

²⁶ Include in case ZF Finance GmbH is the issuer of the relevant Notes.

²⁷ Include legend in case MiFID II target market assessment in respect of the Notes is "Retail Investor Target Market."

[MiFID II PRODUKTÜBERWACHUNGSPFLICHTEN / ZIELMARKT KLEINANLEGER, PROFESSIONELLE INVESTOREN UND GEEIGNETE GEGENPARTEIEN - Die Zielmarktbestimmung im Hinblick auf die Schuldverschreibungen hat – ausschließlich für den Zweck des Produktgenehmigungsverfahrens [des/jedes] Konzepteurs – zu dem Ergebnis geführt, dass (i) der Zielmarkt für die Schuldverschreibungen geeignete Gegenparteien, professionelle Kunden und Kleinanleger, jeweils im Sinne der Richtlinie 2014/65/EU (in der jeweils gültigen Fassung, **MiFID II**), umfasst; **ENTWEDER**²⁸ [und (ii) alle Kanäle für den Vertrieb der Schuldverschreibungen angemessen sind, einschließlich Anlageberatung, Portfolio-Management, Verkäufe ohne Beratung und reine Ausführungsdienstleistungen] **ODER**²⁹ [und (ii) alle Kanäle für den Vertrieb der Schuldverschreibungen an professionelle Investoren und geeignete Gegenparteien angemessen sind die folgenden Kanäle für den Vertrieb der Schuldverschreibungen an Kleinanleger angemessen sind - Anlageberatung[,/ und] Portfolio-Management[,/ und][Verkäufe ohne Beratung][und reine Ausführungsdienstleistungen][, nach Maßgabe der Pflichten des Vertriebsunternehmens unter MiFID II im Hinblick auf Geeignetheit bzw. Angemessenheit]] [Negativen Zielmarkt berücksichtigen]. Jede Person, die in der Folge die Schuldverschreibungen anbietet, verkauft oder empfiehlt (ein **Vertriebsunternehmen**) soll die Beurteilung des Zielmarkts [des/der] Konzepteur[s/e] berücksichtigen; ein Vertriebsunternehmen, welches MiFID II unterliegt, ist indes dafür verantwortlich, seine eigene Zielmarktbestimmung im Hinblick auf die Schuldverschreibungen durchzuführen (entweder durch die Übernahme oder durch die Präzisierung der Zielmarktbestimmung [des/der] Konzepteur[s/e]) und angemessene Vertriebskanäle[nach Maßgabe der Pflichten des Vertriebsunternehmens unter MiFID II im Hinblick auf Geeignetheit bzw. Angemessenheit]³⁰, zu bestimmen. [ZF Friedrichshafen AG ist kein]³¹ [Weder ZF Friedrichshafen noch ZF Finance GmbH sind ein]³² Konzepteur oder ein Vertriebsunternehmen für Zwecke der MiFID II und diese ergänzende EU Rechtsakte.]³³ [•]

[UNITED KINGDOM (UK) MiFIR PRODUCT GOVERNANCE / RETAIL INVESTORS, PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is retail clients, as defined in point (8) of article 2 of Regulation (EU) No 2017/565 as it forms part of UK law by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**), and eligible counterparties, as defined in the UK Financial Conduct Authority (**FCA**) Handbook Conduct of Business Sourcebook (**COBS**), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of UK law by virtue of the EUWA (**UK MiFIR**); **EITHER**³⁴ [and (ii) all channels for distribution of the Notes are appropriate[, including investment advice, portfolio management, non-advised sales and pure execution services]³⁵] **OR**³⁶ [(ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the Notes to retail clients are appropriate - investment advice[,/ and] portfolio management[,/ and][non-advised sales][and pure execution services][, subject to the distributor's suitability and appropriateness obligations under COBS, as applicable]] [Consider any negative target market]. Any person subsequently offering, selling or recommending the Notes (a **Distributor**) should take into consideration the manufacturer[s/s'] target market assessment; however, a Distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the **UK MiFIR Product Governance Rules**) is responsible for

²⁸ Einfügen für Schuldverschreibungen, die nicht nach den Leitlinien zu komplexen Schuldtiteln und strukturierten Einlagen (ESMA/2015/1787) (die **ESMA Leitlinien**) ESMA komplex sind.

²⁹ Einfügen im Fall von Schuldverschreibungen, die nach den ESMA Leitlinien ESMA komplex sind. Diese Liste muss gegebenenfalls angepasst werden, z.B. wenn Anlageberatung für erforderlich gehalten wird. Im Fall der Anlageberatung ist die Bestimmung der Geeignetheit und Angemessenheit notwendig. Wenn die Schuldverschreibungen "komplexe" Produkte sind, ist außerdem die bloße Ausführung von Kundenaufträgen von Privatanlegern ohne Bestimmung der Angemessenheit nach Artikel 25(3) MiFID II nicht zulässig.

³⁰ Im Fall von Beratungsverkäufen ist eine Angemessenheitsprüfung erforderlich.

³¹ Einfügen, wenn ZF Friedrichshafen AG die Emittentin der betreffenden Schuldverschreibungen ist.

³² Einfügen, wenn ZF Finance GmbH die Emittentin der betreffenden Schuldverschreibungen ist.

³³ Legende einsetzen, wenn MiFID II Zielmarktbestimmung im Hinblick auf die Schuldverschreibungen ergeben hat "Zielmarkt Kleinanleger".

³⁴ Include for Notes that are not ESMA complex (in the UK context, as reflected in COBS)

³⁵ This list may not be necessary, especially for Notes that are not ESMA complex (in the UK context, as reflected in COBS) where all channels of distribution may be appropriate. It reflects the list used in the examples in the ESMA Guidelines.

³⁶ Include for certain ESMA complex Notes (in the UK context, as reflected in COBS). This list may need to be amended, for example, if advised sales are deemed necessary. If there are advised sales, a determination of suitability will be necessary. In addition, if the Notes constitute "complex" products, pure execution services are not permitted to retail without the need to make the determination of appropriateness.

undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[s/s] target market assessment) and determining appropriate distribution channels[, subject to the Distributor's suitability and appropriateness obligations under COBS, as applicable].³⁷ [ZF Friedrichshafen AG is not]³⁸ [None of ZF Friedrichshafen AG and ZF Finance GmbH is]³⁹ a manufacturer or Distributor for the purposes of the UK MiFIR Product Governance Rules.]⁴⁰ [•]

[VEREINIGTES KÖNIGREICH (VK) MiFIR PRODUKTÜBERWACHUNGSPFLICHTEN / ZIELMARKT KLEINANLEGER, PROFESSIONELLE INVESTOREN UND GEEIGNETE GEGENPARTEIEN – Die Zielmarktbestimmung im Hinblick auf die Schuldverschreibungen hat – ausschließlich für den Zweck des Produktgenehmigungsverfahrens [des/jedes] Konzepteurs – zu dem Ergebnis geführt, dass (i) der Zielmarkt für die Schuldverschreibungen Kleinanleger, im Sinne von Artikel 2 Nr. 8 der Verordnung (EU) Nr. 2017/565, welche durch das EU Austrittsabkommen 2018 (EUWA) Teil des Rechts des VK ist und geeignete Gegenparteien im Sinne des Handbuchs der Finanzaufsicht des VK (Financial Conduct Authority - FCA) "Conduct of Business Sourcebook" (COBS), und professionelle Kunden, jeweils im Sinne der Verordnung (EU) Nr. 600/2014, welche durch das EUWA Teil des Rechts des VK ist (VK MiFIR), umfasst; ENTWEDER⁴¹ [und (ii) alle Kanäle für den Vertrieb der Schuldverschreibungen angemessen sind [einschließlich Anlageberatung, PortfolioManagement, Verkäufe ohne Beratung und reine Ausführungsdienstleistungen]⁴²] ODER⁴³ [(ii) alle Kanäle für den Vertrieb der Schuldverschreibungen an geeignete Gegenparteien und professionelle Kunden angemessen sind und (iii) die folgenden Kanäle für den Vertrieb der Schuldverschreibungen an Kleinanleger angemessen sind – Anlageberatung[,][und] Portfolio-Management[,/ und][Verkäufe ohne Beratung][und reine Ausführungsdienstleistungen][nach Maßgabe der Pflichten des Vertriebsunternehmens unter COBS im Hinblick auf Geeignetheit bzw. Angemessenheit]] [Negativen Zielmarkt berücksichtigen]. Jede Person, die in der Folge die Schuldverschreibungen anbietet, verkauft oder empfiehlt (ein Vertriebsunternehmen) soll die Beurteilung des Zielmarkts [des/der] Konzepteur[s/e] berücksichtigen; ein Vertriebsunternehmen, welches dem FCA Handbook Product Intervention and Product Governance Sourcebook (die VK MiFIR Bestimmungen zu Produktüberwachungspflichten) unterliegt, ist indes dafür verantwortlich, seine eigene Zielmarktbestimmung im Hinblick auf die Schuldverschreibungen durchzuführen (entweder durch die Übernahme oder durch die Präzisierung der Zielmarktbestimmung [des/der] Konzepteur[s/e]) und angemessene Vertriebskanäle [nach Maßgabe der Pflichten des Vertriebsunternehmens unter COBS im Hinblick Geeignetheit bzw. Angemessenheit]⁴⁴, zu bestimmen.]] [ZF Friedrichshafen AG ist kein]⁴⁵ [Weder ZF Friedrichshafen AG noch ZF Finance GmbH sind ein]⁴⁶ Konzepteur oder ein Vertriebsunternehmen für Zwecke der VK MiFIR Bestimmungen zu Produktüberwachungspflichten.]]⁴⁷

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (EEA). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of

³⁷ If the Notes constitute "complex" products, pure execution services are not permitted to retail without the need to make the determination of appropriateness. If there are advised sales, a determination of suitability will be necessary.

³⁸ Include in case ZF Friedrichshafen AG is the issuer of the relevant Notes.

³⁹ Include in case ZF Finance GmbH is the issuer of the relevant Notes.

⁴⁰ Include legend in case MiFID II target market assessment in respect of the Notes is "Retail Investor Target Market."

⁴¹ Einfügen für Schuldverschreibungen, die nicht ESMA komplex sind (im VK-Kontext, wie in COBS reflektiert).

⁴² Diese Liste ist möglicherweise nicht erforderlich, insbesondere für Schuldverschreibungen, die nicht ESMA komplex sind (im VK-Kontext, wie in COBS reflektiert) und bei denen alle Kanäle für den Vertrieb angemessen sein können. Sie spiegelt die Liste wider, die in den Beispielen der ESMA Leitlinien verwendet wird.

⁴³ Einfügen für bestimmte ESMA komplexe Schuldverschreibungen (im VK-Kontext, wie in COBS definiert). Diese Liste muss gegebenenfalls angepasst werden, z.B. wenn Anlageberatung für erforderlich gehalten wird. Im Fall der Anlageberatung ist die Bestimmung der Geeignetheit und Angemessenheit notwendig. Wenn die Schuldverschreibungen "komplexe" Produkte sind, ist außerdem die bloße Ausführung von Kundenaufträgen von Privatanlegern ohne Bestimmung der Angemessenheit nicht zulässig.

⁴⁴ Wenn die Schuldverschreibungen "komplexe" Produkte sind, ist die bloße Ausführung von Kundenaufträgen von Privatanlegern ohne Bestimmung der Angemessenheit nicht zulässig. Im Fall der Anlageberatung ist die Bestimmung der Geeignetheit und Angemessenheit notwendig.

⁴⁵ Einfügen, wenn ZF Friedrichshafen AG die Emittentin der betreffenden Schuldverschreibungen ist.

⁴⁶ Einfügen, wenn ZF Finance GmbH die Emittentin der betreffenden Schuldverschreibungen ist.

⁴⁷ Legende einsetzen, wenn VK MiFIR Zielmarktbestimmung im Hinblick auf die Schuldverschreibungen ergeben hat "Zielmarkt Kleinanleger".

article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); or (ii) a customer within the meaning of Directive 2016/97/EU (as amended), where that customer would not qualify as a professional client as defined in point (10) of article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended or superseded, the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]⁴⁸

[VERBOT DES VERKAUFS AN KLEINANLEGER IM EUROPÄISCHEN WIRTSCHAFTSRAUM – Die Schuldverschreibungen sind nicht zum Angebot, zum Verkauf oder zur sonstigen Zurverfügungstellung an Kleinanleger im Europäischen Wirtschaftsraum (EWR) bestimmt und sollten Kleinanlegern im EWR nicht angeboten, nicht an diese verkauft und diesen auch nicht in sonstiger Weise zur Verfügung gestellt werden. Für die Zwecke dieser Bestimmung bezeichnet der Begriff Kleinanleger eine Person, die eines (oder mehrere) der folgenden Kriterien erfüllt: (i) sie ist ein Kleinanleger im Sinne von Artikel 4 Abs. 1 Nr. 11 der Richtlinie 2014/65/EU (in ihrer jeweils gültigen Fassung, **MiFID II**); (ii) sie ist ein Kunde im Sinne der Richtlinie 2016/97/EU (wie ergänzt oder ersetzt), soweit dieser Kunde nicht als professioneller Kunde im Sinne von Artikel 4 Abs. 1 Nr. 10 MiFID II gilt. Entsprechend wurde kein nach der Verordnung (EU) Nr. 1286/2014 (in ihrer jeweils gültigen oder ersetzten Fassung, die **PRIIPs-Verordnung**) erforderliches Basisinformationsblatt für das Angebot oder den Verkauf oder die sonstige Zurverfügungstellung der Schuldverschreibungen an Kleinanleger im EWR erstellt; daher kann das Angebot oder der Verkauf oder die sonstige Zurverfügungstellung der Schuldverschreibungen an Kleinanleger im EWR nach der PRIIPs-Verordnung rechtswidrig sein.]⁴⁹

[PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (UK). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of article 2 of Regulation (EU) No 2017/565 as it forms part of UK law by virtue of the European Union (Withdrawal) Act 2018 (EUWA); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended (FSMA) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of UK law by virtue of the EUWA (the **UK PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]⁵⁰

[VERBOT DES VERKAUFS AN KLEINANLEGER IM VEREINIGTEN KÖNIGREICH – Die Schuldverschreibungen sind nicht zum Angebot, zum Verkauf oder zur sonstigen Zurverfügungstellung an Kleinanleger im Vereinigten Königreich (VK) bestimmt und sollten Kleinanlegern im VK nicht angeboten, nicht an diese verkauft und diesen auch nicht in sonstiger Weise zur Verfügung gestellt werden. Für die Zwecke dieser Bestimmung bezeichnet der Begriff Kleinanleger eine Person, die eines (oder mehrere) der folgenden Kriterien erfüllt: (i) sie ist ein Kleinanleger im Sinne von Artikel 2 Nr. 8 der Verordnung (EU) Nr. 2017/565, welche durch das EU Austrittsabkommen 2018 (EUWA) Teil des Rechts des VK ist; oder (ii) sie ist ein Kunde im Sinne der Regelungen des Financial Services and Markets Act 2000, in seiner jeweils gültigen Fassung (FSMA) und aller Vorschriften und Verordnungen, die im Rahmen des FSMA zur Umsetzung der Richtlinie (EU) 2016/97 erlassen wurden, soweit dieser Kunde nicht als professioneller Kunde im Sinne von Artikel 2 Abs. 1 Nr. 8 der Verordnung (EU) Nr. 600/2014 gilt, welche durch EUWA Teil des Rechts des VK ist. Entsprechend wurde kein nach der Verordnung (EU) Nr. 1286/2014, welche durch EUWA Teil des Rechts des VK ist (die **VK PRIIPs-Verordnung**), erforderliches Basisinformationsblatt für das Angebot oder den

⁴⁸ To be included in case "Prohibition of Sales to EEA Retail Investors" is selected to be "applicable" in Part II of the Final Terms.

⁴⁹ Legende einzufügen, sofern in Teil II der Endgültigen Bedingungen "Verbot des Verkaufs an Kleinanleger im Europäischen Wirtschaftsraum" für "anwendbar" erklärt wird.

⁵⁰ To be included in case "Prohibition of Sales to UK Retail Investors" is selected to be "applicable" in Part II of the Final Terms.

Verkauf oder die sonstige Zurverfügungstellung der Schuldverschreibungen an Kleinanleger im VK erstellt; daher kann das Angebot oder der Verkauf oder die sonstige Zurverfügungstellung der Schuldverschreibungen an Kleinanleger im VK nach der VK PRIIPs-Verordnung rechtswidrig sein.]⁵¹

[Singapore Securities and Futures Act Product Classification – Solely for the purposes of its obligations pursuant to Sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act (Chapter 289) of Singapore (the *SFA*), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Notes are "prescribed capital markets products" (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018).]

[Produktklassifizierung nach dem Wertpapier- und Futures-Gesetz von Singapur – Nur für Zwecke ihrer Verpflichtungen nach den Abschnitten 309B(1)(a) und 309B(1)(c) des Wertpapier- und Futures-Gesetzes (Kapitel 289) von Singapur (Securities and Futures Act (Chapter 289) of Singapore) (*SFA*) hat die Emittentin festgelegt und benachrichtigt hiermit alle relevanten Personen (wie in Abschnitt 309A des SFA definiert), dass es sich bei den Schuldverschreibungen um "bestimmte Kapitalmarktprodukte" ("prescribed capital market products") (wie in den Verordnungen über Wertpapiere und Futures (Kapitalmarktprodukte) 2018 (Securities and Futures (Capital Markets Products) Regulations 2018) definiert), handelt.]

⁵¹ *Legende einzufügen, sofern in Teil II der Endgültigen Bedingungen "Verbot des Verkaufs an Kleinanleger im Vereinigten Königreich" für "anwendbar" erklärt wird.*

[In case of Notes admitted to trading on the Luxembourg Stock Exchange, the Final Terms will be displayed on the website of the Luxembourg Stock Exchange (www.bourse.lu).] [In the case of Notes listed on any other stock exchange, the Final Terms will be displayed on the website of ZF (www.zf.com) under the section “Investor Relations” – “Capital Market Instruments & Rating”.]

[Date]
[Datum]

FINAL TERMS
ENDGÜLTIGE BEDINGUNGEN

[ZF Friedrichshafen AG] [ZF Finance GmbH]

[Title of relevant Series of Notes]
[Bezeichnung der betreffenden Serie der Schuldverschreibung]

Series: [●], Tranche [●]
Serien: [●], Tranche [●]

issued pursuant to the
begeben aufgrund des

EUR 7,500,000,000
Debt Issuance Programme

Dated April [9], 2021
vom [9]. April 2021

of
der

ZF Friedrichshafen AG

and
und

ZF Finance GmbH

[guaranteed by ZF Friedrichshafen AG]
garantiert durch die ZF Friedrichshafen AG

Issue Price: []%.
Ausgabepreis: []%

Issue Date: []⁵²
Begebungstag: []

These are the Final Terms of an issue of Notes under the EUR 7,500,000,000 Debt Issuance Programme of ZF Friedrichshafen AG and ZF Finance GmbH (the **Programme**). These Final Terms have been prepared for the purpose of article 8 of Regulation (EU) No. 2017/1129 of the European Parliament and of the Council of June 14, 2017 (as amended, the **Prospectus Regulation**) and must be read in conjunction with the Prospectus dated April [9], 2021 [as supplemented by [a] Supplement[s] dated [●]] (the **Prospectus**). Full information on ZF Friedrichshafen AG [and ZF Finance GmbH] and the offer of the Notes is only available on the basis of the combination of the Prospectus and these Final Terms. The Prospectus and any supplement thereto are available for viewing in electronic form on the website of the Luxembourg Stock Exchange (www.bourse.lu). and copies may be obtained free of charge at the specified office of the Fiscal Agent.

Diese Endgültigen Bedingungen enthalten Angaben zur Emission von Schuldverschreibungen unter dem EUR 7.500.000.000 Debt Issuance Programme der ZF Friedrichshafen AG und ZF Finance

⁵² The Issue is the date of payment and settlement of the Notes. In the case of free delivery, the Issue Date is the delivery date.
Der Tag der Begebung ist der Tag, an dem die Schuldverschreibungen begeben und bezahlt werden. Bei freier Lieferung ist der Tag der Begebung der Tag der Lieferung.

GmbH (das **Programm**). Diese Endgültigen Bedingungen wurden für die Zwecke des Artikel 8 der Verordnung (EU) 2017/1129 des Europäischen Parlaments und des Rates vom 14. Juni 2017 (in ihrer jeweils geltenden Fassung, die **Prospektverordnung**) abgefasst und sind in Verbindung mit dem Basisprospekt vom [9]. April 2021[, ergänzt durch [den Nachtrag][die Nachträge] vom [●]] (der **Prospekt**) zu lesen. Vollständige Informationen über die ZF Friedrichshafen AG [und die ZF Finance GmbH] und das Angebot der Schuldverschreibungen sind nur verfügbar, wenn die Endgültigen Bedingungen und der Prospekt zusammengekommen werden. Der Prospekt sowie jeder Nachtrag können in elektronischer Form auf der Internetseite der Luxemburger Börse (www.bourse.lu) eingesehen werden. Kostenlose Kopien sind erhältlich bei der angegebenen Geschäftsstelle der Emissionsstelle.

[Interest amounts payable on the Notes may be calculated by reference to EURIBOR which as at the date of these Final Terms is provided by [European Money Markets Institute] [●] who [does not appear] [appears] on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to article 36 of Regulation (EU) 2016/1011.

Zinsbeträge, die auf die Schuldverschreibungen zu zahlen sind, können unter Bezug auf EURIBOR berechnet werden. Zum Datum dieser Endgültigen Bedingungen, wird EURIBOR von dem [European Money Markets Institute] [●], das [nicht] in das nach Artikel 36 der Verordnung (EU) 2016/1011 von der Europäischen Wertpapier und Marktaufsichtsbehörde (ESMA) erstellte und geführte Register der Administratoren und Referenzwerte eingetragen ist, bereitgestellt].⁵³

Part I.: TERMS AND CONDITIONS

Teil I: EMISSIONSBEDINGUNGEN

[A. In the case the options applicable to the relevant Tranche of Notes are to be determined by replicating the relevant provisions set forth in the Prospectus as Option I[A]⁵⁴ or Option II, including certain further options contained therein, respectively, and completing the relevant placeholders, insert:⁵⁵

A. Falls die für die betreffende Tranche von Schuldverschreibungen geltenden Optionen durch Wiederholung der betreffenden im Prospekt als Option I[A]⁵⁶ oder Option II aufgeführten Angaben (einschließlich der jeweils enthaltenen bestimmten weiteren Optionen) bestimmt und die betreffenden Leerstellen vervollständigt werden, einfügen:

The Terms and Conditions applicable to the Notes (the **Conditions**) [and the [German] [English] language translation thereof,] are as set out below.

*Die für die Schuldverschreibungen geltenden Emissionsbedingungen (die **Bedingungen**) [sowie die [deutschsprachige][englischsprachige] Übersetzung] sind wie nachfolgend aufgeführt.*

[in the case of Notes with fixed interest rates replicate here the relevant provisions of Option I[A] including relevant further options contained therein, and complete relevant placeholders]

[im Fall von Schuldverschreibungen mit fester Verzinsung hier die betreffenden Angaben der Option I[A] (einschließlich der betreffenden weiteren Optionen) wiederholen und betreffende Leerstellen vervollständigen]

[in the case of Notes with floating interest rates replicate here the relevant provisions of Option II including relevant further options contained therein, and complete relevant placeholders]

[im Fall von Schuldverschreibungen mit variabler Verzinsung hier die betreffenden Angaben der Option II (einschließlich der betreffenden weiteren Optionen) wiederholen und betreffende Leerstellen

⁵³ To be included in the case of an issue of Notes where the rate of interest is to be calculated by reference to EURIBOR. *Einzufügen im Fall von Schuldverschreibungen, bei denen der Zinssatz unter Bezug auf EURIBOR berechnet wird.*

⁵⁴ In case of an increase of an issue of Notes which were originally issued prior to the date of this Prospectus, the Terms and Conditions of the Tranches have to be identical in all respects, but may have different issue dates, interest commencement dates, issue prices and dates for first interest payments.

⁵⁵ To be determined in consultation with the Issuer. *In Abstimmung mit der Emittentin festzulegen.*

⁵⁶ *Im Fall einer Aufstockung einer Emission von Schuldverschreibungen, die ursprünglich vor dem Datum dieses Prospekts begeben wurden, müssen die Emissionsbedingungen der Tranchen in jeder Hinsicht identisch sein, können aber unterschiedliche Begebungstage, Verzinsungsbeginne, Ausgabepreise und erste Zinszahlungstage haben.*

vervollständigen]]

[B. In the case the options applicable to the relevant Tranche of Notes are to be determined by referring to the relevant provisions set forth in the Prospectus as Option I[A]⁵⁷ or Option II, including certain further options contained therein, respectively, insert:

B. Falls die für die betreffende Tranche von Schuldverschreibungen geltenden Optionen, die durch Verweisung auf die betreffenden im Prospekt als Option I[A]⁵⁸ oder Option II aufgeführten Angaben (einschließlich der jeweils enthaltenen bestimmten weiteren Optionen) bestimmt werden, einfügen:

This Part I. of the Final Terms is to be read in conjunction with the set of Terms and Conditions that apply to Notes with [fixed] [floating] interest rates (the **Terms and Conditions**) set forth in the Prospectus as [Option I[A]] [Option II]. Capitalized terms not otherwise defined herein shall have the meanings specified in the Terms and Conditions.

*Dieser Teil I. der Endgültigen Bedingungen ist in Verbindung mit dem Satz der Emissionsbedingungen, der auf Schuldverschreibungen mit [fester] [variabler] Verzinsung Anwendung findet (die **Emissionsbedingungen**), zu lesen, der als [Option I[A]] [Option II] im Prospekt enthalten ist. Begriffe, die in den Emissionsbedingungen definiert sind, haben, falls die Endgültigen Bedingungen nicht etwas anderes bestimmen, dieselbe Bedeutung, wenn sie in diesen Endgültigen Bedingungen verwendet werden.*

All references in this Part I. of the Final Terms to numbered paragraphs and subparagraphs are to paragraphs and subparagraphs of the Terms and Conditions.

Bezugnahmen in diesem Teil I. der Endgültigen Bedingungen auf Paragraphen und Absätze beziehen sich auf die Paragraphen und Absätze der Emissionsbedingungen.

The blanks in the provisions of the Terms and Conditions, which are applicable to the Notes, shall be deemed to be completed with the information contained in the Final Terms as if such information were inserted in the blanks of such provisions. All provisions in the Terms and Conditions corresponding to items in these Final Terms which are either not selected or not completed or which are deleted shall be deemed to be deleted from the Terms and Conditions applicable to the Notes (the **Conditions**).

*Die Leerstellen in den auf die Schuldverschreibungen anwendbaren Bestimmungen der Emissionsbedingungen gelten als durch die in den Endgültigen Bedingungen enthaltenen Angaben ausgefüllt, als ob die Leerstellen in den betreffenden Bestimmungen durch diese Angaben ausgefüllt wären. Sämtliche Bestimmungen der Emissionsbedingungen, die sich auf Variablen dieser Endgültigen Bedingungen beziehen, die weder angekreuzt noch ausgefüllt oder die gestrichen werden, gelten als in den auf die Schuldverschreibungen anwendbaren Emissionsbedingungen (die **Bedingungen**) gestrichen.*

CURRENCY, DENOMINATION, FORM (§ 1) **WÄHRUNG, STÜCKELUNG, FORM (§ 1)**

Currency and Denomination

Währung und Stückelung

Specified Currency	[]
Festgelegte Währung	[]
Aggregate Principal Amount	[]
Gesamtnennbetrag	[]
Aggregate Principal Amount in words	[]
Gesamtnennbetrag in Worten	[]

⁵⁷ In case of an increase of an issue of Notes which were originally issued prior to the date of this Prospectus, the Terms and Conditions of the Tranches have to be identical in all respects, but may have different issue dates, interest commencement dates, issue prices and dates for first interest payments.

⁵⁸ Im Fall einer Aufstockung einer Emission von Schuldverschreibungen, die ursprünglich vor dem Datum dieses Prospekts begeben wurden, müssen die Emissionsbedingungen der Tranchen in jeder Hinsicht identisch sein, können aber unterschiedliche Begebungstage, Verzinsungsbeginne, Ausgabepreise und erste Zinszahlungstage haben.

Specified Denomination	[]
<i>Festgelegte Stückelung</i>	<i>[]</i>

☐ **Permanent Global Note**
Dauerglobalurkunde

☐ **Temporary Global Note exchangeable for Permanent Global Note**
Vorläufige Globalurkunde austauschbar gegen Dauerglobalurkunde

Clearing System
Clearingsystem

- ☐ Clearstream Banking AG, Frankfurt am Main
- ☐ Clearstream Banking S.A.
- ☐ Euroclear Bank SA/NV

Global Note⁵⁹
Globalurkunde

- ☐ Classical Global Note
- ☐ New Global Note

INTEREST (§ 3)
ZINSEN (§ 3)

☐ **Fixed Rate Notes (Option I[A])⁶⁰**
Festverzinsliche Schuldverschreibungen (Option I[A])

Rate of Interest and Interest Payment Dates
Zinssatz und Zinszahlungstage

Rate of Interest	[] % per annum
<i>Zinssatz</i>	<i>[] % per annum</i>

Interest Commencement Date	[]
<i>Verzinsungsbeginn</i>	

Interest Payment Date(s)	[]
<i>Zinszahlungstag(e)</i>	

First Interest Payment Date	[]
<i>Erster Zinszahlungstag</i>	

Initial Broken Amount(s) (per Specified Denomination)	[]
<i>Anfängliche(r) Bruchteilzinsbetrag(-beträge)</i> <i>(für jede festgelegte Stückelung)</i>	

Interest Payment Date preceding the Maturity Date	[]
<i>Zinszahlungstag, der dem Fälligkeitstag vorangeht</i>	

Final Broken Amount(s) (per Specified Denomination)	[]
<i>Abschließende(r) Bruchteilzinsbetrag(-beträge)</i> <i>(für jede festgelegte Stückelung)</i>	

Number of regular Interest Payment Dates per calendar year	[]
<i>Anzahl der regulären Zinszahlungstage im Kalenderjahr</i>	

⁵⁹ Complete for Notes kept in custody on behalf of the ICSDs.

Im Fall von Schuldverschreibungen, die im Namen der ICSDs verwahrt werden, ausfüllen.

⁶⁰ Insert "A" in the case of an increase of an issue of Notes which were originally issued prior to the date of this Prospectus.
"A" einfügen im Fall der Aufstockung einer Emission von Schuldverschreibungen, die ursprünglich vor dem Datum dieses Prospekts begeben wurden.

Deemed Interest Payment Date(s) []
Fiktive(r) Zinszahlungstag(e)

☐ **Floating Rate Notes (Option II)**
Variabel verzinsliche Schuldverschreibungen (Option II)

Interest Payment Dates
Zinszahlungstage

Interest Commencement Date []
Verzinsungsbeginn

Specified Interest Payment Dates []
Festgelegte Zinszahlungstage

Specified Interest Period(s) [] [weeks][months]
Festgelegte Zinsperiode(n) [] [Wochen][Monate]

Business Day Convention
Geschäftstagskonvention

☐ Modified Following Business Day Convention
Modifizierte folgende Geschäftstag-Konvention

☐ Floating Rate Note (FRN) Convention (specify period) [] [months]
Floating Rate Note (FRN)-Konvention (Zeitraum angeben) [] [Monate]

☐ Following Business Day Convention
Folgende Geschäftstag-Konvention

☐ Preceding Business Day Convention
Vorhergehende Geschäftstag-Konvention

Rate of Interest
Zinssatz

☐ EURIBOR

Interest Determination Date

[first] [second] [relevant financial
centre(s)]
Business Day[prior to
commencement]
of the relevant Interest Period
[ersten] [zweiten] [relevante(s)]
Finanzzentrum(en)] Geschäftstag
[vor Beginn] der jeweiligen
Zinsperiode

Zinsfestlegungstag

[relevant financial centre(s)] Business Day [relevant financial centre(s)]
[relevante(s) Finanzzentrum(en)]-Geschäftstag *[relevante(s) Finanzzentrum(en)]*

Specific fallback provision "Reference Rate for the preceding Interest Period"
Besondere Fallbackregelungen "Referenzsatz der vorangegangenen Zinsperiode"

☐ anwendbar
applicable

☐ nicht anwendbar
not applicable

Margin [] % per annum
Marge [] % per annum

☐ plus
plus

☐ minus
minus

Minimum and Maximum Rate of Interest
Mindest- und Höchstzinssatz

☐ Minimum Rate of Interest []% per annum
Mindestzinssatz []% per annum

☐ Maximum Rate of Interest []% per annum
Höchstzinssatz []% per annum

Day Count Fraction⁶¹
Zinstagequotient

- ☐ Actual/365 or Actual/Actual (ISDA)
☐ Actual/Actual (ICMA)
☐ Actual/365 (Fixed)
☐ Actual/360
☐ 30/360 or 360/360 (Bond Basis)
☐ 30E/360 (Eurobond Basis)

PAYMENTS (§ 4)
ZAHLUNGEN (§ 4)

Payment Business Day
Zahltag

- ☐ Relevant Financial Centers (specify all) []
Relevante Finanzzentren (alle angeben)
☐ TARGET
TARGET

REDEMPTION (§ 5)
RÜCKZAHLUNG (§ 5)

Redemption at Maturity
Rückzahlung bei Endfälligkeit

Maturity Date⁶² []
Fälligkeitstag

Redemption Month⁶³ []
Rückzahlungsmonat

Early Redemption
Vorzeitige Rückzahlung

**Early Redemption at the Option of the Issuer for
reason of Minimal Outstanding Aggregate Principal Amount** [Yes/No]
**Vorzeitige Rückzahlung nach Wahl der Emittentin
bei geringem ausstehendem Gesamtnennbetrag** [Ja/Nein]

Early Redemption at the Option of the Issuer upon occurrence of a Benchmark Event⁶⁴ [Yes/No]
Vorzeitige Rückzahlung nach Wahl der Emittentin bei Eintritt eines Benchmark-Ereignisses [Ja/Nein]

⁶¹ Complete for all Notes.
Für alle Schuldverschreibungen ausfüllen.

⁶² Complete for Fixed Rate Notes.
Für festverzinsliche Schuldverschreibungen auszufüllen.

⁶³ Complete for Floating Rate Notes.
Für variabel verzinsliche Schuldverschreibungen auszufüllen.

⁶⁴ Complete for Floating Rate Notes only.

Early Redemption at the Option of the Holders in case of a Put Event following a Change of Control	[Yes/No]
<i>Vorzeitige Rückzahlung nach Wahl der Gläubiger bei Vorliegen eines Rückzahlungsereignisses nach Eintritt eines Kontrollwechsels</i>	[Ja/Nein]
Early Redemption at the Option of the Issuer	[Yes/No]
<i>Vorzeitige Rückzahlung nach Wahl der Emittentin</i>	[Ja/Nein]
☐ Call Redemption Period(s) <i>Wahlrückzahlungszeitraum/räume (Call)</i>	
Call Redemption Period(s) <i>Wahlrückzahlungszeitraum/räume (Call)</i>	[]
Call Redemption Amount(s) <i>Wahlrückzahlungsbetrag(beträge) (Call)</i>	[]
☐ Make-Whole ⁶⁵ <i>Make-Whole</i>	
Margin <i>Marge</i>	[margin] % [Marge] %
Benchmark Yield <i>Benchmark-Rendite</i>	[relevant time] [maßgebliche Uhrzeit]
Screen Page <i>Bildschirmseite</i>	[HP (setting "Last Yield To Convention" and using the pricing source "FRNK")] [other relevant screen page] [HP (Einstellung "Last Yield to Convention" und Verwendung der Preisquelle "FRNK")] [andere Bildschirmseite]
Benchmark Security <i>Benchmarkanleihe</i>	[]
ISIN of the reference bond used at pricing the Notes <i>ISIN der Referenzanleihe, die bei der Preisbestimmung der Schuldverschreibungen genannt wurde</i>	[]
Maturity <i>Fälligkeitstermin</i>	[]
Early Redemption at the Option of the Issuer upon occurrence of a Transaction Trigger Event	[Yes/No]
<i>Vorzeitige Rückzahlung nach Wahl der Emittentin bei Eintritt eines Transaktions-Ereignisses</i>	[Ja/Nein]
Event Redemption Amount <i>Ereignisrückzahlungsbetrag</i>	[]
Transaction <i>Transaktion</i>	[]
Transaction Trigger Cut-off Date <i>Transaktions-Stichtag</i>	[]
Early Redemption at the Option of a Holder	[Yes/No]
<i>Vorzeitige Rückzahlung nach Wahl des Gläubigers</i>	[Ja/Nein]
Put Redemption Date(s) <i>Wahlrückzahlungstag(e) (Put)</i>	[]

Nur für variabel verzinsliche Schuldverschreibungen auszufüllen.

⁶⁵ Complete for Fixed Rate Notes only.

Nur für festverzinsliche Schuldverschreibungen auszufüllen.

Put Redemption Amount(s) []
Wahlrückzahlungsbetrag(beträge) (Put)

Minimum Notice⁶⁶ [] days
Mindestkündigungsfrist [] Tage

Maximum Notice (not more than 60 days) [] days
Höchstkündigungsfrist (nicht mehr als 60 Tage) [] Tage

**[PAYING AGENT, FISCAL AGENT, CALCULATION AGENT (§ 6)
ZAHLSTELLE, EMISSIONSSTELLE, BERECHNUNGSSTELLE (§ 6)**

Calculation Agent⁶⁷ []
Berechnungsstelle []

☐ Fiscal Agent acting as Calculation Agent
Emissionsstelle handelnd als Berechnungsstelle

☐ Conv-Ex Advisors Limited
Conv-Ex Advisors Limited

☐ Other (name and address) []
Andere (Name und Adresse)] []

Stock Exchange (name and location) []
Börse (Name und Sitz) []

**NOTICES (§ 12)
MITTEILUNGEN (§ 12)**

Place and medium of publication
Ort und Medium der Bekanntmachung

☐ Website of the Luxembourg Stock Exchange (*www.bourse.lu*)
Internetseite der Luxemburger Börse (www.bourse.lu)

☐ Website of other stock exchange with respect to which the Issuer initiated the listing of the Notes
Internetseite der Börse, an der die Emittentin das Listing der Notes veranlasst hat

☐ Clearing System
Clearingsystem

AMENDMENTS OF THE TERMS AND CONDITIONS

BY RESOLUTIONS OF HOLDERS, JOINT REPRESENTATIVE (§ 13) [Yes/No]

ÄNDERUNGEN DER EMISSIONSBEDINGUNGEN DURCH
BESCHLUSS DER GLÄUBIGER, GEMEINSAMER VERTRETER (§ 13) [Ja/Nein]

☐ Appointment of a Holders' Representative by resolution passed
by Holders and not in the Terms and Conditions
*Bestellung eines gemeinsamen Vertreters der Gläubiger durch
Beschluss der Gläubiger und nicht in den Emissionsbedingungen*

☐ Appointment of a Holders' Representative in the Terms and Conditions
Bestellung eines gemeinsamen Vertreters der Gläubiger in den Emissionsbedingungen

Name and address of the Holders' Representative (specify details)
Name und Anschrift des gemeinsamen Vertreters (Einzelheiten einfügen)

⁶⁶ Euroclear and Clearstream Banking S.A. require a minimum notice period of five days.
Euroclear und Clearstream Banking S.A. verlangen eine Mindestkündigungsfrist von fünf Tagen.

⁶⁷ Applicable only for Fixed Rate Notes that are subject to Early Redemption at the Option of the Issuer with payment of a Make-Whole Amount and for Floating Rate Notes.
Nur anwendbar bei Festverzinslichen Schuldverschreibungen, falls die Emittentin das Wahlrecht hat, die Schuldverschreibungen vorzeitig zum Make-Whole Betrag zurückzahlen, sowie bei variabel verzinslichen Schuldverschreibungen.

LANGUAGE (§ 15)

SPRACHE (§ 15)

Language of Conditions⁶⁸

Sprache der Bedingungen

- ☐ German and English (German controlling)
Deutsch und Englisch (deutscher Text maßgeblich)
- ☐ English and German (English controlling)
Englisch und Deutsch (englischer Text maßgeblich)
- ☐ German only
ausschließlich Deutsch
- ☐ English only
ausschließlich Englisch]

⁶⁸ To be determined in consultation with the Issuer.
In Abstimmung mit der Emittentin festzulegen.

Part II.: ADDITIONAL INFORMATION⁶⁹
Teil II ZUSÄTZLICHE INFORMATIONEN

A. Essential information
Grundlegende Angaben

Interests of Natural and Legal Persons involved in the Issue/Offer
Interessen von Seiten natürlicher und juristischer Personen,
die an der Emission/dem Angebot beteiligt sind

[None] [specify details]

[Keine] [Einzelheiten einfügen]

Reasons for the offer⁷⁰

[specify details]

Gründe für das Angebot

[Einzelheiten einfügen]

Estimated net proceeds⁷¹

[]

Geschätzter Nettobetrag der Erträge

Eurosystem eligibility

EZB-Fähigkeit

☐ Intended to be held in a manner which
would allow Eurosystem eligibility

[Yes/No] [Not applicable (CGN)]

Soll in EZB-fähiger Weise gehalten werden

[Ja/Nein] [Nicht anwendbar (CGN)]

[Note that the designation "Yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognized as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]⁷²

[Es ist zu beachten, dass die Bestimmung "Ja" hier lediglich bedeutet, dass die Schuldverschreibungen nach Begebung bei einem der ICSDs als gemeinsamer Verwahrer hinterlegt werden sollen, und es bedeutet nicht notwendigerweise, dass die Schuldverschreibungen als geeignete Sicherheit im Sinne der Währungspolitik des Eurosystems und der taggleichen Überziehungen (intraday credit operations) des Eurosystem entweder nach Begebung oder zu einem Zeitpunkt während ihrer Existenz anerkannt werden. Eine solche Anerkennung wird vom Urteil der EZB abhängen, dass die Eurosystemfähigkeitskriterien erfüllt werden.]⁷³

[Whilst the designation is specified as "No" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are

⁶⁹ There is no obligation to complete Part II. of the Final Terms in its entirety provided that such Notes will not be listed on any regulated market within the European Economic Area or the United Kingdom. To be completed in consultation with the Issuer.

Es besteht keine Verpflichtung, Teil II. der Endgültigen Bedingungen, sofern diese Schuldverschreibungen nicht an einem geregelten Markt innerhalb des Europäischen Wirtschaftsraums oder dem Vereinigten Königreich zum Handel zugelassen werden. In Absprache mit der Emittentin auszufüllen.

⁷⁰ See "Use of Proceeds" wording in the Prospectus. If reasons for the offer are different from general corporate purposes of ZF, include those reasons here.

Siehe Abschnitt "Use of Proceeds" im Prospekt. Sofern die Gründe für das Angebot nicht in allgemeinen Unternehmenszwecken von ZF bestehen, sind die Gründe hier anzugeben.

⁷¹ If proceeds are intended for more than one use they will need to be split out and presented in order of priority.

Sofern die Erträge für verschiedene Verwendungszwecke bestimmt sind, sind diese aufzuschlüsseln und nach der Priorität der Verwendungszwecke darzustellen.

⁷² Include explanation in case of an NGN deposited with one of the ICSDs as common safekeeper.

⁷³ *Erläuterung einfügen im Fall einer durch einen der ICSDs als common safekeeper verwahrten NGN.*

capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognized as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]⁷⁴

[Während die Bestimmung am Tag dieser Endgültigen Bedingungen mit "Nein" festgelegt wurde, können die Schuldverschreibungen, sollten die Eurosystemfähigkeitskriterien für die Zukunft derart geändert werden, dass die Schuldverschreibungen fähig sind diese einzuhalten, dann bei einem der ICSDs als gemeinsamer Verwahrer hinterlegt werden. Es ist zu beachten, dass die Schuldverschreibungen als geeignete Sicherheit im Sinne der Währungspolitik des Eurosystems und der taggleichen Überziehungen (intraday credit operations) des Eurosystem entweder nach Begebung oder zu einem Zeitpunkt während ihrer Existenz anerkannt werden. Eine solche Anerkennung wird vom Urteil der EZB abhängen, dass die Eurosystemfähigkeitskriterien erfüllt werden.]⁷⁵

[Note that the designation "Yes" simply means that the Notes are intended upon issue to be deposited with Clearstream Banking AG, Frankfurt and does not necessarily mean that the Notes will be recognized as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]⁷⁶

[Es ist zu beachten, dass die Bestimmung "Ja" hier lediglich bedeutet, dass die Schuldverschreibungen nach Begebung bei Clearstream Banking AG, Frankfurt hinterlegt werden sollen, und es bedeutet nicht notwendigerweise, dass die Schuldverschreibungen als geeignete Sicherheit im Sinne der Währungspolitik des Eurosystems und der taggleichen Überziehungen (intraday credit operations) des Eurosystem entweder nach Begebung oder zu einem Zeitpunkt während ihrer Existenz anerkannt werden. Eine solche Anerkennung wird vom Urteil der EZB abhängen, dass die Eurosystemfähigkeitskriterien erfüllt werden.]⁷⁷

⁷⁴ Include explanation in case of an NGN not deposited with one of the ICSDs.

⁷⁵ Erläuterung einfügen im Fall einer nicht durch einen der ICSDs verwahrten NGN.

⁷⁶ Include explanation in case of Notes deposited with Clearstream Banking AG, Frankfurt.

⁷⁷ Erläuterung einfügen im Fall der Verwahrung der Schuldverschreibungen durch Clearstream Banking AG, Frankfurt.

B. Information concerning the securities to be offered/admitted to trading
Informationen über die anzubietenden bzw. zum Handel zuzulassenden
Wertpapiere

Securities Identification Numbers

Wertpapier-Kenn-Nummern

[Common Code []]
Common Code

International Securities Identification Number (ISIN) []
Internationale Wertpapierkennnummer (ISIN)

[Classification of Financial Instruments (CFI) Code []
Klassifizierungscode von Finanzinstrumenten (CFI)

[Financial Instrument Short Name (FISN) Code []
Kurzname des Finanzinstruments (FISN)

German Securities Code (WKN) []
Deutsche Wertpapierkennnummer (WKN)

[Any other securities number []
andere Wertpapier-Kenn-Nummer

Yield to final maturity⁷⁸ []
Rendite bei Endfälligkeit

Representation of debt security holders including an identification of the organization representing the investors and provisions applying to such representation. Indication of the website where the public may have free access to the contracts relation to these forms of representation⁷⁹ [Not applicable][Specify details]

Vertretung der Schuldtitelinhaber unter Angabe der die Anleger vertretenden Organisation und der für diese Vertretung geltenden Bestimmungen. Angabe der Internetseite, auf der die Öffentlichkeit die Verträge, die diese Repräsentationsformen regeln, kostenlos einsehen kann⁸⁰ [Nicht anwendbar][Einzelheiten einfügen]

Resolutions, authorizations and approvals by virtue of which the Notes will be created [Specify details]

Beschlüsse, Ermächtigungen und Genehmigungen, welche die Grundlage für die Schaffung der Schuldverschreibungen bilden [Einzelheiten einfügen]

If different from the issuer, the identity and contact details of the offeror of the Notes and/or the person asking for admission to trading, including the legal entity identifier (LEI), if any [Specify details]

Sofern Anbieter und Emittent nicht identisch sind, Angabe der Identität, der Kontaktdaten des Anbieters der Schuldtitel und/oder der die Zulassung zum Handel beantragenden Person einschließlich der Rechtsträgerkennung (LEI), wenn vorhanden. [Einzelheiten einfügen]

⁷⁸ Only applicable for Fixed Rate Notes.
Gilt nur für festverzinsliche Schuldverschreibungen.

⁷⁹ Specify further details in the case a Holders' Representative will be appointed in § 13 of the Terms and Conditions.

⁸⁰ Weitere Einzelheiten für den Fall einzufügen, dass § 13 der Emissionsbedingungen einen Gemeinsamen Vertreter bestellt.

Stabilising Dealer/Manager**Kursstabilisierender Dealer/Manager**[insert details/None]
[Einzelheiten einfügen/Keiner]**Prohibition of Sales to EEA Retail Investors****Verbot des Verkaufs an Kleinanleger im Europäischen Wirtschaftsraum**[Not applicable] [Applicable]
[Nicht anwendbar] [Anwendbar]**Prohibition of Sales to UK Retail Investors****Verbot des Verkaufs an Kleinanleger im Vereinigten Königreich**[Not applicable] [Applicable]
[Nicht anwendbar] [Anwendbar]**D. Listing(s) and admission to trading****Börsenzulassung(en) und Notierungsaufnahme**

[Yes/No]

[Ja/Nein]

☐ Regulated Market of the Luxembourg Stock Exchange
Regulierter Markt der Luxemburger Wertpapierbörse☐ Other
Sonstige[specify details]
[Einzelheiten angeben]**Date of admission****Termin der Zulassung**

[]

Estimate of the total expenses related to admission to trading

Geschätzte Gesamtkosten für die Zulassung zum Handel

[]

All regulated markets or third-country markets, SME Growth Market or MTFs on which, to the knowledge of the Issuer, notes of the same class of the notes to be offered to the public or admitted to trading are already admitted to trading

Angabe sämtlicher geregelter Märkte oder Märkte in Drittstaaten, KMU-Wachstumsmärkte oder MTFs, auf denen nach Kenntnis der Emittentin Schuldverschreibungen der gleichen Wertpapierkategorie, die öffentlich angeboten oder zum Handel zugelassen werden sollen, bereits zum Handel zugelassen sind

☐ Regulated Market of the Luxembourg Stock Exchange
Geregelter Markt der Luxemburger Wertpapierbörse☐ Professional segment of the Regulated Market of the Luxembourg Stock Exchange
Professionelles Segment des Geregelter Marktes der Luxemburger Wertpapierbörse☐ Other [None] [Specify details]
Andere [Keine] [Einzelheiten einfügen]☐ not applicable
Nicht anwendbar

Name and address of the entities agreeing to underwrite the issue

Name und Anschrift der Institute, die bereit sind, die Emission zu unterzeichnen

[Not applicable] [specify details]

[Nicht anwendbar] [Einzelheiten einfügen]

E. Additional Information

Zusätzliche Informationen

Rating of the Notes

Rating der Schuldverschreibungen

[Not applicable] []⁸¹
[Nicht anwendbar][]⁸²

[S&P Global Ratings Europe Limited is established in the European Union and is registered pursuant to Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended.] [Moody's Deutschland GmbH is established in the European Union and is registered pursuant to Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended.] [specify other rating agency and whether the relevant rating agency is established in the European Union and is registered or has applied for registration pursuant to Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended.] The European Securities and Markets Authority (*ESMA*) publishes on its website (www.esma.europa.eu/page/List-registered-and-certified-CRAs) 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.

*[S&P Global Ratings Europe Limited hat ihren Sitz in der Europäischen Union und ist gemäß Verordnung (EG) Nr. 1060/2009 des Europäischen Parlaments und des Rates vom 16. September 2009 über Ratingagenturen (in der geänderten Fassung) registriert.] [Moody's Deutschland GmbH hat ihren Sitz in der Europäischen Union und ist gemäß Verordnung (EG) Nr. 1060/2009 des Europäischen Parlaments und des Rates vom 16. September 2009 über Ratingagenturen (in der geänderten Fassung) registriert.] [Einzelheiten einfügen, ob die jeweilige Ratingagentur ihren Sitz in der Europäischen Union hat und gemäß Verordnung (EG) Nr. 1060/2009 des Europäischen Parlaments und des Rates vom 16. September 2009 über Ratingagenturen (in der geänderten Fassung) registriert ist oder die Registrierung beantragt hat.] Die Europäische Wertpapier und Marktaufsichtsbehörde (*ESMA*) veröffentlicht auf ihrer Webseite (www.esma.europa.eu/page/List-registered-and-certified-CRAs) ein Verzeichnis der nach der Ratingverordnung registrierten Ratingagenturen. Dieses Verzeichnis wird innerhalb von fünf Werktagen nach Annahme eines Beschlusses gemäß Artikel 16, 17 oder 20 der Ratingverordnung aktualisiert. Die Europäische Kommission veröffentlicht das aktualisierte Verzeichnis im Amtsblatt der Europäischen Union innerhalb von 30 Tagen nach der Aktualisierung.*

⁸¹ Insert rating and brief explanation of the meaning of the rating. The explanation should follow the exact definition of the relevant Rating Agency.

⁸² Rating und kurze Erklärung zur Bedeutung des Ratings einfügen. Die Erklärung sollte der genauen Definition der jeweiligen Ratingagentur entsprechen.

[Third Party Information]

Informationen von Seiten Dritter

With respect to any information included herein and specified to be sourced from a third party (i) the Issuer confirms that any such information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from information available to it from such third party, no facts have been omitted the omission of which would render the reproduced information inaccurate or misleading and (ii) the Issuer has not independently verified any such information and accepts no responsibility for the accuracy thereof. The following sources were used [●].

Hinsichtlich der hierin enthaltenen und als solche gekennzeichneten Informationen von Seiten Dritter gilt Folgendes: (i) Die Emittentin bestätigt, dass diese Informationen zutreffend wiedergegeben worden sind und - soweit es der Emittentin bekannt ist und sie aus den von diesen Dritten zur Verfügung gestellten Informationen ableiten konnte - keine Fakten weggelassen wurden, deren Fehlen die reproduzierten Informationen unzutreffend oder irreführend gestalten würden; (ii) die Emittentin hat diese Informationen nicht selbständig überprüft und übernimmt keine Verantwortung für ihre Richtigkeit. Folgende Quellen wurden verwendet [●].

[ZF Friedrichshafen AG] [ZF Finance GmbH]

[ZF Friedrichshafen AG] [ZF Finance GmbH]

[Name(s) and title(s) of signatory/ies]

[Name(n) und Titel des/r Unterzeichnenden]

GUARANTEE

GUARANTEE (GERMAN LANGUAGE VERSION)

GARANTIE

der

**ZF Friedrichshafen AG, Friedrichshafen,
Bundesrepublik Deutschland
(die *Garantin*)**

zugunsten der Gläubiger der Schuldverschreibungen (die *Schuldverschreibungen*) der

**ZF Finance GmbH, Friedrichshafen, Bundesrepublik Deutschland
(die *Emittentin*)**

**im Rahmen des EUR 7.500.000.000 Debt Issuance Programme
der ZF Friedrichshafen AG und der ZF Finance GmbH**

(das *Programm*)

§ 1

GARANTIE, STATUS

- (1) Die Garantin garantiert hiermit unbedingt und unwiderruflich im Wege eines selbständigen Zahlungsversprechens gegenüber den Gläubigern der im Rahmen des Programms begebenen Schuldverschreibungen (die *Gläubiger*; die Begriffe "Schuldverschreibungen" und "Gläubiger" beinhalten, soweit sie in dieser Garantie verwendet werden und für die Zwecke dieser Garantie, alle weiteren Schuldverschreibungen, die von der betreffenden Emittentin gemäß § 11(1) der Emissionsbedingungen der Schuldverschreibungen (die *Emissionsbedingungen*) begeben werden, bzw. alle Gläubiger dieser weiteren Schuldverschreibungen) die ordnungsgemäße und pünktliche Zahlung von Kapital und Zinsen auf die Schuldverschreibungen sowie von jeglichen sonstigen Beträgen, die auf die Schuldverschreibungen zahlbar sind (die *Garantie*). Diese Garantie ist eine selbständige Garantie, die unabhängig von den Verpflichtungen der betreffenden Emittentin oder der Gesellschaft (mit Ausnahme der Garantin), welche die betreffende Emittentin gemäß § 10 der Emissionsbedingungen ersetzt hat (die *Nachfolgeschuldnerin*), und unabhängig von der Wirksamkeit und Durchsetzbarkeit der Verpflichtungen der betreffenden Emittentin bzw. der Nachfolgeschuldnerin besteht.
- (2) Der Zweck und das Ziel dieser Garantie ist es sicherzustellen, dass die Gläubiger unter allen Umständen, ob tatsächlicher oder rechtlicher Art, und ungeachtet der Wirksamkeit und Durchsetzbarkeit der Verpflichtungen der betreffenden Emittentin bzw. der Nachfolgeschuldnerin oder irgendwelcher anderer Gründe, aus denen die betreffende Emittentin bzw. die Nachfolgeschuldnerin eine Zahlung nicht leistet, die gemäß den Emissionsbedingungen an die Gläubiger zu leistenden Zahlungen von Kapital, Zinsen und sonstigen Beträgen bei Fälligkeit der jeweiligen Zahlung gemäß den Emissionsbedingungen erhalten.
- (3) Die Garantin verzichtet hiermit ausdrücklich auf alle der betreffenden Emittentin bzw. einer Nachfolgeschuldnerin zustehenden Einreden (*Einreden des Hauptschuldners*), sowie auf die Einreden, welche aus einem Anfechtungs- oder Aufrechnungsrecht der betreffenden Emittentin bzw. der Nachfolgeschuldnerin in Bezug auf die Schuldverschreibungen entstehen. Dieser Verzicht erstreckt sich nicht auf die Aufrechnungseinrede mit Gegenforderungen, die (i) unbestritten oder (ii) rechtskräftig festgestellt sind.
- (4) Die Zahlungsverpflichtungen der Garantin aus dieser Garantie werden automatisch fällig und zahlbar, sofern und sobald die betreffende Emittentin bzw. eine Nachfolgeschuldnerin eine Zahlung auf die Schuldverschreibungen nicht bei Fälligkeit der jeweiligen Zahlung gemäß den Emissionsbedingungen leistet.

- (5) Kein Gläubiger ist verpflichtet, vor einer Inanspruchnahme der Garantin aus dieser Garantie gerichtliche Schritte gegen eine Person zu ergreifen, andere Rechte geltend zu machen oder andere Sicherheiten zu verwerten oder Zahlungen von einer Person zu verlangen.
- (6) Die Verbindlichkeiten der Garantin aus dieser Garantie sind mindestens gleichrangig mit allen anderen unbesicherten, nicht nachrangigen Verbindlichkeiten der Garantin, soweit diesen Verbindlichkeiten nicht durch zwingende gesetzliche Bestimmungen ein Vorrang eingeräumt wird.
- (7) Diese Garantie erlischt nach der vollständigen und endgültigen Befriedigung aller nach diesem § 1 garantierten Ansprüche (die **Garantierten Verpflichtungen**). Allerdings entfaltet diese Garantie weiterhin volle Wirksamkeit, wenn eine Garantierte Verpflichtung nur vorübergehend befriedigt wurde oder von einem Insolvenzverwalter angefochten werden kann oder anderweitig abgewendet werden kann.

§ 2 NEGATIVVERPFLICHTUNG

- (1) Die Garantin verpflichtet sich, solange Zahlungen aus den Schuldverschreibungen ausstehen, jedoch nur bis zu dem Zeitpunkt, an dem alle auf die Schuldverschreibungen gemäß den Emissionsbedingungen an die Gläubiger zu zahlenden Beträge an das Clearingsystem oder an dessen Order gezahlt worden sind,
 - (i) für Kapitalmarktverbindlichkeiten (einschließlich hierfür abgegebener Garantien und Freistellungserklärungen) keine dinglichen Sicherheiten in Bezug auf ihr gesamtes gegenwärtiges oder zukünftiges Vermögen oder Teile ihres gegenwärtigen oder zukünftigen Vermögens zu gewähren oder bestehen zu lassen, und
 - (ii) soweit rechtlich möglich, sicherzustellen, dass keine ihrer Wesentlichen Tochtergesellschaften Sicherungsrechte an gegenwärtigen oder zukünftigen Teilen ihres Vermögens oder ihres Vermögens insgesamt zur Sicherung der gegenwärtigen oder zukünftigen Kapitalmarktverbindlichkeiten, bestellt oder fortbestehen lässt, ohne jeweils die Gläubiger zur gleichen Zeit auf gleiche Weise und anteilig an diesen Sicherungsrechten teilhaben zu lassen.,

sofern nicht die Verpflichtungen der jeweiligen Emittentin aus den Schuldverschreibungen gleichrangig und anteilig an einer solchen dinglichen Sicherheit teilhaben, oder diesbezüglich eine dingliche Sicherheit zu im Wesentlichen gleichen Bedingungen bestellt wird.
- (2) Die Verpflichtung gemäß § 2(1) besteht jedoch nicht für solche Sicherheiten, die
 - (i) gesetzlich vorgeschrieben sind, oder
 - (ii) als Voraussetzung für staatliche Genehmigungen verlangt werden, oder
 - (iii) am Begebungstag der Schuldverschreibungen bestehen, oder
 - (iv) durch die Garantin oder von einer Wesentlichen Tochtergesellschaft zur Sicherung von gegenwärtigen oder zukünftigen Ansprüchen der Garantin oder Ansprüchen einer Wesentlichen Tochtergesellschaft gegen verbundene Unternehmen im Sinne der §§ 15 ff. Aktiengesetz oder gegen Dritte aufgrund der Weiterleitung von Erlösen aus der Emission von Wertpapieren bestehen, soweit diese Sicherheiten zur Sicherung von Verpflichtungen aus diesen durch die Garantin oder durch eine Wesentliche Tochtergesellschaft ausgegebenen Wertpapieren dienen, oder
 - (v) eine im Zeitpunkt einer Akquisition bestehende Kapitalmarktverbindlichkeit besichern, die infolge der Akquisition eine Verpflichtung der Garantin oder einer Gesellschaft der Gruppe wird, sofern diese Kapitalmarktverbindlichkeit nicht im Hinblick auf diese Akquisition begründet wurde, oder
 - (vi) im Zusammenhang mit der Begebung von asset backed securities (ABS) durch die Garantin oder eine Gesellschaft der Gruppe bestellt werden, oder
 - (vii) im Zusammenhang mit der Begebung von asset backed securities (ABS) durch eine Zweckgesellschaft gegeben werden, bei denen die Garantin oder eine Gesellschaft der Gruppe der Originator der zugrunde liegenden Vermögenswerte ist, oder

- (viii) im Zusammenhang mit der Finanzierung von Projekten oder Vermögensgegenständen gegeben werden, vorausgesetzt, dass die Vermögensgegenstände, an denen das Sicherungsrecht besteht, (A) Vermögensgegenstände sind, die in dem Projekt oder im Zusammenhang mit dem Projekt, auf das sich die Kapitalmarktverbindlichkeiten beziehen, genutzt werden oder genutzt werden sollen, oder (B) Einnahmen oder Ansprüche sind, die aufgrund der Nutzung, des Betriebs, der Nichteinhaltung von Spezifikationen, der Verwertung, des Verkaufs, des Verlusts/Untergangs oder der Beschädigung dieser Vermögensgegenstände entstehen, und weiter vorausgesetzt, dass diese Kapitalmarktverbindlichkeiten weder direkt noch indirekt Gegenstand einer Garantie, Freistellung oder anderen Form der Zusicherung, Verpflichtung oder Unterstützung irgendeines anderen Mitglieds der Gruppe sind, oder
 - (ix) eine Erneuerung, Verlängerung oder Ersetzung irgendeiner Sicherheit gemäß vorstehend (i)bis (viii) darstellen, oder
 - (x) nicht in den Anwendungsbereich von (i) bis (ix) fallen und Kapitalmarktverbindlichkeiten besichern, deren Kapitalbetrag (zusammen mit dem Kapitalbetrag anderer Kapitalmarktverbindlichkeiten, für die andere dingliche Sicherheiten als solche (begeben durch die jeweilige Emittentin, die Garantin oder eine Wesentliche Tochtergesellschaft), die in den Anwendungsbereich von (i) bis (ix) fallen, bestehen) EUR 300.000.000 (bzw. den Gegenwert in anderen Währungen) nicht überschreitet.
- (3) Eine nach diesem § 2 zu stellende Sicherheit kann auch zu Gunsten der Person eines Treuhänders der Gläubiger bestellt werden.
- (4) Definitionen.

Die in diesem § 2 benutzten Begriffe "Vermögen" und "Verpflichtung zur Zahlung oder Rückzahlung von Geldern" schließen nicht solche Vermögensgegenstände der jeweiligen Emittentin, der Garantin oder einer Wesentlichen Tochtergesellschaft mit ein, die im Einklang mit den Gesetzen der Bundesrepublik Deutschland (**Deutschland**) und den dort anerkannten Regeln der Bilanzierung und Buchführung oder den jeweils anwendbaren Gesetzen und anerkannten Regeln der Bilanzierung und Buchführung nicht in den Bilanzen der jeweiligen Emittentin, der Garantin oder einer Wesentlichen Tochtergesellschaft ausgewiesen werden müssen und darin auch nicht ausgewiesen werden.

Kapitalmarktverbindlichkeit bezeichnet jede gegenwärtige oder zukünftige Verpflichtung zur Zahlung oder Rückzahlung von Geldern (einschließlich Verpflichtungen aus Garantien oder anderen Haftungsvereinbarungen für Verbindlichkeiten von Dritten) entweder (i) aus Schuldscheindarlehen, (ii) aus Namensschuldverschreibungen oder (iii) aus Schuldverschreibungen, sofern diese eine ursprüngliche Laufzeit von mehr als einem Jahr haben und an einer Börse oder an einem anderen anerkannten Wertpapiermarkt notiert, zugelassen oder gehandelt werden oder notiert, zugelassen oder gehandelt werden können.

Gruppe bezeichnet die Garantin und ihre jeweiligen vollkonsolidierten Tochtergesellschaften.

Tochtergesellschaft bezeichnet ein Unternehmen, bei dem eine Person die unmittelbare oder mittelbare Kontrolle besitzt oder unmittelbar oder mittelbar Eigentümer von mehr als 50 % des stimmberechtigten Kapitals oder entsprechender Eigentumsrechte ist; "Kontrolle" bedeutet in diesem Zusammenhang die Berechtigung, die Geschäftsführung und die Politik des Unternehmens sei es über das Eigentum am stimmberechtigten Kapital, mittels eines Vertrages oder auf andere Weise im Sinne von § 17 Aktiengesetz zu bestimmen (Fälle mehrfacher Abhängigkeit bei Gemeinschaftsunternehmen, bei denen kein Partner mehr als 50 % der Stimmrechte hält, sind dabei ausgeschlossen).

Wesentliche Tochtergesellschaft bezeichnet eine Tochtergesellschaft der Garantin, deren nicht konsolidiertes Bruttovermögen oder deren nicht konsolidierter Umsatz (gemäß dem letzten Jahresabschluss der betreffenden Tochtergesellschaft, der in den letzten geprüften Konzernabschluss konsolidiert wurde) mindestens 5 % des nicht konsolidierten Bruttovermögens oder des nicht konsolidierten Umsatzes der Gruppe ausmacht, wobei eine neu erworbene Tochtergesellschaft der Garantin bis zum Ablauf von sechs Monaten ab Durchführung des Erwerbs nicht als Wesentliche Tochtergesellschaft gilt. Ein Bericht der Wirtschaftsprüfer der Garantin darüber, ob ihrer Meinung nach eine Tochtergesellschaft zu einem bestimmten Zeitpunkt

eine Wesentliche Tochtergesellschaft ist oder war bzw. nicht ist oder nicht war, ist, sofern nicht ein offensichtlicher Irrtum vorliegt, für alle Beteiligten endgültig und bindend.

§ 3

BESTEuerung

Alle in Bezug auf die Garantie zahlbaren Beträge werden ohne Einbehalt oder Abzug an der Quelle für oder wegen gegenwärtiger oder zukünftiger Steuern oder Abgaben gleich welcher Art gezahlt, die von oder im Namen (1) der Bundesrepublik Deutschland oder einer dort zur Steuererhebung ermächtigten Behörde, (2) einer Rechtsordnung, aus der bzw. über die eine Zahlung auf die Garantie geleistet wird, oder einer dort zur Steuererhebung ermächtigten Gebietskörperschaft oder Behörde, und/oder (3) einer anderen Rechtsordnung, in der die zahlende Partei errichtet ist oder anderweitig als gebietsansässig gilt oder im steuerlichen Sinn geschäftlich tätig ist, oder einer dort zur Steuererhebung ermächtigten Gebietskörperschaft oder Behörde (jeweils eine **Relevante Steuerjurisdiktion**) im Wege des Abzugs oder Einhalts auferlegt oder erhoben werden, es sei denn, ein solcher Abzug oder Einbehalt ist gesetzlich vorgeschrieben. In diesem Fall wird die Garantin diejenigen zusätzlichen Beträge (**Zusätzliche Beträge**) zahlen, die erforderlich sind, damit die den Gläubigern zufließenden Nettobeträge nach diesem Einbehalt oder Abzug jeweils den Beträgen entsprechen, die ohne einen solchen Einbehalt oder Abzug von den Gläubigern erhalten worden wären; jedoch sind solche Zusätzlichen Beträge nicht zu zahlen in Bezug auf:

- (a) Steuern oder Abgaben, die von einer als Depotbank oder Inkassobeauftragter eines Gläubigers handelnden Person oder auf eine sonstige Weise zu entrichten sind, die keinen Abzug oder Einbehalt von Zahlungen von Kapital oder Zinsen durch die Garantin darstellen; oder
- (b) Zahlungen, die nicht erhoben worden wären, wenn nicht eine gegenwärtige oder ehemalige Beziehung zwischen dem betreffenden Gläubiger (oder einem Treuhänder, Treugeber, Begünstigten, Mitglied oder Gesellschafter dieses Gläubigers oder einer Person, die beherrschenden Einfluss auf diesen Gläubiger hat) und einer Relevanten Steuerjurisdiktion bestehen würde, unter anderem in der Form, dass der betreffende Gläubiger (bzw. Treuhänder, Treugeber, Begünstigte, Mitglied, Gesellschafter oder die Person, die solchen Einfluss hat) Staatsbürger einer Relevanten Steuerjurisdiktion ist oder war oder dort ansässig ist oder war oder als dort ansässig gilt oder galt oder dort ein Gewerbe oder eine Geschäftstätigkeit betreibt oder betrieben hat oder dort eine Betriebsstätte unterhält oder unterhalten hat, mit Ausnahme von Beziehungen, die allein dadurch entstehen, dass ein Gläubiger Ansprüche aus der Garantie erwirbt, hält oder veräußert bzw. eine Zahlung darunter oder in Bezug auf diese erhält oder Ansprüche darauf geltend macht; oder
- (c) Zahlungen an den Gläubiger oder an einen Dritten für den Gläubiger, falls kein Einbehalt oder Abzug hätte erfolgen müssen, wenn die Schuldverschreibung zum Zeitpunkt der fraglichen Zahlung einem Depotkonto bei einer bzw. einem nicht in der Relevanten Steuerjurisdiktion ansässigen Bank, Finanzdienstleistungsinstitut, Wertpapierhandelsunternehmen oder Wertpapierhandelsbank gutgeschrieben gewesen wäre; oder
- (d) falls der Einbehalt oder Abzug gemäß (i) einer Richtlinie oder Verordnung der Europäischen Union zur Zinsbesteuerung oder (ii) einem internationalen Abkommen oder Übereinkommen zu einer solchen Besteuerung, bei dem die Relevante Steuerjurisdiktion oder die Europäische Union Parteien sind, oder (iii) einem diese Richtlinie oder Verordnung oder dieses Abkommen oder Übereinkommen umsetzenden oder sie befolgenden oder zu ihrer Befolgung erlassenen Gesetz, oder (iv) dem Luxemburger Gesetz vom 23. Dezember 2005 erhoben wird; oder
- (e) soweit der Einbehalt oder Abzug von dem Gläubiger oder von einem Dritten für den Gläubiger zahlbar ist, der einen solchen Einbehalt oder Abzug dadurch rechtmäßigerweise hätte vermindern können (aber nicht vermindert hat), dass er gesetzliche Vorschriften beachtet, oder dafür sorgt, dass Dritte dieses tun, oder dadurch dass er eine Nichtansässigkeitserklärung oder einen ähnlichen Antrag auf Quellensteuerbefreiung gegenüber der am Zahlungsort zuständigen Steuerbehörde abgibt oder dafür sorgt, dass dies durch einen Dritten erfolgt; oder
- (f) soweit der Einbehalt oder Abzug von dem Gläubiger oder von einem Dritten für den Gläubiger vorzunehmen ist, der einen solchen Einbehalt oder Abzug durch die Bewirkung einer Zahlung über eine andere Zahlstelle in einem Mitgliedsstaat der Europäischen Union,

welche nicht zu einem solchen Einbehalt oder Abzug verpflichtet ist, hätte vermindern können; oder

- (g) soweit der Einbehalt oder Abzug für einen Gläubiger oder dessen Rechnung vorzunehmen ist, der Schuldverschreibungen mehr als 30 Tage nach dem Tag, an dem eine Zahlung unter den Schuldverschreibungen fällig und zahlbar wurde bzw., soweit dies später eintritt, nach dem Tag, an dem die Zahlung ordnungsgemäß vorgenommen wurde, vorgelegt hat; oder
- (h) soweit der Einbehalt oder Abzug gemäß §§ 1471 bis 1474 des Internal Revenue Code, jeder gegenwärtigen oder zukünftigen Verordnung oder offiziellen Auslegung davon, jeder Vereinbarung, die gemäß § 1471(b) des Internal Revenue Codes eingegangen wurde oder jeder steuerlichen oder regulatorischen Gesetzgebung, sowie steuerlichen und regulatorischen Gesetzen oder Vorgehensweisen, die nach einem zwischenstaatlichen Vertrag, der zur Umsetzung der Bestimmungen des Internal Revenue Codes geschlossen wurde, vorzunehmen ist; oder
- (i) jegliche Kombination der Absätze (a)-(h).

Zudem werden keine Zusätzlichen Beträge im Hinblick auf Zahlungen auf die Garantie an einen Gläubiger gezahlt, welcher die Zahlung als Treuhänder oder Personengesellschaft oder als sonstiger nicht alleiniger wirtschaftlicher Eigentümer erhält, soweit nach den Gesetzen der Relevanten Steuerjurisdiktion(en) eine solche Zahlung für Steuerzwecke dem Einkommen des Begünstigten bzw. Gründers eines Treuhandvermögens oder dem Gesellschafter der Personengesellschaft zugerechnet würde, der jeweils selbst nicht zum Erhalt von Zusätzlichen Beträgen berechtigt gewesen wäre, wenn der Begünstigte, Gründer eines Treuhandvermögens, Gesellschafter oder wirtschaftliche Eigentümer unmittelbarer Gläubiger der Schuldverschreibungen wäre.

Klarstellend wird darauf hingewiesen, dass die in der Bundesrepublik Deutschland aufgrund von zum Begebungstag geltenden Steuergesetzen auf Ebene der Depotbank derzeit erhobene Kapitalertragsteuer und der darauf jeweils anfallende Solidaritätszuschlag keine Steuer oder sonstige Abgabe im oben genannten Sinne sind, für die Zusätzliche Beträge seitens der Garantin zu zahlen wären. **Begebungstag** bezeichnet in Bezug auf eine bestimmte Tranche von Schuldverschreibungen den Begebungstag dieser Schuldverschreibungen.

§ 4 BESCHLÜSSE DER GLÄUBIGER — ÄNDERUNGEN DER GARANTIE

Falls die Emissionsbedingungen Mehrheitsbeschlüsse der Gläubiger im Hinblick auf Änderungen dieser Garantie vorsehen, können die Gläubiger durch einen gemäß § 13 der Emissionsbedingungen gefassten Mehrheitsbeschluss Änderungen dieser Garantie in Bezug auf die betreffenden Schuldverschreibungen zustimmen. Eine Verpflichtung zur Leistung kann für die Gläubiger durch Mehrheitsbeschluss nicht begründet werden.

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

§ 5 INFORMATIONEN

- (1) Die Garantin verpflichtet sich, solange die Schuldverschreibungen noch nicht zurückgezahlt oder zurückgekauft und entwertet wurden, spätestens an den nachstehend bestimmten Tagen (oder, falls ein solcher Tag kein Geschäftstag in Friedrichshafen, Deutschland, ist, am nächstfolgenden Geschäftstag) eine englischsprachige Fassung der Regelmäßigen Finanzinformationen auf ihrer Internetseite zu veröffentlichen.

Regelmäßige Finanzinformationen bezeichnet:

- (i) den im Einklang mit der Verordnung (EG) 1606/2002 in ihrer jeweils geltenden Fassung bzw. der jeweils anwendbaren Nachfolgeregelung aufgestellten geprüften Konzernabschluss der

Garantin einschließlich des Konzernlageberichts, der jeweils spätestens sechs Monate nach Ende des vorangegangenen Geschäftsjahrs der Garantin veröffentlicht sein muss; und

(ii) den ungeprüften verkürzten Konzernhalbjahreszwischenabschluss der Garantin (bestehend aus Konzernbilanz, vereinfachter Konzern-Gewinn- und Verlustrechnung und Konzern-Kapitalflussrechnung), der jeweils spätestens am neunzigsten Kalendertag nach dem Ende des zweiten Quartals des jeweils laufenden Geschäftsjahrs der Garantin zu veröffentlichen ist.

- (2) Die Garantin verpflichtet sich, es zu unterlassen, einem Gläubiger über die Regelmäßigen Finanzinformationen hinaus, Informationen über sich selbst oder andere Umstände, die den Wert der Schuldverschreibungen beeinflussen können, zukommen zu lassen, ohne diese Informationen zur gleichen Zeit allen Gläubigern bekannt zu machen, es sei denn, der betreffende Gläubiger erhält solche Informationen aufgrund eines Rechtsverhältnisses mit der Garantin, das von seiner Stellung als Gläubiger der Schuldverschreibungen unabhängig ist.

§ 6

DEFINITIONEN

Begriffe, die in dieser Garantie verwendet werden und in den Emissionsbedingungen definiert sind, haben, soweit in dieser Garantie nicht anders angegeben, dieselbe Bedeutung wie in den Emissionsbedingungen.

§ 7

ANWENDBARES RECHT, GERICHTSSTAND, SPRACHE UND GERICHTLICHE GELTENDMACHUNG

- (1) Form und Inhalt dieser Garantie sowie die Rechte und Pflichten der Gläubiger und der Garantin bestimmen sich nach deutschem Recht, jeweils unter Ausschluss der Grundsätze des Internationalen Privatrechts.
- (2) Nicht-ausschließlicher Gerichtsstand für sämtliche im Zusammenhang mit dieser Garantie entstehenden Klagen oder sonstigen Verfahren ist Frankfurt am Main.
- (3) Diese Garantie stellt einen Vertrag zugunsten Dritter im Sinne des § 328 Abs. 1 BGB dar, der jedem Gläubiger das Recht gibt, die Erfüllung der in dieser Garantie übernommenen Verpflichtungen unmittelbar von der Garantin zu verlangen und diese Garantie unmittelbar gegen die Garantin durchzusetzen.
- (4) Diese Garantie ist in deutscher Sprache abgefasst und in die englische Sprache übersetzt. Die deutschsprachige Fassung ist verbindlich und allein maßgeblich.
- (5) Jeder Gläubiger von Schuldverschreibungen ist berechtigt, in jedem Rechtsstreit gegen die Garantin oder in jedem Rechtsstreit, in dem der Gläubiger und die Garantin Partei sind, seine Rechte aus dieser Garantie im eigenen Namen auf der Grundlage einer Kopie dieser Garantie, die von einer autorisierten Person der Emissionsstelle bestätigt wurde, ohne Vorlage des Originals der Garantie, zu schützen und geltend zu machen.

Friedrichshafen, im September 2020

ZF FRIEDRICHSHAFEN AG

Durch:

Durch:

Wir akzeptieren die Bestimmungen der vorstehenden Garantie ohne Obligo, Gewährleistung oder Rückgriff auf uns.

Frankfurt am Main, im September 2020

DEUTSCHE BANK AKTIENGESELLSCHAFT

Durch:

Durch:

GUARANTEE (ENGLISH LANGUAGE TRANSLATION)

GUARANTEE

of

**ZF Friedrichshafen AG, Friedrichshafen
Federal Republic of Germany
(the *Guarantor*)**

for the benefit of the Holders of notes (the *Notes*), issued by

**ZF Finance GmbH, Friedrichshafen, Federal Republic of Germany
(the *Issuer*)**

**under the EUR 7,500,000,000 Debt Issuance Programme
of ZF Friedrichshafen AG and ZF Finance GmbH
(the *Programme*)**

§ 1

GUARANTEE, STATUS

- (1) The Guarantor hereby unconditionally and irrevocably guarantees by way of an independent payment obligation (*selbständiges Zahlungsversprechen*) to the holders from time to time of any Notes under the Programme (the **Holders** and the expressions "Notes" and "Holders" as used herein shall, for the purposes of this Guarantee, include any additional Notes issued by the relevant Issuer under § 11(1) of the terms and conditions of the Notes (the **Terms and Conditions**) and any Holders of any such additional Notes) the due and punctual payment of principal of, and interest on, and any other amounts payable under the Notes (the **Guarantee**). This Guarantee shall be separate and independent from the obligations of the relevant Issuer or the company (other than the Guarantor) which may have been substituted for the same pursuant to § 10 of the Terms and Conditions (the **Substitute Debtor**) and shall exist irrespective of the validity and enforceability of the obligations of the relevant Issuer or Substitute Debtor.
- (2) The intent and purpose of this Guarantee is to ensure that the Holders under all circumstances, whether factual or legal, and regardless of the validity and enforceability of the obligations of the relevant Issuer or the Substitute Debtor, or of any other grounds on the basis of which the relevant Issuer or the Substitute Debtor may fail to effect payment, shall receive the amounts payable as principal, interest and other amounts payable to the Holders pursuant to the Terms and Conditions on the due dates as provided for in the Terms and Conditions.
- (3) The Guarantor hereby explicitly waives any personal defences of the relevant Issuer or any Substitute Debtor (*Einreden des Hauptschuldners*) as well as any defences arising out of the relevant Issuer's or Substitute Debtor's right of revocation (*Anfechtbarkeit*) or set-off (*Aufrechenbarkeit*) with respect to the Notes. This waiver shall not apply to any defences relating to any right of set-off with counterclaims that are (i) uncontested (*unbestritten*) or (ii) based on an unappealable (*rechtskräftig festgestellt*) court decision.
- (4) The Guarantor's payment obligations under this Guarantee become automatically due and payable if and when the relevant Issuer or any Substitute Debtor does not make a payment with respect to the Notes when such payment is due and payable pursuant to the Terms and Conditions.
- (5) No Holder will be required to proceed against or enforce any other rights or security or claim payment from any person before claiming from the Guarantor under this Guarantee.
- (6) The obligations of the Guarantor under this Guarantee shall rank at least *pari passu* with all other unsubordinated obligations of the Guarantor, unless such obligations are accorded priority under mandatory provisions of statutory law.

- (7) This Guarantee is discharged upon the full and irrevocable satisfaction of all claims guaranteed pursuant to this § 1 (the **Guaranteed Obligations**). However, if any of the Guaranteed Obligations was only temporarily satisfied or is subject to be set aside by an insolvency administrator (*Anfechtungsrecht*) or can be avoided otherwise, the Guarantee shall continue in full force and effect.

§ 2 NEGATIVE PLEDGE

- (1) The Guarantor undertakes, as long as any amounts remain outstanding under the Notes, but only up to the time all amounts payable to Holders under the Notes in accordance with the Terms and Conditions have been paid to the Clearing System or to its order, that
- (i) it will not create or permit to subsist any security interest *in rem* (*dingliche Sicherheit*) over all or part of its present or future assets as security for any Capital Market Indebtedness (including any guarantees and indemnities given in respect thereof), and
 - (ii) it will procure, to the extent legally permissible, that no Material Subsidiary will at any time create or permit to subsist any security interest *in rem* upon all or any of its present or future assets as security for any Capital Market Indebtedness (including any guarantees and indemnities given in respect thereof) issued by the Guarantor or a Material Subsidiary,
- unless at the same time or prior thereto, the relevant Issuer's obligations under the Notes are secured equally and rateably therewith or benefit from a security interest *in rem* in substantially identical terms thereto.
- (2) The undertaking pursuant to § 2(1) shall not apply to a security which
- (i) is mandatory according to applicable laws, or
 - (ii) is required as a prerequisite for governmental approvals, or
 - (iii) is existing on the issue date of the Notes, or
 - (iv) provided by the Guarantor or by any Material Subsidiary over any of the Guarantor's claims or claims of any Material Subsidiary against any affiliated companies within the meaning of § 15 et seqq. of the German Stock Corporation Act (*Aktiengesetz*) or any third party, which claims exist now or arise at any time in the future, as a result of the passing on of the proceeds from the issuance of any securities, provided that any such security serves to secure obligations under such securities issued by the Guarantor or by a Material Subsidiary, or
 - (v) secures Capital Market Indebtedness existing at the time of an acquisition that becomes an obligation of the Guarantor or any member of the Group as a consequence of such acquisition, provided that such Capital Market Indebtedness was not created in contemplation of such acquisition, or
 - (vi) is provided in connection with any issuance of asset backed securities by the Guarantor or by any member of the Group, or
 - (vii) is provided in respect of any issuance of asset backed securities made by a special purpose vehicle where the Guarantor or any member of the Group is the originator of the underlying assets, or
 - (viii) is provided in respect of any financing of any project or asset, provided that the assets on which the security is created are (A) the assets which are used or to be used in or in connection with the project to which such Capital Markets Indebtedness relates or (B) revenues or claims which arise from the use, operation, failure to meet specifications, exploitation, sale, or loss of or damage to, such assets and provided further that such Capital Markets Indebtedness is not directly or indirectly the subject of any guarantee, indemnity or other form of assurance, undertaking or support from any other member of the Group, or
 - (ix) constitutes the renewal, extension or replacement of any security pursuant to foregoing (i) through (viii), or

- (x) do not fall within the scope of application of (i) through (ix) above and which secure Capital Market Indebtedness with a principal amount (when aggregated with the principal amount of other Capital Markets Indebtedness which has the benefit of security (issued by the relevant Issuer, the Guarantor or any Material Subsidiary) other than any falling within the scope of application of (i) through (ix) above) not exceeding EUR 300,000,000 (or its equivalent in other currencies).
- (3) Any security which is to be provided pursuant to this § 2 may also be provided to a person acting as trustee for the Holders.
- (4) Definitionen.

The expressions "assets" and "obligation for the payment or repayment of money that is borrowed" as used in this § 2 do not include assets of the relevant Issuer, Guarantor or any Material Subsidiary which, pursuant to the requirements of law and accounting principles generally accepted in the Federal Republic of Germany (*Germany*) or such other applicable law and accepted accounting principles generally, as the case may be, need not, and are not, reflected in the relevant Issuer's, Guarantor's or in a Material Subsidiary's balance sheets.

Capital Market Indebtedness means any present or future obligation for the payment or repayment of money (including obligations by reason of any guarantee or other liability agreement for obligations of third parties) that is borrowed either in the form of (i) bonded loans (*Schuldscheindarlehen*), (ii) registered notes (*Namensschuldverschreibungen*), or (iii) in the form of an issuance of notes with an original maturity of more than one year and which are, or are capable of being, quoted, listed or traded on a stock exchange or other recognized securities market.

Group means the Guarantor and all of its fully consolidated Subsidiaries from time to time.

Subsidiary means an entity of which a person has direct or indirect control or owns directly or indirectly more than 50% of the voting capital or similar right of ownership and "control" in this context means the power to direct the management and the policies of the entity whether through the ownership of voting capital, by contract or otherwise within the meaning of § 17 of the German Stock Corporation Act (*Aktiengesetz*) (cases of multiple dependency (*mehrfache Abhängigkeit*) in relation of joint ventures where no partner holds more than 50% of the voting rights shall be excluded).

Material Subsidiaries means a Subsidiary of the Guarantor which has unconsolidated gross assets or unconsolidated turnover (based on the latest annual financial statements of the respective Subsidiary which was consolidated into the latest audited consolidated financial statements of the Group (*Konzernabschluss*)) representing 5% or more of the unconsolidated gross assets or unconsolidated turnover of the Group, provided that any newly acquired subsidiary of the Guarantor shall in no event constitute a Material Subsidiary until expiry of a six-month period from the completion of the relevant acquisition. A certificate issued by the Guarantor's auditors stating that a subsidiary is or is not or was or was not at a specified date a Material Subsidiary shall, in the absence of manifest error, be conclusive and binding on all parties.

§ 3 TAXATION

All payments of principal and interest made under this Guarantee shall be made free and clear of, and without withholding or deduction for, any present or future taxes or duties of whatever nature imposed or levied by way of deduction or withholding by or on behalf of (1) the Federal Republic of Germany or any authority therein or thereof having power to tax, (2) any jurisdiction from or through which payment on the Guarantee is made, or any political subdivision or governmental authority thereof or therein having the power to tax and/or (3) any other jurisdiction in which the payor is organized or otherwise considered to be resident or doing business for tax purposes, or any political subdivision or governmental authority thereof or therein having the power to tax (each a **Relevant Taxing Jurisdiction**), unless such deduction or withholding is required by law. In that event the Guarantor shall pay such additional amounts (the **Additional Amounts**) as shall result in receipt by the Holders of such amounts as would have been received by them had no such withholding or deduction been required, except that no Additional Amounts shall be payable with respect to:

- (a) taxes or duties which 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 Guarantor, as applicable, from payments made by it; or
- (b) payments that would not have been so imposed but for the existence of any present or former connection between such Holder (or between a fiduciary, settlor, beneficiary, member or shareholder of, or a person having a power over, such Holder) and any Relevant Taxing Jurisdiction including, without limitation, such Holder (or such fiduciary, settlor, beneficiary, member, shareholder or person having such a power) being or having been a citizen or resident or treated as a resident of, being or having been engaged in a trade or business in, or having or having had a permanent establishment in, a Relevant Taxing Jurisdiction other than any connections arising solely from a Holder acquiring, holding or disposing of, receiving any payment under or with respect to or enforcing the Guarantee; or
- (c) payments to, or to a third party on behalf of, a Holder where no such withholding or deduction would have been required to be made if the Notes were credited at the time of payment to a securities deposit account with a bank, financial services institution, securities trading business or securities trading bank, in each case outside the Relevant Taxing Jurisdiction; or
- (d) payments where such withholding or deduction is imposed pursuant to (i) any European Union Directive or Regulation concerning the taxation of savings, or (ii) any international treaty or understanding relating to such taxation and to which the Relevant Taxing Jurisdiction or the European Union is a party/are parties, or (iii) any provision of law implementing, or complying with, or introduced to conform with, such Directive, Regulation, treaty or understanding, or (iv) the Luxembourg law of December 23, 2005; or
- (e) payments to the extent such withholding or deduction is payable by or on behalf of a Holder who could lawfully mitigate (but has not so mitigated) such withholding or deduction by complying or procuring that any third party complies with any statutory requirements or by making or procuring that a third party makes a declaration of non-residence or other similar claim for exemption to any tax authority in the place where the payment is effected; or
- (f) payments to the extent such withholding or deduction is payable by or on behalf of a Holder who would have been able to mitigate such withholding or deduction by effecting a payment via another paying agent in a Member State of the European Union not obliged to withhold or deduct tax; or
- (g) payments to the extent such withholding or deduction is for or on account of the presentation by the Holder of any Note for payment on a date more than 30 days after the date on which such payment became due and payable or the date on which payment thereof is duly provided for, whichever occurs later; or
- (h) payments to the extent such withholding or deduction is required pursuant to Sections 1471 through 1474 of the Internal Revenue Code, any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Internal Revenue Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Internal Revenue Code; or
- (i) any combination of items (a)-(h);

nor shall any Additional Amounts be paid with respect to any payment on the Guarantee to a Holder who is a fiduciary or partnership or who is other than the sole beneficial owner of such payment to the extent such payment would be required by the laws of the Relevant Taxing Jurisdiction to be included in the income, for tax purposes, of a beneficiary or settlor with respect to such fiduciary or a member of such partnership or a beneficial owner who would not have been entitled to such Additional Amounts had such beneficiary, settlor, member or beneficial owner been the Holder of the Note.

For the avoidance of doubt, the withholding tax (*Kapitalertragsteuer*) currently levied in the Federal Republic of Germany at the level of the custodian bank and the solidarity surcharge (*Solidaritätszuschlag*) imposed thereon pursuant to tax law as in effect as of the Issue Date do not constitute a tax or duty as described above in respect of which Additional Amounts would be payable

by the Guarantor. *Issue Date* means in respect of a particular issue of Notes, the issue date of such Notes.

§ 4

RESOLUTIONS OF HOLDERS – AMENDMENTS TO THE GUARANTEE

If the Terms and Conditions provide for majority resolutions of Holders in respect of amendments of this Guarantee, the Holders may consent to amendments of this Guarantee by majority resolution passed in accordance with § 13 of the Terms and Conditions with respect to the relevant Notes, provided that no obligation to make any payment or render any other performance shall be imposed on any Holder by majority resolution.

Majority resolutions shall be binding on all Holders. Resolutions which do not provide for identical conditions for all Holders are void, unless Holders who are disadvantaged have expressly consented to their being treated disadvantageously.

§ 5

INFORMATION

- (1) The Guarantor undertakes that for such time as the Notes have not been redeemed or repurchased and cancelled, to publish an English language version of the Periodic Financial Information on its internet website no later than on the dates specified below (or, if any such day is not a business day in Friedrichshafen, Germany, on the following business day).

Periodic Financial Information means:

- (i) the audited consolidated financial statements of the Guarantor prepared in accordance with Regulation (EC) No. 1606/2002 as amended from time to time or the respective applicable successor provision including the group management report which have to be published no later than six months after the end of the Guarantor's preceding financial year; and
 - (ii) the unaudited condensed consolidated half-yearly interim financial statements of the Guarantor (comprising consolidated statement of financial position, condensed consolidated statement of profit or loss and consolidated statement of cash flows) which has to be published no later than the ninetieth calendar day following the end of the second quarter of the Guarantor's recent financial year.
- (2) The Guarantor undertakes not to provide information about itself or any other factors which may affect the value of the Notes to any Holder in addition to the Periodic Financial Information, without providing such information to all Holders at the same time, unless the relevant Holder is provided with such information because of a legal relationship with the Guarantor which is independent from its status as Holder.

§ 6

DEFINITIONS

Unless otherwise defined in this Guarantee, terms used herein and defined in the Terms and Conditions shall have the meaning attributed to them in the Terms and Conditions.

§ 7

APPLICABLE LAW, PLACE OF JURISDICTION, LANGUAGE AND ENFORCEMENT

- (1) This Guarantee, as to form and content, and all rights and obligations of the Holders and the Guarantor, shall be governed by German law without giving effect to the principles of conflicts of law thereof.
- (2) The place of non-exclusive jurisdiction for any action or other legal proceedings or in connection with this Guarantee shall be Frankfurt am Main.
- (3) This Guarantee constitutes a contract for the benefit of the Holders from time to time as third party beneficiaries in accordance with § 328 paragraph 1 of the German Civil Code (*Bürgerliches Gesetzbuch*) giving rise to the right of each Holder to require performance of this Guarantee directly from the Guarantor and to enforce this Guarantee directly against the Guarantor.

- (4) This Guarantee is written in the German language and attached hereto is a non-binding English translation.
- (5) Any Holder of Notes may in any proceedings against the Guarantor, or to which such Holder and the Guarantor are parties, protect and enforce in his own name his rights arising under this Guarantee on the basis of a copy of this Guarantee certified by an authorized person of the Fiscal Agent without presentation of the original Guarantee.

Friedrichshafen, September 2020

ZF FRIEDRICHSHAFEN AG

By:

By:

We accept the terms of the above Guarantee without recourse, warranty or liability.

Frankfurt am Main, September 2020

DEUTSCHE BANK AKTIENGESELLSCHAFT

By:

By:

USE OF PROCEEDS

Except as disclosed in the relevant Final Terms, as applicable, the net proceeds of the issue of each Tranche of Notes will be applied by the relevant Issuer to meet part of its general corporate purposes. If in respect of any particular issue there is a particular identified use of proceeds, this will be stated in the relevant Final Terms, as applicable. The Notes may be issued as Green Bonds and the relevant Final Terms will indicate whether or not the Notes are intended to constitute Green Bonds and will provide additional information in relation to the intended use of proceeds in respect of any Green Bonds.

TAXATION WARNING

THE TAX LEGISLATION OF THE STATE OF RESIDENCE OF A PROSPECTIVE PURCHASER OF NOTES OR OF A JURISDICTION WHERE A PROSPECTIVE PURCHASER IS SUBJECT TO TAXATION AND THE TAX LEGISLATION OF THE ISSUER'S AND/OR THE GUARANTOR'S COUNTRY OF INCORPORATION OR COUNTRY OF RESIDENCE MAY HAVE AN IMPACT ON THE INCOME RECEIVED FROM THE NOTES.

PROSPECTIVE PURCHASERS OF NOTES ARE ADVISED TO CONSULT THEIR OWN TAX ADVISOR AS TO THE TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE NOTES.

SUBSCRIPTION AND SALE

Underwriting

The Notes may be issued on a continuous basis to one or more of the following dealers: Banco Santander, S.A., BNP Paribas, BofA Securities Europe SA, Citigroup Global Markets Europe AG, Commerzbank Aktiengesellschaft, Deutsche Bank Aktiengesellschaft, ING Bank N.V., J.P. Morgan AG, Landesbank Baden-Württemberg, Landesbank Hessen-Thüringen Girozentrale, Mizuho Securities Europe GmbH, MUFG Securities (Europe) N.V., SMBC Nikko Capital Markets Europe GmbH and UniCredit Bank AG and any additional dealer appointed under the Programme from time to time by the relevant Issuer, which appointment may be for a specific issue or on an ongoing basis (together the **Dealers**).

The Issuers, the Guarantor and the Dealers have entered into a dealer agreement dated April 9, 2021 (the **Dealer Agreement**) which sets out, *inter alia*, the arrangements under which Notes issued under the Programme may from time to time be agreed to be purchased by any one or more Dealers from the relevant Issuer. Any such agreement will, *inter alia*, contain provisions dealing with the form and terms and conditions of the relevant Notes, the price at which such Notes will be purchased by the Dealer(s) and the commissions or any other agreed deductibles payable or allowable by the relevant Issuer in respect of such purchase.

Further, the Dealer Agreement provides for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of Notes. A subscription agreement prepared in relation to a particular Tranche of Notes will typically be dated on or about the date of the relevant Final Terms applicable to such Tranche of Notes.

Method for determining the issue price and the process for its disclosure

The price and amount of Notes to be issued under the Programme will be determined by the relevant Issuer and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions.

Selling Restrictions

General

Each Dealer has represented, warranted and undertaken and each further Dealer appointed under the Programme will be required to represent, warrant and agree that it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in or from which it purchases, offers, sells or delivers Notes or possesses, distributes or publishes the Prospectus or any Final Terms or any related offering material and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither any of the Issuers or the Guarantor, if applicable, nor any other Dealer shall have any responsibility therefor.

With regard to each Tranche, the relevant Dealer will be required to comply with such other additional restrictions as the Issuer and the relevant Dealer shall agree and as shall be set out in the applicable Final Terms.

European Economic Area

Unless the Final Terms with regard to the relevant Tranche of Notes specify the "*Prohibition of Sales to EEA Retail Investors*" as "*not applicable*", each Dealer has represented, warranted and agreed and each further Dealer appointed under the Programme will be required to represent, warrant and agree that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) the expression **retail investor** means a person who is one (or more) of the following:

- (i) a retail client as defined in point (11) of article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); or
- (ii) a customer within the meaning of Directive 2016/97/EU (as amended), where that customer would not qualify as a professional client as defined in point (10) of article 4(1) of MiFID II; or
- (iii) not a qualified investor as defined in the Prospectus Regulation; and
- (b) the expression **offer** includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

United Kingdom

Prohibition of sales to UK Retail Investors

Unless the Final Terms in respect of any Notes specify the "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Prospectus as completed by the Final Terms in relation thereto to any retail investor in the UK. For the purposes of this provision:

- (a) the expression retail investor means a person who is one (or more) of the following:
 - (i) a retail client, as defined in point (8) of article 2 of Regulation (EU) No 2017/565 as it forms part of UK law by virtue of the EUWA; or
 - (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK law by virtue of the EUWA; and
- (b) the expression offer includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

Other regulatory restrictions in the UK

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) Financial Promotion: it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and
- (b) General Compliance: it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

United States

- (a) With regard to each Tranche, each Dealer has acknowledged that the Notes have not been and will not be registered under the Securities Act, including Notes in bearer form that are subject to U.S. tax law requirements, and may not be offered or sold within the United States or to U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Each Dealer has represented, warranted and undertaken that it has not offered or sold, and will not offer or sell, any Note constituting part of its allotment within the United States except in accordance with Rule 903 of Regulation S under the Securities Act (**Regulation S**). Accordingly, each Dealer further has represented, warranted and undertaken that neither it, nor its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to any Note. Each Dealer has agreed that it will not offer, sell or deliver any Note in bearer form within the United States or to U.S. persons.

Each Dealer has represented, warranted and undertaken that neither it, nor its affiliates nor any persons acting on its or their behalf have offered or sold or will offer and sell the Notes by means of any form of general solicitation or general advertising (as those terms are used in Rule 502(c) under the Securities Act) in the United States. Each Dealer has further represented, warranted and undertaken that neither it, nor its affiliates nor any persons acting on its or their behalf have made or caused to be made or will make or cause to be made a public offering of the Notes in the United States.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a U.S. person, except in transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended, and regulations promulgated thereunder.

In addition, until 40 days after the commencement of the offering, an offer or sale of any Note within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

- (b) From and after the time that the Issuer notifies the Dealers in writing that it is no longer able to make the representations set out in the Dealer Agreement, each Dealer (i) acknowledges that the Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S or pursuant to an exemption from the registration requirements of the Securities Act; (ii) has represented, warranted and undertaken that it has not offered, sold or delivered any Notes, and will not offer, sell or deliver any Notes, (x) as part of its distribution at any time or (y) otherwise until 40 days after the later of the commencement of the offering and the closing date, except in accordance with Rule 903 of Regulation S; and accordingly, (iii) further has represented, warranted and undertaken that neither it, nor its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to any Note, and it and they have complied and will comply with the offering restrictions requirements of Regulation S; and (iv) also has agreed that, at or prior to confirmation of any sale of Notes, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from it during the distribution compliance period a confirmation or notice to substantially the following effect:

"The Notes covered hereby have not been registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**), and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons by any person referred to in Rule 903(b)(2)(iii) of Regulation S under the Securities Act (**Regulation S**) (i) as part of its distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the

closing date, except in either case in accordance with Regulation S. Terms used above have the meanings given to them by Regulation S."

- (c) With regard to each Tranche, each Dealer has represented, warranted and undertaken that it has not entered and will not enter into any contractual arrangement with respect to the distribution or delivery of Notes, except with its affiliates or with the prior written consent of the relevant Issuer and the Guarantor, if applicable.
- (d) Notes, other than Notes with an initial maturity of one year or less, will be issued in accordance with the provisions of U.S. Treas. Reg. § 1.163-5(c)(2)(i)(C) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the U.S. Internal Revenue Code of 1986, as amended) (the **C Rules**), or in accordance with the provisions of U.S. Treas. Reg. § 1.163-5(c)(2)(i)(D) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the U.S. Internal Revenue Code of 1986, as amended) (the **D Rules**), as specified in the Final Terms.

In addition, where the C Rules are specified in the Final Terms as being applicable to any Tranche of Notes, Notes must be issued and delivered outside the United States and its possessions in connection with their original issuance. Each Dealer has represented, warranted and undertaken that it, in connection with the original issuance of Notes has not offered sold or delivered and will not offer, sell or deliver, directly or indirectly, Notes within the United States or its possessions in connection with their original issuance. Further, each Dealer has represented, warranted and undertaken in connection with the original issuance of Notes, that it has not communicated, and will not communicate, directly or indirectly, with a prospective purchaser if either such Dealer or such purchaser is within the United States or its possessions and will not otherwise involve its U.S. office in the offer or sale of Notes. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder, including the C Rules and any successor provisions thereto.

In addition, in respect of Notes issued in accordance with the D Rules, each Dealer has represented, warranted and undertaken that:

- (i) except to the extent permitted under the D Rules, (x) it has not offered or sold, and during the restricted period will not offer or sell, directly or indirectly, Notes to a person who is within the United States or its possessions or to a United States person, and (y) such Dealer has not delivered and will not deliver within the United States or its possessions definitive Notes that are sold during the restricted period;
- (ii) it has, and throughout the restricted period will have, in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Notes are aware that such Notes may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the D Rules;
- (iii) if such Dealer is a United States person, it is acquiring the Notes for purposes of resale in connection with their original issuance, and not for the purpose of resale directly or indirectly to a person within the United States or its possessions or to a United States person, and if such Dealer retains Notes for its own account, it will only do so in accordance with the requirements of the D Rules (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the U.S. Internal Revenue Code of 1986, as amended);
- (iv) with respect to each affiliate that acquires from such Dealer Notes for the purposes of offering or selling such Notes during the restricted period, such Dealer either (x) repeats and confirms the representations and agreements contained in sub-clauses (i), (ii) and (iii) of this paragraph (d) on such affiliate's

behalf or (y) agrees that it will obtain from such affiliate for the benefit of the Issuer the representations and agreements contained in sub-clauses (i), (ii) and (iii) of this paragraph (d); and

- (v) it shall obtain for the benefit of the Issuer the representations, undertakings and agreements contained in subclauses (i), (ii), (iii) and (iv) of this paragraph (d) from any person other than its affiliate with whom it enters into a written contract (a ***Distributor*** as defined in the D Rules), for the offer or sale during the restricted period of the Notes.

In addition, each Note issued in accordance with the D Rules will bear the following legend:

"ANY UNITED STATES PERSON (AS DEFINED IN THE INTERNAL REVENUE CODE OF THE UNITED STATES OF AMERICA) WHO HOLDS THIS OBLIGATION, DIRECTLY OR INDIRECTLY, WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(J) AND 1287(A) OF THE INTERNAL REVENUE CODE OF THE UNITED STATES OF AMERICA."

Terms used in this paragraph (d) have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended, and treasury regulations thereunder, including the D Rules and any successor provisions thereto.

Terms used in the paragraphs (a) – (c) have the meanings given to them by Regulation S.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (1) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "SFA")) pursuant to Section 274 of the SFA; (2) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA or (3) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is

- (a) a corporation (which is not an accredited investor) (as defined in Section 4A of the SFA) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor,

securities or securities-based derivatives contracts (each as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest in that trust shall not be transferable for 6 months after that corporation or that trust has acquired the securities under Section 275 of the SFA except:

- (a) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (b) where no consideration is or will be given for the transfer;
- (c) where the transfer is by operation of law;
- (d) as specified in Section 276(7) of the SFA; or
- (e) as specified in Regulation 37A of the Securities and Futures (Offers of Investments)(Securities and Securities-based Derivatives Contracts) Regulations 2018.

Switzerland

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that with regard to Switzerland this Prospectus is not intended to constitute an offer or solicitation to purchase or invest in the Notes described therein. The Notes may not be publicly offered directly or indirectly, in, into or from Switzerland within the meaning of the Swiss Financial Services Act (*FinSA*) and will not be admitted to trading on any exchange or other trading venue in Switzerland. Neither this Prospectus nor any other offering or marketing material relating to the Notes constitutes a prospectus as such term is understood pursuant to the FinSA and neither this Prospectus nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland.

Canada

The Notes may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Base Prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

If applicable, pursuant to section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the Dealers are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

GENERAL INFORMATION

Interests of Natural and Legal Persons involved in the Issue/Offer

Some or all of the Dealers and their affiliates are or may be in the future borrowers from or creditors of ZF AG, ZF Finance GmbH and its affiliates. Proceeds from issues under the programme may be used to repay financial liabilities to Dealers.

In addition, certain Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for ZF AG, ZF Finance GmbH and its affiliates in the ordinary course of business.

Moreover, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuers or Issuers' affiliates or Guarantor's affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuers and the Guarantor routinely hedge their credit exposure to the Issuers consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such short positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments. Interests of persons involved in a specific issue of Notes under the Programme will be set out in the relevant Final Terms.

Authorization

The establishment of the Programme (including the granting of the Guarantee) and the issue of Notes thereunder have been duly authorized by ZF Friedrichshafen AG. ZF Friedrichshafen AG will obtain from time to time all necessary consents, approvals and authorizations in connection with the issue and performance of its obligations under the Notes.

The establishment of the Programme and the issue of Notes thereunder have been duly authorized by ZF Finance GmbH. ZF Finance GmbH will obtain from time to time all necessary consents, approvals and authorizations in connection with the issue and performance of its obligations under the Notes.

Clearing Systems

The Notes have been accepted for clearance through Clearstream Banking AG, Frankfurt am Main (Mergenthalerallee 61, 65760 Eschborn) (**CBF**), Clearstream Banking S.A. (42 Avenue JF Kennedy, 1855 Luxembourg, Luxembourg) (**CBL**) and Euroclear Bank SA/NV (Boulevard du Roi Albert II, 1210 Brussels, Belgium) (**Euroclear**). The appropriate German securities number (**WKN**) (if any), Common Code and ISIN for each Tranche of Notes allocated by CBF, CBL and Euroclear will be specified in the applicable Final Terms. If the Notes are to be cleared through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms.

Programme Rating

The Issuers had the Programme rated and received a rating of Ba1¹ outlook negative from Moody's Deutschland GmbH (**Moody's**).

S&P and Moody's are established in the European Union and registered under the CRA Regulation.

¹ According to the definition published by Moody's Investors Service, Inc., Moody's Analytics, Inc. and/or their affiliates and licensors on its homepage: "Obligations rated Ba are judged to be speculative and are subject to substantial credit risk." "Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification from Aa through Caa. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category."

Documents on Display

So long as Notes are capable of being issued under this Prospectus, copies of the following documents will, when published, be available free of charge during normal business hours from the registered office of the relevant Issuer:

- (i) the articles of association of the relevant Issuer; and
- (ii) the documents incorporated by reference into this Prospectus (which may also be accessed by using the hyperlinks set out in the section "*Documents Incorporated by Reference*" below).

Electronic versions of the constitutional documents of the Issuers are also available as follows:

- the constitutional documents (with an English translation where applicable) of ZF AG (published in electronic form on the website of the Group (www.zf.com) and accessible on the following URL: "https://www.zf.com/mobile/de/company/corporate_governance/corporate_governance_zf.html");
- the constitutional documents (with an English translation where applicable) of ZF Finance GmbH (published in electronic form on the website of the Group (www.zf.com) and accessible on the following URL: "https://www.zf.com/master/media/corporate/m_zf_com/company/bonds_relations_bons_and_rating/Satzung-der-ZF_Finance_GmbH.pdf");

Copies of the Guarantee (as set out in the section "*Guarantee*" above) may be obtained free of charge during normal business hours at the specified office of the Fiscal Agent.

This Prospectus, any document incorporated by reference and any supplement to this Prospectus will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu) and available for at least ten years from the date of this Prospectus. In the case of Notes listed on the official list of the Luxembourg Stock Exchange, the Final Terms will be displayed on the website of the Luxembourg Stock Exchange (www.bourse.lu). In the case of Notes listed on any other stock exchange, the Final Terms will be displayed on the website of the Group (www.zf.com) under the section "Investor Relations" – "Capital Market Instruments & Rating".

Third Party Information

With respect to any information included herein and specified to be sourced from a third party (i) each Issuer confirms that any such information has been accurately reproduced and as far as each Issuer is aware and is able to ascertain from information available to it from such third party, no facts have been omitted the omission of which would render the reproduced information inaccurate or misleading and (ii) neither any of the Issuers nor any Dealer has independently verified any such information and neither any of the Issuer nor any Dealer accepts any responsibility for the accuracy thereof.

DOCUMENTS INCORPORATED BY REFERENCE

The pages specified below of the following documents which have previously been published or are published simultaneously with this Prospectus and filed with the CSSF are incorporated by reference in, and form part of, this Prospectus:

ZF Friedrichshafen AG

The English language translation of the German language audited IFRS consolidated financial statements of ZF Friedrichshafen AG as of and for the financial year ended December 31, 2020 and the independent auditor's report thereon as contained in the ZF Annual Report 2020 to which the page numbers refer:

Consolidated statement of profit or loss	page 97
Consolidated statement of comprehensive income	page 98
Consolidated statement of financial position	page 99
Consolidated statement of cash flows	page 100
Consolidated statement of changes in equity	page 101
Notes to the consolidated financial statements	pages 102 to 170
Independent auditor's report*	pages 172 to 174

The English language translation of the German language audited IFRS consolidated financial statements of ZF Friedrichshafen AG as of and for the financial year ended December 31, 2019 and the independent auditor's report thereon as contained in the ZF Annual Report 2019 to which the page numbers refer:

Consolidated statement of profit or loss	page 40
Consolidated statement of comprehensive income	page 41
Consolidated statement of financial position	page 42
Consolidated statement of cash flows	page 43
Consolidated statement of changes in equity	page 44
Notes to the consolidated financial statements	pages 45 to 110
Independent auditor's report*	pages 112 to 114

** The independent auditor's report is an English language translation of the German language independent auditor's report (Bestätigungsvermerk des unabhängigen Abschlussprüfers) and refers to the respective consolidated financial statements as well as the respective group management report of ZF AG as a whole and not solely to the consolidated financial statements incorporated by reference into this Prospectus.*

ZF Finance GmbH

The English language translation of the German language audited HGB unconsolidated financial statements of ZF Finance GmbH for the short financial year from July 16, 2020 to December 31, 2020 and the independent auditor's report thereon

Statement of financial position	pages 8 and 9
Statement of profit or loss	page 13
Annex to the financial statements for the short financial year from July 16, 2020 to December 31, 2020	pages 17 to 23
Independent auditor's report	pages 25 and 27

Option IA (Terms and Conditions of Fixed Rate Notes issued prior to the date of this Prospectus)

Set of Terms and Conditions for Notes with fixed interest rates contained in the Base Prospectus dated September 7, 2020 of ZF Friedrichshafen AG and ZF Finance GmbH (English and German language version)

–Terms and Conditions

– pages 76 to 129

Any information not incorporated by reference into this Prospectus but contained in one of the documents mentioned as source documents in the cross reference list above is either not relevant for the investors or covered elsewhere in this Prospectus.

The documents incorporated by reference are available on the website of the Luxembourg Stock Exchange (www.bourse.lu) and may be inspected and are available free of charge during normal business hours at the office of ZF Friedrichshafen AG, Löwentaler Straße 20, 88046 Friedrichshafen, Germany.

Electronic versions of the documents incorporated by reference can be accessed by using the following hyperlinks:

- (1) ZF Annual Report 2020:
<http://dl.bourse.lu/dlp/108532e102c81c47f8a074759587ce0d87>
- (2) ZF Annual Report 2019:
<http://dl.bourse.lu/dlp/10f452283d2f7f48b7bee744caa3e297c7>
- (3) ZF Finance GmbH Annual financial statements for the short financial year from July 16, 2020 to December 31, 2020:
<http://dl.bourse.lu/dlp/1047bd893a050545e48792e0913e201233>
- (4) ***Set of Terms and Conditions for Notes with fixed interest rates contained on pages 76 to 129 of the Base Prospectus dated September 7, 2020 of ZF Friedrichshafen AG and ZF Finance GmbH (English and German language version)***
<http://dl.bourse.lu/dlp/1006f7477264e241dbb56a754ce4d3afb1>

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