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This document constitutes the base prospectus of Vonovia Finance B.V. in respect of non-equity securities within the meaning of Art. 22 para 6 no. 4 of the Commission Regulation (EC) No. 809/2004 of 29 April 2004, as amended, ("**Non-Equity Securities**") for the purpose of Article 5.4 of the Directive 2003/71/EC (the "**Prospectus Directive**"), as amended (the "**Base Prospectus**" or the "**Prospectus**").

Vonovia Finance B.V.

(incorporated in The Netherlands as a private company with limited liability)
as Issuer

and

Vonovia SE

(incorporated in Germany as a European Company (Societas Europaea))
as Guarantor

EUR 20,000,000,000
Debt Issuance Programme

The Base Prospectus has been approved by the *Commission de Surveillance du Secteur Financier* (the "**CSSF**") which is the Luxembourg competent authority for the purposes of the approval of the Base Prospectus under the Luxembourg law on prospectuses for securities (*loi relative aux prospectus pour valeurs mobilières*) dated 10 July 2005 (the "**Luxembourg Prospectus Law**") implementing Prospectus Directive into Luxembourg law. The Issuer has requested the CSSF to provide the competent authorities in the Federal Republic of Germany ("**Germany**") and The Netherlands with a certificate of approval attesting that this Base Prospectus has been drawn up in accordance with the Luxembourg Prospectus Law. The Issuer may request the CSSF to provide competent authorities in additional host member states within the European Economic Area with such notification. By approving a prospectus, the CSSF shall give no undertaking as to the economic and financial soundness of the operation or the quality or the solvency of the Issuer or Guarantor pursuant to Article 7(7) of the Luxembourg Law.

This Base Prospectus will be published in electronic form together with all documents incorporated by reference therein and any supplements to the Base Prospectus on the website of the Luxembourg Stock Exchange (www.bourse.lu). The Base Prospectus will be valid for a period of 12 months after its approval.

Application has been made to the Luxembourg Stock Exchange for debt instruments to be issued under the EUR 20,000,000,000 debt issuance programme of the Issuer (the "**Programme**") and described in this Base Prospectus (the "**Notes**") up to the expiry of 12 months after the date of approval of this Base Prospectus to be listed on the official list of the Luxembourg Stock Exchange (the "**Official List**") and to be admitted to trading on the Luxembourg Stock Exchange's regulated market (the "**Regulated Market of the Luxembourg Stock Exchange**"), which is a regulated market for the purposes of the Markets in Financial Instruments Directive 2014/65/EU (as amended, "**MiFID II**"). Notes issued under the Programme may also be listed and traded on an alternative stock exchange or may not be listed at all. The maximum aggregate principal amount of Notes outstanding under the Programme will not exceed EUR 20,000,000,000.

The payments of all amounts due in respect of Notes issued by the Issuer will be unconditionally and irrevocably guaranteed by the Guarantor.

Arranger

J.P. Morgan

Dealers

Barclays
BofA Merrill Lynch
Commerzbank
Credit Suisse
J.P. Morgan
Morgan Stanley
Société Générale Corporate & Investment Banking
UniCredit Bank

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NOTICE

This Prospectus should be read and construed with any supplement thereto and with any other documents incorporated by reference and, in relation to any Series (as defined herein) of Notes, should be read and construed together with the relevant Final Terms (as defined herein).

Each of Vonovia Finance B.V. (the "**Issuer**") and Vonovia SE (the "**Guarantor**" and, together with all consolidated subsidiaries, "**Vonovia**" or the "**Vonovia Group**" or the "**Group**") has confirmed to the Dealers (as defined herein) that this Prospectus is true and accurate in all material respects and is not misleading; that any opinions and intentions expressed herein are honestly held and based on reasonable assumptions; that there are no other facts with respect to the Issuer and the Guarantor, the omission of which would make this Prospectus as a whole or any statement herein or opinions or intentions expressed herein misleading in any material respect; and that all reasonable enquiries have been made to verify the foregoing.

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

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

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

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 the offering, sale or delivery of any Note shall, in any circumstances, create any implication that the information contained in this Prospectus is true subsequent to the date upon which this Prospectus has been published or most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer since the date hereof or, as the case may be, the date upon which this Prospectus has been most recently supplemented or the balance sheet date of the most recent financial statements which are deemed to be incorporated into this Prospectus by reference or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

This document may only be communicated or caused to be communicated in circumstances in which section 21(1) of the Financial Services and Markets Act 2000 ("**FSMA**") does not apply.

The Notes and the Guarantee have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered, sold or delivered in the United States or to or for the account or benefit of U.S. persons except pursuant to an exemption from such registration. The Notes will include Notes in bearer form that are subject to U.S. tax law requirements. See "*Subscription and Sale - Selling Restrictions*".

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

Persons into whose possession this Prospectus or any Final Terms come are required by the Issuer and the Dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of this Prospectus or any Final Terms and other offering material relating to the Notes, see "*Subscription and Sale - Selling Restrictions*".

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

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

MIFID II PRODUCT GOVERNANCE / TARGET MARKET – The Final Terms in respect of any Notes will 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.

PRIIPs / IMPORTANT – EEA RETAIL INVESTORS – If the Final Terms in respect of any Notes include a legend entitled "Prohibition of Sales to EEA Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the 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; (ii) a customer within the meaning of Directive 2002/92/EC (the "**Insurance Mediation Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive. Consequently, no key information document required by Regulation (EU) No 1286/2014 (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.

BENCHMARK REGULATION - STATEMENT IN RELATION TO ADMINISTRATOR'S REGISTRATION – Amounts payable under floating rate Notes issued under the Programme are calculated by reference to (i) the Euro Interbank Offered Rate ("**EURIBOR**") which is provided by the European Money Markets Institute ("**EMMI**"), or (ii) the London Interbank Offered Rate ("**LIBOR**") which is provided by the ICE Benchmark Association ("**IBA**"). As at the date of this Base Prospectus, each of EMMI and IBA does not appear on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority ("**ESMA**") pursuant to Article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011) (the "**Benchmark Regulation**"). As far as the Issuer and the Guarantor are aware, the transitional provisions in Article 51 of the Benchmark Regulation apply, such that EMMI and IBA are not currently required to obtain authorisation or registration (or, if located outside the European Union, recognition, endorsement or equivalence).

IN CONNECTION WITH THE ISSUE OF ANY TRANCHE OF NOTES, THE DEALER OR DEALERS (IF ANY) ACTING AS STABILISATION MANAGER(S) (OR A PERSON ACTING ON BEHALF OF ANY STABILISATION 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, STABILISATION MAY NOT NECESSARILY OCCUR. ANY STABILISATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE RELEVANT TRANCHE OF NOTES IS MADE AND, IF BEGUN, MAY CEASE AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 CALENDAR DAYS AFTER THE ISSUE DATE OF THE RELEVANT TRANCHE OF NOTES AND 60 CALENDAR DAYS AFTER THE DATE OF THE ALLOTMENT OF THE RELEVANT TRANCHE OF NOTES. ANY STABILISATION ACTION OR OVER-ALLOTMENT MUST BE CONDUCTED BY THE RELEVANT STABILISATION MANAGER(S) (OR PERSON(S) ACTING ON BEHALF OF ANY STABILISATION MANAGER(S)) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

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

The language of this Prospectus is English. Any part of this Prospectus in the German language constitutes a translation except for the Guarantee where the English part constitutes a translation. In respect of the issue of any Tranche of Notes under the Programme, the German text of the Terms and Conditions may be controlling and binding if so specified in the relevant Final Terms. In respect of the Guarantee, the German language version is always controlling and binding. In respect of the documents incorporated by reference, (i) the English language version is controlling and binding in relation to the documents listed in the table of documents incorporated by reference under the heading "*Documents Incorporated by Reference - Vonovia Finance B.V.*" and (ii) the German language version is controlling and binding in relation to the documents listed in the table of documents incorporated by reference under the heading "*Documents Incorporated by Reference - Vonovia SE*".

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

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", "will" and similar terms and phrases, including references and assumptions. This applies, in particular, to statements in this Prospectus containing information on future earning capacity, plans and expectations regarding the Vonovia Group's business and management, its growth and profitability, and general economic and regulatory conditions and other factors that affect it.

Forward-looking statements in this Prospectus are based on current estimates and assumptions that the Issuer and the Guarantor 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 Vonovia 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. Vonovia 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: "*Summary*" and "*Description of the Guarantor and the Group*". These sections include more detailed descriptions of factors that might have an impact on Vonovia Group's business and the markets in which it operates.

In light of these risks, uncertainties and assumptions, future events described in this Prospectus may not occur. In addition, neither the Issuer nor the 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.

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SUMMARY

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

This summary (the "**Summary**") contains all the Elements required to be included in a summary for this type of Notes and Issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

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

Element	Section A – Introduction and warnings	
A.1	**Warnings**	This Summary should be read as an introduction to the Prospectus. Any decision to invest in the Notes should be based on consideration of the Prospectus as a whole by the investor. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the Prospectus, before the legal proceedings are initiated. Civil liability attaches only to the Issuer and the Guarantor who have tabled the Summary including any translation thereof, but only if the Summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the Notes.
A.2	**Consent to the use of the Prospectus**	**[**Each Dealer and/or each further financial intermediary subsequently reselling or finally placing the Notes in **[**the Grand Duchy of Luxembourg**]** **[**,**]** **[**and**]** **[**the Federal Republic of Germany**]** **[**,**]** **[**and**]** **[**The Netherlands**]** is entitled to use the Prospectus for the subsequent resale or final placement of the Notes during the offer period for the subsequent resale or final placement of the Notes from **[●]** to **[●]**, provided however, that the Prospectus is still valid in accordance with Article 11 Sec. 2 of the Luxembourg Law relating to prospectuses for securities (*Loi relative aux prospectus pour valeurs mobilières*) which implements Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 (as amended by Directive 2010/73/EU of the European Parliament and of the Council of 24 November 2010). The Prospectus may only be delivered to potential investors together with all supplements published before such delivery. Any supplement to the Prospectus is available for viewing in electronic form on the website of the Luxembourg Stock Exchange (www.bourse.lu) and on the website of Vonovia (www.vonovia.de). When using the Prospectus, each Dealer and/or relevant further financial intermediary must make certain that it complies with all applicable laws and regulations in force in the respective jurisdictions.

		In the event of an offer being made by a Dealer and/or a further financial intermediary the Dealer and/or the further financial intermediary shall provide information to investors on the terms and conditions of the Notes at the time of that offer.] **[**Not applicable. The Issuer does not consent to the use of the Prospectus.**]**

Element	Section B – Vonovia Finance B.V.	
B.1	**Legal and commercial name of the Issuer**	Vonovia Finance B.V. (the "**Issuer**") is simultaneously the legal and commercial name.
B.2	**Domicile, legal form, legislation and country of incorporation of the Issuer**	The Issuer is a Dutch private company with limited liability governed by Dutch law (*besloten vennootschap met beperkte aansprakelijkheid*). The registered office of the Issuer is Apollolaan 133-135, 1077 AR Amsterdam, The Netherlands.
B.4b	**Known trends affecting the Issuer and the industries in which it operates**	Not applicable. There are no known trends affecting the Issuer and the industries in which it operates.
B.5	**Description of the group and the Issuer's position within the group**	The Issuer is a directly wholly owned subsidiary of Vonovia SE (the "**Guarantor**") and has no subsidiaries of its own.
B.9	**Profit forecast or estimate**	Not applicable. No profit forecast or estimate are made.
B.10	**Nature of qualifications in the auditor's reports on the historical financial information**	Not applicable. The auditor's reports with respect to the financial statements as of 31 December 2017 and 31 December 2016 do not include any qualifications.
B.12	**Selected historical key financial information regarding the Issuer** The following selected financial information for the Issuer is based on the audited annual financial statements of the Issuer as of 31 December 2017 and 31 December 2016. The financial statements were prepared in accordance with Dutch GAAP.	

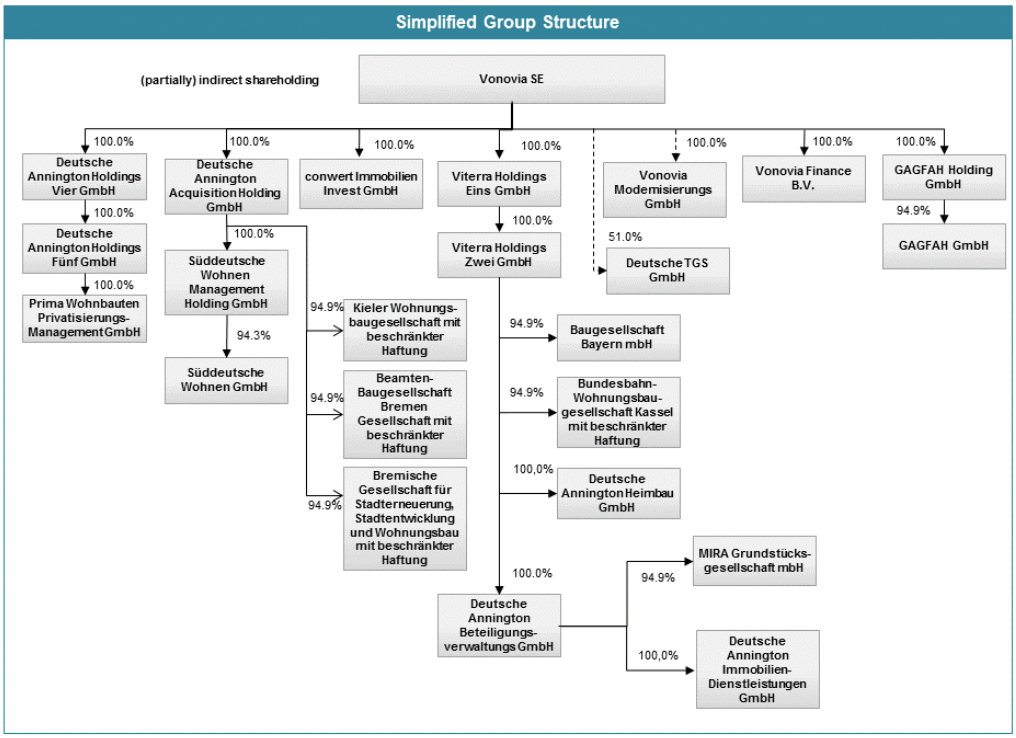
Element	Section B – Vonovia Finance B.V.	
	Balance sheet data **As of 31 December 2017** / **As of 31 December 2016** (*in EUR thousand*) (*audited*) Fixed assets: 11,572,892 / 10,501,511 Current assets: 144,525 / 260,812 **Total assets: 11,717,417 / 10,762,323** Total shareholders' equity: 45,126 / 21,204 Hybrid bond: 993,814 / 992,459 **Total capital base: 1,038,940 / 1,013,663** Long-term liabilities Bonds: 9,689,882 / 8,218,020 Derivate financial liabilities: 283 / 1,205 **Total long-term liabilities: 9,690,165 / 8,219,225** Current liabilities: 988,312 / 1,529,435 **Total equity and liabilities: 11,717,417 / 10,762,323**	
	Trend information There has been no material adverse change in the prospects of the Issuer since 31 December 2017. **Significant change in the financial and trading position** Not applicable. There has been no significant change in the financial or trading position of the Issuer since 31 December 2017.	
B.13	**Recent developments**	On 15 January 2018, the Issuer issued two series of notes under this Programme, guaranteed by the Guarantor: EUR 500 million 0.75 % notes due 2024 and EUR 500 million 1.50 % notes due 2028. In January 2018, the Issuer and the Guarantor entered into a EUR 2.65 billion facility agreement with a major international bank acting as arranger for bridge financing of the BUWOG Takeover (as defined below).
B.14	**Statement of dependency upon other entities within the Group**	***Please see Element B.19 B.5 for information on the description of the Group.*** The Issuer is a wholly owned subsidiary of the Guarantor and has no subsidiaries of its own. The ongoing business activities of the Issuer depend on the ability of the Guarantor and other companies of the Group to fulfil their payment obligations vis-à-vis the Issuer or the obligation to assume losses.

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Element	Section B – Vonovia Finance B.V.	
B.15	**Principal activities**	The Issuer acts as financing subsidiary of the Guarantor, the principal activity of the Issuer is the provision of loans to members of the Group financed with funds acquired from the capital market, bank loans and loans from other companies of the Group.
B.16	**Major shareholders**	The Guarantor is the sole shareholder of the Issuer. The Issuer is therefore indirectly controlled by the major shareholders of the Guarantor (*see Section B — Vonovia SE — Element B.19 B.16*).
B.17	**Credit ratings of the Issuer or its debt securities**	Not applicable. The Issuer is not rated. **[**Not applicable. The Notes have not been rated.**][**The Notes have been rated **[*insert rating(s)*]** by **[*insert rating agency/agencies*]]**.
B.18	**Nature and scope of the Guarantee**	Notes issued by the Issuer will have the benefit of a guarantee (the "**Guarantee**") for the payment of principal and interest on the Notes granted by 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. The terms of the Guarantee also contain a negative pledge of the Guarantor. The Guarantee is governed by German law. The Guarantee constitutes a contract for the benefit of the holders of the Notes (the "**Holders**") from time to time as third-party beneficiaries pursuant to § 328 paragraph 1 German Civil Code (*Bürgerliches Gesetzbuch*; "**BGB**").

Element	Section B – Vonovia SE	
B.19 B.1	**Legal and commercial name**	The Guarantor's legal name is Vonovia SE. The Guarantor and its subsidiaries are referred to together as "**Vonovia**" or the "**Group**". The Group primarily operates under the commercial name "Vonovia".
B.19 B.2	**Domicile, legal form, legislation and country of incorporation**	The Guarantor has its registered office at Universitätsstraße 133, 44803 Bochum, Federal Republic of Germany. The Guarantor is a European company (*Societas Europaea — SE*) incorporated in Germany and governed by European and German law.
B.19 B.4b	**Known trends affecting the Guarantor and the industries in which it operates**	Vonovia's business model is influenced by key environmental developments. The main megatrends are (1) demographic change and migration, (2) climate change and the replacement of fossil fuels with alternative sources of energy and (3) social change. (4) Digitalization is also becoming increasingly important. The real estate industry is also influenced by a large number of statutory regulations. (1) Demographic change: The German population is aging rapidly and presenting the real estate industry with considerable challenges, particularly when it comes to senior-friendly homes. This development is reinforcing the growing demand for one- and two-person households. Migration within Germany, from rural and non-urban regions to urban areas, and immigration to Germany, a trend that has been accelerated by the influx of refugees from global crisis regions, is creating greater demand for suitable and affordable living space in conurbations. More than 30 metropolitan areas or "high-influx cities" are reaping above-

Element	Section B – Vonovia SE	
		average benefits from this migration trend. Magnet behavior, shown primarily by younger age groups, is characterized mainly by the growing importance of living in locations that offer a vibrant urban lifestyle. (2) Climate change and alternative energies: A sustained, significant reduction in energy consumption and the replacement of fossil fuels with alternative sources of energy are key prerequisites for the success of the energy transition. Buildings account for a large share of total energy consumption. Vonovia is aware of the responsibility in this area, which is why it has launched a program for the energy-efficient refurbishment of its buildings. In addition, Vonovia uses modern and resource-conserving technologies when installing new heating units. (3) Social change: The process of social change is characterized by growing social disparities, meaning that Vonovia has to engage in active neighborhood management in order to ensure a pleasant residential environment. Efficient portfolio management also plays an essential role in ensuring that rents remain affordable, and that ancillary costs remain low, in the long term. (4) Digitalization: Digital transformation is also having an increasing impact on Vonovia's business model. Developments in the field of digitalization, i.e. primarily the exponential increase in computing power, networking (Internet of Things ("**IoT**") and platform solutions, mobile devices, robotic process automation ("**RPA**") and artificial intelligence ("**AI**") are being monitored on an ongoing basis to evaluate the impact on Vonovia's business model and adapt where appropriate. Vonovia evaluates digitalization and the benefits that it offers with regard to its processes and its customers. For Vonovia, Smart Real Estate already means the extensive digitalization of business processes with a level of sophistication that includes RPA and even extends as far as the first few AI approaches, for example in contract and portfolio data analysis. In Vonovia's new construction activities, Vonovia is using Building Information Modeling ("**BIM**") solutions. Evidence of networking can be found, in particular, within the value chain in Vonovia's management platform, which facilitates ongoing improvements in how Vonovia interacts with its customers using corresponding apps and portal solutions, and in the coordination of the local customer service, the craftsmen's and residential environment organization and the commercial support functions. Vonovia is also, however, increasingly seeing approaches for smart home building solutions, from smart grid, to assistance systems and predictive maintenance. Vonovia is not pursuing digitalization as an end in itself, but rather to boost customer satisfaction, improve the basis on which decisions are made, further develop its business model and processes and reduce the use of resources.

Element	Section B – Vonovia SE	
B.19 B.5	**Description of the group and the Guarantor's position within the group**	The Guarantor is the holding company of the Group. The Guarantor's business is primarily conducted by the relevant operating subsidiaries. The following diagram provides an overview (in simplified form) of the Guarantor's significant subsidiaries taking into account the relevant successive interests (*durchgerechneter Beteiligungsanteil*) as of 31 December 2017, unless stated otherwise.
		
B.19 B.9	**Profit forecast or estimate**	Not applicable. No profit forecast or estimate are made.
B.19 B.10	**Nature of qualifications in the auditor's reports on the historical financial information**	Not applicable. The auditor's reports on the historical consolidated financial information with respect to the financial years ended 31 December 2017 and 31 December 2016 do not include any qualifications.
B.19 B.12	**Selected historical key financial information of the Guarantor** The following tables set forth selected financial information relating to the Guarantor. The financial information has been extracted from the audited consolidated financial statements of the Guarantor for the financial years ended 31 December 2017 and 31 December 2016. The audited consolidated financial statements for the financial years ended 31 December 2017 and 31 December 2016 have been prepared in accordance with International Financial Reporting Standards, as adopted by the European Union ("**IFRS**"), and the additional requirements of German commercial law pursuant to section 315a (1) German Commercial Code (*Handelsgesetzbuch*; "**HGB**").	

Element	Section B – Vonovia SE

Consolidated income statement data

	For the year ended 31 December	
	2017	**2016**
	(*in EUR million*) (*audited*)	
Income from property management	**2,391.6**	**2,209.3**
Profit on disposal of properties (IFRS)	**151.5**	**102.2**
Net income from fair value adjustments of investment properties	**3,434.1**	**3,236.1**
Capitalised Internal expenses	458.1	341.0
Cost of materials	(1,176.4)	(1,081.9)
Personnel expenses	(416.0)	(353.8)
Depreciation and amortization	(372.2)	(27.0)
Other operating income	116.2	105.3
Other operating expenses	(273.3)	(249.5)
Financial income	46.8	27.1
Financial expenses	(353.0)	(449.0)
Earnings before tax	**4,007.4**	**3,859.8**
Income tax	(1,440.5)	(1,346.9)
Profit for the period	**2,566.9**	**2,512.9**

Consolidated balance sheet data

	As of 31 December	
	2017	**2016**
	(*in EUR million*) (*audited*)	
Total non-current assets	36,719.6	30,459.8
Total current assets	796.7	2,062.3
Total assets	**37,516.3**	**32,522.1**
Total equity attributable to the Guarantor's shareholders	15,080.8	12,467.8
Equity attributable to hybrid capital investors	1,001.6	1,001.6
Total equity attributable to the Guarantor's shareholders and hybrid capital investors	16,082.4	13,469.4
Non-controlling interests	608.8	419.0
Total equity	**16,691.2**	**13,888.4**
Total non-current liabilities	18,585.2	16,229.1
Total current liabilities	2,239.9	2,404.6
Total liabilities	**20,825.1**	**18,633.7**
Total equity and liabilities	**37,516.3**	**32,522.1**

Element	Section B – Vonovia SE	
	Trend information There has been no material adverse change in the prospects of the Guarantor since 31 December 2017. **Significant change in the financial and trading position** Save for the BUWOG Takeover discribed below, there has been no significant change to the Group's financial and trading position since 31 December 2017.	
B.19 **B.13**	**Recent developments**	On 18 December 2017 the Guarantor and BUWOG AG, Austria ("**BUWOG**", and together with BUWOG's consolidated subsidiaries, the "**BUWOG Group**") signed a business combination agreement for the combination of the two companies. Vonovia intends to combine its residential portfolio with that of BUWOG (around 49,000 apartments). On 5 February 2018 Vonovia published an offer document for its voluntary public takeover offer to acquire all shares in BUWOG (the "**BUWOG Takeover**"). Vonovia offered the BUWOG shareholders a cash consideration of EUR 29.05 per BUWOG share. The acceptance period started on 5 February 2018 and expired at 12 March 2018. On 12 March 2018, the Guarantor announced that the mandatory minimum acceptance threshold of at least 50% of all outstanding BUWOG shares plus one share was met. The settlement of the offer is scheduled for 26 March 2018. The planned merger was already cleared by the competition authorities in Germany and Austria. Daniel Riedl, current chairman of the management board of BUWOG, will be appointed to the management board of the Guarantor and will be responsible for the management board areas Austria and Development. Vonovia intends to finance the BUWOG Takeover entirely by means of debt capital. In January 2018, the Issuer and the Guarantor entered into a EUR 2.65 billion facility agreement with a major international bank acting as arranger for bridge financing of the BUWOG Takeover. On 15 January 2018, the Issuer issued two series of notes under this Programme, guaranteed by the Guarantor: EUR 500 million 0.75 % notes due 2024 and EUR 500 million 1.50 % notes due 2028. On 23 January 2018, Vonovia announced that Helene von Roeder was appointed by the supervisory board of the Guarantor to the Guarantor's management board. Helene von Roeder will take over the duties of Gerald Klinck in mid-2018. Gerald Klinck has decided in August 2017 not to seek an extension of his contract and to leave the management board of the Guarantor upon expiration of his current contract. On 29 January 2018, the Guarantor and Berlin Hyp entered into an EUR 500 million loan agreement. The loan will be used by the Guarantor to refinance a number of real estate portfolios acquisitions with approximately 270 objects. On 5 March 2018, Vonovia announced that the Chief Financial Officer ("**CFO**") of the Guarantor, Stefan Kirsten, will step down from the management board of the Guarantor effective 9 May 2018. The two management board areas of controlling and finance will now be

Element	Section B – Vonovia SE	
		consolidated under the leadership of Helene von Roeder who will take office as new CFO of the Guarantor in mid-2018. On 5 March 2018, Vonovia announced that the supervisory board of the Guarantor had unanimously resolved that it will propose the election of Jürgen Fitschen as member of the supervisory board to the annual general meeting of the Guarantor in 2018. If elected by the annual general meeting, the supervisory board of the Guarantor intends to elect Jürgen Fitschen as its chairman.
B.19 B.14	**Statement of dependency upon other entities within the Group**	***Please see Element B.19 B.5 for information on the description of the Group.*** Not applicable. The Guarantor is the parent company of the Group and is not dependent upon other entities in the Group.
B.19 B.15	**Principal activities**	Vonovia holds and manages a housing stock of around 350,000 apartments in almost all of Germany's attractive cities and regions. The total fair value comes to around EUR 33 billion, with net assets based on the definition of the European Public Real Estate Association ("**EPRA**") coming to approximately EUR 21 billion. In addition to its own apartments, Vonovia manages around 63,000 apartments for third parties. This makes Vonovia Germany's leading nationwide residential real estate company, albeit with a very low market share due to the highly fragmented nature of the market. Vonovia's business model is based on two pillars: the nationwide rental of good-quality and, most importantly, affordable living space and the provision of fairly priced property-related services. These property-related services mainly relate to cable TV, bathroom renovations in response to tenant requests, automated meter reading and senior-friendly apartment modernization. This is supported by Vonovia's craftsmen's and residential environment organization. As a modern service company, Vonovia focuses on customer orientation and, as a result, on the satisfaction of its customers, namely its tenants. Vonovia considers its ability to offer tenants affordable and attractive homes a prerequisite for the company's successful development. A central service center together with local caretakers and Vonovia's own technical and residential environment organization are aimed to ensure that its tenants' concerns are attended to in a timely, straightforward and reliable manner. In addition to its successful long-term and modern property management, Vonovia also develops the real estate portfolio through targeted acquisitions and sales. The goals associated with new portfolios acquisitions include strengthening its overall regional presence in Germany, realizing operational and financial economies of scale and optimizing structures. In addition, Vonovia will be using densification and vertical expansion to build an increasing number of new apartments in order to reflect the rising demand for living space due to migration to metropolitan areas. Vonovia's core operating rental business is currently divided into six business areas. These are, in turn, split into business units, each of which

Element	Section B – Vonovia SE	
		is responsible for an average of around 9,800 housing units on location as part of a decentralized structure. The caretaker, craftsmen's and residential environment organization is also based on a regional structure. Responsibility for product management, new construction and modernization, acquisition and sales are centralized. In order to carry out its management functions, Vonovia has established a series of service companies, particularly for commercial and operational support functions, which are centralized in shared service centers. By pooling the corporate functions on a uniform management platform, Vonovia achieves harmonization, standardization and economies of scale objectives. Vonovia considers this bundling as a prerequisite for the successful digitalization of the process chain. The management of the business is based on the strategic approaches of Vonovia and is conducted via the three segments: Rental, Value-add Business and Sales. The "**Rental**" segment combines all of the business activities that are aimed at the value-enhancing management of the properties. The "**Value-add Business**" segment bundles all of the customer-oriented services in which Vonovia has expanded its core business. These services have close ties to and/or influence the rental business. The Value-add Business segment also includes the activities performed by the craftsmen's and residential environment organization, Vonovia's new construction activities, the condominium administration business and insurance. The "**Sales**" segment bundles all real estate sales from the portfolio. This includes the individual sale of apartments and the sale of entire buildings or pieces of land.
B.19 B.16	**Major shareholders**	As of the date of this Prospectus, the following shareholders have a direct or indirect reportable participation in the registered shares and the voting rights of the Guarantor. The percentage values shown in the table below are based on the amount of voting rights last notified to the Guarantor with regard to the stated reference date by the respective shareholder pursuant to sections 33 et seqq. of the German Securities Trading Act (*Wertpapierhandelsgesetz –WpHG)* in relation to the Guarantor's share capital as of the date of this Prospectus. It should be noted that the number of voting rights last notified could have changed since such notifications were submitted to the Guarantor without requiring the relevant shareholder to submit a corresponding voting rights notification if no notifiable thresholds have been reached or crossed:

Element	Section B – Vonovia SE	
		Actual (direct or indirect) ownership of the Guarantor **Shareholder** | **Share of voting rights (in %)** BlackRock ..... 8.3 Norges Bank ..... 7.3 Lansdowne Partners..... 5.2 Massachusetts Financial Services Company ..... 3.0 Total..... 23.8
B.19 B.17	**Credit ratings of the Guarantor or its debt securities**	Standard & Poor's[1] has assigned the long-term credit rating "BBB+" (outlook stable) to the Guarantor.

Element	Section C – The Notes	
C.1	**Class and type of the Notes/security identification number**	**Class** The Notes are unsecured.
		[*In case of Fixed Rate Notes, insert*: The Notes bear fixed interest throughout the entire term of the Notes.]
		[*In case of Floating Rate Notes, insert*: The Notes will bear interest at a rate determined [(and as adjusted for the applicable margin)] on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service.]
		[ISIN **[●]** Common Code **[●]** WKN **[●]]**
C.2	**Currency**	The Notes are issued in **[**Euro ("**EUR**")**]** **[**U.S. dollars ("**USD**")**]** **[●]**.
C.5	**Restrictions on the free transferability of the Notes**	Not applicable. There are no restrictions on the free transferability of the Notes.

[1] Standard & Poor's is established in the European Community and is registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended (the "**CRA Regulation**").
The European Securities and Markets Authority publishes on its website (https://www.esma.europa.eu/supervision/credit-rating-agencies/risk) a list of credit rating agencies registered in accordance with the CRA Regulation. That list is updated within five working days following the adoption of a decision under Article 16, 17 or 20 CRA Regulation. The European Commission shall publish that updated list in the Official Journal of the European Union within 30 days following such update.

Element	Section C – The Notes	
C.8	**Rights attached to the Notes, ranking of the Notes, limitations to the rights attached to the Notes**	**Negative pledge** The Notes contain a negative pledge undertaking of the Issuer and set out the terms of a negative pledge undertaking of the Guarantor in the Guarantee.
		Taxation All amounts payable in respect of the Notes shall be made without withholding or deduction for, or on account of any present or future taxes or duties of whatever nature imposed or levied at source by way of withholding or deduction by or on behalf of The Netherlands or Germany or any political subdivision or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In such event, subject to customary exceptions, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the Holders, after such withholding or deduction shall equal the respective amounts which would otherwise have been receivable in the absence of such withholding or deduction.
		Covenants of the Guarantor ***Limitation of Incurrence of Financial Indebtedness*** The Guarantee restricts the Guarantor's ability to incur additional indebtedness and to create liens on its assets. The Guarantee provides that the Guarantor will, and will procure that its Subsidiaries will, after the issue date of the Notes, incur any financial indebtedness, only if certain ratios are not breached, subject to certain exceptions. ***Maintenance of Consolidated Coverage Ratio*** The Guarantor has further undertaken in the Guarantee that from the issue date of the Notes, the coverage ratio of the Group (being the ratio between the Group's earnings before interest and taxes of one period and the Group's interest expenses of the same period) does not fall below a specified minimum value, subject to certain exceptions. ***Maintenance of Total Unencumbered Assets*** The Guarantor has further undertaken in the Guarantee that from the issue date of the Notes, the unencumbered assets of the Guarantor and its Subsidiaries will at no time be less a specified minimum value, subject to certain exceptions.
		Status of the Notes The Notes will constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer, ranking *pari passu* among themselves and *pari passu* with all other unsecured and unsubordinated obligations of the Issuer, unless such obligations are accorded priority under mandatory provisions of statutory law. The Guarantor has given a guarantee (the "**Guarantee**") for the payment of principal and interest together with all other sums payable by the Issuer under the Notes.

Element	Section C – The Notes	
		[*In case of an early redemption of Fixed Rate Notes, insert*: **Early Redemption** The Notes can be redeemed prior to their stated maturity **[[**at the option of the**]** **[**Issuer**]** **[**and**]** **[**or**]** **[**the Holders**]**,**]** for taxation reasons, for reasons of a change of control **[**, for reasons of minimal outstanding amount**]** **[**, upon the occurrence of a transaction related event**]** or upon the occurrence of an event of default.**]**
		[*In case of an early redemption of Floating Rate Notes, insert*: **Early Redemption** The Notes can be redeemed prior to their stated maturity for taxation reasons or for reasons of a change of control **[**, for reasons of minimal outstanding amount**]** **[**, upon the occurrence of a transaction related event**]** or upon the occurrence of an event of default.**]**
		[*In case of an early redemption of Fixed Rate Notes at the option of the Issuer at the Call Redemption Amount, insert*: **Early Redemption at the Option of the Issuer at the Call Redemption Amount** The Notes can be redeemed at the option of the Issuer upon giving notice within the specified notice period to the Holders at the higher of (i) their principal amount and (ii) the Present Value, in each case together with accrued interest to, but excluding, the Call Redemption Date The "**Present Value**" will be the sum of (a) the principal amount of the Note to be redeemed which would otherwise become due on the Maturity Date, discounted to the Call Redemption Date; and (b) the remaining interest payments which would otherwise become due on each Interest Payment Date falling after the Call Redemption Date to and including the Maturity Date (excluding any interest accrued to but excluding the Call Redemption Date), each discounted to the Call Redemption Date. The Calculation Agent will calculate the Present Value in accordance with market convention on a basis which is consistent with the calculation of interest as set out in the terms and conditions, using the [***insert Benchmark Yield***] plus [***insert percentage***] %.
		[*In case of an early redemption of Fixed Rate Notes at the option of the Issuer at specified call redemption date(s) or within call redemption period(s), insert:* The Issuer may call and redeem the Notes (in whole but not in part) **[**on the **[*insert call redemption date(s)*]**] **[**within a period from **[*insert call-redemption period*]**] on giving not less than 30 nor more than 60 days' notice. The Issuer shall redeem each Note at **[*insert call redemption amount*]** together with accrued interest on the date fixed in the notice.**]**

Element	Section C – The Notes	
		[*In case of an early redemption of Fixed Rate Notes at the option of the Holders at specified redemption amount(s), insert*: **Early Redemption at the Option of the Holders at specified redemption amount(s)** The Notes can be redeemed at the option of the Holders upon giving notice within the specified notice period to the Issuer on a date or dates specified prior to such stated maturity and at the specified redemption amount(s) together with accrued interest to, but excluding, the relevant redemption date.**]**
		Early redemption for taxation reasons Early redemption of the Notes at their principal amount together with accrued interest to, but excluding, the relevant redemption date for taxation reasons will be permitted if as a result of any change in, or amendment to, the laws or regulations (including any amendment to, or change in, an official interpretation or application of such laws or regulations) of The Netherlands (or, in case of the Guarantee, the Federal Republic of Germany) or any political subdivision or taxing authority thereof or therein affecting taxation or the obligation to pay duties of any kind, the Issuer is required to pay additional amounts on the Notes (or the Guarantor is required to pay additional amounts on the Guarantee).
		Early Redemption for Reasons of a Change of Control The Notes provide for the option of the Holders to demand an early redemption of the Notes at their principal amount together with accrued interest to, but excluding, the relevant redemption date in the event of a change of control in respect of the Guarantor.
		[*In case of an early redemption for Reason of Minimal Outstanding Amount, insert*: **Early Redemption for Reason of Minimal Outstanding Amount** The Notes can be redeemed by the Issuer at their principal amount together with accrued interest to, but excluding, the relevant redemption date in case the Guarantor or an enterprise associated therewith acquired Notes equal to or in excess of 80 % of the aggregate principal amount of the Notes initially issued.**]**

Element	Section C – The Notes	
		[*In case of an early redemption at the option of the Issuer at the early call redemption amount upon the occurrence of a transaction related event, insert*: **Early Redemption upon the occurrence of a transaction related event** The Issuer may, upon giving a Transaction Trigger Notice call the Notes for early redemption (in whole or in part) with effect on the relevant redemption date at the **[*insert redemption amount*]** together with accrued interest to, but excluding, the relevant redemption date. "**Transaction Trigger Notice**" means a notice to the Noteholders within the Transaction Notice Period that the Transaction has been terminated prior to its completion or that the Transaction will not be settled for any reason whatsoever or that the Guarantor has publicly stated that it no longer intends to pursue the Transaction. The Transaction Trigger Notice shall also specify the relevant redemption date. "**Transaction**" means **[*insert description of envisaged transaction for which the Notes are intended to be issued for refinancing purposes*]**. "**Transaction Notice Period**" means the period from **[*insert issue date*]** to **[*insert end of period date*].]**
		Early redemption in an event of default (including cross default) The Notes provide for events of default (including cross default) entitling Holders to demand immediate redemption of Notes at their principal amount together with accrued interest to, but excluding, the relevant redemption date.
		Resolutions of Holders In accordance with the German Act on Debt Securities of 2009 (*Schuldverschreibungsgesetz* – "**SchVG**") the Notes and the Guarantee contain provisions pursuant to which Holders may agree by resolution to amend the Terms and Conditions and/or the Guarantee (with the consent of the Issuer and/or the Guarantor), and to decide upon certain other matters regarding the Notes and/or the Guarantee. Resolutions of Holders properly adopted, are binding upon all Holders. Resolutions providing for material amendments to the Terms and Conditions (or the Guarantee) require a majority of not less than 75 % of the votes cast. Resolutions regarding other amendments are passed by a simple majority of the votes cast.
C.9	**Interest and Redemption Payments, yield, representative of noteholders**	***Please see Element C.8 for information on rights attached to the Notes, on the ranking of the Notes, on possible early redemptions and on limitations to the rights attached to the Notes.***
	Interest rate	**[*In case of Fixed Rate Notes, insert*: [●]** % per annum.**]** **[*In case of Floating Rate Notes, insert*: [**EURIBOR**] [**LIBOR for the specified currency**] [[**plus**] [**minus**] the margin of [●] %] for each interest period.**]**

Element	Section C – The Notes	
	Interest commencement date	The issue date of the Notes.
	Interest payment dates	**[●]**
	Underlying on which interest rate is based	**[*In case of Fixed Rate Notes, insert*: Not applicable. The interest rate is not based on an underlying.]** **[*In case of Floating Rate Notes, insert*: [**EURIBOR**] [**LIBOR for the specified currency**]]**
	Maturity date, amortization, repayment procedures	***[Always to be inserted in case of Fixed Rate Notes, in case of Floating Rate Notes if applicable:*** Unless previously redeemed in whole or in part or purchased and cancelled, the Notes shall be redeemed at their principal amount on **[●].]** **[*In case of Floating Rate Notes, insert if applicable*: 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 [**the redemption month**].]** Payment of principal in respect of the Notes shall be made to the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System.
	Indication of yield	**[*In case of Fixed Rate Notes, insert*: [●] %]** **[*In case of Floating Rate Notes, insert*: Not applicable. No yield is calculated.]**
	Name of representative of the Holders	Not applicable. No Holders' Representative has been designated in the Terms and Conditions of the Notes.
C.10	**Explanation how the value of the investment is affected in the case the Notes have a derivative component in the interest payment**	***Please see Element C.9.*** Not applicable. The Notes do not have a derivative component in the interest payment.
C.11	**Admission to trading on a regulated market / Indication of the market where the Notes will be traded and for which the Prospectus has been published**	**[**Application has been made for the Notes to be admitted to trading on [**the regulated market of the Luxembourg Stock Exchange**] [●]].]** **[**Not applicable, the Issuer does not intend to make any application for the Notes to be admitted to trading on any stock exchange.**]**

Element	Section D – Risk specific to the Issuer
D.2	**Key information on the key risks that are specific to the Issuer or its industry**
	• The ongoing business activities of the Issuer depend on the ability of the Guarantor and other companies of the Group to fulfil their payment obligations vis-à-vis the Issuer or the obligation to assume losses.

Element	Section D – Risk specific to the Guarantor
D.3	**Key information on the key risks that are specific to the Guarantor or its industry**
	Market Risks • Vonovia is dependent on economic and demographic and economic developments in Germany and in the regional sub-markets where its properties are located. Further, the Group is dependent on its ability to adapt its housing activities to these developments. • The Group is exposed to risks related to the referendum in the United Kingdom on the United Kingdom's membership in the European Union and the uncertainties associated with the outcome of the vote to leave the European Union. • The slow and uncertain recovery of the global economy, the persistent sovereign debt and financial crisis in the Eurozone, the economic downturn in China and the current geopolitical crises in the Ukraine, Syria and the Balkan countries may have unpredictable and materially adverse effects on the euro and the member states of the Eurozone and may result in economic instability, limited access to debt and equity financing and possible defaults by the Group's counterparties. • The current macroeconomic environment is characterised by low interest rates and comparatively high values of residential real estate portfolios in Germany. Any rise in interest rates could have adverse effects on the German real estate market and on Vonovia. • It could become more difficult for Vonovia to implement its strategy of acquiring residential real estate portfolios or real estate companies on attractive terms, particularly due to the recent increase in market prices for real estate portfolios and real estate companies and the increasing consolidation in the German residential real estate market. Any such development could impair the growth of the Group's business and could prevent Vonovia from generating additional economies of scale and from improving its overall portfolio quality through acquisitions. **Risks Related to the Group's Business** • Vonovia is exposed to risks related to the structural condition of its properties and their modernisation and maintenance. Some of the Group's agreements require Vonovia to invest specified amounts in certain portfolios. Such requirements may lead to a sub-optimal funds allocation. • Vonovia may be unable to sell a portion or the whole of its portfolio on favourable terms. • The Group bears risks in connection with possible acquisitions and investments. These risks include unexpected liabilities, greater indebtedness, higher interest expenses, higher compensations and challenges with respect to the integration of newly acquired businesses and achieving of anticipated synergies and economies of scale. In addition, transaction costs for the acquisition of real estate may increase due to the German real estate transfer tax ("**RETT**"). Furthermore, real estate portfolios or real estate companies that may be acquired in the future may not develop as favourably as expected.

Element	Section D – Risk specific to the Guarantor
	• Future acquisitions may not close or not as originally contemplated or at all, for example, due to conditions in the purchase agreement or a failure to reach final agreements on acquisition financing. • Vonovia plans significant investments in modernisation measures, which may not generate the expected return. • In connection with several key acquisitions, Vonovia has entered into contractual obligations, or assumed such obligations indirectly through acquired entities, *inter alia* in the form of social charters, which restrict its ability to freely divest parts of its portfolio, to transfer or terminate employment relationships or to increase rents for certain units and which could lead to substantial contract penalties in case of breach. Each of the foregoing may prevent the Group from generating the maximum value from the affected properties. • Vonovia has established a caretaker and craftsmen organisation to insource its on-site support services for which it has recruited a large number of employees. In addition, Vonovia has established an organisation to deal with the infrastructure of its portfolios. This insourcing policy has significantly increased and will significantly increase the Group's personnel expenses and other fixed costs and continues to pose a management challenge. • In addition to residential property management and income from the sale of non-core or non-strategic properties, the Group's business includes single unit sales (privatisations), which may result in some units of the developed condominiums remaining unsold. The unsold units may require greater administrative resources and may lead to additional expenses and other negative consequences for the Group. • Vonovia could be exposed to risks from residual pollution including wartime ordnance, soil conditions and contaminants in building materials, as well as possible building regulation violations. Some of the buildings in Vonovia's real estate portfolio are located at mining sites and may suffer damage caused by mining activities. • Vonovia has a strategic partnership with Deutsche Telekom Group under which Vonovia is obligated to pay fixed fees per residential units regardless of the Group's ability to pass on those costs to its tenants. In addition, Vonovia employs and works together with a large number of service providers and is dependent on their performance in accordance with the various relevant contracts. • Vonovia may be liable to cover rent shortfalls pursuant to a guarantee given to a real estate fund. • Vonovia has received subsidies from public authorities which restrict the level of rents chargeable on a part of Vonovia's portfolio. Providers of the subsidised loans may also unilaterally exercise their right to increase the rate of interest payable on such loans. • Vonovia could sustain substantial losses from damage not covered by, or exceeding the coverage limits of, its insurance policies. • Vonovia has a relatively small number of employees in central functions and in senior management positions overseeing its business. Any inability to replace key personnel may be a challenge for Vonovia in future. • Vonovia is dependent on cooperative relations with its employees, the works council (employee representatives) and the trade union ver.di. • Damage to the Group's reputation and inadequate customer satisfaction may result in reduced demand for the Group's residential units and may make it more difficult for the Group to raise capital on favourable terms or at all.

Element	Section D – Risk specific to the Guarantor
	• The Group's information technology systems could malfunction or become impaired. • Vonovia has substantial pension obligations and other employee benefit obligations, the present value of which may significantly increase, *inter alia*, in the event of changes in parameters used to measure the obligations. Further, certain memberships in pension schemes for the public sector may trigger significant additional payment obligations. The Guarantor may thus have to recognise additional economic burdens in the future. **Risks Related to the BUWOG Takeover** • The integration of the BUWOG Group may neither be successful nor go as planned and may involve higher costs than expected or require more resources than initially planned. • The expected cost benefits in connection with the integration of the BUWOG Group may not be realised, or only realised to a small extent, or the achieved cost benefits may create higher costs than planned. • The Guarantor was not able to access important documents of the BUWOG Group before the takeover offer for BUWOG, meaning that there may be unknown circumstances that are of material importance for the evaluation of the BUWGO Group. **Risks Related to the Valuation of Vonovia's Properties** • If interest rates change, the market conditions deteriorate or the Group's rent levels or vacancy rates develop unfavourably, Vonovia may be required to adjust the current Fair Values of its investment properties and recognise significant losses. • Real estate valuation is inherently subjective, subject to uncertainties and based on assumptions which may prove to be inaccurate or affected by factors outside the Group's or an external appraiser's control. **Financial Risks** • Vonovia is dependent on its current corporate investment grade rating to pursue its financing strategy, including the satisfying of its future financing needs through the issuance of unsecured corporate bonds and notes. • The Group has a substantial level of debt and Vonovia's ability to repay existing debt with loans and other debt instruments could be limited. It may be difficult or expensive to obtain new sources of financing. • If the Guarantor or other Group companies breach financial covenants or other provisions in connection with any existing or future bonds, notes or other financial instruments or under any existing or future loan agreements, Vonovia may be required to pay higher interest or fully repay the relevant bonds, notes or loans before they become due, and security trustees or creditors could seize or realise significant collateral furnished by the Group. • The Guarantor's surplus revenues and possible future dividend payments are dependent on the profitability of its subsidiaries. **Regulatory and Legal Risks** • The Group's ability to increase rents is limited by German law which has become more restrictive in this regard. • Under German law, tenants enjoy substantial protection against termination and tenant eviction. In addition, Vonovia uses standardised tenancy agreements and standardised contract terms, which are closely scrutinised by German courts. • The Group's business is subject to the general legal framework in Germany. Any disadvantageous changes in the legal framework, such as mandatory environmental modernisation provisions, restrictions regarding modernisation measures or provisions

Element	Section D – Risk specific to the Guarantor
	(including taxes) that result in the incurrence of costs in the event of a property sale, may have adverse effects on the Group's business. • Vonovia could be subject to liability claims for several years after selling properties. • The control and prevention mechanisms of the Group's compliance structure may not have been, or may not be, sufficient to adequately protect Vonovia from all legal or financial risks. Cases of irregularities could lead to official investigations or third-party claims against the Group, which, in turn, could have material adverse effects on the Group's business, net assets, financial condition, cash flow, results of operations and reputation. **Tax Risks** • Vonovia is subject to the general tax environment in Germany and Austria. The Group's tax burden in relation to the future tax treatment of dividend payments, current or future tax assessments, tax audits or court proceedings may increase due to changes in tax laws or changes in the application or interpretation thereof. • A transfer of 95 % or more of the shares in the Guarantor or in a subsidiary within a five-year period may trigger German real estate transfer tax. • The tax authorities might not accept all tax deductions for interest payments in the past due to uncertainties regarding German regulation of earning stripping rules. Further, the Group's tax burden may increase as a consequence of the acquisition of Gagfah and other acquisitions of real estate portfolios or a future change in the Guarantor's shareholder structure and/or corporate structure. • Taxable capital gains arising out of sale of real estate property may not be completely offset by tax transfer of built-in gains. • Vonovia may, due to past or future changes in its ownership structure, not be able to make use of its tax loss carry-forwards and interest carry-forwards. • Significant reorganisations of the Group may result in an additional tax burden. • Vonovia is subject to certain tax risks in connection with the refinancing of the GRAND securitisation. • It cannot be excluded that the fiscal authorities will not recognise the existence of a VAT consolidated group for some entities of the Vonovia Group. • It cannot be ruled out that the fiscal authorities will not recognize the application of the extended reduction of trade income for some entities of Vonovia. • Vonovia is subject to possible future changes in the taxation of enterprises in Germany and in the European Union. • Passive Foreign Investment Company considerations relevant to US Holders.

Element	Section D – Risk specific to the Notes
D.3	**Key information on the key risks that are specific to the Notes** Risk Factors relating to the Notes comprise the following risks: • **Suitability**: A potential investor should not invest in Notes unless the investor has the expertise (either alone or with a financial advisor) to evaluate how Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Element	Section D – Risk specific to the Notes
	• **[*In case of Fixed Rate Notes, insert:* Notes with fixed interest rates**: A Holder of Fixed Rate Notes is exposed to the risk that the price of such Note falls as a result of changes in the market interest rate.**]** • **[*In case of Floating Rate Notes, insert*: Notes with floating interest rates**: A Holder of Floating Rate Notes is exposed to the risk of fluctuating interest rate levels and uncertain interest income. Fluctuating interest rate levels make it impossible to determine the profitability of Floating Rate Notes in advance.**]** • **[*Risks associated with the reform of LIBOR, EURIBOR and other interest rate 'benchmarks'*** A Noteholder is exposed to the risks associated with the reform of LIBOR, EURIBOR and other interest rates or other types of rates and indices which are deemed "benchmarks" (each a "**Benchmark**" and together, the "**Benchmarks**"). On 30 June 2016, the EU regulation ((EU) 2016/1011) on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (the "**Benchmark Regulation**") entered into force and is fully applicable since 1 January 2018. The Benchmark Regulation could have a material impact on Notes linked to a Benchmark, including in any of the following circumstances: o a rate or index which is a Benchmark may not be used according to the Benchmark Regulation (subject to applicable transitional provisions) if its administrator does not obtain authorisation or is not registered and in case of an administrator which is based in a non-EU jurisdiction, if the administrator's legal benchmark system is not considered equivalent (Art. 30 Benchmark Regulation) pending such decision the administrator is not recognised (Art. 32 Benchmark Regulation) or the benchmarks is not endorsed (Art. 33 Benchmark Regulation). In such event, depending on the particular Benchmark and the applicable terms of the Notes, the Notes could be impacted; and o 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. 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.] • **Risk of early redemption**: The Issuer has the right to repay all outstanding Notes if the Issuer would be obligated to pay additional amounts on the Notes (or the Guarantor would be obligated to pay additional amounts on the Guarantee) due to the deduction or discount of or the owing of current and future taxes **[*In case of an early redemption for Reason of Minimal Outstanding Amount insert:* *or for reason of minimal outstanding principal amount*]**. **[*In case of an early redemption of Notes at the option of the Issuer insert:* *In addition, Notes may be redeemable at the Issuer's option*]**. In this case, a Holder of such Notes is exposed to the risk that due to early redemption his investment will have a lower

Element	Section D – Risk specific to the Notes
	than expected yield. Also, after such an advance payment, a reinvestment of the refund in a comparable security with an effective rate of interest in the same amount as the Notes may not be possible. • **Credit risk:** Holders are subject to the risk of a partial or total failure of the Issuer or the Guarantor to make interest and/or redemption payments that the Issuer or the Guarantor is obliged to make under the Notes or the Guarantee, respectively. In addition, the market value of the Notes may suffer if the creditworthiness of the Issuer or the Guarantee, respectively, deteriorates. • **No active public trading market**: The Notes are new securities that are possibly not very widely spread and for which there is currently no liquid market. There can be no assurance that a liquid market will develop or be maintained for the Notes in the future. In an illiquid market, an investor might not be able to sell his Notes at any time at fair market prices. The possibility to sell Notes might additionally be restricted by country specific reasons. • **Risk of Inflation**: The real yield from an investment in the Notes is reduced by inflation. • **Risk of structural subordination of the Notes or the Guarantee**: The Notes and the Guarantee may be structurally subordinated to Vonovia Group's debt to the extent such debt is secured by assets that are not also securing the Notes. • **Risks relating to the restrictions on the Issuer and the Guarantor under the Notes and the Guarantee**: The Notes and the Guarantee contain only limited restrictive covenants restricting Vonovia Group's ability to incur additional debt, create liens or take other action that could negatively impact the Holders. These restrictions may nonetheless allow the Guarantor and its subsidiaries to incur significant additional (secured or unsecured) indebtedness, to grant additional security for the benefit of existing and future indebtedness and to enter into transactions, including reorganisations, mergers, acquisitions and other similar corporate transactions that may adversely affect the Holders. • **Transaction costs/charges**: Incidental costs may significantly reduce or eliminate any profit from holding the Notes. • **Taxation**: Potential purchasers and sellers of the Notes should be aware that they may be required to pay taxes or other documentary charges or duties. • **Risk of change in market value**: The Holders of Notes are exposed to the risk of an unfavourable development of market prices of their Notes if the holders sell the Notes prior to the maturity of such Notes. • **Volatile trading market**: The market for debt securities issued by the Issuer is influenced by a number of interrelated factors and the price at which a Holder will be able to sell its Notes prior to maturity may be substantially below the issue price or the purchase price paid by such Holder. • **Risk of change in rating**: The market price and the market value of the Notes are influenced, among other things, by the credit standing of the Guarantor and by a number of other factors including but not limited to the outlook and expectation of the markets, interest on the market, the rate of returns, and the remaining time to maturity of the Notes. • **Change of law**: The Terms and Conditions of the Notes are based on the German law 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 German law or administrative practice or the official application or interpretation of German law after the date of this Prospectus.

Element	Section D – Risk specific to the Notes
	• **Independent Review and Advice**: Without independent review and advice, an investor may not adequately understand the risks inherent with an investment in the Notes and may lose parts or all of his capital invested without taking such or other risks into consideration before investing in the Notes. • **Change of Control**: Although the occurrence of specific change of control events will permit Holders to require redemption or repurchase of the Notes, the Issuer may not be able to redeem or repurchase such Notes or the Guarantor to make a payment on the Guarantee. • **Event of Default**: In case of certain Events of Default, each series of Notes will only be redeemable if Holders of at least 10 per cent of the aggregate principal amount of the respective series of Notes then outstanding declare their Notes due and payable and the validity of such acceleration has not been rejected by majority resolution of the Holders of such series of Notes. • **Resolutions of Holders**: The Terms and Conditions of the relevant Notes or the Guarantee may be amended or other measures relating to the Notes or the Guarantee may be taken by majority resolution of the Holders of such Notes and a Holder is subject to the risk of being outvoted. Majority resolutions may be contested by Holders and, thus, the implementation of a majority decision could be significantly delayed or fail. • **Holders' Representative:** If a Holders' Representative has been appointed by a majority resolution of the Holders, it is possible that a Holder may be deprived of its individual right to pursue and enforce its rights under the Terms and Conditions against the Issuer. • **Foreign Currency Notes**: A Holder of Notes denominated in a foreign currency is particularly exposed to the risk of changes in currency exchange rates. • **Currency risks**: If an investor's financial activities are denominated principally in a currency other than the specified currency of a Series of Notes, it must be aware of the foreign exchange risks associated with investment in the Notes. • **Financial Transactions Tax**: On 14 February 2013, the European Commission published a proposal for a directive for a common financial transactions tax ("**FTT**") in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia. Estonia stated since that it will not participate. The FTT proposed by the European Commission could, if introduced, apply to certain dealings in the Notes in certain circumstances. As a result, Holders may be burdened with additional costs for the execution of transactions with the Notes.

Element	Section E - Offer of the Notes	
E.2b	**Reasons for the offer and use of proceeds when different from making profit and/or hedging certain risks**	[The net proceeds from the issue will be used for general financing purposes of Vonovia.] **[●]**

Element	Section E - Offer of the Notes	
E.3	**A description of the terms and conditions of the offer**	[Not applicable. No public offer is being made or contemplated.] [The total amount of the [offer][issue] is [●].] [The offer period commences on [●] and ends on [●].] [The minimum subscription amount is [●].] [The maximum subscription amount is [●].] [The expected price at which the Notes will be offered is [●].] [●]
E.4	**Any interest that is material to the issue/offer including conflicting interests**	[So far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer, except that certain Dealers and their affiliates may be customers of, and borrowers from and creditors of the Issuer and the Guarantor and/or their affiliates. In addition, certain Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for the Issuer and the Guarantor and/or their affiliates in the ordinary course of business.] [●]
E.7	**Estimated expenses charged to the investor by the issuer or the offeror**	[Not applicable.] [None.] [●]

GERMAN TRANSLATION OF THE SUMMARY

DEUTSCHE ÜBERSETZUNG DER ZUSAMMENFASSUNG

Zusammenfassungen bestehen aus vorgeschriebenen Angaben, die als "**Punkte**" bezeichnet sind. Diese Punkte sind in Abschnitte mit der Bezeichnung A - E (A.1 - E.7) unterteilt und nummeriert.

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

Auch wenn ein Punkt wegen der Art der Schuldverschreibungen und der jeweiligen Emittentin in die Zusammenfassung aufgenommen werden muss, ist es möglich, dass bezüglich dieses Punktes keine relevanten Angaben gemacht werden können. In einem solchen Fall ist in der Zusammenfassung eine kurze Beschreibung des Punktes mit dem Vermerk "entfällt" enthalten.

Punkt	**Abschnitt A - Einleitung und Warnhinweise**	
A.1	**Warnhinweise**	Die Zusammenfassung sollte als Einleitung zum Prospekt verstanden werden. Der Anleger sollte sich bei jeder Entscheidung in die Schuldverschreibungen zu investieren, auf den Prospekt als Ganzen stützen. Ein Anleger, der wegen der in dem Prospekt enthaltenen Angaben Klage einreichen will, muss nach den nationalen Rechtsvorschriften seines Mitgliedstaats möglicherweise für die Übersetzung des Prospekts aufkommen, bevor das Verfahren eingeleitet werden kann. Zivilrechtlich haftet nur die Emittentin und die Garantin, die die Zusammenfassung samt etwaiger Übersetzungen vorgelegt und übermittelt hat, und dies auch nur für den Fall, dass die Zusammenfassung verglichen mit den anderen Teilen des Prospekts irreführend, unrichtig oder inkonsistent ist oder verglichen mit den anderen Teilen des Prospekts wesentliche Angaben, die in Bezug auf Anlagen in die betreffenden Wertpapiere für die Anleger eine Entscheidungshilfe darstellen, vermissen lassen.
A.2	**Zustimmung zur Verwendung des Prospektes**	**[**Jeder Platzeur und/oder jeder weitere Finanzintermediär, der die emittierten Schuldverschreibungen weiter veräußert oder endgültig platziert, ist berechtigt, den Prospekt innerhalb der Angebotsfrist für die spätere Weiterveräußerung oder endgültige Platzierung der Schuldverschreibungen vom **[●]** bis **[●] [**im Großherzogtum Luxemburg**] [**,**] [**und**] [**in der Bundesrepublik Deutschland**] [**,**] [**und**] [**in den Niederlanden**]** zu verwenden, vorausgesetzt jedoch, dass der Prospekt in Übereinstimmung mit Artikel 11 Absatz 2 des Luxemburger Wertpapierprospektgesetzes (*Loi relative aux prospectus pour valeurs mobilières*), welches die Richtlinie 2003/71/EG des Europäischen Parlaments und des Rates vom 4. November 2003 (geändert durch Richtlinie 2010/73/EU des Europäischen Parlaments und des Rates vom 24. November 2010) umsetzt, noch gültig ist.

Punkt	Abschnitt A - Einleitung und Warnhinweise	
		Der Prospekt darf potentiellen Investoren nur zusammen mit sämtlichen bis zu dem Zeitpunkt der Übermittlung veröffentlichten Nachträgen übermittelt werden. Jeder Nachtrag zum Prospekt kann in elektronischer Form auf der Internetseite der Luxemburger Börse (www.bourse.lu) und der Internetseite der Vonovia (www.vonovia.de) eingesehen werden. Bei der Nutzung des Prospektes hat jeder Platzeur und/oder jeder weiterer Finanzintermediär sicherzustellen, dass er alle anwendbaren, in den jeweiligen Jurisdiktionen geltenden Gesetze und Rechtsvorschriften beachtet. **Für den Fall, dass ein Platzeur und/oder ein weiterer Finanzintermediär ein Angebot macht, informiert dieser Platzeur und/oder weitere Finanzintermediär die Anleger zum Zeitpunkt der Angebotsvorlage über die Angebotsbedingungen der Schuldverschreibungen.]** **[**Entfällt. Die Emittentin stimmt der Verwendung des Prospektes nicht zu.**]**

Punkt	Abschnitt B - Vonovia Finance B.V.	
B.1	**Gesetzliche und kommerzielle Bezeichnung**	Vonovia Finance B.V. (die "**Emittentin**") ist gleichzeitig die gesetzliche und die kommerzielle Bezeichnung.
B.2	**Sitz, Rechtsform, geltendes Recht, Land der Gründung**	Die Emittentin ist eine nach niederländischem Recht errichtete Gesellschaft mit beschränkter Haftung (*besloten vennootschap met beperkte aansprakelijkheid*). Der eingetragene Sitz der Emittentin befindet sich in Apollolaan 133-135, 1077 AR Amsterdam, Niederlande.
B.4b	**Bereits bekannte Trends, die sich auf die Emittentin und die Branchen, in denen sie tätig ist, auswirken**	Entfällt. Es gibt keine bekannten Trends, die sich auf die Emittentin und die Branchen, in denen sie tätig ist, auswirken.
B.5	**Beschreibung der Gruppe und der Stellung der Emittentin innerhalb dieser Gruppe**	Die Emittentin ist eine hundertprozentige, direkte Tochtergesellschaft der Vonovia SE (die "**Garantin**") und hat keine eigenen Tochtergesellschaften.
B.9	**Gewinnprognosen oder-schätzungen**	Entfällt. Es liegen keine Gewinnprognosen oder-schätzungen vor.

Punkt	Abschnitt B - Vonovia Finance B.V.	
B.10	**Art etwaiger Beschränkungen im Bestätigungs-vermerk zu den historischen Finanz-informationen**	Entfällt. Die Bestätigungsvermerke für die Jahresabschlüsse zum 31. Dezember 2017 und zum 31. Dezember 2016 enthalten keine Einschränkungen.
B.12	**Ausgewählte wesentliche historische Finanzinformationen der Emittentin** In der nachstehenden Tabelle sind ausgewählte Finanzinformationen der Emittentin aufgeführt. Die Finanzinformationen wurden den geprüften Jahresabschlüssen der Emittentin zum 31. Dezember 2017 und zum 31. Dezember 2016 entnommen. Die Abschlüsse sind gemäß den allgemein anerkannten Grundsätzen der Rechnungslegung in den Niederlanden erstellt worden.	

Bilanz

	Zum 31. Dezember 2017	**Zum 31. Dezember 2016**
	(in EUR Tausend)	
	(geprüft)	
Langfristige Vermögenswerte	11.572.892	10.501.511
Kurzfristige Vermögenswerte	144.525	260.812
Summe Aktiva	**11.717.417**	**10.762.323**
Eigenkapital	45.126	21.204
Hybridanleihe	993.814	992.459
Gesamte Eigenkapitalausstattung	**1.038.940**	**1.013.663**
Langfristige Verbindlichkeiten		
Anleihen	9.689.882	8.218.020
Derivate Finanzverbindlichkeiten	283	1.205
Gesamte langfristige Verbindlichkeiten	**9.690.165**	**8.219.225**
Kurzfristige Verbindlichkeiten	988.312	1.529.435
Summe Passiva	**11.717.417**	**10.762.323**

Trendinformation

Die Aussichten der Emittentin haben sich seit dem 31. Dezember 2017 nicht wesentlich nachteilig verändert.

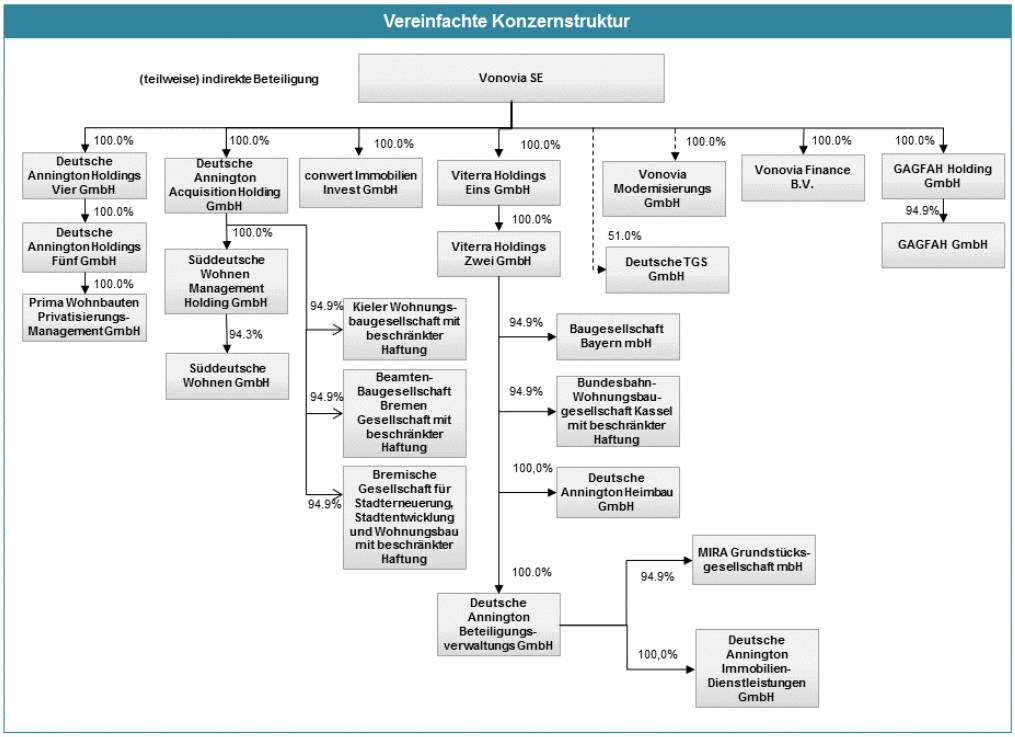
Wesentliche Veränderungen in der Finanzlage und Handelsposition

Entfällt. Es hat seit dem 31. Dezember 2017 keine wesentlichen Veränderungen in der Finanzlage und Handelsposition der Emittentin gegeben.

Punkt	Abschnitt B - Vonovia Finance B.V.	
B.13	**Jüngste Entwicklungen**	Am 15. Januar 2018 hat die Emittentin unter diesem Programm zwei Serien von Schuldverschreibungen begeben, garantiert durch die Garantin: EUR 500 Millionen 0,75 % Schuldverschreibungen fällig 2024 und EUR 500 Millionen 1,50 % Schuldverschreibungen fällig 2028. Im Januar 2018 haben die Emittentin und die Garantin mit einer internationalen Großbank als Arrangeurin einen Rahmenkreditvertrag im Volumen von EUR 2,65 Milliarden zur Brückenfinanzierung der BUWOG-Übernahme (wie unten definiert) abgeschlossen.
B.14	**Angabe zur Abhängigkeit von anderen Unternehmen der Gruppe**	***Siehe Punkt B.19 B.5 für Angaben zur Beschreibung der Gruppe.*** Entfällt. Die Emittentin ist eine hundertprozentige Tochtergesellschaft der Garantin und hat keine eigenen Tochtergesellschaften. Für die Aufrechterhaltung ihres Geschäftsbetriebes ist die Emittentin abhängig von der Fähigkeit der Garantin und weiterer Gruppengesellschaften, ihren Zahlungsverpflichtungen bzw. Verlustübernahmepflichten gegenüber der Emittentin nachzukommen.
B.15	**Haupttätigkeiten**	Die Emittentin agiert als Finanzierungstochter der Garantin. Die Haupttätigkeit der Emittentin besteht in der Gewährung von Darlehen an Mitglieder der Gruppe, die sie aus am Kapitalmarkt aufgenommenen Mitteln, Bankdarlehen und Darlehen von anderen Unternehmen der Gruppe finanziert.
B.16	**Hauptanteilseigner**	Die Garantin ist alleinige Anteilseignerin der Emittentin. Die Emittentin wird insofern indirekt kontrolliert durch die Hauptanteilseigner der Garantin (siehe Abschnitt B - Vonovia SE - Punkt B.19 B.16).
B.17	**Kreditratings der Emittentin oder ihrer Schuldtitel**	Entfällt. Die Emittentin ist nicht geratet. **[**Entfällt. Die Schuldverschreibungen haben kein Rating.**][**Die Schuldverschreibungen haben ein **[*Rating einfügen*]** Rating von **[*Ratingagentur(en) einfügen*]** erhalten.**]**
B.18	**Art und Umfang der Garantie**	Die von der Emittentin begebenen Schuldverschreibungen profitieren von einer Garantie (die "**Garantie**") der Garantin für die Zahlung von Kapital und Zinsen auf die Schuldverschreibungen. Die Garantie begründet eine unwiderrufliche, nicht besicherte und nicht nachrangige Verpflichtung der Garantin, die mit allen sonstigen unbesicherten und nicht nachrangigen Verpflichtungen der Garantin mindestens im gleichen Rang steht. Die Bedingungen der Garantie enthalten auch eine Negativverpflichtung der Garantin. Die Garantie unterliegt deutschem Recht. Die Garantie ist ein Vertrag zu Gunsten der Gläubiger der Schuldverschreibungen (die "**Gläubiger**") als begünstigte Dritte gemäß § 328 Absatz 1 BGB.

Punkt	Abschnitt B - Vonovia SE	
B.19 B.1	**Gesetzliche und kommerzielle Bezeichnung**	Die gesetzliche Bezeichnung der Garantin ist Vonovia SE. Die Garantin und ihre Tochtergesellschaften werden gemeinsam als "**Vonovia**" oder die "**Gruppe**" bezeichnet. Die Gruppe agiert unter der kommerziellen Bezeichnung "Vonovia".
B.19 B.2	**Sitz, Rechtsform, geltendes Recht, Land der Gründung**	Der eingetragene Sitz der Garantin befindet sich in der Universitätsstraße 133, 44803 Bochum, Bundesrepublik Deutschland. Die Garantin ist eine nach deutschem und europäischem Recht errichtete und in Deutschland gegründete Europäische Gesellschaft (*Societas Europaea - SE*).
B.19 B.4b	**Bereits bekannte Trends, die sich auf die Garantin und die Branchen, in denen sie tätig ist, auswirken**	Das Geschäftsmodell der Vonovia wird durch bedeutende Umfeldentwicklungen beeinflusst. Die wesentlichsten Megatrends sind (1) der demographische Wandel und die Migration, (2) der Klimawandel und der Ersatz fossiler Brennstoffe durch alternative Energiequellen sowie (3) der gesellschaftliche Wandel. Zunehmende Bedeutung gewinnt die (4) Digitalisierung. Darüber hinaus wird die Immobilienwirtschaft durch eine Vielzahl an gesetzlichen Regularien beeinflusst. (1) Demografischer Wandel: Die deutsche Bevölkerung altert stark und stellt die Wohnungswirtschaft damit insbesondere im Bereich des altersgerechten Wohnens vor erhebliche Herausforderungen. Diese Entwicklung verstärkt die wachsende Nachfrage durch Ein- bis Zwei-Personenhaushalte. Die Migration innerhalb Deutschlands in Richtung der urbanen Zentren zu Lasten der ländlichen und nicht-urbanen Regionen und die Migrationsbewegung durch Zuwanderung nach Deutschland, verstärkt durch den Zuzug von Flüchtlingen aus den globalen Krisengebieten, steigert die Nachfrage nach bedarfsgerechtem und bezahlbarem Wohnraum in den Ballungsräumen. Mehr als 30 als "Schwarmstädte" bezeichnete Ballungszentren oder Metropolregionen profitieren überdurchschnittlich von dieser Wanderungsbewegung. Kern des Schwarmverhaltens, das vor allem von den jüngeren Altersgruppen getragen wird, ist ein starker Bedeutungszuwachs der Wohnortqualität, vor allem in Bezug auf urbane Qualitäten. (2) Klimawandel und alternative Energien: Eine wichtige Voraussetzung für den Erfolg der Energiewende ist die nachhaltige und signifikante Reduktion des Energieverbrauchs und der Ersatz von fossilen Brennstoffen durch alternative Energiequellen. Gebäude machen einen großen Teil des Gesamtenergieverbrauchs aus. Vonovia ist sich der Verantwortung diesbezüglich bewusst und hat vor diesem Hintergrund ein Programm zur energetischen Sanierung ihrer Gebäude aufgesetzt. Zusätzlich setzt Vonovia beim Heizungsneueinbau auf moderne und ressourcenschonende Technologien. (3) Gesellschaftlicher Wandel: Die gesellschaftliche Entwicklung ist begleitet von wachsenden sozialen Gegensätzen. Dies stellt Vonovia vor die Aufgabe eines aktiven Quartiersmanagements, um somit für ein angenehmes Wohnumfeld zu sorgen. Dazu gehört unabdingbar auch eine effiziente Bewirtschaftung der Bestände, damit bezahlbare Mieten und niedrige Betriebskosten nachhaltig gesichert werden können.

Punkt	Abschnitt B - Vonovia SE	
		4) Digitalisierung: Der digitale Wandel beeinflusst zunehmend auch das Geschäftsmodell von Vonovia. Die Entwicklung der Digitalisierung, also im Wesentlichen exponentiell steigende Rechenleistung, Vernetzung (Internet der Dinge ("**IoT**")) und Plattformlösungen, Mobile Devices sowie die Automatisierung von Prozessen durch Robotics ("**RPA**") bis hin zur künstlichen Intelligenz ("**AI**") werden laufend beobachtet und deren Einfluss auf Vonovias Geschäftsmodell evaluiert und gegebenenfalls adaptiert. Digitalisierung und deren Nutzen evaluiert Vonovia mit Blick auf ihre Prozesse und ihre Kunden. Smart Real Estate bedeutet für Vonovia bereits konkret eine weitgehende Digitalisierung der Geschäftsprozesse mit einem erreichten Reifegrad, der Ansätze von RPA beinhaltet und sich bis hin zu ersten Ansätzen von AI bspw. in der Vertragsanalyse und Bestandsdatenanalyse erstreckt. Im Bereich Neubau setzt Vonovia Lösungen des Building Information Modelling ("**BIM**") ein. Vernetzung erfolgt insbesondere innerhalb der Wertschöpfungskette im Rahmen der Bewirtschaftungsplattform im Wege einer kontinuierlich verbesserten Interaktion mit ihren Kunden durch entsprechende Apps und Portallösungen sowie in der Koordination von lokalem Kundenservice, der Handwerker- und Wohnumfeldorganisation sowie den kaufmännischen Unterstützungsfunktionen. Zunehmend sieht Vonovia aber auch Möglichkeiten hinsichtlich Smart-Home-Gebäudelösungen. Diese reichen von Smart Grid, über Assistenzsysteme bis hin zu Predictive Maintenance. Vonovia verfolgt Digitalisierung nicht als Selbstzweck, sondern um die Kundenzufriedenheit zu erhöhen, die Entscheidungsgrundlagen zu verbessern, das Geschäftsmodell und die Prozesse weiter zu entwickeln und den Ressourceneinsatz zu reduzieren.
B.19 B.5	**Beschreibung der Gruppe und der Stellung der Garantin innerhalb dieser Gruppe**	Die Garantin ist die Holding-Gesellschaft der Gruppe. Die Geschäftstätigkeit der Garantin wird in erster Linie durch die entsprechenden Tochtergesellschaften durchgeführt. In dem folgenden Schaubild ist eine Zusammenfassung (in vereinfachter Form) der wesentlichen Tochtergesellschaften der Garantin unter Berücksichtigung des durchgerechneten Beteiligungsanteils zum 31. Dezember 2017, soweit nicht anders angegeben, dargestellt.

Punkt	Abschnitt B - Vonovia SE	
		
B.19 B.9	**Gewinnprognosen oder-schätzungen**	Entfällt. Es liegen keine Gewinnprognosen oder -schätzungen vor.
B.19 B.10	**Art etwaiger Beschränkungen im Bestätigungsvermerk zu den historischen Finanzinformationen**	Entfällt. Die Bestätigungsvermerke für die geprüften konsolidierten Jahresabschlüsse für die zum 31. Dezember 2017 bzw. 31. Dezember 2016 endenden Geschäftsjahre enthalten keine Einschränkungen.
B.19 B.12	**Ausgewählte wesentliche historische Finanzinformationen der Garantin** In der nachstehenden Tabelle sind ausgewählte Finanzinformationen der Garantin aufgeführt. Die Finanzinformationen wurden den geprüften konsolidierten Jahresabschlüssen der Garantin für die zum 31. Dezember 2017 bzw. 31. Dezember 2016 endenden Geschäftsjahre entnommen. Die geprüften konsolidierten Jahresabschlüsse für die am 31. Dezember 2017 bzw. 31. Dezember 2016 endenden Geschäftsjahre sind gemäß den International Financial Reporting Standards ("**IFRS**"), wie sie von der Europäischen Union übernommen wurden, und den ergänzend nach § 315a Abs. 1 HGB anzuwendenden handelsrechtlichen Vorschriften erstellt worden.	

Punkt	Abschnitt B - Vonovia SE
	Konzern-Gewinn-und-Verlustrechnung **Für das Geschäftsjahr endend am 31. Dezember** **2017** (*in EUR Millionen*) (*geprüft*) **2016** **Erlöse aus der Immobilienbewirtschaftung** ..... **2.391,6** **2.209,3** **Ergebnis aus der Veräußerung von Immobilien (IFRS)** ..... **151,5** **102,2** **Ergebnis aus der Bewertung von Investment Properties** ..... **3.434,1** **3.236,1** Aktivierte Eigenleistungen ..... 458,1 341,0 Materialaufwand ..... (1.176,4) (1.081,9) Personalaufwand ..... (416,0) (353,8) Abschreibungen ..... (372,2) (27,0) Sonstige betriebliche Erträge ..... 116,2 105,3 Sonstige betriebliche Aufwendungen ..... (273,3) (249,5) Finanzerträge ..... 46,8 27,1 Finanzaufwendungen ..... (353,0) (449,0) **Ergebnis vor Steuern** ..... **4.007,4** **3.859,8** Ertragssteuern ..... (1.440,5) (1.346,9) **Periodenergebnis** **2.566,9** **2.512,9**
	Konzernbilanz **Zum 31. Dezember** **2017** (*in EUR Millionen*) (*geprüft*) **2016** Langfristige Vermögenswerte ..... 36.719,6 30.459,8 Kurzfristige Vermögenswerte ..... 796,7 2.062,3 **Summe Aktiva** ..... **37.516,3** **32.522,1** Eigenkapitalanteil der Anteilseigner der Garantin ..... 15.080,8 12.467,8 Eigenkapitalanteil der Hybridkapitalgeber ..... 1.001,6 1.001,6 Eigenkapitalanteil der Anteilseigner der Garantin und der Hybridkapitalgeber 16.082,4 13.469,4 Nicht beherrschende Anteile ..... 608,8 419,0 **Eigenkapital** ..... **16.691,2** **13.888,4** Langfristige Schulden ..... 18.585,2 16.229,1 Kurzfristige Schulden ..... 2.239,9 2.404,6 **Schulden** ..... **20.825,1** **18.633,7** **Summe Passiva** **37.516,3** **32.522,1**
	Trendinformation Die Aussichten der Garantin haben sich seit dem 31. Dezember 2017 nicht wesentlich nachteilig verändert.

Punkt	Abschnitt B - Vonovia SE	
	Wesentliche Veränderungen in der Finanzlage und Handelsposition Abgesehen von der unten dargestellten BUWOG-Übernahme ist seit dem 31. Dezember 2017 keine wesentliche Veränderung der Finanzlange oder Handelsposition der Gruppe eingetreten.	
B.19 **B.13**	**Jüngste Entwicklungen**	Am 18. Dezember 2017 haben die Garantin und die BUWOG AG, Österreich ("**BUWOG**", und zusammen mit BUWOG's konsolidierten Töchtergesellschaften, die "**BUWOG Gruppe**") ein Business Combination Agreement zum Zusammenschluss beider Unternehmen unterzeichnet. Ziel des Zusammenschlusses ist, den Wohnungsbestand der Vonovia mit jenem der BUWOG (rund 49.000 Wohnungen) zusammenzuführen. Am 5. Februar hat Vonovia eine Angebotsunterlage für ein freiwilliges öffentliches Übernahmeangebot zum Erwerb aller ausstehenden Aktien der BUWOG veröffentlicht (die "**BUWOG-Übernahme**"). Vonovia hat den BUWOG-Aktionären eine Barzahlung in Höhe von EUR 29,05 je BUWOG-Aktie angeboten. Die Angebotsfrist begann am 5. Februar 2018 und lief am 12. März 2018 aus. Am 12. März 2018 hat die Garantin bekannt gegeben, dass die verpflichtende Mindestannahmequote von 50% aller ausstehenden BUWOG Aktien plus 1 Aktie erreicht wurde. Die Abwickelung des Angebots ist für den 26. März 2018 vorgesehen. Der geplante Zusammenschluss wurde bereits von den Wettbewerbsbehörden in Deutschland und Österreich freigegeben. Daniel Riedl, derzeit Vorstandsvorsitzender der BUWOG, soll in den Vorstand der Garantin berufen werden und wird für die Vorstandsbereiche Österreich und Development zuständig sein. Vonovia plant die BUWOG-Übernahme vollständig durch Fremdmittel zu finanzieren. Im Januar 2018 haben die Emittentin und die Garantin mit einer internationalen Großbank als Arrangeurin einen Rahmenkreditvertrag im Volumen von EUR 2,65 Milliarden zur Brückenfinanzierung der BUWOG-Übernahme abgeschlossen. Am 15. Januar 2018 hat die Emittentin unter diesem Programm zwei Serien von Schuldverschreibungen begeben, garantiert durch die Garantin: EUR 500 Millionen 0,75 % Schuldverschreibungen fällig 2024 und EUR 500 Millionen 1,50 % Schuldverschreibungen fällig 2028. Am 23. Januar 2018 hat Vonovia bekanntgegeben, dass Helene von Roeder vom Aufsichtsrat der Garantin in den Vorstand der Garantin berufen wurde. Helene von Roeder wird Mitte 2018 die Aufgaben von Gerald Klinck übernehmen. Gerald Klinck hat sich im August 2017 entschieden, keine Verlängerung seines Vertrages anzustreben und den Vorstand der Garantin zum Ende seiner Vertragslaufzeit zu verlassen. Am 29. Februar 2018 haben die Garantin und die Berlin Hyp einen Darlehensvertrag in Volumen von EUR 500 Million abgeschlossen. Das Darlehen wird von der Garantin verwendet werden, um die Akquisition einer Reihe von Immobilienportfolios mit rund 270 Objekten zu refinanzieren. Am 5. März 2018 hat Vonovia bekannt gegeben, dass der Chief Financial Officer ("**CFO**") der Garantin, Stefan Kirsten, zum 9. Mai 2018 den Vorstand der Garantin verlassen wird. Die beiden jetzigen

Punkt	Abschnitt B - Vonovia SE	
		Vorstandsbereiche Controlling und Finanzierung werden unter Leitung von Helene von Roeder zusammengeführt, sobald diese Mitte 2018 ihre Position als neue CFO der Garantin angetreten hat. Am 5. März 2018 hat Vonovia bekannt gegeben, dass der Aufsichtsrat der Garantin einstimmig beschlossen hat, der Hauptversammlung der Garantin im Jahr 2018 die Wahl von Jürgen Fitschen in den Aufsichtsrat vorzuschlagen. Sollte er von der Hauptversammlung gewählt werden, beabsichtigt der Aufsichtsrat der Garantin Jürgen Fitschen zum Vorsitzenden des Aufsichtsrats zu wählen.
B.19 B14	**Angabe zur Abhängigkeit von anderen Unternehmen der Gruppe**	***Siehe Punkt B.19 B.5 für Angaben zur Beschreibung der Gruppe.*** Entfällt. Die Garantin ist die Obergesellschaft der Vonovia Gruppe und es bestehen keine Abhängigkeiten von anderen Unternehmen der Vonovia Gruppe.
B.19 B.15	**Haupttätigkeiten**	Vonovia hält und bewirtschaftet einen Wohnungsbestand von rund 350.000 Wohnungen in fast allen attraktiven Städten und Regionen Deutschlands. Der Gesamtverkehrswert beträgt rund EUR 33 Milliarden und das Nettovermögen nach Definition der European Public Real Estate Association ("**EPRA**") rund EUR 21 Milliarden. Neben den eigenen Wohnungen verwaltet Vonovia circa 63.000 Wohnungen für Dritte. Damit repräsentiert Vonovia das in Deutschland führende bundesweit aufgestellte Wohnungsunternehmen, mit allerdings einem sehr geringen Marktanteil aufgrund des fragmentierten Marktes. Das Geschäftsmodell von Vonovia basiert auf zwei Säulen: der bundesweiten Vermietung von gutem und vor allem bezahlbarem Wohnraum und auf wohnungsnahen Dienstleistungen zu einem fairen Preis. Diese wohnungsnahen Dienstleistungen umfassen im Wesentlichen das Angebot von Kabel-TV, Badmodernisierung auf Mieterwunsch, automatisierte Zählerablesung und seniorengerechte Modernisierung von Wohnungen. Dies wird flankiert durch Vonovias Handwerker- und Wohnumfeldorganisation. Vonovia stellt als modernes Dienstleistungsunternehmen die Kundenorientierung und damit die Zufriedenheit der Kunden, der Mieter, in den Mittelpunkt. Ihnen ein bezahlbares und attraktives Zuhause bieten zu können, bildet die Voraussetzung für eine erfolgreiche Unternehmensentwicklung. Ein zentrales Servicecenter sowie die Objektbetreuer vor Ort und Vonovias eigene Technik- sowie Wohnumfeldorganisation sollen dafür sorgen, dass die Anliegen von Mietern zeitnah, unkompliziert und zuverlässig erledigt werden. Parallel zur nachhaltig erfolgreichen und modernen Bewirtschaftung entwickelt Vonovia den Immobilienbestand auch durch Akquisitionen und Verkäufe gezielt weiter. Die mit neu erworbenen Portfolios verbundenen Ziele liegen in einer gesamthaften Stärkung der regionalen Präsenz in Deutschland, in der Realisierung operativer und finanzieller Skaleneffekte sowie in einer Optimierung der Strukturen. Darüber hinaus wird Vonovia im Rahmen von Nachverdichtung und Aufstockung zunehmend neue Wohnungen bauen, um insbesondere der steigenden Nachfrage nach

Punkt	Abschnitt B - Vonovia SE	
		Wohnraum durch Zuwanderung in den Metropolregionen gerecht zu werden. Das operative Bewirtschaftungskerngeschäft von Vonovia gliedert sich derzeit in sechs regionale Geschäftsbereiche. Diese sind wiederum in Business Units unterteilt, die jeweils für durchschnittlich etwa 9.800 Wohneinheiten dezentral vor Ort zuständig sind. Die Organisation der Hausmeister-, Handwerker- und Wohnumfeldorganisation folgt ebenfalls einem Regionalprinzip. Die Zuständigkeiten für die Aktivitäten des Produktmanagements, des Neubaus und der Modernisierung, der Akquisition und des Vertriebs sind zentral gebündelt. Zur Wahrnehmung seiner Managementfunktionen hat Vonovia eine Reihe von Servicegesellschaften gegründet, insbesondere für die kaufmännischen und operativen Unterstützungsfunktionen, die zentral in Shared Service-Centern zusammengefasst sind. Durch die Bündelung von Unternehmensfunktionen auf einer einheitlichen Bewirtschaftungsplattform erzielt Vonovia Harmonisierungs-, Standardisierungs- und Skaleneffekte und erspart somit den Konzerngesellschaften das Unterhalten eigener Funktionen. Vonovia ist der Ansicht, dass erst diese Bündelung die Basis für eine erfolgreiche Digitalisierung der Prozesskette darstellt. Die Steuerung des Geschäfts orientiert sich an den strategischen Ansätzen von Vonovia und erfolgt über die drei Segmente Bewirtschaftung, Value-Add und Vertrieb. Im Segment "**Bewirtschaftung**" fassen Vonovia alle Geschäftsaktivitäten zusammen, die auf das wertsteigernde Management der Immobilienbestände ausgerichtet sind. Im Segment "**Value-Add**" bündeln Vonovia alle kundenorientierten Dienstleistungen, mit denen Vonovia das Kerngeschäft ergänzen. Diese Dienstleistungen haben einen engen Bezug zum Vermietungsgeschäft und/oder beeinflussen dieses. Weiterhin ordnet Vonovia dem Value-Add Segment die Aktivitäten der Handwerker- und Wohnumfeldorganisation, die Neubauaktivitäten und das Wohneigentumsverwaltungsgeschäft sowie Versicherungen zu. Das Segment "**Vertrieb**" leitet sich aus dem aktiven Management des Portfolios von Vonovia ab und bündelt alle Immobilienverkäufe aus dem Portfolio. Dazu zählen der Einzelverkauf von Wohnungen sowie der Verkauf ganzer Gebäude oder Grundstücke.
B.19 **B.16**	**Hauptanteilseigner**	Zum Datum dieses Prospekts haben die folgenden Aktionäre eine direkte oder indirekte meldepflichtige Beteiligung an den Namensaktien der Garantin und den Stimmrechten. Die in der nachstehenden Tabelle angegebenen Prozentsätze entsprechen dabei der Anzahl der von dem jeweiligen Aktionär in Bezug auf den angegebenen Stichtag zuletzt der Garantin nach §§ 33 ff. des Wertpapierhandelsgesetzes (WpHG) gemeldeten Stimmrechte im Verhältnis zu dem zum Datum des Prospekts ausgegebenen Grundkapital der Garantin. Dabei ist zu beachten, dass die zuletzt gemeldete Anzahl an Stimmrechten sich seit diesen Stimmrechtsmitteilungen geändert haben könnte, ohne dass der

Punkt	Abschnitt B - Vonovia SE	
		betreffende Aktionär zur Abgabe einer Stimmrechtsmitteilung verpflichtet gewesen wäre, wenn keine meldepflichtigen Schwellenwerte erreicht oder über- oder unterschritten wurden. **Aktionäre** / **Unmittelbare oder mittelbare Beteiligung an der Garantin Stimmrechtsanteil (in %)** BlackRock ..... 8,3 Norges Bank..... 7,3 Lansdowne Partners ..... 5,2 Massachusetts Financial Services Company..... 3,0 Total 23,8
B.19 B.17	**Kreditratings der Garantin oder ihrer Schuldtitel**	Standard & Poor's[2] hat das langfristige Kreditrating der Garantin auf "BBB+" (Ausblick: stabil) festgesetzt.

Punkt	Abschnitt C - Die Schuldverschreibungen	
C.1	**Gattung und Art der Schuldverschreibungen / Wertpapierkennnummer**	**Gattung** Die Schuldverschreibungen sind nicht besichert.
		[*Im Fall von festverzinslichen Schuldverschreibungen, einfügen:* Die Schuldverschreibungen werden mit einem festen Zinssatz über die gesamte Laufzeit der Schuldverschreibungen verzinst.**]**
		[*Im Fall von variabel verzinslichen Schuldverschreibungen, einfügen:* Die Schuldverschreibungen werden mit einem Zinssatz verzinst **[**(angepasst um die anwendbare Marge)**]**, der auf der Basis eines Referenzzinssatzes bestimmt wird, der auf der vereinbarten Bildschirmseite eines Kursdienstes angezeigt wird.**]**
		[ISIN **[●]** Common Code **[●]** WKN **[●]]**
C.2	**Währung**	Die Schuldverschreibungen sind in **[**Euro ("**EUR**")**] [**U.S. Dollar ("**USD**")**] [●]** begeben.

[2] Standard & Poor's hat seinen Sitz in der Europäischen Gemeinschaft und ist gemäß der Verordnung (EG) Nr. 1060/2009 des Europäischen Parlaments und des Rates vom 16 September 2009 über Ratingagenturen, in der jeweils aktuellen Fassung (die ***Ratingverordnung***), registriert. Die Europäische Wertpapier- und Marktaufsichtsbehörde veröffentlicht auf ihrer Internetseite (https://www.esma.europa.eu/supervision/credit-rating-agencies/risk) 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.

Punkt	Abschnitt C - Die Schuldverschreibungen	
C.5	**Beschränkungen der freien Übertragbarkeit der Schuld-verschreibungen**	Entfällt. Es gibt keine Beschränkungen für die freie Übertragbarkeit der Schuldverschreibungen.
C.8	**Mit den Schuld-verschreibungen verbundene Rechte, Rangordnung, Beschränkungen der Rechte**	**Negativverpflichtung** Die Schuldverschreibungen enthalten eine Negativverpflichtung der Emittentin und beschreiben die Negativverpflichtung der Garantin im Rahmen der Garantie.
		Besteuerung Alle in Bezug auf die Schuldverschreibungen zu zahlenden Beträge werden ohne Einbehalt oder Abzug von gegenwärtigen oder zukünftigen Steuern oder Abgaben gleich welcher Art gezahlt, die von oder im Namen der Niederlande oder der Bundesrepublik Deutschland, ihrer Bundesländer oder einer steuererhebungsberechtigten Gebietskörperschaft oder Steuerbehörde im Wege des Abzugs oder Einbehalts an der Quelle auferlegt oder erhoben werden, es sei denn, ein solcher Abzug oder Einbehalt ist gesetzlich vorgeschrieben. Vorbehaltlich der üblichen Ausnahmen wird in diesem Fall die Emittentin diejenigen zusätzlichen Beträge zahlen, die erforderlich sind, damit die den Gläubigern zufließenden Nettobeträge nach einem solchen Einbehalt oder Abzug jeweils den Beträgen entsprechen, die ohne einen solchen Einbehalt oder Abzug von den Gläubigern erhalten worden wären.
		Verpflichtungserklärungen der Garantin ***Beschränkungen für das Eingehen von Finanzverbindlichkeiten*** Die Garantie beschränkt die Möglichkeit der Garantin, zusätzliche Verbindlichkeiten einzugehen oder Sicherungsrechte an Vermögenswerten zu bestellen. Die Garantin hat sich in der Garantie verpflichtet Finanzverbindlichkeiten nur einzugehen und sicherzustellen, dass ihre Tochtergesellschaften nach dem Begebungstag Finanzverbindlichkeiten nur eingehen, soweit bestimmte Kennzahlen (vorbehaltlich bestimmter Ausnahmen) nicht verletzt werden. ***Einhaltung des Konsolidierten Deckungsgrads*** Die Garantin hat sich zudem in der Garantie verpflichtet, dass nach dem Begebungstag der Schuldverschreibungen der konsolidierte Deckungsgrad der Gruppe (der das Verhältnis des Gewinns vor Zinsen, Steuern, Abschreibungen (auf Sachanlagen) und Abschreibungen (auf immaterielle Vermögensgegenstände) der Gruppe für einen Zeitraum zu dem Gesamtbetrag der Zinskosten in demselben Zeitraum ist) (vorbehaltlich bestimmter Ausnahmen) nicht unter einen bestimmten Wert fällt. ***Einhaltung des Gesamtbetrags des Unbelasteten Vermögens*** Die Garantin hat sich in der Garantie weiterhin verpflichtet, dass ab dem Begebungstag das unbelastete Vermögen der Garantin und ihrer

Punkt	Abschnitt C - Die Schuldverschreibungen	
		Tochtergesellschaften zu keinem Zeitpunkt (vorbehaltlich bestimmter Ausnahmen) einen festgelegten Wert unterschreitet.
		Status der Schuldverschreibungen Die Schuldverschreibungen begründen unmittelbare, unbedingte, unbesicherte und nicht nachrangige Verbindlichkeiten der Emittentin, die untereinander und mit allen anderen unbesicherten und nicht nachrangigen Verbindlichkeiten der Emittentin gleichrangig sind, soweit diesen Verbindlichkeiten nicht durch zwingende gesetzliche Bestimmungen ein Vorrang eingeräumt wird. Die Garantin hat eine Garantie (die "**Garantie**") für die Zahlung von Kapital-, Zins- und sonstigen auf die Schuldverschreibungen zahlbaren Beträge übernommen.
		[*Im Fall vorzeitiger Rückzahlung bei festverzinslichen Schuldverschreibungen, einfügen:* **Vorzeitige Rückzahlung** Die Schuldverschreibungen können vor Ablauf ihrer festgelegten Laufzeit **[[**nach Wahl**] [**der Emittentin**] [**und**] [**oder**] [**der Gläubiger**],]** aus steuerlichen Gründen, aufgrund eines Kontrollwechsels **[**, aufgrund eines geringen ausstehenden Gesamtnennbetrages**] [**, bei Eintritt eines transaktionsbezogenen Ereignisses**]** oder bei Eintritt eines Kündigungsereignisses zurückgezahlt werden.**]**
		[*Im Fall vorzeitiger Rückzahlung bei variabel verzinslichen Schuldverschreibungen, einfügen:* **Vorzeitige Rückzahlung** Die Schuldverschreibungen können vor Ablauf ihrer festgelegten Laufzeit aus steuerlichen Gründen, aufgrund eines Kontrollwechsels **[**, aufgrund eines geringen ausstehenden Gesamtnennbetrages**] [**, bei Eintritt eines transaktionsbezogenen Ereignisses**]** oder bei Eintritt eines Kündigungsereignisses zurückgezahlt werden.**]**
		[*Im Fall vorzeitiger Rückzahlung von festverzinslichen Schuldverschreibungen nach Wahl der Emittentin zum vorzeitigen Rückzahlungsbetrag, einfügen:* **Vorzeitige Rückzahlung nach Wahl der Emittentin zu dem Wahl-Rückzahlungsbetrag** Die Schuldverschreibungen können nach Wahl der Emittentin nach Kündigung unter Einhaltung der festgelegten Kündigungsfrist gegenüber den Gläubigern zum höheren des (i) Nennbetrags je Schuldverschreibung oder (ii) dem Abgezinsten Marktwert, in jedem Fall zuzüglich etwaiger bis zum Wahl-Rückzahlungstag (ausschließlich) aufgelaufener Zinsen, zurückgezahlt werden. Der "**Abgezinste Marktwert**" ist die Summe aus (a) dem auf den Wahl-Rückzahlungstag abgezinsten Wert des Nennbetrags der zurückzuzahlenden Schuldverschreibung, der ansonsten am Fälligkeitstag fällig werden würde; und (b) den jeweils auf den Wahl-Rückzahlungstag abgezinsten Werten

Punkt	Abschnitt C - Die Schuldverschreibungen	
		der verbleibenden Zinszahlungen, die ansonsten an jedem Zinszahlungstag nach dem Wahl-Rückzahlungstag bis zum Fälligkeitstag (einschließlich) fällig werden würden (ausschließlich etwaiger, bis zum Wahl-Rückzahlungstag (ausschließlich) aufgelaufener Zinsen). Die Berechnungsstelle errechnet den Abgezinsten Marktwert gemäß der Marktkonvention auf einer Grundlage, die der Berechnung von Zinsen gemäß der Anleihebedingungen entspricht, wobei sie **[*Benchmark-Rendite einfügen*]** zuzüglich **[*Prozentsatz einfügen*]**% zugrunde legt.
		[*Im Fall vorzeitiger Rückzahlung bei festverzinslichen Schuldverschreibungen nach Wahl der Emittentin an Wahlrückzahlungstag(en) oder in einem Wahlrückzahlungszeitraum, einfügen:* Die Emittentin kann die Schuldverschreibungen (insgesamt, aber nicht teilweise) nach ihrer Wahl **[**am **[*Wahlrückzahlungstag(e) einfügen*]] [**in einem Zeitraum von **[*Wahlrückzahlungszeitraum einfügen*]]** mit einer Kündigungsfrist von nicht weniger als 30 und nicht mehr als 60 Tagen zurückzahlen. Die Emittentin hat jede Schuldverschreibung zum Betrag von **[*Wahlrückzahlungsbetrag einfügen*]**, zusammen mit den gegebenenfalls angelaufenen Zinsen zum in der Kündigung festgesetzten Datum zurückzuzahlen.**]**
		[*Im Fall vorzeitiger Rückzahlung bei festverzinslichen Schuldverschreibungen nach Wahl der Gläubiger zu dem(n) festgelegten Rückzahlungsbetrag/-beträgen, einfügen:* **Vorzeitige Rückzahlung nach Wahl der Gläubiger zu dem(n) festgelegten Rückzahlungsbetrag/-beträgen** Die Schuldverschreibungen können nach Wahl der Gläubiger nach Kündigung unter Einhaltung der festgelegten Kündigungsfrist gegenüber der Emittentin an dem bzw. den festgelegten Tag(en) vor Ablauf ihrer festgelegten Laufzeit zu dem(n) festgelegten Rückzahlungsbetrag/-beträgen nebst etwaiger bis zum jeweiligen Rückzahlungstag (ausschließlich) aufgelaufener Zinsen zurückgezahlt werden.**]**
		Vorzeitige Rückzahlung aus steuerlichen Gründen Die vorzeitige Rückzahlung der Schuldverschreibungen zum Nennbetrag nebst etwaiger bis zum jeweiligen Rückzahlungstag (ausschließlich) aufgelaufener Zinsen aus steuerlichen Gründen ist zulässig, falls als Folge einer Änderung oder Ergänzung der Gesetze oder Vorschriften (einschließlich einer Änderung oder Ergänzung der Anwendung oder der offiziellen Auslegung dieser Gesetze oder Vorschriften) der Niederlande (oder im Falle der Garantin, der Bundesrepublik Deutschland) oder deren politischen Untergliederungen oder Steuerbehörden, die Emittentin zur Zahlung zusätzlicher Beträge auf die Schuldverschreibungen verpflichtet ist (oder, im Falle von Zahlungen unter der Garantie, die Garantin zur Zahlung von zusätzlichen Beträgen verpflichtet ist).

Punkt	Abschnitt C - Die Schuldverschreibungen	
		Vorzeitige Rückzahlung bei Vorliegen eines Kontrollwechsels Die Schuldverschreibungen sehen ein Recht der Gläubiger vor, bei Vorliegen eines Kontrollwechsels in Bezug auf die Garantin eine vorzeitige Rückzahlung der Schuldverschreibungen zu ihrem Nennbetrag nebst etwaiger bis zum jeweiligen Rückzahlungstag (ausschließlich) aufgelaufener Zinsen zu verlangen.
		[*Im Fall vorzeitiger Rückzahlung aufgrund eines geringen ausstehenden Gesamtnennbetrages, einfügen:* **Vorzeitige Rückzahlung aufgrund eines geringen ausstehenden Gesamtnennbetrages** Die Schuldverschreibungen können von der Emittentin zum Nennbetrag nebst etwaiger bis zum jeweiligen Rückzahlungstag (ausschließlich) aufgelaufener Zinsen zurückgezahlt werden, falls die Garantin oder ein mit ihr verbundenes Unternehmen Schuldverschreibungen in einem Gesamtnennbetrag von 80% oder mehr des ursprünglich begebenen Gesamtnennbetrages der Schuldverschreibungen erworben hat.**]**
		[*Im Fall vorzeitiger Rückzahlung nach Wahl der Emittentin zum Wahlrückzahlungsbetrag bei Eintritt eines transaktionsbezogenen Ereignisses, einfügen:* **Vorzeitige Rückzahlung bei Eintritt eines transaktionsbezogenen Ereignisses** Die Emittentin ist berechtigt, die Schuldverschreibungen (insgesamt oder teilweise) durch eine Transaktions-Mitteilung mit Wirkung zum jeweiligen Rückzahlungstag zu dem **[*Rückzahlungsbetrag einfügen*]** nebst etwaiger bis zum jeweiligen Rückzahlungstag (ausschließlich) aufgelaufener Zinsen, zu kündigen. "**Transaktions-Mitteilung**" bezeichnet eine Mitteilung der Emittentin an die Anleihegläubiger innerhalb der Transaktionskündigungsfrist, dass die Transaktion vor ihrem Abschluss beendet wurde oder dass die Transaktion aus irgendeinem Grund nicht durchgeführt wird oder dass die Garantin öffentlich erklärt hat, dass sie nicht länger beabsichtigt, die Transaktion zu verfolgen. Die Transaktions-Mitteilung hat ferner den jeweiligen Rückzahlungstag zu bezeichnen. "**Transaktion**" bezeichnet **[*Beschreibung der geplanten Transaktion für deren Finanzierung die Schuldverschreibungen begeben werden*]**. "**Transaktionskündigungsfrist**" bezeichnet den Zeitraum ab dem **[*Begebungstag einfügen*]** bis zum **[*Datum Ende des Zeitraums einfügen*]**.**]**

Punkt	Abschnitt C - Die Schuldverschreibungen	
		Vorzeitige Rückzahlung bei Eintritt eines Kündigungsereignisses (einschließlich Drittverzug) Die Schuldverschreibungen sehen Kündigungsgründe (einschließlich einer Kündigung im Fall eines Drittverzugs (Cross-Default)) vor, die die Gläubiger berechtigen, die unverzügliche Rückzahlung ihrer Schuldverschreibungen zum Nennbetrag nebst etwaiger bis zum jeweiligen Rückzahlungstag (ausschließlich) aufgelaufener Zinsen zu verlangen.
		Gläubigerbeschlüsse In Übereinstimmung mit dem Gesetz über Schuldverschreibungen aus Gesamtemission von 2009 (*Schuldverschreibungsgesetz*, "**SchVG**") sehen die Schuldverschreibungen und die Garantie vor, dass die Gläubiger durch Beschluss Änderungen der Emissionsbedingungen und/oder der Garantie (mit Zustimmung der Emittentin und/oder der Garantin) zustimmen und gewisse sonstige Maßnahmen in Bezug auf die Schuldverschreibungen bzw. der Garantie beschließen können. Ordnungsgemäß gefasste Beschlüsse sind für alle Gläubiger verbindlich. Beschlüsse der Gläubiger, durch welche der wesentliche Inhalt der Emissionsbedingungen bzw. der Garantie geändert wird, bedürfen einer Mehrheit von mindestens 75% der an der Abstimmung teilnehmenden Stimmrechte. Sonstige Beschlüsse bedürfen der einfachen Mehrheit der teilnehmenden Stimmrechte.
C.9	**Verzinsung und Rückzahlungen, Rendite, Vertreter der Gläubiger der Schuld-verschreibungen**	***Siehe Punkt C.8 für Angaben zu mit den Schuldverschreibungen verbundenen Rechten, zu möglichen vorzeitigen Rückzahlungen, zur Rangordnung sowie zu Beschränkungen der mit den Schuldverschreibungen verbundenen Rechte.***
	Zinssatz	**[*Im Fall von festverzinslichen Schuldverschreibungen, einfügen:* [●]**%** p.a.**]** **[*Im Fall von variabel verzinslichen Schuldverschreibungen, einfügen*:** **[**EURIBOR**]** **[**LIBOR für die festgelegte Währung**]** **[[**zuzüglich**]** **[**abzüglich**]** der Marge in Höhe von **[●]%]** für jede Zinsperiode**]**
	Verzinsungsbeginn	Begebungstag der Schuldverschreibungen.
	Zinszahlungstage	**[●]**
	Basiswert auf dem der Zinssatz basiert	**[*Im Fall von festverzinslichen Schuldverschreibungen, einfügen:*** Entfällt. Der Zinssatz basiert nicht auf einem Basiswert.**]** **[*Im Fall von variabel verzinslichen Schuldverschreibungen einfügen*:** **[**EURIBOR**]** **[**LIBOR für die festgelegte Währung**]**

Punkt	Abschnitt C - Die Schuldverschreibungen	
	Fälligkeitstag, Tilgung einschließlich Rückzahlungs-verfahren	**[*Im Fall von festverzinslichen Schuldverschreibungen stets einfügen, im Fall von variable verzinslichen Schuldverschreibungen soweit anwendbar:*** Soweit nicht zuvor bereits ganz oder teilweise zurückgezahlt oder angekauft und entwertet, werden die Schuldverschreibungen zum Nennbetrag am **[●]** zurückgezahlt.**]** **[*Im Fall von variabel verzinslichen Schuldverschreibungen einfügen soweit anwendbar*:** Soweit nicht zuvor bereits ganz oder teilweise zurückgezahlt oder angekauft und entwertet, werden die Schuldverschreibungen zum Nennbetrag am Zinszahlungstag, der in **[**den Rückzahlungsmonat**]** fällt zurückgezahlt.**]** Zahlung von Kapital in Bezug auf die Schuldverschreibungen erfolgt an das Clearingsystem oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearingsystems.
	Angabe der Rendite	**[*Im Fall von festverzinslichen Schuldverschreibungen, einfügen:* [●]%]** **[*Im Fall von variabel verzinslichen Schuldverschreibungen einfügen*:** Entfällt. Es wird keine Rendite berechnet.**]**
	Name des Vertreters der Inhaber der Schuld-verschreibungen	Entfällt. In den Emissionsbedingungen der Schuldverschreibungen wurde kein gemeinsamer Vertreter der Gläubiger bestellt.
C.10	**Erläuterung wie der Wert der Anlage beeinflusst wird, falls die Schuld-verschreibungen eine derivative Komponente bei der Zinszahlung aufweisen**	***Siehe Punkt C.9.*** Entfällt. Die Schuldverschreibungen haben keine derivative Komponente bei der Zinszahlung.
C.11	**Zulassung zum Handel an einem regulierten Markt / Angabe des Markts, an dem die Schuld-verschreibungen künftig gehandelt werden und für den ein Prospekt veröffentlicht wurde**	**[**Die Zulassung zum Handel **[**im regulierten Markt der Luxemburger Wertpapierbörse**] [●]** wurde beantragt.**]** **[**Entfällt. Die Emittentin beabsichtigt nicht, einen Antrag auf Handel der Schuldverschreibungen an einer Börse zu stellen.**]**

Punkt	Abschnitt D - Risiken, die der Emittentin eigen sind
D.2	**Zentrale Angaben zu den zentralen Risiken, die der Emittentin oder ihrer Branche eigen sind**
	• Für die Aufrechterhaltung ihres Geschäftsbetriebes ist die Emittentin abhängig von der Fähigkeit der Garantin und weiterer Gruppengesellschaften, ihren Zahlungsverpflichtungen bzw. Verlustübernahmepflichten gegenüber der Emittentin nachzukommen.

Punkt	Abschnitt D - Risiken, die der Garantin eigen sind
D.3	**Zentrale Angaben zu den zentralen Risiken, die der Garantin oder ihrer Branche eigen sind**
	Marktbezogene Risiken • Vonovia ist von der wirtschaftlichen und demografischen Entwicklung in Deutschland und in den regionalen Teilmärkten, in denen sich ihre Immobilien befinden, abhängig. Weiterhin ist die Gruppe von ihrer Fähigkeit abhängig, ihre Geschäftstätigkeit im Wohnungswesen diesen Entwicklungen anzupassen. • Die Gruppe ist Risiken im Zusammenhang mit dem Referendum über den Verbleib des Vereinigten Königreichs in der Europäischen Union und der mit dem Ergebnis des Votums, aus der Europäischen Union auszutreten, verbundenen Ungewissheit ausgesetzt. • Die langsame und unsichere Erholung der Weltwirtschaft, die anhaltende Staatsschulden- und Finanzkrise in der Eurozone, der wirtschaftliche Abschwung in China und die aktuelle geopolitischen Krisen in der Ukraine, Syrien und den Balkanstaaten könnten unvorhersehbare und erheblich nachteilige Auswirkungen auf den Euro und die Mitgliedstaaten der Eurozone haben und könnten wirtschaftliche Instabilität, eingeschränkten Zugang zur Fremd- und Eigenkapitalfinanzierung sowie potenzielle Zahlungsausfälle von Geschäftspartnern der Gruppe zur Folge haben. • Das gegenwärtige makroökonomische Umfeld zeichnet sich durch niedrige Zinssätze und vergleichbar hohe Bewertungen von Wohnimmobilienportfolien in Deutschland aus. Jeder Zinsanstieg könnte nachteilige Auswirkungen auf den deutschen Immobilienmarkt und auf Vonovia haben. • Es könnte für Vonovia schwieriger werden, ihre Strategie des Erwerbs von Wohnimmobilienportfolien und Immobilienunternehmen zu günstigen Bedingungen umzusetzen, wobei dies insbesondere auf den jüngsten Anstieg der Marktpreise für Immobilienportfolien und Immobilienunternehmen und die zunehmende Konsolidierung auf dem deutschen Wohnimmobilienmarkt zurückzuführen ist. Eine solche Entwicklung könnte das Unternehmenswachstum der Gruppe beeinträchtigen und könnte verhindern, dass die Gruppe zusätzliche Skaleneffekte erzielt und die Qualität ihres gesamten Portfolios durch Akquisitionen verbessert. **Risiken im Zusammenhang mit der Geschäftstätigkeit der Gruppe** • Vonovia ist Risiken ausgesetzt, die aus der strukturellen Beschaffenheit ihrer Immobilien sowie der Modernisierung und Instandhaltung resultieren. Einige Verträge der Gruppe verpflichten Vonovia, bestimmte Beträge in bestimmte Portfolien zu investieren. Aufgrund dieser Verpflichtungen können die Mittel möglicherweise nicht optimal zugewiesen werden. • Vonovia ist möglicherweise nicht in der Lage, einen Teil oder ihr gesamtes Portfolio zu günstigen Bedingungen zu verkaufen. • Der Gruppe entstehen Risiken in Zusammenhang mit möglichen Akquisitionen und Investitionen. Zu diesen Risiken gehören unerwartete Haftungsfälle, eine höhere

	Verschuldung, höhere Zinsaufwendungen, höhere Entschädigungen und Herausforderungen bei der Eingliederung der neu erworbenen Unternehmen sowie der Erreichung der erwarteten Synergien und Skaleneffekte. Des Weiteren könnten sich die Transaktionskosten für Immobilienkäufe aufgrund der deutschen Regelungen zur Grunderwerbsteuer erhöhen. Weiterhin entwickeln sich Immobilienportfolien oder -unternehmen, die in Zukunft erworben werden können, möglicherweise nicht so vorteilhaft wie erwartet. • Zukünftige Akquisitionen können nicht, nicht wie ursprünglich geplant oder überhaupt nicht abgeschlossen werden, zum Beispiel aufgrund von Bedingungen des Kaufvertrages oder infolge des Scheiterns finaler Vereinbarungen über die Finanzierung. • Vonovia plant erhebliche Investitionen in Modernisierungsmaßnahmen, welche nicht die erwarteten Renditen erzielen könnten. • Im Zusammenhang mit einigen wichtigen Akquisitionen ging Vonovia vertragliche Verpflichtungen ein oder übernahm indirekt solche Verpflichtungen durch erworbene Unternehmen, z. B. durch sogenannte Sozialchartas, durch die ihre Fähigkeit, Teile ihres Portfolios frei zu veräußern, Beschäftigungsverhältnisse zu übertragen oder zu beenden und Mieten für bestimmte Einheiten zu erhöhen, eingeschränkt wird und welche im Fall einer Verletzung zu erheblichen Vertragsstrafen führen kann. Dies kann die Gruppe möglicherweise daran hindern, den größtmöglichen Wert aus den betroffenen Immobilien zu erzielen. • Zum Zwecke des Insourcings von Vor-Ort-Diensten hat Vonovia eine Hausmeister- und Handwerkerorganisation gegründet, für die sie eine große Anzahl an Beschäftigten eingestellt hat. Ferner hat Vonovia eine Organisation aufgebaut, welche mit dem Wohnumfeld ihres Portfolios befasst ist. Diese Insourcing-Strategie führte und wird zu einem deutlichen Anstieg der Personalaufwendungen und der sonstigen Fixkosten der Gruppe führen und stellt weiterhin eine Herausforderung für die Verwaltung dar. • Zusätzlich zu der Wohnimmobilienbewirtschaftung und den Erträgen aus dem Verkauf von Immobilien aus dem Non-Core- oder Non-Strategic-Bereich, gehört zur Geschäftstätigkeit der Gruppe ebenfalls der Verkauf von einzelnen Wohneinheiten (Privatisierung) mit der Folge, dass nicht alle Einheiten einer gebildeten Wohnungseigentümergemeinschaft verkauft werden könnten. Für die unverkauften Wohnbestände wird möglicherweise ein größerer Verwaltungsaufwand erforderlich, wobei dies zu zusätzlichen Aufwendungen und anderen nachteiligen Folgen für die Gruppe führen kann. • Vonovia könnte Risiken durch Altlasten einschließlich Kriegsmunition, Bodenbeschaffenheit und Schadstoffen in Baumaterialien sowie durch potenzielle Verstöße gegen Bauvorschriften ausgesetzt sein. Einige der Gebäude in dem Immobilienportfolio der Gruppe liegen in Bergbaugebieten und können durch Bergbauaktivitäten beschädigt werden. • Vonovia hat eine strategische Partnerschaft mit dem Deutsche Telekom Konzern, wonach Vonovia verpflichtet ist, für Wohnungen festgelegte Gebühren zu zahlen, unabhängig davon ob es der Gruppe möglich ist, diese Kosten auf ihre Mieter umzulegen. Zudem bedient sich Vonovia einer großen Anzahl an Dienstleistern und ist von deren vertragsgerechter Leistung abhängig. • Vonovia haftet möglicherweise für Mietausfälle gemäß einer einem Immobilienfonds gegebenen Garantie. • Vonovia hat Subventionen der öffentlichen Hand erhalten, wodurch das Niveau der Mieten, die verlangt werden können, bei einem Teil des Immobilienportfolios begrenzt ist. Darlehensgeber der geförderten Darlehen könnten ihr Recht, den Zins für diese Darlehen anzuheben, einseitig ausüben. • Der Gruppe könnten erhebliche Verluste dadurch entstehen, dass Schäden nicht von ihrer

	Versicherung gedeckt sind oder die Schadenshöhe die Deckungssumme des Versicherungsschutzes übersteigt. • Vonovia beschäftigt eine relativ kleine Anzahl an Angestellten in zentralen Funktionen und in der Geschäftsleitung, die das Geschäft überwachen. Falls Vonovia nicht in der Lage ist, wichtiges Personal zu ersetzen, könnte dies in Zukunft eine Herausforderung darstellen. • Vonovia ist von der vertrauensvollen Zusammenarbeit mit ihren Beschäftigten, dem Betriebsrat (Mitarbeitervertretungen) sowie der Gewerkschaft ver.di abhängig. • Eine Schädigung der Reputation der Gruppe und unzureichende Kundenzufriedenheit könnte die Nachfrage nach den Wohneinheiten der Gruppe reduzieren und es der Gruppe erschweren, Kapital zu attraktiven Konditionen oder überhaupt aufzunehmen. • Das EDV-System der Gruppe könnte fehlerhaft funktionieren oder beeinträchtigt werden. • Vonovia hat erhebliche Pensions- und andere Versorgungsverpflichtungen, deren Barwert sich unter anderem bei Veränderungen der zur Bemessung der Verpflichtungen dienenden Parameter erheblich erhöhen kann. Zudem können bestimmte Mitgliedschaften in Altersversorgungsplänen im öffentlich-rechtlichen Bereich zu erheblichen zusätzlichen Zahlungsverpflichtungen führen. Somit muss die Garantin künftig möglicherweise weitere wirtschaftliche Belastungen feststellen. **Risiken im Zusammenhang mit der BUWOG Übernahme** • Die Integration der BUWOG-Gruppe könnte nicht erfolgreich sein oder nicht wie geplant verlaufen und könnte mit höheren Kosten oder größerem Ressourceneinsatz als ursprünglich geplant verbunden sein. • Die erwarteten Kostenvorteile im Zusammenhang mit der Integration der BUWOG-Gruppe könnten nicht oder nur zu einem kleinen Teil realisiert werden oder die Erzielung der Kostenvorteile könnte mit höheren Kosten als geplant verbunden sein. • Der Garantin war es vor Beginn des Übernahmeangebots für die BUWOG nicht möglich wichtige Unterlagen der BUWOG-Gruppe einzusehen. Es könnten daher der Garantin bisher unbekannte Umstände existieren, die für die Bewertung der BUWOG-Gruppe bedeutend sind. **Risiken im Hinblick auf die Bewertung der Immobilien der Vonovia** • Im Falle einer Zinssatzänderung, einer Verschlechterung der Markbedingungen oder ungünstiger Entwicklungen des Mietniveaus oder der Leerstandsquote der Gruppe kann sich Vonovia gezwungen sehen, die beizulegenden Zeitwerte der Investment Properties anzupassen und bedeutende Verluste hinzunehmen. • Die Bewertung von Immobilien ist von Natur aus subjektiv, mit Unsicherheiten verbunden und auf Annahmen gegründet, die sich als fehlerhaft herausstellen können oder durch Faktoren beeinflusst werden, die außerhalb der Kontrolle der Gruppe oder eines externen Gutachters liegen. **Finanzielle Risiken** • Vonovia ist zur Weiterverfolgung der Finanzierungsstrategie von ihrem bestehenden Investment Grade Rating abhängig, insbesondere im Zusammenhang mit der Deckung ihres zukünftigen Finanzierungsbedarfs durch die Ausgabe unbesicherter Schuldverschreibungen und Schuldscheine. • Der Schuldenstand der Gruppe ist beträchtlich, so dass Vonovia darauf angewiesen ist, signifikante Beträge, die in den nächsten Jahren fällig werden, zu refinanzieren. Es kann schwierig oder kostspielig werden, neue Finanzierungsquellen aufzutun. • Sofern die Garantin oder andere Gesellschaften der Gruppe gegen Finanzkennzahlen

	(*Financial Covenants*) oder gegen sonstige Bestimmungen im Zusammenhang mit etwaigen bestehenden oder zukünftigen Anleihen, Schuldverschreibungen oder sonstigen Finanzinstrumenten oder mit etwaigen bestehenden oder zukünftigen Darlehensverträgen verstoßen, kann Vonovia verpflichtet sein, höhere Zinsen zu zahlen oder die betreffenden Anleihen, Schuldverschreibungen oder Bankdarlehen vor Endfälligkeit vollständig zurückzuzahlen. Zudem könnten Sicherheiten-Treuhänder und Gläubiger bedeutende Sicherheiten, die von der Gruppe gestellt wurden, pfänden oder verwerten. • Der Einnahmenüberschuss der Garantin und potenzielle zukünftige Dividendenzahlungen hängen von der Rentabilität ihrer Tochtergesellschaften ab. **Regulatorische und rechtliche Risiken** • Die Möglichkeiten der Gruppe, die Mieten zu erhöhen, sind durch das deutsche Recht begrenzt, das in dieser Hinsicht einschränkender geworden ist. • Nach deutschem Recht genießen die Mieter einen umfangreichen Schutz gegen Kündigungen und Zwangsräumungen. Zudem verwendet Vonovia standardisierte Mietverträge und standardisierte Vertragsbestimmungen, die von deutschen Gerichten streng geprüft werden. • Die Geschäftstätigkeit der Gruppe ist von den allgemeinen rechtlichen Rahmenbedingungen in Deutschland abhängig. Jede nachteilige Veränderung der rechtlichen Rahmenbedingungen, wie etwa verbindliche Vorschriften über umweltbedingte Modernisierungsmaßnahmen, Einschränkungen der Modernisierungsmöglichkeiten oder Vorschriften (einschließlich Steuern), die Kosten im Falle eines Verkaufs von Grundstücken verursachen, könnten sich nachteilig auf die Geschäftstätigkeit der Gruppe auswirken. • Vonovia kann für einen mehrjährigen Zeitraum nach dem Verkauf von Immobilien Haftungsansprüchen ausgesetzt sein. • Die Kontroll- und Präventionsvorkehrungen des Compliance Systems der Gruppe könnten nicht ausgereicht haben oder nicht ausreichen, um Gruppe angemessen vor allen rechtlichen oder finanziellen Risiken zu schützen. Unregelmäßigkeiten könnten zu behördlichen Ermittlungen oder Ansprüchen Dritter gegen die Gruppe führen, die wiederum einen erheblichen negativen Einfluss auf das Geschäft, die Vermögens-, Finanz- und Ertragslage, die Liquidität und das operative Ergebnis sowie die Reputation der Gruppe haben könnten. **Steuerliche Risiken** • Vonovia unterliegt den allgemeinen steuerlichen Rahmenbedingungen in Deutschland und Österreich. Durch Änderungen der Steuergesetze oder deren Anwendung oder Auslegung könnte sich die Steuerlast der Gruppe bezüglich der steuerlichen Behandlung von Dividendenzahlungen, aktueller oder zukünftiger Steuerbescheide, Steuerprüfungen oder Gerichtsverfahren erhöhen. • Die Übertragung von 95 % oder mehr Aktien an der Garantin oder einer Tochtergesellschaft innerhalb eines Zeitraums von fünf Jahren kann in Deutschland Grunderwerbsteuer auslösen. • Aufgrund von Unsicherheiten bei den deutschen Regelungen zur Zinsschranke könnten die Steuerbehörden nicht für alle Zinsaufwendungen in der Vergangenheit die steuerliche Abzugsfähigkeit anerkennen. Weiterhin könnte sich die Steuerlast der Gruppe durch den Erwerb der Gagfah und anderer Käufe von Immobilien-Portfolios oder durch eine zukünftige Änderung in der Beteiligungs- und/oder Unternehmensstruktur der Garantin erhöhen. • Steuerpflichtige Gewinne aus der Veräußerung von Immobilien können möglicherweise nicht vollständig durch die steuerliche Übertragung stiller Reserven neutralisiert werden.

	• Aufgrund von früheren oder zukünftigen Änderungen in ihrer Aktionärsstruktur könnte Vonovia nicht in der Lage sein, ihre steuerlichen Verlustvorträge und Zinsvorträge zu verwenden. • Erhebliche Umstrukturierungen der Gruppe können zu einer zusätzlichen Steuerbelastung führen. • Vonovia unterliegt bestimmten steuerlichen Risiken im Zusammenhang mit der Refinanzierung der GRAND-Verbriefung. • Es kann nicht ausgeschlossen werden, dass die Finanzbehörden keine umsatzsteuerliche Organschaft für einzelne Einheiten der Vonovia Gruppe anerkennen. • Es kann nicht ausgeschlossen werden, dass die Finanzverwaltung für einzelne Gesellschaften der Vonovia die Inanspruchnahme der erweiterten Kürzung des Gewerbebetrags nicht anerkennt. • Vonovia unterliegt zukünftigen Änderungen in der Besteuerung von Unternehmen in Deutschland und der Europäischen Union. • U.S. Anleger sollten beachten, dass die Garantin als "Passiv Foreign Investment Company" gemäß U.S. Steuerrecht klassifiziert werden könnte.

D.3	**Abschnitt D - Risiken, die den Schuldverschreibungen eigen sind**
	Zentrale Angaben zu den zentralen Risiken, die den Schuldverschreibungen eigen sind Risikofaktoren in Bezug auf die Schuldverschreibungen umfassen die folgenden Risiken: • **Eignung:** Potentielle Anleger sollten in Schuldverschreibungen nur investieren, wenn sie (selbst oder durch ihre Finanzberater) über die nötige Expertise verfügen, um die Entwicklung der Schuldverschreibungen unter sich verändernden Bedingungen, die Folgen für den Wert der Schuldverschreibungen sowie die Auswirkungen einer solchen Anlage auf ihr Gesamtportfolio einschätzen zu können. • **[*Im Fall von festverzinslichen Schuldverschreibungen, einfügen*: Festverzinsliche Schuldverschreibungen**: Ein Gläubiger von festverzinslichen Schuldverschreibungen ist dem Risiko ausgesetzt, dass der Kurs einer solchen Schuldverschreibung infolge von Veränderungen des aktuellen Marktzinssatzes sinkt.**]** • **[*Im Fall von variabel verzinslichen Schuldverschreibungen einfügen:* Variabel verzinsliche Schuldverschreibungen:** Ein Gläubiger von variabel verzinslichen Schuldverschreibungen ist dem Risiko eines schwankenden Zinsniveaus und ungewisser Zinserträge ausgesetzt. Ein schwankendes Zinsniveau macht es unmöglich, die Rendite von variabel verzinslichen Schuldverschreibungen im Voraus zu bestimmen.**]** • **[*Risiken im Zusammenhang mit der Reform des LIBOR, des EURIBOR und anderer Zinssatz-Benchmarks*</br>Ein Anleihegläubiger ist den Risiken im Zusammenhang mit der Reform des LIBOR, des EURIBOR und anderer Referenzzinssätze oder Indizes ausgesetzt, die als Benchmark (jeweils eine "**Benchmark**" und zusammen die "**Benchmarks**") eingestuft werden. Am 30. Juni 2016, ist die EU-Verordnung ((EU) 2016/1011) über Indizes, die als Benchmarks für Finanzinstrumente und Finanzkontrakte oder zur Messung der Wertentwicklung von Investmentfonds verwendet werden (die "**Benchmark-Verordnung**") in Kraft getreten, die seit dem 1. Januar 2018 in allen Teilen anwendbar ist. Die Benchmark-Verordnung könnte sich wesentlich auf Schuldverschreibungen auswirken, die auf eine Benchmark bezogen sind, einschließlich der folgenden Umstände:

- ein Satz oder ein Index der als Benchmark qualifiziert wird, kann nicht als solcher gemäß der Benchmark Verordnung (vorbehaltlich anwendbarer Übergangsvorschriften) verwendet werden, wenn der für die Benchmark verantwortliche Administrator keine Zulassung oder Registrierung hat oder wenn der Administrator seinen Sitz in einer Nicht-EU-Jurisdiktion hat, die nicht die Voraussetzungen der "Gleichwertigkeit" erfüllt, der Administrator bis zu einer solchen Entscheidung nicht "anerkannt" ist oder die Benchmark nicht "übernommen" wurde. In einem solchen Fall könnte dies, abhängig von der verwendeten Benchmark und den anwendbaren Anleihebedingungen, Auswirkungen auf die Schuldverschreibungen haben; und
- die Methodik oder andere Bedingungen der betroffenen Benchmark könnten verändert werden, um die Anforderungen der Benchmark Verordnung zu erfüllen und diese Veränderungen könnten zu einer Erhöhung oder Verringerung der Benchmark Rate oder des Benchmark Niveaus führen, könnten die Volatilität der veröffentlichten Rate oder des Niveaus beeinflussen und könnten Auswirkungen auf die Schuldverschreibungen haben, einschließlich einer in das Ermessen der Berechnungsstelle gestellten Bestimmung der relevanten Rate.

Zusätzlich zu der oben beschriebenen Benchmark-Verordnung existieren zahlreiche weitere Vorschläge, Initiativen und Untersuchungen, welche Auswirkungen auf Benchmarks haben könnten. Jede Umsetzung einer dieser möglichen Reformvorschläge könnte dazu führen, dass sich die Art der Verwaltung von Benchmarks verändert, was dazu führen könnte, dass diese sich anders als in der Vergangenheit entwickeln. Benchmarks könnten vollkommen verschwinden oder es könnten sich Konsequenzen ergeben, die derzeit nicht vorhersagbar sind.]

- **Risiko einer vorzeitigen Rückzahlung**: Die Emittentin kann das Recht haben, alle ausstehenden Schuldverschreibungen zurückzuzahlen, wenn die Emittentin verpflichtet wäre, zusätzliche Beträge auf die Schuldverschreibungen wegen Einbehalts oder Abzugs von gegenwärtigen oder zukünftigen Steuern bzw. geschuldeten Steuern zu zahlen (bzw. die Garantin verpflichtet wäre, zusätzliche Beträge auf die Garantie zu zahlen) ***[Im Fall vorzeitiger Rückzahlung aufgrund eines geringen ausstehenden Gesamtnennbetrages einfügen:*** *oder aufgrund eines geringen ausstehenden Gesamtnennbetrags****]. [Im Fall vorzeitiger Rückzahlung von Schuldverschreibungen nach Wahl der Emittentin einfügen:*** *Des Weiteren können Schuldverschreibungen nach Wahl der Emittentin zurückgezahlt werden****].*** In diesem Fall ist der Gläubiger solcher Schuldverschreibungen dem Risiko ausgesetzt, dass infolge der vorzeitigen Rückzahlung seine Kapitalanlage eine geringere Rendite als erwartet aufweisen wird. Weiterhin könnte nach einer solchen vorzeitigen Rückzahlung eine Wiederanlage des Rückzahlungsertrags in ein vergleichbares Wertpapier zu einem effektiven Zinssatz in gleicher Höhe wie der der Schuldverschreibungen nicht möglich sein.
- **Kreditrisiko**: Gläubiger sind dem Risiko ausgesetzt, dass die Emittentin bzw. die Garantin, Zins- und/oder Tilgungszahlungen, zu denen die Emittentin bzw. die Garantin im Zusammenhang mit den Schuldverschreibungen bzw. der Garantie verpflichtet ist, teilweise oder vollumfänglich nicht leisten kann. Darüber hinaus kann der Marktwert der Schuldverschreibungen gemindert werden, wenn sich die Kreditwürdigkeit der Emittentin bzw. der Garantin verschlechtert.

- **Kein aktiver Markt für den öffentlichen Handel**: Die Schuldverschreibungen sind neue Wertpapiere, die möglicherweise nicht sehr breit gestreut sind und für die derzeit kein liquider Markt besteht. Es gibt keine Gewissheit, dass sich künftig ein liquider Markt für die Schuldverschreibungen entwickelt oder ein liquider Markt künftig aufrechterhalten wird. In einem illiquiden Markt könnte es sein, dass ein Anleger seine Schuldverschreibungen nicht jederzeit zu angemessenen Marktpreisen veräußern kann. Die Möglichkeit, Schuldverschreibungen zu veräußern, kann darüber hinaus aus landesspezifischen Gründen eingeschränkt sein.
- **Inflationsrisiko:** Die reale Rendite aus einer Anlage in die Schuldverschreibungen wird durch Inflation geschmälert.
- **Risiko einer strukturellen Nachrangigkeit der Schuldverschreibungen oder der Garantie**: Die Schuldverschreibungen und die Garantie können gegenüber Verbindlichkeiten der Vonovia Gruppe strukturell nachrangig sein, sofern diese Verbindlichkeiten durch Vermögenswerte besichert werden, die nicht gleichzeitig die Schuldverschreibungen besichern.
- **Risiken hinsichtlich der unter den Schuldverschreibungen und der Garantie bestehenden Beschränkungen für die Emittentin und die Garantin**: Die Schuldverschreibungen und die Garantie enthalten lediglich begrenzte einschränkende Verpflichtungen, die die Begründung neuer Schulden, die Gewährung von Sicherheiten oder andere Maßnahmen, die die Gläubiger benachteiligen können, durch die Vonovia Gruppe einschränken. Diese Beschränkungen ermöglichen gleichwohl die Begründung von erheblichen zusätzlichen (besicherten oder unbesicherten) Schulden, die Gewährung von neuen Sicherheiten für bestehende oder zukünftige Verpflichtungen sowie die Durchführung von Transaktionen, einschließlich Umwandlungen, Fusionen, Übernahmen oder anderen vergleichbaren gesellschaftsrechtlichen Maßnahmen, durch die Garantin oder eine Tochtergesellschaft, die die Gläubiger benachteiligen können.
- **Transaktionskosten/Gebühren:** Nebenkosten können Erträge aus den Schuldverschreibungen erheblich mindern oder gar aufzehren.
- **Besteuerung**: Potenzielle Käufer und Verkäufer der Schuldverschreibungen sollten sich vergegenwärtigen, dass sie gegebenenfalls verpflichtet sind, Steuern oder andere Gebühren oder Abgaben zu zahlen.
- **Marktpreisrisiko**: Gläubiger der Schuldverschreibungen sind dem Risiko einer nachteiligen Entwicklung der Marktpreise für ihre Schuldverschreibungen ausgesetzt, wenn sie ihre Schuldverschreibungen vor Fälligkeit veräußern.
- **Volatiler Handelsmarkt:** Der Marktpreis für von der Emittentin begebene Schuldtitel ist von einer Reihe zusammenhängender Faktoren abhängig und der Preis, zu dem ein Gläubiger seine Schuldverschreibungen vor Fälligkeit verkaufen kann, kann beträchtlich unter dem Ausgabepreis oder unter dem Kaufpreis, den der Gläubiger für die Schuldverschreibungen bezahlt hat, liegen.
- **Risiko einer Ratingänderung**: Der Marktpreis und der Kurswert der Schuldverschreibungen werden unter anderem durch die Kreditwürdigkeit der Emittentin oder der Garantin und eine Anzahl weiterer Faktoren beeinflusst, einschließlich, jedoch ohne Beschränkung hierauf, der Aussichten und Erwartungen des Marktes, des Marktzinses, der Renditen und der Restlaufzeit der Schuldverschreibungen.

	• **Gesetzesänderung:** Die Emissionsbedingungen unterliegen deutschem Recht, wie es zum Datum dieses Prospekts Anwendung findet. Dabei kann keine Zusicherung dahingehend abgegeben werden, welche Auswirkungen mögliche Gerichtsentscheidungen oder Änderungen der Rechtslage oder Verwaltungspraxis oder der offiziellen Anwendung oder Auslegung deutschen Rechts nach dem Datum dieses Prospekts haben können. • **Unabhängige Einschätzung und Beratung**: Ohne eine unabhängige Einschätzung und Beratung ist ein Anleger möglicherweise nicht in der Lage, die Risiken, die mit einer Anlage in die Schuldverschreibungen verbunden sind, ausreichend zu verstehen, und kann daher einen teilweisen oder vollständigen Verlust seines investierten Kapitals erleiden, ohne vor einer Anlage in die Schuldverschreibungen diese oder andere Risiken in Betracht gezogen zu haben. • **Kontrollwechsel:** Obgleich der Eintritt eines bestimmten Kontrollwechsels die Gläubiger berechtigt, die Rückzahlung oder den Rückkauf ihrer Schuldverschreibungen zu verlangen, ist die Emittentin oder die Garantin möglicherweise nicht in der Lage, die Schuldverschreibungen zurückzuzahlen oder zurückzukaufen bzw. Zahlungen auf die Garantie vorzunehmen. • **Kündigungsgründe**: Beim Eintritt bestimmter Kündigungsgründe kann jede Serie von Schuldverschreibungen nur dann gekündigt werden, wenn Gläubiger von mindestens 10 Prozent des Gesamtnennbetrages der zu diesem Zeitpunkt noch ausstehenden Schuldverschreibungen der betreffenden Serie ihre Schuldverschreibungen kündigen und die Wirksamkeit dieser Kündigung nicht durch einen ablehnenden Mehrheitsbeschluss der Gläubiger dieser Serie von Schuldverschreibungen entfällt. • **Beschlüsse der Gläubiger**: Die Emissionsbedingungen der jeweiligen Schuldverschreibungen oder die Garantie (sowie andere Maßnahmen hinsichtlich der Schuldverschreibungen und der Garantie) können durch Mehrheitsbeschluss der Gläubiger dieser Schuldverschreibungen geändert werden und ein Gläubiger ist dem Risiko ausgesetzt, durch einen Beschluss der Gläubiger überstimmt zu werden. • **Gemeinsamer Vertreter:** Im Falle einer Bestellung eines gemeinsamen Vertreters durch Mehrheitsbeschluss der Gläubiger, ist es für einen Gläubiger möglich, dass sein persönliches Recht zur Geltendmachung und Durchsetzung seiner Rechte aus den Emissionsbedingungen bzw. die Garantie gegenüber der Emittentin auf den gemeinsamen Vertreter übergeht. • **Schuldverschreibungen in Fremdwährung:** Gläubiger von Schuldverschreibungen, die auf eine fremde Währung lauten, sind insbesondere dem Risiko von Änderungen der Währungswechselkurse ausgesetzt. • **Währungsrisiken**: Ein Investor, der seine Finanzaktivitäten grundsätzlich in einer anderen als der für eine Serie von Schuldverschreibungen angegebenen Währung abwickelt, muss sich bewusst sein, dass eine Anlage in die Schuldverschreibungen mit Währungsrisiken verbunden sein kann. • **Finanztransaktionssteuer**: Am 14. Februar 2013 hat die Europäische Kommission einen Vorschlag für eine Richtlinie für eine allgemeine Finanztransaktionssteuer in Belgien, Deutschland, Estland, Griechenland, Spanien, Frankreich, Italien, Österreich, Portugal, Slowenien und der Slowakei gemacht. Estland hat inzwischen mitgeteilt, dass es nicht weiter teilnehmen wird. Die von der Europäischen Kommission vorgeschlagene Finanztransaktionssteuer könnte nach ihrer Einführung den Handel von bestimmten Wertpapieren unter bestimmten Bedingungen betreffen. Die von der Europäischen Kommission vorgeschlagene Finanztransaktionssteuer kann zusätzliche Transaktionskosten bezüglich der Wertpapiere für die Gläubiger hervorrufen.

Punkt	Abschnitt E – Angebot der Schuldverschreibungen	
E.2b	**Gründe für das Angebot und Zweckbestimmung der Erlöse, sofern diese nicht in der Gewinnerzielung und/oder der Absicherung bestimmter Risiken liegen**	[Die Nettoerlöse der Emission werden für allgemeine Finanzierungszwecke von Vonovia verwendet.] **[●]**
E.3	**Beschreibung der Angebotskonditionen**	[Entfällt. Ein öffentliches Angebot findet nicht statt und ist nicht geplant.] [Die Gesamtsumme [des Angebots] [der Emission] beträgt [●].] [Die Angebotsfrist beginnt am [●] und endet am [●].] [Der Mindestzeichnungsbetrag beträgt [●].] [Der Höchstzeichnungsbetrag beträgt [●].] [Der Preis, zu dem die Schuldverschreibungen voraussichtlich angeboten werden, ist [●].] [●]
E.4	**Beschreibung aller für die Emission/das Angebot wesentlichen, auch kollidierenden Interessen.**	[Nach Kenntnis der Emittentin bestehen bei den an der Emission beteiligten Personen keine Interessen, die für das Angebot bedeutsam sind, außer, dass bestimmte Platzeure und mit ihnen verbundene Unternehmen Kunden von und Kreditnehmer oder Kreditgeber der Emittentin und der Garantin und mit ihnen verbundenen Unternehmen sein können. Außerdem sind bestimmte Platzeure an Investment Banking Transaktionen und/oder Commercial Banking Transaktionen mit der Emittentin und der Garantin beteiligt, oder könnten sich in Zukunft daran beteiligen, und könnten im gewöhnlichen Geschäftsverkehr Dienstleistungen für die Emittentin und die Garantin und mit ihnen verbundene Unternehmen erbringen.] [●]
E.7	**Schätzung der Ausgaben, die dem Anleger von der Emittentin oder dem Anbieter in Rechnung gestellt werden.**	[Nicht anwendbar.] [Keine.] [●]

RISK FACTORS

Below is a description of risk factors that are material for the assessment of the market risk associated with the Notes issued under the Programme and risk factors that may affect each of the Issuer's ability to fulfil its obligations under the Notes and, as applicable, the Guarantor's ability to fulfil its obligations under the Guarantee and Negative Pledge. Any of these risks could have a material adverse effect on the financial condition and results of operations of Vonovia. The market price of the Notes could decline due to any of these risks, and investors could lose all or part of their investments.

Potential investors should carefully consider the specific risk factors outlined below in addition to all other information in this Prospectus and consult with their own professional advisors should they deem it necessary before deciding upon the purchase of Notes issued under the Programme. In addition, investors should bear in mind that several of the described risks can occur simultaneously and thus have, possibly together with other circumstances, a stronger impact. The order in which the risks are described neither indicates the probability of their occurrence nor the gravity or significance of the individual risks nor the scope of their financial consequences. Additional risks of which Vonovia is not presently aware could also affect the business operations of Vonovia and have a material adverse effect on Vonovia's business activities and financial condition and results of operations.

Words and terms that are defined in the "Terms and Conditions of the Notes" below or elsewhere in this Prospectus have the same meaning in this section "Risk Factors".

Potential investors should, among other things, consider the following:

Risk factors relating to the Issuer

The Issuer is dependent on the Guarantor and other entities of the Group.

The Issuer acts as financing subsidiary of the Guarantor. The principal activity of the Issuer is the provision of loans to members of the Group financed with funds acquired from the capital market, bank loans and loans from other companies of the Group. Its assets mainly consist of financial investments in Group companies, receivables from loans to Group companies, and other receivables owed by Group companies. The Issuer may issue Notes under the Programme in future. As a controlled company, the Issuer has furthermore entered into a control and profit and loss transfer agreement (*Beherrschungs- und Gewinnabführungsvertrag*) with the Guarantor as controlling company pursuant to which the Guarantor is legally obliged to assume all losses of the Issuer (*Verlustübernahme*).

The ongoing business activities of the Issuer depend on the ability of the Guarantor and other companies of the Group to fulfil their payment obligations vis-à-vis the Issuer or the obligation to assume losses. If individual or all members of the Group were unable to meet their payment obligations to the Issuer in due time, this could considerably impair the ability of the Issuer to fulfil its obligations arising from the Notes towards the investors.

Risk factors relating to the Guarantor and the Group

Market risks

Vonovia is dependent on economic and demographic developments in Germany and in the regional sub-markets where its properties are located. Further, the Group is dependent on its ability to adapt its housing activities to these developments.

As Vonovia's own properties are dispersed across more than 570 cities and communities throughout the Federal Republic of Germany ("**Germany**"), Vonovia's business activities are affected by numerous demographic and economic factors. In particular, developments in the residential property market in Germany and in its regional sub-markets are of significant importance for the Group's business and future prospects. These developments play a

decisive role in determining housing prices, rent levels, tenant turnover and vacancy rates, as well as home ownership and rental rates and may vary significantly across Germany and within regional sub-markets.

Studies forecast that demographic change, including a shrinking and ageing population, will cause the nationwide demand in Germany for accommodation to fall in the long term, although the total number of households is, according to forecasts, expected to be 5.9% higher in 2035 than in 2015 due to a trend towards smaller household sizes (Sources: *Federal Statistical Office, Press Release 067/2017-02-28; BBSR – Regional Planning 2035 and Bertelsmann 2014*). As of 31 December 2017, approximately 79% of the Group's residential units were concentrated in cities with more than 100,000 inhabitants. Economic and demographic forecasts for metropolitan areas in Germany differ from forecasts for less densely populated regions. It is expected that regional disparities will intensify further. In structurally weak and rural areas, the exodus will continue. More rapidly decreasing populations in such areas will result in a decreasing demand in the housing markets and thus an oversupply of housing. Although initially it was primarily cities and municipalities in eastern Germany that were experiencing high vacancy rates, a rising number of municipalities in other parts of the country are now also being affected by this development (*Source: Bertelsmann 2014*). Meanwhile, the quickly-growing larger cities have become destinations for national and international migration. In these cities, the number of households could grow strongly in the medium-term due to population gains and the trend to smaller household sizes. In the medium term, no relaxation for local and regional housing markets is expected *(Source: Bertelsmann 2014*). Other macro-economic indicators, such as the development of gross domestic product ("**GDP**"), unemployment rates, purchasing power and the development of the average household size, are also expected to develop in a diverse manner across the different regions in which the Group owns properties.

Economic and demographic developments significantly impact, among other things, the demand for Vonovia's properties, the rents Vonovia is able to charge and the payment behaviour of the Group's tenants. For example, previous price increases in some metropolitan areas could have reached their limits (Source: *IMX, February 2017*). These factors have a significant effect on vacancy rates, the Group's revenues and the value of the Group's properties. Consequently, Vonovia may be negatively affected by unfavourable economic and demographic developments in Germany or in the regions where the Group's properties are located, which in turn, could have material adverse effects on Vonovia's business, financial condition, cash flow and results of operations.

The Group is exposed to risks related to the referendum in the United Kingdom on the United Kingdom's membership in the European Union and the uncertainties associated with the outcome of the vote to leave the European Union.

On 23 June 2016, the United Kingdom held a referendum on its membership in the European Union. A majority of the voters voted to exit the European Union ("**Brexit**"), and negotiations will commence to determine the future terms of the United Kingdom's relationship with the European Union, including the terms of trade between the United Kingdom and the European Union and the United Kingdom's access to the European Union markets. The referendum will have no immediate negative effects on the operations of Vonovia because Vonovia's properties are located in Germany and Austria and all transactions with customers and suppliers are settled in Euro so that there are no immediate currency risks. However, there are significant uncertainties in relation to the terms and time frame within which such an exit would be effected, and there are significant uncertainties as to what the impact would be on the fiscal, monetary and regulatory landscape in the United Kingdom, the conduct of cross-border business and export and import tariffs. There is uncertainty in relation to how, when and to what extent these developments would impact on the economy in the United Kingdom and the European Union, and on levels of investor activity and confidence, on global market performance and on exchange rates. There is also a risk that (i) the vote by the United Kingdom to leave could result in other member states re-considering their respective membership of the European Union or (ii) the euro as the single currency of the Eurozone could cease to exist. In addition, the Brexit and the subsequent expected negotiation between the United Kingdom and the European Union on its exit from the European Union could exacerbate financial market volatility. Any of these developments, or the perception that any of these developments are likely to occur, could have a material adverse effect on economic growth or business activity in the United Kingdom, the Eurozone, or the European Union, and could result in the

relocation of businesses, cause business interruptions, lead to economic recession or depression, and impact the stability of the financial markets, availability of credit, political systems or financial institutions and the financial and monetary system. Any of these effects of Brexit, and others the Group cannot anticipate today, could have material adverse effects on Vonovia's business, net assets, financial condition, cash flows and results of operations.

The slow and uncertain recovery of the global economy, the persistent sovereign debt and financial crisis in the Eurozone, the economic downturn in China and the current geopolitical crises in Ukraine, Syria and the Balkan countries may have unpredictable and materially adverse effects on the euro and the member states of the Eurozone and may result in economic instability, limited access to debt and equity financing and possible defaults by the Group's counterparties.

Notwithstanding improvements in business conditions since the economic and financial crisis of 2008 and 2009, the global economy continues to experience a slow and uncertain recovery. Persistent concerns about the slow pace of economic growth, instability in the credit and financial markets and weak consumer confidence in many countries may continue to put pressure on the global economy. If it proves impossible to effectively resolve the persistent sovereign debt and financial crisis, one or more member states may default and/or leave the Eurozone and re-establish individual national currencies, or the Eurozone may collapse altogether. This may have unpredictable and materially adverse effects, on the stability of individual countries of the Eurozone and their capital markets and of the Euro, and could even result in the abolishment of the single currency. In addition, the continuing uncertainties in the capital markets of China and a continuously decreasing economic growth in China and other emerging market countries may have an increasingly negative effect on the global economy and, in particular, the global capital markets. In addition, there are the current geopolitical crises in Ukraine, Syria, North Korea and the Balkan countries, the severe economic sanctions being imposed on the Russian Federation as well as retaliatory actions by the Russian Federation, and the global threat of terrorism. Any of these factors may have negative repercussions for the European economy as a whole. Such instability and the resulting market volatility may also create contagion risks for economically strong countries like Germany and may spread to the German financial sector and the German residential real estate market.

Given the Group's dependence on its ability to access financial markets for the refinancing of its liabilities, the continued instability or a further deterioration of the economic environment or the capital markets may reduce the Group's ability to refinance its existing and future liabilities. Furthermore, the Group's counterparties may not be able to fulfil their obligations under the respective agreements due to a lack of liquidity, operational failure, bankruptcy or other reasons.

Any of these risks could have material adverse effects on the Group's business, financial condition, cash flow and results of operations.

The current macroeconomic environment is characterised by low interest rates and comparatively high values of residential real estate portfolios in Germany. Any rise in interest rates could have adverse effects on the German real estate market and on Vonovia.

The recent global financial and economic crisis and the sluggish global economic recovery have resulted in increased uncertainty regarding future economic developments. This uncertainty regarding the general economic outlook has made investment opportunities that provide stable and largely predictable cash flows more popular, such as investments in German residential real estate. This trend has been exacerbated by historically low interest rates in Europe. As a result, property prices and the value of residential real estate have increased.

These developments could reverse themselves if, for example, interest rates were to rise, as observed in some parts of the world. The economic conditions could also lead to a rise in interest rates in Germany and in the Eurozone and could result in increased investor interest in investments with a higher risk profile and a decrease in the attractiveness of real estate investments. Rising interest rates could adversely impact Vonovia in a number of ways, including:

- Increases in interest rates may make houses difficult to afford for potential customers. Demand for new homes is sensitive to changes in housing affordability. Most new home purchasers finance their home purchases through lenders providing financing through mortgages and land charges. Lack of availability of such financing at acceptable rates therefore reduces demand for homes. Even if potential customers do not need such financing, changes in interest rates and in the availability of financing products that are secured by security interests in real property may make it harder for them to sell their current homes to potential buyers who themselves may need such financing.

- The discount rate used to calculate the value of the Group's properties recorded on the Guarantor's balance sheet in accordance with International Accounting Standard ("**IAS**") 40 (such value hereinafter referred to as the "**Fair Value**") tends to increase in an environment of rising interest rates, which in turn could result in the Group's properties having a lower Fair Value. For more information, see "*Risks Related to the Valuation of Vonovia's Properties - If interest rates change, the market conditions deteriorate or the Group's rent levels or vacancy rates develop unfavourably, Vonovia may be required to adjust the current Fair Values of its investment properties and recognise significant losses*".

- The Group's strategy of disposing of assets from its "Non-Core" portfolio segment at or around Fair Value and pursuing sales of assets from its "Privatise" portfolio segment at a premium to Fair Value could be jeopardised. Income from the sale of properties constitutes an important source of both profit (fiscal year 2016: EUR 102.2 million, fiscal year 2017: EUR 151.5 million) and cash flow (fiscal year 2016: EUR 1,418.5 million, fiscal year 2017: EUR 1,165.2 million) for Vonovia. At present, the Group's disposal strategy is benefiting from the low-interest environment and the prevailing perception of residential real estate as a low-risk investment opportunity. If any of these factors change, Vonovia could be prevented from increasing its portfolio quality and operational efficiency through divestments of assets allocated to the "Privatise" and "Non-Core" portfolio segments.

- In connection with its acquisition activities, such as its completed takeover of Gagfah S.A. ("**Gagfah**" and, together with its consolidated subsidiaries, the "**Gagfah Group**"), the indirect takeover of Süddeutsche Wohnen GmbH ("**SÜDEWO**", and together with its affiliated companies the "**SÜDEWO Group**"), or the takeover of conwert Immobilien Invest SE (the "**conwert Takeover**"), Vonovia has acquired or will acquire a substantial amount of goodwill. Any acquired goodwill is subject to regular impairment tests. An increased discount rate could result in lower present values of the expected future cash flows and may require goodwill amortisation. Any impairment may negatively affect the consolidated income statement and other key financial figures of the Guarantor.

- The Group's business model is currently based on borrowing against its properties. When negotiating financing agreements or extending such agreements, Vonovia depends on its ability to agree to terms and conditions that will provide for interest payments that will not impair its targeted profit, and for amortisation schedules that do not restrict its ability to pay intended dividends. Further, the Group may be unable to enter into hedging instruments that may become necessary if variable interest rates are agreed upon or may only be able to do so at significant costs. If the current low-interest rate environment is followed by one in which high rates prevail, the Group's financing costs, including costs for hedging instruments, may increase.

- As of 31 December 2017, Vonovia took out interest rate hedges for an aggregate of 74.1% of its loans that bear interest at a variable rate. As of 31 December 2017, loans with a total amount of EUR 1,460.8 million had variable interest rates. The valuation of hedging instruments, which, in turn, depends on the level of interest rates, also impacts the Group's equity and results of operations. Any increase in interest rates would result in an increase in the Group's equity.

Such events could have material adverse effects on the Group's business, financial condition, cash flow and results of operations.

It could become more difficult for Vonovia to implement its strategy of acquiring residential real estate portfolios or real estate companies on attractive terms, particularly due to the recent increase in market prices for real estate portfolios and real estate companies and the increasing consolidation in the German residential real estate market. Any such development could impair the growth of the Group's business and could prevent Vonovia from generating additional economies of scale and from improving its overall portfolio quality through acquisitions.

As part of its business strategy, Vonovia seeks to capture external growth opportunities by acquiring residential real estate portfolios and real estate companies when these are deemed to enhance the value of the Group. Such acquisitions may only be implemented, however, if attractive real estate portfolios or real estate companies are available for purchase at economically reasonable prices. Given the current high demand for residential real estate in Germany, such portfolios and companies may be unavailable or available only on unfavourable terms. Due to the increasing consolidation in the German residential real estate market, the number of available real estate portfolios has further decreased. In addition, competitors with asset acquisition objectives similar to those of the Group may possess greater financial resources and lower costs of capital than Vonovia. Furthermore, it cannot be guaranteed that the Group will be able to generate sufficient funds to finance such envisaged acquisitions in the future.

Additionally, the supply of real estate portfolios might be limited, for example, due to fewer sales of real estate portfolios by public and private long-term owners. If public long-term owners cease privatising or if they reduce their privatisation activities, supply could be constricted, which could increase competition for acquisitions that would be suitable for the Group and result in the prices of residential properties on the German market increasing further. As a consequence of these factors, the Group could be forced to pay higher prices or to acquire fewer (if any) properties.

Any inability of Vonovia to acquire residential real estate portfolios or real estate companies could not only impair Vonovia's strategy to capture external growth opportunities but could also jeopardise Vonovia's efforts to improve the quality of its portfolio and the administrative burden per unit through active acquisitions.

Any inability of the Group to acquire suitable properties on attractive terms could limit its growth and could have material adverse effects on its business, cash flow and results of operations.

Conversely, in the case of an oversupply in sub-markets, Vonovia may not be able, or may be able only to a limited extent, to achieve the planned improvement of the quality of its portfolio through disposals.

Risks related to the Group's business

Vonovia is exposed to risks related to the structural condition of its properties and their modernisation and maintenance. Some of the Group's agreements require Vonovia to invest specified amounts in certain portfolios. Such requirements may lead to a sub-optimal funds allocation.

In order to ensure the safety of a rental property's inhabitants, sustain demand for a rental property and generate adequate revenue over the long term, a property's condition must be maintained or improved to a standard that satisfies technical requirements and meets market demand. Failure to maintain a building in such condition may pose a risk to the health and safety of the Group's tenants and employees. Typically, the costs associated with maintaining a rental property at market standards are borne primarily by the property owner. As a result of changing legal or market requirements (*e.g.* with regard to energy efficiency or health and safety requirements), the property owner may be burdened with substantial additional expenses for maintenance and modernisation. In Germany, rent increases may be introduced to compensate for these expenses only under certain conditions, and these rent increases may not exceed a certain percentage of the costs incurred in connection with certain modernisation measures. In addition, Vonovia may not be able to increase rents to the extent legally permissible as a result of prevailing market conditions or the inability of tenants to afford these increased rents.

Although Vonovia has a reporting system in place to monitor and budget necessary maintenance and modernisation measures, numerous factors may generate substantial unbudgeted costs for maintenance and modernisation. These

factors may include the material and substances used at the time of construction or currently unknown building code violations.

Additional unexpected costs may also be incurred if the actual costs of maintaining or modernising its properties were to exceed the Group's estimates. In addition, hidden defects may be discovered during the implementation of maintenance and modernisation measures, which are not covered by insurance or contractual warranties and thus may lead to additional costs for the Group.

In addition, with respect to some of the properties in its portfolio, Vonovia also entered into obligations under its loan and purchase agreements and social charters to spend minimum average amounts per sqm on maintenance and/or modernisation.

A failure to undertake appropriate maintenance and modernisation work could adversely affect the rental income earned from affected properties. Such a failure could entitle tenants to withhold or reduce rental payments or even to terminate existing tenancy agreements. Any such event could have material adverse effects on the Group's business, financial condition and results of operations.

Vonovia may be unable to sell a portion or the whole of its portfolio on favourable terms.

The real estate market in which Vonovia invests and operates is characterised by limited liquidity. The Group's general ability to sell parts of its real estate portfolio depends on the state of investment markets and on market liquidity. If Vonovia were to be required to sell parts of its real estate portfolio, including for the purpose of raising cash to support its operations, there is no guarantee that the Group would be able to sell such parts, or the whole, of its portfolio on favourable terms or at all. In the case of a forced sale of all or part of Vonovia's real estate portfolio, for example, if creditors of the Group realise collateral, a significant shortfall between the price obtained and the carrying amount of the portfolio sold is possible.

In addition, certain contractual obligations under existing purchase agreements or social charters restrict the Guarantor's or some of the Guarantor's subsidiaries' ability to sell certain parts of their portfolio. As of 31 December 2017, approximately 55,000 residential units were subject to such restrictions. This could result in Vonovia being unable to generate maximum revenues with regard to the relevant residential units.

Such events could have material adverse effects on the Group's business, financial condition and results of operations.

The Group bears risks in connection with possible acquisitions and investments. These risks include unexpected liabilities, greater indebtedness, higher interest expenses, higher compensations and challenges with respect to the integration of newly acquired businesses and achieving anticipated synergies and economies of scale. In addition, transaction costs for the acquisition of real estate may increase due to German real estate transfer tax ("RETT"). Furthermore, real estate portfolios or real estate companies that may be acquired in the future may not develop as favourably as expected.

As part of Vonovia's strategy, Vonovia evaluates property portfolios and real estate companies in order to identify those that might fit both its existing property portfolio and its current management platform and which Vonovia believes might improve the quality of its portfolio.

Direct and indirect investments in property involve considerable risk. Apart from the risks associated with the acquired properties or companies themselves, acquisitions occupy management resources that then cannot be deployed elsewhere in Vonovia. The Guarantor's acquisition of additional property portfolios and real estate companies can be financed by taking on additional debt or by issuing new shares in the capital markets or by a combination thereof. If the Group is unable to obtain the necessary capital on reasonable terms, it may be unable to make further acquisitions, may be able to do so only to a limited extent or, if debt financing is available, may be able to do so only by taking on additional debt. Any additional debt incurred in connection with future acquisitions could have a significant negative impact on the Group's performance indicators net asset value ("**NAV**") calculated in accordance with the recommendations of the European Public Real Estate Association ("**EPRA**") ("**EPRA**

NAV") and loan to value ratio ("**LTV-Ratio**") and could result in higher interest expenses for the Group. If Vonovia is no longer able to obtain the debt or equity financing it needs to acquire additional property portfolios, or if it is able to do so only on unfavourable terms, its further business development and competitiveness could be severely constrained. In addition, acquisitions could have a negative impact on some performance indicators that are relevant for Vonovia's rating or could result in a breach of financial covenants (see "*Financial Risks - Vonovia is dependent on its current corporate investment grade rating to pursue its financing strategy, including the satisfying of its future financing needs through the issuance of unsecured corporate bonds and notes*").

Furthermore, Vonovia may only be able to conduct limited due diligence on the properties, entities or companies in question. Accordingly, the Group may not be in a position to examine whether the original owners of the properties obtained all required permits for new buildings, satisfied all permit conditions, obtained all necessary licenses and fire protection, health and safety certificates or satisfied all comparable requirements and/or whether the properties comply with all required criteria. In addition, the properties may suffer from hidden defects, such as contamination, and may thus require significant investments. Moreover, Vonovia may not be in a position to carry out all follow-up investigations, inspections and appraisals/inventories (or to obtain the results of such inquiries). In addition, in the course of the acquisition of companies or residential and other property portfolios, specific risks may not be, or might not have been, identified or evaluated correctly. As a result, legal and economic liability may be, or might have been, overlooked or misjudged. Although sellers typically make various warranties in purchase agreements that Vonovia enters into in connection with such property acquisitions, it is possible that these warranties do not cover all risks or that they fail to cover such risks sufficiently. Additionally, a warranty made by a seller may be unenforceable due to the seller's insolvency or for other reasons. In some cases, a seller makes no representation or warranty as to the completeness and correctness of the information that is made available in the context of due diligence, or as to whether such information remains correct during the period between the conclusion of the due diligence and the closing of the relevant acquisition.

As a consequence, in particular in the case of acquisitions of large-volume property portfolios, Vonovia could have overestimated earning potential and synergies, underestimated the rental and cost risks and consequently paid a purchase price higher than the portfolio's actual value. Furthermore, the property portfolios could be inaccurately appraised by Vonovia for other reasons, even if they were acquired on the basis of valuation reports and due diligence reviews. Therefore, neither a particular target return from rentals, nor, if applicable, a certain price upon resale can be guaranteed with respect to acquired property portfolios.

Comparable risks could arise if Vonovia acquires shares in real estate companies. Here, too, Vonovia could overestimate the earning potential and synergies associated with the shares to be acquired, or could underestimate the liability and risks inherent in the real estate company in which it is to acquire a share, and could consequently pay a purchase price higher than the actual value of the investment.

Accordingly, such risks can arise despite a due diligence, and they could have material adverse effects on the Group's business, financial condition, cash flow and results of operations.

In addition, in the case of a public takeover such as the Gagfah Takeover, the conwert Takeover or the takeover of BUWOG AG ("**BUWOG**" together with its consolidated subsidiaries, the "**BUWOG Group**") (the "**BUWOG Takeover**"), the Guarantor must rely on publicly available information in determining the value of the target company. Such publicly available information is not always up-to-date and not all material facts that are relevant for such evaluation have always been publicly disclosed. Moreover, public takeovers are subject to strict legal requirements which may increase the complexity of a transaction and which may result in legal disputes with an adverse effect, in particular if several jurisdictions are concerned. The Guarantor cannot rule out that the remaining minority shareholders will ultimately be successful in enforcing certain claims against Vonovia in connection with applicable takeover and corporate law. This may result in substantial additional payments or disadvantages, if applicable. The completion of acquisitions without access or with limited access to up-to-date information on the target company or the legal disputes that may arise in connection with such acquisitions could have material adverse effects on the Group's business, financial condition and results of operations.

Further, since the introduction of section 1 para. 3a of the German Real Estate Transfer Tax Act (*Grunderwerbsteuergesetz* – "**GrEStG**"), the payment of RETT can generally only be avoided if the direct and indirect holdings of the Guarantor in newly acquired companies holding real estate, when taken together, do not reach 95% (see "*Regulatory and Legal Risks - A transfer of 95% or more of the shares in the Guarantor or in a subsidiary within a five-year period may trigger German RETT* "). Accordingly, if Vonovia intends to purchase companies holding real estate in a tax-neutral way, it may have to partner with one or more third parties that acquire more than 5% in the company. This may make the acquisition process significantly more complex, may result in stronger minority rights for the partner and may ultimately increase acquisition costs and future administrative burdens in respect of the newly acquired entity.

Moreover, portfolios and companies that may be acquired in the future may not develop as favourably as expected. For example, targeted rent increases may not be implemented as planned due to a lack of tenants who are willing or able to pay increased rents, or vacancy rates may increase due to unfavourable demographic or economic developments.

A failure to achieve the desired results via acquisitions or investments could have material adverse effects on the Group's business, financial condition, cash flow and results of operations.

Future acquisitions may not close as originally contemplated or at all, for example, due to conditions in the purchase agreement or a failure to reach final agreements on acquisition financing.

In planned acquisitions of real estate, real estate portfolios or real estate companies, unforeseen problems could arise, for example, in the form of substantial economic or legal impediments to a takeover. For example, some of these transactions may be subject to a number of closing conditions and certain rights of withdrawal for both parties may be agreed. If certain conditions precedent set out in the investment agreement are not fulfilled or if the parties fail to reach final agreements, for example, with respect to the loan documentation entered into in connection with the relevant transaction, such transactions might not occur in the form and/or within the timeframe originally contemplated.

In the event of a failure of any planned acquisitions, Vonovia would have to bear the associated transaction costs without receiving any of the intended results and benefits from the envisaged acquisition. The materialisation of this risk could have material adverse effects on the Group's business, financial condition, cash flow and results of operations.

Vonovia plans significant investments in modernisation measures, which may not generate the expected return.

The Group invested EUR 778.6 million in 2017. The Group intends to invest between EUR 1,000 million and EUR 1,050 million in 2018. The measures focused on energy-efficient modernisation of buildings, modernisation of individual apartments for senior living and refurbishments in locations where fully refurbished apartments are expected to deliver a rental premium and, to a lesser extent, on the construction of new housing. Vonovia targets a yield of approximately 7% on the capital invested in modernization measures. Accordingly, investments make a relevant contribution to the development of rents in the Group as a whole.

While the Group was able in the past to generate a yield of approximately 7% on the capital invested in modernisation measures, no assurance can be given that such yield will continue to be generated in future. In particular, the attainment of the yield targets may be jeopardised by contractually agreed investment obligations (including obligations under social charters). In addition, the Group's expectations that the future demand for apartments suitable for senior living and energy-efficient apartments will increase may turn out to be inaccurate, or customer preferences may change. Furthermore, due to challenges to oversee and organise such large investment programs, Vonovia may not be in a position to find sufficient investment opportunities to invest the budgeted amount per year. The implementation of planned modernization measures could be obstructed by suddenly arising bottlenecks in the procurement of necessary resources and in the use of the internal and external craftsmen. Management may make investment decisions that turn out to be less profitable than expected as a result of

insufficient information or lack of expertise. Furthermore, with regard to some residential units in its portfolio, Vonovia is subject to contractual requirements which impose restrictions on the selection and scope of its modernisation measures. For example, so-called luxury modernisations (*Luxusmodernisierungen*) that go beyond the usual scope and would result in rent increases may be prohibited. In addition, Vonovia may not be able to pass on the costs of these modernisation measures to its customers if the customers are unable to afford rent increases as a result of the modernisation measures. Further, the Group may be restricted in its ability to finance the investment programs through loans or other debt instruments depending on the Group's current and future debt level and structure.

The materialisation of any of the risks described above could have material adverse effects on the Group's business, financial condition, cash flow and results of operations.

In connection with several key acquisitions, Vonovia has entered into contractual obligations, or assumed such obligations indirectly through acquired entities, inter alia in the form of social charters, which restrict its ability to freely divest parts of its portfolio, to transfer or terminate employment relationships or to increase rents for certain units and which could lead to substantial contract penalties in case of breach. Each of the foregoing may prevent the Group from generating the maximum value from the affected properties.

Real estate transactions often include contractual clauses for the protection of tenants and employees which, for example, restrict a buyer's right to divest the acquired portfolio, to increase rent on the acquired units or to terminate existing tenancy agreements, which reduces the attractiveness of the affected units for prospective purchasers. Such contractual obligations, including, *inter alia*, restrictions and in many cases also duties to act, such as investment obligations, often appear in the form of social charters, which are especially common in connection with the privatisation of publicly-owned property, where the selling public authorities intend to mitigate potential social effects of such transactions, or when these portfolios are subsequently transferred to third parties. In many cases, these obligations lapse in full or in part after a certain period of time. As of 31 December 2017, approximately 153,000 of the Group’s residential units were subject to one or more contractual restrictions and other obligations. These restrictions include in particular:

- *Restrictions on sales.* In total, as of 31 December 2017, approximately 55,000 residential units were subject to selling restrictions (excluding preferential occupancy rights), of which approximately 19,000 residential units may not be freely sold before a certain date. Such selling restrictions include total or partial bans on divesting residential units and provisions which require the consent of specified delegates of the original seller before a sale.

- *Preferential pre-emptive purchase rights*. Approximately 5,000 residential units of the sub-portfolio "Privatise" may only be sold if the tenants are given preferential pre-emptive purchasing rights, meaning that Vonovia is required to offer the residential units to such tenants at a discount of up to 15% of the price that would be achievable if the residential units in question were sold to a third party.

- *Restrictions on the termination of tenancy agreements*. Restrictions on termination of tenancy agreements affect approximately 64,000 residential units. These restrictions include termination for reasons of personal need (*Eigenbedarf*) or appropriate commercial use (*angemessene wirtschaftliche Verwertung*). In some cases, even a lifelong protection against termination applies.

- *Minimum maintenance spending and restrictions on modernization and maintenance.* Approximately 130,000 residential units fall within the scope of a covenant to spend a weighted average of at least EUR 13.34 per sqm per year on maintenance and modernization. In addition, approximately 110,000 residential units are affected by restrictions on modernization and maintenance measures aimed at changing the socioeconomic mix of tenants (prevention of so-called luxury modernizations (*Luxusmodernisierungen*)). In some cases, the restrictions to prevent luxury modernizations have been agreed on a permanent basis.

- *Restrictions on rent increases*. Restrictions on rent increases (including consent requirements for so-called luxury modernizations) affect approximately 75,000 residential units. These restrictions may prevent Vonovia from fully realising the potential rents of the affected units.
- *Special protection for employees against dismissal.* As of 31 December 2017, approximately 1,010 employees of the Group benefitted from a special protection against dismissal. For example, 427 of these employees benefit from guarantees that their employment cannot be terminated for operational reasons (*betriebsbedingte Gründe*) or for reasons of a transfer of business (*Betriebsübergang*). This special protection against dismissal expired for approximately 261 employees on 30 September 2018 and for approximately 73 employees on 8 February 2020. Approximately 93 further employees benefit from a lifelong special protection against dismissal.

In many cases in which portfolios are transferred in whole or in parts or individual residential units are sold, the aforementioned obligations must be assumed by purchasers with the requirement to impose such obligations also on any further purchasers. Breaches of such obligations often lead to substantial contractual penalties. In addition, any alleged breach may result in Vonovia becoming a matter of public discussion and suffering a severe loss of reputation. Therefore, an actual or alleged breach may have material adverse effects on the Group's operations and thus on its results of operations.

In light of the restrictions set out above, it is necessary to implement various internal control systems to ensure compliance with the aforementioned, restrictions and obligations in order to avoid any penalty; however, such internal controls and policies may be insufficient to monitor compliance so that accidental breaches may occur.

In addition to these contractual obligations entered into in connection with acquisitions, Vonovia has received subsidies from public authorities which restrict the level of rents chargeable on a part of Vonovia's portfolio. See "*Vonovia has received subsidies from public authorities which restrict the level of rents chargeable on a part of Vonovia's portfolio. Providers of the subsidised loans may also unilaterally exercise their right to increase the rate of interest payable on such loans*". Vonovia has also entered into loan agreements subject to covenants restricting the sale of properties or prescribing minimum selling prices. For more information on the risks related to these covenants, see "*Financial Risks - If the Guarantor or other Group companies breach financial covenants or other provisions in connection with any existing or future bonds, notes or other financial instruments or under any existing or future loan agreements, Vonovia may be required to pay higher interest or fully repay the relevant bonds, notes or loans before they become due, and security trustees or creditors could seize or realise significant collateral furnished by the Group."*

Some of the aforementioned obligations may limit Vonovia's ability to attractively market parts of its portfolio, which in turn could force Vonovia to forego opportunities for streamlining and generating profit. This could result in a decrease of the Fair Value of the Group's property portfolio and limit its ability to generate cash flow from selective divestitures. In addition, the materialisation of one or more of the risks described above could have material adverse effects on the Group's business, financial condition, cash flow and results of operations.

Vonovia has established a caretaker and craftsmen organisation to insource its on-site support services for which it has recruited a large number of employees. In addition, Vonovia has established an organisation to deal with the infrastructure of its portfolios. This insourcing policy has significantly increased and will significantly increase the Group's personnel expenses and other fixed costs and continues to pose a management challenge.

In late 2011, Vonovia started insourcing certain caretaker and craftsmen services previously performed by third parties ("**Insourcing**") with the objective of improving customer satisfaction and targeting cost savings through savings on value-added tax ("**VAT**") (*Umsatzsteuer*) and on margins previously charged by third-party providers. The Group established its own caretaker organisation, which performs traditional caretaker tasks as well as local quality management and coordination, and a craftsmen organisation, which handles maintenance and repairs. In this context, Vonovia hired more than 2,000 new employees, roughly doubling its headcount. The increase in

headcount led to a rise in personnel expenses and other fixed costs and will continue to negatively affect such fixed costs in the future. In addition, as part of the Gagfah Takeover, Vonovia took over part of the caretakers and craftsmen, which resulted in a further increase in the headcount as of 30 June 2015. Based on the acquisition of Gagfah's organization dealing with the residential environment that manages the outdoor areas of the residential portfolios, Vonovia Wohnumfeld Service GmbH was established on 1 January 2016, which currently has 579 employees (535.5 FTE).

Further, the Insourcing of personnel has placed and may continue to place a strain on the Group's management and administrative, operational and financial infrastructure. The Group's ability to manage its operations and growth requires the continuous improvement of operational, financial and management controls, reporting systems and procedures. Additionally, if, as a result of business or economic conditions, Vonovia was to scale down its business operations, it would be substantially more difficult for the Group to reduce its headcount than to reduce the services provided by third-party contractors. Any of these circumstances could result in higher costs than expected. Vonovia may not be able to compensate for these increased costs by generating the targeted savings.

Despite existing quality control procedures, the quality of services rendered by the Group's own employees could fall below the level of the services previously performed by third-party contractors and reduce the attractiveness of the Group's properties. Moreover, if services rendered by the Group's craftsmen organisation are not performed as scheduled or if the quality of work falls below applicable standards, Vonovia may face claims from its tenants or may not be in a position to re-let vacant units that require maintenance and modernisation before new tenants can move in. Since these tasks are performed within the Group, Vonovia will not be in a position to claim compensation for damages from third parties resulting from non-performance or improper performance by the Group's craftsmen organisation.

The materialisation of any of the risks described above could have material adverse effects on the Group's business, financial condition, cash flow and results of operations.

In addition to residential property management and income from the sale of non-core or non-strategic properties, the Group's business includes single unit sales (privatisations), which may result in some units of a developed condominium subject to an owner's association remaining unsold. The unsold units may require greater administrative resources and may lead to additional expenses and other negative consequences for the Group.

As part of its business strategy, Vonovia intends to selectively sell individual residential units to owner-occupants or small capital investors in single unit sales (privatisations). In general, individual residential units can be sold at a premium compared to bulk sales of residential properties and at prices exceeding their Fair Value. In executing these sales, Vonovia sells individual units but not necessarily all units within a building.

Management of partially sold properties may require greater administrative resources than the management of units in properties entirely owned by the Group. For example, owners of units in a residential property may decide on measures which concern the property as a whole by majority vote at the owners' assembly convened by the facility manager. If Vonovia sells only individual units in a property it currently owns, it may lose its ability to control decision-making and could be forced to accept decisions, and financially support their implementation, which are passed by a majority of the owners of other units in the relevant property with respect to property management, such as the performance of maintenance and modernisation, which may be unreasonable from the Group's economic perspective and may result in the incurrence of additional costs. This could adversely affect Vonovia's profitability.

The materialisation of any of these risks could have material adverse effects on Vonovia's business, financial condition, cash flow and results of operations.

Vonovia could be exposed to risks from residual pollution including wartime ordnance, soil conditions and contaminants in building materials, as well as possible building regulation violations. Some of the buildings in Vonovia's real estate portfolio are located at mining sites and may suffer damage caused by mining activities.

It is possible that the properties Vonovia owns or acquires may contain soil contamination, hazardous materials, other residual pollution or wartime ordnance. For example, in several of the Group's units, so-called floor-flex plates that contain small quantities of asbestos were used as floor covering. These floor-flex plates contain non-friable asbestos from which asbestos fibres are usually not released without external interference. Except in the event of structural alterations and damage, there is generally no obligation to remove such non-friable asbestos under currently applicable German federal state asbestos regulations (*Asbest-Richtlinien*). Nevertheless, Vonovia bears the risk of cost-intensive remediation and removal of the aforementioned hazardous materials, other residual pollution, wartime ordnance or soil contamination.

In addition, some properties previously owned by Vonovia, which have been sold in the meantime, were exposed to petrol and chemical soil contamination and Vonovia was required by the competent authorities to carry out on-site remediation of this residual pollution with respect to such properties. The Group has made provisions for the future cost of such remediation measures but the provisions may prove to be insufficient. The discovery of further residual pollution or risks associated with old wartime ordnance, particularly in connection with the lease or sale of properties, can also trigger claims for rent or purchase price reductions, damages and other breach of warranty claims or lease terminations.

The remediation of residual pollution or wartime ordnance and related additional measures may negatively affect Vonovia and involve considerable additional costs. Vonovia is also exposed to the risk that it may no longer be able to take recourse against prior polluters or the prior owners of the properties. The existence or even suspected existence of wartime ordnance, hazardous materials, other residual pollution or soil contamination can negatively affect the value of a property and the Group's ability to lease or sell such property. Moreover, building components may contain hazardous substances (such as asbestos, polychlorinated biphenyl, dichlorodiphenyltrichloroethane, pentachlorophenol and Lindane), or properties acquired may pose other environmental risks and Vonovia may be responsible for their removal.

The Group's business is also exposed to risks associated with noncompliance with building codes or environmental regulations. These regulations are often implemented retroactively, affecting previously acquired properties. In such cases, Vonovia may be required to modernise existing buildings so that they comply with these stricter standards. Even though the Guarantor conducts inspections in connection with the acquisition of individual properties, there is a risk that building codes or environmental regulations were not complied with.

It is also possible that landlord responsibilities could be further expanded, particularly with respect to fire protection and environmental protection, which could require additional maintenance and modernisation measures (see "*Regulatory and Legal Risks - The Group's business is subject to the general legal framework in Germany. Any disadvantageous changes in the legal framework, such as mandatory environmental modernisation provisions, restrictions regarding modernisation measures or provisions (including taxes) that result in the incurrence of costs in the event of a property sale may have adverse effects on the Group's business.*"). For example, the fire protection installations in some buildings in Dresden are required to be upgraded, and for such purpose Vonovia recorded a value adjustment in the amount of EUR 60 million in its 2017 financial statements. This value adjustment is based on currently estimated costs of EUR 130 million taking into account the measures and timelines agreed with the City of Dresden and the fire department. However, it cannot be entirely ruled out that costs in addition to and/or higher than the currently estimated EUR 130 million may be incurred in connection with the implementation of the fire protection regulations.

In addition, the properties owned by the Group have an average age of approximately 57 years (age of the buildings as of 31 December 2017 weighted by rentable area) which may lead to an additional need for modernization and maintenance measures. The projected cost of such measures is based on the assumption that the

required permits are issued promptly and in accordance with the Group's plans. It is possible, however, that the required permits for such measures will not always be issued promptly. If such permits are not issued promptly, or are issued subject to unexpected conditions, substantial delays in addressing the concerns can occur and can result in costs exceeding those projected and reduce residential in-place rents for the relevant properties in the meantime.

As of 31 December 2017, approximately 13,100 of Vonovia's buildings were located in the Ruhr area – region of Aachen; approximately 1,900 buildings thereof were located on sites affected by mining activities conducted at depths of up to 100 meters below the surface. Of these 1,900 buildings, Vonovia has, based on a risk evaluation, identified approximately 1,070 buildings as being located at sites which present a risk of future clean-up costs due to their location.

If, in the context of deep mining, mining activities (mining operations) cause damage to a building/plot of land on the surface (so-called mining damage (*Bergschaden*)), the mining operator is, pursuant to the applicable German Federal Mining Act (*Bundesberggesetz*), obliged to pay compensation for that damage.

However, in many cases, it is no longer legally possible to enforce claims against former operators, complete legal succession is unclear or such operators may lack sufficient assets to settle the liability and therefore or due to the fact that a so-called waiver of mining damage claims (*Bergschadenverzicht*) has been granted with respect to parts of Vonovia's portfolio, Vonovia may no longer be able to take recourse against them.

Furthermore, when real estate is damaged by past or current mining activities in the northern Ruhr area of Germany, the Guarantor's ability to recover in whole or at least in part the costs of remediation of mining damage to the building which may be incurred or Vonovia's general ability to claim compensation from the relevant mining companies could be impaired by waiver agreements entered into with certain mining companies.

Such mining damage or the fact that such damage cannot be appropriately remedied could also adversely affect the Group's ability to sell or rent the affected real estate or to obtain financing using the real estate as collateral without having carried out the relevant investigations/remediations.

In North Rhine Westphalia, a dedicated mining risk management was implemented for a building located in the area influenced by near-surface mining. Nevertheless, it is impossible to completely mitigate the risk of possible injury to the tenants caused by mining damage (so-called subsidence), for which the Group may be required to pay compensation.

The materialisation of any of these risks could have material adverse effects on the Group's business, financial condition, cash flow and results of operations.

Vonovia has a strategic partnership with Deutsche Telekom Group under which Vonovia is obligated to pay fixed fees per residential units regardless of the Group's ability to pass on those costs to its tenants. In addition, Vonovia employs and works together with a large number of service providers and is dependent on their performance in accordance with the various relevant contracts.

At the end of fiscal year 2011, Vonovia entered into a strategic partnership with Deutsche Telekom Group with the aim to equip 145,000 residential units throughout Germany with cable television and equip most of those units with modern fibre-optic technology. Work started on implementing the project at the beginning of 2012, and by the end of fiscal year 2017 more than 100,000 residential units were connected. As part of the cooperation, Deutsche Multimedia Service GmbH ("**DMS**"), a wholly-owned subsidiary of the Group, is obligated to order the supply of basic television and radio signals for 170,000 residential units and to pay a fixed monthly fee for each residential unit supplied, irrespective of Vonovia's ability to resell television and radio signals to its tenants. Furthermore, DMS has agreed to pay a staggered share of the costs required for modernising the cable network according to mandatory legal requirements. As of 31 December 2017, the Group had recognized financial liabilities of EUR 331 million with respect thereto. The Group's successful completion of this project on commercially reasonable terms depends on the acceptance, cooperation and consent of third parties. In particular, Vonovia is dependent on its ability (i) to terminate contracts with existing cable service providers, (ii) to facilitate the switching of signals by cable service providers and prepare tenants to receive the new Deutsche Telekom Group signals, and (iii) to

modernise the existing residential cable networks of the housing units that may be owned by third parties or to install new cable networks. In addition, if German legislation concerning the basic supply of television and radio signals by landlords were to change and restrict the revenues from charges passed on to tenants, this could substantially affect the Group's business model.

Vonovia employs and collaborates with a large number of service providers, including energy providers and providers of gardening, house cleaning and winter services and therefore depends on their performance. In addition, Vonovia intends to intensify and further expand its provision of services. No assurance can be given that such services will be rendered in a timely manner or that their quality will comply with the Guarantor's requirements.

Moreover, certain contractors may experience operational or solvency issues and certain services may become unavailable to the Group as a result. Any defects or deficiencies in the services of contractors may result in delays and additional expenses for the Group.

The materialisation of any of these risks could have material adverse effects on the Group's business, financial condition, cash flow and results of operations.

Vonovia may be liable to cover rent shortfalls pursuant to a guarantee given to a real estate fund.

One of the Guarantor's subsidiaries, Deutsche Annington Immobilien-Dienstleistungen GmbH ("**DAID**"), was engaged in 1998 by a closed-end real estate fund held by DB Real Estate (the "**DB Fund**"), a subsidiary of Deutsche Bank Aktiengesellschaft, to construct a residential building consisting of 510 residential units, ten commercial units and 255 parking spaces in the centre of Berlin. Following the completion of this building, the DB Fund granted DAID an extended usage right expiring on 31 August 2044. In exchange, DAID agreed to make annual payments to the DB Fund pursuant to a schedule providing that such payments will increase annually through 2044. The annual payments DAID is obligated to make to the DB Fund do not correlate to the number of units leased, i.e., DAID must pay rent regardless of the extent to which the units are leased at the relevant time. Therefore, there can be no assurance that DAID will succeed in renting a sufficient number of units to cover its own costs in the future. If the number of let units falls below the required minimum, DAID will not be able to recover the payments made to the DB Fund. In accordance with the International Financial Reporting Standards as adopted by the European Union ("**IFRS**"), DAID's obligations with respect to the DB Fund are treated as a finance lease. In accordance with IAS 17, such lease obligations are included as liabilities in the Guarantors consolidated balance sheet at their net asset value. The residential building continues to be included as an asset in the Guarantor's consolidated balance sheet and is recorded at Fair Value. As of 31 December 2017, the Group’s liabilities to the DB Fund amounted to EUR 94.1 million. Any decline in the aggregate rent receivable from tenants in this building would not only affect the Group's rental income but also the Fair Value of the residential building as reflected in the Guarantor's financial statements. This could have material adverse effects on the Group's business, financial condition, cash flow and results of operations.

Vonovia has received subsidies from public authorities which restrict the level of rents chargeable on a part of Vonovia's portfolio. Providers of the subsidised loans may also unilaterally exercise their right to increase the rate of interest payable on such loans.

Vonovia receives grants from public authorities in the form of construction subsidies, expenses subsidies, expenses loans and low-interest loans that impose certain limitations on the Group. As of 31 December 2017, approximately 12.3% of the Group's properties in Germany (approximately 42,000 residential units) were rent-restricted due to subsidies provided by publicly owned investment and development banks. Most of the subsidies are granted in the form of low-interest long-term loans. As of 31 December 2017, Vonovia had received subsidized loans which carry a book value of EUR 1,271 million under IFRS, due to the applied effective interest method, but a nominal value of EUR 1,339 million. The public bodies granting a subsidized loan impose maximum rent levels on the properties constructed, acquired or modernized using such subsidized loan. Although the rent levels set by the public bodies are significantly below current market rents for a number of rent-restricted residential units, it may be difficult to increase rents to market levels after the expiration of subsidy restrictions because of the lack of tenants who are

willing or able to pay market level rents for such properties. Rent restrictions are scheduled to expire on approximately 4,200 units in 2018, on approximately 1,200 units in 2019 and on approximately 600 units in 2020.

Moreover, the Group's subsidised loan agreements contain a clause pursuant to which the lender is granted the right to unilaterally increase the interest rates of the loans up to a specific maximum amount per year. In such an event, Vonovia is entitled to increase its rents accordingly. The lenders under these agreements have exercised this right only selectively in the recent past. It cannot be excluded, however, that the lenders may exercise this right more frequently in the future. In such case, Vonovia may not be in a position (although it would be entitled) to increase its rents either because tenants might not be able to pay the increased rents or the increased rent would exceed the market rents for comparable units or otherwise.

If Vonovia fails to adapt its rent levels to market rent levels after the expiration of the subsidised loans, or if the lenders exercise their rights to increase interest rates and Vonovia is not in a position to adjust rents accordingly, this could have material adverse effects on the Group's business, financial condition, cash flow and results of operations

Vonovia could sustain substantial losses from damage not covered by, or exceeding the coverage limits of, its insurance policies.

With regard to all insurances, the Group generally assumes that both the insurance coverage of Vonovia, including the maximum coverage and the exclusions and limitations of liability, and the general terms and conditions applicable to Vonovia's insurance contracts are customary for the industry in which the Group operates and appropriate. However, the Group can give no assurance that it will not incur any damage or face any claims exceeding the relevant insurance coverage.

The Group's properties are all insured against losses due to fire, natural hazards and specified other risks. However, its insurance policies may not provide adequate coverage as they are subject to exclusions and limitations of liability, including with respect to losses resulting from damages from mining, nuclear power or war. In addition, the general acceptance conditions of insurance providers may result in Vonovia being unable to insure all properties against all risks. Vonovia may, therefore, have limited or no coverage for losses that are excluded, exceed the respective coverage limitations or cannot be insured. In addition, the Group's insurance providers could become insolvent. Should an uninsured loss or a loss in excess of the Group's insurance limits occur, Vonovia could lose capital invested in the affected property as well as anticipated income and capital appreciation from that property. Moreover, the Group may incur further costs to repair damage caused by uninsured risks. Vonovia could also be held liable for any debt or other financial obligation related to such a property. Thus, the Group may experience material losses in excess of insurance proceeds, which could have material adverse effects on the Group's business, financial condition, cash flow and results of operations.

Vonovia has a relatively small number of employees in central functions and in senior management positions overseeing its business. Any inability to replace key personnel may be a challenge for Vonovia in future.

Vonovia only has a small number of senior management executives responsible for managing its core business. The Group's success depends significantly on the performance of its management executives and qualified employees in key positions, particularly members of the Group's management board (the "**Management Board**") and other management executives with substantial sector expertise. It will be important for Vonovia to hire additional qualified employees to the extent that an expansion exceeds its available resources or to replace departed employees. The departure of one or more Management Board members or other key employees, also in connection with changes of internal structures at Vonovia, and the challenge to recruit new highly-qualified management executives could impair the Group's growth and make it difficult for the Guarantor to manage its business operations effectively.

The materialisation of one or more of the risks described above could have material adverse effects on the Group's business, financial condition and results of operations.

Vonovia is dependent on cooperative relations with its employees, the works council (employee representatives) and the trade union ver.di.

The Group has entered into a collective agreement (*Tarifvertrag*) on the works council structure or is, due to the membership of individual companies in employees' associations, partly bound by regional collective agreements that regulate work conditions and remuneration. These collective agreements are renegotiated on a regular basis through the relevant employees' association with the trade unions. A certain number of the Group's employees are members of trade unions. Vonovia maintains and aims to continue to maintain a good and constructive relationship with its employees, works councils and trade unions. Nevertheless, Vonovia faces the risk that it may become subject to strikes or other industrial action in the course of labour negotiations, all of which could have adverse effects on the Group's business, financial condition, cash flow and results of operations.

Damage to the Group's reputation and inadequate customer satisfaction may result in reduced demand for the Group's residential units and may make it more difficult for the Group to raise capital on favourable terms or at all.

If the Group is unable to maintain its reputation and high level of customer service, customer satisfaction and demand for its services and properties could suffer. In particular, harm to the Group's reputation could make it more difficult for the Group to rent its residential units and could lead to delays in rental payments or the termination of tenancy agreements by its tenants. Any reputational damage due to the Group's inability to meet customer service expectations could limit its ability to retain existing and attract new customers. Furthermore, harm to the Group's reputation could impair the Group's ability to raise capital on favourable terms or at all. Any of the risks described above could have material adverse effects on the Group's business, financial condition, cash flow and results of operations.

The Group's information technology systems could malfunction or become impaired.

The Group's information technology systems are essential for its business operations and success. Any interruptions in, failures of or damage to its information technology systems, such as the Group's SAP software or its voice-over-internet protocol (VoIP) telephone system, could lead to delays or interruptions in the Group's business processes. In particular, the Group's information technology systems may be vulnerable to security breaches and cyber-attacks from unauthorised persons outside and within the Group. Any malfunction or impairment of the Group's computer systems could interrupt its operations, lead to increased costs and may result in lost revenue. Vonovia cannot guarantee that anticipated or recognised malfunctions can be avoided by appropriate preventive security measures in every case. The materialisation of one or more of these risks could have material adverse effects on the Group's business.

Vonovia has substantial pension obligations and other employee benefit obligations, the present value of which may significantly increase, inter alia, in the event of changes in parameters used to measure the obligations. Further, certain memberships in pension schemes for the public sector may trigger significant additional payment obligations. The Guarantor may thus have to recognise additional economic burdens in the future.

Vonovia has substantial pension obligations and other employee benefit obligations, most of which are not covered by underlying plan assets. As of 31 December 2017, the defined benefit obligation ("**DBO**") of Vonovia amounted to EUR 535.0 million using a discount rate of 1.7%. The DBO was calculated on the basis of 4,030 commitments outstanding as of 31 December 2017. Total provisions recognized for these commitments amounted to EUR 513.7 million as of 31 December 2017. The amount of Vonovia's DBO depends on the development of the present value of the obligations and the fair value of the assets available to fund such obligations. The present value of the pension obligations and other long-term benefit obligations is significantly influenced by the discount rate used. Furthermore, the longevity and actuarial profile of plan participants may have a negative impact on pension obligations. Pension obligations and other long-term benefit obligations may also be affected by legal and regulatory developments and changes in case law. The amount determined is based on various assumptions, and any change in legal requirements or in the interpretation thereof with regard to the calculation of pension

obligations or other long-term benefit obligations may have a material impact on the amount of the pension and benefit obligations and thus on their present value.

Some companies of the Group are, due to their former ownership structure, members of the *Versorgungsanstalt des Bundes und der Länder* (pension institution of the Federal Republic and the Federal States – "**VBL**"), a pension institution for employees in the public sector, and of the *Zusatzversorgungskasse des Kommunalen Versorgungsverbands Baden-Wuerttemberg* (supplementary pension fund of the Baden-Wuerttemberg municipal pension association – ZVK), one of the biggest municipal supplementary pension institutions in Germany, which must be qualified as multi-employer defined benefit plans and are funded on a pay-as-you-go basis (*umlagefinanziert*). The participation may be terminated by the participating employer and, under certain circumstances, also by the pension institutions. In particular, a pension institution may terminate the participation of any company if the employment conditions for the employees in such company are no longer deemed essentially similar to those applicable to employees in the public sector or if a material part of the employees is transferred to an employer who is not a member of the relevant pension institution. In the event of a termination, the employer would be obliged to compensate the pension institutions for all future expenses arising from the fulfilment of pension obligations towards the pensioners and employees with vested pension rights.

In this connection, total provisions recognized as of 31 December 2017 amount to EUR 43.3 million, of which EUR 27.5 million are attributable to NILEG Norddeutsche Immobiliengesellschaft mbH ("**NILEG**") and EUR 15.8 million to companies of the SÜDEWO Group.

The participation of Bremische Gesellschaft für Stadterneuerung, Stadtentwicklung und Wohnungsbau mit beschränkter Haftung ("**Bremische**") and of Kieler Wohnungsbaugesellschaft mit beschränkter Haftung ("**KWG**") were terminated by the respective companies with effect as of 31 December 2015, and the participation in NILEG was terminated by the company with effect as of 31 December 2016.

Meanwhile, VBL has received the relevant compensation payment for the termination of the memberships of Bremische and of KWG effective 31 December 2015.

Any increase in the present value of Vonovia's pension obligations and other long-term benefit obligations and any significant decrease of the fair value of the plan assets, and the obligations in connection with the participation in pension institutions of the public sector, may have corresponding adverse effects on the Group's business, financial condition, cash flow and results of operations. There can be no assurance that sufficient cash flows to meet these obligations can be generated.

Risks related to the BUWOG Takeover

The integration of BUWOG AG ("BUWOG" together with its consolidated subsidiaries, the "BUWOG Group") may neither be successful nor go as planned and may involve higher costs than expected or require more resources than initially planned.

Shareholders of BUWOG have been offered a price of EUR 29.05 in cash per BUWOG share. This cash offer, which was published at the beginning of February 2018, values BUWOG at around EUR 5.2 billion (enterprise value), taking into account potential newly issued shares from a conversion of the convertible bonds issued by BUWOG (ISIN AT0000A1NQH2). The Guarantor's offer of EUR 29.05 per BUWOG share represents a premium of 18.1% on the closing price of the BUWOG share on the prime market (*Amtlicher Handel*) of the Vienna Stock Exchange on Friday, 15 December 2017. The offer was also addressed to the holders of BUWOG's convertible bonds. For the convertible bonds, the Guarantor offered a cash payment of EUR 115,753.65 in the initial acceptance period for each EUR 100,000 nominal amount and, in accordance with market practice, a reduced offer price per convertible bond in the three-month additional acceptance period (the "**BUWOG Takeover**").

The initial acceptance period started on 5 February 2018 and expired at 12 March 2018. On 12 March 2018, the Guarantor announced that the mandatory minimum acceptance threshold of at least 50% of all outstanding BUWOG shares plus one share was met. The settlement of the offer is scheduled for 26 March 2018.

Following the successful BUWOG Takeover, Vonovia seeks to integrate the BUWOG Group. Such integration may require considerable personnel capacities and financial resources. For a successful integration, it is also important to integrate the portfolios and existing staff of the two companies, connect different company cultures, harmonise IT-Systems and put into place common processes for the integrated group. The integration may result in negative effects for contractual or legal positions of one of the two groups.

Should any of these risks materialise, this may have material adverse effects on the net assets, financial condition and results of operations of the Group.

The expected cost benefits in connection with the integration of the BUWOG Group may not be realised, or only realised to a small extent, or the achieved cost benefits may create higher costs than planned.

Following the integration, the Guarantor expects cost benefits of approximately EUR 30 million per year from the joint management of both portfolios in Germany and Austria; a substantial part of these are to be realised by the end of 2019. The combination will also have a positive effect for the Guarantor's FFO 1 per share and adjusted NAV per share.

The Group, however, cannot rule out that the expected cost benefits will not, or will only to a small extent, occur as originally planned. In addition, the costs required to achieve these cost benefits may be higher than anticipated. The portfolio of the BUWOG Group could also develop differently than originally assumed in its evaluation by Vonovia. Certain factors may have material adverse effects on the net assets, financial condition and results of operations of the Group and may negatively affect the economic results of the takeover.

The Guarantor was not able to access important documents of the BUWOG Group before the takeover offer for BUWOG, meaning that there may be unknown circumstances that are of material importance for the evaluation of the BUWGO Group.

The Guarantor was not able to access important documents of the BUWOG Group before the announcement of its decision to launch the BUWOG Takeover (due diligence), but had to rely on publicly available information and its knowledge of the industry. The Guarantor cannot rule out that important circumstances material for the evaluation of the BUWOG Group were not publicly known, and therefore were not reflected in the evaluation of the BUWOG Group and the determination of the amount of the offered cash amount per BUWOG share. In particular, the actual development of the portfolio of BUWOG may differ from the assumptions made by the Guarantor for the purpose of the evaluation of BUWOG. Should important circumstances material for the evaluation of the BUWOG Group become known, they could have material adverse effects on the net assets, financial condition and results of operation of the Group and lead to a deterioration of the economic results of the takeover.

Risks related to the valuation of Vonovia's properties

If interest rates change, the market conditions deteriorate or the Group's rent levels or vacancy rates develop unfavourably, Vonovia may be required to adjust the current Fair Values of its investment properties and recognise significant losses.

Vonovia values its investment properties (i.e., properties that are held for the purpose of earning rental income, for appreciation or both and are not used by the Group) at Fair Value in accordance with IAS 40 in conjunction with IFRS 13. Valuation is based on the discounted cash flow ("**DCF**") methodology ("**DCF Methodology**"). Under the DCF Methodology, the expected future income and costs associated with each property are generally forecasted over a 10-year observation period and discounted as net present value to the valuation date. To determine the forecasted cash flows, various parameters such as market rent, probable rent increases, vacancy rates and maintenance expenses are taken into consideration. The market rent is derived for each location from the respective rent index (*Mietspiegel*) and from market data from external service providers. In addition, the terminal value of the property at the end of the 10-year period is determined using the expected stabilised cash flow and again discounted to the valuation date as the net present value. The discount rate applied reflects the market situation, location, type of the property, special property features (*e.g.*, inheritable rights, rent restrictions), the yield expectations of a potential investor and the risk associated with the forecast future cash flows. If the market

situation deteriorates, for example, because interest rates rise or rent levels decrease or vacancy rates increase, Vonovia will have to revise the values of the total portfolio on the consolidated balance sheet downwards. Vonovia derives the market value by deducting from the present value any transaction costs customary in the market such as real estate transfer tax, brokers' and notaries' fees.

Any significant negative Fair Value adjustments Vonovia is required to recognise would have significant negative effects on its performance indicators NAV and LTV-Ratio and could have material adverse effects on the Group's net assets, financial condition and results of operations (see "*Financial Risks - If the Guarantor or other Group companies breach financial covenants or other provisions in connection with any existing or future bonds, notes or other financial instruments or under any existing or future loan agreements, Vonovia may be required to pay higher interest or fully repay the relevant bonds, notes or loans before they become due, and security trustees or creditors could seize or realise significant collateral furnished by the Group*.").

Real estate valuation is inherently subjective, subject to uncertainties and based on assumptions which may prove to be inaccurate or affected by factors outside the Group's or an external appraiser's control.

The valuation report comprising valuations made in accordance with IAS 40 in conjunction with IFRS 13 of the residential real estate portfolio of Vonovia included in this Prospectus as of 31 December 2017 ("**Valuation Report**") was prepared by the independent appraiser CBRE GmbH ("**CBRE**"), some of the employees of which are also members of the Royal Institution of Chartered Surveyors (RICS). The market value of the individual properties was determined using the DCF Methodology in accordance with the provisions of IAS 40 and an independent valuation was carried out by CBRE according to the provisions of the Royal Institution of Chartered Surveyors (RICS) pursuant to the Red Book and in accordance with international valuation standards (IVS) on the basis of a DCF model. Therefore, the Valuation Report is based on standard valuation principles and represents the opinion of the respective independent appraiser. The Valuation Report is based on assumptions that could subsequently turn out to have been incorrect. Data provided by Vonovia and used in the Valuation Report were examined and verified for plausibility on a random sampling basis. The valuation of real estate is based on a multitude of factors that also include the appraiser's subjective judgment. These factors include, for example, the general market environment, conditions in the rental market and the quality of the location. The valuation of real estate contained in the Valuation Report is therefore subject to numerous uncertainties. The past or future assumptions underlying the property valuations may later be determined to have been erroneous.

The values assigned to the appraised properties in the Valuation Report and in the Group's existing or future published annual or interim financial information may exceed the proceeds that Vonovia can actually generate from the sale of the appraised properties. This could also be the case for sales that occur on, or shortly after, the valuation date. Accordingly, valuation reports do not necessarily represent future or current achievable sales prices of the Group's properties or property portfolio.

Real estate valuation is inherently subjective, subject to uncertainties and based on assumptions which may prove to be inaccurate or affected by factors outside the Group's or an external appraiser's control. If any of the information or assumptions on which a valuation is based are subsequently found to be incorrect, the valuation figures may also be incorrect and may have to be reconsidered. In connection with the acquisition of property portfolios and upon occurrence of other unforeseeable events, this could result in Vonovia being unable to achieve its expected returns. This could have material adverse effects on the Group's net assets, financial condition or results of operations.

Financial Risks

Vonovia is dependent on its current corporate investment grade rating to pursue its financing strategy, including the satisfying of its future financing needs through the issuance of unsecured corporate bonds and notes.

In 2013, Vonovia changed its financing strategy to satisfy a significant portion of its future financing needs through the issuance of unsecured corporate bonds and notes. To facilitate the issuance of unsecured bonds and notes, the

Guarantor sought and obtained a corporate investment grade rating of "BBB" from Standard & Poor's Credit Market Services Europe Limited (Niederlassung Deutschland) (German Branch) ("**Standard & Poor's**"), which was upgraded to "BBB+" on 10 March 2015 and confirmed on 19 December 2017. Issuers with a "BBB" rating are considered by Standard & Poor's to have adequate capacity to meet financial commitments but are relatively exposed to the risk of adverse economic conditions or changing circumstances causing a weakened capacity of the issuers to meet their financial commitments.

If Vonovia were to lose its investment grade rating, future issuances of unsecured bonds and notes may become significantly more expensive or may not be possible in the targeted amounts. Standard & Poor's could downgrade the Group if the value of the Group's assets or the Group's debt-service or interest coverage ratio were to fall below certain values, if the Group's debt-to-capital ratio were to exceed certain values, if the Group were unable to keep or render sufficient values of its assets unencumbered or if the residential real estate market in Germany deteriorates in general. As of 31 December 2017, Vonovia SE attained an unencumbrance ratio of around 65.2%.

There can be no assurance, however, that Vonovia will be able to implement all refinancing plans within the required timeframe or at all.

If any of the risks described above were to materialise, it would be more difficult for the Group to pursue its current financing strategy, which could have material adverse effects on the Group's business, financial condition, cash flow and results of operations.

The Group has a substantial level of debt and Vonovia's ability to repay existing debt with loans and other debt instruments could be limited. It may be difficult or expensive to obtain new sources of financing.

Vonovia has a substantial level of debt; the nominal amount of Vonovia's outstanding financial indebtedness was EUR 15.1 billion as of 31 December 2017 (consisting of the nominal amount of outstanding non-derivative financial liabilities of EUR 14.1 billion, and a hybrid bond in a nominal amount of EUR 1.0 billion which is classified as equity under IFRS). Vonovia is dependent on refinancing significant amounts that will become due over the next few years. In the past, Vonovia raised debt capital through commercial mortgage backed securities ("**CMBS**"), by issuing bonds and notes and by borrowing from commercial banks, mortgage banks and state development banks.

In the future, Vonovia intends to refinance maturing debt with new bonds, notes and loans (or by extending the maturity of such debt). Vonovia's ability to repay existing financial obligations by raising new debt capital (or by extending the maturity of existing debt) could be limited, for example, as a result of market conditions, its business condition or the level of debt of Vonovia or of other Group companies. Large-volume debt financing like loans underlying CMBS structures could require costly restructuring in order to facilitate a refinancing. Although Vonovia was able to refinance and reduce its debt and extend maturities of various financial liabilities in the past, its current level of debt could lead capital markets and banks to refuse to make new debt funding available to Vonovia, or to do so only on less favourable financial terms or with the requirement of additional security.

Any of the risks described above could have material adverse effects on the Group's business, financial condition, cash flow and results of operations.

If the Guarantor or other Group companies breach financial covenants or other provisions in connection with any existing or future bonds, notes or other financial instruments or under any existing or future loan agreements, Vonovia may be required to pay higher interest or fully repay the relevant bonds, notes or loans before they become due, and security trustees or creditors could seize or realise significant collateral furnished by the Group.

As of 31 December 2017, the Group had outstanding financial indebtedness in a nominal amount of EUR 15.1 billion, consisting of outstanding non-derivative financial liabilities of EUR 14.1 billion, of which EUR 2.9 billion are secured financial liabilities and a hybrid bond in a nominal amount of EUR 1.0 billion which is classified as equity under IFRS. In addition, the Group's outstanding financial indebtedness comprises unsecured

corporate bonds, partly issued under this Programme, subordinated hybrid bonds, commercial paper, secured bank loans and working capital facilities.

The existing or future holders of bonds and notes issued by the Group and the Group's lenders are entitled to terminate their financing agreements and bonds or notes, as applicable, if Group companies breach material contractual terms and are not in a position to cure such breaches. The terms of the existing loan agreements and of the bonds and notes require, in particular, that Vonovia complies with certain financial covenants, such as a maximum LTV-Ratio, a minimum debt-service or interest coverage ratios, a minimum ratio of unencumbered properties and other assets and restrictions on the sale of properties. A failure to comply with such financial covenants or other material terms of the financing agreements and the bonds and notes could have severe consequences, including that:

- the lenders or the bondholders and noteholders, as applicable, and their respective representatives may have the right to terminate the relevant loan agreement or the bonds or notes, and the outstanding amounts could become immediately due and payable;
- other lenders, bondholders or noteholders could be entitled to terminate their financing agreements or bonds or notes with the Group as a result of cross-default or cross-acceleration provisions;
- the lenders may be entitled to extraordinary (partial) prepayments or higher interest rates and the bondholders or noteholders could be entitled to require the Group to redeem, in whole or in part, the bonds and notes, as applicable, at their principal amount including accrued interest; in addition, Vonovia may be liable for damages, prepayment penalties or other fines; or
- the right of the Guarantor or its subsidiaries to distribute profits and income from the properties which serve as security for the respective loans (or future secured bonds or notes) may be restricted and may therefore limit the Group's ability to service its other obligations or distribute profits to its shareholders.
- If the bonds, notes, other debt instruments or one or more of the Group's other loans should become due as a result of an early termination or cross-default, Vonovia might be unable to refinance its liabilities as they become due, or might be able to do so only on less favourable terms.
- To secure its financial liabilities, Vonovia, under certain financing agreements (other than the bonds and unsecured notes, the commercial paper and the working capital facilites), has provided land charges and mortgages on properties owned by Group companies and has assigned, as security, claims under tenancy and leasing agreements, potential insurance claims and potential claims under real estate sales programmes. Vonovia has also pledged or agreed to pledge shares in certain Group companies as well as bank accounts to lenders. If Vonovia is unable to perform the obligations under its financing agreements, Vonovia's lenders could seize and realise collateral, including real estate, pledged shares and bank accounts, without further negotiations. This could cause Vonovia to lose parts of its real estate portfolio in a forced sale on economically unfavourable terms. Contractual restrictions limit the right to voluntarily sell properties ahead of a forced sale, which could have an amplified negative effect of such forced sale.
- Approximately 9.0% of all residential real estate units owned by the Group were built on the basis of hereditary building rights (*Erbbaurechte*). The consent of the legal owners is required for a registration of land charges and mortgages on these units as well as for their sale. Although the owners are legally required to grant such consent if and to the extent a requested encumbrance does not exceed a customary level (and in case of a sale, if the purchaser of the building to which the hereditary building right relates is also able and willing to fulfil the obligations under the hereditary building right), it is difficult and time-consuming to actually obtain these consents or to obtain them in the requested amount.

The materialisation of any of the aforementioned risks could have material adverse effects on the Group's business, financial condition, cash flow and results of operations.

The Guarantor's surplus revenues and possible future dividend payments are dependent on the profitability of its subsidiaries.

The Guarantor is a holding company that does not conduct its operating business itself but does so through its subsidiaries. To cover its running costs and to enable dividend payments, the Guarantor relies on, among other things, distributions that it receives from its subsidiaries and other investment interests, fees for management services provided or, as the case may be, scheduled repayments of loans it has granted to its subsidiaries. The distributions by the subsidiaries or their ability to provide surplus cash to the Guarantor within the scope of the group cash management depend, in turn, on the subsidiaries' operating results and surplus cash flows and their ability to transfer that cash under applicable law. There can be no assurance that such funds will be sufficient in the future to satisfy all payment obligations. If the funds are insufficient, Vonovia could be required to raise additional funds.

Vonovia will most likely refrain from paying dividends or reduce dividend payments if available cash is insufficient for the payment thereof. If it should decide to borrow money to facilitate paying dividends, this could have material adverse effects on Vonovia's business and financial condition and results of operations.

Regulatory and Legal Risks

The Group's ability to increase rents is limited by German law which has become more restrictive in this regard.

The ability of landlords to increase rent under existing tenancy agreements is limited under German law. If the parties to a tenancy agreement have not agreed on a stepped rent (*Staffelmiete*) or an indexation of rents (*Indexmiete*) – which is permissible only in specific cases – and the tenant refuses to amend the tenancy agreement, a rent increase may be effected unilaterally only within the limits set forth below:

- Subject to statutory and contractual requirements and if the rent has remained unchanged during the 15 months preceding the intended increase, the landlord may exercise a right of contractual adjustment of up to the locally prevailing comparative levels of rent (*ortsübliche Vergleichsmiete*). The locally prevailing rents are generally set forth in rent indices (*Mietspiegel*), which are usually published by the respective municipalities every second year. If a particular rent index is produced according to accepted scientific principles and adopted by the municipality or by representatives of local tenants and landlords, the rent index is recognised as a so-called qualified rent index (*qualifizierter Mietspiegel*). Qualified rent indices, as opposed to simple rent indices, qualify by law as (rebuttable) presumptive evidence that the listed rent levels reflect the reference rent customary in the municipality. Generally, the rent may not be increased by more than 20% in three years (capping limit). Pursuant to the Tenancy Law Amendment Act (*Mietrechtsänderungsgesetz*), which entered into force on May 1, 2013, the capping limit may be reduced to 15% by the German federal states for those municipalities or parts of municipalities in which the supply of affordable housing is determined to be threatened. So far, twelve German state governments (*Landesregierungen*) (Bavaria, Baden-Wuerttemberg, Berlin, Brandenburg, Bremen, Hamburg, Hesse, Lower-Saxony, North Rhine-Westphalia, Rhineland-Palatinate, Saxony and Schleswig-Holstein) have adopted such regulations to reduce the capping limit, and it remains possible that other state governments will do the same.
- In addition, the landlord may, subject to statutory or contractual requirements, shift costs for modernisation measures through which (i) substantial energy savings (energy-related modernisation measures, *energetische Modernisierung*) are achieved or (ii) substantial reductions in water consumption are produced or (iii) substantial increases in the utility value (*Gebrauchswert*) of the rented property are achieved or (iv) permanent improvements to the housing conditions are achieved or for (v) modernisation measures that are conducted due to circumstances for which the landlord is not

responsible and which do not qualify as maintenance measures or (vi) new residential space is realised, to the tenants by way of an increase of the annual rent in the amount of 11% of the cost incurred for the respective apartment (less the costs that would have been incurred for maintenance measures anyway), unless the tenant can prove that the rent increase constitutes undue hardship. Following a rent increase, tenants may have a special termination right. The new coalition agreement between CDU/CSU and SPD foresees to reduce the allowed increase in rent (for a period of five years) from 11% to 8% in areas where the capping limit applies. Further, the monthly rent increase for modernisation measures may not exceed EUR 3/sqm within six years. These targets have yet to be implemented.

- Additional difficulties may arise if the respective municipality does not produce or publish rent indices – something municipalities are not obligated to do. If municipalities publish rent indices, they are required to update the rent indices every two years. If municipalities publish qualified rent indices they must adjust these for market trends every two years (the new coalition agreement between CDU/CSU and SPD foresees to extend this period to three years) and produce a new qualified rent index at least every four years. Some municipalities regularly use longer intervals to update rent indices, which makes it difficult for landlords to adjust the rent to actual prevailing market levels. If municipalities do not publish rent indices, landlords may commission independent surveyor reports for assessing the appropriate rent level and adjusting the rent accordingly. Alternatively, both parties to a tenancy agreement may voluntarily agree on rent increases; such possibility may, however, not yield the desired results and may give the impression that the tenant is obliged to agree to higher rents.

Moreover, the act to curb rental increases on tight housing markets and to strengthen the principle in housing agency that the costs for the services of an agent must be borne by the commissioning party – Tenancy Law Revision Act (*Gesetz zur Dämpfung des Mietanstiegs auf angespannten Wohnungsmärkten und zur Stärkung des Bestellerprinzips bei der Wohnungsvermittlung – Mietrechtsnovellierungsgesetz*) which came into force on 1 June 2015 –establishes maximum rent levels for new leases (so-called "rent ceiling" (*Mietpreisbremse*)). The Act limits rent increases for a period of five years for new leases to a maximum of 10% above the higher of the locally prevailing comparative rent level or the previous tenant's rent in municipalities or parts of municipalities in which the supply of affordable housing is determined to be threatened. New or fully modernised buildings are excluded from the limitation on rent increase at their first lease. For a period of five years from the date on which the Act came into force, the federal states may designate regions in which the rent ceiling shall apply and may enact ordinances to designate such regions until 2020. So far, Berlin, Brandenburg, Bremen, Hamburg, Hesse, North Rhine-Westphalia, Bavaria, Rhineland-Palatinate, Baden-Wuerttemberg, Schleswig-Holstein, Thuringia and Lower Saxony have issued such ordinances under which the rent ceiling applies in certain regions. Mecklenburg Western Pomeria might also issue a similar ordinance in the course of 2018. Furthermore, there are currently plans to review and tighten the rules for the rent ceiling. According to the new coalition agreement between CDU/CSU and SPD foresees that landlords are to be required by law to disclose in the case of new leases the amount of the previous rent. It remains to be seen whether this will be implemented. The limitations on rent increases arising from the rent ceiling may impair the value of the properties concerned which may have a significant negative impact on the value of Vonovia's real estate portfolio. The rent ceiling is set out to be reviewed by the German High Constitutional Court *(Bundesverfassungsgericht)*, the outcome is unclear as of this date.
In addition, there are current political attempts to further limit a landlord's ability to pass on modernisation costs to tenants. The success of these attempts could adversely affect the Group's business.

Other changes in the European or German legal framework may further negatively impact the Group's ability to increase rents. Affordable housing is a political topic that attracts a high level of attention. Tightened rent restrictions may impair the Group's ability to increase rents, which in turn could have material adverse effects on its business, financial condition and results of operations.

Under German law, tenants enjoy substantial protection against termination and tenant eviction. In addition, Vonovia uses standardised tenancy agreements and standardised contract terms, which are closely scrutinised by German courts.

German law and German courts provide tenants with substantial protection against termination and tenant evictions. Extended leases or delayed evictions resulting from these protections can lead to substantial losses until the property is actually vacated.

In addition, Vonovia uses standardised tenancy agreements. Under German law, standardised contract terms are required to comply with the statutory law on general terms and conditions, which means that they are subject to rigid fairness control by the courts regarding their content and the way they are presented to the other contractual party by the person using them. As a general rule, standardised terms are invalid if they are not transparent, are not clearly worded, are unbalanced or discriminate against the other party. Due to the frequent changes in the legal framework, particularly as a result of court decisions relating to general terms and conditions, it is impossible to fully mitigate risks associated with the use of such standardised contractual terms. The various German Federal Court of Justice (*Bundesgerichtshof*) decisions regarding the invalidity of clauses concerning minor repairs (so-called decorative repairs), specifically those concerning the type and schedule of the tenant's performance of such repairs, are examples of a change in the legal framework. Recently, the Federal Court of Justice also decided that it is invalid to shift the burden of decorative repairs to the tenant if the apartment had been handed over without being renovated. The invalidity of such clauses causes the landlord to become responsible for maintenance measures and the increased costs incurred in connection therewith. Even if contracts are prepared with legal advice, it is difficult for Vonovia to avoid problems of this nature from the outset or in the future, as changes may continue to occur in the legal framework, particularly via case law. This makes it impossible for Vonovia to avoid the ensuing legal disadvantages.

Vonovia also uses standardised documents, standard form contracts and general terms and conditions (*Allgemeine Geschäftsbedingungen*) for agreements other than tenancy agreements. If such documents, standard form contracts or terms and conditions contain provisions which are disadvantageous to Vonovia, or if clauses in such documents or contracts are declared invalid and replaced by statutory provisions which are unfavourable to Vonovia, a large number of standardised documents, standard form contracts or general terms and conditions could be affected. Additionally, standardised terms under German law have to comply with the statutory law on general terms and conditions, which means they are subject to a rigid review of incorporation and reasonableness of terms by the courts regarding their content, clarity and presentation. General terms and conditions are, as a general rule, interpreted against the user, and the review is even more rigid if they are used vis-à-vis consumers. As a general rule, general terms and conditions are invalid if they are not transparent, clearly worded, or if they are unbalanced or discriminate against the other party inappropriately. Due to the frequent changes to the legal framework, particularly with regard to case law on general terms and conditions, it is impossible to fully protect oneself against risks from the use of general terms and conditions. Even if documents, agreements and terms and conditions are prepared with legal advice, it is impossible for Vonovia to avoid problems of this nature from the outset or in the future, as the changes may continue to occur in the legal framework, particularly via case law. This makes it impossible for Vonovia to avoid the ensuing legal disadvantages.

Any of the aforementioned risks could have material adverse effects on Vonovia's business, financial condition, cash flow and results of operations.

The Group's business is subject to the general legal framework in Germany. Any disadvantageous changes in the legal framework, such as mandatory environmental modernisation provisions, restrictions regarding modernisation measures or provisions (including taxes) that result in the incurrence of costs in the event of a property sale, may have adverse effects on the Group's business.

The Group's business is subject to the general legal framework that applies to residential housing, such as German tenancy law, as well as special provisions in other legislation, such as social, construction and historic preservation legislation. For example, pursuant to the Bavarian Act on Prohibition of Misuse of Residential Space (*Gesetz über*

das Verbot der Zweckentfremdung von Wohnraum), the federal state of Bavaria has authorised municipalities in which the supply of affordable housing is perceived as being threatened to enact regulations that prohibit that (i) residential space remains vacant for a period exceeding three months, (ii) housing space is altered in a way that prevents its use for residential purposes, (iii) residential space is eliminated, and (iv) residential space is used predominantly for professional or commercial purposes. Some German federal states, such as Baden-Wuerttemberg, Berlin, Hamburg and North Rhine-Westphalia, and large cities like Munich have adopted regulations with the aforementioned or similar restrictions. For specific risks in connection with German tenancy law, see "*Regulatory and Legal Risks – The Groups ability to increase rents is limited by German law which has become more restrictive in this regard"* and *"Regulatory and Legal Risks - Under German law, tenants enjoy substantial protection against termination and tenant eviction. In addition, Vonovia uses standardised tenancy agreements and standardised contract terms, which are closely scrutinised by German courts*".

Any disadvantageous changes to German federal or state laws, or changes in the interpretation or application thereof, could thus have a negative effect on Vonovia. In particular, an expansion of tenant protection laws in connection with conversions of multi-family residential houses into condominiums could have negative effects on the sale of condominiums to investors. Changes to provisions governing the tenant's responsibility for ancillary costs (*Betriebskosten*) or modernisation investments could have an adverse effect on the profitability of the Group's investments and results of operations.

More restrictive environmental laws could also result in additional expenses for Vonovia. For example, with effect from 31 December 2013, owners of properties with a centralised hot water production facility have been obliged to test the level of potential legionella contamination and must repeat this test every three years, thereby causing them to incur additional costs only part of which can be passed on to the tenants. The same would hold true if the legal requirements relating to existing and permitted properties and their use were to become more onerous. Of particular significance are construction and environmental requirements. For example, the currently applicable version of the Energy Savings Ordinance (*Energieeinsparverordnung*), which was amended with effect from 1 May 2014, prescribes specified investments in renovation work aimed at reducing energy consumption (with respect to thermal insulation for instance) and requires the landlord or seller of a property to present an energy certificate that discloses the property's energy efficiency prior entering into a new tenancy or sale and purchase agreement. Furthermore, if a seller or landlord advertises the property via commercial media, the energy performance indicator of the respective property's existing energy certificate must be stated in the advertisement. Additionally, the amended ordinance requires the landlord to renovate the thermal insulation of the let building. For example, landlords of buildings with heating boilers that were installed prior to 1 January 1985 and that are used with liquid or gaseous fuel were required to exchange those boilers before 2015, and roofs need to meet a minimum heat insulation standard (see "*Risks Related to the Group's business - Vonovia is exposed to risks related to the structural condition of its properties and their modernisation and maintenance. Some of the Group's agreements require Vonovia to invest specified amounts in certain portfolios. Such requirements may lead to a sub-optimal funds allocation*").

For maintenance and modernisation measures to buildings, which are subject to historic preservation laws, the need to comply with the respective legal requirements could, due to conflicts with the objectives of historic preservation, lead to significant delays in the maintenance or modernisation process, or may result in an inability of the landlord to carry out particular maintenance or modernisation measures, or could generate significantly higher costs for the particular project. These factors could also have negative effects on the ability of the Group to sell or rent these properties or to use said properties as security for financing.

Any of these factors could have material adverse effects on the Group's business, financial condition, cash flow and results of operations.

Vonovia could be subject to liability claims for several years after selling properties.

In connection with property sales, Vonovia usually makes representations, warranties and negative declarations of knowledge to the purchasers with respect to certain characteristics of the relevant properties. The resulting

obligations usually continue to exist after the sale for a period of several years. In particular, Vonovia could be subject to claims for damages from purchasers, who could assert that Vonovia failed to meet its obligations, or that its representations were untrue. Vonovia could be required to make payments to the purchasers following legal disputes or litigation. If Vonovia has provided warranties to third parties in connection with modernisation and maintenance measures and claims are asserted against Vonovia because of defects, it is not always certain that Vonovia will have recourse against the companies that performed the work.

As a seller of properties, Vonovia is also liable to tenants for any breach of tenancy agreements by the purchaser under certain circumstances, even where Vonovia no longer has any control over the property. Moreover, Vonovia continues to be exposed to claims for breach of contract even if the purchaser resells the property and the subsequent purchaser breaches any tenancy agreement. If, however, Vonovia notifies the tenant of the change in ownership and the tenant fails to avail itself of the opportunity to terminate the tenancy agreement at the earliest permitted termination date, Vonovia is, in general, released from liability. As a rule, when selling properties, Vonovia informs all tenants in writing of the change in landlord either alone or together with the purchaser. Such release from liability does not apply to security deposits (*Mietsicherheiten*) provided by the tenants. If the tenant is unable to receive its security deposit from the purchaser of the property, the liability to repay such security deposit remains with the seller.

Legal or settlement costs, including the costs of defending lawsuits, whether justified or not, as well as potential damages associated with liability for properties that Vonovia has sold, could have material adverse effects on the Group's business, financial condition, cash flow and results of operations.

The control and prevention mechanisms of the Group's compliance structure may not have been, or may not be, sufficient to adequately protect Vonovia from all legal or financial risks. Cases of irregularities could lead to official investigations or third-party claims against the Group, which, in turn, could have material adverse effects on the Group's business, net assets, financial condition, cash flow, results of operations and reputation.

To protect Vonovia against legal risks and other potential harm, Vonovia implemented a Group-wide code of conduct on the basis of an agreement with the works council in 2010. This binding policy addresses matters such as conduct, corruption prevention, conflicts of interest, information and data protection, discrimination, environmental protection and protection of company property and applies to all employees and the members of the Management Board. Moreover, Vonovia has introduced a mandatory code of conduct for its major business partners. Legal and compliance risks are addressed by the Group's risk management.

In February 2014, the Management Board adopted a compliance guideline with the goal of implementing a best-practice compliance management system ("**CMS**") as well as harmonizing and updating all existing rules. As part of the CMS, all compliance competencies are assumed by the Guarantor's general counsel as acting compliance officer who reports to the Management Board. The compliance structure acquired as part of the Gagfah Takeover was transitioned to the Group-wide CMS.

There can be no assurance, however, that the aforementioned compliance arrangements will be sufficient to completely prevent any unauthorised practices, legal infringements or corruption within the Group. Any failure in compliance could have material adverse effects on the Group's net assets, financial condition, cash flow, results of operations and reputation.

Tax Risks

Vonovia is subject to the general tax environment in Germany and Austria. The Group's tax burden in relation to the future tax treatment of dividend payments, current or future tax assessments, tax audits or court proceedings may increase due to changes in tax laws or changes in the application or interpretation thereof.

Vonovia is subject to the general tax environment in Germany and Austria. The Group's tax burden depends on various aspects of tax laws, as well as their application and interpretation. Amendments to tax laws, for example,

an increase of statutory tax rates, may have a retroactive effect and their application or interpretation by tax authorities or courts may change. This may also increase the Group's tax burden. The Group's tax risks include:

Tax Assessments

As some Group entities have historically been late in filing their tax declarations, no tax assessments have been received for some of the Group's companies in recent years. The unavailability of more recent tax assessments increases the uncertainty regarding the tax authorities' interpretations of applicable tax laws for these periods and increases the uncertainty that these interpretations may differ from the Group's interpretations. Any tax assessments that deviate from the Group's expectations could lead to an increase in the Group's tax burden and, additionally, could give rise to interest payable on the additional amount of taxes at a rate of 6% p.a. during a period beginning 15 months after the end of the calendar year in which the relevant tax emerged and ending upon issuance of the tax assessment notice. However, with a view to mitigate such interest risks, Group entities have calculated their tax burdens based on the annual financial statements and have paid prior to the beginning of the interest period, any taxes expected to be outstanding, taking into account already paid tax prepayments.

Tax Audits

The Group entities are regularly subject to tax audits. These tax audits have been completed for the main entities of Vonovia with respect to the fiscal years up to and including 2007. For one enity, this tax audit has been completed with respect to the fiscal years up to and including 2004 only. These tax audits and other investigations conducted by the competent tax authorities could result in the assessment of additional taxes. This may be the case, in particular, with respect to changes in the Group’s shareholding structure, other reorganization measures or impairment on properties with regard to which tax authorities could take the view that they ought to be disregarded for tax purposes or otherwise lead to a tax liability. Further, expenses, particularly interest expenses, could be treated as non-deductible, or RETT could be assessed. In addition, tax-consolidated groups (steuerliche Organschaften) could be deemed invalid, for instance if one or more profit and loss pooling agreements are considered void, as not having been properly executed or if other requirements for tax-consolidated groups are not recognized. These circumstances could lead to an increase in the Group’s tax obligations and could result in interest on back tax payments. These provisions, however, may prove to be insufficient and when paid may negatively impact cash flow.

Judicial Tax Proceedings

Group entities may become party to judicial tax proceedings. The outcome of such tax proceedings may not be predictable and may be detrimental to the Group.

The materialisation of any of these risks could have material adverse effects on the Group's business, financial condition, cash flow and results of operations.

A transfer of 95% or more of the shares in the Guarantor or in a subsidiary within a five-year period may trigger German RETT.

The Group is functionally divided into service or management companies on the one hand and property companies on the other. RETT is potentially triggered in Germany if at least 95% of the shares in a corporation or, within any period of five years, at least 95% of the interests in the assets of a partnership, each holding real estate properties, are directly or indirectly transferred to new shareholders or partners or are directly or indirectly, including also beneficially, integrated in the hands of a single shareholder or partner. In the event of such a transfer or integration, the real estate owning companies or the relevant shareholders or partners in whose hands an integration occurs would have to pay RETT in an amount of up to 6.5%, or such higher tax rate as may be applicable at the relevant time, of the properties’ value as determined in accordance with applicable tax laws.

Various third parties held 5.1% of the ownership rights in each of the Group's significant property holding subsidiaries (hereinafter referred to as "**Third-Party Shareholders**"). Due to a change in law in June 2013, which introduced an economic approach to determine the percentage of a property or a property holding entity acquired by a purchaser, it cannot be ruled out that this new economic approach will also lead to a wider interpretation of

direct and indirect transfers of shares in companies or partnership interests by a court or the competent tax authorities in the future or that, in the light of that, tax laws will be amended, possibly also with retroactive effect. However, there can be no assurance that courts or the competent tax authorities will deem the structure of participations of Third-Party Shareholders to be sufficient to prevent RETT from being triggered, particularly in the event that the current Third-Party Shareholders sell their stakes to other parties that are deemed to be controlled by the Guarantor.

In the recent past, Vonovia has acquired several real estate portfolios. These acquisitions were structured, on the basis of tax advice the Guarantor received, in a way so as to avoid triggering any significant RETT liability. However, it remains possible that the tax authorities and fiscal courts will not share Vonovia's view on the tax treatment of these acquisitions, and this may result in significant tax burdens.

In addition, Vonovia has a multi-level structure. Due to this structure, the internal restructurings that Vonovia conducted in the past few years gave rise to complex tax and legal issues. This structure will also continue to increase the legal complexity of corporate restructurings that Vonovia may intend to conduct in the future. There can be no assurance that none of these transactions has led or will lead to negative tax consequences.

The materialisation of any of these risks could have material adverse effects on the Group's business, financial condition, cash flow and results of operations.

The tax authorities might not accept all tax deductions for interest payments in the past due to uncertainties regarding German regulation of earning stripping rules. Further, the Group's tax burden may increase as a consequence of the acquisition of Gagfah and other acquisitions of real estate portfolios or a future change in the Guarantor's shareholder structure and/or corporate structure.

Several tax rules in Germany restrict the tax deductibility of interest expenses for corporate income and trade tax purposes. Such rules have been amended significantly on several occasions in the recent past. According to the earning stripping rules (*Zinsschranke*), the tax deductibility of interest expenses depends, among other things, on the difference between interest income and interest expenses, the general tax structure of the Group, the annual tax EBITDA and the tax EBITDA of previous years and on whether the equity ratios of the group (specified for these purposes) and of particular branches within this group do not differ significantly from each other. As a general rule, the tax deductibility of net interest expenses is limited to 30% of the tax EBITDA for the relevant fiscal year, unless certain exceptions apply. For example: interest expense is fully deductible where (i) the interest expense exceeding a business' interest income is less than EUR 3 million (*de minimis rule*); (ii) the business in question does not belong to a group, i.e., it does not have to be consolidated with other businesses (the "**Stand-Alone Clause**"); or (iii) the equity ratio test is met, i.e., the equity ratio of the business in question is by no more than a maximum of 2 percentage points lower than the equity ratio of the consolidated group (the "**Escape Clause**"). However, the Stand-Alone Clause and the Escape Clause can be applied only if no shareholder loan (*Gesellschafterdarlehen*) within the meaning of section 8a para. 2 and 3 of the German Corporate Income Tax Act (*Körperschaftsteuergesetz*) exists. To the extent that 30% of the tax EBITDA is not used for a deduction of net interest expenses, the remaining amount can be carried forward for up to five years.

Certain Group entities (including the former Gagfah Group entities) have relied on the Escape Clause in the past and have been able regularly to achieve a nearly full deduction of interest expenses. As the interpretation of the earning stripping rules is not entirely clear and no fiscal year in which the earning stripping rules apply has yet been finally audited, it cannot be ruled out that the German tax authorities will deny the application of the Escape Clause by the Group's entities. If such risk were to materialise, the deductibility of interest expenses owed under existing and possibly future debt would be restricted to 30% of the tax EBITDA for the respective financial year, thus increasing the tax burden.

The acquisition of several real estate portfolios in the past as well as the capital and financing measures undertaken by Vonovia in connection with these acquisitions add complexity to the financing structure of the Group and will change the Group's equity ratios. If such risk were to materialize, the deductibility of net interest expenses owed under existing and possibly future debt would be restricted to 30% of the tax EBITDA for the respective financial

year, thus increasing the tax burden. This would have material adverse effects on the Group's business, financial condition, cash flow and results of operations.

Taxable capital gains arising out of sale of real estate property may not be completely offset by tax transfer of built-in gains.

Under the German Income Tax Act (*Einkommensteuergesetz*), the possibility of a tax-neutral transfer of built-in gains (*stille Reserven*) to newly acquired or constructed properties within a certain period of time is available, subject to certain conditions for a disposal of the property (section 6b of the German Income Tax Act (*Einkommensteuergesetz*)). The taxable capital gain realised upon sale of the properties can either be deducted from the costs of acquisition or production (as determined for tax purposes) of the new property in the same fiscal year or used for setting up a reserve ("**6b Reserve**") and for a later deduction from the costs of acquisition or production (as determined for tax purposes) of new properties acquired or constructed in the near future. If the 6b Reserve is not utilised within four years (or, under certain conditions, within six years), then generally it has to be dissolved, thereby increasing the taxable income. In addition, in such case the taxable income is increased by 6% for each full fiscal year for which the 6b Reserve existed.

Vonovia has restructured, acquired or disposed of a significant amount of its portfolio in the past few years and may continue to pursue this strategy in the future. These transactions are generally subject to income tax. However, subject to certain conditions, the relevant capital gains can be transferred according to section 6b of the German Income Tax Act. Based, *inter alia*, on binding information from the competent tax authorities, the Group's management believes that built-in gains in sufficient amounts can be transferred in order to be able to offset capital gains that arose from these transactions in the past.

However, if these assumptions turn out to be wrong or if the competent tax authorities decide otherwise, Vonovia may be unable to transfer in a tax-neutral manner capital gains arising out of past or, as the case may be, future disposals of property.

The materialisation of any of these risks could have material adverse effects on the Group's business, financial condition, cash flow and results of operations.

Vonovia may, due to past or future changes in its ownership structure, not be able to make use of its tax loss carry-forwards and interest carry-forwards.

As of 31 December 2014, i.e., prior to the acquisition of the shares in Gagfah by the Guarantor which might be considered to be a harmful acquisition by the tax authorities (see below), the entities which today belong to the Vonovia Group (disregarding entities acquired in the Franconia Takeover) recognized corporate income tax loss carry-forwards in the amount of EUR 3.4 billion (EUR 1.6 billion thereof attributable to entities belonging to the Gagfah Group), trade tax loss carry-forwards in the amount of EUR 1.8 billion (EUR 0.9 billion thereof attributable to entities belonging to the Gagfah Group) and interest carry-forwards in the amount of EUR 0.3 billion (EUR 0.3 billion thereof attributable to entities belonging to the Gagfah Group). As of 31 December 2017, the Group entities recognized corporate income tax loss carryforwards of EUR 3,8 billion and trade tax loss carryforwards of EUR 2,0 billion and interest carry-forwards of EUR 0.7 billion. As of 31 December 2017, there were corporate income tax loss carryforwards in Austria amounting to EUR 165.4 million for which deferred tax assets have also been recognized to the extent that their realization is sufficiently probable. The increase in tax loss carryforwards resulted from current tax losses at individual companies and from the business combination with the conwert Group.

These tax loss carry-forwards and interest carry-forwards may, subject to certain restrictions, reduce future taxable income and taxable trade income (*Gewerbeertrag*). However, unused tax loss carry-forwards and interest carry-forwards will be lost at the level of the Guarantor and its direct and indirect subsidiaries if, within a period of five years, more than 50% of the shares or voting rights of the Guarantor will be transferred directly or indirectly to an acquirer (or any party related to the acquirer or a group of acquirers whose interests are aligned) or a comparable event occurs. If, directly or indirectly, more than 25% up to and including 50% of the shares or voting rights are

transferred to an acquirer (or any party related to the acquirer or a group of acquirers whose interests are aligned), the loss carry-forwards and interest carry-forwards and the accrued losses pertaining to the current fiscal year are lost only in proportion to the shares or voting rights transferred. It cannot be ruled out that past or future changes in Vonovia's ownership structure did result or will result in a full or partial loss of these tax loss carry-forwards and interest carry-forwards. However, tax loss carry-forwards and interest carry-forwards as well as unutilized loss carry-forwards will be retained despite any harmful acquisition of shares to the extent that such loss carry-forwards do not exceed the acquired company's built-in gains (*stille Reserven*) taxable in Germany existing at the time of the transfer ("**Built-in Gains Clause**").

The Guarantor assumes that the acquisitions by the Guarantor constituted harmful acquisitions which could generally have resulted in the full or partial loss of acquired tax loss carry-forwards and interest carry-forwards. Nevertheless, the Guarantor assumes that it was able to retain the majority of the tax loss carry-forwards and interest carry-forwards of entities belonging to the former acquired groups due to the applicability of the Built-in Gains Clause. However, no assurance can be given as to whether and to what extent the fiscal authorities will agree with the Guarantor's view that, at the time of acquisition of such shares, there were sufficient built-in gains (*stille Reserven*) taxable in Germany to retain most part of Gagfah Group's tax loss carry-forwards and interest carry-forwards.

Since the shares of the Guarantor are freely traded in the regulated market segment (*Regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) with simultaneous admission to the sub-segment of the regulated market (Prime Standard), a harmful acquisition may take place as a result of daily exchange trading without the Guarantor being able to influence it.

The materialisation of any of these risks could have material adverse effects on the Group's business, financial condition, cash flow and results of operations.

Significant reorganisations of the Group may result in an additional tax burden.

In the tax years not yet audited, Vonovia underwent significant reorganisations, involving, among other things, the transfer of legal or beneficial title to real estate. Further alterations to the structure of the Group and its portfolio are ongoing and expected in the future. Given the complexity and the scope of such transactions, they may entail unforeseen tax consequences that may have adverse effects on the Group's business, financial condition, cash flow and results of operations.

Vonovia is subject to certain tax risks in connection with the refinancing of the GRAND securitisation.

In December 2012, Vonovia refinanced the collateralised real estate funding notes (the "**REF Notes**") that were issued and sold by the Group to German Residential Asset Note Distributor P.L.C. ("**GRAND**") in the course of a complex securitisation transaction in 2006. Since real estate was transferred, it cannot be ruled out that negative tax consequences have been triggered under certain laws. Therefore, the GRAND restructuring may result in significant adverse tax consequences for the Guarantor.

Vonovia changed the terms of various classes of REF Notes and converted some of these notes into subordinated Class "S" REF Notes in consideration of tax advice. Nevertheless, it cannot be ruled out that negative tax consequences may be triggered by the changes made to the REF Notes.

Certain taxes may be levied on the Group in Germany in connection with the transfer of properties as part of the GRAND restructuring. A part of the Group's real property portfolio has been transferred to newly established partnerships (the transfer of properties is hereinafter referred to as the "**McKinley Split**" and the new entities are referred to as the "**McKinley New Subsidiaries**").

Before entering into the GRAND restructuring, Vonovia assessed and sought tax advice with respect to several general tax risks, including the risk that (i) potential trade tax losses in one of the Group's subsidiaries cannot be offset by the profits of another McKinley New Subsidiary or the profits of its partners, (ii) RETT may be triggered upon the sale and transfer of the assets to the McKinley New Subsidiaries, (iii) RETT may be triggered by future

changes in the shareholder structure of the Group, (iv) the McKinley Split or previous restructurings of the portfolio may result in a retroactive loss of the tax exemption used for the transfer of real estate in preparation for and in the course of the securitisation transaction in 2006, (v) the transfer of the real property to the McKinley New Subsidiaries may trigger VAT (*Umsatzsteuer*) or require an input tax adjustment (*Vorsteuerkorrektur*), and (vi) the change of general partners and limited partners of the Group's property holding partnerships may result in taxable capital gains. Nevertheless, no assurance can be given that these tax risks will not result in material adverse tax consequences.

Based on the audited fixed assets movement schedules (*Anlagespiegel*) of Deutsche Annington Vermögensgesellschaft mbH & Co. KG, Deutsche Annington Bestands GmbH & Co. KG and Deutsche Annington Bewirtschaftungs GmbH & Co. KG, most of the real estate has been owned by these companies since 1 January 2006 and thus may qualify for the beneficial treatment specified in section 6b of the German Income Tax Act (*Einkommensteuergesetz*).

However, no assurance can be given that built-in gains (*stille Reserven*) have accrued at the level of Deutsche Annington Beteiligungsverwaltungs GmbH ("**DABG**") and will be transferrable to the McKinley New Subsidiary in order to offset capital gains from the real property transfers in connection with the McKinley Split.

The McKinley Split structure aims at enabling the McKinley New Subsidiaries to make use of the Escape Clause by ensuring that sufficient equity exists for the McKinley New Subsidiaries to have an equity ratio that corresponds to the equity ratio of DABG for purposes of the earning stripping rules. Nevertheless, no assurance can be given that the McKinley New Subsidiaries will continue to be able to rely on the Escape Clause.

If any of the Group's tax-related assumptions related to the refinancing of the GRAND securitisation should prove to be wrong or if the competent tax authorities decide in contradiction to the Group's position, the Group's tax burden may increase significantly. This could have material adverse effects on the Group's business, financial condition, cash flow or results of operations.

It cannot be excluded that the fiscal authorities will not recognise the existence of a VAT consolidated group for some entities of the Vonovia Group.

The past acquisitions and inclusion in the scope of consolidation of Vonovia's VAT consolidated group (*umsatzsteuerliche Organschaft*) have resulted and will result in a significant extension of such scope of consolidation. In view of the increased complexity of the Group's structure associated therewith and due to unresolved legal questions in connection with the conditions for a VAT consolidated group, it is impossible to eliminate the risk that the fiscal authorities will decline to recognise the existence of a VAT consolidated group at least for some of the Group's entities. This would result in intragroup services being subject to VAT, which may trigger a considerable VAT liability and interest on back-tax payments. This could have material adverse effects on the Group's business, financial condition, cash flow and results of operations.

It cannot be ruled out that the fiscal authorities will not recognize the application of the extended reduction of trade income for some entities of Vonovia.

Some entities of Vonovia have in the past applied the extended reduction pursuant to section 9 no. 1 sentence 2 of the German Trade Tax Act (*GewStG*) for determining their trade income. According to this provision, a full exemption from trade tax may be granted to pure real estate companies under certain conditions, provided that such companies manage and utilize exclusively their own real estate.

Vonovia’s management assumes that these conditions were fulfilled for those Group entities that applied the extended reduction of trade income. Due to the complexity of the Group's structure and due to unresolved legal questions in connection with the conditions for the extended reduction, however, it cannot be ruled out that the fiscal authorities will decline to recognize the right of some Group entities to apply the extended reduction. This could result in an increased trade tax burden and interest on back-tax payments, which could have material adverse effects on the Group's business, financial condition, cash flow and results of operations.

Vonovia is subject to possible future changes in the taxation of enterprises in Germany and in the European Union.

There are currently several initiatives being considered at both the German and the European Union level which could have an effect on the taxation of German enterprises. The initiatives relate, *inter alia*, to changes to the limitation of interest deductions in connection with hybrid financial instruments and the establishment of a common consolidated corporate income tax base. As the initiatives are still at an early stage of the consideration process, it is presently uncertain whether and to what extent the suggested changes will eventually be implemented and whether and to what extent they may have a negative effect on the Group's financial condition and results of operations.

If these risks were to materialise, they could have material adverse effects on the Group's business, financial condition, cash flow and results of operations.

Passive Foreign Investment Company Considerations Relevant to US Holders.

The Guarantor may be treated as a passive foreign investment company (a "**PFIC**") for US federal income tax purposes. In general, a non-US corporation is a PFIC if, in any taxable year, either (1) at least 75% of its gross income is passive income or (2) at least 50% of its assets (based on quarterly averaging) are assets that produce or are to produce passive income, in each case taking into account such corporation's proportionate share of the income and assets of any subsidiaries, in which the corporation owns at least a 25% share. The proportion of the Guarantor's real property that currently is treated as producing or held to produce passive income for this purpose, and thus the Guarantor's status as a PFIC, is uncertain. Whether an entity is a PFIC is determined annually. Therefore, even if the Guarantor is not a PFIC for the year in which Notes are issued, the Guarantor could become a PFIC for subsequent years based on changes in its assets or value thereof, including the value of its goodwill as indicated by its market capitalisation, or on changes in its activities or in the structure through which it holds its assets.

Risk factors relating to Notes

The Notes may not be a suitable investment for all investors.

Potential investors should consider whether an investment in the Notes is appropriate in their respective circumstances and should consult with their legal, business, and tax advisors to determine the consequences of an investment in the Notes and to get their own idea about the investment.

An investment in the Notes is only suitable for investors who

- possess sufficient knowledge and experience in financial and business matters to make a meaningful evaluation of the chances and risks of an investment in the Notes and the information contained or incorporated by reference into the Prospectus or any supplement thereto and any applicable Final Terms;
- have access to, and knowledge of, appropriate analytical tools to evaluate such chances and risks in the context of the potential investor's particular financial situation and to evaluate the impact the Notes will have on their overall investment portfolio;
- understand thoroughly the terms of the relevant Notes and are familiar with the behaviour of the financial markets;
- are capable of bearing the economic risk of an investment in the Notes until the maturity of the relevant Notes, including where the currency for principal or interest payments is different from the potential investor's currency;
- know that it may not be possible to dispose of the Notes for a substantial period of time, if at all before maturity, and;

- are able to evaluate (either alone or with the help of a financial advisor) possible scenarios for economic, interest rate and other factors that may affect its investment and ability to bear the applicable risks.

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

A Holder of a fixed interest rate Note carries the risk that the prices of the Notes can fall as a result of changes in the interest rate on the market. While the nominal interest rate of a Note with a fixed interest rate is fixed for the entire duration of such Notes, the current interest rate on the capital market (***market interest rate***) typically changes on a daily basis. As the market interest rate changes, the price of a Note with a fixed interest rate also changes - but in the opposite direction. If the market interest rate increases, the price of a Note with a fixed interest rate typically falls until the yield of such Note approximately equals the market interest rate. If the market interest rate decreases, the price of a fixed interest rate Note typically increases, until the yield of such Note is approximately equal to the market interest rate. If the Holder of a Note with a fixed interest rate holds them until maturity, changes of the market interest rate will be irrelevant, as the Notes will be redeemed at a fixed redemption amount, which is normally the nominal amount of such Notes.

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

Notes with a floating interest rate can be a volatile investment. A Holder of a Note with a floating interest rate is exposed to the risk of fluctuating interest rate levels and uncertain interest earnings. Interest rate fluctuations make it impossible to determine the profitability of Notes with floating interest rates in advance.

Floating interest 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 interest rate Notes without a cap.

Investors in Notes with floating interest rates should bear in mind that neither the current nor the historical level of the relevant floating interest rate is an indication of the future development of such floating interest rate during the term of any Note.

Risks associated with the reform of LIBOR, EURIBOR and other interest rate 'benchmarks'

The London Interbank Offered Rate ("**LIBOR**"), 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 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (the "**Benchmark Regulation**") which is fully applicable since 1 January 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 authorisation 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 (Art. 30 Benchmark Regulation), the administrator is recognised (Art. 32 Benchmark Regulation) or the Benchmarks is endorsed (Art. 33 Benchmark

Regulation) (subject to applicable transitional provisions). If this is not the case, Notes linked to such Benmarks 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 have impact the Notes, including Calculation Agent determination of the rate.

Amounts payable under floating rate Notes issued under the Programme are calculated by reference to (i) EURIBOR which is provided by the European Money Markets Institute ("**EMMI**"), or (ii) LIBOR which is provided by the ICE Benchmark Association ("**IBA**"). As at the date of this Base Prospectus, each of EMMI and IBA does not appear on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority ("**ESMA**") pursuant to Article 36 of the Benchmarks Regulation. As far as the Issuer and the Guarantor are aware, the transitional provisions in Article 51 of the Benchmark Regulation apply, such that EMMI and IBA are not currently required to obtain authorisation or registration (or, if located outside the European Union, recognition, endorsement or equivalence).

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. For example, on 27 July 2017, the UK Financial Conduct Authority announced that it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark after 2021 (the "**FCA Announcement**"). The FCA Announcement indicates that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021.

If a Benchmark were to be discontinued or 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 fall-back provisions applicable to such Notes, which in the end could result in the same rate being applied until maturity of the floating rate Notes, effectively turning the floating rate of interest into a fixed rate of interest.

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 of any Notes linked to such Benchmark.

If the Notes are redeemed prior to maturity, a Holder of such Notes is exposed to the risk of a lower yield than expected.

Unless otherwise specified in the relevant Final Terms in regard to a certain Series of Notes, the Issuer may redeem all outstanding Notes for reason of minimal outstanding amount (if provided for in the relevant Final Terms) or if the Issuer is obligated to pay additional amounts in respect to the Notes due to withholding or deduction or on account of, any current or future taxes or any other dues imposed, levied, collected, or withheld by or on behalf of The Netherlands, or if the Guarantor is obligated to pay additional amounts in respect to the Guarantee due to withholding or deduction or on account of, any current or future taxes or any other duties imposed, levied, collected, or withheld by or on behalf of Germany, or for its account or from or for the account of an area municipality authorised to raise taxes or an agency in The Netherlands or in Germany. In addition, the Issuer - if it is so specified in the relevant Final Terms in regard to a certain Series of Notes that these can be redeemed at the Issuer's option in certain circumstances - may optionally choose to redeem the Notes if the prevailing interest rates are relatively low or, if applicable, to redeem the Notes early in case of an event described in more detail in the applicable Final Terms (reason for an early redemption). If the Notes are redeemed prior to maturity, a Holder of

such Notes is exposed to the risk that due to such early redemption his investment will have a lower than expected yield. In such circumstances, the investor might possibly not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the relevant Notes.

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

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

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

There is no active public trading market for the Notes.

Application has been made to the Luxembourg Stock Exchange for the Notes issued under this Programme to be admitted to trading on the Regulated Market of the Luxembourg Stock Exchange, which is a regulated market for the purposes of Directive 2014/16/EU (as amended) on Markets in Financial Instruments, and to be listed on the official list of the Luxembourg Stock Exchange. In addition, the Programme provides that the 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, Vonovia'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 Vonovia's financial performance and prospects. If Notes are not listed on any exchange, pricing information for such Notes may, however, be more difficult to obtain which may affect the liquidity of the Notes adversely. In an illiquid market, an investor might not be able to sell Notes at any time at fair market prices. The possibility to sell Notes might additionally be restricted by country specific reasons. A buyer of a Note must therefore be prepared to retain the Notes until the day of maturity or final redemption.

An investment in the Notes may be subject to the risk of inflation.

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 the Notes. If the inflation rate is equal to or higher than the nominal yield, the real yield is zero or even negative.

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

Although the Terms and Conditions of the Notes and the Guarantee require the Guarantor and its Material Subsidiaries to secure the Notes equally if they provide security for the benefit of Capital Markets Indebtedness, the requirement to provide equal security to the Notes is subject to a number of significant exceptions and carve-

outs as set out in detail in the Terms and Conditions of the Notes. To the extent the Guarantor or any of its subsidiaries provides security interest over their assets for the benefit of other debt without also securing the Notes, the Notes and the Guarantee will be effectively junior to such debt to the extent of such assets. As a result of the foregoing, holders of (present or future) secured debt of Vonovia Group may recover disproportionately more on their claims than the Holders in an insolvency, bankruptcy or similar proceeding. The Issuer and the Guarantor may not have sufficient assets remaining to make payments under the Notes or the Guarantee, respectively.

The Notes and the Guarantee restrict, but do not eliminate, Vonovia Group's ability to incur additional debt, create liens or take other action that could negatively impact the Holders.

The Terms and Conditions of the Notes and the Guarantee restrict Vonovia Group's ability to incur additional indebtedness and to create liens on its assets by requiring the maintenance of certain loan-to-value, interest coverage and unencumbered asset ratios. In addition, the Terms and Conditions of the Notes permit Holders to require the Issuer to redeem or, at the Issuer's option, repurchase the Notes upon the occurrence of a change of control event relating to the Guarantor. However, these restrictions and undertakings may nonetheless allow the Guarantor and its subsidiaries to incur significant additional (secured or unsecured) indebtedness, to grant additional security for the benefit of existing and future indebtedness and to enter into transactions, including reorganisations, mergers, acquisitions and other similar corporate transactions that may adversely affect the Holders. As a result of the foregoing, the Issuer and the Guarantor may not have sufficient assets to make payments on the Notes or the Guarantee, respectively.

There may be transaction costs and/or charges in connection with the purchase or sale of the Notes.

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

The income under the Notes may be reduced by taxes.

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

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

The market value of the Notes is influenced by a change in the creditworthiness (or the perception thereof) of the Issuer or the Guarantor and by the credit rating of the Guarantor and a number of other factors including market interest and rate of return and the remaining time until the day of maturity.

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 the risk of an unfavourable development of market prices of their Notes which materialise if the Holders sell the Notes prior to the maturity of such Notes. If a holder of Notes decides to hold the Notes until final maturity, the Notes will be redeemed at the amount set out in the relevant Final Terms.

The trading market for debt securities may be volatile and may be adversely impacted by many events.

The market for debt securities issued by the Issuer is influenced by a number of interrelated factors, including economic, financial and political conditions and events in Germany as well as economic conditions and, to varying degrees, market conditions, interest rates, currency exchange rates and inflation rates in other European and other industrialised countries. There can be no assurance that events in Germany, Europe or elsewhere will not cause market volatility or that such volatility will not adversely affect the price of the Notes or that economic and market conditions will not have any other adverse effect. Accordingly, the price at which a Holder will be able to sell its Notes prior to maturity may be at a discount, which could be substantial, from the issue price or the purchase price paid by such Holder.

Credit ratings may not reflect all risks and are subject to change.

Ratings assigned to the Guarantor by rating agencies are an indicator of the Guarantor's ability to meet its obligations under the Guarantee in a timely manner. The lower the assigned rating is on the respective scale the higher the respective rating agency assesses the risk that obligations will not be met at all or not be met in a timely manner. The market value of the Notes from time to time is likely to be dependent upon the level of credit rating assigned to the long-term debt of the Guarantor. Rating agencies may change, suspend or withdraw their ratings at short notice. A rating's change, suspension or withdrawal may affect the price and the market value of the outstanding Notes. An investor may thus incur financial disadvantages, as he may not be able to sell the Notes at a fair price. The ratings may not reflect the potential impact of all risks related to the structure, market and additional factors discussed herein, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

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 are based on the laws of the Federal Republic 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 German law or administrative practice or the official application or interpretation of German law after the date of this Prospectus.

A potential investor may not rely on the Issuer, the Guarantor, the Dealers or any of their respective affiliates in connection with its determination as to the legality of its acquisition of the Notes.

Each potential investor in the Notes must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Notes is fully consistent with its (or if it is acquiring the Notes in a fiduciary capacity, the beneficiary's) financial needs, objectives and condition, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it (whether acquiring the Notes as principal or in a fiduciary capacity) and is a fit, proper and suitable investment for it (or if it is acquiring the Notes in a fiduciary capacity, for the beneficiary), notwithstanding the clear and substantial risks inherent in investing in or holding the Notes.

A potential investor may not rely on the Issuer, the Guarantor, the Dealers or any of their respective affiliates in connection with its determination as to the legality of its acquisition of the Notes or as to the other matters referred to above.

Without independent review and advice, an investor may not adequately understand the risks inherent with an investment in the Notes and may lose parts or all of his capital invested without taking such or other risks into consideration before investing in the Notes.

Although the occurrence of specific change of control events will permit Holders to require redemption or repurchase of the Notes, the 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, at the option of the Issuer, to require repurchase of all of their Notes at their principal amount, plus accrued and unpaid interest. The Issuer's or the Guarantor's ability to redeem or repurchase Notes upon such a change of control

event will be limited by its access to funds at the time of the redemption or repurchase. Upon a change of control event, the Guarantor may be required to immediately repay the outstanding principal, any accrued interest on and any other amounts owed by it under other debt outstanding. The source of funds for these repayments would be the available cash or cash generated from other sources. However, there can be no assurance that there will be sufficient funds available upon a change of control event to make these repayments and any required redemption or repurchases of tendered Notes.

In case of certain Events of Default, each Series of Notes will only be redeemable if Holders of at least 10 per cent of the aggregate principal amount of the respective Series of Notes then outstanding declare such Series of Notes due and payable. Such declaration of acceleration may be rescinded by majority resolution of the Holders of such Series of Notes.

The Terms and Conditions of each Series of Notes provide that, in case of certain events of default, any notice declaring the respective Series of Notes due and payable shall become effective only when the Paying Agent has received default notices from Holders representing at least 10 per cent of the aggregate principal amount of such Series of Notes then outstanding. In addition, under the German Act on Debt Securities (*Schuldverschreibungsgesetz* – "**SchVG**"), even if a default notice had been given by a sufficient number of Holders of the respective Series of Notes, the Holders of such Series of Notes could rescind such acceleration 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 any Series of Notes upon the occurrence of certain events of default, unless the required quorum of Holders with respect to such Series of Notes delivers default notices and such acceleration is not rescinded by majority resolution of the Holders of such Series of Notes.

The Terms and Conditions and the terms of the Guarantee, including the terms of payment of principal and interest, can be amended by a Holders' resolution and any such resolution will be binding for all Holders of the respective Series of Notes. Any such resolution may effectively be passed with the consent of less than a majority of the aggregate principal amount of any Series of Notes outstanding.

The Terms and Conditions of each Series of Notes or the Guarantee may be amended or other measures relating to such Notes or the Guarantee may be taken by majority resolution of the Holders of such Notes. The voting process under the Terms and Conditions of the Notes will be governed in accordance with the SchVG, pursuant to which the required participation of Holder votes (*quorum*) is principally set at 50 per cent of the aggregate principal amount of outstanding Notes of the respective Series in a vote without a meeting. In case there is no sufficient quorum in the vote without a meeting, there is no minimum quorum requirement in a second meeting or voting on the same resolution (unless the resolution to be passed requires a qualified majority, in which case Holders representing at least 25 per cent of outstanding notes by principal amount must participate in the meeting or voting). As the relevant majority for Holders' resolutions is generally based on votes cast, rather than on principal amount of Notes of the respective Series outstanding, the aggregate principal amount such Notes required to vote in favour of an amendment will vary based on the Holders' votes participating. Therefore, a Holder is subject to the risk of being outvoted by a majority resolution of such Holders and losing rights towards the Issuer or the Guarantor against his will in the event that Holders holding a sufficient aggregate principal amount of the relevant Series of Notes participate in the vote and agree to amend the Terms and Conditions or the terms of the Guarantee of such Series of Notes or on other matters relating to the Notes or the Guarantee by majority vote in accordance with the Terms and Conditions of the Notes and the SchVG.

Since no Holders' Representative will be appointed as from the issue date of Notes, it will be more difficult for Holders to take collective action with respect to the Notes and the Guarantee.

No initial Holders' Representative will be appointed under the Terms and Conditions of the Notes. Any appointment of a Holders' Representative for any Series of Notes post issuance of the Notes will, therefore, require a majority resolution of the Holders of each Series of Notes.

If a Holders' Representative has been appointed by majority resolution of the Holders, it is possible that a Holder may be deprived of its individual right to pursue and enforce its rights under the Terms and Conditions against the Issuer or the Guarantor, if such right was passed to the Holders' Representative by majority vote who is then exclusively responsible to claim and enforce the rights of all the Holders.

Notes may be denominated in a currency other than Euro.

A Holder of Notes denominated in a currency other than Euro 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 correspondingly rises, 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, Holders may receive less interest or principal than expected.

Exchange rate risks and exchange controls.

Potential investors should bear in mind that an investment in the Notes involves currency risks. This presents certain risks relating to currency conversions if a Holder's financial activities are denominated principally in a currency or currency unit (the "**investor's currency**") other than the specified currency of a Series of Notes. These include the risk that exchange rates may change significantly (including changes due to devaluation of the specified currency of the Notes or revaluation of the investor's currency) and the risk that authorities with jurisdiction over the investor's currency may impose or modify exchange controls. An appreciation in the value of the investor's currency relative to the specified currency of the Notes would decrease (i) the investor's currency-equivalent yield on the Notes, (ii) the investor's currency equivalent value of the principal payable on the Notes and (iii) the investor's currency-equivalent market value of the Notes.

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, Holders may receive less interest or principal than expected, or no interest or principal.

The Financial Transactions Tax could apply the certain dealings in the Notes.

On 14 February 2013, the European Commission published a proposal for a directive for a common financial transactions tax ("**FTT**") in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**"). Estonia stated since that it will not participate. The FTT as proposed by the European Commission could, if introduced, apply to certain dealings in the Notes in certain circumstances, in particular where at least one party is a financial institution. The FTT, if introduced, could apply to persons both within and outside of the (still) participating Member States. As a result, Holders may be burdened with additional costs for the execution of transactions with the Notes. Prospective investors should refer with respect to the FTT to the section "*Taxation - The proposed financial transactions tax (FTT)*".

RESPONSIBILITY STATEMENT

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

CONSENT TO THE USE OF THE PROSPECTUS

Each Dealer and/or each further financial intermediary subsequently reselling or finally placing Notes issued under the Programme is entitled to use the Prospectus in the Grand Duchy of Luxembourg ("**Luxembourg**"), Germany and The Netherlands for the subsequent resale or final placement of the relevant Notes during the respective offer period (as determined in the applicable Final Terms) during which subsequent resale or final placement of the relevant Notes can be made, provided however, that the Prospectus is still valid in accordance with Article 11 of the Luxembourg Prospectus Law. The Issuer accepts responsibility for the information given in this Prospectus also with respect to such subsequent resale or final placement of the relevant Notes.

The Prospectus may only be delivered to potential investors together with all supplements published before such delivery. The Prospectus, any supplement to the Prospectus and the documents incorporated by reference are available for viewing in electronic form on the website of the Luxembourg Stock Exchange (www.bourse.lu) as well as on the website of Vonovia (www.vonovia.de). When using the Prospectus, each Dealer and/or relevant further financial intermediary must make certain that it complies with all applicable laws and regulations in force in the respective jurisdictions.

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

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

GENERAL DESCRIPTION OF THE PROGRAMME

General

Under this EUR 20,000,000,000 Debt Issuance Programme, the Issuer may from time to time issue notes (the "**Notes**") to one or more of the following Dealers: Barclays Bank PLC, Commerzbank Aktiengesellschaft, Credit Suisse Securities (Europe) Limited, J.P. Morgan Securities plc ("**J.P. Morgan**"), Merrill Lynch International, Morgan Stanley & Co. International plc, Société Générale, UniCredit Bank AG and any additional Dealer appointed under the Programme from time to time by the Issuer, which appointment may be for a specific issue ("**Dealer of the Day**") or on an ongoing basis (together, the "**Dealers**"). J.P. Morgan acts also as arranger in respect of the Programme (the "**Arranger**"). The maximum aggregate principal amount of the Notes outstanding at any one time under the Programme will not exceed EUR 20,000,000,000 (or its equivalent in any other currency). The Issuer may increase the amount of the Programme in accordance with the terms of the Dealer Agreement from time to time.

The Notes will have the benefit of a guarantee given by the Guarantor (the "**Guarantee**"). 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. The Guarantee will be governed by German law.

Notes may be issued on a continuing basis to one or more of the Dealers. Notes may be distributed by way of public offer or private placement and, in each case, on a syndicated or non-syndicated basis. The method of distribution of each tranche ("**Tranche**") will be stated in the relevant final terms (the "**Final Terms**"). In case of Notes listed on the Luxembourg Stock Exchange, the Final Terms will be displayed on the website of the Luxembourg Stock Exchange (www.bourse.lu). One or more Tranches may form a series of Notes ("**Series**").

Notes may be issued at par or a discount to or a premium over par, as stated in the relevant Final Terms. The minimum denomination of the Notes issued will be EUR 1,000 or an amount in any other currency which is at least equivalent on the issue date. The Notes will be offered to qualified investors pursuant to the Prospectus Directive and/or non-qualified investors, as stated in the relevant Final Terms.

The Notes issued under this Base Prospectus will be issued as fixed or floating rate Notes.

A reference rate may be any one or more of EURIBOR (the European Interbank Offered Rate), LIBOR (the London Interbank Offered Rate) or any other interest or other rate that appears on a reference page.

For the avoidance of doubt the content of any website referred to in this Prospectus does not form part of this Prospectus.

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

Application has been made to the Luxembourg Stock Exchange for Notes issued under this Programme to be admitted to trading on the Regulated Market of the Luxembourg Stock Exchange (which is a regulated market for the purposes of Directive 2014/65/EU (as amended) on Markets in Financial Instruments) and to be listed on the Official List of the Luxembourg Stock Exchange. The Programme provides that Notes may be listed on other or further stock exchanges, as may be agreed upon between the Issuer and the relevant Dealer(s) in relation to each issue. Notes may further be issued under the Programme which will not be listed on any stock exchange.

Under the Luxembourg Prospectuses Law, prospectuses relating to money market instruments having a maturity at issue of less than 12 months and complying also with the definition of securities are not subject to the approval provisions of Part II of such law.

Notes will be accepted for clearing through one or more Clearing Systems as specified in the applicable Final Terms. These systems will include those operated by Clearstream Banking AG, Clearstream Banking S.A. and Euroclear Bank SA/NV as operator of the Euroclear system.

Deutsche Bank Luxembourg S.A. will act as Listing Agent ("**Listing Agent**") and Deutsche Bank Aktiengesellschaft will act as fiscal agent (the "**Fiscal Agent**") and paying agent (the "**Paying Agent**") under the Programme.

The Final Terms in respect of any Notes will 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, 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.

If the Final Terms in respect of any Notes include a legend entitled "Prohibition of Sales to EEA Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the 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; (ii) a customer within the meaning of the Insurance Mediation Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive. Consequently, no key information document required by 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.

Issue Procedures

General

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

Options for sets of Terms and Conditions

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

- Option I - Terms and Conditions for Notes with fixed interest rates; and
- Option II - Terms and Conditions for Notes with floating interest rates.

Documentation of the Conditions

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

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

- Alternatively, the Final Terms shall determine which of Option I or Option II and of the respective further options contained in each of Option I and Option II are applicable to the individual issue by referring to the relevant provisions of the relevant set of Terms and Conditions as set out in the Prospectus only. The Final Terms will specify that the provisions of the Final Terms and the relevant set of Terms and Conditions as set out in the 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 the Prospectus attached.

Determination of Options / Completion of Placeholders

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

Determination of Options

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

Completion of Placeholders

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

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

Controlling Language

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

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

TERMS AND CONDITIONS OF THE NOTES

TERMS AND CONDITIONS OF THE NOTES - INTRODUCTION

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 characterised accordingly by indicating the respective optional provision through instructions and explanatory notes set out either on the left of or in square brackets within the set of Terms and Conditions. In the Final Terms the Issuer will determine, which of the Option I or Option II including certain further options contained therein, respectively, shall apply with respect to an individual issue of Notes, either by replicating the relevant provisions or by referring to the relevant options.

To the extent that upon the approval of the Prospectus the Issuer does not have 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.

[*In the case the Final Terms applicable to an individual issue only refer to the further options contained in the set of Terms and Conditions for Option I or Option II, the following applies:* The provisions of these Terms and Conditions apply to the Notes as completed by the terms of the final terms which is attached hereto (the "**Final Terms**"). The blanks in the provisions of these Terms and Conditions which are applicable to the Notes shall be deemed to be completed by the information contained in the Final Terms as if such information were inserted

EMISSIONSBEDINGUNGEN DER SCHULDVERSCHREIBUNGEN - EINFÜHRUNG

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 entweder links von dem Satz der Emissionsbedingungen oder 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.

[*Im Fall, dass die Endgültigen Bedingungen, die für eine einzelne Emission anwendbar sind, nur auf die weiteren Optionen verweisen, die im Satz der Emissionsbedingungen der Option I oder Option II enthalten sind, ist folgendes anwendbar:* Die Bestimmungen dieser Emissionsbedingungen gelten für diese Schuldverschreibungen so, wie sie durch die Angaben der beigefügten endgültigen Bedingungen (die "**Endgültigen Bedingungen**") vervollständigt werden. Die Platzhalter in den auf die Schuldverschreibungen anwendbaren Bestimmungen

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 indicated as "not applicable" 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 principal office of the Guarantor 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.**]**

dieser Emissionsbedingungen gelten als durch die in den Endgültigen Bedingungen enthaltenen Angaben ausgefüllt, als ob die Platzhalter in den betreffenden Bestimmungen durch diese Angaben vervollständigt wären; alternative oder wählbare Bestimmungen dieser Emissionsbedingungen, deren Entsprechungen in den Endgültigen Bedingungen sind als "nicht anwendbar" gekennzeichnet, 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 des Fiscal Agent sowie bei der Hauptgeschäftsstelle der Garantin erhältlich; bei nicht an einer Börse notierten Schuldverschreibungen sind Kopien der betreffenden Endgültigen Bedingungen allerdings ausschließlich für die Gläubiger solcher Schuldverschreibungen erhältlich.**]**

TERMS AND CONDITIONS OF THE NOTES - OPTION I
NOTES WITH A FIXED INTEREST RATE

Terms and Conditions that apply to Notes with fixed interest rates

§ 1 CURRENCY, DENOMINATION, FORM, CERTAIN DEFINITIONS

(1) *Currency; Denomination*. This issue of notes (the "**Notes**") of Vonovia Finance B.V., a private company with limited liability incorporated in The Netherlands (the "**Issuer**"), is being issued in the aggregate principal amount **[*In case the Global Note is an NGN the following applies:*** (subject to § 1(6))**]** of **[*Specified Currency*] [*aggregate principal amount*]** (in words: **[*aggregate principal amount in words*]**) in denominations of **[*Specified Currency*] [*Specified Denomination*]** (the "**Specified Denomination**") on **[*Issue Date*]** (the "**Issue Date**").

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

(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 exchanged 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 applies:*** The details of such exchange shall be entered in the records of the ICSD (as defined below).**]** The Temporary Global Note and the Permanent Global Note shall each be signed by two authorised signatories of the Issuer and shall each be authenticated by or on behalf of the Fiscal Agent. Definitive certificates representing individual Notes and interest coupons will not be issued.

Emissionsbedingungen für Schuldverschreibungen mit fester Verzinsung

§ 1 WÄHRUNG, STÜCKELUNG, FORM, BESTIMMTE DEFINITIONEN

(1) *Währung; Stückelung*. Diese Emission von Schuldverschreibungen (die "**Schuldverschreibungen**") der Vonovia Finance B.V., einer in den Niederlanden errichteten Gesellschaft mit beschränkter Haftung (die "**Emittentin**") wird am **[*Begebungstag*]** (der "**Begebungstag**") im Gesamtnennbetrag **[*falls die Globalurkunde eine NGN ist gilt folgendes:*** (vorbehaltlich § 1(6))**]** von **[*Festgelegte Währung*] [*Gesamtnennbetrag*]** (in Worten: **[*Gesamtnennbetrag in Worten*]**) in einer Stückelung von **[*Festgelegte Währung*] [*Festgelegte Stückelung*]** (die "**Festgelegte Stückelung**") begeben.

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

(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 verbrieft sind, ausgetauscht. **[*Im Fall von Euroclear und CBL und wenn die Globalurkunde eine NGN ist gilt folgendes:*** Die Einzelheiten eines solchen Austausches werden in die Register der ICSD (wie nachstehend definiert) eingetragen.**]** Die Vorläufige Globalurkunde und die Dauerglobalurkunde tragen jeweils die eigenhändigen Unterschriften von zwei ordnungsgemäß bevollmächtigten Vertretern der Emittentin und sind jeweils

von dem Fiscal Agent oder in dessen Namen mit einer Kontrollunterschrift versehen. Einzelurkunden und Zinsscheine werden nicht ausgegeben.

(b) The Temporary Global Note shall be exchanged for the Permanent Global Note on a date (the "**Exchange Date**") not later than 180 days after the Issue Date. The Exchange Date shall not be earlier than 40 days after the Issue Date. 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 Issue Date will be treated as a request to exchange the Temporary Global Note pursuant to this § 1(3)(b). Any Notes delivered in exchange for the Temporary Global Note shall be delivered only outside of the United States (as defined in § 1**[**(7)**]**).

(b) Die Vorläufige Globalurkunde wird an einem Tag (der "**Austauschtag**") gegen die Dauerglobalurkunde ausgetauscht, der nicht mehr als 180 Tage nach dem Begebungstag liegt. Der Austauschtag wird nicht weniger als 40 Tage nach dem Begebungstag liegen. 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 solcher Bescheinigungen vorgenommen. Eine gesonderte Bescheinigung ist für jede solche Zinszahlung erforderlich. Jede Bescheinigung, die am oder nach dem 40. Tag nach dem Begebungstag eingeht, wird als ein Ersuchen behandelt werden, die Vorläufige Globalurkunde gemäß diesem § 1(3)(b) auszutauschen. Schuldverschreibungen, die im Austausch für die Vorläufige Globalurkunde geliefert werden, dürfen nur außerhalb der Vereinigten Staaten (wie in § 1**[**(7)**]** definiert) geliefert werden.

(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 **[***in case of more than one Clearing System, the following applies:* each of**]** the following: **[**Clearstream Banking AG, Frankfurt am Main ("**CBF**")**]** **[**Clearstream Banking S.A., Luxembourg ("**CBL**")**]** **[**and**]** **[**Euroclear Bank SA/NV, Brussels ("**Euroclear**")**]** and any successor in such capacity. **[***In the case of CBL and Euroclear as Clearing System the following applies:* "**International Central Securities**

(4) *Clearingsystem*. Jede 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 gilt folgendes:* jeweils**]** folgendes: **[**Clearstream Banking AG, Frankfurt am Main ("**CBF**")**]** **[**Clearstream Banking S.A., Luxemburg ("**CBL**")**]** **[**und**]** **[**Euroclear Bank SA/ NV, Brüssel ("**Euroclear**")**]** sowie jeder Funktionsnachfolger. **[***Im Falle von CBL oder Euroclear als Clearingsystem, gilt folgendes:*

Depositary" 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 an 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.**]**

[*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 the Notes.

[*In the case the Global Note is an NGN, the following applies:*

(6) *Records of the 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 Temporary Global Note or the Permanent Global Note, as the case may be, 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 payment of an installment or interest being made in respect of, or purchase and cancellation of, any of the Notes represented by the Global Note the

"**International Central Securities Depositary**" 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 gilt folgendes:* Die Schuldverschreibungen werden in Form einer New Global Note ("**NGN**") ausgegeben und von einem Common Safekeeper im Namen beider ICSDs verwahrt.**]**

[*Im Fall von Schuldverschreibungen, die im Namen der ICSDs verwahrt werden und falls die Globalurkunde eine CGN ist gilt folgendes:* 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**" bezeichnet jeden Inhaber eines Miteigentumsanteils oder anderen vergleichbaren Rechts an den Schuldverschreibungen.

[*Falls die Globalurkunde eine NGN ist, gilt folgendes:*

(6) *Register der ICSDs*. 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 Vorläufige Globalurkunde bzw. die Dauerglobalurkunde 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 Zahlung einer Rückzahlungsrate oder Zinszahlung bezüglich der durch die Globalurkunde verbrieften Schuldverschreibungen bzw. bei Kauf und

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 or by the aggregate amount of such installment so paid.

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.**]**

[(7)**]** *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, GUARANTEE

(1) *Status*. The obligations under the Notes constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer ranking *pari passu* among themselves and *pari passu* with all other unsecured and unsubordinated obligations of the Issuer, unless such obligations are accorded priority under mandatory provisions of statutory law.

(2) *Guarantee*. Vonovia SE (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 section 328 paragraph 1 of the German

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 anteilig in die Register der ICSDs eingetragen werden, und nach dieser Eintragung vom Nennbetrag der in die Register der ICSDs eingetragenen und durch die Globalurkunde verbrieften Schuldverschreibungen der Gesamtnennbetrag der zurückgezahlten bzw. gekauften und entwerteten Schuldverschreibungen bzw. der Gesamtbetrag der so gezahlten Raten abgezogen wird.

Bei Austausch nur eines Teils von Schuldverschreibungen, die durch eine Vorläufige Globalurkunde verbrieft sind, wird die Emittentin sicherstellen, dass die Einzelheiten dieses Austauschs anteilig in die Register der ICSDs eingetragen werden.**]**

[(7)**]** *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, GARANTIE

(1) *Status*. Die Schuldverschreibungen begründen unmittelbare, unbedingte, nicht besicherte und nicht nachrangige Verbindlichkeiten der Emittentin, die untereinander und mit allen anderen nicht besicherten und nicht nachrangigen Verbindlichkeiten der Emittentin gleichrangig sind, soweit diesen Verbindlichkeiten nicht durch zwingende gesetzliche Bestimmungen ein Vorrang eingeräumt wird.

(2) *Garantie*. Die Vonovia SE (die "**Garantin**") hat eine unbedingte und unwiderrufliche Garantie (die "**Garantie**") für die ordnungsgemäße und pünktliche Zahlung aller Kapital-, Zins- und sonstigen auf die Schuldverschreibungen zahlbaren Beträge übernommen. Die Garantie stellt einen Vertrag zugunsten der Gläubiger als begünstigte Dritte im Sinne des § 328 Abs. 1 BGB dar, der jedem

Civil Code (*Bürgerliches Gesetzbuch*), giving rise to the right of each Holder to require performance of the Guarantee directly from the Guarantor and to enforce the Guarantee directly against the Guarantor. Copies of the Guarantee may be obtained free of charge at the specified office of the Fiscal Agent.

Gläubiger das Recht gibt, die Garantin unmittelbar aus der Garantie auf Erfüllung in Anspruch zu nehmen und Ansprüche aus der Garantie unmittelbar gegen die Garantin durchzusetzen. Abschriften der Garantie sind bei der bezeichneten Geschäftsstelle des Fiscal Agent kostenlos erhältlich.

§ 3 NEGATIVE PLEDGE

(1) *Negative Pledge of the Issuer*. The Issuer undertakes, so long as any Notes are outstanding, but only up to the time all amounts of principal and interest have been placed at the disposal of the Fiscal Agent, not to create or permit to subsist any form of security interest *in rem* (*dingliches Sicherungsrecht*) over its assets to secure any Capital Market Indebtedness other than Securitised Capital Market Indebtedness or to secure any guarantee or indemnity given by the Issuer in respect of Capital Market Indebtedness unless, subject to § 3(3), the Issuer's obligations under the Notes are secured equally with (or, in case such Capital Market Indebtedness is subordinated debt, senior in priority to) the Capital Market Indebtedness secured by such security interest.

(2) *Negative Pledge of the Guarantor*. The Guarantor has undertaken in the Guarantee, so long as any Notes are outstanding, but only up to the time all amounts of principal and interest have been placed at the disposal of the Fiscal Agent, not to create or permit to subsist, and to procure that none of its Material Subsidiaries will create or permit to subsist, any form of security interest *in rem* (*dingliches Sicherungsrecht*) over its assets to secure any Capital Market Indebtedness other than Securitised Capital Market Indebtedness or to secure any guarantee or indemnity given by the Guarantor or any of its Subsidiaries in respect of Capital Market Indebtedness unless, subject to § 3(3), the Issuer's obligations under the Notes are secured equally with (or, in case such Capital Market Indebtedness is

§ 3 NEGATIVVERPFLICHTUNG

(1) *Negativverpflichtung der Emittentin*. Die Emittentin verpflichtet sich, solange Schuldverschreibungen ausstehen, jedoch nur bis zu dem Zeitpunkt, an dem alle Beträge an Kapital und Zinsen dem Fiscal Agent zur Verfügung gestellt wurden, keine dinglichen Sicherungsrechte an ihren Vermögenswerten zur Besicherung von Kapitalmarktverbindlichkeiten (mit Ausnahme Verbriefter Kapitalmarktverbindlichkeiten) oder von durch die Emittentin in Bezug auf Kapitalmarktverbindlichkeiten übernommenen Garantien oder abgegebenen Freistellungserklärungen zu bestellen oder fortbestehen zu lassen, es sei denn, die Verbindlichkeiten der Emittentin aus den Schuldverschreibungen werden vorbehaltlich § 3(3) durch das betreffende Sicherungsrecht gleichrangig mit der jeweiligen Kapitalmarktverbindlichkeit (oder, sofern es sich dabei um eine nachrangige Verbindlichkeit handelt, im Vergleich dazu vorrangig) besichert.

(2) *Negativverpflichtung der Garantin*. In der Garantie hat sich die Garantin verpflichtet, solange Schuldverschreibungen ausstehen, jedoch nur bis zu dem Zeitpunkt, an dem alle Beträge an Kapital und Zinsen dem Fiscal Agent zur Verfügung gestellt wurden, keine dinglichen Sicherungsrechte an ihren Vermögenswerten zur Besicherung von Kapitalmarktverbindlichkeiten (mit Ausnahme Verbriefter Kapitalmarktverbindlichkeiten) oder von durch die Garantin oder eine ihrer Tochtergesellschaften in Bezug auf Kapitalmarktverbindlichkeiten übernommenen Garantien oder abgegebenen Freistellungserklärungen zu bestellen oder fortbestehen zu lassen bzw. sicherzustellen, dass keine ihrer Wesentlichen Tochtergesellschaften dies tut, es sei denn, die

subordinated debt, senior in priority to) the Capital Market Indebtedness secured by such security interest.

Verbindlichkeiten der Emittentin aus den Schuldverschreibungen werden vorbehaltlich § 3(3) durch das betreffende Sicherungsrecht gleichrangig mit der jeweiligen Kapitalmarktverbindlichkeit (oder, sofern es sich dabei um eine nachrangige Verbindlichkeit handelt, im Vergleich dazu vorrangig) besichert.

(3) *Limitation*. The undertakings pursuant to § 3(1) and § 3(2) shall not apply:

(a) to any security interest which is mandatory according to applicable laws or required as prerequisite for governmental approvals; or

(b) with respect to any security right *in rem* (*dingliches Sicherungsrecht*) provided by any Subsidiary over any of such Subsidiary's claims against the Guarantor, which claims arise as a result of the passing on to the Guarantor of the proceeds from the issue by such Subsidiary of any Capital Market Indebtedness, provided that any such security serves solely to secure obligations under such Capital Market Indebtedness issued by such Subsidiary**.**

(3) *Beschränkung*. Die Verpflichtungserklärungen nach § 3(1) und § 3(2) gelten nicht:

(a) für Sicherungsrechte, die nach anwendbarem Recht zwingend vorgeschrieben sind oder Voraussetzung für die Gewährung staatlicher Genehmigungen sind; oder

(b) für dingliche Sicherungsrechte, die von einer Tochtergesellschaft an Forderungen gegen die Garantin bestellt werden, die ihr aufgrund der Weiterleitung von erzielten Erlösen der Tochtergesellschaft aus der Begebung von Kapitalmarktverbindlichkeiten erzielten Erlösen der Tochtergesellschaft an die Garantin zustehen, vorausgesetzt, diese Sicherheiten dienen ausschließlich der Besicherung von Verpflichtungen aus den von dieser Tochtergesellschaft begebenen Kapitalmarktverbindlichkeiten.

(4) *Provision of Additional Security*. Whenever the Issuer or the Guarantor, as the case may be, becomes obligated to secure (or procure that a Material Subsidiary secures) the Notes pursuant to § 3(1) and (2), the Issuer or the Guarantor, as applicable, shall be entitled to discharge such obligation by providing (or procure that the relevant Material Subsidiary provides) a security interest in the relevant collateral to a security trustee, such security trustee to hold such collateral and the security interest that gave rise to the creation of such collateral, equally (*dinglich oder, falls rechtlich nicht möglich, aufgrund schuldrechtlicher Vereinbarung gleichrangig*), for the benefit of the Holders and the holders of the Capital Market Indebtedness secured by the security interest that gave rise to the creation of such security interest in such collateral.

(4) *Bestellung zusätzlicher Sicherheiten*. Entsteht für die Emittentin oder gegebenenfalls die Garantin die Verpflichtung zur Besicherung der Schuldverschreibungen gemäß § 3(1) und (2) (oder entsteht die Verpflichtung, für deren Besicherung durch eine Wesentliche Tochtergesellschaft Sorge zu tragen), so sind die Emittentin bzw. die Garantin berechtigt, diese Verpflichtung dadurch zu erfüllen, dass ein Sicherungsrecht an dem jeweiligen Sicherungsgegenstand zugunsten eines Sicherheitentreuhänders begründet wird (bzw. dadurch, dass sie die betreffende Wesentliche Tochtergesellschaft zur Begründung eines solchen Sicherungsrechts veranlassen), und zwar in einer Weise, dass der Sicherheitentreuhänder diesen Sicherungsgegenstand dinglich oder, falls rechtlich nicht möglich, aufgrund schuldrechtlicher Vereinbarung gleichrangig zugunsten der Gläubiger der

Schuldverschreibungen und der Gläubiger derjenigen Kapitalmarktverbindlichkeit hält, die aufgrund einer Besicherung mit einem Sicherungsrecht zur Bestellung dieses Sicherungsrechts an dem betreffenden Sicherungsgegenstand führte.

§ 4 INTEREST

(1) *Rate of Interest and Interest Payment Dates*. The Notes shall bear interest on their principal amount at the rate of **[*Rate of Interest*]** % per annum from (and including) **[*Interest Commencement Date*]** (the "**Interest Commencement Date**") to (but excluding) the Maturity Date (as defined in § 6(1)). Interest shall be payable annually in arrears 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 Interest Commencement Date the following applies:*** and will amount to **[*Initial Broken Amount per Specified Denomination*]**]. **[*if the Maturity Date is not an annual 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*].]**

(2) *Late Payments*. If the Issuer for any reason fails to redeem the Notes when due, interest shall continue to accrue on the outstanding amount from (and including) the due date until (but excluding) the date of actual redemption of the Notes at the default rate of interest established by law [3]. Claims for further damages in case of late payment are not excluded.

(3) *Calculation of Interest for Periods of less than one Year*. If interest **[*if First Interest Payment Date is not first anniversary of Interest***

§ 4 VERZINSUNG

(1) *Zinssatz und Zinszahlungstage*. Die Schuldverschreibungen werden bezogen auf ihren Nennbetrag verzinst, und zwar vom **[*Verzinsungsbeginn*]** (der "**Verzinsungsbeginn**") (einschließlich) mit **[*Zinssatz*]** % p.a. bis zum Fälligkeitstag (wie in § 6(1) definiert) (ausschließlich). Die Zinsen sind nachträglich am **[*Zinszahlungstag(e)*]** eines jeden Jahres zahlbar (jeweils ein "**Zinszahlungstag**"). Die erste Zinszahlung erfolgt am **[*ersten Zinszahlungstag*] [*sofern der erste Zinszahlungstag nicht der erste Jahrestag des Verzinsungsbeginns ist, gilt folgendes:*** und beläuft sich auf **[*anfänglicher* Bruchteilzinsbetrag je Festgelegte Stückelung]]**. **[*sofern der Fälligkeitstag kein jährlicher Zinszahlungstag ist, gilt folgendes:*** Die Zinsen für den Zeitraum vom **[*letzter dem Fälligkeitstag vorausgehender Zinszahlungstag*]** (einschließlich) bis zum Fälligkeitstag (ausschließlich) belaufen sich auf **[*abschließender Bruchteilzinsbetrag je Festgelegte Stückelung*].]**

(2) *Zahlungsverzug*. Wenn die Emittentin aus irgendeinem Grund Zahlungen auf die Schuldverschreibungen bei Fälligkeit nicht zahlt, wird der ausstehende Betrag vom Tag der Fälligkeit (einschließlich) bis zum Tag der tatsächlichen Rückzahlung der Schuldverschreibungen (ausschließlich) mit dem gesetzlich bestimmten Verzugszins[5] verzinst. Die Geltendmachung eines weitergehenden Schadens ist nicht ausgeschlossen.

(3) *Berechnung der Zinsen für Zeiträume von weniger als einem Jahr*. Sofern Zinsen für einen Zeitraum von weniger als einem vollen

[3] 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, sections 288 paragraph 1, 247 paragraph 1 of the German Civil Code (*Bürgerliches Gesetzbuch*).
Der gesetzliche Verzugszinssatz beträgt fünf Prozentpunkte über dem von der Deutschen Bundesbank jeweils veröffentlichen Basiszinssatz, §§ 288 Abs. 1, 247 Abs. 1 BGB.

Commencement Date and the Initial Broken Amounts per Specified Denomination have been specified in the applicable Final Terms the following applies**:* for any period other than the first interest period**]** is to be calculated for a period of less 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, in respect of the calculation of an amount of interest on any Note 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 case of Actual/Actual (ICMA) 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 that would occur in one calendar year; or

Jahr zu berechnen sind, erfolgt **[***sofern der erste Zinszahlungstag nicht der erste Jahrestag des Verzinsungsbeginns ist und die anfänglichen Bruchteilzinsbeträge je Festgelegte Stückelung in den Endgültigen Bedingungen festgelegt wurden, gilt folgendes*:, außer für den ersten Zinszahlungszeitraum,**]** die Berechnung auf der Grundlage des Zinstagequotienten (wie nachfolgend definiert). **[***falls die Festgelegte Währung Euro ist, und falls Actual/Actual (ICMA) anwendbar ist, gilt folgendes*: Die Anzahl der Zinszahlungstage je Kalenderjahr (jeweils ein "**Feststellungstermin**") beträgt **[***Anzahl der regulären Zinszahlungstage je Kalenderjahr***].]**

(4) *Zinstagequotient*. "**Zinstagequotient**" bezeichnet in Bezug auf die Berechnung von Zinsbeträgen auf die Schuldverschreibungen für einen beliebigen Zeitraum (der "**Zinsberechnungszeitraum**"):

[*Im Falle von Actual/365 oder Actual/Actual (ISDA) gilt folgendes*: 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) der tatsächlichen Anzahl der nicht in das Schaltjahr fallenden Tage des Zinsberechnungszeitraums, dividiert durch 365).

[*Im Falle von Actual/Actual (ICMA) gilt folgendes*:

(a) wenn der Zinsberechnungszeitraum (einschließlich des ersten aber ausschließlich des letzten Tages dieses Zeitraums) 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 dieses Zeitraums) geteilt durch das Produkt aus (1) der Anzahl der Tage in der Feststellungsperiode und (2) der Anzahl der Feststellungstermine in einem

(b) if the Calculation Period (from and including the first day of such period but excluding the last) 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 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 that would occur in one calendar year.

"**Determination Period**" means the period from (and including) a Determination Date (or, in the case of the first Determination Date, from (and including) the Interest Commencement Date) to, (but excluding) the next Determination Date.**]**

[*In case of Actual/365 (Fixed) the following applies*: the actual number of days in the Calculation Period divided by 365.**]**

[*In case of Actual/360 the following applies*: the actual number of days in the Calculation Period divided by 360.**]**

[*In 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

Kalenderjahr; oder

(b) wenn der Zinsberechnungszeitraum (einschließlich des ersten aber ausschließlich des letzten Tages dieses Zeitraums) 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 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 in einem Kalenderjahr.

"**Feststellungsperiode**" ist der Zeitraum ab einem Feststellungstermin (einschließlich desselben) (oder, im Fall des ersten Feststellungstermins, vom Verzinsungsbeginn (einschließlich)) bis zum nächsten Feststellungstermin (ausschließlich).**]**

[*Im Falle von Actual/365 (Fixed) gilt folgendes*: die tatsächliche Anzahl von Tagen im Zinsberechnungszeitraum, dividiert durch 365.**]**

[*Im Falle von Actual/360 gilt folgendes*: die tatsächliche Anzahl von Tagen im Zinsberechnungszeitraum, dividiert durch 360.**]**

[*Im Falle von 30/360, 360/360 oder Bond Basis gilt folgendes*: 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 Monates, während der erste Tag des Zinsberechnungszeitraumes weder auf den 30. noch auf den 31. Tag eines Monats fällt, in welchem Fall der diesen

month, or (B) the last day of the Calculation Period is the last day of the month of February in which case the month of February shall not be considered to be lengthened to a 30-day month).**]**

[*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).**]**

letzten Tag enthaltende Monat 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 Falle von 30E/360 oder Eurobond Basis gilt folgendes:* die Anzahl der Tage im Zinsberechnungszeitraum, dividiert durch 360 (dabei ist die Anzahl der Tage auf der Grundlage eines Jahres von 360 Tagen mit zwölf Monaten zu je 30 Tagen zu ermitteln, und zwar ohne Berücksichtigung des Datums des ersten oder letzten Tages des Zinsberechnungszeitraumes, es sei denn, dass im Falle einer am Fälligkeitstag endenden Zinsperiode der Fälligkeitstag der letzte Tag des Monats Februar ist, in welchem Fall der Monat Februar nicht als ein auf 30 Tage verlängerter Monat zu behandeln ist).**]**

§ 5 PAYMENTS

(1) *Payment of Principal and Interest*. Payment of principal and interest in respect of Notes shall be made, in accordance with § 5(2), to the Paying Agent for forwarding to the Clearing System or to its order for credit to the accounts of the relevant accountholders of the Clearing System.

Payment of interest on Notes represented by the Temporary Global Note shall be made, in accordance with § 5(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 or, as the case may be, the Guarantor shall be discharged by payment to, or to the order of, the Clearing System.

§ 5 ZAHLUNGEN

(1) *Zahlung von Kapital und Zinsen*. Die Zahlung von Kapital und Zinsen auf die Schuldverschreibungen erfolgt nach Maßgabe des § 5(2) an die Zahlstelle zur Weiterleitung an das Clearingsystem oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearingsystems.

Die Zahlung von Zinsen auf die Schuldverschreibungen, die durch die Vorläufige Globalurkunde verbrieft sind, erfolgt nach Maßgabe des § 5(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 oder sonstiger gesetzlicher Regelungen und Vorschriften werden auf die Schuldverschreibungen fällige Zahlungen in der Festgelegten Währung geleistet.

(3) *Erfüllung*. Die Emittentin bzw. die Garantin werden durch Leistung der Zahlung an das Clearingsystem oder dessen Order von ihrer Zahlungspflicht befreit.

(4) *Business Day*. If the date for payment of any amount in respect of any Note is not a Business Day then the Holder shall not be entitled to payment until the next 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, "**Business Day**" means

[*In the case the Specified Currency is Euro the following applies*: a day (other than a Saturday or a Sunday) on which banks are open for general business in **[*relevant financial center(s)*]** **[**Frankfurt am Main**]** and on which the Clearing System as well as all relevant parts of the Trans-European Automated Real-time Gross Settlement Express Transfer system (TARGET2) are operational to effect payments.**]**

[*In the case the Specified Currency is not Euro the following applies*: a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in **[*relevant financial center(s)*]**.**]**

(5) *References to Principal and Interest*. References in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable: the principal amount per Note, **[*if the Notes are subject to Early Redemption at the Option of the Issuer at the Call Redemption Amount, the following applies*:** the Call Redemption Amount,**]** **[*if the Notes are subject to Early Redemption at the Option of the Issuer upon the occurrence of a transaction related event, the following applies*:** the Trigger Call Redemption Amount,**]** **[*if the Notes are subject to Early Redemption at the Option of the Issuer at the Issuer Call Redemption Amount, the following applies*:** the Issuer Call Redemption Amount,**]** **[*if the Notes are subject to Early Redemption at the Option of the Holder at specified redemption amount(s), the following applies*:** the Put Redemption Amount,**]** Additional Amounts and any other premium and any other amounts

(4) *Geschäftstag*. Fällt der Tag der Fälligkeit einer Zahlung in Bezug auf eine Schuldverschreibung auf einen Tag, der kein Geschäftstag ist, so hat der Gläubiger keinen Anspruch auf Zahlung vor dem nächsten Geschäftstag am jeweiligen Ort und ist nicht berechtigt, weitere Zinsen oder sonstige Zahlungen aufgrund dieser Verspätung zu verlangen.

Für diese Zwecke bezeichnet "**Geschäftstag**"

[*Wenn die Festgelegte Währung Euro ist, gilt folgendes*: einen Tag (außer einem Samstag oder Sonntag), an dem Banken in **[*relevante(s) Finanzzentrum(en)*]** **[**Frankfurt am Main**]** für den allgemeinen Geschäftsverkehr geöffnet sind und an dem das Clearingsystem sowie alle maßgeblichen Bereiche des Trans-European Automated Real-time Gross Settlement Express Transfer System (TARGET2) betriebsbereit sind, um Zahlungen vorzunehmen.**]**

[*Wenn die Festgelegte Währung nicht Euro ist, gilt folgendes*: einen Tag (außer einem Samstag oder Sonntag), an dem Geschäftsbanken und Devisenmärkte in **[*relevante(s) Finanzzentrum(en)*]** Zahlungen abwickeln.**]**

(5) *Bezugnahmen auf Kapital und Zinsen*. Bezugnahmen in diesen Emissionsbedingungen auf Kapital der Schuldverschreibungen schließen, soweit anwendbar, die folgenden Beträge ein: den Nennbetrag je Schuldverschreibung, **[*falls die Emittentin das Wahlrecht hat, die Schuldverschreibungen zum Wahl-Rückzahlungsbetrag vorzeitig zurück zu zahlen, gilt folgendes*:** den Wahl-Rückzahlungsbetrag,**]** **[*falls die Emittentin das Wahlrecht hat, die Schuldverschreibungen bei Eintritt eines transaktionsbezogenen Ereignisses zum Ereignis Wahl-Rückzahlungsbetrag vorzeitig zurückzuzahlen, gilt folgendes*:** den Ereignis-Wahl-Rückzahlungsbetrag,**]** **[*falls die Emittentin das Wahlrecht hat, die Schuldverschreibungen zum Emittenten Wahl-Rückzahlungsbetrag vorzeitig zurück zu zahlen, gilt folgendes*:** den Emittenten Wahl-Rückzahlungsbetrag,**]** **[*falls der*

which may be payable under or in respect of the Notes. References in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any Additional Amounts which may be payable under § 8.

***Gläubiger das Wahlrecht hat, die vorzeitige Rückzahlung der Schuldverschreibungen zu einem festgelegten Rückzahlungsbetrag bzw. festgelegten Rückzahlungsbeträgen zu verlangen, gilt folgendes**:* den Gläubigerwahl-Rückzahlungsbetrag,**]** Zusätzliche Beträge und alle Aufschläge oder sonstigen auf die Schuldverschreibungen oder im Zusammenhang damit gegebenenfalls zahlbaren Beträge. Bezugnahmen in diesen Emissionsbedingungen auf Zinsen auf die Schuldverschreibungen schließen, soweit anwendbar, sämtliche gegebenenfalls gemäß § 8 zahlbaren Zusätzlichen Beträge ein.

(6) *Deposit of Principal and Interest*. The Issuer or the Guarantor, as the case may be, may deposit with the local court (*Amtsgericht*) in Frankfurt am 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.

(6) *Hinterlegung von Kapital und Zinsen*. Die Emittentin bzw. die Garantin ist berechtigt, beim Amtsgericht Frankfurt am Main Kapital- oder Zinsbeträge 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.

(7) *Payments Subject to Applicable Law*. Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of § 8 and (ii) any withholding or deduction required pursuant to an agreement described in section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of § 8) any law implementing an intergovernmental approach thereto.

(7) *Zahlungen vorbehaltlich von gesetzlichen Regelungen*. Alle Zahlungen erfolgen unter Vorbehalt (i), unbeschadet der Regelungen in § 8, sämtlichen steuerrechtlichen Regelungen oder anderen Gesetzen und Regelungen, die solche Zahlungen betreffen, und (ii) einer Einbehaltung oder eines Abzugs gemäß Abschnitt 1471(b) des U.S. Internal Revenue Code von 1986 (der "**Code**") oder anderer Regelungen gemäß den Abschnitten 1471 bis 1474 des Codes sowie sämtlichen darunter erlassenen Vorschriften, förmlichen Interpretationen und (unbeschadet der Regelungen in § 8) Umsetzungsakten, die auf zwischenstaatlichen Vereinbarungen beruhen.

§ 6 REDEMPTION

§ 6 RÜCKZAHLUNG

(1) *Redemption at Maturity*. 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**").

(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) *Early Redemption for Reasons of Taxation*. If as a result of any change in, or amendment to, the laws or regulations of the Relevant Taxing Jurisdiction in respect of the Issuer or, as the case may be, the Guarantor 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 becomes effective on or after the date on which the last tranche of this series of Notes was issued, the Issuer or, as the case may be, the Guarantor is required to pay Additional Amounts on the next succeeding Interest Payment Date, and this obligation cannot be avoided by the use of measures available to the Issuer or, as the case may be, the Guarantor, which are, in the judgement of the Issuer or, as the case may be, the Guarantor, in each case taking into account the interests of Holders, reasonable, the Notes may be redeemed, in whole but not in part, at the option of the Issuer, on the next Interest Payment Date upon not more than 60 days' nor less than 30 days' prior notice of redemption given to the Fiscal Agent and, in accordance with § 15 to the Holders, at the principal amount together with interest accrued to (but excluding) the date fixed for redemption.

However, no such notice of redemption may be given (i) earlier than 90 days prior to the earliest date on which the Issuer or, as the case may be, the Guarantor would be obligated to pay such Additional Amounts if a payment in respect of the Notes was 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 § 15. 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.

(2) *Vorzeitige Rückzahlung aus steuerlichen Gründen*. Die Schuldverschreibungen können zum nächsten Zinszahlungstag insgesamt, jedoch nicht teilweise, nach Wahl der Emittentin mit einer Kündigungsfrist von nicht weniger als 30 und nicht mehr als 60 Tagen durch Erklärung gegenüber dem Fiscal Agent und gemäß § 15 gegenüber den Gläubigern gekündigt und zu ihrem Nennbetrag zuzüglich bis zum für die Rückzahlung festgesetzten Tag (ausschließlich) aufgelaufener Zinsen vorzeitig zurückgezahlt werden, falls die Emittentin bzw. die Garantin als Folge einer Änderung oder Ergänzung der Gesetze und Vorschriften der Maßgeblichen Steuerjurisdiktion im Hinblick auf die Emittentin bzw. die Garantin, die Steuern oder die Verpflichtung zur Zahlung von Abgaben jeglicher Art betreffen, oder als Folge einer Änderung oder Ergänzung der offiziellen Auslegung oder Anwendung dieser Gesetze und Vorschriften (vorausgesetzt, diese Änderung oder Ergänzung wird am oder nach dem Tag der Begebung der letzten Tranche dieser Serie von Schuldverschreibungen wirksam) am nächstfolgenden Zinszahlungstag zur Zahlung von Zusätzlichen Beträgen verpflichtet sein wird und diese Verpflichtung nicht durch das Ergreifen der Emittentin bzw. der Garantin zur Verfügung stehender Maßnahmen, die nach Auffassung der Emittentin bzw. der Garantin zumutbar sind (wobei jeweils die Interessen der Gläubiger zu berücksichtigen sind) vermieden werden kann.

Eine solche Kündigung darf allerdings nicht (i) früher als 90 Tage vor dem frühestmöglichen Termin erfolgen, an dem die Emittentin bzw. die Garantin verpflichtet wäre, solche Zusätzlichen Beträge zu zahlen, falls eine Zahlung auf die Schuldverschreibungen dann fällig wäre, 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 hat gemäß § 15 zu erfolgen. Sie ist unwiderruflich, muss den für die Rückzahlung festgelegten Termin nennen und eine zusammenfassende Erklärung enthalten, welche die das Rückzahlungsrecht der Emittentin begründenden Umständen

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

(3) *Early Redemption at the Option of the Issuer at the Call Redemption Amount*

(a) The Issuer may upon not less than 30 days' nor more than 60 days' prior notice of redemption given to the Paying Agent and, in accordance with § 15, to the Holders redeem on any date specified by it (the "**Call Redemption Date**"), at its option, the Notes (except for 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 § 6) in whole but not in part, at their Call Redemption Amount together with accrued but unpaid interest, if any, to (but excluding) the relevant Call Redemption Date.

The "**Call Redemption Amount**" per Note shall be the higher of:

(i) the principal amount of the relevant Note to be redeemed; or

(ii) the Present Value

The Call Redemption Amount shall be calculated by the Calculation Agent.

The "**Present Value**" will be the sum of

(a) the principal amount of the Note to be redeemed which would otherwise become due on the Maturity Date, discounted to the Call Redemption Date; and

(b) the remaining interest payments which would otherwise become due on each Interest Payment Date falling after the Call Redemption

darlegt.

**[*Falls die Emittentin das Wahlrecht hat, die Schuldverschreibungen zum Wahl-Rückzahlungsbetrag vorzeitig zurück zu zahlen, gilt folgendes:*

(3) *Vorzeitige Rückzahlung nach Wahl der Emittentin zum Wahl-Rückzahlungsbetrag*

(a) Die Emittentin kann die Schuldverschreibungen (ausgenommen Schuldverschreibungen, deren Rückzahlung der Gläubiger bereits in Ausübung seines Wahlrechts nach § 6 verlangt hat) insgesamt, jedoch nicht teilweise, nach ihrer Wahl mit einer Kündigungsfrist von nicht weniger als 30 und nicht mehr als 60 Tagen durch Erklärung gegenüber der Zahlstelle und gemäß § 15 gegenüber den Gläubigern kündigen und an einem von ihr anzugebenden Tag (der "**Wahl-Rückzahlungstag**") zu ihrem Wahl-Rückzahlungsbetrag (zuzüglich etwaigen bis zum betreffenden Wahl-Rückzahlungstag (ausschließlich) aufgelaufenen aber noch nicht gezahlten Zinsen) zurückzahlen.

Der "**Wahl-Rückzahlungsbetrag**" je Schuldverschreibung entspricht dem höheren von:

(i) dem Nennbetrag der zurückzuzahlenden Schuldverschreibung; oder

(ii) dem Abgezinsten Marktwert

Der Wahl-Rückzahlungsbetrag wird von der Berechnungsstelle berechnet.

Der "**Abgezinste Marktwert**" ist die Summe aus

(a) dem auf den Wahl-Rückzahlungstag abgezinsten Wert des Nennbetrags der zurückzuzahlenden Schuldverschreibung, der ansonsten am Fälligkeitstag fällig werden würde; und

(b) den jeweils auf den Wahl-Rückzahlungstag abgezinsten Werten der verbleibenden Zinszahlungen, die ansonsten an

Date to and including the Maturity Date (excluding any interest accrued to but excluding the Call Redemption Date), each discounted to the Call Redemption Date.

The Calculation Agent will calculate the Present Value in accordance with market convention on a basis which is consistent with the calculation of interest as set out in § 4, using the Benchmark Yield plus **[*insert percentage*]** %.

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

jedem Zinszahlungstag nach dem Wahl-Rückzahlungstag bis zum Fälligkeitstag (einschließlich) fällig werden würden (ausschließlich etwaiger, bis zum Wahl-Rückzahlungstag (ausschließlich) aufgelaufener Zinsen).

Die Berechnungsstelle errechnet den Abgezinsten Marktwert gemäß der Marktkonvention auf einer Grundlage, die der Berechnung von Zinsen gemäß § 4 entspricht, wobei sie die Benchmark-Rendite zuzüglich **[*Prozentsatz einfügen*]**% zugrunde legt.

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

"**Redemption Calculation Date**" means the sixth Business Day prior to the date on which the Notes are redeemed in accordance with this § 6(3).

(b) Notice of redemption shall be given by the Issuer to the Holders of the Notes in accordance with § 15. Such notice shall specify:

(i) the series of Notes subject to redemption; and

(ii) the Call Redemption Date.**]**

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

[(4)**]** *Early Redemption at the Option of the Issuer on Issuer Call Redemption Date*[*s*]

(a) The Issuer may upon not less than 30 days' nor more than 60 days' prior notice of redemption given to the Paying Agent and, in accordance with § 15, to the Holders redeem with effect on the Issuer Call Redemption Date(s) at its option, the Notes (except for 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 § 6) in whole but not in part, at their Issuer Call Redemption Amount together with accrued but unpaid interest, if any, to (but excluding) the relevant Issuer Call Redemption Date.

vergleichbaren Laufzeit verwendet werden würde.

"**Rückzahlungs-Berechnungstag**" ist der sechste Geschäftstag vor dem Tag, an dem die Schuldverschreibungen gemäß diesem § 6(3) zurückgezahlt werden.

(b) Die Kündigung ist den Gläubigern der Schuldverschreibungen durch die Emittentin gemäß § 15 bekanntzugeben. Sie muss die folgenden Angaben enthalten:

(i) die zurückzuzahlende Serie von Schuldverschreibungen; und

(ii) den Wahl-Rückzahlungstag.**]**

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

[(4)**]** *Vorzeitige Rückzahlung nach Wahl der Emittentin* [*am*] [*an*] *Emittenten Wahl-Rückzahlungstag*[*en*]

(b) Die Emittentin kann die Schuldverschreibungen (ausgenommen Schuldverschreibungen, deren Rückzahlung der Gläubiger bereits in Ausübung seines Wahlrechts nach § 6 verlangt hat) insgesamt, jedoch nicht teilweise, nach ihrer Wahl mit einer Kündigungsfrist von nicht weniger als 30 und nicht mehr als 60 Tagen durch Erklärung gegenüber der Zahlstelle und gemäß § 15 gegenüber den Gläubigern kündigen und an dem Emittenten Wahl-Rückzahlungstag zu dem Emittenten Wahl-Rückzahlungsbetrag (zuzüglich etwaigen bis zum betreffenden Emittenten Wahl-Rückzahlungstag (ausschließlich) aufgelaufenen aber noch nicht gezahlten Zinsen) zurückzahlen.

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

(b) Notice of redemption shall be given by the Issuer to the Holders of the Notes in accordance with § 15. Such notice shall specify:

(i) the series of Notes subject to redemption;

(ii) the Issuer Call Redemption Date; and

(iii) the Issuer Call Redemption Amount at which such Notes are to be redeemed.**]**

[(5)**]** *Early Redemption at the Option of the Issuer during a Call Redemption Period*

(a) The Issuer may upon not less than 30 days' nor more than 60 days' prior notice of redemption given to the Paying Agent and, in accordance with § 15, to the Holders redeem with effect on the Issuer Call Redemption Date(s) at its option, the Notes (except for 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 § 6) in whole but not in part, at their Issuer Call Redemption Amount together with accrued but unpaid interest, if any, to (but excluding) the relevant Issuer Call Redemption Date.

Emittenten Wahl-Rückzahlungstag(e)	**Emittenten Wahl-Rückzahlungsbetrag**
[*Emittenten Wahl-Rückzahlungstag(e) einfügen*]	[*Emittenten Wahl-Rückzahlungsbetrag/ beträge einfügen*]

(b) Die Kündigung ist den Gläubigern der Schuldverschreibungen durch die Emittentin gemäß § 15 bekanntzugeben. Sie muss die folgenden Angaben enthalten:

(i) die zurückzuzahlende Serie von Schuldverschreibungen;

(ii) den Emittenten Wahl-Rückzahlungstag; und

(iii) den Emittenten Wahl-Rückzahlungsbetrag zu dem die Schuldverschreibungen zurückgezahlt werden.**]**

[(5)**]** *Vorzeitige Rückzahlung nach Wahl der Emittentin während einer Call-Rückzahlungsperiode*

(a) Die Emittentin kann die Schuldverschreibungen (ausgenommen Schuldverschreibungen, deren Rückzahlung der Gläubiger bereits in Ausübung seines Wahlrechts nach § 6 verlangt hat) insgesamt, jedoch nicht teilweise, nach ihrer Wahl mit einer Kündigungsfrist von nicht weniger als 30 und nicht mehr als 60 Tagen durch Erklärung gegenüber der Zahlstelle und gemäß § 15 gegenüber den Gläubigern kündigen und an dem Emittenten Wahl-Rückzahlungstag zu dem Emittenten Call-Rückzahlungsbetrag (zuzüglich etwaigen bis zum betreffenden Emittenten Call-Rückzahlungstag (ausschließlich) aufgelaufenen aber noch nicht gezahlten Zinsen) zurückzahlen.

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

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

(b) Notice of redemption shall be given by the Issuer to the Holders of the Notes in accordance with § 15. Such notice shall specify:

(i) the series of Notes subject to redemption;

(ii) the Issuer Call Redemption Date; and

(iii) the Issuer Call Redemption Amount at which such Notes are to be redeemed.**]**

[(6)**]** *Early Redemption at the Option of the Holders upon a Change of Control*.

(a) If a Change of Control occurs after the Issue Date, each Holder shall have the right, but not the obligation, to require the Issuer to redeem or, at the Issuer's option, purchase (or procure the purchase of) in whole or in part his Notes at the principal amount per Note together with accrued and unpaid interest up to (but excluding) the Change of Control Put Date (the "**Change of Control Put Option**"). Such Change of Control Put Option shall operate as set out below under § 6**[**(6)**]** (b)-(c).

"**Emittenten Wahl-Rückzahlungstag**" bezeichnet einen Geschäftstag nach Wahl der Emittentin innerhalb einer Wahl-Rückzahlungsperiode.

Wahl-Rückzahlungsperiode	**Issuer Wahl-Rückzahlungsbetrag**
[*Call-Rückzahlungsperiode einfügen*]	[*Call-Rückzahlungsbetrag/ beträge einfügen*]

(b) Die Kündigung ist den Gläubigern der Schuldverschreibungen durch die Emittentin gemäß § 15 bekanntzugeben. Sie muss die folgenden Angaben enthalten:

(i) die zurückzuzahlende Serie von Schuldverschreibungen;

(ii) den Emittenten Call-Rückzahlungstag; und

(iii) den Emittenten Wahl-Rückzahlungsbetrag zu dem die Schuldverschreibungen zurückgezahlt werden.**]**

[(6)**]** *Vorzeitige Rückzahlung nach Wahl der Gläubiger bei Vorliegen eines Kontrollwechsels*.

(a) Tritt nach dem Begebungstag ein Kontrollwechsel ein, so ist jeder Gläubiger berechtigt, aber nicht verpflichtet, von der Emittentin die vollständige oder teilweise Rückzahlung oder, nach Wahl der Emittentin, den vollständigen oder teilweisen Ankauf (oder die Veranlassung eines Ankaufs) seiner Schuldverschreibungen zum Nennbetrag je Schuldverschreibung zuzüglich bis zum Kontrollwechsel-Gläubigerwahl-Rückzahlungstag (ausschließlich) aufgelaufener aber noch nicht gezahlter Zinsen zu verlangen (das "**Kontrollwechsel-Gläubiger-Rückzahlungswahlrecht**"). Dieses Rückzahlungswahlrecht ist wie nachstehend unter § 6**[**(6)**]** (b)-(c) beschrieben auszuüben.

A "**Change of Control**" shall be deemed to have occurred at each time (whether or not approved by the board of executive directors or supervisory board of the Guarantor) that:

(i) in the event of a public tender offer for shares of the Guarantor a situation arises in which

(A) shares already directly or indirectly under the control of the bidder and/or Persons acting in concert with the bidder and shares which have already been tendered in the tender offer, carry in aggregate more than 50 % of the voting rights in the Guarantor; and

(B) the offer is or has become unconditional (other than for conditions relating to regulatory, in particular merger control, approvals and other conditions the satisfaction of which may remain pending following the end of the acceptance period pursuant to section 16(1) of the German Takeover Act (*Gesetz zur Regelung von öffentlichen Angeboten zum Erwerb von Wertpapieren und von Unternehmensübernahmen - WpÜG*)); or

(ii) any Person and/or Persons acting in concert otherwise acquires Control; or

(iii) the Guarantor sells or otherwise transfers all or substantially all of its assets to any Person (except for any Controlled Subsidiary).

"**Control**" means any direct or indirect legal or beneficial ownership or any legal or beneficial entitlement (as defined in

Ein "**Kontrollwechsel**" gilt jedes Mal in einem der folgenden Fälle als eingetreten (unabhängig davon, ob der Vorstand oder der Aufsichtsrat der Garantin zugestimmt hat), wenn:

(i) im Fall eines öffentlichen Übernahmeangebots für Aktien der Garantin die Situation eintritt, dass

(A) Aktien, die sich bereits unmittelbar oder mittelbar unter der Kontrolle des Bieters und/oder gemeinsam mit ihm handelnder Personen befinden, und bereits im Rahmen des Übernahmeangebots eingereichte Aktien insgesamt mehr als 50 % der Stimmrechte der Garantin auf sich vereinen; und

(B) das Angebot nicht oder nicht mehr von Bedingungen abhängig ist (mit Ausnahme von Bedingungen hinsichtlich aufsichtsrechtlicher, insbesondere fusionskontrollrechtlicher, Genehmigungen und anderer Bedingungen, deren Erfüllung nach Ende der Annahmefrist gemäß § 16 Abs. 1 des Gesetzes zur Regelung von öffentlichen Angeboten zum Erwerb von Wertpapieren und von Unternehmensübernahmen (WpÜG) noch offen bleiben kann); oder

(ii) eine Person bzw. gemeinsam handelnde Personen erwerben in sonstiger Weise Kontrolle; oder

(iii) die Garantin ihr gesamtes oder im Wesentlichen ihr gesamtes Vermögen an eine Person (die keine Abhängige Tochtergesellschaft ist) verkauft oder in sonstiger Weise überträgt.

"**Kontrolle**" bezeichnet das unmittelbare oder mittelbare rechtliche oder wirtschaftliche Eigentum oder eine

section 34 of the German Securities Trading Act (*Wertpapierhandelsgesetz - WpHG*) of, in the aggregate, more than 50 % of the voting shares of the Guarantor.

"**Controlled Subsidiary**" means any entity controlled (*abhängiges Unternehmen*) by the Guarantor within the meaning of section 17 of the German Stock Corporation Act (*Aktiengesetz*).

(b) If a Change of Control occurs, then the Issuer shall, without undue delay, after the Guarantor becoming aware thereof, give notice of the Change of Control (a "**Change of Control Put Event Notice**") to the Holders in accordance with § 15 specifying the nature of the Change of Control and the procedure for exercising the Change of Control Put Option contained in this § 6**[**(6)**]** (including the information on the Clearing System account of the Paying Agent for purposes of subparagraph (c)(ii)(x) of this § 6**[**(6)**]**).

(c) To exercise the Change of Control Put Option, the Holder must deliver on any Business Day within 30 days after a Change of Control Put Event Notice has been published (the **"Change of Control Put Period**") (i) to the Fiscal Agent at its specified office a duly signed and completed notice of exercise in the then current form obtainable from the Fiscal Agent (a "**Change of Control Put Notic**e") and (ii) the aggregate Specified Denomination of Notes for which the Holder wishes to exercise its Change of Control Put Option either by transferring such Notes to the Clearing System account of the Paying Agent or by withdrawal of such Notes from such Holder's account in accordance with the procedures of the Clearing System. The Issuer shall redeem or, at its option, purchase (or procure the purchase of) the relevant Note(s) on the date (the "**Change of Control Put Date**") seven days after the expiration of the Change of Control Put Period unless previously

rechtliche oder wirtschaftliche Berechtigung (im Sinne von § 34 des Wertpapierhandelsgesetzes (WpHG)) an insgesamt mehr als 50 % der stimmberechtigten Aktien der Garantin.

"**Abhängige Tochtergesellschaft**" bezeichnet ein von der Garantin im Sinne von § 17 des Aktiengesetzes (AktG) abhängiges Unternehmen.

(b) Tritt ein Kontrollwechsel ein, so teilt die Emittentin dies unverzüglich, nachdem die Garantin davon Kenntnis erlangt hat, den Gläubigern gemäß § 15 mit (eine "**Kontrollwechsel-Gläubigerwahl-Rückzahlungsereignis-Mitteilung**") und gibt dabei die Art des Kontrollwechsels und das in diesem § 6**[**(6)**]** vorgesehene Verfahren zur Ausübung des Kontrollwechsel-Gläubiger-Rückzahlungswahlrechts an (mit Angaben zum Clearingsystem-Konto der Zahlstelle für die Zwecke von Teilziffer (c)(ii)(x) dieses § 6**[**(6)**]**).

(c) Zur Ausübung des Kontrollwechsel-Gläubiger-Rückzahlungswahlrechts muss der Gläubiger an einem Geschäftstag innerhalb von 30 Tagen, nachdem die Kontrollwechsel- Gläubiger-Rückzahlungsereignis-Mitteilung bekannt gegeben wurde (der "**Kontrollwechsel-Ausübungszeitraum**"), (i) bei der bezeichneten Geschäftsstelle des Fiscal Agent eine ordnungsgemäß ausgefüllte und unterzeichnete Ausübungserklärung in der jeweils bei dem Fiscal Agent erhältlichen maßgeblichen Form einreichen (die "**Kontrollwechsel-Ausübungserklärung**") und (ii) Schuldverschreibungen in Höhe des Gesamtbetrags der Festgelegten Stückelung einreichen, für die der Gläubiger sein Kontrollwechsel-Gläubiger-Rückzahlungswahlrecht ausüben möchte, und zwar entweder durch Übertragung dieser Schuldverschreibungen auf das Clearingsystem-Konto der Zahlstelle oder durch Ausbuchung dieser

redeemed or purchased and cancelled. Payment in respect of any Note so delivered will be made in accordance with the customary procedures through the Clearing System. A Change of Control Put Notice, once given, shall be irrevocable.**]**

Schuldverschreibungen aus dem Wertpapierdepot des Gläubigers gemäß den Verfahren des Clearingsystems. Die Emittentin wird die betreffende(n) Schuldverschreibung(en) sieben Tage nach Ablauf des Kontrollwechsel-Ausübungszeitraums (der "**Kontrollwechsel-Rückzahlungstag**") zurückzahlen oder nach ihrer Wahl ankaufen (oder ankaufen lassen), soweit sie nicht bereits vorher zurückgezahlt oder angekauft und entwertet wurde(n). Die Zahlung in Bezug auf solchermaßen eingereichte Schuldverschreibungen erfolgt gemäß den üblichen Verfahren über das Clearingsystem. Eine einmal abgegebene Kontrollwechsel-Ausübungserklärung ist unwiderruflich.**]**

[*If the Notes are subject to Early Redemption at the Option of the Holder at specified redemption amount(s), the following applies:*

[*Falls der Gläubiger das Wahlrecht hat, die vorzeitige Rückzahlung der Schuldverschreibungen zu einem festgelegten Rückzahlungsbetrag bzw. festgelegten Rückzahlungsbeträgen zu verlangen, gilt folgendes:*

[(7)**]** *Early Redemption at the Option of a Holder.*

[(7)**]** *Vorzeitige Rückzahlung nach Wahl eines Gläubigers.*

(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.

(a) Die Emittentin hat eine Schuldverschreibung nach Ausübung des entsprechenden Wahlrechts durch den Gläubiger am/an den Gläubigerwahl-Rückzahlungstag(en) zum/zu den Gläubigerwahl-Rückzahlungsbetrag/-beträgen, wie nachfolgend angegeben nebst etwaigen bis zum Gläubigerwahl-Rückzahlungstag (ausschließlich) aufgelaufener Zinsen zurückzuzahlen.

Put Redemption Date(s)	**Put Redemption Amount(s)**
[*Put Redemption Dates(s)***]**	**[***Put Redemption Amount(s)***]**

Gläubigerwahl-Rückzahlungs-tag(e)	**Gläubigerwahl-Rückzahlungsbetrag/-beträge**
[*Gläubigerwahl-Rückzahlungs-tag(e)***]**	**[***Gläubigerwahl-Rückzahlungsbetrag/-beträge***]**

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 § 6.

Dem Gläubiger steht dieses Wahlrecht nicht in Bezug auf eine Schuldverschreibung zu, deren Rückzahlung die Emittentin zuvor in Ausübung eines ihrer Wahlrechte nach diesem § 6 verlangt hat.

(b) To exercise such option, the Holder must, not less than 30 days nor more than 60 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), deliver (i) to the Fiscal Agent at its specified office a duly signed and completed notice of exercise in the then current form obtainable from the Fiscal Agent (a "**Put Redemption Notice**") and (ii) the aggregate Specified Denomination of Notes for which the Holder wishes to exercise its option either (x) by transferring such Notes to the Clearing System account of the Paying Agent or (y) by giving an irrevocable instruction to the Paying Agent to withdraw such Notes from a securities account of the Holder with the Paying Agent. Payment in respect of any Note so delivered will be made in accordance with the customary procedures through the Clearing System. A Put Redemption Notice, once given, shall be irrevocable.**]**

(b) Zur Ausübung dieses Wahlrechts muss der Gläubiger nicht weniger als 30 Tage und nicht mehr als 60 Tage vor dem Gläubigerwahl-Rückzahlungstag, an dem die Rückzahlung gemäß der Gläubigerwahl-Rückzahlungs-Ausübungserklärung (wie nachfolgend definiert) erfolgen soll, (i) bei der bezeichneten Geschäftsstelle des Fiscal Agent eine ordnungsgemäß ausgefüllte und unterzeichnete Ausübungserklärung in der jeweils bei dem Fiscal Agent erhältlichen maßgeblichen Form einreichen (die "**Gläubigerwahl-Rückzahlungs-Ausübungserklärung**") und (ii) Schuldverschreibungen in Höhe des Gesamtbetrags der Festgelegten Stückelung einreichen, für die der Gläubiger sein Wahlrecht ausüben möchte, und zwar entweder (x) durch Übertragung der Schuldverschreibungen auf das Clearingsystem-Konto der Zahlstelle oder (y) durch unwiderrufliche Anweisung an die Zahlstelle zur Ausbuchung der Schuldverschreibungen aus dem Wertpapierdepot des Gläubigers bei der Zahlstelle. Die Zahlung in Bezug auf solchermaßen eingereichte Schuldverschreibungen erfolgt gemäß den üblichen Verfahren über das Clearingsystem. Eine einmal abgegebene Gläubigerwahl-Rückzahlungs-Ausübungserklärung ist unwiderruflich.**]**

[*If the Notes are subject to Early Redemption in case of minimal outstanding aggregate principal amount of the Notes, the following applies:*

[(8)**]** *Early Redemption in case of minimal outstanding aggregate principal amount of the Notes*. If 80 % or more of the aggregate principal amount of the Notes then outstanding have been redeemed or purchased by the Issuer, the Guarantor or any direct or indirect Subsidiary of the Guarantor pursuant to the provisions of this § 6, the Issuer may, on not less than 30 or more than 60 days' notice to the Holders given in accordance with § 15, redeem at any time, at its option, the remaining Notes as a whole at the principal

[*Im Falle einer Vorzeitigen Rückzahlung nach Wahl der Emittentin bei geringem ausstehendem Gesamtnennbetrag der Schuldverschreibungen, gilt folgendes:*

[(8)**]** *Vorzeitige Rückzahlung bei geringem ausstehenden Gesamtnennbetrag der Schuldverschreibungen*. Wenn 80 % oder mehr des Gesamtnennbetrags der zum betreffenden Zeitpunkt ausstehenden Schuldverschreibungen nach diesem § 6 von der Emittentin, der Garantin oder einer direkten oder indirekten Tochtergesellschaft der Garantin zurückgezahlt oder angekauft wurden, ist die Emittentin berechtigt, nach vorheriger Bekanntmachung gegenüber den Gläubigern gemäß § 15 mit einer Frist von

amount thereof plus interest accrued to but excluding the date of such redemption on the next Interest Payment Date.**]**

mindestens 30 und höchstens 60 Tagen nach ihrer Wahl alle ausstehenden Schuldverschreibungen zum Nennbetrag zuzüglich bis zum Rückzahlungstag (ausschließlich) aufgelaufener Zinsen am nächsten Zinszahlungstag zurück zu zahlen.**]**

**[*If the Notes are subject to Early Redemption at the Option of the Issuer upon the occurrence of a transaction related event, the following applies:*

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

[(9)**]** *Early Redemption at the Option of the Issuer upon the occurrence of a transaction related event.*

[(9)**]** *Vorzeitige Rückzahlung nach Wahl der Emittentin bei Eintritt eines transaktionsbezogenen Ereignisses.*

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

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

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

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

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

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

"**Transaction Trigger Notice**" means a notice to the Noteholders given in accordance with paragraph (b) and § 15 within the Transaction Notice Period that the Transaction has been terminated prior to its completion or that the Transaction will not be settled for any reason whatsoever or that the Guarantor has publicly stated that it no longer intends to pursue the Transaction. The Transaction Trigger Notice shall also specify the Trigger Redemption

"**Transaktions-Mitteilung**" bezeichnet eine Mitteilung der Emittentin an die Anleihegläubiger gemäß Absatz (b) und § 15 innerhalb der Transaktionskündigungsfrist, dass die Transaktion vor ihrem Abschluss beendet wurde oder dass die Transaktion aus irgendeinem Grund nicht durchgeführt wird oder dass die Garantin öffentlich erklärt hat, dass sie nicht länger beabsichtigt, die Transaktion zu verfolgen. Die Transaktions-

Date.

At any time the Issuer may waive its right to call the Notes for redemption following the occurrence of one of the events detailed above, by giving notice in accordance with § 15.

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

"**Trigger Call Redemption Date**" means the redemption date specified in the Transaction Trigger Notice which shall be not less than 30 days nor more than 60 days after the date of the Transaction Trigger Notice.

(b) The Issuer shall call the Notes for early redemption pursuant to paragraph (a) by publishing a notice to the Noteholders in accordance with § 15 which notice shall be irrevocable and shall specify:

(i) the series of Notes subject to redemption;

(ii) whether the Notes will be redeemed in whole or in part and, if only in part, the aggregate principal amount of the Notes which are to be redeemed;

(iii) the Trigger Call Redemption Date and;

(iv) the Trigger Call Redemption Amount at which such Notes are to be redeemed.

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

Mitteilung hat ferner den Ereignis-Wahl-Rückzahlungstag zu bezeichnen.

Die Emittentin kann auf ihr Recht zur vorzeitigen Kündigung der Schuldverschreibungen nach Eintritt eines der oben bezeichneten Ereignisse durch Bekanntmachung gemäß § 15 verzichten.

"**Ereignis-Wahl-Rückzahlungsbetrag**" bezeichnet pro Schuldverschreibung **[●]** % pro Festgelegte Stückelung.

"**Ereignis-Wahl-Rückzahlungstag**" bezeichnet den in der Transaktions-Mitteilung festgelegten Rückzahlungstag, der nicht weniger als 30 Tage und nicht mehr als 60 Tage nach dem Tag der Transaktions-Mitteilung liegen darf.

(b) Die Emittentin hat die Kündigung der Schuldverschreibungen zur vorzeitigen Rückzahlung gemäß Absatz (a) durch Veröffentlichung einer Bekanntmachung an die Anleihegläubiger gemäß § 15 zu erklären. Die Kündigung ist unwiderruflich und hat folgende Angaben zu enthalten:

(i) die zurückzuzahlende Serie von Schuldverschreibungen;

(ii) eine Erklärung, ob die Schuldverschreibungen ganz oder teilweise zurückgezahlt werden und im letzteren Fall den Gesamtnennbetrag der zurückzuzahlenden Schuldverschreibungen;

(iii) den Ereignis-Wahl-Rückzahlungstag; und

(iv) den Ereignis-Wahl-Rückzahlungsbetrag zu dem die Schuldverschreibungen zurückgezahlt werden.

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

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

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

§ 7 FISCAL AGENT [,] [AND] PAYING AGENT [*in the case of Early Redemption at the Option of the Issuer at the Call Redemption Amount, the following applies:* AND CALCULATION AGENT]

§ 7 FISCAL AGENT [,][UND] ZAHLSTELLE [*falls die Emittentin das Wahlrecht hat, die Schuldverschreibungen zum Wahl-Rückzahlungsbetrag vorzeitig zurückzuzahlen, gilt folgendes:* UND BERECHNUNGSSTELLE]

(1) *Appointment; Specified Office*. The initial Fiscal Agent **[**,**][**and**]** the initial Paying Agent **[***in the case of Early Redemption at the Option of the Issuer at the Call Redemption Amount, the following applies:* and the initial Calculation Agent**]** and their initial specified offices shall be:

(1) *Bestellung; bezeichnete Geschäftsstelle*. Der anfänglich bestellte Fiscal Agent **[**,**][**und**]** die anfänglich bestellte Zahlstelle **[***falls die Emittentin das Wahlrecht hat, die Schuldverschreibungen zum Wahl-Rückzahlungsbetrag vorzeitig zurückzuzahlen, gilt folgendes:* und die anfänglich bestellte Berechnungsstelle**]** und deren anfänglich bezeichneten Geschäftsstellen lauten wie folgt:

"**Fiscal Agent and Paying Agent**":

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

"**Fiscal Agent und Zahlstelle**":

Deutsche Bank Aktiengesellschaft
Taunusanlage 12
60325 Frankfurt am Main
Bundesrepublik Deutschland

[*in the case of Early Redemption at the Option of the Issuer at the Call Redemption Amount, the following applies:*

[*falls die Emittentin das Wahlrecht hat, die Schuldverschreibungen zum Wahl-Rückzahlungsbetrag vorzeitig zurückzuzahlen, gilt folgendes:*

"Calculation Agent":

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

"Berechnungsstelle":

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

[*name and specified office***]]**

[*Name und bezeichnete Geschäftsstelle***]**

The Fiscal Agent **[**,**][**and**]** Paying Agent **[***in the case of Early Redemption at the Option of the Issuer at the Call Redemption Amount, the following applies:* and the Calculation Agent**]** reserve the right at any time to change their specified offices to some other office in the same country.

Der Fiscal Agent **[**,**][**und**]** die Zahlstelle **[***falls die Emittentin das Wahlrecht hat, die Schuldverschreibungen zum Wahl-Rückzahlungsbetrag vorzeitig zurückzuzahlen, gilt folgendes:* und die Berechnungsstelle**]** behalten sich das Recht vor, jederzeit ihre bezeichneten Geschäftsstellen durch eine andere

(2) *Variation or Termination of Appointment*. The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent or any Paying Agent **[*in the case of Early Redemption at the Option of the Issuer at the Call Redemption Amount, the following applies:*** or the Calculation Agent**]** and to appoint another Fiscal Agent or additional or other Paying Agents **[*in the case of Early Redemption at the Option of the Issuer at the Call Redemption Amount, the following applies:*** or another Calculation Agent**]**. The Issuer shall at all times maintain a Fiscal Agent **[**,**][**and**]** a Paying Agent **[*in the case of Early Redemption at the Option of the Issuer at the Call Redemption Amount the following applies:*** **[**,**][**and**]** a Calculation Agent**]** **[*in the case of payments in U.S. dollars the following applies:*** and if payments at or through the offices of all Paying Agents outside the United States (as defined in § 1**[**(7)**]**) 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 § 15.

(3) *Agent of the Issuer*. The Fiscal Agent **[**,**][**and**]** the Paying Agent **[*in the case of Early Redemption at the Option of the Issuer at the Call Redemption Amount, the following applies:*** and the Calculation Agent**]** and any other paying agent appointed pursuant to subsection (2) act solely as the agents of the Issuer and do not assume any obligations

Geschäftsstelle in demselben Land zu ersetzen.

(2) *Änderung oder Beendigung der Bestellung*. Die Emittentin behält sich das Recht vor, jederzeit die Bestellung des Fiscal Agent oder einer Zahlstelle **[*falls die Emittentin das Wahlrecht hat, die Schuldverschreibungen zum Wahl-Rückzahlungsbetrag vorzeitig zurückzuzahlen, gilt folgendes:*** oder der Berechnungsstelle**]** zu ändern oder zu beenden und einen anderen Fiscal Agent oder zusätzliche oder andere Zahlstellen **[*falls die Emittentin das Wahlrecht hat, die Schuldverschreibungen zum Wahl-Rückzahlungsbetrag vorzeitig zurückzuzahlen, gilt folgendes:*** oder eine andere Berechnungsstelle**]** zu bestellen. Die Emittentin wird zu jedem Zeitpunkt einen Fiscal Agent **[**und**][**,**]** eine Zahlstelle **[*falls die Emittentin das Wahlrecht hat, die Schuldverschreibungen zum Wahl-Rückzahlungsbetrag vorzeitig zurückzuzahlen, gilt folgendes:*** **[**,**][**und**]** eine Berechnungsstelle **[*im Fall von Zahlungen in US-Dollar gilt folgendes:*** und falls Zahlungen bei den oder durch die Geschäftsstellen aller Zahlstellen außerhalb der Vereinigten Staaten (wie in § 1**[**(7)**]** 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, Beendigung, Bestellung oder ein sonstiger Wechsel wird nur wirksam (außer im Insolvenzfall, in dem eine solche Änderung sofort wirksam wird), sofern die Gläubiger hierüber gemäß § 15 vorab unter Einhaltung einer Frist von mindestens 30 und nicht mehr als 45 Tagen informiert wurden.

(3) *Erfüllungsgehilfe der Emittentin*. Der Fiscal Agent **[**,**][**und**]** die Zahlstelle **[*falls die Emittentin das Wahlrecht hat, die Schuldverschreibungen zum Wahl-Rückzahlungsbetrag vorzeitig zurückzuzahlen, gilt folgendes:*** und die Berechnungsstelle**]** und jede andere nach Absatz (2) bestellte Zahlstelle handeln

towards or relationship of agency or trust for any Holder.

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.

The Fiscal Agent **[**,**][**and**]** the Paying Agent **[***in the case of Early Redemption at the Option of the Issuer at the Call Redemption Amount, the following applies:* and the Calculation Agent**]** may engage the advice or services of any lawyers or other experts whose advice or services it deems necessary and may rely upon any advice so obtained. Neither the Fiscal Agent nor the Paying Agent **[***in the case of Early Redemption at the Option of the Issuer at the Call Redemption Amount, the following applies:* nor the Calculation Agent**]** will incur any liability as against the Issuer **[**, the Guarantor**]** or the Holders in respect of any action taken, or not taken, or suffered to be taken, or not taken, in accordance with such advice in good faith.

Der Fiscal Agent**[**,**][**und**]** die Zahlstelle **[***falls die Emittentin das Wahlrecht hat, die Schuldverschreibungen zum Wahl-Rückzahlungsbetrag vorzeitig zurückzuzahlen, gilt folgendes:* und die Berechnungsstelle**]** können den Rat eines oder mehrerer Rechtsanwälte oder anderer Sachverständiger einholen, deren Beratung oder Dienste sie für notwendig hält, und sich auf eine solche Beratung verlassen. Der Fiscal Agent**[**,**][**und**]** die Zahlstelle **[***falls die Emittentin das Wahlrecht hat, die Schuldverschreibungen zum Wahl-Rückzahlungsbetrag vorzeitig zurückzuzahlen, gilt folgendes:* und die Berechnungsstelle**]** übernehmen keine Haftung gegenüber der Emittentin**[**, der Garantin**]** bzw. den Gläubigern im Zusammenhang mit Handlungen, die in gutem Glauben im Einklang mit einer solchen Beratung getätigt, unterlassen oder geduldet wurden.

§ 8 TAXATION

All amounts payable in respect of the Notes shall be made, and the Guarantee shall provide that all amounts payable in respect of such Guarantee shall be made, without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied at source by way of withholding or deduction by or on behalf of any jurisdiction in which the Issuer or the Guarantor, as applicable, is organised, engaged in business, resident for tax purposes or generally subject to tax on a net income basis or through or from which payment on the Notes or the Guarantee, as applicable, is made or any political subdivision or any authority thereof or therein having power to tax (each, a "**Relevant Taxing Jurisdiction**"), unless such withholding or deduction is required by law. If such withholding with respect to amounts payable in respect of the Notes is required by law, the Issuer will pay,

§ 8 BESTEUERUNG

Alle in Bezug auf die Schuldverschreibungen zu zahlenden Beträge werden ohne Einbehalt oder Abzug von oder aufgrund von gegenwärtigen oder zukünftigen Steuern oder Abgaben gleich welcher Art gezahlt, die von oder im Namen eines Landes, in dem die Emittentin bzw. die Garantin gegründet wurde, geschäftstätig, steuerlich ansässig oder grundsätzlich mit ihren Nettoeinkünften steuerpflichtig ist oder über das oder aus dem Zahlungen auf die Schuldverschreibungen bzw. die Garantie geleistet werden, oder einer steuererhebungsberechtigten Gebietskörperschaft oder Steuerbehörde dieses Landes (jeweils eine "**Maßgebliche Steuerjurisdiktion**") im Wege des Abzugs oder Einbehalts an der Quelle auferlegt oder erhoben werden, und die Garantie muss entsprechende Bestimmungen für alle in Bezug auf diese Garantie zu zahlenden Beträge enthalten, es sei denn, ein solcher Abzug oder

and the Guarantee shall provide that, if such withholding with respect to amounts payable in respect of such Guarantee is required by law, the Guarantor will pay, such additional amounts (the "**Additional Amounts**") as shall be necessary in order that the net amounts received by the Holders, after such withholding or deduction shall equal the respective amounts which would otherwise have been receivable in the absence of such withholding or deduction; except that no such Additional Amounts shall be payable on account of any taxes or duties which:

Einbehalt ist gesetzlich vorgeschrieben. Ist ein Einbehalt in Bezug auf zu zahlenden Beträge auf die Schuldverschreibungen gesetzlich vorgeschrieben, so wird die Emittentin diejenigen zusätzlichen Beträge (die "**Zusätzlichen Beträge**") zahlen, die erforderlich sind, damit die den Gläubigern zufließenden Nettobeträge nach einem solchen Einbehalt oder Abzug jeweils den Beträgen entsprechen, die ohne einen solchen Einbehalt oder Abzug von den Gläubigern erhalten worden wären - und die Garantie muss eine entsprechende Verpflichtung der Garantin vorsehen, falls ein solcher Einbehalt bei in Bezug auf diese Garantie zu zahlenden Beträge gesetzlich vorgeschrieben ist -; eine Verpflichtung zur Zahlung solcher Zusätzlichen Beträge besteht jedoch nicht für solche Steuern oder Abgaben:

(a) are payable by any Person acting as custodian bank or collecting agent on behalf of a Holder, or otherwise in any manner which does not constitute a deduction or withholding by the Issuer or the Guarantor, as applicable, from payments of principal or interest made by it, or

(a) die von einer als Depotbank oder Inkassobeauftragter im Namen eines Gläubigers handelnden Person zu entrichten sind oder sonst auf andere Weise zu entrichten sind als dadurch, dass die Emittentin bzw. die Garantin von den von ihr zu leistenden Zahlungen von Kapital oder Zinsen einen Abzug oder Einbehalt vornimmt, oder

(b) are payable by reason of the Holder having, or having had, some personal or business connection with the Relevant Taxing Jurisdiction and not merely by reason of the fact that payments in respect of the Notes or the Guarantee, as applicable, are, or for purposes of taxation are deemed to be, derived from sources in, or are secured in, the Relevant Taxing Jurisdiction, or

(b) die aufgrund einer bestehenden oder früheren persönlichen oder geschäftlichen Beziehung des Gläubigers zur Maßgeblichen Steuerjurisdiktion zu zahlen sind, und nicht allein deshalb, weil Zahlungen auf die Schuldverschreibungen bzw. die Garantie aus Quellen in der Maßgeblichen Steuerjurisdiktion stammen (oder für Zwecke der Besteuerung so behandelt werden) oder dort besichert sind, oder

(c) are deducted or withheld pursuant to (i) any European Union Directive or Regulation concerning the taxation of interest income, or (ii) any international treaty or understanding relating to such taxation and to which the Federal Republic of Germany or the Kingdom of the Netherlands or the European Union is a party, or (iii) any provision of law

(c) die aufgrund (i) einer Richtlinie oder Verordnung der Europäischen Union betreffend die Besteuerung von Zinserträgen oder (ii) zwischenstaatlicher Abkommen oder Vereinbarungen über deren Besteuerung, an denen die Bundesrepublik Deutschland oder das Königreich Niederlande oder die Europäische Union

implementing, or complying with, or introduced to conform with, such Directive, Regulation, treaty or understanding, or

beteiligt ist, oder (iii) einer gesetzlichen Vorschrift, die der Umsetzung dieser Richtlinie, Verordnung oder dieses Abkommens oder dieser Vereinbarung dient, diesen entspricht oder zur Anpassung an diese eingeführt wurde, abzuziehen oder einzubehalten sind, oder

(d) would not have been imposed or withheld but for the failure of the Holder or beneficial owner of Notes (including, for these purposes, any financial institution through which the Holder or beneficial owner holds the Notes or through which payment on the Notes is made), following a written request by or on behalf of the Issuer or the Guarantor addressed to the Holder or beneficial owner (and made at a time that would enable the Holder or beneficial owner acting reasonably to comply with that request, and in all events, at least 30 days before any withholding or deduction would be required), to comply with any certification, identification, information or other reporting requirement whether required by statute, treaty, regulation or administrative practice of a Relevant Taxing Jurisdiction, that is a precondition to exemption from, or reduction in the rate of deduction or withholding of, taxes imposed by the Relevant Taxing Jurisdiction (including, without limitation, a certification that the Holder or beneficial owner is not resident in the Relevant Taxing Jurisdiction), but in each case, only to the extent the Holder or beneficial owner is legally entitled to provide such certification, information or documentation, or

(d) die nicht erhoben oder einbehalten worden wären, wenn es der Gläubiger oder der wirtschaftliche Eigentümer der Schuldverschreibungen (für die vorliegenden Zwecke einschließlich Finanzinstitute, über die der Gläubiger oder wirtschaftliche Eigentümer die Schuldverschreibungen hält oder über die Zahlungen auf die Schuldverschreibungen erfolgen) nicht unterlassen hätte, nach einer an den Gläubiger oder wirtschaftlichen Eigentümer gerichteten schriftlichen Aufforderung der Emittentin, der Garantin oder in deren Namen (die so rechtzeitig erfolgt, dass der Gläubiger bzw. der wirtschaftliche Eigentümer dieser Aufforderung mit zumutbaren Anstrengungen nachkommen kann, in jedem Fall aber mindestens 30 Tage, bevor ein Einbehalt oder Abzug erforderlich wäre), einer aufgrund von Gesetzen, Abkommen, Verordnungen oder der Verwaltungspraxis in einer Maßgeblichen Steuerjurisdiktion vorgeschrieben Bescheinigungs-, Identifizierungs-, Informations-, oder sonstigen Nachweispflicht nachzukommen, die Voraussetzung für eine Befreiung von in der Maßgeblichen Steuerjurisdiktion erhobenen Steuern oder eine Reduzierung der Höhe des Abzugs oder Einbehalts solcher Steuern ist (u. a. eine Bescheinigung, dass der Gläubiger bzw. der wirtschaftliche Eigentümer nicht in der Maßgeblichen Steuerjurisdiktion ansässig ist), jedoch jeweils nur, soweit der Gläubiger bzw. der wirtschaftliche Eigentümer rechtlich berechtigt ist, die Bescheinigung, Information oder Dokumentation vorzulegen, oder

(e) are payable by reason of a change in law that becomes effective more than 30 days after the relevant payment becomes due, or is duly provided for and notice thereof is published in accordance with § 15, whichever occurs later, or

(f) any combinations of items (a)-(e),

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 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 Issuer.

§ 9 PRESENTATION PERIOD

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

§ 10 EVENTS OF DEFAULT

(1) *Events of default*. If an Event of Default occurs and is continuing, each Holder shall be entitled to declare due and payable by

(e) die wegen einer Rechtsänderung zu zahlen sind, welche später als 30 Tage nach Fälligkeit der betreffenden Zahlung oder, wenn dies später erfolgt, ordnungsgemäßer Bereitstellung aller fälligen Beträge und einer diesbezüglichen Bekanntmachung gemäß § 15 wirksam wird, oder

(f) jegliche Kombination der Absätze (a)-(e).

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 der Zahlung erhält, soweit nach den Gesetzen der Maßgeblichen Steuerjurisdiktion eine solche Zahlung für Steuerzwecke dem Einkommen des Begünstigten bzw. Gründers eines Treuhandvermögens oder eines Gesellschafters 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 selbst Gläubiger der Schuldverschreibungen wäre.

Zur Klarstellung wird festgehalten, dass die gegenwärtig in der Bundesrepublik Deutschland gemäß dem zum Begebungstag geltenden Steuerrecht auf der Ebene der Depotbank erhobene Kapitalertragsteuer und der darauf anfallende Solidaritätszuschlag keine Steuern oder Abgaben der vorstehend beschriebenen Art darstellen, für die von der Emittentin Zusätzliche Beträge zu zahlen wären.

§ 9 VORLEGUNGSFRIST

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

§ 10 KÜNDIGUNGSGRÜNDE

(1) *Kündigungsgründe*. Tritt ein Kündigungsgrund ein und dauert dieser an, so ist jeder Gläubiger berechtigt, seine sämtlichen Forderungen aus

submitting a Termination Notice pursuant to § 10(2) to the Paying 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. Each of the following is an "**Event of Default**":

(a) the Issuer or, failing which, the Guarantor fails to pay principal, interest or any other amounts due under the Notes or the Guarantee within 30 days from the relevant due date; or

(b) the Issuer or the Guarantor fails to duly perform any other obligation arising from the Notes or the Guarantee and such failure, if capable of remedy, continues unremedied for more than 60 days after the Paying Agent has received a written request thereof in the manner set forth in § 10(2) from a Holder to perform such obligation; or

(c) (i) any Financial Indebtedness of the Guarantor or any Material Subsidiary (other than under the Notes) becomes due and payable prior to its specified maturity (whether by declaration, automatic acceleration or otherwise) as a result of an event of default (howsoever described), or (ii) any Financial Indebtedness of the Guarantor or any Material Subsidiary (other than under the Notes) is not paid within 30 days from its due date nor within any originally applicable or subsequently agreed grace period, provided that the aggregate amount of Financial Indebtedness falling within (i) and (ii) above amounts to at least EUR 25,000,000 (or its equivalent in other currencies). For the avoidance of doubt, this subparagraph (1)(c) shall not apply, where the Guarantor or the relevant Material Subsidiary contests in

den Schuldverschreibungen durch Abgabe einer Kündigungserklärung gemäß § 10(2) gegenüber der Zahlstelle fällig zu stellen und deren unverzügliche Rückzahlung zu ihrem Nennbetrag, zuzüglich etwaiger bis zum Tage der Rückzahlung (ausschließlich) aufgelaufener Zinsen zu verlangen. Jedes der folgenden Ereignisse stellt einen "**Kündigungsgrund**" dar:

(a) die Emittentin oder, falls diese nicht leistet, die Garantin zahlt auf die Schuldverschreibungen bzw. die Garantie fällige Kapital- oder Zinsbeträge oder sonstige Beträge nicht innerhalb von 30 Tagen nach Fälligkeit; oder

(b) die Emittentin oder die Garantin erfüllt irgendeine andere Verpflichtung aus den Schuldverschreibungen bzw. der Garantie nicht und die Nichterfüllung dauert - sofern sie geheilt werden kann - jeweils länger als 60 Tage fort, nachdem die Zahlstelle eine schriftliche Aufforderung in der in § 10(2) vorgesehenen Art und Weise von einem Gläubiger erhalten hat, die Verpflichtung zu erfüllen; oder

(c) (i) eine (nicht im Rahmen der Schuldverschreibungen bestehende) Finanzverbindlichkeit der Garantin oder einer Wesentlichen Tochtergesellschaft wird infolge eines Kündigungsgrunds (unabhängig von der Bezeichnung) vor ihrer festgelegten Fälligkeit fällig und zahlbar (sei es durch Kündigung, automatische vorzeitige Fälligstellung oder auf andere Weise) oder (ii) eine (nicht im Rahmen der Schuldverschreibungen bestehende) Finanzverbindlichkeit der Garantin oder einer Wesentlichen Tochtergesellschaft wird weder innerhalb von 30 Tagen nach Fälligkeit noch innerhalb einer ursprünglich geltenden oder nachträglich vereinbarten Nachfrist gezahlt, jeweils mit der Maßgabe, dass der Gesamtbetrag der Finanzverbindlichkeiten nach (i) und (ii) mindestens EUR 25.000.000 (oder den Gegenwert in einer anderen

good faith that such payment obligation exists or is due; or

Währung) beträgt. Zur Klarstellung wird festgehalten, dass dieser Absatz (1)(c) keine Anwendung findet, wenn die Garantin oder die jeweilige Wesentliche Tochtergesellschaft in gutem Glauben bestreitet, dass diese Zahlungsverpflichtung besteht oder fällig ist; oder

(d) the Guarantor or any Material Subsidiary announces its inability to meet its financial obligations or ceases its payments generally; or

(d) die Garantin oder eine Wesentliche Tochtergesellschaft gibt ihre Zahlungsunfähigkeit bekannt oder stellt ihre Zahlungen generell ein; oder

(e) insolvency proceedings against the Guarantor or any Material Subsidiary are instituted and have not been discharged or stayed within 90 days, or the Guarantor or any Material Subsidiary applies for or institutes such proceedings; or

(e) gegen die Garantin oder eine Wesentliche Tochtergesellschaft wird ein Insolvenzverfahren eingeleitet und nicht innerhalb von 90 Tagen aufgehoben oder ausgesetzt, oder die Garantin oder eine Wesentliche Tochtergesellschaft beantragt die Eröffnung eines solchen Verfahrens oder leitet ein solches Verfahren ein; oder

(f) the Guarantor or the Issuer enters into liquidation unless this is done in connection with a merger or other form of combination with another company and such company assumes all obligations of the Issuer in connection with the Notes or the Guarantor in connection with the Guarantee, as applicable; or

(f) die Garantin oder die Emittentin geht in Liquidation, es sei denn, dies geschieht im Zusammenhang mit einer Verschmelzung oder einer anderen Form des Zusammenschlusses mit einer anderen Gesellschaft und die andere Gesellschaft übernimmt alle Verpflichtungen, die die Emittentin im Zusammenhang mit den Schuldverschreibungen bzw. die Garantin im Zusammenhang mit der Garantie eingegangen ist; oder

(g) any governmental order, decree or enactment is made in or by the Federal Republic of Germany or the Kingdom of the Netherlands whereby the Issuer or the Guarantor is prevented from observing and performing in full its obligations under the Notes or the Guarantee and this situation is not cured within 90 days; or

(g) in der Bundesrepublik Deutschland oder dem Königreich Niederlande werden Gesetze, Verordnungen oder behördliche Anordnungen erlassen, aufgrund derer die Emittentin oder die Garantin daran gehindert wird, ihre Verpflichtungen aus den Schuldverschreibungen bzw. der Garantie in vollem Umfang nachzukommen und zu erfüllen und dieser Umstand wird nicht binnen 90 Tagen behoben; oder

(h) cessation of business operations of the Guarantor or the Issuer; or

(h) Einstellung des Geschäftsbetriebs der Garantin oder der Emittentin; oder

(i) the Guarantee ceases to be in full force and effect or is declared null and void in

(i) die Garantie verliert ihre volle Wirkung oder wird in einem Gerichtsverfahren für

a judicial proceeding.

(2) *Termination Notices*. Any notice by a Holder (i) in accordance with § 10(1)(b) or (ii) to terminate its Notes in accordance with § 10 (a "**Termination Notice**") shall be made by means of a declaration in text form (*Textform*) to the Fiscal Agent in the German or English language delivered together with evidence by means of a certificate of the Holder's Custodian (as defined in § 17(3)) that such Holder, at the time of such Termination Notice, is a holder of the relevant Notes.

(3) *Cure*. For the avoidance of doubt, the right to declare Notes due in accordance with this § 10 shall terminate if the situation giving rise to it has been cured before the right is exercised.

(4) *Quorum*. In the events specified in § 10(1)(b) and § 10(1)(c), any notice declaring Notes due shall, unless at the time such notice is received any of the events specified in § 10(1)(a) and § 10(1)(d)-(i) entitling Holders to declare their Notes due has occurred, become effective only when the Paying Agent has received such default notices from the Holders representing at least 10 % of the aggregate principal amount of the Notes then outstanding.

§ 11 COVENANTS

(1) *Limitations on Incurrence of Financial Indebtedness*. The Guarantor has undertaken in the Guarantee that it will not, and will procure that none of its Subsidiaries will, after the Issue Date, incur any Financial Indebtedness if, immediately after giving effect to the incurrence of such additional Financial Indebtedness and the application of the net proceeds of such incurrence,

(a) the sum of (i) the Consolidated Financial Indebtedness of the Group as of the immediately preceding Reporting Date for which Consolidated Financial Statements of the Guarantor have been

unwirksam erklärt.

(2) *Kündigungserklärungen*. Eine Erklärung eines Gläubigers (i) gemäß § 10(1)(b) oder (ii) zur Kündigung seiner Schuldverschreibungen gemäß § 10 (eine "**Kündigungserklärung**") hat in der Weise zu erfolgen, dass der Gläubiger dem Fiscal Agent eine entsprechende Erklärung in Textform in deutscher oder englischer Sprache übermittelt und dabei durch eine Bescheinigung seiner Depotbank (wie in § 17(3) definiert) nachweist, dass er die betreffenden Schuldverschreibungen zum Zeitpunkt der Kündigungserklärung hält.

(3) *Heilung*. Zur Klarstellung wird festgehalten, dass das Recht zur Kündigung der Schuldverschreibungen gemäß diesem § 10 erlischt, falls der Kündigungsgrund vor Ausübung des Rechts geheilt wurde.

(4) *Quorum*. In den Fällen gemäß § 10 (1)(b) und §10(1)(c) wird eine Kündigungserklärung, sofern nicht bei deren Eingang zugleich einer der in § 10(1)(a) und § 10(1)(d)-(i) bezeichneten Kündigungsgründe vorliegt, erst wirksam, wenn bei der Zahlstelle Kündigungserklärungen von Gläubigern im Nennbetrag von mindestens 10 % des Gesamtnennbetrages der zu diesem Zeitpunkt noch insgesamt ausstehenden Schuldverschreibungen eingegangen sind.

§ 11 VERPFLICHTUNGSERKLÄRUNGEN

(1) *Beschränkungen für das Eingehen von Finanzverbindlichkeiten*. Die Garantin hat sich in der Garantie verpflichtet, nach dem Begebungstag keine Finanzverbindlichkeiten einzugehen und sicherzustellen, dass ihre Tochtergesellschaften nach dem Begebungstag keine Finanzverbindlichkeiten eingehen, wenn jeweils unmittelbar nach Wirksamwerden des Eingehens solcher weiterer Finanzverbindlichkeiten und der Verwendung des damit erzielten Nettoerlöses eine der folgenden Bedingungen erfüllt wären:

(a) die Summe aus (i) den Konsolidierten Finanzverbindlichkeiten der Gruppe zum unmittelbar vorangegangenen Berichtsstichtag, zu dem ein Konzernabschluss der Garantin

published and (ii) the Net Nominal Financial Indebtedness incurred since the immediately preceding Reporting Date for which Consolidated Financial Statements of the Guarantor have been published would exceed 60 % of the sum of (without duplication) (x) Total Assets as of the immediately preceding Reporting Date for which Consolidated Financial Statements of the Guarantor have been published, (y) the purchase price of any Real Estate Property acquired or contracted for acquisition since the immediately preceding Reporting Date for which Consolidated Financial Statements of the Guarantor have been published and (z) the proceeds of any Financial Indebtedness incurred since the immediately preceding Reporting Date for which Consolidated Financial Statements of the Guarantor have been published (but only to the extent such proceeds were not used to acquire Real Estate Property or to reduce Financial Indebtedness); or

veröffentlicht wurde, und (ii) dem Nennbetrag der Finanzverbindlichkeiten (netto), die seit dem unmittelbar vorangegangenen Berichtsstichtag eingegangen wurden, zu dem ein Konzernabschluss der Garantin veröffentlicht wurde, würde einen Betrag in Höhe von 60 % der Summe (unter Ausschluss einer Doppelberücksichtigung) aus (x) der Bilanzsumme zum unmittelbar vorangegangenen Berichtsstichtag, zu dem ein Konzernabschluss der Garantin veröffentlicht wurde, (y) dem Kaufpreis für Immobilienvermögen, das seit dem unmittelbar vorangegangenen Berichtsstichtag, zu dem ein Konzernabschluss der Garantin veröffentlicht wurde, erworben wurde oder für dessen Erwerb seit diesem Zeitpunkt eine Verpflichtung eingegangen wurde, und (z) dem Erlös aus Finanzverbindlichkeiten, die seit dem unmittelbar vorangegangenen Berichtsstichtag eingegangen wurden, zu dem ein Konzernabschluss der Garantin veröffentlicht wurde (jedoch nur soweit dieser Erlös nicht zum Erwerb von Immobilienvermögen oder zur Verringerung von Finanzverbindlichkeiten verwendet wurde) übersteigen; oder

(b) the sum of (i) the Consolidated Secured Financial Indebtedness of the Group as of the immediately preceding Reporting Date for which Consolidated Financial Statements of the Guarantor have been published and (ii) the Net Nominal Secured Financial Indebtedness incurred since the immediately preceding Reporting Date for which Consolidated Financial Statements of the Guarantor have been published would exceed 45 % of the sum of (without duplication) (x) Total Assets as of the immediately preceding Reporting Date for which Consolidated Financial Statements of the Guarantor have been published, (y) the purchase price of any Real Estate Property acquired or contracted for

(b) die Summe aus (i) den Besicherten Konsolidierten Finanzverbindlichkeiten der Gruppe zum unmittelbar vorangegangenen Berichtsstichtag, zu dem ein Konzernabschluss der Garantin veröffentlicht wurde, und (ii) dem Nennbetrag der Besicherten Finanzverbindlichkeiten (netto), die seit dem unmittelbar vorangegangenen Berichtsstichtag eingegangen wurden, zu dem ein Konzernabschluss der Garantin veröffentlicht wurde, würde einen Betrag in Höhe von 45 % der Summe (unter Ausschluss einer Doppelberücksichtigung) aus (x) der Bilanzsumme zum unmittelbar vorangegangenen Berichtsstichtag, zu dem ein Konzernabschluss der Garantin

acquisition since the immediately preceding Reporting Date for which Consolidated Financial Statements of the Guarantor have been published and (z) the proceeds of any Financial Indebtedness incurred since the immediately preceding Reporting Date for which Consolidated Financial Statements of the Guarantor have been published (but only to the extent such proceeds were not used to acquire Real Estate Property or to reduce Financial Indebtedness).

veröffentlicht wurde, (y) dem Kaufpreis für Immobilienvermögen, das seit dem unmittelbar vorangegangenen Berichtsstichtag, zu dem ein Konzernabschluss der Garantin veröffentlicht wurde, erworben wurde oder für dessen Erwerb seit diesem Zeitpunkt eine Verpflichtung eingegangen wurde, und (z) dem Erlös aus Finanzverbindlichkeiten, die seit dem unmittelbar vorangegangenen Berichtsstichtag eingegangen wurden, zu dem ein Konzernabschluss der Garantin veröffentlicht wurde (jedoch nur soweit dieser Erlös nicht zum Erwerb von Immobilienvermögen oder zur Verringerung von Finanzverbindlichkeiten verwendet wurde) übersteigen.

(2) *Maintenance of Consolidated Coverage Ratio*. The Guarantor has undertaken in the Guarantee that on each Reporting Date the Consolidated Coverage Ratio will be at least 1.80 to 1.00.

(2) *Einhaltung des Konsolidierten Deckungsgrads*. Die Garantin hat sich in der Garantie verpflichtet, dass der Konsolidierte Deckungsgrad an jedem Berichtsstichtag mindestens 1,80 zu 1,00 betragen wird.

(3) *Maintenance of Total Unencumbered Assets.* The Guarantor has undertaken in the Guarantee that from the Issue Date the sum of (i) the Unencumbered Assets as of the immediately preceding Reporting Date for which Consolidated Financial Statements of the Guarantor have been published and (ii) the Net Unencumbered Assets newly recorded since the immediately preceding Reporting Date for which Consolidated Financial Statements of the Guarantor have been published will at no time be less than 125 % of the sum of (x) the Unsecured Financial Indebtedness as of the immediately preceding Reporting Date for which Consolidated Financial Statements of the Guarantor have been published and (y) the Net Nominal Unsecured Financial Indebtedness incurred since the immediately preceding Reporting Date for which Consolidated Financial Statements of the Guarantor have been published.

(3) *Einhaltung des Gesamtbetrags des Unbelasteten Vermögens*. Die Garantin hat sich in der Garantie verpflichtet, dass ab dem Begebungstag die Summe aus (i) dem Unbelasteten Vermögen zum unmittelbar vorangegangenen Berichtsstichtag, zu dem ein Konzernabschluss der Garantin veröffentlicht wurde, und (ii) dem seit dem unmittelbar vorangegangenen Berichtsstichtag, zu dem ein Konzernabschluss der Garantin veröffentlicht wurde, neu erfassten Unbelasteten Nettovermögen zu keiner Zeit weniger als 125 % der Summe aus (x) den Unbesicherten Finanzverbindlichkeiten zum unmittelbar vorangegangenen Berichtsstichtag, zu dem ein Konzernabschluss der Garantin veröffentlicht wurde, und (y) dem Nennbetrag der Unbesicherten Finanzverbindlichkeiten (netto), die seit dem unmittelbar vorangegangenen Berichtsstichtag, zu dem ein Konzernabschluss der Garantin veröffentlicht wurde, eingegangen wurden, betragen wird.

(4) *Reports*. For so long as any Notes are outstanding, the Guarantor shall post on its website,

(4) *Berichte*. Solange Schuldverschreibungen ausstehen, veröffentlicht die Garantin die folgenden Angaben auf ihrer Internetseite:

(a) within 120 days after the end of each of the Guarantor's fiscal years, annual reports containing the following information:

(i) audited consolidated financial statements in accordance with IFRS as adopted by the EU and the management report in accordance with section 315 of the German Commercial Code (*Handelsgesetzbuch*);

(ii) in addition to the requirements of IFRS and of the German Commercial Code (*Handelsgesetzbuch*) the management report to the consolidated financial statements should include information on compliance by the Guarantor with the covenants "*Limitations on Incurrence of Financial Indebtedness*", "*Maintenance of Consolidated Coverage Ratio*" and "*Maintenance of Total Unencumbered Assets*"; and

(iii) the audit opinion of the independent auditors on the consolidated financial statements;

(b) within 60 days after the end of each of the first three fiscal quarters in each fiscal year of the Guarantor, unaudited condensed consolidated quarterly financial statements in accordance with IFRS as adopted by the EU and the requirements of section 37w of the German Securities Trading Act (*Wertpapierhandelsgesetz - WpHG*), which will include information on compliance with the covenants "*Limitations on Incurrence of Financial Indebtedness*", "*Maintenance of Consolidated Coverage Ratio*" and "*Maintenance of Total Unencumbered Assets*".

(a) innerhalb von 120 Tagen nach dem Ende des Geschäftsjahres der Garantin einen Geschäftsbericht mit den folgenden Angaben:

(i) einem geprüften Konzernabschluss nach den in der EU anwendbaren International Financial Reporting Standards (IFRS) und einen Lagebericht nach § 315 HBG;

(ii) zusätzlich zu den Anforderungen nach IFRS und HGB soll der Lagebericht zum Konzernabschluss Angaben enthalten über die Einhaltung der Verpflichtungserklärungen zu "*Beschränkungen für das Eingehen von Finanzverbindlichkeiten*", "*Einhaltung des Konsolidierten Deckungsgrads*" und "*Einhaltung des Gesamtbetrags des Unbelasteten Vermögens*" durch die Garantin; und

(iii) dem Bestätigungsvermerk des Abschlussprüfers zum Konzernabschluss;

(b) innerhalb von 60 Tagen nach dem Ende jedes der ersten drei Quartale jedes Geschäftsjahres der Garantin einen ungeprüften verkürzten Konzern-Zwischenabschluss nach den in der EU anwendbaren IFRS und den Anforderungen des § 37w Wertpapierhandelsgesetz (WpHG), der Angaben über die Einhaltung der Verpflichtungserklärungen zu "*Beschränkungen für das Eingehen von Finanzverbindlichkeiten*", "*Einhaltung des Konsolidierten Deckungsgrads*" und "*Einhaltung des Gesamtbetrags des Unbelasteten Vermögens*" enthält.

§ 12 SUBSTITUTION, TRANSFER OF DOMICILE

(1) *Substitution*. The Issuer may, without the consent of the Holders, if no payment of

§ 12 ERSETZUNG, SITZVERLEGUNG

(1) *Ersetzung*. Die Emittentin ist berechtigt, wenn kein Zahlungsverzug hinsichtlich Kapital oder

principal of or interest on any of the Notes is in default, at any time substitute for the Issuer the Guarantor or any Affiliate of the Guarantor as principal debtor in respect of all obligations arising from or in connection with these Notes (the "**Substitute Debtor**") provided that:

(a) the Substitute Debtor, in a manner legally effective, assumes all obligations of the Issuer in respect of the Notes;

(b) the Guarantor (provided that the Guarantor is not the Substitute Debtor) declares that its Guarantee shall with respect to the Notes also apply to the Substitute Debtor (each such declaration a "**Substitution Guarantee**");

(c) the obligations under the Guarantee will not be limited in any way solely as a consequence of the Issuer being substituted by the Substitute Debtor;

(d) the Substitute Debtor, the Issuer and the Guarantor (provided that the Guarantor is not the Substitute Debtor) have obtained all necessary governmental and regulatory approvals and consents for such substitution and for the issue by the Guarantor (provided that the Guarantor is not the Substitute Debtor) of a Substitution Guarantee, that the Substitute Debtor has obtained all necessary governmental and regulatory approvals and consents for the performance by the Substitute Debtor of its obligations under the Notes and that all such approvals and consents are in full force and effect and that the obligations assumed by the Substitute Debtor in respect of the Notes and the obligations assumed by the Guarantor (provided that the Guarantor is not the Substitute Debtor) under its Substitution Guarantee are, in each case, valid and

Zinsen auf die Schuldverschreibungen vorliegt, jederzeit ohne die Zustimmung der Gläubiger die Garantin oder ein mit der Garantin Verbundenes Unternehmen an ihrer Stelle als Hauptschuldnerin (die "**Nachfolgeschuldnerin**") für alle Verpflichtungen aus oder im Zusammenhang mit den Schuldverschreibungen einzusetzen, vorausgesetzt, dass:

(a) die Nachfolgeschuldnerin alle Verpflichtungen der Emittentin im Zusammenhang mit den Schuldverschreibungen rechtswirksam übernimmt;

(b) die Garantin (falls die Garantin nicht selbst die Nachfolgeschuldnerin ist) erklärt, dass ihre Garantie im Zusammenhang mit den Schuldverschreibungen auch auf die Nachfolgeschuldnerin Anwendung findet (jede solche Erklärung eine "**Ersetzungsgarantie**");

(c) die Verpflichtungen aus der Garantie in keiner Weise lediglich deshalb beschränkt sind, weil die Emittentin durch die Nachfolgeschuldnerin ersetzt wurde;

(d) die Nachfolgeschuldnerin, die Emittentin und die Garantin (falls die Garantin nicht selbst die Nachfolgeschuldnerin ist) alle für die Ersetzung und für die Übernahme einer Ersetzungsgarantie durch die Garantin (falls die Garantin nicht selbst die Nachfolgeschuldnerin ist) notwendigen Genehmigungen und Zustimmungen von staatlichen Stellen und Aufsichtsbehörden erhalten haben, die Nachfolgeschuldnerin alle für die Erfüllung ihrer Verpflichtungen aus den Schuldverschreibungen notwendigen Genehmigungen und Zustimmungen von staatlichen Stellen und Aufsichtsbehörden erhalten hat und weiterhin sämtliche dieser Genehmigungen und Zustimmungen in vollem Umfang gültig und wirksam sind und zudem die Verpflichtungen der Nachfolgeschuldnerin aus den Schuldverschreibungen und die von der

binding in accordance with their respective terms and enforceable by each Holder;

Garantin (falls die Garantin nicht selbst die Nachfolgeschuldnerin ist) aus ihrer Ersetzungsgarantie übernommenen Verpflichtungen jeweils gemäß ihren Bestimmungen wirksam und rechtsverbindlich und durch jeden Gläubiger durchsetzbar sind;

(e) the Substitute Debtor can transfer to the Paying Agent in the currency required 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 or the Guarantor (provided that the Guarantor is not the Substitute Debtor) has its domicile or tax residence, all amounts required for the fulfilment of the payment obligations arising under the Notes;

(e) die Nachfolgeschuldnerin alle für die Erfüllung der Zahlungsverpflichtungen aus den Schuldverschreibungen erforderlichen Beträge in der erforderlichen Währung an die Zahlstelle überweisen kann, ohne zum Abzug oder Einbehalt von Steuern oder sonstigen Abgaben gleich welcher Art verpflichtet zu sein, die in dem Land erhoben werden, in dem die Nachfolgeschuldnerin, die Emittentin oder die Garantin (falls die Garantin nicht selbst die Nachfolgeschuldnerin ist) ihren Sitz hat oder steuerlich ansässig ist;

(f) the Substitute Debtor has agreed to indemnify and hold harmless each Holder against any tax, duty, assessment or governmental charge imposed on such Holder in respect of such substitution; and

(f) die Nachfolgeschuldnerin sich verpflichtet hat, jeden Gläubiger hinsichtlich solcher Steuern, Abgaben, Festsetzungen oder behördlichen Lasten freizustellen, die einem Gläubiger im Zusammenhang mit der Ersetzung auferlegt werden; und

(g) the Issuer shall have delivered to an agent appointed for that purpose one Opinion of Counsel for each jurisdiction affected of lawyers of recognised standing to the effect that subparagraphs (a) to (f) above have been satisfied.

(g) die Emittentin einem zu diesem Zweck bestellten Beauftragten ein Rechtsgutachten bezüglich jeder betroffenen Rechtsordnung von anerkannten Rechtsanwälten vorgelegt hat, das bestätigt, dass die Bestimmungen in den vorstehenden Absätzen (a) bis (f) erfüllt wurden.

For purposes of this § 12, "**Affiliate**" shall mean any affiliated company (verbundenes Unternehmen) within the meaning of section 15 of the German Stock Corporation Act (*Aktiengesetz*).

Für die Zwecke dieses § 12 bezeichnet "**Verbundenes Unternehmen**" ein verbundenes Unternehmen im Sinne von § 15 Aktiengesetz (AktG).

(2) *Notice*. Any substitution of the Issuer pursuant to this § 12 and the date of effectiveness of such substitution shall be published in accordance with § 15.

(2) *Bekanntmachung*. Jede Ersetzung der Emittentin gemäß diesem § 12 sowie das Datum, an dem die Ersetzung wirksam wird, ist gemäß § 15 bekannt zu geben.

(3) *Change of References*. Upon effectiveness of the substitution any reference in these Terms and Conditions to the Issuer shall from then

(3) *Änderung von Bezugnahmen*. Mit Wirksamwerden der Ersetzung gilt jede Bezugnahme in diesen Emissionsbedingungen

on be deemed to refer to the Substitute Debtor and any reference to the Relevant Taxing Jurisdiction with respect to the Issuer shall from then on be deemed to refer to the Relevant Taxing Jurisdiction with respect to the Substitute Debtor. Furthermore, in the event of such substitution, § 10(1)(i) shall be deemed to be amended to the effect that it shall be an Event of Default if a Substitution Guarantee ceases to be valid or binding on or enforceable against the Guarantor (provided that the Guarantor is not itself the Substitute Debtor).

auf die Emittentin ab dem Zeitpunkt der Ersetzung als Bezugnahme auf die Nachfolgeschuldnerin und jede Bezugnahme auf die Maßgebliche Steuerjurisdiktion im Hinblick auf die Emittentin gilt ab diesem Zeitpunkt als Bezugnahme auf die Maßgebliche Steuerjurisdiktion im Hinblick auf die Nachfolgeschuldnerin. Des Weiteren gilt im Fall einer Ersetzung § 10(1)(i) als in der Form geändert, dass als Kündigungsgrund gilt, wenn eine Ersetzungsgarantie nicht mehr wirksam oder rechtsverbindlich für die Garantin ist oder nicht mehr gegen die Garantin durchsetzbar ist (falls die Garantin nicht selbst die Nachfolgeschuldnerin ist).

(4) *Release from Obligations*. Upon effective substitution of the Issuer as set forth in this § 12, the Issuer shall be released from any obligation arising from or in connection with the Notes.

(4) *Schuldbefreiung*. Nach wirksamer Ersetzung der Emittentin gemäß diesem § 12 ist die Emittentin von allen Verpflichtungen aus oder im Zusammenhang mit den Schuldverschreibungen befreit.

(5) *Further Substitution*. At any time after a substitution pursuant to § 12(1) above, the Substitute Debtor may, without the consent of the Holders, effect a further substitution provided that all the provisions specified in § 12(1) to § 12(4) above shall apply, *mutatis mutandis*, and, without limitation, references in these Terms and Conditions to the Issuer shall, where the context so requires, be deemed to be or include references to any such further Substitute Debtor; provided that in no event shall any substitution under this § 12 have the effect of releasing the Guarantor from any of its obligations under its Guarantee.

(5) *Weitere Ersetzungen*. Die Nachfolgeschuldnerin ist jederzeit nach einer Ersetzung gemäß vorstehendem § 12(1) berechtigt, ohne die Zustimmung der Gläubiger eine weitere Ersetzung vorzunehmen, wobei alle Bestimmungen der vorstehenden § 12(1) bis § 12(4) sinngemäß Anwendung finden und, ohne hierauf beschränkt zu sein, Bezugnahmen in diesen Emissionsbedingungen auf die Emittentin, sofern der Zusammenhang dies verlangt, als Bezugnahmen bzw. auch als Bezugnahmen auf jede weitere Nachfolgeschuldnerin gelten. Eine Ersetzung gemäß diesem § 12 hat jedoch in keinem Fall zur Folge, dass die Garantin von ihren Verpflichtungen aus ihrer Garantie befreit wird.

(6) *Transfer of Domicile*. A transfer of domicile of the Issuer to another country or territory is only permissible if the requirements set forth in § 12(1) and (2) above are complied with accordingly. § 12(3) second half-sentence of sentence 1 shall apply *mutatis mutandis*.

(6) *Sitzverlegung*. Eine Verlegung des Sitzes der Emittentin in ein anderes Land oder Gebiet ist nur zulässig, wenn die vorstehend in § 12(1) und (2) genannten Anforderungen entsprechend erfüllt sind. § 12(3) zweiter Halbsatz des ersten Satzes findet entsprechende Anwendung.

§ 13 FURTHER ISSUES, PURCHASES AND CANCELLATION

(1) *Further Issues*. Subject to § 11, the Issuer may from time to time, without the consent of the Holders, issue further Notes having the same terms and conditions as the Notes in all respects (or in all respects except for the Issue Date, interest commencement date and/or issue price) so as to form a single series with the Notes.

(2) *Purchases*. The Issuer and the Guarantor may at any time purchase Notes in the open market or otherwise and at any price. Notes purchased by the Issuer or the Guarantor may, at the option of the Issuer and the Guarantor, be held, resold or surrendered to the Paying Agent for cancellation.

(3) *Cancellation*. All Notes redeemed in full shall be cancelled forthwith and may not be reissued or resold.

§ 14 AMENDMENTS OF THE TERMS AND CONDITIONS BY RESOLUTIONS OF HOLDERS, HOLDERS' REPRESENTATIVE

(1) *Amendment of the Terms and Conditions*. The Issuer may agree with the Holders on amendments to the Terms and Conditions or on other matters by virtue of a majority resolution of the Holders pursuant to sections 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 section 5 paragraph 3 of the SchVG by resolutions passed by such majority of the votes of the Holders as stated under § 14(2) below. A duly passed majority

§ 13 BEGEBUNG WEITERER SCHULDVERSCHREIBUNGEN, ANKAUF UND ENTWERTUNG

(1) *Begebung weiterer Schuldverschreibungen*. Die Emittentin ist vorbehaltlich der Bestimmungen von § 11 berechtigt, jederzeit ohne Zustimmung der Gläubiger weitere Schuldverschreibungen mit in jeder Hinsicht gleicher Ausstattung (gegebenenfalls mit Ausnahme des jeweiligen Begebungstags, des Verzinsungsbeginns und/oder des Ausgabepreises) in der Weise zu begeben, dass sie mit diesen Schuldverschreibungen eine einheitliche Serie bilden.

(2) *Ankauf*. Die Emittentin und die Garantin sind berechtigt, jederzeit Schuldverschreibungen im Markt oder anderweitig zu jedem beliebigen Preis zu kaufen. Die von der Emittentin bzw. der Garantin erworbenen Schuldverschreibungen können nach Wahl der Emittentin und der Garantin von ihr gehalten, weiterverkauft oder bei der Zahlstelle zwecks Entwertung eingereicht werden.

(3) *Entwertung*. Sämtliche vollständig zurückgezahlten Schuldverschreibungen sind unverzüglich zu entwerten und können nicht wiederbegeben oder wiederverkauft werden.

§ 14 ÄNDERUNGEN DER EMISSIONSBEDINGUNGEN DURCH BESCHLÜSSE DER GLÄUBIGER; GEMEINSAMER VERTRETER

(1) *Änderung der Emissionsbedingungen*. Die Emittentin kann mit den Gläubigern Änderungen der Emissionsbedingungen oder sonstige Maßnahmen durch Mehrheitsbeschluss der Gläubiger nach Maßgabe der §§ 5 ff. des Gesetzes über Schuldverschreibungen aus Gesamtemissionen ("**SchVG**") in seiner jeweils geltenden Fassung beschließen. Die Gläubiger können insbesondere einer Änderung wesentlicher Inhalte der Emissionsbedingungen, einschließlich der in § 5 Abs. 3 SchVG vorgesehenen Maßnahmen durch Beschlüsse mit den in dem nachstehenden § 14(2) genannten Mehrheiten zustimmen. Ein ordnungsgemäß gefasster Mehrheitsbeschluss ist für alle Gläubiger gleichermaßen

resolution shall be binding equally upon all Holders.

(2) *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 section 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) *Passing of resolutions*. The Holders can pass resolutions in a meeting (*Gläubigerversammlung*) in accordance with section 5 et seqq. of the SchVG or by means of a vote without a meeting (Abstimmung ohne Versammlung) in accordance with section 18 and section 5 et seqq. of the SchVG.

(4) *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 the Custodian in accordance with §17(3)(i)(a) and (b) 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.

verbindlich.

(2) *Mehrheit*. Vorbehaltlich des nachstehenden Satzes und der Erreichung der erforderlichen Beschlussfähigkeit, beschließen die Gläubiger mit der einfachen Mehrheit der an der Abstimmung teilnehmenden Stimmrechte. Beschlüsse, durch welche der wesentliche Inhalt der Emissionsbedingungen, insbesondere in den Fällen des § 5 Abs. 3 Nr. 1 bis 9 SchVG, geändert wird, oder sonstige wesentliche Maßnahmen beschlossen werden bedürfen zu ihrer Wirksamkeit einer Mehrheit von mindestens 75 % der an der Abstimmung teilnehmenden Stimmrechte (eine "**Qualifizierte Mehrheit**").

(3) *Beschlussfassung*. 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 ist 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 der Depotbank gemäß §17(3)(i)(a) und (b) 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) *Vote without a 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 the Custodian in accordance with §17(3)(i)(a) and (b) 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.

(5) *Abstimmung 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 der Depotbank gemäß § 17(3)(i)(a) und (b) 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) *Second meeting*. If it is ascertained that no quorum exists for the meeting pursuant to § 14(4) or the vote without a meeting pursuant to § 14(5), in case of a meeting the chairman (*Vorsitzender*) may convene a second meeting in accordance with section 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 section 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

(6) *Zweite Versammlung*. Wird für die Gläubigerversammlung gemäß § 14(4) oder die Abstimmung ohne Versammlung gemäß § 14(5) die mangelnde Beschlussfähigkeit festgestellt, kann - im Fall der Gläubigerversammlung - der Vor-sitzende 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

participate in the vote by means of a special confirmation of the Custodian in accordance with §17(3)(i)(a) and (b) 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.

der Anmeldung müssen die Gläubiger ihre Berechtigung zur Teilnahme an der Abstimmung durch einen in Textform erstellten besonderen Nachweis der Depotbank gemäß §17(3)(i)(a) und (b) 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.

(7) *Holders' representative*. The Holders may by majority resolution provide for the appointment or dismissal of a holders' representative (the "**Holders' Representative**"), the duties and responsibilities and the powers of such Holders' Representative, the transfer of the rights of the Holders to the Holders' Representative and a limitation of liability of the Holders' Representative. Appointment of a Holders' Representative may only be passed by a Qualified Majority if such Holders' Representative is to be authorised to consent, in accordance with § 14(2) hereof, to a material change in the substance of the Terms and Conditions or other material matters.

(7) *Gemeinsamer Vertreter*. Die Gläubiger können durch Mehrheitsbeschluss die Bestellung oder Abberufung eines gemeinsamen Vertreters (der "**Gemeinsame Vertreter**"), die Aufgaben und Befugnisse des Gemeinsamen Vertreters, die Übertragung von Rechten der Gläubiger auf den Gemeinsamen Vertreter und eine Beschränkung der Haftung des Gemeinsamen Vertreters bestimmen. Die Bestellung eines Gemeinsamen Vertreters bedarf einer Qualifizierten Mehrheit, wenn er ermächtigt werden soll, Änderungen des wesentlichen Inhalts der Emissionsbedingungen oder sonstigen wesentlichen Maßnahmen gemäß § 14(2) zuzustimmen.

(8) *Publication*. Any notices concerning this § 14 shall be made exclusively pursuant to the provisions of the SchVG.

(8) *Veröffentlichung*. Bekanntmachungen betreffend diesen § 14 erfolgen ausschließlich gemäß den Bestimmungen des SchVG.

(9) *Amendments of the Guarantee*. The provisions set out above applicable to the Notes shall apply *mutatis mutandis* to the Guarantee.

(9) *Änderung der Garantie*. Die oben aufgeführten auf die Schuldverschreibungen anwendbaren Bestimmungen gelten entsprechend für die Bestimmungen der Garantie.

§ 15 NOTICES

[*In the case of Notes which are listed on the Luxembourg 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 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

§ 15 MITTEILUNGEN

[*Im Falle von Schuldverschreibungen, die an der Luxemburger Börse notiert werden, gilt folgendes*:

(1) *Bekanntmachung*. Alle die Schuldverschreibungen betreffenden Mitteilungen sind auf der Internetseite der Luxemburger Börse (www.bourse.lu) elektronisch zu veröffentlichen. Jede derartige Mitteilung gilt mit dem dritten Tag nach dem Tag der Veröffentlichung (oder bei mehrfacher Veröffentlichungen mit dem dritten Tag nach

following the date of the first such publication).

(2) *Notification to Clearing System*. So long as any Notes are listed on the Luxembourg Stock Exchange, § 15(1) shall apply. If the Rules of the Luxembourg Stock Exchange so permit, the Issuer may deliver the relevant notice to the Clearing System for communication by the Clearing System to the Holders, in lieu of publication as set forth in subparagraph (1) above; any such notice shall be deemed to have been given on the fifth day after the day on which the said notice was given to the Clearing System.**]**

[*In the case of Notes which are unlisted or listed on a stock exchange other than the Luxembourg Stock Exchange the following applies*:

(1) *Publications*. All notices concerning the Notes except as stipulated in § 14(6) shall be published electronically in the Federal Gazette (*Bundesanzeiger*) **[**and so long as the Notes are admitted to trading on **[*stock exchange other than the Luxembourg Stock Exchange*]** and if the rules of such stock exchange so require **[**in/under/●**] [*newspaper or website*]]**. Any notice so given will be deemed to be validly given on the third calendar day following the date of such publication (or, if published more than once, on the third calendar day following the date of the first such publication).

(2) *Notification to the Clearing System*. The Issuer may, in lieu of publication set forth in § 15(1) above, deliver the relevant notice to the Clearing System, for communication by the Clearing System to the Holders, provided that the rules of the stock exchange on which the Notes are listed (if applicable) permit such form of notice. Any such notice shall be deemed to have been given to the Holders on the fifth day after the day on which the said notice was given to the Clearing System.**]**

(3) *Notification to the Issuer*. Notices to be given by any Holder to the Issuer shall be made by means of a declaration in text form (*Textform*) to be delivered to the Paying Agent.

dem Tag der ersten solchen Veröffentlichung) als wirksam erfolgt.

(2) *Mitteilungen an das Clearingsystem*. Solange Schuldverschreibungen an der Luxemburger Börse notiert sind, findet § 15(1) Anwendung. Soweit die Regeln der Luxemburger Börse dies zulassen, kann die Emittentin eine Veröffentlichung nach Absatz (1) durch eine Mitteilung an das Clearingsystem zur Weiterleitung an die Gläubiger ersetzen; jede derartige Mitteilung gilt am fünften Tag nach dem Tag der Mitteilung an das Clearingsystem als den Gläubigern mitgeteilt.**]**

[*Im Falle von Schuldverschreibungen, die nicht oder an einer anderen Börse als die Luxemburger Börse notiert werden, gilt folgendes*:

(1) *Bekanntmachungen*. Alle die Schuldverschreibungen betreffenden Mitteilungen, außer nach Maßgabe von § 14(6), sind elektronisch im Bundesanzeiger **[**und, solange die Schuldverschreibungen an der **[*andere Börse als die Luxemburger Börse*]** zum Handel zugelassen sind und soweit dies die Regeln dieser Börse verlangen, **[**in/unter/●**] [*Zeitung oder Internetseite*]]** zu veröffentlichen. Jede derartige Mitteilung gilt mit dem dritten Kalendertag nach dem Tag der Veröffentlichung (oder bei mehrfacher Veröffentlichungen mit dem dritten Kalendertag nach dem Tag der ersten solchen Veröffentlichung) als wirksam erfolgt.

(2) *Mitteilungen an das Clearingsystem*. Die Emittentin ist berechtigt, eine Veröffentlichung nach vorstehendem § 15(1) durch eine Mitteilung an das Clearingsystem zur Weiterleitung an die Gläubiger zu ersetzen, vorausgesetzt, dass die Regeln der Börse, an der die Schuldverschreibungen ggf. notiert sind, diese Form der Mitteilung zulassen. Jede derartige Mitteilung gilt am fünften Tag nach dem Tag der Mitteilung an das Clearingsystem als den Gläubigern mitgeteilt.**]**

(3) *Mitteilungen an die Emittentin*. Mitteilungen eines Gläubigers an die Emittentin haben in der Weise zu erfolgen, dass der Gläubiger der Zahlstelle eine entsprechende Erklärung in

§ 16 DEFINITIONS

"**Additional Amounts**" has the meaning assigned to such term in § 8.

"**Affiliate**" has the meaning assigned to such term in § 12(1).

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

"**Present Value**" has the meaning assigned to such term in § 6(3).

"**Benchmark Yield**" has the meaning assigned to such term in § 6(3).**]**

"**Business Day**" has the meaning assigned to such term in § 5(4).

[*In the case of Early Redemption at the Option of the Issuer at the Call Redemption Amount:* "**Calculation Agent**" has the meaning assigned to such term in § 7(1).**]**

"**Calculation Period**" has the meaning assigned to such term in § 4(4).

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

"**Call Redemption Amount**" has the meaning assigned to such term in § 6(3).

"**Call Redemption Date**" has the meaning assigned to such term in § 6(3).**]**

"**Capital Market Indebtedness**" means any present or future obligation for the payment of borrowed money (including obligations by reason of any guarantee or other liability agreement for such obligations of third parties) which is in the form of, or represented by, bonds, notes or other securities which are capable of being quoted, listed, dealt in or traded on a stock exchange, over-the-counter-market or other recognised securities market.

[*In case of CBF as Clearing System, the following applies:* "**CBF**" has the meaning

Textform übermittelt.

§ 16 DEFINITIONEN

"**Zusätzliche Beträge**" hat die diesem Begriff in § 8 zugewiesene Bedeutung.

"**Verbundenes Unternehmen**" hat die diesem Begriff in § 12(1) zugewiesene Bedeutung.

[*Falls die Emittentin das Wahlrecht hat, die Schuldverschreibungen zu zum Wahl-Rückzahlungsbetrag vorzeitig zurück zu zahlen, gilt folgendes:*

"**Abgezinste Marktwert**" hat die diesem Begriff in § 6(3) zugewiesene Bedeutung.

"**Benchmark-Rendite**" hat die diesem Begriff in § 6(3) zugewiesene Bedeutung.**]**

"**Geschäftstag**" hat die diesem Begriff in § 5(4) zugewiesene Bedeutung.

[*Falls die Emittentin das Wahlrecht hat, die Schuldverschreibungen zu zum Wahl-Rückzahlungsbetrag vorzeitig zurück zu zahlen:* "**Berechnungsstelle**" hat die diesem Begriff in § 7(1) zugewiesene Bedeutung.**]**

"**Zinsberechnungszeitraum**" hat die diesem Begriff in § 4(4) zugewiesene Bedeutung.

[*Falls die Emittentin das Wahlrecht hat, die Schuldverschreibungen zu zum Wahl-Rückzahlungsbetrag vorzeitig zurück zu zahlen, gilt folgendes:*

"**Wahl-Rückzahlungsbetrag**" hat die diesem Begriff in § 6(3) zugewiesene Bedeutung.

"**Wahl-Rückzahlungstag**" hat die diesem Begriff in § 6(3) zugewiesene Bedeutung.**]**

"**Kapitalmarktverbindlichkeit**" bezeichnet jede gegenwärtige oder künftige Verbindlichkeit zur Rückzahlung aufgenommener Geldbeträge (einschließlich Verbindlichkeiten aus Garantien oder sonstigen Haftungsvereinbarungen für solche Verbindlichkeiten Dritter), die in Form von Anleihen, Schuldverschreibungen oder sonstigen Wertpapieren, die an einer Börse, einem außerbörslichen Markt oder an einem anderen anerkannten Wertpapiermarkt notiert, zugelassen oder gehandelt werden können, verbrieft, verkörpert oder dokumentiert ist.

[*Bei CBF als Clearingsystem gilt folgendes:* "**CBF**" hat die diesem Begriff in § 1(4)

assigned to such term in § 1(4).**]**

[In case of CBL as Clearing System, the following applies: "**CBL**" has the meaning assigned to such term in § 1(4).**]**

[*In the case of Notes kept in custody on behalf of the ICSDs and the Global Note is a CGN, the following applies:* "**CGN**" has the meaning assigned to such term in § 1(4).**]**

"**Change of Control**" has the meaning assigned to such term in § 6**[**(6)**]**(a).

"**Change of Control Put Date**" has the meaning assigned to such term in § 6**[**(6)**]**(c).

"**Change of Control Put Event Notice**" has the meaning assigned to such term in § 6**[**(6)**]**(b).

"**Change of Control Put Notice**" has the meaning assigned to such term in § 6**[**(6)**]**(c).

"**Change of Control Put Option**" has the meaning assigned to such term in § 6**[**(6)**]**(a).

"**Change of Control Put Period**" has the meaning assigned to such term in § 6**[**(6)**]**(c).

"**Code**" has the meaning assigned to such term in § 5(7).

"**Consolidated Adjusted EBITDA**" means the number set out under the heading "*EBITDA (adjusted)*" in the Consolidated Financial Statements of the Guarantor covering the applicable Relevant Period.

"**Consolidated Coverage Ratio**" means the ratio of (A) the aggregate amount of Consolidated Adjusted EBITDA in the Relevant Period to (B) the aggregate amount of Net Cash Interest in the Relevant Period.

"**Consolidated Financial Indebtedness**" means Financial Indebtedness of the Guarantor and any of its Subsidiaries, on a consolidated basis determined in accordance with IFRS.

zugewiesene Bedeutung.**]**

[*Bei CBL als Clearingsystem gilt folgendes:* "**CBL**" hat die diesem Begriff in § 1(4) zugewiesene Bedeutung.**]**

[*Im Fall von Schuldverschreibungen, die im Namen der ICSDs verwahrt werden und falls die Globalurkunde eine CGN ist gilt folgendes:* "**CGN**" hat die diesem Begriff in § 1(4) zugewiesene Bedeutung.**]**

"**Kontrollwechsel**" hat die diesem Begriff in § 6**[**(6)**]**(a) zugewiesene Bedeutung.

"**Kontrollwechsel-Rückzahlungstag**" hat die diesem Begriff in § 6**[**(6)**]**(c) zugewiesene Bedeutung.

"**Kontrollwechsel- Rückzahlungsereignis-Mitteilung**" hat die diesem Begriff in § 6**[**(6)**]**(b) zugewiesene Bedeutung.

"**Kontrollwechsel-Ausübungserklärung**" hat die diesem Begriff in § 6**[**(6)**]**(c) zugewiesene Bedeutung.

"**Kontrollwechsel-Gläubiger-Rückzahlungswahlrecht**" hat die diesem Begriff in § 6**[**(6)**]**(a) zugewiesene Bedeutung.

"**Kontrollwechsel-Ausübungszeitraum**" hat die diesem Begriff in § 6**[**(6)**]**(c) zugewiesene Bedeutung.

"**Code**" hat die diesem Begriff in § 5(7) zugewiesene Bedeutung.

"**Konsolidiertes Bereinigtes EBITDA**" bezeichnet den unter der Überschrift "*EBITDA (bereinigt um Sondereinflüsse)*" im Konzernabschluss der Garantin für den jeweiligen Maßgeblichen Zeitraum angegebenen Zahlenwert.

"**Konsolidierter Deckungsgrad**" bezeichnet das Verhältnis (A) des Gesamtbetrags des Konsolidierten Bereinigten EBITDA im Maßgeblichen Zeitraum zu (B) dem Gesamtbetrag des Zinszahlungssaldos im Maßgeblichen Zeitraum.

"**Konsolidierte Finanzverbindlichkeiten**" bezeichnet die nach IFRS ermittelten Finanzverbindlichkeiten der Garantin und ihrer Tochtergesellschaften auf konsolidierter Basis.

"**Consolidated Financial Statements**" means, with respect to any Person, collectively, the consolidated financial statements and notes to those financial statements, of that Person and its subsidiaries prepared in accordance with IFRS.

"**Konzernabschluss**" bezeichnet in Bezug auf eine Person zusammenfassend den nach IFRS erstellten Konzernabschluss mit Anhang für diese Person und ihre Tochterunternehmen.

"**Consolidated Secured Financial Indebtedness**" means that portion of the Consolidated Financial Indebtedness of the Group that is secured by a Lien on properties or other assets of the Guarantor or any of its Subsidiaries.

"**Besicherte Konsolidierte Finanzverbindlichkeiten**" bezeichnet den Teil der Konsolidierten Finanzverbindlichkeiten der Gruppe, der mit Sicherungsrechten an Immobilien oder sonstigen Vermögenswerten der Garantin oder ihrer Tochtergesellschaften besichert ist.

"**Control**" has the meaning assigned to such term in § 6**[**(6)**]**(a).

"**Kontrolle**" hat die diesem Begriff in § 6**[**(6)**]**(a) zugewiesene Bedeutung.

"**Controlled Subsidiary**" has the meaning assigned to such term in § 6**[**(6)**]**(a).

"**Abhängige Tochtergesellschaft**" hat die diesem Begriff in § 6**[**(6)**]**(a) zugewiesene Bedeutung.

"**Custodian**" has the meaning assigned to such term in § 17(3).

"**Depotbank**" hat die diesem Begriff in § 17(3) zugewiesene Bedeutung.

"**Day Count Fraction**" has the meaning assigned to such term in § 4(4).

"**Zinstagequotient**" hat die diesem Begriff in § 4(4) zugewiesene Bedeutung.

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

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

"**Determination Date**" has the meaning assigned to such term in § 4(3).**]**

"**Feststellungstermin**" hat die diesem Begriff in § 4(3) zugewiesene Bedeutung.**]**

[*In case of Euroclear as Clearing System, the following applies:* "**Euroclear**" has the meaning assigned to such term in § 1(4).**]**

[*Bei Euroclear als Clearingsystem gilt folgendes:* "**Euroclear**" hat die diesem Begriff in § 1(4) zugewiesene Bedeutung.**]**

"**Event of Default**" has the meaning assigned to such term in § 10(1).

"**Kündigungsgrund**" hat die diesem Begriff in § 10(1) zugewiesene Bedeutung.

"**Exchange Date**" has the meaning assigned to such term in § 1(3)(b)

"**Austauschtag**" hat die diesem Begriff in § 1(3)(b) zugewiesene Bedeutung.

"**Financial Indebtedness**" means (without duplication) any indebtedness (excluding any indebtedness owed to another member of the Group) for or in respect of:

"**Finanzverbindlichkeiten**" bezeichnet (unter Ausschluss einer Doppelberücksichtigung) alle Verbindlichkeiten (ausgenommen solche gegenüber anderen Mitgliedern der Gruppe) für oder in Bezug auf:

(i) money borrowed;

(i) aufgenommene Gelder;

(ii) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;

(ii) alle aus Akzepten im Rahmen von Akzeptkreditfazilitäten oder dematerialisierten Vergleichbaren aufgenommenen Beträge;

(iii) any amount raised pursuant to any note purchase facility or the issue of bonds,

(iii) alle aus Fazilitäten für die Emission kurzfristiger Schuldtitel oder aus der

notes, commercial papers, debentures, loan stock or any similar instrument;

Begebung von Anleihen, Schuldverschreibungen, Commercial Paper oder sonstigen Schuldtiteln oder vergleichbaren Instrumenten aufgenommenen Beträge;

(iv) receivables sold or discounted (other than any receivables to the extend they are sold on a non-recourse basis);

(iv) veräußerte oder diskontierte Forderungen (mit Ausnahme von Forderungen, die regresslos verkauft werden);

(v) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing, but excluding bank guarantee facilities (as amended from time to time) made or to be made available by financial institutions to the Guarantor or a Subsidiary under which the Guarantor or the respective Subsidiary may request the issue of a bank guarantee or bank guarantees in favour of a person who agrees to purchase a Real Estate Property owned by the Guarantor or a Subsidiary;

(v) die Aufnahme von Beträgen im Rahmen anderer Transaktionen (einschließlich Terminverkauf oder -kauf), die wirtschaftlich einer Kreditaufnahme gleichkommen, ausgenommen jedoch Bankgarantie-Fazilitäten (wie jeweils geändert), die der Garantin oder einer Tochtergesellschaft von Finanzinstituten gewährt werden oder gewährt werden sollen und in deren Rahmen die Garantin bzw. die jeweilige Tochtergesellschaft die Ausstellung einer oder mehrerer Bankgarantien zugunsten einer Person verlangen kann, die sich zum Erwerb von Immobilienvermögen von der Garantin oder einer Tochtergesellschaft verpflichtet hat;

(vi) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and

(vi) einen Aufwendungsersatzanspruch in Bezug auf eine Bürgschaft, eine Freistellungsverpflichtung, eine Garantie, ein Standby- oder Dokumentenakkreditiv oder ein anderes von einer Bank oder einem Finanzinstitut ausgestelltes Instrument; und

(vii) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (i) to (vi) above.

(vii) Verbindlichkeiten aus einer Garantie, Bürgschaft oder Freistellungsverpflichtung in Bezug auf Verbindlichkeiten der in den vorstehenden Absätzen (i) bis (vi) genannten Art.

"**Global Note**" has the meaning assigned to such term in § 1(3).

"**Globalurkunde**" hat die diesem Begriff in § 1(3) zugewiesene Bedeutung.

"**Group**" means the Guarantor together with its Subsidiaries.

"**Gruppe**" bezeichnet die Garantin und ihre Tochtergesellschaften.

"**Guarantee**" has the meaning assigned to such term in § 2(2).

"**Garantie**" hat die diesem Begriff in § 2(2) zugewiesene Bedeutung.

"**Guarantor**" has the meaning assigned to such term in § 2(2).

"**Garantin**" hat die diesem Begriff in § 2(2) zugewiesene Bedeutung.

"**Holder**" has the meaning assigned to such term in § 1(5).

"**Holders' Representative**" has the meaning assigned to such term in § 14(5).

[*In case of CBL and Euroclear as Clearing System, the following applies:* "**ICSD**" and "**ICSDs**" has the meaning assigned to such term in § 1(4).**]**

"**IFRS**" means the International Financial Reporting Standards as adopted by the European Union and as published by the International Accounting Standards Board, as in effect from time to time.

"**Incur**" means, with respect to any Financial Indebtedness or other obligation of any Person, to create, assume, guarantee or otherwise become liable in respect of such Financial Indebtedness or other obligation, and "**incurrence**" and "**incurred**" have the meanings correlative to the foregoing.

"**Interest Commencement Date**" has the meaning assigned to such term in § 4(1).

"**Interest Payment Date**" has the meaning assigned to such term in § 4(1).

"**Issue Date**" has the meaning assigned to such term in § 1(1).

"**Issuer**" has the meaning assigned to such term in § 1(1).

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

"**Issuer Call Redemption Amount**" has the meaning assigned to such term in § 6[(4)][(5)].

["**Call Redemption Period(s)**" has the meaning assigned to such term in § 6[(5)].]

"**Issuer Redemption Date**" has the meaning assigned to such term in § 6[(4)][(5)].**]**

"**Lien**" means (without duplication) any lien, mortgage, trust deed, deed of trust, deed, pledge, security interest, assignment for

"**Gläubiger**" hat die diesem Begriff in § 1(5) zugewiesene Bedeutung.

"**Gemeinsamer Vertreter**" hat die diesem Begriff in § 14(5) zugewiesene Bedeutung.

[*Bei CBL und Euroclear als Clearingsystem gilt folgendes:* "**ICSD**" und "**ICSDs**" hat die diesem Begriff in § 1(4) zugewiesene Bedeutung.**]**

"**IFRS**" bezeichnet die nach der EU anwendbaren International Financial Reporting Standards des International Accounting Standards Board in jeweils geltender Fassung.

"**Eingehen**" bezeichnet in Bezug eine Finanzverbindlichkeit oder eine sonstige Verbindlichkeit einer Person die Begründung, Übernahme, die Abgabe einer Garantie oder Bürgschaft dafür oder eine anderweitige Übernahme der Haftung für diese Finanzverbindlichkeit oder sonstige Verbindlichkeit; das "**Eingehen**" bzw. "**eingegangen**" sind entsprechend auszulegen.

"**Verzinsungsbeginn**" hat die diesem Begriff in § 4(1) zugewiesene Bedeutung.

"**Zinszahlungstag**" hat die diesem Begriff in § 4(1) zugewiesene Bedeutung.

"**Begebungstag**" hat die diesem Begriff in § 1(1) zugewiesene Bedeutung.

"**Emittentin**" hat die diesem Begriff in § 1(1) zugewiesene Bedeutung.

[*Falls die Emittentin das Wahlrecht hat, die Schuldverschreibungen zu zum Emittenten Wahl-Rückzahlungsbetrag vorzeitig zurück zu zahlen, gilt folgendes:*

"**Emittenten Wahl-Rückzahlungsbetrag**" hat die diesem Begriff in § 6[(4)][(5)] zugewiesene Bedeutung.

["**Wahl-Rückzahlungsperiode**" hat die diesem Begriff in § 6[(5)] zugewiesene Bedeutung.]

"**Emittenten Wahl-Rückzahlungstag**" hat die diesem Begriff in § 6[(4)][(5)] zugewiesene Bedeutung.**]**

"**Sicherungsrecht**" bezeichnet (unter Ausschluss einer Doppelberücksichtigung) Sicherungsrechte, Grundpfandrechte,

collateral purposes, deposit arrangement, or other security agreement, excluding any right of setoff but including, without limitation, any conditional sale or other title retention agreement, any financing lease having substantially the same economic effect as any of the foregoing, and any other like agreement granting or conveying a security interest *in rem* (*dingliches Sicherungsrecht*), to a Person that is not a member of the Group, in each case to secure outstanding Financial Indebtedness, but in each case excluding

Sicherung-Treuhandverträge (trust-deed oder deed of trust), Sicherungs- Urkunden (deed), Pfandrechte, Verpfändungsvereinbarungen, Sicherungsabtretungen, Sicherungsübereignungen, Hinterlegungsvereinbarungen oder sonstige Sicherungsabreden, ausgenommen Rechte zur Aufrechnung, jedoch u. a. einschließlich bedingte Kaufverträge oder Vereinbarungen mit Eigentumsvorbehalt, Finanzierungsleasingverträge, die wirtschaftlich im Wesentlichen den vorgenannten Vereinbarungen gleichkommen, sowie sonstige Vereinbarungen, die ein dingliches Sicherungsrecht gewähren oder übertragen, und zwar einer Person, die nicht Mitglied der Gruppe ist, jeweils zur Besicherung ausstehender Finanzverbindlichkeiten, jedoch keine

(i) any encumbrance registered in department 2 (*Abteilung 2*) of a German land register (*Grundbuch*);

(i) in Abteilung 2 eines deutschen Grundbuchs eingetragene Belastungen;

(ii) any Lien arising in connection with a disposal of an asset in the ordinary course of business including, without limitation, any Lien created in assets subject to a sale agreement for the purposes of financing the purchase price;

(ii) Sicherungsrechte, die im Zusammenhang mit der Veräußerung eines Vermögenswerts im Rahmen der gewöhnlichen Geschäftstätigkeit entstehen, u. a. Sicherungsrechte an Vermögenswerten, die Gegenstand eines Kaufvertrags sind, zur Finanzierung des Kaufpreises;

(iii) any Lien securing Financial Indebtedness outstanding on the Issue Date;

(iii) Sicherungsrechte, die zum Begebungstag ausstehende Finanzverbindlichkeiten besichern;

(iv) any Lien in respect of which an unconditional deletion consent (*Löschungsbewilligung*) has been delivered to the relevant member of the Group;

(iv) Sicherungsrechte, für die dem maßgeblichen Mitglied der Gruppe eine unbedingte Löschungsbewilligung übermittelt wurde;

(v) any Lien arising by operation of law (or by agreement having the same effect) or in the ordinary course of business, provided that any Lien arising in the ordinary course of business over Real Estate Property shall not be excluded;

(v) Sicherungsrechte, die kraft Gesetzes (oder kraft einer Vereinbarung mit derselben Wirkung) oder im Rahmen der gewöhnlichen Geschäftstätigkeit entstehen, wobei im Rahmen der gewöhnlichen Geschäftstätigkeit entstehende Sicherungsrechte an Immobilienvermögen jedoch nicht ausgeschlossen sind;

(vi) any cash collateral posted in connection with cross-currency and interest rate hedging transactions; and

(vii) any Lien on bank accounts under general terms and conditions of any provider of such bank accounts.

"**Material Subsidiary**" means any Subsidiary of the Guarantor whose total assets are at least equal to 5 % of the total assets of the Group.

"**Maturity Date**" has the meaning assigned to such term in § 6(1).

"**Net Cash Interest**" means all interest and other financing charges accrued to persons who are not members of the Group less the amount of any interest and other financing charges accrued to be received from persons who are not members of the Group, in each case, excluding any one-off financing charges (including without limitation, any one-off fees and/or break costs).

"**Net Nominal Financial Indebtedness**" means the nominal amount of Financial Indebtedness incurred minus the nominal amount of Financial Indebtedness repaid.

"**Net Nominal Secured Financial Indebtedness**" means the nominal amount of Secured Financial Indebtedness incurred minus the nominal amount of Secured Financial Indebtedness repaid.

"**Net Nominal Unsecured Financial Indebtedness**" means the nominal amount of Unsecured Financial Indebtedness incurred minus the nominal amount of Unsecured Financial Indebtedness repaid.

"**Net Unencumbered Assets**" means, on a consolidated basis determined in accordance with IFRS, the value of any Real Estate Property of the Guarantor and its Subsidiaries not subject to any Lien acquired plus the value

(vi) Barsicherheiten, die im Zusammenhang mit Währungs- und Zinsabsicherungsgeschäften gestellt werden; und

(vii) Sicherungsrechte an Bankkonten nach Maßgabe der allgemeinen Geschäftsbedingungen des Anbieters der Bankkonten.

"**Wesentliche Tochtergesellschaft**" bezeichnet eine Tochtergesellschaft der Garantin, deren Bilanzsumme mindestens 5 % der Bilanzsumme der Gruppe ausmacht.

"**Fälligkeitstag**" hat die diesem Begriff in § 6(1) zugewiesene Bedeutung.

"**Zinszahlungssaldo**" bezeichnet alle an Personen, die nicht Mitglied der Gruppe sind, zu zahlenden Zinsen und sonstigen Finanzierungskosten abzüglich des Betrags aller von Personen, die nicht Mitglied der Gruppe sind, zu erhaltenden Zinsen und sonstigen Finanzierungskosten, jeweils ausgenommen einmalige Finanzierungskosten (u.a. einmalige Entgelte und/oder Vorfälligkeitsentschädigungen).

"**Nennbetrag der Finanzverbindlichkeiten (netto)**" bezeichnet den Nennbetrag der eingegangenen Finanzverbindlichkeiten abzüglich des Nennbetrags der zurückgezahlten Finanzverbindlichkeiten.

"**Nennbetrag der Besicherten Finanzverbindlichkeiten (netto)**" bezeichnet den Nennbetrag der eingegangenen Besicherten Finanzverbindlichkeiten abzüglich des Nennbetrags der zurückgezahlten Besicherten Finanzverbindlichkeiten.

"**Nennbetrag der Unbesicherten Finanzverbindlichkeiten (netto)**" bezeichnet den Nennbetrag der eingegangenen Unbesicherten Finanzverbindlichkeiten abzüglich des Nennbetrags der zurückgezahlten Unbesicherten Finanzverbindlichkeiten.

"**Unbelastetes Nettovermögen**" bezeichnet den nach IFRS auf konsolidierter Basis ermittelten Wert des erworbenen Immobilienvermögens der Garantin und ihrer Tochtergesellschaften, das nicht Gegenstand

of all other assets of the Guarantor and its Subsidiaries not subject to any Lien acquired minus the value of such assets which (i) have been disposed of or (ii) have become subject to a Lien.

eines Sicherungsrechts ist, zuzüglich des Werts aller sonstigen erworbenen Vermögenswerte der Garantin und ihrer Tochtergesellschaften, die nicht Gegenstand eines Sicherungsrechts sind, abzüglich des Werts solcher Vermögenswerte, die (i) veräußert wurden oder (ii) Gegenstand eines Sicherungsrechts geworden sind.

[*In the case of Notes kept in custody on behalf of the ICSDs and the Global Note is an NGN, the following applies:* "**NGN**" has the meaning assigned to such term in § 1(4).**]**

[*Im Fall von Schuldverschreibungen, die im Namen der ICSDs verwahrt werden und falls die Globalurkunde eine NGN ist gilt folgendes*: "**NGN**" hat die diesem Begriff in § 1(4) zugewiesene Bedeutung.**]**

"**Notes**" has the meaning assigned to such term in § 1(1).

"**Schuldverschreibungen**" hat die diesem Begriff in § 1(1) zugewiesene Bedeutung.

"**Opinion of Counsel**" means a written opinion from legal counsel. The counsel may be an employee of or counsel to the Guarantor.

"**Rechtsgutachten**" bezeichnet ein schriftliches Gutachten eines Rechtsberaters. Der Rechtsberater kann Mitarbeiter oder externer Rechtsberater der Garantin sein.

"**Paying Agent**" has the meaning assigned to such term in § 7(1).

"**Zahlstelle**" hat die diesem Begriff in § 7(1) zugewiesene Bedeutung.

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

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

[*If the Notes are subject to Early Redemption at the Option of the Holder at specified redemption amount(s) the following applies:*

[*Falls der Gläubiger ein Wahlrecht hat, die vorzeitige Rückzahlung der Schuldverschreibungen zu einem festgelegten Rückzahlungsbetrag bzw. festgelegten Rückzahlungsbeträgen zu verlangen, gilt folgendes:*

"**Put Redemption Amount**" has the meaning assigned to such term in § 6**[**(7)**]**(a).

"**Gläubigerwahl-Rückzahlungsbetrag**" hat die diesem Begriff in § 6**[**(7)**]**(a) zugewiesene Bedeutung.

"**Put Redemption Date**" has the meaning assigned to such term in § 6**[**(7)**]**(a).

"**Gläubigerwahl-Rückzahlungstag**" hat die diesem Begriff in § 6**[**(7)**]**(a) zugewiesene Bedeutung.

"**Put Redemption Notice**" has the meaning assigned to such term in § 6**[**(7)**]**(b).**]**

"**Gläubigerwahl-Rückzahlungs-Ausübungserklärung**" hat die diesem Begriff in § 6**[**(7)**]**(b) zugewiesene Bedeutung.**]**

"**Qualified Majority**" has the meaning assigned to such term in § 14(2).

"**Qualifizierte Mehrheit**" hat die diesem Begriff in § 14(2) zugewiesene Bedeutung.

"**Real Estate Property**" means the real estate property of such Person and its subsidiaries.

[*If the Notes are subject to Early Redemption at the Option of the Issuer at Call Redemption Amount, the following applies:* "**Redemption Calculation Date**" has the meaning assigned to such term in § 6(3).**]**

"**Relevant Period**" means the respective most recent four consecutive quarters ending prior to the respective date of determination of the Consolidated Coverage Ratio.

"**Relevant Taxing Jurisdiction**" has the meaning assigned to such term in § 8.

"**Reporting Date**" means 31 March, 30 June, 30 September and 31 December of each year.

"**SchVG**" has the meaning assigned to such term in § 14(1).

"**Secured Financial Indebtedness**" means that portion of the aggregate principal amount of all outstanding Financial Indebtedness of the Group that is secured by a Lien on properties or other assets of the Group.

"**Securities Act**" means the U.S. Securities Act of 1933, as amended.

"**Securitised Capital Market Indebtedness**" means any Capital Market Indebtedness incurred in respect of or in connection with any securitisation or similar financing arrangement relating to assets owned by the Guarantor or its Subsidiaries and where the recourse of the holders of such Capital Market Indebtedness against the Guarantor is limited solely to such assets or any income generated therefrom.

"**Specified Denomination**" has the meaning assigned to such term in § 1(1).

"**Subsidiary**" means any Person that must be consolidated with the Guarantor for the

"**Immobilienvermögen**" bezeichnet das Immobilienvermögen der betreffenden Person und ihrer Tochterunternehmen.

[*Falls die Emittentin das Wahlrecht hat, die Schuldverschreibungen zu zum Wahl-Rückzahlungsbetrag vorzeitig zurück zu zahlen, gilt folgendes:* "**Rückzahlungs-Berechnungstag**" hat die diesem Begriff in § 6(3) zugewiesene Bedeutung.**]**

"**Maßgeblicher Zeitraum**" bezeichnet die letzten vier vor dem jeweiligen Tag der Feststellung des Konsolidierten Deckungsgrads endenden aufeinander-folgenden Quartale.

"**Maßgebliche Steuerjurisdiktion**" hat die diesem Begriff in § 8 zugewiesene Bedeutung.

"**Berichtsstichtag**" ist der 31. März, 30. Juni, 30. September und 31. Dezember eines jeden Jahres.

"**SchVG**" hat die diesem Begriff in § 14(1) zugewiesene Bedeutung.

"**Besicherte Finanzverbindlichkeiten**" bezeichnet den Teil des Gesamtnennbetrags aller ausstehenden Finanzverbindlichkeiten der Gruppe, der mit Sicherungsrechten an Immobilien oder sonstigen Vermögenswerten der Gruppe besichert ist.

"**Securities Act**" bezeichnet das US-Wertpapiergesetz von 1933 (U.S. Securities Act of 1933) in seiner jeweils geltenden Fassung.

"**Verbriefte Kapitalmarktverbindlichkeit**" bezeichnet jede Kapitalmarktverbindlichkeit aus oder im Zusammenhang mit einer Verbriefung oder vergleichbaren Finanzierungsvereinbarung in Bezug auf Vermögenswerte der Garantin oder ihrer Tochtergesellschaften, bei der die Rückgriffsrechte der Gläubiger der betreffenden Kapitalmarktverbindlichkeit auf die Garantin ausschließlich auf die betreffenden Vermögenswerte oder die daraus erzielten Erträge beschränkt ist.

"**Festgelegte Stückelung**" hat die diesem Begriff in § 1(1) zugewiesene Bedeutung.

"**Tochtergesellschaft**" bezeichnet jede Person, die bei der Erstellung der Konzernabschlüsse

purposes of preparing Consolidated Financial Statements of the Guarantor.

"**Substitute Debtor**" has the meaning assigned to such term in § 12(1).

"**Substitution Guarantee**" has the meaning assigned to such term in § 12(1)(b).

"**Termination Notice**" has the meaning assigned to such term in §10(2).

"**Total Assets**" means the value of the consolidated total assets of the Guarantor and its Subsidiaries, as such amount appears, or would appear, on a consolidated balance sheet of the Guarantor prepared in accordance with IFRS, provided that "*Total Assets*" shall include the proceeds of the Financial Indebtedness or Secured Financial Indebtedness to be incurred.

[*If the Notes are subject to Early Redemption at the Option of the Holder upon the occurrence of a transaction related event, the following applies::*

"**Transaction**" has the meaning assigned to such term in § 6 **[**(9)**]**.

"**Transaction Notice Period**" has the meaning assigned to such term in § 6 **[**(9)**]**.

"**Transaction Trigger Notice**" has the meaning assigned to such term in § 6 **[**(9)**]**.

"**Trigger Call Redemption Amount**" has the meaning assigned to such term in § 6 **[**(9)**]**.

"**Trigger Call Redemption Date**" has the meaning assigned to such term in § 6 **[**(9)**].]**

"**Unencumbered Assets**" means without duplication, (i) the value of any Real Estate Property, on a consolidated basis determined in accordance with IFRS, of the Guarantor and its Subsidiaries that is not subject to any Lien, plus (ii) the value of all other assets of the Guarantor and its Subsidiaries that is not subject to any Lien (where in case of (i) and (ii) the value of Real Estate Property, on a consolidated basis determined in accordance with IFRS, and other assets shall be equal to such amounts that appear, or would appear, on

der Garantin mit ihr konsolidiert werden muss.

"**Nachfolgeschuldnerin**" hat die diesem Begriff in § 12(1) zugewiesene Bedeutung.

"**Ersetzungsgarantie**" hat die diesem Begriff in § 12(1)(b) zugewiesene Bedeutung.

"**Kündigungserklärung**" hat die diesem Begriff in §10(2) zugewiesene Bedeutung.

"**Bilanzsumme**" bezeichnet den Wert der konsolidierten Bilanzsumme der Garantin und ihrer Tochtergesellschaften, der in einer nach IFRS erstellten konsolidierten Bilanz der Garantin erscheint oder erscheinen würde, wobei die "*Bilanzsumme*" die Zuflüsse aus den einzugehenden Finanzverbindlichkeiten oder Besicherten Finanzverbindlichkeiten einschließt.

[*Fall die Emittentin da Wahlrecht hat, die Schuldverschreibungen bei Eintritt eines transaktionsbezogenen Ereignisses zum Ereignis-Wahl-Rückzahlungsbetrag vorzeitig zurückzuzahlen, gilt folgendes:*

"**Transaktion**" hat die diesem Begriff in § 6 **[**(9)**]** zugewiesene Bedeutung.

"**Transaktionskündigungsfrist**" hat die diesem Begriff in § 6 **[**(9)**]** zugewiesene Bedeutung.

"**Transaktions-Mitteilung**" hat die diesem Begriff in § 6 **[**(9)**]** zugewiesene Bedeutung.

"**Ereignis-Wahl-Rückzahlungsbetrag**" hat die diesem Begriff in § 6 **[**(9)**]** zugewiesene Bedeutung.

"**Ereignis-Wahl-Rückzahlungstag**" hat die diesem Begriff in § 6 **[**(9)**]** zugewiesene Bedeutung.**]**

"**Unbelastetes Vermögen**" bezeichnet ohne doppelte Berücksichtigung (i) den nach IFRS auf konsolidierter Basis ermittelten Wert des Immobilienvermögens der Garantin und ihrer Tochtergesellschaften, das nicht Gegenstand eines Sicherungsrechts ist, zuzüglich (ii) des Werts aller sonstigen Vermögenswerte der Garantin und ihrer Tochtergesellschaften, die nicht Gegenstand eines Sicherungsrechts sind (wobei im Fall von (i) und (ii) der nach IFRS auf konsolidierter Basis ermittelte Wert des Immobilienvermögens und der sonstigen

a consolidated balance sheet of the Guarantor prepared in accordance with IFRS).

"**Unsecured Financial Indebtedness**" means that portion of the aggregate principal amount of all outstanding Financial Indebtedness of the Group that is not Secured Financial Indebtedness.

§ 17 APPLICABLE LAW, PLACE OF JURISDICTION, ENFORCEMENT AND PROCESS AGENT

(1) *Applicable Law*. The Notes, as to form and content, and all rights and obligations of the Holders and the Issuer, shall be governed by the laws of the Federal Republic of Germany, without giving effect to the principles of conflict of laws.

(2) *Submission to Jurisdiction*. Subject to any mandatory jurisdiction for specific proceedings under the SchVG, the place of non-exclusive jurisdiction for any action or other legal proceedings in connection with the Notes shall be Frankfurt am Main.

(3) *Enforcement*. Any Holder of Notes may in any proceedings against the Issuer or any Guarantor, or to which such Holder and the Issuer or any Guarantor are parties, protect and enforce in his own name his rights arising under such Notes on the basis of (i) a statement issued by the Custodian with whom such Holder maintains a securities account in respect of the Notes (a) stating the full name and address of the Holder, (b) specifying the aggregate principal amount of Notes credited to such securities account on the date of such statement and (c) confirming that the Custodian has given written notice to the Clearing System containing the information pursuant to (a) and (b) and (ii) a copy of the Note in global form certified as being a true copy by a duly authorised officer of the Clearing System or a depository of the Clearing System, without the need for production in such proceedings of the actual

Vermögenswerte dem Betrag entspricht, der in einer nach IFRS erstellten konsolidierten Bilanz der Garantin erscheint oder erscheinen würde).

"**Unbesicherte Finanzverbindlichkeiten**" bezeichnet den Teil des Gesamtnennbetrags aller ausstehenden Finanzverbindlichkeiten der Gruppe, bei dem es sich nicht um Besicherte Finanzverbindlichkeiten handelt.

§ 17 ANWENDBARES RECHT, GERICHTSSTAND, GERICHTLICHE GELTENDMACHUNG UND ZUSTELLUNGSBEVOLLMÄCHTIGTER

(1) *Anwendbares Recht*. Form und Inhalt der Schuldverschreibungen sowie die Rechte und Pflichten der Gläubiger und der Emittentin bestimmen sich nach dem Recht der Bundesrepublik Deutschland, unter Ausschluss des internationalen Privatrechts.

(2) *Gerichtsstand*. Vorbehaltlich eines zwingend vorgeschriebenen Gerichtsstands für bestimmte Verfahren nach dem SchVG ist Frankfurt am Main nicht ausschließlicher Gerichtsstand für sämtliche im Zusammenhang mit den Schuldverschreibungen entstehende Klagen oder sonstige Verfahren.

(3) *Gerichtliche Geltendmachung*. Jeder Gläubiger von Schuldverschreibungen ist berechtigt, in jedem Rechtsstreit gegen die Emittentin oder eine Garantin oder in jedem Rechtsstreit, in dem der Gläubiger und die Emittentin oder eine Garantin Partei sind, seine Rechte aus diesen Schuldverschreibungen im eigenen Namen auf der folgenden Grundlage geltend zu machen: (i) er bringt eine Bescheinigung der Depotbank bei, bei der er für die Schuldverschreibungen ein Wertpapierdepot unterhält, welche (a) den vollständigen Namen und die vollständige Adresse des Gläubigers enthält, (b) den Gesamtnennbetrag der Schuldverschreibungen bezeichnet, die unter dem Datum der Bestätigung auf dem Wertpapierdepot verbucht sind und (c) bestätigt, dass die Depotbank gegenüber dem Clearingsystem eine schriftliche Erklärung abgegeben hat, die die vorstehend unter (a)

records or the Global Note representing the Notes. For purposes of the foregoing, "**Custodian**" means any bank or other financial institution of recognised standing authorised to engage in securities custody business with which the Holder maintains a securities account in respect of the Notes and includes the Clearing System. Each Holder may, without prejudice to the foregoing, protect and enforce his rights under these Notes also in any other way which is admitted in the country of the proceedings.

und (b) bezeichneten Informationen enthält, und (ii) er legt eine Kopie der die betreffenden Schuldverschreibungen verbriefenden Globalurkunde vor, deren Übereinstimmung mit dem Original eine vertretungsberechtigte Person von dem Clearingsystem oder einer Verwahrstelle des Clearingsystems bestätigt hat, ohne dass eine Vorlage der Originalbelege oder der die Schuldverschreibungen verbriefenden Globalurkunde in einem solchen Verfahren erforderlich wäre. Für die Zwecke des Vorstehenden bezeichnet "**Depotbank**" jede Bank oder ein sonstiges anerkanntes Finanzinstitut, das berechtigt ist, das Depotgeschäft zu betreiben und bei der/dem der Gläubiger ein Wertpapierdepot für die Schuldverschreibungen unterhält, einschließlich des Clearingsystems. Unbeschadet der vorstehenden Bestimmungen ist jeder Gläubiger berechtigt, seine Rechte aus diesen Schuldverschreibungen auch auf jede andere im Land des Verfahrens zulässige Weise geltend zu machen.

(4) *Process Agent*. The Issuer has appointed the Guarantor as its agent for service of process (Zustellungsbevollmächtigter) in relation to any proceedings before the German courts in connection with the Notes.

(4) *Zustellungsbevollmächtigter*. Die Emittentin hat die Garantin als Zustellungsbevollmächtigte für Verfahren vor deutschen Gerichten im Zusammenhang mit den Schuldverschreibungen bestellt.

§ 18 LANGUAGE

[*If the Conditions shall 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 Conditions shall 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.**]**

§ 18 SPRACHE

[*Falls die Emissionsbedingungen in deutscher Sprache mit einer Übersetzung in die englische Sprache abgefasst sind, gilt folgendes:* Diese Emissionsbedingungen sind in deutscher Sprache abgefasst. Eine Übersetzung in die englische Sprache ist beigefügt. Der deutsche Text ist bindend und maßgeblich. Die Übersetzung in die englische Sprache ist unverbindlich.**]**

[*Falls die Emissionsbedingungen in englischer Sprache mit einer Übersetzung in die deutsche Sprache abgefasst sind, gilt folgendes:* Diese Emissionsbedingungen sind in englischer Sprache abgefasst. Eine Übersetzung in die deutsche Sprache ist beigefügt. Der englische Text ist bindend und maßgeblich. Die Übersetzung in die deutsche Sprache ist unverbindlich.**]**

[*Falls die Emissionsbedingungen nur in deutscher Sprache abgefasst sind, gilt folgendes:* Diese Emissionsbedingungen sind ausschließlich in deutscher Sprache abgefasst.**]**

[*If the Conditions shall be in the English language only the following applies:* These Terms and Conditions are written in the English language only.**]**

TERMS AND CONDITIONS OF THE NOTES - OPTION II
NOTES WITH A FLOATING INTEREST RATE

Terms and Conditions that apply to Notes with floating interest rates

§ 1 CURRENCY, DENOMINATION, FORM, CERTAIN DEFINITIONS

(1) *Currency; Denomination*. This issue of notes (the "**Notes**") of Vonovia Finance B.V., a private company with limited liability incorporated in The Netherlands (the "**Issuer**"), is being issued in the aggregate principal amount **[*In case the Global Note is an NGN the following applies:*** (subject to § 1(6))**]** of **[*Specified Currency*] [*aggregate principal amount*]** (in words: **[*aggregate principal amount in words*])** in denominations of **[*Specified Currency*] [*Specified Denomination*]** (the "**Specified Denomination**") on **[Issue Date]** (the "**Issue Date**").

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

(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 exchanged 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 applies:*** The details of such exchange shall be entered in the records of the ICSD (as defined below).**]** The Temporary Global Note and the Permanent Global Note shall each be signed by two authorised signatories of the Issuer and shall each be authenticated by or on behalf of the Fiscal Agent. Definitive certificates representing individual Notes and interest coupons will not be issued.

Emissionsbedingungen für Schuldverschreibungen mit variabler Verzinsung

§ 1 WÄHRUNG, STÜCKELUNG, FORM, BESTIMMTE DEFINITIONEN

(1) *Währung; Stückelung*. Diese Emission von Schuldverschreibungen (die "**Schuldverschreibungen**") der Vonovia Finance B.V., einer in den Niederlanden errichteten Gesellschaft mit beschränkter Haftung (die "**Emittentin**") wird am **[*Begebungstag*]** (der "**Begebungstag**") im Gesamtnennbetrag **[*falls die Globalurkunde eine NGN ist gilt folgendes:*** (vorbehaltlich § 1(6))**]** von **[*Festgelegte Währung*] [*Gesamtnennbetrag*]** (in Worten: **[*Gesamtnennbetrag in Worten*]**) in einer Stückelung von **[*Festgelegte Währung*] [*Festgelegte Stückelung*]** (die "**Festgelegte Stückelung**") begeben.

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

(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 verbrieft sind, ausgetauscht. **[*Im Fall von Euroclear und CBL und wenn die Globalurkunde eine NGN ist gilt folgendes:*** Die Einzelheiten eines solchen Austausches werden in die Register der ICSD (wie nachstehend definiert) eingetragen.**]** Die Vorläufige Globalurkunde und die Dauerglobalurkunde tragen jeweils die eigenhändigen Unterschriften von zwei ordnungsgemäß bevollmächtigten

Vertretern der Emittentin und sind jeweils von dem Fiscal Agent oder in dessen Namen mit einer Kontrollunterschrift versehen. Einzelurkunden und Zinsscheine werden nicht ausgegeben.

(b) The Temporary Global Note shall be exchanged for the Permanent Global Note on a date (the "**Exchange Date**") not later than 180 days after the Issue Date. The Exchange Date shall not be earlier than 40 days after the Issue Date. 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 Issue Date will be treated as a request to exchange the Temporary Global Note pursuant to this § 1(3)(b). Any Notes delivered in exchange for the Temporary Global Note shall be delivered only outside of the United States (as defined in § 1**[**(7)**]**).

(b) Die Vorläufige Globalurkunde wird an einem Tag (der "**Austauschtag**") gegen die Dauerglobalurkunde ausgetauscht, der nicht mehr als 180 Tage nach dem Begebungstag liegt. Der Austauschtag wird nicht weniger als 40 Tage nach dem Begebungstag liegen. 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 solcher Bescheinigungen vorgenommen. Eine gesonderte Bescheinigung ist für jede solche Zinszahlung erforderlich. Jede Bescheinigung, die am oder nach dem 40. Tag nach dem Begebungstag eingeht, wird als ein Ersuchen behandelt werden, die Vorläufige Globalurkunde gemäß diesem § 1(3)(b) auszutauschen. Schuldverschreibungen, die im Austausch für die Vorläufige Globalurkunde geliefert werden, dürfen nur außerhalb der Vereinigten Staaten (wie in § 1**[**(7)**]** definiert) geliefert werden.

(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 **[***in case of more than one Clearing System, the following applies:* each of**]** the following: **[**Clearstream Banking AG, Frankfurt am Main ("**CBF**")**]** **[**Clearstream Banking S.A., Luxembourg ("**CBL**")**]** **[**and**]** **[**Euroclear Bank SA/NV, Brussels ("**Euroclear**")**]** and any successor in such

(4) *Clearingsystem*. Jede 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 gilt folgendes:* jeweils**]** folgendes: **[**Clearstream Banking AG, Frankfurt am Main ("**CBF**")**]** **[**Clearstream Banking S.A., Luxemburg ("**CBL**")**]** **[**und**]** **[**Euroclear Bank SA/ NV, Brüssel

capacity. **[***In the case of CBL and Euroclear as Clearing System the following applies:* "**International Central Securities Depositary**" or "**ICSD**" means each of CBL and Euroclear (together, the "**ICSDs**")**]**.

("**Euroclear**")**]** sowie jeder Funktionsnachfolger. **[***Im Falle von CBL oder Euroclear als Clearingsystem, gilt folgendes:* "**International Central Securities Depositary**" oder "**ICSD**" bezeichnet jeweils CBL und Euroclear (zusammen die "**ICSDs**")**]**.

[*In the case of Notes kept in custody on behalf of the ICSDs and the Global Note is an 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.**]**

[*Im Fall von Schuldverschreibungen, die im Namen der ICSDs verwahrt werden und falls die Globalurkunde eine NGN ist gilt folgendes:* Die Schuldverschreibungen werden in Form einer New Global Note ("**NGN**") ausgegeben und von einem Common Safekeeper im Namen beider ICSDs verwahrt.**]**

[*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.**]**

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

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

(5) *Gläubiger von Schuldverschreibungen*. "**Gläubiger**" bezeichnet jeden Inhaber eines Miteigentumsanteils oder anderen vergleichbaren Rechts an den Schuldverschreibungen.

[*In the case the Global Note is an NGN, the following applies:*

[*Falls die Globalurkunde eine NGN ist, gilt folgendes:*

(6) *Records of the 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 Temporary Global Note or the Permanent Global Note, as the case may be, 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.

(6) *Register der ICSDs*. 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 Vorläufige Globalurkunde bzw. die Dauerglobalurkunde 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.

On any redemption or payment of an installment 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 or by the aggregate amount of such installment so paid.

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.**]**

[(7)**]** *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, GUARANTEE

(1) *Status*. The obligations under the Notes constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer ranking *pari passu* among themselves and *pari passu* with all other unsecured and unsubordinated obligations of the Issuer, unless such obligations are accorded priority under mandatory provisions of statutory law.

(2) *Guarantee*. Vonovia SE (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

Bei Rückzahlung oder Zahlung einer Rückzahlungsrate 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 anteilig in die Register der ICSDs eingetragen werden, und nach dieser Eintragung vom Nennbetrag der in die Register der ICSDs eingetragenen und durch die Globalurkunde verbrieften Schuldverschreibungen der Gesamtnennbetrag der zurückgezahlten bzw. gekauften und entwerteten Schuldverschreibungen bzw. der Gesamtbetrag der so gezahlten Raten abgezogen wird.

Bei Austausch nur eines Teils von Schuldverschreibungen, die durch eine Vorläufige Globalurkunde verbrieft sind, wird die Emittentin sicherstellen, dass die Einzelheiten dieses Austauschs anteilig in die Register der ICSDs eingetragen werden.**]**

[(7)**]** *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, GARANTIE

(1) *Status*. Die Schuldverschreibungen begründen unmittelbare, unbedingte, nicht besicherte und nicht nachrangige Verbindlichkeiten der Emittentin, die untereinander und mit allen anderen nicht besicherten und nicht nachrangigen Verbindlichkeiten der Emittentin gleichrangig sind, soweit diesen Verbindlichkeiten nicht durch zwingende gesetzliche Bestimmungen ein Vorrang eingeräumt wird.

(2) *Garantie*. Die Vonovia SE (die "**Garantin**") hat eine unbedingte und unwiderrufliche Garantie (die "**Garantie**") für die ordnungsgemäße und pünktliche Zahlung aller Kapital-, Zins- und sonstigen auf die

Notes. The Guarantee constitutes a contract for the benefit of the Holders from time to time as third party beneficiaries in accordance with section 328 paragraph 1 of the German Civil Code (*Bürgerliches Gesetzbuch*), giving rise to the right of each Holder to require performance of the Guarantee directly from the Guarantor and to enforce the Guarantee directly against the Guarantor. Copies of the Guarantee may be obtained free of charge at the specified office of the Fiscal Agent.

Schuldverschreibungen zahlbaren Beträge übernommen. Die Garantie stellt einen Vertrag zugunsten der Gläubiger als begünstigte Dritte im Sinne des § 328 Abs. 1 BGB dar, der jedem Gläubiger das Recht gibt, die Garantin unmittelbar aus der Garantie auf Erfüllung in Anspruch zu nehmen und Ansprüche aus der Garantie unmittelbar gegen die Garantin durchzusetzen. Abschriften der Garantie sind bei der bezeichneten Geschäftsstelle des Fiscal Agent kostenlos erhältlich.

§ 3 NEGATIVE PLEDGE

(1) *Negative Pledge of the Issuer*. The Issuer undertakes, so long as any Notes are outstanding, but only up to the time all amounts of principal and interest have been placed at the disposal of the Fiscal Agent, not to create or permit to subsist any form of security interest *in rem* (*dingliches Sicherungsrecht*) over its assets to secure any Capital Market Indebtedness other than Securitised Capital Market Indebtedness or to secure any guarantee or indemnity given by the Issuer in respect of Capital Market Indebtedness unless, subject to § 3(3), the Issuer's obligations under the Notes are secured equally with (or, in case such Capital Market Indebtedness is subordinated debt, senior in priority to) the Capital Market Indebtedness secured by such security interest.

(2) *Negative Pledge of the Guarantor*. The Guarantor has undertaken in the Guarantee, so long as any Notes are outstanding, but only up to the time all amounts of principal and interest have been placed at the disposal of the Fiscal Agent, not to create or permit to subsist, and to procure that none of its Material Subsidiaries will create or permit to subsist, any form of security interest *in rem* (*dingliches Sicherungsrecht*) over its assets to secure any Capital Market Indebtedness other than Securitised Capital Market Indebtedness or to secure any guarantee or indemnity given by the Guarantor or any of its Subsidiaries in

§ 3 NEGATIVVERPFLICHTUNG

(1) *Negativverpflichtung der Emittentin*. Die Emittentin verpflichtet sich, solange Schuldverschreibungen ausstehen, jedoch nur bis zu dem Zeitpunkt, an dem alle Beträge an Kapital und Zinsen dem Fiscal Agent zur Verfügung gestellt wurden, keine dinglichen Sicherungsrechte an ihren Vermögenswerten zur Besicherung von Kapitalmarktverbindlichkeiten (mit Ausnahme Verbriefter Kapitalmarktverbindlichkeiten) oder von durch die Emittentin in Bezug auf Kapitalmarktverbindlichkeiten übernommenen Garantien oder abgegebenen Freistellungserklärungen zu bestellen oder fortbestehen zu lassen, es sei denn, die Verbindlichkeiten der Emittentin aus den Schuldverschreibungen werden vorbehaltlich § 3(3) durch das betreffende Sicherungsrecht gleichrangig mit der jeweiligen Kapitalmarktverbindlichkeit (oder, sofern es sich dabei um eine nachrangige Verbindlichkeit handelt, im Vergleich dazu vorrangig) besichert.

(2) *Negativverpflichtung der Garantin*. In der Garantie hat sich die Garantin verpflichtet, solange Schuldverschreibungen ausstehen, jedoch nur bis zu dem Zeitpunkt, an dem alle Beträge an Kapital und Zinsen dem Fiscal Agent zur Verfügung gestellt wurden, keine dinglichen Sicherungsrechte an ihren Vermögenswerten zur Besicherung von Kapitalmarktverbindlichkeiten (mit Ausnahme Verbriefter Kapitalmarktverbindlichkeiten) oder von durch die Garantin oder eine ihrer Tochtergesellschaften in Bezug auf Kapitalmarktverbindlichkeiten übernommenen Garantien oder abgegebenen

respect of Capital Market Indebtedness unless, subject to § 3(3), the Issuer's obligations under the Notes are secured equally with (or, in case such Capital Market Indebtedness is subordinated debt, senior in priority to) the Capital Market Indebtedness secured by such security interest.

Freistellungserklärungen zu bestellen oder fortbestehen zu lassen bzw. sicherzustellen, dass keine ihrer Wesentlichen Tochtergesellschaften dies tut, es sei denn, die Verbindlichkeiten der Emittentin aus den Schuldverschreibungen werden vorbehaltlich § 3(3) durch das betreffende Sicherungsrecht gleichrangig mit der jeweiligen Kapitalmarktverbindlichkeit (oder, sofern es sich dabei um eine nachrangige Verbindlichkeit handelt, im Vergleich dazu vorrangig) besichert.

(3) *Limitation*. The undertakings pursuant to § 3(1) and § 3(2) shall not apply:

(a) to any security interest which is mandatory according to applicable laws or required as prerequisite for governmental approvals; or

(b) with respect to any security right *in rem* (*dingliches Sicherungsrecht*) provided by any Subsidiary over any of such Subsidiary's claims against the Guarantor, which claims arise as a result of the passing on to the Guarantor of the proceeds from the issue by such Subsidiary of any Capital Market Indebtedness, provided that any such security serves solely to secure obligations under such Capital Market Indebtedness issued by such Subsidiary.

(3) *Beschränkung*. Die Verpflichtungserklärungen nach § 3(1) und § 3(2) gelten nicht:

(a) für Sicherungsrechte, die nach anwendbarem Recht zwingend vorgeschrieben sind oder Voraussetzung für die Gewährung staatlicher Genehmigungen sind; oder

(b) für dingliche Sicherungsrechte, die von einer Tochtergesellschaft an Forderungen gegen die Garantin bestellt werden, die ihr aufgrund der Weiterleitung von erzielten Erlösen der Tochtergesellschaft aus der Begebung von Kapitalmarktverbindlichkeiten erzielten Erlösen der Tochtergesellschaft an die Garantin zustehen, vorausgesetzt, diese Sicherheiten dienen ausschließlich der Besicherung von Verpflichtungen aus den von dieser Tochtergesellschaft begebenen Kapitalmarktverbindlichkeiten.

(4) *Provision of Additional Security*. Whenever the Issuer or the Guarantor, as the case may be, becomes obligated to secure (or procure that a Material Subsidiary secures) the Notes pursuant to § 3(1) and (2), the Issuer or the Guarantor, as applicable, shall be entitled to discharge such obligation by providing (or procure that the relevant Material Subsidiary provides) a security interest in the relevant collateral to a security trustee, such security trustee to hold such collateral and the security interest that gave rise to the creation of such collateral, equally (*dinglich oder, falls rechtlich nicht möglich, aufgrund schuldrechtlicher Vereinbarung gleichrangig*), for the benefit of the Holders and the holders

(4) *Bestellung zusätzlicher Sicherheiten*. Entsteht für die Emittentin oder gegebenenfalls die Garantin die Verpflichtung zur Besicherung der Schuldverschreibungen gemäß § 3(1) und (2) (oder entsteht die Verpflichtung, für deren Besicherung durch eine Wesentliche Tochtergesellschaft Sorge zu tragen), so sind die Emittentin bzw. die Garantin berechtigt, diese Verpflichtung dadurch zu erfüllen, dass ein Sicherungsrecht an dem jeweiligen Sicherungsgegenstand zugunsten eines Sicherheitentreuhänders begründet wird (bzw. dadurch, dass sie die betreffende Wesentliche Tochtergesellschaft zur Begründung eines solchen Sicherungsrechts veranlassen), und zwar in einer Weise, dass der

of the Capital Market Indebtedness secured by the security interest that gave rise to the creation of such security interest in such collateral.

Sicherheitentreuhänder diesen Sicherungsgegenstand dinglich oder, falls rechtlich nicht möglich, aufgrund schuldrechtlicher Vereinbarung gleichrangig zugunsten der Gläubiger der Schuldverschreibungen und der Gläubiger derjenigen Kapitalmarktverbindlichkeit hält, die aufgrund einer Besicherung mit einem Sicherungsrecht zur Bestellung dieses Sicherungsrechts an dem betreffenden Sicherungsgegenstand führte.

§ 4 INTEREST

(1) *Rate of Interest and Interest Payment Dates*. The Notes shall bear interest on their principal amount 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 on each Interest Payment Date.

"**Interest Payment Date**" means **[in the case of Specified Interest Payment Dates the following applies:** each **[*Specified Interest Payment Dates*] [in the case of Specified Interest Periods, the following applies:** each date which (except as otherwise provided in these Terms and Conditions) falls **[*number*] [*weeks*] [*months*] [*other specified periods*]** after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date**]**.

(2) *Business Day Convention*. If any Interest Payment Date would otherwise fall on a day which is not a Business Day (as defined below), it shall be: **[*in the case of the 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 the case of the FRN Convention, the following applies:*** postponed to the next day which is a Business Day unless it would thereby fall into the next calendar

§ 4 VERZINSUNG

(1) *Zinssatz und Zinszahlungstage*. Die Schuldverschreibungen werden bezogen auf ihren Nennbetrag verzinst, und zwar vom **[*Verzinsungsbeginn*]** (der "**Verzinsungsbeginn**") (einschließlich) bis zum ersten Zinszahlungstag (ausschließlich) und danach von jedem Zinszahlungstag (einschließlich) bis zum nächstfolgenden Zinszahlungstag (ausschließlich). Zinsen auf die Schuldverschreibungen sind an jedem Zinszahlungstag zahlbar.

"**Zinszahlungstag**" bezeichnet **[*im Falle von festgelegten Zinszahlungstagen, gilt folgendes:*** jeden **[*festgelegte Zinszahlungstage*] [*im Falle von festgelegten Zinsperioden gilt folgendes:*** (soweit diese Emissionsbedingungen keine abweichenden Bestimmungen vorsehen) jeweils den Tag, der **[*Zahl*] [*Wochen*] [*Monate*] [*andere festgelegte Zeiträume*]** nach dem vorhergehenden Zinszahlungstag oder im Fall des ersten Zinszahlungstages, nach dem Verzinsungsbeginn liegt**]**.

(2) *Geschäftstagekonvention*. Fällt ein Zinszahlungstag auf einen Tag, der kein Geschäftstag (wie nachfolgend definiert) ist, so wird der Zinszahlungstag **[*im Falle der modifizierten folgender Geschäftstag-Konvention gilt folgendes:*** 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 Falle der FRN-Konvention gilt folgendes:*** auf den nächstfolgenden Geschäftstag verschoben, es sei denn, jener

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 **[*number*] [*months*] [*other specified periods*]** after the preceding applicable Interest Payment Date**.] [*in the case of the Following Business Day Convention, the following applies:*** postponed to the next day which is a Business Day.**] [*in the case of the Preceding Business Day Convention, the following applies:*** the immediately preceding Business Day.**]**

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*] [*Monate*] [*andere festgelegte Zeiträume*]** nach dem vorhergehenden anwendbaren Zinszahlungstag liegt.**] [*im Falle der folgender Geschäftstag-Konvention gilt folgendes:*** auf den nächstfolgenden Geschäftstag verschoben.**] [*im Falle der vorher-gegangener Geschäftstag-Konvention gilt folgendes:*** auf den unmittelbar vorhergehenden Geschäftstag vorgezogen.**]**

[*In the case the offered quotation for deposits in the Specified Currency is EURIBOR, the following applies:*

[*Falls der Angebotssatz für Einlagen in der festgelegten Währung EURIBOR ist, gilt folgendes:*

(3) *Rate of Interest*. The rate of interest (the "**Rate of Interest**") for each Interest Period (as defined below) will, except as provided below, be the Reference Rate (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 § 7).

(3) *Zinssatz*. Der Zinssatz (der "**Zinssatz**") für jede Zinsperiode (wie nachfolgend definiert) ist, sofern nachfolgend nichts Abweichendes bestimmt wird, der Referenzsatz (wie nachfolgend definiert) **[*im Falle einer Marge gilt folgendes:* [**zuzüglich**] [**abzüglich**]** der Marge (wie nachfolgend definiert)**]**, wobei alle Festlegungen durch die Berechnungsstelle (wie in § 7 definiert) erfolgen.

The "**Reference Rate**" will 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).

Der "**Referenzsatz**" entspricht dem Angebotssatz (ausgedrückt als Prozentsatz per annum) für Einlagen in der Festgelegten Währung für die jeweilige Zinsperiode, der auf der Bildschirmseite am Zins-Festlegungstag (wie nachfolgend definiert) um 11.00 Uhr (Brüsseler Ortszeit) angezeigt wird.

"**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.

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

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

"**Zins-Festlegungstag**" bezeichnet den zweiten TARGET Geschäftstag vor Beginn der jeweiligen Zinsperiode.

[*In case of a Margin the following applies:* "**Margin**" means **[*Margin*]** % per annum.**]**

[*Im Falle einer Marge gilt folgendes:* Die "**Marge**" beträgt **[*Marge*]**% per annum.**]**

"**Screen Page**" means EURIBOR01 or any

"**Bildschirmseite**" bedeutet EURIBOR01 oder

successor page.

If the Screen Page is not available or if no such quotation appears as at such time, the Issuer (or a third-party on behalf of the Issuer) 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 leading 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 (at the request of the Issuer) to the Calculation Agent by major banks in the interbank market in the Euro-Zone, selected by the Calculation Agent acting in good faith, at which such banks offer, as at 11.00 a.m. (Brussels time) on the relevant Interest Determination Date, loans in the Specified Currency for the relevant Interest Period and in a representative amount to leading European banks **[*in case of a Margin the following applies:*** **[**plus**]** **[**minus**]**

jede Nachfolgeseite.

Sollte zu der genannten Zeit die maßgebliche Bildschirmseite nicht zur Verfügung stehen oder wird kein Angebotssatz angezeigt, wird die Emittentin (oder eine dritte Partei im Namen der Emittentin) von jeder der Referenzbanken (wie nachfolgend 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 Uhr (Brüsseler Ortszeit) am Zins-Festlegungstag anfordern und darum bitten, diese Angebotssätze der Berechnungsstelle zu nennen. 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 Falle einer Marge gilt folgendes:*** **[**zuzüglich**]** **[**abzüglich**]** der Marge**]**, wobei alle Festlegungen durch die Berechnungsstelle erfolgen.

Falls an einem Zins-Festlegungstag 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 von der Berechnungsstelle in angemessener Sorgfalt ausgewählte Großbanken im Interbanken-Markt in der Euro-Zone der Berechnungsstelle auf Anfrage der Emittentin als den jeweiligen Satz nennen, zu dem sie um 11.00 Uhr (Brüsseler Ortszeit) am betreffenden Zins-Festlegungstag Darlehen in der festgelegten Währung für die betreffende Zinsperiode und über einen repräsentativen Betrag gegenüber führenden Europäischen Banken anbieten **[*im Falle einer***

the Margin**]**.

If the Rate of Interest cannot be determined in accordance with the foregoing provisions, and if the International Swaps and Derivatives Association, Inc. ("**ISDA**") has published a fallback provision for the determination of the Rate of Interest at the relevant time, the Calculation Agent will determine the Rate of Interest on the basis of such fallback provision. If ISDA has not published such a fallback provision at the relevant time, the following shall apply: If the Rate of Interest cannot be determined in accordance with the foregoing provisions, the Rate of Interest shall be the offered quotation or the arithmetic mean (rounded if necessary to the nearest one thousandth of a percentage point, with 0.0005 being rounded upwards) of the offered quotations on the Screen Page on the last day preceding the Interest Determination Date on which such quotations were offered.

As used herein, "**Reference Banks**" means four major banks in the interbank market in the Euro-Zone.

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

**[*In the case the offered quotation for deposits in the Specified Currency is EURIBOR, a short/long [first / last] coupon and interpolation is applicable, the following applies:*

In respect of the **[**first / last**]** Interest Period, the Reference Rate shall be determined by the Calculation Agent on the Interest Determination Date in a commercially reasonably manner using the straight-line

Marge gilt folgendes: **[**zuzüglich**] [**abzüglich**]** der Marge**].]**

Falls der Zinssatz nicht gemäß den vorstehenden Bestimmungen ermittelt werden kann, und falls zum betreffenden Zeitpunkt die International Swaps and Derivatives Association, Inc. ("**ISDA**") eine Auffangregelung zur Bestimmung des Zinssatzes veröffentlicht hat, wird die Berechnungsstelle den Zinssatz auf Basis dieser Auffangregelung berechnen. Falls die ISDA zum betreffenden Zeitpunkt keine solche Auffangregelung veröffentlicht hat, gilt folgendes: Falls der Zinssatz nicht gemäß den vorstehenden Bestimmungen ermittelt werden kann, ist der Zinssatz der Angebotssatz oder das arithmetische Mittel (falls erforderlich, auf- oder abgerundet auf das nächste ein Tausendstel Prozent, wobei 0,0005 aufgerundet wird) der Angebotssätze auf der Bildschirmseite an dem letzten Tag vor dem Zins-Festlegungstag, an dem diese Angebotssätze angezeigt wurden.

"**Referenzbanken**" bezeichnet vier Großbanken im Interbanken-Markt in der Euro-Zone.

"**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.**]**

**[*Falls der Angebotssatz für Einlagen in der festgelegten Währung EURIBOR ist, ein kurzer oder langer [erster / letzter] Kupon sowie Interpolation anwendbar ist, gilt folgendes:*

Für die **[**erste / letzte**]** Zinsperiode legt die Berechnungsstelle den Referenzsatz am Zinsfestsetzungstag in kaufmännisch vernünftiger Weise durch lineare Interpolation zwischen zwei Referenzsätzen fest, von denen

interpolation by reference to two reference rates, one of which shall be determined for a term for which a reference rate similar to the Reference Rate is available and which is next closest to but shorter than the applicable Interest Period and the other of which shall be determined for a term for which a reference rate similar to the Reference Rate is available and which is next closest to but longer than the applicable Interest Period.**]**

der eine Referenzsatz für einen Zeitraum zu bestimmen ist, für den es einen dem Referenzsatz vergleichbaren Referenzsatz gibt und der der Länge der anwendbaren Zinsperiode am nächsten kommt, aber kürzer als diese ist und der andere Referenzsatz für einen Zeitraum zu bestimmen ist, für den es einen dem Referenzsatz vergleichbaren Referenzsatz gibt und der der Länge der anwendbaren Zinsperiode am nächsten kommt, aber länger als diese ist.**]**

[*In the case the offered quotation for deposits in the Specified Currency is LIBOR, the following applies:*

[*Falls der Angebotssatz für Einlagen in der festgelegten Währung LIBOR ist, gilt folgendes:*

(3) Rate of Interest. The rate of interest (the "**Rate of Interest**") for each Interest Period (as defined below) will, except as provided below, 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. (London 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 § 7).

(3) Zinssatz. Der Zinssatz (der "**Zinssatz**") für jede Zinsperiode (wie nachfolgend definiert) ist, sofern nachfolgend 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 Zins-Festlegungstag (wie nachfolgend definiert) um 11.00 Uhr (Londoner Ortszeit) angezeigt wird **[*im Falle einer Marge gilt folgendes:* [**zuzüglich**] [**abzüglich**] der Marge (wie nachfolgend definiert)**]**, wobei alle Festlegungen durch die Berechnungsstelle (wie in § 7 definiert) erfolgen.

[*In the case the offered quotation for deposits in the Specified Currency is LIBOR, a short/long [first / last] coupon and interpolation is applicable, the following applies:*

[*Falls der Angebotssatz für Einlagen in der festgelegten Währung LIBOR ist, ein kurzer oder langer [erster / letzter] Kupon sowie Interpolation anwendbar ist, gilt folgendes:*

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

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

"**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 **[**first**] [**second**] [*relevant financial center(s)*]** Business Day **[**prior to the commencement**]** of the relevant Interest Period.

["[Relevant Financial Center(s)] Business Day" means a day which is a day (other than a Saturday or Sunday) on which commercial banks are open for business (including dealings in foreign exchange and foreign currency) in **[*relevant financial center(s)*].]**

[*In case of a Margin, the following applies:* "**Margin**" means **[*Margin*]** % per annum.**]**

"**Screen Page**" means LIBOR01 or any successor page.

If the Screen Page is not available or if no such quotation appears as at such time, the Issuer (or a third-party on behalf of the Issuer) 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 leading banks in the London interbank market at approximately 11.00 a.m. (London 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 hundred-thousandth of a percentage point, with 0.000005 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.

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

"**Zins-Festlegungstag**" bezeichnet den **[**ersten**] [**zweiten**] [*relevante(s) Finanzzentrum(en)*]** Geschäftstag **[**vor Beginn**]** der jeweiligen Zinsperiode.

["[Relevante(s) Finanzzentrum(en)] Geschäftstag" bezeichnet einen Tag (außer einem Samstag oder Sonntag), am dem Geschäftsbanken in **[*relevante(s) Finanzzentrum(en)*]** für Geschäfte (einschließlich Devisen- und Sortengeschäfte) geöffnet sind.**]**

[*Im Falle einer Marge gilt folgendes:* Die "**Marge**" beträgt **[*Marge*]**% per annum.**]**

"**Bildschirmseite**" bedeutet LIBOR01 oder jede Nachfolgeseite.

Sollte zu der genannten Zeit die maßgebliche Bildschirmseite nicht zur Verfügung stehen oder wird kein Angebotssatz angezeigt, wird die die Emittentin (oder eine dritte Partei im Namen der Emittentin) von den Referenzbanken (wie nachfolgend 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 Londoner Interbanken-Markt um 11.00 Uhr (Londoner Ortszeit) am Zins-Festlegungstag anfordern und darum bitten, diese Angebotssätze der Berechnungsstelle zu nennen. 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 Hunderttausendstel Prozent, wobei 0,000005 aufgerundet wird) dieser Angebotssätze **[*im Falle einer Marge gilt Folgendes:*** **[**zuzüglich**] [**abzüglich**]** der Marge**]**, wobei alle Festlegungen durch die Berechnungsstelle erfolgen.

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 hundred-thousandth of a percentage point, with 0.000005 being rounded upwards) of the rates, as communicated (at the request of the Issuer) to the Calculation Agent by major banks in the London interbank market, selected by the Calculation Agent acting in good faith, at which such banks offer, as at 11.00 a.m. (London time) on the relevant Interest Determination Date, loans in the Specified Currency for the relevant Interest Period and in a representative amount to leading European banks **[***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, and if the International Swaps and Derivatives Association, Inc. ("**ISDA**") has published a fallback provision for the determination of the Rate of Interest at the relevant time, the Calculation Agent will determine the Rate of Interest on the basis of such fallback provision. If ISDA has not published such a fallback provision at the relevant time, the following shall apply: If the Rate of Interest cannot be determined in accordance with the foregoing provisions, the Rate of Interest shall be the offered quotation or the arithmetic mean (rounded if necessary to the nearest one hundred-thousandth of a percentage point, with 0.000005 being rounded upwards) of the offered quotations on the Screen Page on the last day preceding the Interest Determination Date on which such quotations were offered.

As used herein, "**Reference Banks**" means four major banks in the London interbank market.**]**

[(4) ***In case of a Minimum and/or Maximum Rate of Interest, the following applies:***

Falls an einem Zins-Festlegungstag 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 Hunderttausendstel Prozent, wobei 0,000005 aufgerundet wird) der Angebotssätze ermittelt, die von der Berechnungsstelle in angemessener Sorgfalt ausgewählte Großbanken im Londoner Interbanken-Markt der Berechnungsstelle auf Anfrage der Emittentin als den jeweiligen Satz nennen, zu dem sie um 11.00 Uhr (Londoner Ortszeit) am betreffenden Zins-Festlegungstag Darlehen in der festgelegten Währung für die betreffende Zinsperiode und über einen repräsentativen Betrag gegenüber führenden Europäischen Banken anbieten **[***im Falle einer Marge gilt folgendes:* **[**zuzüglich**] [**abzüglich**]** der Marge**].]**

Falls der Zinssatz nicht gemäß den vorstehenden Bestimmungen ermittelt werden kann, und falls zum betreffenden Zeitpunkt die International Swaps and Derivatives Association, Inc. ("**ISDA**") eine Auffangregelung zur Bestimmung des Zinssatzes veröffentlicht hat, wird die Berechnungsstelle den Zinssatz auf Basis dieser Auffangregelung berechnen. Falls die ISDA zum betreffenden Zeitpunkt keine solche Auffangregelung veröffentlicht hat, gilt folgendes: Falls der Zinssatz nicht gemäß den vorstehenden Bestimmungen ermittelt werden kann, ist der Zinssatz der Angebotssatz oder das arithmetische Mittel (falls erforderlich, auf- oder abgerundet auf das nächste ein Hunderttausendstel Prozent, wobei 0,000005 aufgerundet wird) der Angebotssätze auf der Bildschirmseite an dem letzten Tag vor dem Zins-Festlegungstag, an dem diese Angebotssätze angezeigt wurden.

"**Referenzbanken**" bezeichnet vier Großbanken im Londoner Interbanken-Markt.**]**

[(4) ***Im Falle eines Mindest- und/oder Höchstzinssatz gilt folgendes:*** **[**Mindest-**]**

[Minimum**]** **[**and**]** **[**Maximum**]** Rate of Interest.

[*In case of a Minimum Rate of Interest, the following applies:* 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:* 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*]**.**]]**

[(5)**]** *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 being rounded upwards.

[(6)**]** *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 and the Guarantor and to the Holders in accordance with § 15 as soon as possible after their determination, but in no event later than the fourth Business Day 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

[und**]** **[**Höchst-**]** Zinssatz.**]**

[*Im Falle eines Mindestzinssatzes gilt folgendes:* Wenn der gemäß den obigen Bestimmungen für eine Zinsperiode ermittelte Zinssatz niedriger ist als **[*Mindestzinssatz*]**, so ist der Zinssatz für diese Zinsperiode **[*Mindestzinssatz*]**.**]**

[*Im Falle eines Höchstzinssatzes gilt folgendes:* Wenn der gemäß den obigen Bestimmungen für eine Zinsperiode ermittelte Zinssatz höher ist als **[*Höchstzinssatz*]**, so ist der Zinssatz für diese Zinsperiode **[*Höchstzinssatz*]**.**]**

[(5)**]** *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. Jeder 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 Festgelegten Währung auf- oder abgerundet wird, wobei 0,5 solcher Einheiten aufgerundet werden.

[(6)**]** *Mitteilung von Zinssatz und Zinsbetrag*. Die Berechnungsstelle wird veranlassen, dass der Zinssatz, jeder Zinsbetrag für die jeweilige Zinsperiode, die jeweilige Zinsperiode und der betreffende Zinszahlungstag der Emittentin und der Garantin sowie den Gläubigern gemäß § 15 baldmöglichst nach ihrer Festlegung, aber keinesfalls später als am vierten auf die Festlegung jeweils folgenden Geschäftstag mitgeteilt werden, sowie jeder Börse, an der die betreffenden Schuldverschreibungen zu diesem Zeitpunkt notiert sind und deren Regeln eine Mitteilung an die Börse verlangen, baldmöglichst nach ihrer Festlegung, aber keinesfalls später als am ersten Tag der jeweiligen Zinsperiode mitgeteilt werden. Im Fall einer Verlängerung oder Verkürzung der Zinsperiode können jeder

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 § 15.

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 § 15 mitgeteilt.

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

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

[(8)**]** *Late Payments*. If the Issuer for any reason fails to redeem the Notes when due, interest shall continue to accrue on the outstanding amount from (and including) the due date until (but excluding) the date of actual redemption of the Notes at the default rate of interest established by law[4]. Claims for further damages in case of late payment are not excluded.

[(8)**]** *Zahlungsverzug*. Wenn die Emittentin aus irgendeinem Grund Zahlungen auf die Schuldverschreibungen bei Fälligkeit nicht zahlt, wird der ausstehende Betrag vom Tag der Fälligkeit (einschließlich) bis zum Tag der tatsächlichen Rückzahlung der Schuldverschreibungen (ausschließlich) mit dem gesetzlich bestimmten Verzugszins[6] verzinst. Die Geltendmachung eines weitergehenden Schadens ist nicht ausgeschlossen.

[(9)**]** *Day Count Fraction*. "**Day Count Fraction**" means, in respect of the calculation of an amount of interest on any Note for any period of time (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

[(9)**]** *Zinstagequotient*. "**Zinstagequotient**" bezeichnet in Bezug auf die Berechnung von Zinsbeträgen auf die Schuldverschreibungen für einen beliebigen Zeitraum (der "**Zinsberechnungszeitraum**"):

[*Im Falle von Actual/365 oder Actual/Actual (ISDA) gilt folgendes:* 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) der tatsächlichen Anzahl der nicht in das Schaltjahr fallenden Tage des

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[4] 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, sections 288 paragraph 1, 247 paragraph 1 of the German Civil Code (*Bürgerliches Gesetzbuch*).
Der gesetzliche Verzugszinssatz beträgt fünf Prozentpunkte über dem von der Deutschen Bundesbank jeweils veröffentlichen Basiszinssatz, §§ 288 Abs. 1, 247 Abs. 1 BGB.

divided by 365).

[*In case of Actual/365 (Fixed) the following applies:* the actual number of days in the Calculation Period divided by 365.]

[*In case of Actual/360 the following applies:* the actual number of days in the Calculation Period divided by 360.]

[*In 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 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).]

§ 5 PAYMENTS

(1) *Payment of Principal and Interest*. Payment of principal and interest in respect of Notes shall be made, in accordance with § 5(2), to the Paying Agent for forwarding to the Clearing

Zinsberechnungszeitraums, dividiert durch 365).

[*Im Falle von Actual/365 (Fixed) gilt folgendes:* die tatsächliche Anzahl von Tagen im Zinsberechnungszeitraum, dividiert durch 365.]

[*Im Falle von Actual/360 gilt folgendes:* die tatsächliche Anzahl von Tagen im Zinsberechnungszeitraum, dividiert durch 360.]

[*Im Falle von 30/360, 360/360 oder Bond Basis gilt folgendes:* 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 Monates, während der erste Tag des Zinsberechnungszeitraumes weder auf den 30. noch auf den 31. Tag eines Monats fällt, in welchem Fall der diesen letzten Tag enthaltende Monat 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 Falle von 30E/360 oder Eurobond Basis gilt folgendes:* die Anzahl der Tage im Zinsberechnungszeitraum, dividiert durch 360 (dabei ist die Anzahl der Tage auf der Grundlage eines Jahres von 360 Tagen mit zwölf Monaten zu je 30 Tagen zu ermitteln, und zwar ohne Berücksichtigung des Datums des ersten oder letzten Tages des Zinsberechnungszeitraumes, es sei denn, dass im Falle einer am Fälligkeitstag endenden Zinsperiode der Fälligkeitstag der letzte Tag des Monats Februar ist, in welchem Fall der Monat Februar nicht als ein auf 30 Tage verlängerter Monat zu behandeln ist).]

§ 5 ZAHLUNGEN

(1) *Zahlung von Kapital und Zinsen*. Die Zahlung von Kapital und Zinsen auf die Schuldverschreibungen erfolgt nach Maßgabe des § 5(2) an die Zahlstelle zur Weiterleitung

System or to its order for credit to the accounts of the relevant accountholders of the Clearing System.

Payment of interest on Notes represented by the Temporary Global Note shall be made, in accordance with § 5(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 or, as the case may be, the Guarantor shall be discharged by payment to, or to the order of, the Clearing System.

(4) *Business Day*. If the date for payment of any amount in respect of any Note is not a Business Day then the Holder shall not be entitled to payment until the next 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, "**Business Day**" means

[*In the case the Specified Currency is Euro the following applies*: a day (other than a Saturday or a Sunday) on which banks are open for general business in **[*relevant financial center(s)*]** **[**Frankfurt am Main**]** and on which the Clearing System is operational to effect payments and which is a TARGET Business Day.**]**

[*In the case the Specified Currency is not Euro the following applies*: a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in **[*relevant financial center(s)*]**.**]**

an das Clearingsystem oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearingsystems.

Die Zahlung von Zinsen auf die Schuldverschreibungen, die durch die Vorläufige Globalurkunde verbrieft sind, erfolgt nach Maßgabe des § 5(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 oder sonstiger gesetzlicher Regelungen und Vorschriften werden auf die Schuldverschreibungen fällige Zahlungen in der Festgelegten Währung geleistet.

(3) *Erfüllung*. Die Emittentin bzw. die Garantin werden durch Leistung der Zahlung an das Clearingsystem oder dessen Order von ihrer Zahlungspflicht befreit.

(4) *Geschäftstag*. Fällt der Tag der Fälligkeit einer Zahlung in Bezug auf eine Schuldverschreibung auf einen Tag, der kein Geschäftstag ist, so hat der Gläubiger keinen Anspruch auf Zahlung vor dem nächsten Geschäftstag am jeweiligen Ort und ist nicht berechtigt, weitere Zinsen oder sonstige Zahlungen aufgrund dieser Verspätung zu verlangen.

Für diese Zwecke bezeichnet "**Geschäftstag**"

[*Wenn die Festgelegte Währung Euro ist, gilt folgendes*: einen Tag (außer einem Samstag oder Sonntag), an dem Banken in **[*relevante(s) Finanzzentrum(en)*]** **[**Frankfurt am Main**]** für den allgemeinen Geschäftsverkehr geöffnet sind und an dem das Clearingsystem betriebsbereit ist, um Zahlungen vorzunehmen, und der ein TARGET Geschäftstag ist.**]**

[*Wenn die Festgelegte Währung nicht Euro ist, gilt folgendes*: einen Tag (außer einem Samstag oder Sonntag), an dem Geschäftsbanken und Devisenmärkte in **[*relevante(s) Finanzzentrum(en)*]** Zahlungen abwickeln.**]**

(5) *References to Principal and Interest*. References in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable: the principal amount per Note, **[*if the Notes are subject to Early Redemption at the Option of the Issuer upon the occurrence of a transaction related event, the following applies:*** the Trigger Call Redemption Amount, **]** Additional Amounts and any other premium and any other amounts which may be payable under or in respect of the Notes. References in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any Additional Amounts which may be payable under § 8.

(6) *Deposit of Principal and Interest*. The Issuer or the Guarantor, as the case may be, may deposit with the local court (*Amtsgericht*) in Frankfurt am 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.

(7) *Payments Subject to Applicable Law*. Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of § 8 and (ii) any withholding or deduction required pursuant to an agreement described in section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of § 8) any law implementing an intergovernmental approach thereto.

(5) *Bezugnahmen auf Kapital und Zinsen*. Bezugnahmen in diesen Emissionsbedingungen auf Kapital der Schuldverschreibungen schließen, soweit anwendbar, die folgenden Beträge ein: den Nennbetrag je Schuldverschreibung, **[*falls die Emittentin das Wahlrecht hat, die Schuldverschreibungen bei Eintritt eines transaktionsbezogenen Ereignisses zum Ereignis Wahl-Rückzahlungsbetrag vorzeitig zurückzuzahlen, gilt folgendes:*** den Ereignis-Wahl-Rückzahlungsbetrag, **]** Zusätzliche Beträge und alle Aufschläge oder sonstigen auf die Schuldverschreibungen oder im Zusammenhang damit gegebenenfalls zahlbaren Beträge. Bezugnahmen in diesen Emissionsbedingungen auf Zinsen auf die Schuldverschreibungen schließen, soweit anwendbar, sämtliche gegebenenfalls gemäß § 8 zahlbaren Zusätzlichen Beträge ein.

(6) *Hinterlegung von Kapital und Zinsen*. Die Emittentin bzw. die Garantin ist berechtigt, beim Amtsgericht Frankfurt am Main Kapital- oder Zinsbeträge 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.

(7) *Zahlungen vorbehaltlich von gesetzlichen Regelungen*. Alle Zahlungen erfolgen unter Vorbehalt (i), unbeschadet der Regelungen in § 8, sämtlichen steuerrechtlichen Regelungen oder anderen Gesetzen und Regelungen, die solche Zahlungen betreffen, und (ii) einer Einbehaltung oder eines Abzugs gemäß Abschnitt 1471(b) des U.S. Internal Revenue Code von 1986 (der "**Code**") oder anderer Regelungen gemäß den Abschnitten 1471 bis 1474 des Codes sowie sämtlichen darunter erlassenen Vorschriften, förmlichen Interpretationen und (unbeschadet der Regelungen in § 8) Umsetzungsakten, die auf zwischenstaatlichen Vereinbarungen beruhen.

§ 6 REDEMPTION

(1) *Redemption at Maturity*. Unless previously redeemed in whole or in part or purchased and cancelled, the Notes shall be redeemed at their principal amount on **[*in the case of a specified Maturity Date insert:* [*insert Maturity Date*]] [*in the case of a Redemption Month insert:* ** the Interest Payment Date falling in **[*insert Redemption Month*]]** (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 the Relevant Taxing Jurisdiction in respect of the Issuer or, as the case may be, the Guarantor 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 becomes effective on or after the date on which the last tranche of this series of Notes was issued, the Issuer or, as the case may be, the Guarantor is required to pay Additional Amounts on the next succeeding Interest Payment Date, and this obligation cannot be avoided by the use of measures available to the Issuer or, as the case may be, the Guarantor, which are, in the judgement of the Issuer or, as the case may be, the Guarantor, in each case taking into account the interests of Holders, reasonable, the Notes may be redeemed, in whole but not in part, at the option of the Issuer, on the next Interest Payment Date upon not more than 60 days' nor less than 30 days' prior notice of redemption given to the Fiscal Agent and, in accordance with § 15 to the Holders, at the principal amount together with interest accrued to (but excluding) the date fixed for redemption.

However, no such notice of redemption may be given (i) earlier than 90 days prior to the earliest date on which the Issuer or, as the case

§ 6 RÜCKZAHLUNG

(1) *Rückzahlung bei Endfälligkeit*. Soweit nicht zuvor bereits ganz oder teilweise zurückgezahlt oder angekauft und entwertet, werden die Schuldverschreibungen zu ihrem Nennbetrag am **[*im Fall eines festgelegten Endfälligkeitstages einfügen*: [*Endfälligkeitstag einfügen*]] [*im Fall eines Rückzahlungsmonats einfügen*:** in den **[*Rückzahlungsmonat einfügen*]** fallenden Zinszahlungstag**]** (der "**Fälligkeitstag**") zurückgezahlt.

(2) *Vorzeitige Rückzahlung aus steuerlichen Gründen*. Die Schuldverschreibungen können zum nächsten Zinszahlungstag insgesamt, jedoch nicht teilweise, nach Wahl der Emittentin mit einer Kündigungsfrist von nicht weniger als 30 und nicht mehr als 60 Tagen durch Erklärung gegenüber dem Fiscal Agent und gemäß § 15 gegenüber den Gläubigern gekündigt und zu ihrem Nennbetrag zuzüglich bis zum für die Rückzahlung festgesetzten Tag (ausschließlich) aufgelaufener Zinsen vorzeitig zurückgezahlt werden, falls die Emittentin bzw. die Garantin als Folge einer Änderung oder Ergänzung der Gesetze und Vorschriften der Maßgeblichen Steuerjurisdiktion im Hinblick auf die Emittentin bzw. die Garantin, die Steuern oder die Verpflichtung zur Zahlung von Abgaben jeglicher Art betreffen, oder als Folge einer Änderung oder Ergänzung der offiziellen Auslegung oder Anwendung dieser Gesetze und Vorschriften (vorausgesetzt, diese Änderung oder Ergänzung wird am oder nach dem Tag der Begebung der letzten Tranche dieser Serie von Schuldverschreibungen wirksam) am nächstfolgenden Zinszahlungstag zur Zahlung von Zusätzlichen Beträgen verpflichtet sein wird und diese Verpflichtung nicht durch das Ergreifen der Emittentin bzw. der Garantin zur Verfügung stehender Maßnahmen, die nach Auffassung der Emittentin bzw. der Garantin zumutbar sind (wobei jeweils die Interessen der Gläubiger zu berücksichtigen sind) vermieden werden kann.

Eine solche Kündigung darf allerdings nicht (i) früher als 90 Tage vor dem frühestmöglichen Termin erfolgen, an dem die

may be, the Guarantor would be obligated to pay such Additional Amounts if a payment in respect of the Notes was 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 § 15. 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.

(3) *Early Redemption at the Option of the Holders upon a Change of Control*.

(a) If a Change of Control occurs after the Issue Date, each Holder shall have the right, but not the obligation, to require the Issuer to redeem or, at the Issuer's option, purchase (or procure the purchase of) in whole or in part his Notes at the principal amount per Note together with accrued and unpaid interest up to (but excluding) the Put Date (the "**Put Option**"). Such Put Option shall operate as set out below under § 6(3) (b)-(c).

A "**Change of Control**" shall be deemed to have occurred at each time (whether or not approved by the board of executive directors or supervisory board of the Guarantor) that:

(i) in the event of a public tender offer for shares of the Guarantor a situation arises in which

(A) shares already directly or indirectly under the control of the bidder and/or Persons acting in concert with the bidder and shares which have already been tendered in the tender offer, carry in aggregate more than 50 % of the voting

Emittentin bzw. die Garantin verpflichtet wäre, solche Zusätzlichen Beträge zu zahlen, falls eine Zahlung auf die Schuldverschreibungen dann fällig wäre, 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 hat gemäß § 15 zu erfolgen. 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.

(3) *Vorzeitige Rückzahlung nach Wahl der Gläubiger bei Vorliegen eines Kontrollwechsels*.

(a) Tritt nach dem Begebungstag ein Kontrollwechsel ein, so ist jeder Gläubiger berechtigt, aber nicht verpflichtet, von der Emittentin die vollständige oder teilweise Rückzahlung oder, nach Wahl der Emittentin, den vollständigen oder teilweisen Ankauf (oder die Veranlassung eines Ankaufs) seiner Schuldverschreibungen zum Nennbetrag je Schuldverschreibung zuzüglich bis zum Gläubigerwahl-Rückzahlungstag (ausschließlich) aufgelaufener aber noch nicht gezahlter Zinsen zu verlangen (das "**Gläubiger-Rückzahlungswahlrecht**"). Dieses Rückzahlungswahlrecht ist wie nachstehend unter § 6(3) (b)-(c) beschrieben auszuüben.

Ein "**Kontrollwechsel**" gilt jedes Mal in einem der folgenden Fälle als eingetreten (unabhängig davon, ob der Vorstand oder der Aufsichtsrat der Garantin zugestimmt hat), wenn:

(i) im Fall eines öffentlichen Übernahmeangebots für Aktien der Garantin die Situation eintritt, dass

(A) Aktien, die sich bereits unmittelbar oder mittelbar unter der Kontrolle des Bieters und/oder gemeinsam mit ihm handelnder Personen befinden, und bereits im Rahmen des Übernahmeangebots eingereichte Aktien insgesamt mehr

rights in the Guarantor; and

(B) the offer is or has become unconditional (other than for conditions relating to regulatory, in particular merger control, approvals and other conditions the satisfaction of which may remain pending following the end of the acceptance period pursuant to section 16(1) of the German Takeover Act (*Gesetz zur Regelung von öffentlichen Angeboten zum Erwerb von Wertpapieren und von Unternehmensübernahmen - WpÜG*)); or

(ii) any Person and/or Persons acting in concert otherwise acquires Control; or

(iii) the Guarantor sells or otherwise transfers all or substantially all of its assets to any Person (except for any Controlled Subsidiary).

"**Control**" means any direct or indirect legal or beneficial ownership or any legal or beneficial entitlement (as defined in section 34 of the German Securities Trading Act (*Wertpapierhandelsgesetz - WpHG*) of, in the aggregate, more than 50 % of the voting shares of the Guarantor.

"**Controlled Subsidiary**" means any entity controlled (*abhängiges Unternehmen*) by the Guarantor within the meaning of section 17 of the German Stock Corporation Act (*Aktiengesetz*).

(b) If a Change of Control occurs, then the Issuer shall, without undue delay, after the Guarantor becoming aware thereof, give notice of the Change of Control (a "**Put Event Notice**") to the Holders in accordance with § 15 specifying the nature of the Change of Control and the procedure for exercising the Put Option contained in this § 6(3) (including the information on the Clearing System account of the Paying Agent for purposes of subparagraph (c)(ii)(x) of this § 6(3)).

als 50 % der Stimmrechte der Garantin auf sich vereinen; und

(B) das Angebot nicht oder nicht mehr von Bedingungen abhängig ist (mit Ausnahme von Bedingungen hinsichtlich aufsichtsrechtlicher, insbesondere fusionskontrollrechtlicher, Genehmigungen und anderer Bedingungen, deren Erfüllung nach Ende der Annahmefrist gemäß § 16 Abs. 1 des Gesetzes zur Regelung von öffentlichen Angeboten zum Erwerb von Wertpapieren und von Unternehmensübernahmen (WpÜG) noch offen bleiben kann); oder

(ii) eine Person bzw. gemeinsam handelnde Personen erwerben in sonstiger Weise Kontrolle; oder

(iii) die Garantin ihr gesamtes oder im Wesentlichen ihr gesamtes Vermögen an eine Person (die keine Abhängige Tochtergesellschaft ist) verkauft oder in sonstiger Weise überträgt.

"**Kontrolle**" bezeichnet das unmittelbare oder mittelbare rechtliche oder wirtschaftliche Eigentum oder eine rechtliche oder wirtschaftliche Berechtigung (im Sinne von § 34 des Wertpapierhandelsgesetzes (WpHG)) an insgesamt mehr als 50 % der stimmberechtigten Aktien der Garantin.

"**Abhängige Tochtergesellschaft**" bezeichnet ein von der Garantin im Sinne von § 17 des Aktiengesetzes (AktG) abhängiges Unternehmen.

(b) Tritt ein Kontrollwechsel ein, so teilt die Emittentin dies unverzüglich, nachdem die Garantin davon Kenntnis erlangt hat, den Gläubigern gemäß § 15 mit (eine "**Gläubigerwahl- Rückzahlungsereignis-Mitteilung**") und gibt dabei die Art des Kontrollwechsels und das in diesem § 6(3) vorgesehene Verfahren zur Ausübung des Gläubiger-Rückzahlungswahlrechts an (mit Angaben zum Clearingsystem-Konto der Zahlstelle für die Zwecke von

(c) To exercise the Put Option, the Holder must deliver on any Business Day within 30 days after a Put Event Notice has been published (the "**Put Period**") (i) to the Fiscal Agent at its specified office a duly signed and completed notice of exercise in the then current form obtainable from the Fiscal Agent (a "**Put Notice**") and (ii) the aggregate Specified Denomination of Notes for which the Holder wishes to exercise its Put Option either by transferring such Notes to the Clearing System account of the Paying Agent or by withdrawal of such Notes from such Holder's account in accordance with the procedures of the Clearing System. The Issuer shall redeem or, at its option, purchase (or procure the purchase of) the relevant Note(s) on the date (the "**Put Date**") seven days after the expiration of the Put Period unless previously redeemed or purchased and cancelled. Payment in respect of any Note so delivered will be made in accordance with the customary procedures through the Clearing System. A Put Notice, once given, shall be irrevocable.**]**

[*If the Notes are subject to Early Redemption in case of minimal outstanding aggregate principal amount of the Notes, the following applies*:

(4) Early Redemption in case of minimal outstanding aggregate principal amount of the Notes. If 80 % or more of the aggregate principal amount of the Notes then outstanding have been redeemed or purchased by the Issuer, the Guarantor or any direct or indirect Subsidiary of the Guarantor pursuant to the provisions of this § 6, the Issuer may, on not less than 30 or more than 60 days'

Teilziffer (c)(ii)(x) dieses § 6(3)).

(c) Zur Ausübung des Gläubiger-Rückzahlungswahlrechts muss der Gläubiger an einem Geschäftstag innerhalb von 30 Tagen, nachdem die Gläubiger-Rückzahlungsereignis-Mitteilung bekannt gegeben wurde (der "**Ausübungszeitraum**"), (i) bei der bezeichneten Geschäftsstelle des Fiscal Agent eine ordnungsgemäß ausgefüllte und unterzeichnete Ausübungserklärung in der jeweils bei dem Fiscal Agent erhältlichen maßgeblichen Form einreichen (die "**Ausübungserklärung"**) und (ii) Schuldverschreibungen in Höhe des Gesamtbetrags der Festgelegten Stückelung einreichen, für die der Gläubiger sein Gläubiger-Rückzahlungswahlrecht ausüben möchte, und zwar entweder durch Übertragung dieser Schuldverschreibungen auf das Clearingsystem-Konto der Zahlstelle oder durch Ausbuchung dieser Schuldverschreibungen aus dem Wertpapierdepot des Gläubigers gemäß den Verfahren des Clearingsystems. Die Emittentin wird die betreffende(n) Schuldverschreibung(en) sieben Tage nach Ablauf des Ausübungszeitraums (der "**Rückzahlungstag**") zurückzahlen oder nach ihrer Wahl ankaufen (oder ankaufen lassen), soweit sie nicht bereits vorher zurückgezahlt oder angekauft und entwertet wurde(n). Die Zahlung in Bezug auf solchermaßen eingereichte Schuldverschreibungen erfolgt gemäß den üblichen Verfahren über das Clearingsystem. Eine einmal abgegebene Ausübungserklärung ist unwiderruflich.**]**

[*Im Falle einer Vorzeitigen Rückzahlung nach Wahl der Emittentin bei geringem ausstehendem Gesamtnennbetrag der Schuldverschreibungen, gilt folgendes*:

(4) Vorzeitige Rückzahlung bei geringem ausstehenden Gesamtnennbetrag der Schuldverschreibungen. Wenn 80 % oder mehr des Gesamtnennbetrags der zum betreffenden Zeitpunkt ausstehenden Schuldverschreibungen nach diesem § 6 von der Emittentin, der Garantin oder einer direkten oder indirekten Tochtergesellschaft der Garantin zurückgezahlt oder angekauft

notice to the Holders given in accordance with § 15, redeem at any time, at its option, the remaining Notes as a whole at the principal amount thereof plus interest accrued to but excluding the date of such redemption on the next Interest Payment Date.**]**

wurden, ist die Emittentin berechtigt, nach vorheriger Bekanntmachung gegenüber den Gläubigern gemäß § 15 mit einer Frist von mindestens 30 und höchstens 60 Tagen nach ihrer Wahl alle ausstehenden Schuldverschreibungen zum Nennbetrag zuzüglich bis zum Rückzahlungstag (ausschließlich) aufgelaufener Zinsen am nächsten Zinszahlungstag zurück zu zahlen.**]**

[*If the Notes are subject to Early Redemption at the Option of the Issuer upon the occurrence of a transaction related event, the following applies:*

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

[(5)**]** *Early Redemption at the Option of the Issuer upon the occurrence of a transaction related event.*

[(5)**]** *Vorzeitige Rückzahlung nach Wahl der Emittentin bei Eintritt eines transaktionsbezogenen Ereignisses.*

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

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

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

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

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

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

"**Transaction Trigger Notice**" means a notice to the Noteholders given in accordance with paragraph (b) and § 15 within the Transaction Notice Period that the Transaction has been terminated prior to its completion or that the Transaction

"**Transaktions-Mitteilung**" bezeichnet eine Mitteilung der Emittentin an die Anleihegläubiger gemäß Absatz (b) und § 15 innerhalb der Transaktionskündigungsfrist, dass die Transaktion vor ihrem Abschluss beendet wurde oder dass die Transaktion aus

will not be settled for any reason whatsoever or that the Guarantor has publicly stated that it no longer intends to pursue the Transaction. The Transaction Trigger Notice shall also specify the Trigger Redemption Date.

At any time the Issuer may waive its right to call the Notes for redemption following the occurrence of one of the events detailed above, by giving notice in accordance with § 15.

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

"**Trigger Call Redemption Date**" means the next Interest Payment Date specified in the Transaction Trigger Notice which shall be not less than 30 days after the date of the Transaction Trigger Notice.

(b) The Issuer shall call the Notes for early redemption pursuant to paragraph (a) by publishing a notice to the Noteholders in accordance with § 15 which notice shall be irrevocable and shall specify:

(i) the series of Notes subject to redemption;

(ii) whether the Notes will be redeemed in whole or in part and, if only in part, the aggregate principal amount of the Notes which are to be redeemed; and

(iii) the Trigger Call Redemption Date.]

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

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

irgendeinem Grund nicht durchgeführt wird oder dass die Garantin öffentlich erklärt hat, dass sie nicht länger beabsichtigt, die Transaktion zu verfolgen. Die Transaktions-Mitteilung hat ferner den Ereignis-Wahl-Rückzahlungstag zu bezeichnen.

Die Emittentin kann auf ihr Recht zur vorzeitigen Kündigung der Schuldverschreibungen nach Eintritt eines der oben bezeichneten Ereignisse durch Bekanntmachung gemäß § 15 verzichten.

"**Ereignis-Wahl-Rückzahlungsbetrag**" bezeichnet pro Schuldverschreibung **[●]** % pro Festgelegte Stückelung.

"**Ereignis-Wahl-Rückzahlungstag**" bezeichnet den in der Transaktions-Mitteilung festgelegten nächsten Zinszahlungstag, der nicht weniger als 30 Tage nach dem Tag der Transaktions-Mitteilung liegen darf.

(b) Die Emittentin hat die Kündigung der Schuldverschreibungen zur vorzeitigen Rückzahlung gemäß Absatz (a) durch Veröffentlichung einer Bekanntmachung an die Anleihegläubiger gemäß § 15 zu erklären. Die Kündigung ist unwiderruflich, und hat folgende Angaben zu enthalten:

(i) die zurückzuzahlende Serie von Schuldverschreibungen;

(ii) eine Erklärung, ob die Schuldverschreibungen ganz oder teilweise zurückgezahlt werden und im letzteren Fall den Gesamtnennbetrag der zurückzuzahlenden Schuldverschreibungen; und

(iii) den Ereignis-Wahl-Rückzahlungstag.]

(c) Wenn die Schuldverschreibungen nur teilweise zurückgezahlt werden, werden die betreffenden zurückzuzahlenden Schuldverschreibungen in Übereinstimmung mit den Regeln des betreffenden Clearingsystems ausgewählt.**]**

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

at the discretion of Clearstream Luxembourg and Euroclear.**]]**

§ 7 FISCAL AGENT, PAYING AGENT AND CALCULATION AGENT

(1) *Appointment; Specified Office*. The initial Fiscal Agent, the initial Paying Agent and the initial Calculation Agent and their initial specified offices shall be:

"**Fiscal Agent and Paying Agent**":

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

"**Calculation Agent**":

[Deutsche Bank Aktiengesellschaft
Taunusanlage 12
60325 Frankfurt am Main
Federal Republic of Germany**] [*name and specified office*]**

The Fiscal Agent, Paying Agent and the Calculation Agent reserve the right at any time to change their specified offices to some other office in the same country.

(2) *Variation or Termination of Appointment*. The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent or any Paying Agent or the Calculation Agent and to appoint another Fiscal Agent or additional or other Paying Agents or another Calculation Agent. The Issuer shall at all times maintain a Fiscal Agent, a Paying Agent **[**,**][**and**]** a Calculation Agent **[*in the case of payments in U.S. dollars the following applies*:** and if payments at or through the offices of all Paying Agents outside the United States (as defined in § 1**[**(7)**]**) 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

Gesamtnennbetrages wiedergegeben.**]]**

§ 7 FISCAL AGENT, ZAHLSTELLE UND BERECHNUNGSSTELLE

(1) *Bestellung; bezeichnete Geschäftsstelle*. Der anfänglich bestellte Fiscal Agent, die anfänglich bestellte Zahlstelle und die anfänglich bestellte Berechnungsstelle und deren anfänglich bezeichneten Geschäftsstellen lauten wie folgt:

"**Fiscal Agent und Zahlstelle**":

Deutsche Bank Aktiengesellschaft
Taunusanlage 12
60325 Frankfurt am Main
Bundesrepublik Deutschland

"**Berechnungsstelle**":

[Deutsche Bank Aktiengesellschaft
Taunusanlage 12
60325 Frankfurt am Main
Bundesrepublik Deutschland**] [*Name und bezeichnete Geschäftsstelle*]**

Der Fiscal Agent, die Zahlstelle und die Berechnungsstelle behalten sich das Recht vor, jederzeit ihre bezeichneten Geschäftsstellen durch eine andere Geschäftsstelle in demselben Land zu ersetzen.

(2) *Änderung oder Beendigung der Bestellung*. Die Emittentin behält sich das Recht vor, jederzeit die Bestellung des Fiscal Agent oder einer Zahlstelle oder der Berechnungsstelle zu ändern oder zu beenden und einen anderen Fiscal Agent oder zusätzliche oder andere Zahlstellen oder eine andere Berechnungsstelle zu bestellen. Die Emittentin wird zu jedem Zeitpunkt einen Fiscal Agent, eine Zahlstelle **[**,**][**und**]** eine Berechnungsstelle **[*im Fall von Zahlungen in US-Dollar gilt folgendes*:** und falls Zahlungen bei den oder durch die Geschäftsstellen aller Zahlstellen außerhalb der Vereinigten Staaten (wie in § 1**[**(7)**]** 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.

more than 45 days' prior notice thereof shall have been given to the Holders in accordance with § 15.

Eine Änderung, Beendigung, Bestellung oder ein sonstiger Wechsel wird nur wirksam (außer im Insolvenzfall, in dem eine solche Änderung sofort wirksam wird), sofern die Gläubiger hierüber gemäß § 15 vorab unter Einhaltung einer Frist von mindestens 30 und nicht mehr als 45 Tagen informiert wurden.

(3) *Agent of the Issuer*. The Fiscal Agent, the Paying Agent, the Calculation Agent and any other paying agent appointed pursuant to subsection (2) act solely as the agents of the Issuer and do not assume any obligations towards or relationship of agency or trust for any Holder.

(3) *Erfüllungsgehilfe der Emittentin*. Der Fiscal Agent, die Zahlstelle, die Berechnungsstelle und jede andere nach Absatz (2) bestellte Zahlstelle 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.

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

Der Fiscal Agent, die Zahlstelle, die Berechnungsstelle können den Rat eines oder mehrerer Rechtsanwälte oder anderer Sachverständiger einholen, deren Beratung oder Dienste sie für notwendig hält, und sich auf eine solche Beratung verlassen. Der Fiscal Agent, die Zahlstelle, die Berechnungsstelle übernehmen keine Haftung gegenüber der Emittentin**[**, der Garantin**]** bzw. den Gläubigern im Zusammenhang mit Handlungen, die in gutem Glauben im Einklang mit einer solchen Beratung getätigt, unterlassen oder geduldet wurden.

§ 8 TAXATION

All amounts payable in respect of the Notes shall be made, and the Guarantee shall provide that all amounts payable in respect of such Guarantee shall be made, without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied at source by way of withholding or deduction by or on behalf of any jurisdiction in which the Issuer or the Guarantor, as applicable, is organised, engaged in business, resident for tax purposes or generally subject to tax on a net income basis or through or from which payment on the Notes or the Guarantee, as applicable, is made or any political subdivision or any authority thereof or therein having power to tax (each, a "**Relevant Taxing Jurisdiction**"), unless such withholding or deduction is required by law. If such withholding with

§ 8 BESTEUERUNG

Alle in Bezug auf die Schuldverschreibungen zu zahlenden Beträge werden ohne Einbehalt oder Abzug von oder aufgrund von gegenwärtigen oder zukünftigen Steuern oder Abgaben gleich welcher Art gezahlt, die von oder im Namen eines Landes, in dem die Emittentin bzw. die Garantin gegründet wurde, geschäftstätig, steuerlich ansässig oder grundsätzlich mit ihren Nettoeinkünften steuerpflichtig ist oder über das oder aus dem Zahlungen auf die Schuldverschreibungen bzw. die Garantie geleistet werden, oder einer steuererhebungsberechtigten Gebietskörperschaft oder Steuerbehörde dieses Landes (jeweils eine "**Maßgebliche Steuerjurisdiktion**") im Wege des Abzugs oder Einbehalts an der Quelle auferlegt oder erhoben werden, und die Garantie muss entsprechende Bestimmungen für alle in

respect to amounts payable in respect of the Notes is required by law, the Issuer will pay, and the Guarantee shall provide that, if such withholding with respect to amounts payable in respect of such Guarantee is required by law, the Guarantor will pay, such additional amounts (the "**Additional Amounts**") as shall be necessary in order that the net amounts received by the Holders, after such withholding or deduction shall equal the respective amounts which would otherwise have been receivable in the absence of such withholding or deduction; except that no such Additional Amounts shall be payable on account of any taxes or duties which:

Bezug auf diese Garantie zu zahlenden Beträge enthalten, es sei denn, ein solcher Abzug oder Einbehalt ist gesetzlich vorgeschrieben. Ist ein Einbehalt in Bezug auf zu zahlenden Beträge auf die Schuldverschreibungen gesetzlich vorgeschrieben, so wird die Emittentin diejenigen zusätzlichen Beträge (die "**Zusätzlichen Beträge**") zahlen, die erforderlich sind, damit die den Gläubigern zufließenden Nettobeträge nach einem solchen Einbehalt oder Abzug jeweils den Beträgen entsprechen, die ohne einen solchen Einbehalt oder Abzug von den Gläubigern erhalten worden wären - und die Garantie muss eine entsprechende Verpflichtung der Garantin vorsehen, falls ein solcher Einbehalt bei in Bezug auf diese Garantie zu zahlenden Beträge gesetzlich vorgeschrieben ist -; eine Verpflichtung zur Zahlung solcher Zusätzlichen Beträge besteht jedoch nicht für solche Steuern oder Abgaben:

(a) are payable by any Person acting as custodian bank or collecting agent on behalf of a Holder, or otherwise in any manner which does not constitute a deduction or withholding by the Issuer or the Guarantor, as applicable, from payments of principal or interest made by it, or

(a) die von einer als Depotbank oder Inkassobeauftragter im Namen eines Gläubigers handelnden Person zu entrichten sind oder sonst auf andere Weise zu entrichten sind als dadurch, dass die Emittentin bzw. die Garantin von den von ihr zu leistenden Zahlungen von Kapital oder Zinsen einen Abzug oder Einbehalt vornimmt, oder

(b) are payable by reason of the Holder having, or having had, some personal or business connection with the Relevant Taxing Jurisdiction and not merely by reason of the fact that payments in respect of the Notes or the Guarantee, as applicable, are, or for purposes of taxation are deemed to be, derived from sources in, or are secured in, the Relevant Taxing Jurisdiction, or

(b) die aufgrund einer bestehenden oder früheren persönlichen oder geschäftlichen Beziehung des Gläubigers zur Maßgeblichen Steuerjurisdiktion zu zahlen sind, und nicht allein deshalb, weil Zahlungen auf die Schuldverschreibungen bzw. die Garantie aus Quellen in der Maßgeblichen Steuerjurisdiktion stammen (oder für Zwecke der Besteuerung so behandelt werden) oder dort besichert sind, oder

(c) are deducted or withheld pursuant to (i) any European Union Directive or Regulation concerning the taxation of interest income, or (ii) any international treaty or understanding relating to such taxation and to which the Federal

(c) die aufgrund (i) einer Richtlinie oder Verordnung der Europäischen Union betreffend die Besteuerung von Zinserträgen oder (ii) zwischenstaatlicher Abkommen oder Vereinbarungen über deren Besteuerung,

Republic of Germany or the Kingdom of the Netherlands or the European Union is a party, or (iii) any provision of law implementing, or complying with, or introduced to conform with, such Directive, Regulation, treaty or understanding, or

an denen die Bundesrepublik Deutschland oder das Königreich Niederlande oder die Europäische Union beteiligt ist, oder (iii) einer gesetzlichen Vorschrift, die der Umsetzung dieser Richtlinie, Verordnung oder dieses Abkommens oder dieser Vereinbarung dient, diesen entspricht oder zur Anpassung an diese eingeführt wurde, abzuziehen oder einzubehalten sind, oder

(d) would not have been imposed or withheld but for the failure of the Holder or beneficial owner of Notes (including, for these purposes, any financial institution through which the Holder or beneficial owner holds the Notes or through which payment on the Notes is made), following a written request by or on behalf of the Issuer or the Guarantor addressed to the Holder or beneficial owner (and made at a time that would enable the Holder or beneficial owner acting reasonably to comply with that request, and in all events, at least 30 days before any withholding or deduction would be required), to comply with any certification, identification, information or other reporting requirement whether required by statute, treaty, regulation or administrative practice of a Relevant Taxing Jurisdiction, that is a precondition to exemption from, or reduction in the rate of deduction or withholding of, taxes imposed by the Relevant Taxing Jurisdiction (including, without limitation, a certification that the Holder or beneficial owner is not resident in the Relevant Taxing Jurisdiction), but in each case, only to the extent the Holder or beneficial owner is legally entitled to provide such certification, information or documentation, or

(d) die nicht erhoben oder einbehalten worden wären, wenn es der Gläubiger oder der wirtschaftliche Eigentümer der Schuldverschreibungen (für die vorliegenden Zwecke einschließlich Finanzinstitute, über die der Gläubiger oder wirtschaftliche Eigentümer die Schuldverschreibungen hält oder über die Zahlungen auf die Schuldverschreibungen erfolgen) nicht unterlassen hätte, nach einer an den Gläubiger oder wirtschaftlichen Eigentümer gerichteten schriftlichen Aufforderung der Emittentin, der Garantin oder in deren Namen (die so rechtzeitig erfolgt, dass der Gläubiger bzw. der wirtschaftliche Eigentümer dieser Aufforderung mit zumutbaren Anstrengungen nachkommen kann, in jedem Fall aber mindestens 30 Tage, bevor ein Einbehalt oder Abzug erforderlich wäre), einer aufgrund von Gesetzen, Abkommen, Verordnungen oder der Verwaltungspraxis in einer Maßgeblichen Steuerjurisdiktion vorgeschrieben Bescheinigungs-, Identifizierungs-, Informations-, oder sonstigen Nachweispflicht nachzukommen, die Voraussetzung für eine Befreiung von in der Maßgeblichen Steuerjurisdiktion erhobenen Steuern oder eine Reduzierung der Höhe des Abzugs oder Einbehalts solcher Steuern ist (u. a. eine Bescheinigung, dass der Gläubiger bzw. der wirtschaftliche Eigentümer nicht in der Maßgeblichen Steuerjurisdiktion ansässig ist), jedoch jeweils nur, soweit der Gläubiger bzw. der wirtschaftliche Eigentümer rechtlich berechtigt ist, die Bescheinigung,

(e) are payable by reason of a change in law that becomes effective more than 30 days after the relevant payment becomes due, or is duly provided for and notice thereof is published in accordance with § 15, whichever occurs later, or

(f) any combinations of items (a)-(e),

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 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 Issuer.

§ 9 PRESENTATION PERIOD

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

Information oder Dokumentation vorzulegen, oder

(e) die wegen einer Rechtsänderung zu zahlen sind, welche später als 30 Tage nach Fälligkeit der betreffenden Zahlung oder, wenn dies später erfolgt, ordnungsgemäßer Bereitstellung aller fälligen Beträge und einer diesbezüglichen Bekanntmachung gemäß § 15 wirksam wird, oder

(f) jegliche Kombination der Absätze (a)-(e).

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 der Zahlung erhält, soweit nach den Gesetzen der Maßgeblichen Steuerjurisdiktion eine solche Zahlung für Steuerzwecke dem Einkommen des Begünstigten bzw. Gründers eines Treuhandvermögens oder eines Gesellschafters 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 selbst Gläubiger der Schuldverschreibungen wäre.

Zur Klarstellung wird festgehalten, dass die gegenwärtig in der Bundesrepublik Deutschland gemäß dem zum Begebungstag geltenden Steuerrecht auf der Ebene der Depotbank erhobene Kapitalertragsteuer und der darauf anfallende Solidaritätszuschlag keine Steuern oder Abgaben der vorstehend beschriebenen Art darstellen, für die von der Emittentin Zusätzliche Beträge zu zahlen wären.

§ 9 VORLEGUNGSFRIST

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

§ 10 EVENTS OF DEFAULT

(1) *Events of default*. If an Event of Default occurs and is continuing, each Holder shall be entitled to declare due and payable by submitting a Termination Notice pursuant to § 10(2) to the Paying 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. Each of the following is an "**Event of Default**":

(a) the Issuer or, failing which, the Guarantor fails to pay principal, interest or any other amounts due under the Notes or the Guarantee within 30 days from the relevant due date; or

(b) the Issuer or the Guarantor fails to duly perform any other obligation arising from the Notes or the Guarantee and such failure, if capable of remedy, continues unremedied for more than 60 days after the Paying Agent has received a written request thereof in the manner set forth in § 10(2) from a Holder to perform such obligation; or

(c) (i) any Financial Indebtedness of the Guarantor or any Material Subsidiary (other than under the Notes) becomes due and payable prior to its specified maturity (whether by declaration, automatic acceleration or otherwise) as a result of an event of default (howsoever described), or (ii) any Financial Indebtedness of the Guarantor or any Material Subsidiary (other than under the Notes) is not paid within 30 days from its due date nor within any originally applicable or subsequently agreed grace period, *provided that* the aggregate amount of Financial Indebtedness falling within (i) and (ii) above amounts to at least

§ 10 KÜNDIGUNGSGRÜNDE

(1) *Kündigungsgründe*. Tritt ein Kündigungsgrund ein und dauert dieser an, so ist jeder Gläubiger berechtigt, seine sämtlichen Forderungen aus den Schuldverschreibungen durch Abgabe einer Kündigungserklärung gemäß § 10(2) gegenüber der Zahlstelle fällig zu stellen und deren unverzügliche Rückzahlung zu ihrem Nennbetrag, zuzüglich etwaiger bis zum Tage der Rückzahlung (ausschließlich) aufgelaufener Zinsen zu verlangen. Jedes der folgenden Ereignisse stellt einen "**Kündigungsgrund**" dar:

(a) die Emittentin oder, falls diese nicht leistet, die Garantin zahlt auf die Schuldverschreibungen bzw. die Garantie fällige Kapital- oder Zinsbeträge oder sonstige Beträge nicht innerhalb von 30 Tagen nach Fälligkeit; oder

(b) die Emittentin oder die Garantin erfüllt irgendeine andere Verpflichtung aus den Schuldverschreibungen bzw. der Garantie nicht und die Nichterfüllung dauert - sofern sie geheilt werden kann - jeweils länger als 60 Tage fort, nachdem die Zahlstelle eine schriftliche Aufforderung in der in § 10(2) vorgesehenen Art und Weise von einem Gläubiger erhalten hat, die Verpflichtung zu erfüllen; oder

(c) (i) eine (nicht im Rahmen der Schuldverschreibungen bestehende) Finanzverbindlichkeit der Garantin oder einer Wesentlichen Tochtergesellschaft wird infolge eines Kündigungsgrunds (unabhängig von der Bezeichnung) vor ihrer festgelegten Fälligkeit fällig und zahlbar (sei es durch Kündigung, automatische vorzeitige Fälligstellung oder auf andere Weise) oder (ii) eine (nicht im Rahmen der Schuldverschreibungen bestehende) Finanzverbindlichkeit der Garantin oder einer Wesentlichen Tochtergesellschaft wird weder innerhalb von 30 Tagen nach Fälligkeit noch innerhalb einer ursprünglich geltenden oder nachträglich

EUR 25,000,000 (or its equivalent in other currencies). For the avoidance of doubt, this subparagraph (1)(c) shall not apply, where the Guarantor or the relevant Material Subsidiary contests in good faith that such payment obligation exists or is due; or

vereinbarten Nachfrist gezahlt, jeweils mit der Maßgabe, dass der Gesamtbetrag der Finanzverbindlichkeiten nach (i) und (ii) mindestens EUR 25.000.000 (oder den Gegenwert in einer anderen Währung) beträgt. Zur Klarstellung wird festgehalten, dass dieser Absatz (1)(c) keine Anwendung findet, wenn die Garantin oder die jeweilige Wesentliche Tochtergesellschaft in gutem Glauben bestreitet, dass diese Zahlungsverpflichtung besteht oder fällig ist; oder

(d) the Guarantor or any Material Subsidiary announces its inability to meet its financial obligations or ceases its payments generally; or

(d) die Garantin oder eine Wesentliche Tochtergesellschaft gibt ihre Zahlungsunfähigkeit bekannt oder stellt ihre Zahlungen generell ein; oder

(e) insolvency proceedings against the Guarantor or any Material Subsidiary are instituted and have not been discharged or stayed within 90 days, or the Guarantor or any Material Subsidiary applies for or institutes such proceedings; or

(e) gegen die Garantin oder eine Wesentliche Tochtergesellschaft wird ein Insolvenzverfahren eingeleitet und nicht innerhalb von 90 Tagen aufgehoben oder ausgesetzt, oder die Garantin oder eine Wesentliche Tochtergesellschaft beantragt die Eröffnung eines solchen Verfahrens oder leitet ein solches Verfahren ein; oder

(f) the Guarantor or the Issuer enters into liquidation unless this is done in connection with a merger or other form of combination with another company and such company assumes all obligations of the Issuer in connection with the Notes or the Guarantor in connection with the Guarantee, as applicable; or

(f) die Garantin oder die Emittentin geht in Liquidation, es sei denn, dies geschieht im Zusammenhang mit einer Verschmelzung oder einer anderen Form des Zusammenschlusses mit einer anderen Gesellschaft und die andere Gesellschaft übernimmt alle Verpflichtungen, die die Emittentin im Zusammenhang mit den Schuldverschreibungen bzw. die Garantin im Zusammenhang mit der Garantie eingegangen ist; oder

(g) any governmental order, decree or enactment is made in or by the Federal Republic of Germany or the Kingdom of the Netherlands whereby the Issuer or the Guarantor is prevented from observing and performing in full its obligations under the Notes or the Guarantee and this situation is not cured within 90 days; or

(g) in der Bundesrepublik Deutschland oder dem Königreich Niederlande werden Gesetze, Verordnungen oder behördliche Anordnungen erlassen, aufgrund derer die Emittentin oder die Garantin daran gehindert wird, ihre Verpflichtungen aus den Schuldverschreibungen bzw. der Garantie in vollem Umfang nachzukommen und zu erfüllen und dieser Umstand wird nicht binnen 90 Tagen behoben; oder

(h) cessation of business operations of the Guarantor or the Issuer; or

(i) the Guarantee ceases to be in full force and effect or is declared null and void in a judicial proceeding.

(2) *Termination Notices*. Any notice by a Holder (i) in accordance with § 10(1)(b) or (ii) to terminate its Notes in accordance with § 10 (a "**Termination Notice**") shall be made by means of a declaration in text form (*Textform*) to the Fiscal Agent in the German or English language delivered together with evidence by means of a certificate of the Holder's Custodian (as defined in § 17(3)) that such Holder, at the time of such Termination Notice, is a holder of the relevant Notes.

(3) *Cure*. For the avoidance of doubt, the right to declare Notes due in accordance with this § 10 shall terminate if the situation giving rise to it has been cured before the right is exercised.

(4) *Quorum*. In the events specified in § 10(1)(b) and § 10(1)(c), any notice declaring Notes due shall, unless at the time such notice is received any of the events specified in § 10(1)(a) and § 10(1)(d)-(i) entitling Holders to declare their Notes due has occurred, become effective only when the Paying Agent has received such default notices from the Holders representing at least 10 % of the aggregate principal amount of the Notes then outstanding.

§ 11 COVENANTS

(1) *Limitations on Incurrence of Financial Indebtedness*. The Guarantor has undertaken in the Guarantee that it will not, and will procure that none of its Subsidiaries will, after the Issue Date, incur any Financial Indebtedness if, immediately after giving effect to the incurrence of such additional Financial Indebtedness and the application of the net proceeds of such incurrence,

(a) the sum of (i) the Consolidated Financial

(h) Einstellung des Geschäftsbetriebs der Garantin oder der Emittentin; oder

(i) die Garantie verliert ihre volle Wirkung oder wird in einem Gerichtsverfahren für unwirksam erklärt.

(2) *Kündigungserklärungen.* Eine Erklärung eines Gläubigers (i) gemäß § 10(1)(b) oder (ii) zur Kündigung seiner Schuldverschreibungen gemäß § 10 (eine "**Kündigungserklärung**") hat in der Weise zu erfolgen, dass der Gläubiger dem Fiscal Agent eine entsprechende Erklärung in Textform in deutscher oder englischer Sprache übermittelt und dabei durch eine Bescheinigung seiner Depotbank (wie in § 17(3) definiert) nachweist, dass er die betreffenden Schuldverschreibungen zum Zeitpunkt der Kündigungserklärung hält.

(3) *Heilung*. Zur Klarstellung wird festgehalten, dass das Recht zur Kündigung der Schuldverschreibungen gemäß diesem § 10 erlischt, falls der Kündigungsgrund vor Ausübung des Rechts geheilt wurde.

(4) *Quorum*. In den Fällen gemäß § 10 (1)(b) und §10(1)(c) wird eine Kündigungserklärung, sofern nicht bei deren Eingang zugleich einer der in § 10(1)(a) und § 10(1)(d)-(i) bezeichneten Kündigungsgründe vorliegt, erst wirksam, wenn bei der Zahlstelle Kündigungserklärungen von Gläubigern im Nennbetrag von mindestens 10 % des Gesamtnennbetrages der zu diesem Zeitpunkt noch insgesamt ausstehenden Schuldverschreibungen eingegangen sind.

§ 11 VERPFLICHTUNGSERKLÄRUNGEN

(1) *Beschränkungen für das Eingehen von Finanzverbindlichkeiten*. Die Garantin hat sich in der Garantie verpflichtet, nach dem Begebungstag keine Finanzverbindlichkeiten einzugehen und sicherzustellen, dass ihre Tochtergesellschaften nach dem Begebungstag keine Finanzverbindlichkeiten eingehen, wenn jeweils unmittelbar nach Wirksamwerden des Eingehens solcher weiterer Finanzverbindlichkeiten und der Verwendung des damit erzielten Nettoerlöses eine der folgenden Bedingungen erfüllt wären:

(a) die Summe aus (i) den Konsolidierten

Indebtedness of the Group as of the immediately preceding Reporting Date for which Consolidated Financial Statements of the Guarantor have been published and (ii) the Net Nominal Financial Indebtedness incurred since the immediately preceding Reporting Date for which Consolidated Financial Statements of the Guarantor have been published would exceed 60 % of the sum of (without duplication) (x) Total Assets as of the immediately preceding Reporting Date for which Consolidated Financial Statements of the Guarantor have been published, (y) the purchase price of any Real Estate Property acquired or contracted for acquisition since the immediately preceding Reporting Date for which Consolidated Financial Statements of the Guarantor have been published and (z) the proceeds of any Financial Indebtedness incurred since the immediately preceding Reporting Date for which Consolidated Financial Statements of the Guarantor have been published (but only to the extent such proceeds were not used to acquire Real Estate Property or to reduce Financial Indebtedness); or

Finanzverbindlichkeiten der Gruppe zum unmittelbar vorangegangenen Berichtsstichtag, zu dem ein Konzernabschluss der Garantin veröffentlicht wurde, und (ii) dem Nennbetrag der Finanzverbindlichkeiten (netto), die seit dem unmittelbar vorangegangenen Berichtsstichtag eingegangen wurden, zu dem ein Konzernabschluss der Garantin veröffentlicht wurde, würde einen Betrag in Höhe von 60 % der Summe (unter Ausschluss einer Doppelberücksichtigung) aus (x) der Bilanzsumme zum unmittelbar vorangegangenen Berichtsstichtag, zu dem ein Konzernabschluss der Garantin veröffentlicht wurde, (y) dem Kaufpreis für Immobilienvermögen, das seit dem unmittelbar vorangegangenen Berichtsstichtag, zu dem ein Konzernabschluss der Garantin veröffentlicht wurde, erworben wurde oder für dessen Erwerb seit diesem Zeitpunkt eine Verpflichtung eingegangen wurde, und (z) dem Erlös aus Finanzverbindlichkeiten, die seit dem unmittelbar vorangegangenen Berichtsstichtag eingegangen wurden, zu dem ein Konzernabschluss der Garantin veröffentlicht wurde (jedoch nur soweit dieser Erlös nicht zum Erwerb von Immobilienvermögen oder zur Verringerung von Finanzverbindlichkeiten verwendet wurde) übersteigen; oder

(b) the sum of (i) the Consolidated Secured Financial Indebtedness of the Group as of the immediately preceding Reporting Date for which Consolidated Financial Statements of the Guarantor have been published and (ii) the Net Nominal Secured Financial Indebtedness incurred since the immediately preceding Reporting Date for which Consolidated Financial Statements of the Guarantor have been published would exceed 45 % of the sum of (without duplication) (x) Total Assets as of the immediately preceding Reporting Date for which

(b) die Summe aus (i) den Besicherten Konsolidierten Finanzverbindlichkeiten der Gruppe zum unmittelbar vorangegangenen Berichtsstichtag, zu dem ein Konzernabschluss der Garantin veröffentlicht wurde, und (ii) dem Nennbetrag der Besicherten Finanzverbindlichkeiten (netto), die seit dem unmittelbar vorangegangenen Berichtsstichtag eingegangen wurden, zu dem ein Konzernabschluss der Garantin veröffentlicht wurde, würde einen Betrag in Höhe von 45 % der Summe (unter Ausschluss einer

Consolidated Financial Statements of the Guarantor have been published, (y) the purchase price of any Real Estate Property acquired or contracted for acquisition since the immediately preceding Reporting Date for which Consolidated Financial Statements of the Guarantor have been published and (z) the proceeds of any Financial Indebtedness incurred since the immediately preceding Reporting Date for which Consolidated Financial Statements of the Guarantor have been published (but only to the extent such proceeds were not used to acquire Real Estate Property or to reduce Financial Indebtedness).

Doppelberücksichtigung) aus (x) der Bilanzsumme zum unmittelbar vorangegangenen Berichtsstichtag, zu dem ein Konzernabschluss der Garantin veröffentlicht wurde, (y) dem Kaufpreis für Immobilienvermögen, das seit dem unmittelbar vorangegangenen Berichtsstichtag, zu dem ein Konzernabschluss der Garantin veröffentlicht wurde, erworben wurde oder für dessen Erwerb seit diesem Zeitpunkt eine Verpflichtung eingegangen wurde, und (z) dem Erlös aus Finanzverbindlichkeiten, die seit dem unmittelbar vorangegangenen Berichtsstichtag eingegangen wurden, zu dem ein Konzernabschluss der Garantin veröffentlicht wurde (jedoch nur soweit dieser Erlös nicht zum Erwerb von Immobilienvermögen oder zur Verringerung von Finanzverbindlichkeiten verwendet wurde) übersteigen.

(2) *Maintenance of Consolidated Coverage Ratio*. The Guarantor has undertaken in the Guarantee that on each Reporting Date the Consolidated Coverage Ratio will be at least 1.80 to 1.00.

(2) *Einhaltung des Konsolidierten Deckungsgrads*. Die Garantin hat sich in der Garantie verpflichtet, dass der Konsolidierte Deckungsgrad an jedem Berichtsstichtag mindestens 1,80 zu 1,00 betragen wird.

(3) *Maintenance of Total Unencumbered Assets*. The Guarantor has undertaken in the Guarantee that from the Issue Date the sum of (i) the Unencumbered Assets as of the immediately preceding Reporting Date for which Consolidated Financial Statements of the Guarantor have been published and (ii) the Net Unencumbered Assets newly recorded since the immediately preceding Reporting Date for which Consolidated Financial Statements of the Guarantor have been published will at no time be less than 125 % of the sum of (x) the Unsecured Financial Indebtedness as of the immediately preceding Reporting Date for which Consolidated Financial Statements of the Guarantor have been published and (y) the Net Nominal Unsecured Financial Indebtedness incurred since the immediately preceding Reporting Date for which Consolidated Financial Statements of the Guarantor have been

(3) *Einhaltung des Gesamtbetrags des Unbelasteten Vermögens*. Die Garantin hat sich in der Garantie verpflichtet, dass ab dem Begebungstag die Summe aus (i) dem Unbelasteten Vermögen zum unmittelbar vorangegangenen Berichtsstichtag, zu dem ein Konzernabschluss der Garantin veröffentlicht wurde, und (ii) dem seit dem unmittelbar vorangegangenen Berichtsstichtag, zu dem ein Konzernabschluss der Garantin veröffentlicht wurde, neu erfassten Unbelasteten Nettovermögen zu keiner Zeit weniger als 125 % der Summe aus (x) den Unbesicherten Finanzverbindlichkeiten zum unmittelbar vorangegangenen Berichtsstichtag, zu dem ein Konzernabschluss der Garantin veröffentlicht wurde, und (y) dem Nennbetrag der Unbesicherten Finanzverbindlichkeiten (netto), die seit dem unmittelbar vorangegangenen Berichtsstichtag, zu dem ein Konzernabschluss der Garantin veröffentlicht

published.

(4) *Reports.* For so long as any Notes are outstanding, the Guarantor shall post on its website,

(a) within 120 days after the end of each of the Guarantor's fiscal years, annual reports containing the following information:

(i) audited consolidated financial statements in accordance with IFRS as adopted by the EU and the management report in accordance with section 315 of the German Commercial Code (*Handelsgesetzbuch*);

(ii) in addition to the requirements of IFRS and of the German Commercial Code (*Handelsgesetzbuch*) the management report to the consolidated financial statements should include information on compliance by the Guarantor with the covenants "*Limitations on Incurrence of Financial Indebtedness*", "*Maintenance of Consolidated Coverage Ratio*" and "*Maintenance of Total Unencumbered Assets*"; and

(iii) the audit opinion of the independent auditors on the consolidated financial statements;

(b) within 60 days after the end of each of the first three fiscal quarters in each fiscal year of the Guarantor, unaudited condensed consolidated quarterly financial statements in accordance with IFRS as adopted by the EU and the requirements of section 37w of the German Securities Trading Act (*Wertpapierhandelsgesetz - WpHG*), which will include information on compliance with the covenants "*Limitations on Incurrence of Financial Indebtedness*", "*Maintenance of Consolidated Coverage Ratio*" and "*Maintenance of Total Unencumbered Assets*".

wurde, eingegangen wurden, betragen wird.

(4) *Berichte.* Solange Schuldverschreibungen ausstehen, veröffentlicht die Garantin die folgenden Angaben auf ihrer Internetseite:

(a) innerhalb von 120 Tagen nach dem Ende des Geschäftsjahres der Garantin einen Geschäftsbericht mit den folgenden Angaben:

(i) einem geprüften Konzernabschluss nach den in der EU anwendbaren International Financial Reporting Standards (IFRS) und einen Lagebericht nach § 315 HBG;

(ii) zusätzlich zu den Anforderungen nach IFRS und HGB soll der Lagebericht zum Konzernabschluss Angaben enthalten über die Einhaltung der Verpflichtungserklärungen zu "*Beschränkungen für das Eingehen von Finanzverbindlichkeiten*", "*Einhaltung des Konsolidierten Deckungsgrads*" und "*Einhaltung des Gesamtbetrags des Unbelasteten Vermögens*" durch die Garantin; und

(iii) dem Bestätigungsvermerk des Abschlussprüfers zum Konzernabschluss;

(b) innerhalb von 60 Tagen nach dem Ende jedes der ersten drei Quartale jedes Geschäftsjahres der Garantin einen ungeprüften verkürzten Konzern-Zwischenabschluss nach den in der EU anwendbaren IFRS und den Anforderungen des § 37w Wertpapierhandelsgesetz (WpHG), der Angaben über die Einhaltung der Verpflichtungserklärungen zu "*Beschränkungen für das Eingehen von Finanzverbindlichkeiten*", "*Einhaltung des Konsolidierten Deckungsgrads*" und "*Einhaltung des Gesamtbetrags des Unbelasteten Vermögens*" enthält.

§ 12 SUBSTITUTION, TRANSFER OF DOMICILE

(1) *Substitution*. The Issuer may, without the consent of the Holders, if no payment of principal of or interest on any of the Notes is in default, at any time substitute for the Issuer the Guarantor or any Affiliate of the Guarantor as principal debtor in respect of all obligations arising from or in connection with these Notes (the "**Substitute Debtor**") *provided that*:

(a) the Substitute Debtor, in a manner legally effective, assumes all obligations of the Issuer in respect of the Notes;

(b) the Guarantor (*provided that* the Guarantor is not the Substitute Debtor) declares that its Guarantee shall with respect to the Notes also apply to the Substitute Debtor (each such declaration a "**Substitution Guarantee**");

(c) the obligations under the Guarantee will not be limited in any way solely as a consequence of the Issuer being substituted by the Substitute Debtor;

(d) the Substitute Debtor, the Issuer and the Guarantor (*provided that* the Guarantor is not the Substitute Debtor) have obtained all necessary governmental and regulatory approvals and consents for such substitution and for the issue by the Guarantor (*provided that* the Guarantor is not the Substitute Debtor) of a Substitution Guarantee, that the Substitute Debtor has obtained all necessary governmental and regulatory approvals and consents for the performance by the Substitute Debtor of its obligations under the Notes and that all such approvals and consents are in full force and effect and that the obligations assumed by the Substitute

§ 12 ERSETZUNG, SITZVERLEGUNG

(1) *Ersetzung.* Die Emittentin ist berechtigt, wenn kein Zahlungsverzug hinsichtlich Kapital oder Zinsen auf die Schuldverschreibungen vorliegt, jederzeit ohne die Zustimmung der Gläubiger die Garantin oder ein mit der Garantin Verbundenes Unternehmen an ihrer Stelle als Hauptschuldnerin (die "**Nachfolgeschuldnerin**") für alle Verpflichtungen aus oder im Zusammenhang mit den Schuldverschreibungen einzusetzen, vorausgesetzt, dass:

(a) die Nachfolgeschuldnerin alle Verpflichtungen der Emittentin im Zusammenhang mit den Schuldverschreibungen rechtswirksam übernimmt;

(b) die Garantin (falls die Garantin nicht selbst die Nachfolgeschuldnerin ist) erklärt, dass ihre Garantie im Zusammenhang mit den Schuldverschreibungen auch auf die Nachfolgeschuldnerin Anwendung findet (jede solche Erklärung eine "**Ersetzungsgarantie**");

(c) die Verpflichtungen aus der Garantie in keiner Weise lediglich deshalb beschränkt sind, weil die Emittentin durch die Nachfolgeschuldnerin ersetzt wurde;

(d) die Nachfolgeschuldnerin, die Emittentin und die Garantin (falls die Garantin nicht selbst die Nachfolgeschuldnerin ist) alle für die Ersetzung und für die Übernahme einer Ersetzungsgarantie durch die Garantin (falls die Garantin nicht selbst die Nachfolgeschuldnerin ist) notwendigen Genehmigungen und Zustimmungen von staatlichen Stellen und Aufsichtsbehörden erhalten haben, die Nachfolgeschuldnerin alle für die Erfüllung ihrer Verpflichtungen aus den Schuldverschreibungen notwendigen Genehmigungen und Zustimmungen von staatlichen Stellen und Aufsichtsbehörden erhalten hat und weiterhin sämtliche dieser

Debtor in respect of the Notes and the obligations assumed by the Guarantor (*provided that* the Guarantor is not the Substitute Debtor) under its Substitution Guarantee are, in each case, valid and binding in accordance with their respective terms and enforceable by each Holder;

Genehmigungen und Zustimmungen in vollem Umfang gültig und wirksam sind und zudem die Verpflichtungen der Nachfolgeschuldnerin aus den Schuldverschreibungen und die von der Garantin (falls die Garantin nicht selbst die Nachfolgeschuldnerin ist) aus ihrer Ersetzungsgarantie übernommenen Verpflichtungen jeweils gemäß ihren Bestimmungen wirksam und rechtsverbindlich und durch jeden Gläubiger durchsetzbar sind;

(e) the Substitute Debtor can transfer to the Paying Agent in the currency required 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 or the Guarantor (*provided that* the Guarantor is not the Substitute Debtor) has its domicile or tax residence, all amounts required for the fulfilment of the payment obligations arising under the Notes;

(e) die Nachfolgeschuldnerin alle für die Erfüllung der Zahlungsverpflichtungen aus den Schuldverschreibungen erforderlichen Beträge in der erforderlichen Währung an die Zahlstelle überweisen kann, ohne zum Abzug oder Einbehalt von Steuern oder sonstigen Abgaben gleich welcher Art verpflichtet zu sein, die in dem Land erhoben werden, in dem die Nachfolgeschuldnerin, die Emittentin oder die Garantin (falls die Garantin nicht selbst die Nachfolgeschuldnerin ist) ihren Sitz hat oder steuerlich ansässig ist;

(f) the Substitute Debtor has agreed to indemnify and hold harmless each Holder against any tax, duty, assessment or governmental charge imposed on such Holder in respect of such substitution; and

(f) die Nachfolgeschuldnerin sich verpflichtet hat, jeden Gläubiger hinsichtlich solcher Steuern, Abgaben, Festsetzungen oder behördlichen Lasten freizustellen, die einem Gläubiger im Zusammenhang mit der Ersetzung auferlegt werden; und

(g) the Issuer shall have delivered to an agent appointed for that purpose one Opinion of Counsel for each jurisdiction affected of lawyers of recognised standing to the effect that subparagraphs (a) to (f) above have been satisfied.

(g) die Emittentin einem zu diesem Zweck bestellten Beauftragten ein Rechtsgutachten bezüglich jeder betroffenen Rechtsordnung von anerkannten Rechtsanwälten vorgelegt hat, das bestätigt, dass die Bestimmungen in den vorstehenden Absätzen (a) bis (f) erfüllt wurden.

For purposes of this § 12, "**Affiliate**" shall mean any affiliated company (*verbundenes Unternehmen*) within the meaning of section 15 of the German Stock Corporation Act (*Aktiengesetz*).

Für die Zwecke dieses § 12 bezeichnet "**Verbundenes Unternehmen**" ein verbundenes Unternehmen im Sinne von § 15 Aktiengesetz (AktG).

(2) *Notice*. Any substitution of the Issuer pursuant to this § 12 and the date of effectiveness of

(2) *Bekanntmachung*. Jede Ersetzung der Emittentin gemäß diesem § 12 sowie das

such substitution shall be published in accordance with § 15.

(3) *Change of References*. Upon effectiveness of the substitution any reference in these Terms and Conditions to the Issuer shall from then on be deemed to refer to the Substitute Debtor and any reference to the Relevant Taxing Jurisdiction with respect to the Issuer shall from then on be deemed to refer to the Relevant Taxing Jurisdiction with respect to the Substitute Debtor. Furthermore, in the event of such substitution, § 10(1)(i) shall be deemed to be amended to the effect that it shall be an Event of Default if a Substitution Guarantee ceases to be valid or binding on or enforceable against the Guarantor (provided that the Guarantor is not itself the Substitute Debtor).

(4) *Release from Obligations*. Upon effective substitution of the Issuer as set forth in this § 12, the Issuer shall be released from any obligation arising from or in connection with the Notes.

(5) *Further Substitution*. At any time after a substitution pursuant to § 12(1) above, the Substitute Debtor may, without the consent of the Holders, effect a further substitution *provided that* all the provisions specified in § 12(1) to § 12(4) above shall apply, *mutatis mutandis*, and, without limitation, references in these Terms and Conditions to the Issuer shall, where the context so requires, be deemed to be or include references to any such further Substitute Debtor; provided that in no event shall any substitution under this § 12 have the effect of releasing the Guarantor from any of its obligations under its Guarantee.

(6) *Transfer of Domicile*. A transfer of domicile of the Issuer to another country or territory is only permissible if the requirements set forth in § 12(1) and (2) above are complied with accordingly. § 12(3) second half-sentence of sentence 1 shall apply *mutatis mutandis*.

Datum, an dem die Ersetzung wirksam wird, ist gemäß § 15 bekannt zu geben.

(3) *Änderung von Bezugnahmen*. Mit Wirksamwerden der Ersetzung gilt jede Bezugnahme in diesen Emissionsbedingungen auf die Emittentin ab dem Zeitpunkt der Ersetzung als Bezugnahme auf die Nachfolgeschuldnerin und jede Bezugnahme auf die Maßgebliche Steuerjurisdiktion im Hinblick auf die Emittentin gilt ab diesem Zeitpunkt als Bezugnahme auf die Maßgebliche Steuerjurisdiktion im Hinblick auf die Nachfolgeschuldnerin. Des Weiteren gilt im Fall einer Ersetzung § 10(1)(i) als in der Form geändert, dass als Kündigungsgrund gilt, wenn eine Ersetzungsgarantie nicht mehr wirksam oder rechtsverbindlich für die Garantin ist oder nicht mehr gegen die Garantin durchsetzbar ist (falls die Garantin nicht selbst die Nachfolgeschuldnerin ist).

(4) *Schuldbefreiung*. Nach wirksamer Ersetzung der Emittentin gemäß diesem § 12 ist die Emittentin von allen Verpflichtungen aus oder im Zusammenhang mit den Schuldverschreibungen befreit.

(5) *Weitere Ersetzungen*. Die Nachfolgeschuldnerin ist jederzeit nach einer Ersetzung gemäß vorstehendem § 12(1) berechtigt, ohne die Zustimmung der Gläubiger eine weitere Ersetzung vorzunehmen, wobei alle Bestimmungen der vorstehenden § 12(1) bis § 12(4) sinngemäß Anwendung finden und, ohne hierauf beschränkt zu sein, Bezugnahmen in diesen Emissionsbedingungen auf die Emittentin, sofern der Zusammenhang dies verlangt, als Bezugnahmen bzw. auch als Bezugnahmen auf jede weitere Nachfolgeschuldnerin gelten. Eine Ersetzung gemäß diesem § 12 hat jedoch in keinem Fall zur Folge, dass die Garantin von ihren Verpflichtungen aus ihrer Garantie befreit wird.

(6) *Sitzverlegung*. Eine Verlegung des Sitzes der Emittentin in ein anderes Land oder Gebiet ist nur zulässig, wenn die vorstehend in § 12(1) und (2) genannten Anforderungen entsprechend erfüllt sind. § 12(3) zweiter Halbsatz des ersten Satzes findet entsprechende Anwendung.

§ 13 FURTHER ISSUES, PURCHASES AND CANCELLATION

(1) *Further Issues*. Subject to § 11, the Issuer may from time to time, without the consent of the Holders, issue further Notes having the same terms and conditions as the Notes in all respects (or in all respects except for the Issue Date, interest commencement date and/or issue price) so as to form a single series with the Notes.

(2) *Purchases*. The Issuer and the Guarantor may at any time purchase Notes in the open market or otherwise and at any price. Notes purchased by the Issuer or the Guarantor may, at the option of the Issuer and the Guarantor, be held, resold or surrendered to the Paying Agent for cancellation.

(3) *Cancellation*. All Notes redeemed in full shall be cancelled forthwith and may not be reissued or resold.

§ 14 AMENDMENTS OF THE TERMS AND CONDITIONS BY RESOLUTIONS OF HOLDERS, HOLDERS' REPRESENTATIVE

(1) *Amendment of the Terms and Conditions*. The Issuer may agree with the Holders on amendments to the Terms and Conditions or on other matters by virtue of a majority resolution of the Holders pursuant to sections 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 section 5 paragraph 3 of the SchVG by resolutions passed by such majority of the votes of the Holders as stated under § 14(2) below. A duly passed majority

§ 13 BEGEBUNG WEITERER SCHULDVERSCHREIBUNGEN, ANKAUF UND ENTWERTUNG

(1) *Begebung weiterer Schuldverschreibungen*. Die Emittentin ist vorbehaltlich der Bestimmungen von § 11 berechtigt, jederzeit ohne Zustimmung der Gläubiger weitere Schuldverschreibungen mit in jeder Hinsicht gleicher Ausstattung (gegebenenfalls mit Ausnahme des jeweiligen Begebungstags, des Verzinsungsbeginns und/oder des Ausgabepreises) in der Weise zu begeben, dass sie mit diesen Schuldverschreibungen eine einheitliche Serie bilden.

(2) *Ankauf*. Die Emittentin und die Garantin sind berechtigt, jederzeit Schuldverschreibungen im Markt oder anderweitig zu jedem beliebigen Preis zu kaufen. Die von der Emittentin bzw. der Garantin erworbenen Schuldverschreibungen können nach Wahl der Emittentin und der Garantin von ihr gehalten, weiterverkauft oder bei der Zahlstelle zwecks Entwertung eingereicht werden.

(3) *Entwertung*. Sämtliche vollständig zurückgezahlten Schuldverschreibungen sind unverzüglich zu entwerten und können nicht wiederbegeben oder wiederverkauft werden.

§ 14 ÄNDERUNGEN DER EMISSIONSBEDINGUNGEN DURCH BESCHLÜSSE DER GLÄUBIGER; GEMEINSAMER VERTRETER

(1) *Änderung der Emissionsbedingungen*. Die Emittentin kann mit den Gläubigern Änderungen der Emissionsbedingungen oder sonstige Maßnahmen durch Mehrheitsbeschluss der Gläubiger nach Maßgabe der §§ 5 ff. des Gesetzes über Schuldverschreibungen aus Gesamtemissionen ("**SchVG**") in seiner jeweils geltenden Fassung beschließen. Die Gläubiger können insbesondere einer Änderung wesentlicher Inhalte der Emissionsbedingungen, einschließlich der in § 5 Abs. 3 SchVG vorgesehenen Maßnahmen durch Beschlüsse mit den in dem nachstehenden § 14(2) genannten Mehrheiten zustimmen. Ein ordnungsgemäß gefasster Mehrheitsbeschluss ist für alle Gläubiger gleichermaßen

resolution shall be binding equally upon all Holders.

(2) *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 section 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) *Passing of resolutions*. The Holders can pass resolutions in a meeting (*Gläubigerversammlung*) in accordance with section 5 et seqq. of the SchVG or by means of a vote without a meeting (*Abstimmung ohne Versammlung*) in accordance with section 18 and section 5 et seqq. of the SchVG.

(4) *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 the Custodian in accordance with §17(3)(i)(a) and (b) 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.

verbindlich.

(2) *Mehrheit*. Vorbehaltlich des nachstehenden Satzes und der Erreichung der erforderlichen Beschlussfähigkeit, beschließen die Gläubiger mit der einfachen Mehrheit der an der Abstimmung teilnehmenden Stimmrechte. Beschlüsse, durch welche der wesentliche Inhalt der Emissionsbedingungen, insbesondere in den Fällen des § 5 Abs. 3 Nr. 1 bis 9 SchVG, geändert wird, oder sonstige wesentliche Maßnahmen beschlossen werden bedürfen zu ihrer Wirksamkeit einer Mehrheit von mindestens 75 % der an der Abstimmung teilnehmenden Stimmrechte (eine "**Qualifizierte Mehrheit**").

(3) *Beschlussfassung*. 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 ist 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 der Depotbank gemäß §17(3)(i)(a) und (b) 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) *Vote without a 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 the Custodian in accordance with §17(3)(i)(a) and (b) 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.

(5) *Abstimmung 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 der Depotbank gemäß § 17(3)(i)(a) und (b) 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) *Second meeting*. If it is ascertained that no quorum exists for the meeting pursuant to § 14(4) or the vote without a meeting pursuant to § 14(5), in case of a meeting the chairman (*Vorsitzender*) may convene a second meeting in accordance with section 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 section 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

(6) *Zweite Versammlung*. Wird für die Gläubigerversammlung gemäß § 14(4) oder die Abstimmung ohne Versammlung gemäß § 14(5) die mangelnde Beschlussfähigkeit festgestellt, kann - im Fall der Gläubigerversammlung - der Vor-sitzende 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

participate in the vote by means of a special confirmation of the Custodian in accordance with §17(3)(i)(a) and (b) 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.

der Anmeldung müssen die Gläubiger ihre Berechtigung zur Teilnahme an der Abstimmung durch einen in Textform erstellten besonderen Nachweis der Depotbank gemäß §17(3)(i)(a) und (b) 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.

(7) *Holders' representative*. The Holders may by majority resolution provide for the appointment or dismissal of a holders' representative (the "**Holders' Representative**"), the duties and responsibilities and the powers of such Holders' Representative, the transfer of the rights of the Holders to the Holders' Representative and a limitation of liability of the Holders' Representative. Appointment of a Holders' Representative may only be passed by a Qualified Majority if such Holders' Representative is to be authorised to consent, in accordance with § 14(2) hereof, to a material change in the substance of the Terms and Conditions or other material matters.

(7) *Gemeinsamer Vertreter*. Die Gläubiger können durch Mehrheitsbeschluss die Bestellung oder Abberufung eines gemeinsamen Vertreters (der "**Gemeinsame Vertreter**"), die Aufgaben und Befugnisse des Gemeinsamen Vertreters, die Übertragung von Rechten der Gläubiger auf den Gemeinsamen Vertreter und eine Beschränkung der Haftung des Gemeinsamen Vertreters bestimmen. Die Bestellung eines Gemeinsamen Vertreters bedarf einer Qualifizierten Mehrheit, wenn er ermächtigt werden soll, Änderungen des wesentlichen Inhalts der Emissionsbedingungen oder sonstigen wesentlichen Maßnahmen gemäß § 14(2) zuzustimmen.

(8) Publication. Any notices concerning this § 14 shall be made exclusively pursuant to the provisions of the SchVG.

(8) Veröffentlichung. Bekanntmachungen betreffend diesen § 14 erfolgen ausschließlich gemäß den Bestimmungen des SchVG.

(9) Amendments of the Guarantee. The provisions set out above applicable to the Notes shall apply *mutatis mutandis* to the Guarantee.

(9) Änderung der Garantie. Die oben aufgeführten auf die Schuldverschreibungen anwendbaren Bestimmungen gelten entsprechend für die Bestimmungen der Garantie.

§ 15 NOTICES

[*In the case of Notes which are listed on the Luxembourg 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 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

§ 15 MITTEILUNGEN

[*Im Falle von Schuldverschreibungen, die an der Luxemburger Börse notiert werden, gilt folgendes*:

(1) *Bekanntmachung*. Alle die Schuldverschreibungen betreffenden Mitteilungen sind auf der Internetseite der Luxemburger Börse (www.bourse.lu) elektronisch zu veröffentlichen. Jede derartige Mitteilung gilt mit dem dritten Tag nach dem Tag der Veröffentlichung (oder bei mehrfacher Veröffentlichungen mit dem dritten Tag nach dem Tag der ersten solchen Veröffentlichung)

publication).

(2) *Notification to Clearing System*. So long as any Notes are listed on the Luxembourg Stock Exchange, § 15(1) shall apply. If the Rules of the Luxembourg Stock Exchange so permit, the Issuer may deliver the relevant notice to the Clearing System for communication by the Clearing System to the Holders, in lieu of publication as set forth in subparagraph (1) above; any such notice shall be deemed to have been given on the fifth day after the day on which the said notice was given to the Clearing System.**]**

[*In the case of Notes which are unlisted or listed on a stock exchange other than the Luxembourg Stock Exchange the following applies*:

(1) *Publications*. All notices concerning the Notes except as stipulated in § 14(6) shall be published electronically in the Federal Gazette (*Bundesanzeiger*) **[**and so long as the Notes are admitted to trading on **[*stock exchange other than the Luxembourg Stock Exchange*]** and if the rules of such stock exchange so require **[**in/under/●**]** **[*newspaper or website*]]**. Any notice so given will be deemed to be validly given on the third calendar day following the date of such publication (or, if published more than once, on the third calendar day following the date of the first such publication).

(2) *Notification* to the Clearing System. The Issuer may, in lieu of publication set forth in § 15(1) above, deliver the relevant notice to the Clearing System, for communication by the Clearing System to the Holders, *provided that* the rules of the stock exchange on which the Notes are listed (if applicable) permit such form of notice. Any such notice shall be deemed to have been given to the Holders on the fifth day after the day on which the said notice was given to the Clearing System.**]**

(3) *Notification to the Issuer*. Notices to be given by any Holder to the Issuer shall be made by means of a declaration in text form (*Textform*) to be delivered to the Paying Agent.

als wirksam erfolgt.

(2) *Mitteilungen an das Clearingsystem*. Solange Schuldverschreibungen an der Luxemburger Börse notiert sind, findet § 15(1) Anwendung. Soweit die Regeln der Luxemburger Börse dies zulassen, kann die Emittentin eine Veröffentlichung nach Absatz (1) durch eine Mitteilung an das Clearingsystem zur Weiterleitung an die Gläubiger ersetzen; jede derartige Mitteilung gilt am fünften Tag nach dem Tag der Mitteilung an das Clearingsystem als den Gläubigern mitgeteilt.**]**

[*Im Falle von Schuldverschreibungen, die nicht oder an einer anderen Börse als die Luxemburger Börse notiert werden, gilt folgendes*:

(1) *Bekanntmachungen*. Alle die Schuldverschreibungen betreffenden Mitteilungen, außer nach Maßgabe von § 14(6), sind elektronisch im Bundesanzeiger **[**und, solange die Schuldverschreibungen an der **[*andere Börse als die Luxemburger Börse*]** zum Handel zugelassen sind und soweit dies die Regeln dieser Börse verlangen, **[**in/unter/●**]** **[*Zeitung oder Internetseite*]]** zu veröffentlichen. Jede derartige Mitteilung gilt mit dem dritten Kalendertag nach dem Tag der Veröffentlichung (oder bei mehrfacher Veröffentlichungen mit dem dritten Kalendertag nach dem Tag der ersten solchen Veröffentlichung) als wirksam erfolgt.

(2) *Mitteilungen an das Clearingsy*stem. Die Emittentin ist berechtigt, eine Veröffentlichung nach vorstehendem § 15(1) durch eine Mitteilung an das Clearingsystem zur Weiterleitung an die Gläubiger zu ersetzen, vorausgesetzt, dass die Regeln der Börse, an der die Schuldverschreibungen ggf. notiert sind, diese Form der Mitteilung zulassen. Jede derartige Mitteilung gilt am fünften Tag nach dem Tag der Mitteilung an das Clearingsystem als den Gläubigern mitgeteilt.**]**

(3) *Mitteilungen an die Emittentin*. Mitteilungen eines Gläubigers an die Emittentin haben in der Weise zu erfolgen, dass der Gläubiger der Zahlstelle eine entsprechende Erklärung in Textform übermittelt.

§ 16 DEFINITIONS

"**Additional Amounts**" has the meaning assigned to such term in § 8.

"**Affiliate**" has the meaning assigned to such term in § 12(1).

"**Business Day**" has the meaning assigned to such term in § 5(4).

"**Calculation Agent**" has the meaning assigned to such term in § 7(1)

"**Calculation Period**" has the meaning assigned to such term in § 4(9).

"**Capital Market Indebtedness**" means any present or future obligation for the payment of borrowed money (including obligations by reason of any guarantee or other liability agreement for such obligations of third parties) which is in the form of, or represented by, bonds, notes or other securities which are capable of being quoted, listed, dealt in or traded on a stock exchange, over-the-counter-market or other recognised securities market.

[*In case of CBF as Clearing System, the following applies:* "CBF" has the meaning assigned to such term in § 1(4).]

[*In case of CBL as Clearing System, the following applies:* "CBL" has the meaning assigned to such term in § 1(4).]

[*In the case of Notes kept in custody on behalf of the ICSDs and the Global Note is a CGN, the following applies:* "CGN" has the meaning assigned to such term in § 1(4).]

"**Change of Control**" has the meaning assigned to such term in § 6(3)(a).

"**Code**" has the meaning assigned to such term in § 5(7).

"**Consolidated Adjusted EBITDA**" means the number set out under the heading "*EBITDA (adjusted)*" in the Consolidated Financial Statements of the Guarantor covering the applicable Relevant Period.

§ 16 DEFINITIONEN

"**Zusätzliche Beträge**" hat die diesem Begriff in § 8 zugewiesene Bedeutung.

"**Verbundenes Unternehmen**" hat die diesem Begriff in § 12(1) zugewiesene Bedeutung.

"**Geschäftstag**" hat die diesem Begriff in § 5(4) zugewiesene Bedeutung.

"**Berechnungsstelle**" hat die diesem Begriff in § 7(1) zugewiesene Bedeutung.

"**Zinsberechnungszeitraum**" hat die diesem Begriff in § 4(9) zugewiesene Bedeutung.

"**Kapitalmarktverbindlichkeit**" bezeichnet jede gegenwärtige oder künftige Verbindlichkeit zur Rückzahlung aufgenommener Geldbeträge (einschließlich Verbindlichkeiten aus Garantien oder sonstigen Haftungsvereinbarungen für solche Verbindlichkeiten Dritter), die in Form von Anleihen, Schuldverschreibungen oder sonstigen Wertpapieren, die an einer Börse, einem außerbörslichen Markt oder an einem anderen anerkannten Wertpapiermarkt notiert, zugelassen oder gehandelt werden können, verbrieft, verkörpert oder dokumentiert ist.

[*Bei CBF als Clearingsystem gilt folgendes:* "CBF" hat die diesem Begriff in § 1(4) zugewiesene Bedeutung.]

[*Bei CBL als Clearingsystem gilt folgendes:* "CBL" hat die diesem Begriff in § 1(4) zugewiesene Bedeutung.]

[*Im Fall von Schuldverschreibungen, die im Namen der ICSDs verwahrt werden und falls die Globalurkunde eine CGN ist gilt folgendes:* "CGN" hat die diesem Begriff in § 1(4) zugewiesene Bedeutung.]

"**Kontrollwechsel**" hat die diesem Begriff in § 6(3)(a) zugewiesene Bedeutung.

"**Code**" hat die diesem Begriff in § 5(7) zugewiesene Bedeutung.

"**Konsolidiertes Bereinigtes EBITDA**" bezeichnet den unter der Überschrift "*EBITDA (bereinigt um Sondereinflüsse)*" im Konzernabschluss der Garantin für den jeweiligen Maßgeblichen Zeitraum angegebenen Zahlenwert.

"**Consolidated Coverage Ratio**" means the ratio of (A) the aggregate amount of Consolidated Adjusted EBITDA in the Relevant Period to (B) the aggregate amount of Net Cash Interest in the Relevant Period.

"**Konsolidierter Deckungsgrad**" bezeichnet das Verhältnis (A) des Gesamtbetrags des Konsolidierten Bereinigten EBITDA im Maßgeblichen Zeitraum zu (B) dem Gesamtbetrag des Zinszahlungssaldos im Maßgeblichen Zeitraum.

"**Consolidated Financial Indebtedness**" means Financial Indebtedness of the Guarantor and any of its Subsidiaries, on a consolidated basis determined in accordance with IFRS.

"**Konsolidierte Finanzverbindlichkeiten**" bezeichnet die nach IFRS ermittelten Finanzverbindlichkeiten der Garantin und ihrer Tochtergesellschaften auf konsolidierter Basis.

"**Consolidated Financial Statements**" means, with respect to any Person, collectively, the consolidated financial statements and notes to those financial statements, of that Person and its subsidiaries prepared in accordance with IFRS.

"**Konzernabschluss**" bezeichnet in Bezug auf eine Person zusammenfassend den nach IFRS erstellten Konzernabschluss mit Anhang für diese Person und ihre Tochterunternehmen.

"**Consolidated Secured Financial Indebtedness**" means that portion of the Consolidated Financial Indebtedness of the Group that is secured by a Lien on properties or other assets of the Guarantor or any of its Subsidiaries.

"**Besicherte Konsolidierte Finanzverbindlichkeiten**" bezeichnet den Teil der Konsolidierten Finanzverbindlichkeiten der Gruppe, der mit Sicherungsrechten an Immobilien oder sonstigen Vermögenswerten der Garantin oder ihrer Tochtergesellschaften besichert ist.

"**Control**" has the meaning assigned to such term in § 6(3)(a).

"**Kontrolle**" hat die diesem Begriff in § 6(3)(a) zugewiesene Bedeutung.

"**Controlled Subsidiary**" has the meaning assigned to such term in § 6(3)(a).

"**Abhängige Tochtergesellschaft**" hat die diesem Begriff in § 6(3)(a) zugewiesene Bedeutung.

"**Custodian**" has the meaning assigned to such term in § 17(3).

"**Depotbank**" hat die diesem Begriff in § 17(3) zugewiesene Bedeutung.

"**Day Count Fraction**" has the meaning assigned to such term in § 4(9).

"**Zinstagequotient**" hat die diesem Begriff in § 4(9) zugewiesene Bedeutung.

[*In case of Euroclear as Clearing System, the following applies:* "Euroclear**" has the meaning assigned to such term in § 1(4).**]**

[*Bei Euroclear als Clearingsystem gilt folgendes:* "Euroclear**" hat die diesem Begriff in § 1(4) zugewiesene Bedeutung.**]**

[*In the case the offered quotation for deposits in the Specified Currency is EURIBOR, the following applies:* "Euro-Zone**" has the meaning assigned to such term in § 4(3).**]**

[*Falls der Angebotssatz für Einlagen in der festgelegten Währung EURIBOR ist gilt folgendes:* "Euro-Zone**" hat die diesem Begriff in § 4(3) zugewiesene Bedeutung.**]**

"**Event of Default**" has the meaning assigned to such term in § 10(1).

"**Kündigungsgrund**" hat die diesem Begriff in § 10(1) zugewiesene Bedeutung.

"**Exchange Date**" has the meaning assigned to such term in § 1(3)(b)

"**Austauschtag**" hat die diesem Begriff in § 1(3)(b) zugewiesene Bedeutung.

"**Financial Indebtedness**" means (without duplication) any indebtedness (excluding any indebtedness owed to another member of the Group) for or in respect of:

(i) money borrowed;

(ii) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;

(iii) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, commercial papers, debentures, loan stock or any similar instrument;

(iv) receivables sold or discounted (other than any receivables to the extend they are sold on a non-recourse basis);

(v) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing, but excluding bank guarantee facilities (as amended from time to time) made or to be made available by financial institutions to the Guarantor or a Subsidiary under which the Guarantor or the respective Subsidiary may request the issue of a bank guarantee or bank guarantees in favour of a person who agrees to purchase a Real Estate Property owned by the Guarantor or a Subsidiary;

(vi) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and

(vii) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (i) to (vi) above.

"**Finanzverbindlichkeiten**" bezeichnet (unter Ausschluss einer Doppelberücksichtigung) alle Verbindlichkeiten (ausgenommen solche gegenüber anderen Mitgliedern der Gruppe) für oder in Bezug auf:

(i) aufgenommene Gelder;

(ii) alle aus Akzepten im Rahmen von Akzeptkreditfazilitäten oder dematerialisierten Vergleichbaren aufgenommenen Beträge;

(iii) alle aus Fazilitäten für die Emission kurzfristiger Schuldtitel oder aus der Begebung von Anleihen, Schuldverschreibungen, Commercial Paper oder sonstigen Schuldtiteln oder vergleichbaren Instrumenten aufgenommenen Beträge;

(iv) veräußerte oder diskontierte Forderungen (mit Ausnahme von Forderungen, die regresslos verkauft werden);

(v) die Aufnahme von Beträgen im Rahmen anderer Transaktionen (einschließlich Terminverkauf oder -kauf), die wirtschaftlich einer Kreditaufnahme gleichkommen, ausgenommen jedoch Bankgarantie-Fazilitäten (wie jeweils geändert), die der Garantin oder einer Tochtergesellschaft von Finanzinstituten gewährt werden oder gewährt werden sollen und in deren Rahmen die Garantin bzw. die jeweilige Tochtergesellschaft die Ausstellung einer oder mehrerer Bankgarantien zugunsten einer Person verlangen kann, die sich zum Erwerb von Immobilienvermögen von der Garantin oder einer Tochtergesellschaft verpflichtet hat;

(vi) einen Aufwendungsersatzanspruch in Bezug auf eine Bürgschaft, eine Freistellungsverpflichtung, eine Garantie, ein Standby- oder Dokumentenakkreditiv oder ein anderes von einer Bank oder einem Finanzinstitut ausgestelltes Instrument; und

(vii) Verbindlichkeiten aus einer Garantie, Bürgschaft oder Freistellungsverpflichtung in Bezug auf Verbindlichkeiten der in den

vorstehenden Absätzen (i) bis (vi) genannten Art.

"**Global Note**" has the meaning assigned to such term in § 1(3).

"**Globalurkunde**" hat die diesem Begriff in § 1(3) zugewiesene Bedeutung.

"**Group**" means the Guarantor together with its Subsidiaries.

"**Gruppe**" bezeichnet die Garantin und ihre Tochtergesellschaften.

"**Guarantee**" has the meaning assigned to such term in § 2(2).

"**Garantie**" hat die diesem Begriff in § 2(2) zugewiesene Bedeutung.

"**Guarantor**" has the meaning assigned to such term in § 2(2).

"**Garantin**" hat die diesem Begriff in § 2(2) zugewiesene Bedeutung.

"**Holder**" has the meaning assigned to such term in § 1(5).

"**Gläubiger**" hat die diesem Begriff in § 1(5) zugewiesene Bedeutung.

"**Holders' Representative**" has the meaning assigned to such term in § 14(5).

"**Gemeinsamer Vertreter**" hat die diesem Begriff in § 14(5) zugewiesene Bedeutung.

[*In case of CBL and Euroclear as Clearing System, the following applies:* "ICSD**" and "**ICSDs**" has the meaning assigned to such term in § 1(4).]**

[*Bei CBL und Euroclear als Clearingsystem gilt folgendes:* "ICSD**" und "**ICSDs**" hat die diesem Begriff in § 1(4) zugewiesene Bedeutung.]**

"**IFRS**" means the International Financial Reporting Standards as adopted by the European Union and as published by the International Accounting Standards Board, as in effect from time to time.

"**IFRS**" bezeichnet die nach der EU anwendbaren International Financial Reporting Standards des International Accounting Standards Board in jeweils geltender Fassung.

"**Incur**" means, with respect to any Financial Indebtedness or other obligation of any Person, to create, assume, guarantee or otherwise become liable in respect of such Financial Indebtedness or other obligation, and "**incurrence**" and "**incurred**" have the meanings correlative to the foregoing.

"**Eingehen**" bezeichnet in Bezug eine Finanzverbindlichkeit oder eine sonstige Verbindlichkeit einer Person die Begründung, Übernahme, die Abgabe einer Garantie oder Bürgschaft dafür oder eine anderweitige Übernahme der Haftung für diese Finanzverbindlichkeit oder sonstige Verbindlichkeit; das "**Eingehen**" bzw. "**eingegangen**" sind entsprechend auszulegen.

"**Interest Commencement Date**" has the meaning assigned to such term in § 4(1).

"**Verzinsungsbeginn**" hat die diesem Begriff in § 4(1) zugewiesene Bedeutung.

"**Interest Determination Date**" has the meaning assigned to such term in § 4(3).

"**Zins-Festlegungstag**" hat die diesem Begriff in § 4(3) zugewiesene Bedeutung.

"**Interest Payment Date**" has the meaning assigned to such term in § 4(1).

"**Zinszahlungstag**" hat die diesem Begriff in § 4(1) zugewiesene Bedeutung.

"**Interest Period**" has the meaning assigned to such term in § 4(3).

"**Zinsperiode**" hat die diesem Begriff in § 4(3) zugewiesene Bedeutung.

"**Issue Date**" has the meaning assigned to such term in § 1(1).

"**Begebungstag**" hat die diesem Begriff in § 1(1) zugewiesene Bedeutung.

"**Issuer**" has the meaning assigned to such term in § 1(1).

"**Emittentin**" hat die diesem Begriff in § 1(1) zugewiesene Bedeutung.

"**Lien**" means (without duplication) any lien, mortgage, trust deed, deed of trust, deed, pledge, security interest, assignment for collateral purposes, deposit arrangement, or other security agreement, excluding any right of setoff but including, without limitation, any conditional sale or other title retention agreement, any financing lease having substantially the same economic effect as any of the foregoing, and any other like agreement granting or conveying a security interest *in rem* (*dingliches Sicherungsrecht*), to a Person that is not a member of the Group, in each case to secure outstanding Financial Indebtedness, but in each case excluding

"**Sicherungsrecht**" bezeichnet (unter Ausschluss einer Doppelberücksichtigung) Sicherungsrechte, Grundpfandrechte, Sicherung-Treuhandverträge (trust-deed oder deed of trust), Sicherungs- Urkunden (deed), Pfandrechte, Verpfändungsvereinbarungen, Sicherungsabtretungen, Sicherungsübereignungen, Hinterlegungsvereinbarungen oder sonstige Sicherungsabreden, ausgenommen Rechte zur Aufrechnung, jedoch u. a. einschließlich bedingte Kaufverträge oder Vereinbarungen mit Eigentumsvorbehalt, Finanzierungsleasingverträge, die wirtschaftlich im Wesentlichen den vorgenannten Vereinbarungen gleichkommen, sowie sonstige Vereinbarungen, die ein dingliches Sicherungsrecht gewähren oder übertragen, und zwar einer Person, die nicht Mitglied der Gruppe ist, jeweils zur Besicherung ausstehender Finanzverbindlichkeiten, jedoch keine

(i) any encumbrance registered in department 2 (*Abteilung 2*) of a German land register (*Grundbuch*);

(i) in Abteilung 2 eines deutschen Grundbuchs eingetragene Belastungen;

(ii) any Lien arising in connection with a disposal of an asset in the ordinary course of business including, without limitation, any Lien created in assets subject to a sale agreement for the purposes of financing the purchase price;

(ii) Sicherungsrechte, die im Zusammenhang mit der Veräußerung eines Vermögenswerts im Rahmen der gewöhnlichen Geschäftstätigkeit entstehen, u. a. Sicherungsrechte an Vermögenswerten, die Gegenstand eines Kaufvertrags sind, zur Finanzierung des Kaufpreises;

(iii) any Lien securing Financial Indebtedness outstanding on the Issue Date;

(iii) Sicherungsrechte, die zum Begebungstag ausstehende Finanzverbindlichkeiten besichern;

(iv) any Lien in respect of which an unconditional deletion consent (*Löschungsbewilligung*) has been delivered to the relevant member of the Group;

(iv) Sicherungsrechte, für die dem maßgeblichen Mitglied der Gruppe eine unbedingte Löschungsbewilligung übermittelt wurde;

(v) any Lien arising by operation of law (or by agreement having the same effect) or in the ordinary course of business, *provided that* any Lien arising in the ordinary course of business over Real Estate Property shall not be excluded;

(v) Sicherungsrechte, die kraft Gesetzes (oder kraft einer Vereinbarung mit derselben Wirkung) oder im Rahmen der gewöhnlichen Geschäftstätigkeit entstehen, wobei im Rahmen der gewöhnlichen Geschäftstätigkeit entstehende Sicherungsrechte an

(vi) any cash collateral posted in connection with cross-currency and interest rate hedging transactions; and

(vii) any Lien on bank accounts under general terms and conditions of any provider of such bank accounts.

"**Material Subsidiary**" means any Subsidiary of the Guarantor whose total assets are at least equal to 5 % of the total assets of the Group.

"**Maturity Date**" has the meaning assigned to such term in § 6(1).

[*in case of a Margin, the following applies:* "**Margin**" has the meaning assigned to such term in § 4(3).**]**

[*in case of a Maximum Rate of Interest, the following applies:* "**Maximum Rate of Interest**" has the meaning assigned to such term in § 4(4).**]**

[*in case of a Minimum Rate of Interest, the following applies:* "**Minimum Rate of Interest**" has the meaning assigned to such term in § 4(4).**]**

"**Net Cash Interest**" means all interest and other financing charges accrued to persons who are not members of the Group less the amount of any interest and other financing charges accrued to be received from persons who are not members of the Group, in each case, excluding any one-off financing charges (including without limitation, any one-off fees and/or break costs).

"**Net Nominal Financial Indebtedness**" means the nominal amount of Financial Indebtedness incurred minus the nominal amount of Financial Indebtedness repaid.

"**Net Nominal Secured Financial Indebtedness**" means the nominal amount of Secured Financial Indebtedness incurred minus the nominal amount of Secured Financial Indebtedness repaid.

Immobilienvermögen jedoch nicht ausgeschlossen sind;

(vi) Barsicherheiten, die im Zusammenhang mit Währungs- und Zinsabsicherungsgeschäften gestellt werden; und

(vii) Sicherungsrechte an Bankkonten nach Maßgabe der allgemeinen Geschäftsbedingungen des Anbieters der Bankkonten.

"**Wesentliche Tochtergesellschaft**" bezeichnet eine Tochtergesellschaft der Garantin, deren Bilanzsumme mindestens 5 % der Bilanzsumme der Gruppe ausmacht.

"**Fälligkeitstag**" hat die diesem Begriff in § 6(1) zugewiesene Bedeutung.

[*im Falle einer Marge gilt Folgendes:* "**Marge**" hat die diesem Begriff in § 4(3) zugewiesene Bedeutung.**]**

[*im Falle eines Höchstzinssatzes, gilt folgendes:* "**Höchstzinssatz**" hat die diesem Begriff in § 4(4) zugewiesene Bedeutung.**]**

[*im Falle eines Mindestzinssatzes, gilt folgendes:* "**Mindestzinssatz**" hat die diesem Begriff in § 4(4) zugewiesene Bedeutung.**]**

"**Zinszahlungssaldo**" bezeichnet alle an Personen, die nicht Mitglied der Gruppe sind, zu zahlenden Zinsen und sonstigen Finanzierungskosten abzüglich des Betrags aller von Personen, die nicht Mitglied der Gruppe sind, zu erhaltenden Zinsen und sonstigen Finanzierungskosten, jeweils ausgenommen einmalige Finanzierungskosten (u.a. einmalige Entgelte und/oder Vorfälligkeitsentschädigungen).

"**Nennbetrag der Finanzverbindlichkeiten (netto)**" bezeichnet den Nennbetrag der eingegangenen Finanzverbindlichkeiten abzüglich des Nennbetrags der zurückgezahlten Finanzverbindlichkeiten.

"**Nennbetrag der Besicherten Finanzverbindlichkeiten (netto)**" bezeichnet den Nennbetrag der eingegangenen Besicherten Finanzverbindlichkeiten abzüglich des Nennbetrags der zurückgezahlten

Besicherten Finanzverbindlichkeiten.

"**Net Nominal Unsecured Financial Indebtedness**" means the nominal amount of Unsecured Financial Indebtedness incurred minus the nominal amount of Unsecured Financial Indebtedness repaid.

"**Nennbetrag der Unbesicherten Finanzverbindlichkeiten (netto)**" bezeichnet den Nennbetrag der eingegangenen Unbesicherten Finanzverbindlichkeiten abzüglich des Nennbetrags der zurückgezahlten Unbesicherten Finanzverbindlichkeiten.

"**Net Unencumbered Assets**" means, on a consolidated basis determined in accordance with IFRS, the value of any Real Estate Property of the Guarantor and its Subsidiaries not subject to any Lien acquired plus the value of all other assets of the Guarantor and its Subsidiaries not subject to any Lien acquired minus the value of such assets which (i) have been disposed of or (ii) have become subject to a Lien.

"**Unbelastetes Nettovermögen**" bezeichnet den nach IFRS auf konsolidierter Basis ermittelten Wert des erworbenen Immobilienvermögens der Garantin und ihrer Tochtergesellschaften, das nicht Gegenstand eines Sicherungsrechts ist, zuzüglich des Werts aller sonstigen erworbenen Vermögenswerte der Garantin und ihrer Tochtergesellschaften, die nicht Gegenstand eines Sicherungsrechts sind, abzüglich des Werts solcher Vermögenswerte, die (i) veräußert wurden oder (ii) Gegenstand eines Sicherungsrechts geworden sind.

[*In the case of Notes kept in custody on behalf of the ICSDs and the Global Note is an NGN, the following applies:* "NGN" has the meaning assigned to such term in § 1(4).]

[*Im Fall von Schuldverschreibungen, die im Namen der ICSDs verwahrt werden und falls die Globalurkunde eine NGN ist gilt folgendes:* "NGN" hat die diesem Begriff in § 1(4) zugewiesene Bedeutung.]

"**Notes**" has the meaning assigned to such term in § 1(1).

"**Schuldverschreibungen**" hat die diesem Begriff in § 1(1) zugewiesene Bedeutung.

"**Opinion of Counsel**" means a written opinion from legal counsel. The counsel may be an employee of or counsel to the Guarantor.

"**Rechtsgutachten**" bezeichnet ein schriftliches Gutachten eines Rechtsberaters. Der Rechtsberater kann Mitarbeiter oder externer Rechtsberater der Garantin sein.

"**Paying Agent**" has the meaning assigned to such term in § 7(1).

"**Zahlstelle**" hat die diesem Begriff in § 7(1) zugewiesene Bedeutung.

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

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

"**Put Date**" has the meaning assigned to such term in § 6(3)(c).

"**Rückzahlungstag**" hat die diesem Begriff in § 6(3)(c) zugewiesene Bedeutung.

"**Put Event Notice**" has the meaning assigned to such term in § 6(3)(b).

"**Gläubigerwahl-Rückzahlungsereignis-Mitteilung**" hat die diesem Begriff in § 6(3)(b) zugewiesene Bedeutung.

"**Put Notice**" has the meaning assigned to such term in § 6(3)(c).

"**Put Option**" has the meaning assigned to such term in § 6(3)(a).

"**Put Period**" has the meaning assigned to such term in § 6(3)(c).

"**Qualified Majority**" has the meaning assigned to such term in § 14(2).

"**Real Estate Property**" means the real estate property of such Person and its subsidiaries.

"**Reference Banks**" has the meaning assigned to such term in § 4(3).

[*In the case the offered quotation for deposits in the Specified Currency is LIBOR, the following applies:* "**[Relevant Financial Center(s)] Business Day**" has the meaning assigned to such term in § 4(3).**]**

"**Relevant Period**" means the respective most recent four consecutive quarters ending prior to the respective date of determination of the Consolidated Coverage Ratio.

"**Relevant Taxing Jurisdiction**" has the meaning assigned to such term in § 8.

"**Reporting Date**" means 31 March, 30 June, 30 September and 31 December of each year.

"**SchVG**" has the meaning assigned to such term in § 14(1).

"**Screen Page**" has the meaning assigned to such term in § 4(3).

"**Secured Financial Indebtedness**" means that portion of the aggregate principal amount of all outstanding Financial Indebtedness of the Group that is secured by a Lien on properties or other assets of the Group.

"**Securities Act**" means the U.S. Securities Act of 1933, as amended.

"**Securitised Capital Market Indebtedness**" means any Capital Market Indebtedness

"**Ausübungserklärung**" hat die diesem Begriff in § 6(3)(c) zugewiesene Bedeutung.

"**Gläubiger-Rückzahlungswahlrecht**" hat die diesem Begriff in § 6(3)(a) zugewiesene Bedeutung.

"**Ausübungszeitraum**" hat die diesem Begriff in § 6(3)(c) zugewiesene Bedeutung.

"**Qualifizierte Mehrheit**" hat die diesem Begriff in § 14(2) zugewiesene Bedeutung.

"**Immobilienvermögen**" bezeichnet das Immobilienvermögen der betreffenden Person und ihrer Tochterunternehmen.

"**Referenzbank**" hat die diesem Begriff in § 4(3) zugewiesene Bedeutung.

[*Falls der Angebotssatz für Einlagen in der festgelegten Währung LIBOR ist, gilt folgendes:* "***[Relevante(s) Finanzzentrum(en)] Geschäftstag***" hat die diesem Begriff in § 4(3) zugewiesene Bedeutung.**]**

"**Maßgeblicher Zeitraum**" bezeichnet die letzten vier vor dem jeweiligen Tag der Feststellung des Konsolidierten Deckungsgrads endenden aufeinanderfolgenden Quartale.

"**Maßgebliche Steuerjurisdiktion**" hat die diesem Begriff in § 8 zugewiesene Bedeutung.

"**Berichtsstichtag**" ist der 31. März, 30. Juni, 30. September und 31. Dezember eines jeden Jahres.

"**SchVG**" hat die diesem Begriff in § 14(1) zugewiesene Bedeutung.

"**Bildschirmseite**" hat die diesem Begriff in § 4(3) zugewiesene Bedeutung.

"**Besicherte Finanzverbindlichkeiten**" bezeichnet den Teil des Gesamtnennbetrags aller ausstehenden Finanzverbindlichkeiten der Gruppe, der mit Sicherungsrechten an Immobilien oder sonstigen Vermögenswerten der Gruppe besichert ist.

"**Securities Act**" bezeichnet das US-Wertpapiergesetz von 1933 (U.S. Securities Act of 1933) in seiner jeweils geltenden Fassung.

"**Verbriefte Kapitalmarktverbindlichkeit**" bezeichnet jede Kapitalmarktverbindlichkeit

incurred in respect of or in connection with any securitisation or similar financing arrangement relating to assets owned by the Guarantor or its Subsidiaries and where the recourse of the holders of such Capital Market Indebtedness against the Guarantor is limited solely to such assets or any income generated therefrom.

aus oder im Zusammenhang mit einer Verbriefung oder vergleichbaren Finanzierungsvereinbarung in Bezug auf Vermögenswerte der Garantin oder ihrer Tochtergesellschaften, bei der die Rückgriffsrechte der Gläubiger der betreffenden Kapitalmarktverbindlichkeit auf die Garantin ausschließlich auf die betreffenden Vermögenswerte oder die daraus erzielten Erträge beschränkt ist.

"**Specified Denomination**" has the meaning assigned to such term in § 1(1).

"**Festgelegte Stückelung**" hat die diesem Begriff in § 1(1) zugewiesene Bedeutung.

"**Subsidiary**" means any Person that must be consolidated with the Guarantor for the purposes of preparing Consolidated Financial Statements of the Guarantor.

"**Tochtergesellschaft**" bezeichnet jede Person, die bei der Erstellung der Konzernabschlüsse der Garantin mit ihr konsolidiert werden muss.

"**Substitute Debtor**" has the meaning assigned to such term in § 12(1).

"**Nachfolgeschuldnerin**" hat die diesem Begriff in § 12(1) zugewiesene Bedeutung.

"**Substitution Guarantee**" has the meaning assigned to such term in § 12(1)(b).

"**Ersetzungsgarantie**" hat die diesem Begriff in § 12(1)(b) zugewiesene Bedeutung.

[*In the case the Specified Currency is Euro and/or the offered quotation for deposits in the Specified Currency is EURIBOR the following applies:* "**TARGET Business Day**" means a day on which all relevant parts of the Trans-European Automated Real-time Gross Settlement Express Transfer system (TARGET2) are operational to effect payments.**]**

[*Wenn die Festgelegte Währung Euro ist und/oder der Angebotssatz für Einlagen in der festgelegten Währung EURIBOR ist, gilt folgendes:* "**TARGET Geschäftstag**" ist ein Tag, an dem alle maßgeblichen Bereiche des Trans-European Automated Real-time Gross Settlement Express Transfer System (TARGET2) betriebsbereit sind, um Zahlungen vorzunehmen.**]**

"**Termination Notice**" has the meaning assigned to such term in §10(2).

"**Kündigungserklärung**" hat die diesem Begriff in §10(2) zugewiesene Bedeutung.

"**Total Assets**" means the value of the consolidated total assets of the Guarantor and its Subsidiaries, as such amount appears, or would appear, on a consolidated balance sheet of the Guarantor prepared in accordance with IFRS, *provided that* "*Total Assets*" shall include the proceeds of the Financial Indebtedness or Secured Financial Indebtedness to be incurred.

"**Bilanzsumme**" bezeichnet den Wert der konsolidierten Bilanzsumme der Garantin und ihrer Tochtergesellschaften, der in einer nach IFRS erstellten konsolidierten Bilanz der Garantin erscheint oder erscheinen würde, wobei die "*Bilanzsumme*" die Zuflüsse aus den einzugehenden Finanzverbindlichkeiten oder Besicherten Finanzverbindlichkeiten einschließt.

[*If the Notes are subject to Early Redemption at the Option of the Holder upon the occurrence of a transaction related event, the following applies:*

[*Fall die Emittentin da Wahlrecht hat, die Schuldverschreibungen bei Eintritt eines transaktionsbezogenen Ereignisses zum Ereignis-Wahl-Rückzahlungsbetrag vorzeitig zurückzuzahlen, gilt folgendes:*

"**Transaction**" has the meaning assigned to such term in § 6 **[**7**]**.

"**Transaktion**" hat die diesem Begriff in § 6 **[**7**]** zugewiesene Bedeutung.

"**Transaction Notice Period**" has the meaning assigned to such term in § 6 **[**7**]**.

"**Transaction Trigger Notice**" has the meaning assigned to such term in § 6 **[**7**]**.

"**Trigger Call Redemption Amount**" has the meaning assigned to such term in § 6 **[**7**]**.

"**Trigger Call Redemption Date**" has the meaning assigned to such term in § 6 **[**7**].]**

"**Unencumbered Assets**" means without duplication, (i) the value of any Real Estate Property, on a consolidated basis determined in accordance with IFRS, of the Guarantor and its Subsidiaries that is not subject to any Lien, plus (ii) the value of all other assets of the Guarantor and its Subsidiaries that is not subject to any Lien (where in case of (i) and (ii) the value of Real Estate Property, on a consolidated basis determined in accordance with IFRS, and other assets shall be equal to such amounts that appear, or would appear, on a consolidated balance sheet of the Guarantor prepared in accordance with IFRS).

"**Unsecured Financial Indebtedness**" means that portion of the aggregate principal amount of all outstanding Financial Indebtedness of the Group that is not Secured Financial Indebtedness.

§ 17 APPLICABLE LAW, PLACE OF JURISDICTION, ENFORCEMENT AND PROCESS AGENT

(1) *Applicable Law*. The Notes, as to form and content, and all rights and obligations of the Holders and the Issuer, shall be governed by the laws of the Federal Republic of Germany, without giving effect to the principles of conflict of laws.

(2) *Submission to Jurisdiction*. Subject to any mandatory jurisdiction for specific proceedings under the SchVG, the place of non-exclusive jurisdiction for any action or other legal proceedings in connection with the

"**Transaktionskündigungsfrist**" hat die diesem Begriff in § 6 **[**7**]** zugewiesene Bedeutung.

"**Transaktions-Mitteilung**" hat die diesem Begriff in § 6 **[**7**]** zugewiesene Bedeutung.

"**Ereignis-Wahl-Rückzahlungsbetrag**" hat die diesem Begriff in § 6 **[**7**]** zugewiesene Bedeutung.

"**Ereignis-Wahl-Rückzahlungstag**" hat die diesem Begriff in § 6 **[**7**]** zugewiesene Bedeutung.**]**

"**Unbelastetes Vermögen**" bezeichnet ohne doppelte Berücksichtigung (i) den nach IFRS auf konsolidierter Basis ermittelten Wert des Immobilienvermögens der Garantin und ihrer Tochtergesellschaften, das nicht Gegenstand eines Sicherungsrechts ist, zuzüglich (ii) des Werts aller sonstigen Vermögenswerte der Garantin und ihrer Tochtergesellschaften, die nicht Gegenstand eines Sicherungsrechts sind (wobei im Fall von (i) und (ii) der nach IFRS auf konsolidierter Basis ermittelte Wert des Immobilienvermögens und der sonstigen Vermögenswerte dem Betrag entspricht, der in einer nach IFRS erstellten konsolidierten Bilanz der Garantin erscheint oder erscheinen würde).

"**Unbesicherte Finanzverbindlichkeiten**" bezeichnet den Teil des Gesamtnennbetrags aller ausstehenden Finanzverbindlichkeiten der Gruppe, bei dem es sich nicht um Besicherte Finanzverbindlichkeiten handelt.

§ 17 ANWENDBARES RECHT, GERICHTSSTAND, GERICHTLICHE GELTENDMACHUNG UND ZUSTELLUNGSBEVOLLMÄCHTIGTER

(1) *Anwendbares Recht*. Form und Inhalt der Schuldverschreibungen sowie die Rechte und Pflichten der Gläubiger und der Emittentin bestimmen sich nach dem Recht der Bundesrepublik Deutschland, unter Ausschluss des internationalen Privatrechts.

(2) *Gerichtsstand*. Vorbehaltlich eines zwingend vorgeschriebenen Gerichtsstands für bestimmte Verfahren nach dem SchVG ist Frankfurt am Main nicht ausschließlicher Gerichtsstand für sämtliche im

Notes shall be Frankfurt am Main.

(3) *Enforcement*. Any Holder of Notes may in any proceedings against the Issuer or any Guarantor, or to which such Holder and the Issuer or any Guarantor are parties, protect and enforce in his own name his rights arising under such Notes on the basis of (i) a statement issued by the Custodian with whom such Holder maintains a securities account in respect of the Notes (a) stating the full name and address of the Holder, (b) specifying the aggregate principal amount of Notes credited to such securities account on the date of such statement and (c) confirming that the Custodian has given written notice to the Clearing System containing the information pursuant to (a) and (b) and (ii) a copy of the Note in global form certified as being a true copy by a duly authorised officer of the Clearing System or a depository of the Clearing System, without the need for production in such proceedings of the actual records or the Global Note representing the Notes. For purposes of the foregoing, "**Custodian**" means any bank or other financial institution of recognised standing authorised to engage in securities custody business with which the Holder maintains a securities account in respect of the Notes and includes the Clearing System. Each Holder may, without prejudice to the foregoing, protect and enforce his rights under these Notes also in any other way which is admitted in the country of the proceedings.

(4) *Process Agent*. The Issuer has appointed the Guarantor as its agent for service of process

Zusammenhang mit den Schuldverschreibungen entstehende Klagen oder sonstige Verfahren.

(3) *Gerichtliche Geltendmachung*. Jeder Gläubiger von Schuldverschreibungen ist berechtigt, in jedem Rechtsstreit gegen die Emittentin oder eine Garantin oder in jedem Rechtsstreit, in dem der Gläubiger und die Emittentin oder eine Garantin Partei sind, seine Rechte aus diesen Schuldverschreibungen im eigenen Namen auf der folgenden Grundlage geltend zu machen: (i) er bringt eine Bescheinigung der Depotbank bei, bei der er für die Schuldverschreibungen ein Wertpapierdepot unterhält, welche (a) den vollständigen Namen und die vollständige Adresse des Gläubigers enthält, (b) den Gesamtnennbetrag der Schuldverschreibungen bezeichnet, die unter dem Datum der Bestätigung auf dem Wertpapierdepot verbucht sind und (c) bestätigt, dass die Depotbank gegenüber dem Clearingsystem eine schriftliche Erklärung abgegeben hat, die die vorstehend unter (a) und (b) bezeichneten Informationen enthält, und (ii) er legt eine Kopie der die betreffenden Schuldverschreibungen verbriefenden Globalurkunde vor, deren Übereinstimmung mit dem Original eine vertretungsberechtigte Person von dem Clearingsystem oder einer Verwahrstelle des Clearingsystems bestätigt hat, ohne dass eine Vorlage der Originalbelege oder der die Schuldverschreibungen verbriefenden Globalurkunde in einem solchen Verfahren erforderlich wäre. Für die Zwecke des Vorstehenden bezeichnet "**Depotbank**" jede Bank oder ein sonstiges anerkanntes Finanzinstitut, das berechtigt ist, das Depotgeschäft zu betreiben und bei der/dem der Gläubiger ein Wertpapierdepot für die Schuldverschreibungen unterhält, einschließlich des Clearingsystems. Unbeschadet der vorstehenden Bestimmungen ist jeder Gläubiger berechtigt, seine Rechte aus diesen Schuldverschreibungen auch auf jede andere im Land des Verfahrens zulässige Weise geltend zu machen.

(4) *Zustellungsbevollmächtigter*. Die Emittentin hat die Garantin als

(*Zustellungsbevollmächtigter*) in relation to any proceedings before the German courts in connection with the Notes.

Zustellungsbevollmächtigte für Verfahren vor deutschen Gerichten im Zusammenhang mit den Schuldverschreibungen bestellt.

§ 18 LANGUAGE

[*If the Conditions shall 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 Conditions shall 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 Conditions shall be in the English language only the following applies:* These Terms and Conditions are written in the English language only.**]**

§ 18 SPRACHE

[*Falls die Emissionsbedingungen in deutscher Sprache mit einer Übersetzung in die englische Sprache abgefasst sind, gilt folgendes:* Diese Emissionsbedingungen sind in deutscher Sprache abgefasst. Eine Übersetzung in die englische Sprache ist beigefügt. Der deutsche Text ist bindend und maßgeblich. Die Übersetzung in die englische Sprache ist unverbindlich.**]**

[*Falls die Emissionsbedingungen in englischer Sprache mit einer Übersetzung in die deutsche Sprache abgefasst sind, gilt folgendes:* Diese Emissionsbedingungen sind in englischer Sprache abgefasst. Eine Übersetzung in die deutsche Sprache ist beigefügt. Der englische Text ist bindend und maßgeblich. Die Übersetzung in die deutsche Sprache ist unverbindlich.**]**

[*Falls die Emissionsbedingungen nur in deutscher Sprache abgefasst sind, gilt folgendes:* Diese Emissionsbedingungen sind ausschließlich in deutscher Sprache abgefasst.**]**

FORM OF GUARANTEE

GUARANTEE

of

Vonovia SE,
Bochum,
Federal Republic of Germany
(the "**Guarantor**")
for the benefit of the holders of Notes (the "**Notes**")
issued by

Vonovia Finance B.V.,
Amsterdam, The Netherlands
(the "**Issuer**")
under the
EUR 20,000,000,000 Debt Issuance Programme
of Vonovia Finance B.V. guaranteed by Vonovia SE
(as amended, supplemented or restated
from time to time)
(the "**Programme**")

GARANTIE

der

Vonovia SE,
Bochum,
Bundesrepublik Deutschland
(die "**Garantin**")
zugunsten der Gläubiger von Schuldverschreibungen
(die "**Schuldverschreibungen**")
emittiert durch

Vonovia Finance B.V.,
Amsterdam, Niederlande
(die "**Emittentin**")
im Rahmen des
EUR 20.000.000.000 Debt Issuance Programme
der Vonovia Finance B.V. garantiert durch die
Vonovia SE
(wie jeweils abgeändert, ergänzt oder neu gefasst)
(das "**Programm**")

§ 1 GUARANTEE, STATUS

(1) The Guarantor hereby unconditionally and irrevocably guarantees by way of an independent payment obligation (*selbständiges Zahlungsversprechen*) to each holder of a Note, issued by the Issuer on or after the date of this Guarantee under the Programme, (the "**Holders**") the due and punctual payment of principal of, and interest on, and any other amounts payable under the relevant Notes (the "**Guarantee**"). This Guarantee shall be separate and independent from the obligations of the Issuer and shall exist irrespective of the validity and enforceability of the obligations of the Issuer.

(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 Issuer or of any other grounds on the basis of which the Issuer may fail to effect payment,

§ 1 GARANTIE, STATUS

(1) Die Garantin garantiert hiermit unbedingt und unwiderruflich im Wege eines selbständigen Zahlungsversprechens gegenüber jedem Gläubiger einer Schuldverschreibung, die an oder zu irgendeinem Zeitpunkt nach dem Datum dieser Garantie von der Emittentin im Rahmen des Programms begeben wird, (die "**Gläubiger**") die ordnungsgemäße und pünktliche Zahlung aller Kapital-, Zins- und sonstigen auf die Schuldverschreibungen zahlbaren Beträge (die "**Garantie**"). Diese Garantie besteht selbständig und unabhängig von den Verbindlichkeiten der Emittentin und gilt unabhängig von der Wirksamkeit und Durchsetzbarkeit der Verbindlichkeiten der Emittentin.

(2) Sinn und Zweck dieser Garantie ist es, sicherzustellen, dass die Gläubiger unter allen Umständen tatsächlicher oder rechtlicher Art und unabhängig von der Wirksamkeit und Durchsetzbarkeit der Verbindlichkeiten der Emittentin oder sonstiger Gründe, auf deren

shall receive the amounts payable as principal, interest and other amounts to the Holders pursuant to the Conditions on the due dates as provided for in the Conditions.

Basis die Emittentin Zahlungen möglicherweise nicht leistet, die in Form von Kapital- oder Zinszahlungen oder sonstigen Zahlungen gemäß den Emissionsbedingungen an die Gläubiger zu leistenden Beträge bei Fälligkeit nach Maßgabe der Emissionsbedingungen erhalten.

(3) The Guarantor hereby explicitly waives any personal defenses of the Issuer (*Einreden des Hauptschuldners*) as well as any defenses arising out of the Issuer's right of revocation (*Anfechtbarkeit*) or set-off (*Aufrechenbarkeit*) with respect to the Notes. This waiver shall not apply to any defenses relating to any right of set-off with counterclaims that are (i) uncontested (*unbestritten*) or (ii) based on an unappealable (*rechtskräftig festgestellt*) court decision.

(3) Die Garantin verzichtet hiermit ausdrücklich auf alle der Emittentin zustehenden persönlichen Einreden des Hauptschuldners sowie auf alle der Emittentin zustehenden Einreden der Anfechtbarkeit oder Aufrechenbarkeit im Hinblick auf die Schuldverschreibungen. Dieser Verzicht auf die Einrede der Aufrechenbarkeit gilt nicht für (i) unbestrittene oder (ii) rechtskräftig festgestellte Gegenforderungen.

(4) The Guarantor expressly consents to the Guarantee being independent from any other security granted in connection with the Notes and waives any right which might result from the release of any such other security.

(4) Die Garantin erklärt ausdrücklich, dass die Garantie unabhängig von allen anderen im Zusammenhang mit den Schuldverschreibungen gestellten Sicherheiten besteht, und verzichtet auf alle etwaigen aus einer Freigabe solcher anderen Sicherheiten entstehenden Rechte.

(5) The Guarantor's payment obligations under this Guarantee become automatically due and payable if and when the Issuer does not make a payment with respect to the Notes when such payment is due and payable pursuant to the Conditions.

(5) Die Zahlungsverpflichtungen der Garantin aus dieser Garantie werden automatisch fällig und zahlbar, sofern und sobald die Emittentin eine Zahlung auf die Schuldverschreibungen nicht bei Fälligkeit gemäß den Emissionsbedingungen leistet.

(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.

(6) Die Verbindlichkeiten der Garantin aus dieser Garantie sind mit allen anderen nicht nachrangigen Verbindlichkeiten der Garantin mindestens gleichrangig, soweit diesen Verbindlichkeiten nicht durch zwingende gesetzliche Bestimmungen ein Vorrang eingeräumt wird.

(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 may be set aside by an insolvency administrator (*Anfechtungsrecht*) or may otherwise be avoided, the Guarantee shall continue in full force and effect.

(7) Diese Garantie ist mit der vollständigen und unwiderruflichen Befriedigung aller gemäß diesem § 1 garantierten Ansprüche (die "**Garantierten Verpflichtungen**") abschließend erfüllt. Sollten Garantierte Verpflichtungen jedoch nur vorläufig erfüllt oder Gegenstand eines Anfechtungsrechts eines Insolvenzverwalters oder anderweitig anfechtbar sein, so bleibt die Garantie weiterhin in Kraft.

(8) The Guarantor shall ensure that, so long as any of the Notes are outstanding, but only up to the time all amounts of principal and interest have been placed at the disposal of the Fiscal Agent, the Issuer or, as applicable, the Substitute Debtor is at all times an Affiliate of the Guarantor.

§ 2 NEGATIVE PLEDGE

(1) *Negative Pledge of the Guarantor*. The Guarantor undertakes, so long as any Notes are outstanding, but only up to the time all amounts of principal and interest have been placed at the disposal of the Fiscal Agent, not to create or permit to subsist, and to procure that none of its Material Subsidiaries will create or permit to subsist, any form of security interest *in rem* (*dingliches Sicherungsrecht*) over its assets to secure any Capital Market Indebtedness other than Securitized Capital Market Indebtedness or to secure any guarantee or indemnity given by the Guarantor or any of its Subsidiaries in respect of Capital Market Indebtedness unless, subject to § 2(2), the Issuer's obligations under the Notes are secured equally with (or, in case such Capital Market Indebtedness is subordinated debt, senior in priority to) the Capital Market Indebtedness secured by such security interest.

(2) *Limitation*. The undertakings pursuant to § 2(1) shall not apply:

(a) to any security interest which is mandatory according to applicable laws or required as prerequisite for governmental approvals; or

(b) with respect to any security right *in rem* (*dingliches Sicherungsrecht*) provided by any Subsidiary over any of such Subsidiary's claims against the Guarantor, which claims arise as a result of the passing on to the Guarantor of the proceeds from the issue by such

(8) Solange Schuldverschreibungen ausstehen, jedoch nur bis zu dem Zeitpunkt, an dem alle Beträge an Kapital und Zinsen dem Fiscal Agent zur Verfügung gestellt wurden, wird die Garantin sicherstellen, dass die Emittentin bzw. die Nachfolgeschuldnerin stets ein Verbundenes Unternehmen der Garantin ist.

§2 NEGATIVVERPFLICHTUNG

(1) *Negativverpflichtung der Garan*tin. Die Garantin verpflichtet sich, solange Schuldverschreibungen ausstehen, jedoch nur bis zu dem Zeitpunkt, an dem alle Beträge an Kapital und Zinsen dem Fiscal Agent zur Verfügung gestellt wurden, keine dinglichen Sicherungsrechte an ihren Vermögenswerten zur Besicherung von Kapitalmarktverbindlichkeiten (mit Ausnahme Verbriefter Kapitalmarktverbindlichkeiten) oder von durch die Garantin oder eine ihrer Tochtergesellschaften in Bezug auf Kapitalmarktverbindlichkeiten übernommenen Garantien oder abgegebenen Freistellungserklärungen zu bestellen oder fortbestehen zu lassen bzw. sicherzustellen, dass keine ihrer Wesentlichen Tochtergesellschaften dies tut, es sei denn, die Verbindlichkeiten der Emittentin aus den Schuldverschreibungen werden vorbehaltlich § 2(2) durch das betreffende Sicherungsrecht gleichrangig mit der jeweiligen Kapitalmarktverbindlichkeit (oder, sofern es sich dabei um eine nachrangige Verbindlichkeit handelt, im Vergleich dazu vorrangig) besichert.

(2) *Beschränkung*. Die Verpflichtungserklärungen nach § 2(1) gelten nicht:

(a) für Sicherungsrechte, die nach anwendbarem Recht zwingend vorgeschrieben sind oder Voraussetzung für die Gewährung staatlicher Genehmigungen sind; oder

(b) für dingliche Sicherungsrechte, die von einer Tochtergesellschaft an Forderungen gegen die Garantin bestellt werden, die ihr aufgrund der Weiterleitung von erzielten Erlösen der Tochtergesellschaft aus der Begebung von Kapitalmarktverbindlichkeiten erzielten

Subsidiary of any Capital Market Indebtedness, *provided that* any such security serves solely to secure obligations under such Capital Market Indebtedness issued by such Subsidiary.

(3) *Provision of Additional Security*. Whenever the Guarantor becomes obligated to secure (or procure that a Material Subsidiary secures) the Notes pursuant to this § 2 (1) and (2), the Guarantor shall be entitled to discharge such obligation by providing (or procure that the relevant Material Subsidiary provide) a security interest in the relevant collateral to a security trustee, such security trustee to hold such collateral and the security interest that gave rise to the creation of such collateral, equally (*dinglich oder, falls rechtlich nicht möglich, aufgrund schuldrechtlicher Vereinbarung gleichrangig*), for the benefit of the Holders and the holders of the Capital Market Indebtedness secured by the security interest that gave rise to the creation of such security interest in such collateral.

Erlösen der Tochtergesellschaft an die Garantin zustehen, vorausgesetzt, diese Sicherheiten dienen ausschließlich der Besicherung von Verpflichtungen aus den von dieser Tochtergesellschaft begebenen Kapitalmarktverbindlichkeiten.

(3) *Bestellung zusätzlicher Sicherheiten*. Entsteht für die Garantin die Verpflichtung zur Besicherung der Schuldverschreibungen gemäß diesem § 2 (1) und (2) (oder die Verpflichtung, für deren Besicherung durch eine Wesentliche Tochtergesellschaft Sorge zu tragen), so ist die Garantin berechtigt, diese Verpflichtung dadurch zu erfüllen, dass ein Sicherungsrecht an dem jeweiligen Sicherungsgegenstand zugunsten eines Sicherheitentreuhänders begründet wird (bzw. dadurch, dass sie die betreffende Wesentliche Tochtergesellschaft zur Begründung eines solchen Sicherungsrechts veranlasst), und zwar in einer Weise, dass der Sicherheitentreuhänder diesen Sicherungsgegenstand dinglich oder, falls rechtlich nicht möglich, aufgrund schuldrechtlicher Vereinbarung gleichrangig zugunsten der Gläubiger der Schuldverschreibungen und der Gläubiger derjenigen Kapitalmarktverbindlichkeit hält, die aufgrund einer Besicherung mit einem Sicherungsrecht zur Bestellung dieses Sicherungsrechts an dem betreffenden Sicherungsgegenstand führte.

§ 3 TAXATION

All amounts payable in respect of this Guarantee shall be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied at source by way of withholding or deduction by or on behalf of any jurisdiction in which the Guarantor is organized, engaged in business, resident for tax purposes or generally subject to tax on a net income basis or through or from which payment on the Guarantee is made or any political subdivision or any authority thereof or therein having power to tax (each, a "**Relevant Taxing Jurisdiction**"), unless such withholding or deduction is required by law. If such withholding with respect to amounts payable in respect of this Guarantee is required by law, the Guarantor will pay such additional amounts (the "**Additional Amounts**") as shall be necessary in

§ 3 BESTEUERUNG

Alle in Bezug auf diese Garantie zu zahlenden Beträge werden ohne Einbehalt oder Abzug von oder aufgrund von gegenwärtigen oder zukünftigen Steuern oder Abgaben gleich welcher Art gezahlt, die von oder im Namen eines Landes, in dem die Garantin gegründet wurde, geschäftstätig, steuerlich ansässig oder grundsätzlich mit ihren Nettoeinkünften steuerpflichtig ist oder über das oder aus dem Zahlungen auf die Garantie geleistet werden, oder einer Gebietskörperschaft oder einer Steuerbehörde dieses Landes (jeweils eine "**Maßgebliche Steuerjurisdiktion**") im Wege des Abzugs oder Einbehalts an der Quelle auferlegt oder erhoben werden, es sei denn, ein solcher Abzug oder Einbehalt ist gesetzlich vorgeschrieben. Ist ein Einbehalt in Bezug auf diese Garantie zu zahlenden Beträge gesetzlich vorgeschrieben, so wird die

order that the net amounts received by the Holders, after such withholding or deduction shall equal the respective amounts which would otherwise have been receivable in the absence of such withholding or deduction; except that no such Additional Amounts shall be payable on account of any taxes or duties which:

(a) are payable by any Person acting as custodian bank or collecting agent on behalf of a Holder, or otherwise in any manner which does not constitute a deduction or withholding by the Guarantor from payments of principal or interest made by it, or

(b) are payable by reason of the Holder having, or having had, some personal or business connection with the Relevant Taxing Jurisdiction and not merely by reason of the fact that payments in respect of this Guarantee are, or for purposes of taxation are deemed to be, derived from sources in, or are secured in, the Relevant Taxing Jurisdiction, or

(c) are deducted or withheld pursuant to (i) any European Union Directive or Regulation concerning the taxation of interest income, or (ii) any international treaty or understanding relating to such taxation and to which the Federal Republic of Germany, or the Kingdom of The Netherlands or the European Union is a party, or (iii) any provision of law implementing, or complying with, or introduced to conform with, such Directive, Regulation, treaty or understanding, or

(d) would not have been imposed or withheld but for the failure of the Holder or beneficial owner of Notes (including, for these purposes, any financial institution through which the Holder or beneficial

Garantie diejenigen zusätzlichen Beträge (die "**Zusätzlichen Beträge**") zahlen, die erforderlich sind, damit die den Gläubigern zufließenden Nettobeträge nach einem solchen Einbehalt oder Abzug jeweils den Beträgen entsprechen, die ohne einen solchen Einbehalt oder Abzug von den Gläubigern erhalten worden wären; eine Verpflichtung zur Zahlung solcher Zusätzlichen Beträge besteht jedoch nicht für solche Steuern oder Abgaben:

(a) die von einer als Depotbank oder Inkassobeauftragter im Names eines Gläubigers handelnden Person zu entrichten sind oder sonst auf andere Weise zu entrichten sind als dadurch, dass die Garantin von den von ihr zu leistenden Zahlungen von Kapital oder Zinsen einen Abzug oder Einbehalt vornimmt, oder

(b) die aufgrund einer bestehenden oder früheren persönlichen oder geschäftlichen Beziehung des Gläubigers zur Maßgeblichen Steuerjurisdiktion zu zahlen sind, und nicht allein deshalb, weil Zahlungen auf diese Garantie aus Quellen in der Maßgeblichen Steuerjurisdiktion stammen (oder für Zwecke der Besteuerung so behandelt werden) oder dort besichert sind, oder

(c) die aufgrund (i) einer Richtlinie oder Verordnung der Europäischen Union betreffend die Besteuerung von Zinserträgen oder (ii) zwischenstaatlicher Abkommen oder Vereinbarungen über deren Besteuerung, an denen die Bundesrepublik Deutschland oder das Königreich Niederlande oder die Europäische Union beteiligt ist, oder (iii) einer gesetzlichen Vorschrift, die der Umsetzung dieser Richtlinie, Verordnung oder dieses Abkommens oder dieser Vereinbarung dient, diesen entspricht oder zur Anpassung an diese eingeführt wurde, abzuziehen oder einzubehalten sind, oder

(d) die nicht erhoben oder einbehalten worden wären, wenn es der Gläubiger oder der wirtschaftliche Eigentümer der Schuldverschreibungen (für die vorliegenden Zwecke einschließlich

owner holds the Notes or through which payment on the Notes is made), following a written request by or on behalf of the Issuer or a Guarantor addressed to the Holder or beneficial owner (and made at a time that would enable the Holder or beneficial owner acting reasonably to comply with that request, and in all events, at least 30 days before any withholding or deduction would be required), to comply with any certification, identification, information or other reporting requirement whether required by statute, treaty, regulation or administrative practice of a Relevant Taxing Jurisdiction, that is a precondition to exemption from, or reduction in the rate of deduction or withholding of, taxes imposed by the Relevant Taxing Jurisdiction (including, without limitation, a certification that the Holder or beneficial owner is not resident in the Relevant Taxing Jurisdiction), but in each case, only to the extent the Holder or beneficial owner is legally entitled to provide such certification, information or documentation, or

Finanzinstitute, über die der Gläubiger oder wirtschaftliche Eigentümer die Schuldverschreibungen hält oder über die Zahlungen auf die Schuldverschreibungen erfolgen) nicht unterlassen hätte, nach einer an den Gläubiger oder wirtschaftlichen Eigentümer gerichteten schriftlichen Aufforderung der Emittentin, einer Garantin oder in deren Namen (die so rechtzeitig erfolgt, dass der Gläubiger bzw. der wirtschaftliche Eigentümer dieser Aufforderung mit zumutbaren Anstrengungen nachkommen kann, in jedem Fall aber mindestens 30 Tage, bevor ein Einbehalt oder Abzug erforderlich wäre), einer aufgrund von Gesetzen, Abkommen, Verordnungen oder der Verwaltungspraxis in einer Maßgeblichen Steuerjurisdiktion vorgeschrieben Bescheinigungs-, Identifizierungs-, Informations-, oder sonstigen Nachweispflicht nachzukommen, die Voraussetzung für eine Befreiung von in der Maßgeblichen Steuerjurisdiktion erhobenen Steuern oder eine Reduzierung der Höhe des Abzugs oder Einbehalts solcher Steuern ist (u. a. eine Bescheinigung, dass der Gläubiger bzw. der wirtschaftliche Eigentümer nicht in der Maßgeblichen Steuerjurisdiktion ansässig ist), jedoch jeweils nur, soweit der Gläubiger bzw. der wirtschaftliche Eigentümer rechtlich berechtigt ist, die Bescheinigung, Information oder Dokumentation vorzulegen, oder

(e) are payable by reason of a change in law that becomes effective more than 30 days after the relevant payment becomes due, or is duly provided for and notice thereof is published in accordance with § 15 of the Conditions, whichever occurs later, or

(e) die wegen einer Rechtsänderung zu zahlen sind, welche später als 30 Tage nach Fälligkeit der betreffenden Zahlung oder, wenn dies später erfolgt, ordnungsgemäßer Bereitstellung aller fälligen Beträge und einer diesbezüglichen Bekanntmachung gemäß § 15 der Emissionsbedingungen wirksam wird, oder

(f) any combinations of items (a)-(e),

(f) jegliche Kombination der Absätze (a)-(e).

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

Zudem werden keine Zusätzlichen Beträge im Hinblick auf Zahlungen auf die Schuldverschreibungen an einen Gläubiger gezahlt, welcher die Zahlung als Treuhänder oder

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.

Personengesellschaft oder als sonstiger nicht alleiniger wirtschaftlicher Eigentümer der Zahlung erhält, soweit nach den Gesetzen der Maßgeblichen Steuerjurisdiktion eine solche Zahlung für Steuerzwecke dem Einkommen des Begünstigten bzw. Gründers eines Treuhandvermögens oder eines Gesellschafters 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 selbst Gläubiger der Schuldverschreibungen wäre.

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 as well as church tax (*Kirchensteuer*) levied on the withholding tax 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 Issuer.

Zur Klarstellung wird festgehalten, dass die gegenwärtig in der Bundesrepublik Deutschland gemäß dem zum Begebungstag geltenden Steuerrecht auf der Ebene der Depotbank erhobene Kapitalertragsteuer und der darauf anfallende Solidaritätszuschlag sowie die auf die Kapitalertragsteuer anfallende Kirchensteuer keine Steuern oder Abgaben der vorstehend beschriebenen Art darstellen, für die von der Emittentin Zusätzliche Beträge zu zahlen wären.

§ 4 COVENANTS

(1) *Limitations on Incurrence of Financial Indebtedness*. The Guarantor undertakes that it will not, and will procure that none of its Subsidiaries will, after the Issue Date, incur any Financial Indebtedness if, immediately after giving effect to the incurrence of such additional Financial Indebtedness and the application of the net proceeds of such incurrence:

(a) the sum of (i) the Consolidated Financial Indebtedness of the Group as of the immediately preceding Reporting Date for which Consolidated Financial Statements of the Guarantor have been published and (ii) the Net Nominal Financial Indebtedness incurred since the immediately preceding Reporting Date for which Consolidated Financial Statements of the Guarantor have been published would exceed 60 % of the sum of (without duplication) (x) Total Assets as of the immediately preceding

§ 4 VERPFLICHTUNGSERKLÄRUNGEN

(1) *Beschränkungen für das Eingehen von Finanzverbindlichkeiten*. Die Garantin verpflichtet sich, nach dem Begebungstag keine Finanzverbindlichkeiten einzugehen und sicherzustellen, dass ihre Tochtergesellschaften nach dem Begebungstag keine Finanzverbindlichkeiten eingehen, wenn jeweils unmittelbar nach Wirksamwerden des Eingehens solcher weiteren Finanzverbindlichkeiten und der Verwendung des damit erzielten Nettoerlöses eine der folgenden Bedingungen erfüllt wären:

(a) die Summe aus (i) den Konsolidierten Finanzverbindlichkeiten der Gruppe zum unmittelbar vorangegangenen Berichtsstichtag, zu dem ein Konzernabschluss der Garantin veröffentlicht wurde, und (ii) dem Nennbetrag der Finanzverbindlichkeiten (netto), die seit dem unmittelbar vorangegangenen Berichtsstichtag eingegangen wurden, zu dem ein Konzernabschluss der Garantin veröffentlicht wurde, würde einen Betrag in Höhe von 60 % der Summe (unter

Reporting Date for which Consolidated Financial Statements of the Guarantor have been published, (y) the purchase price of any Real Estate Property acquired or contracted for acquisition since the immediately preceding Reporting Date for which Consolidated Financial Statements of the Guarantor have been published and (z) the proceeds of any Financial Indebtedness incurred since the immediately preceding Reporting Date for which Consolidated Financial Statements of the Guarantor have been published (but only to the extent such proceeds were not used to acquire Real Estate Property or to reduce Financial Indebtedness); or

Ausschluss einer Doppelberücksichtigung) aus (x) der Bilanzsumme zum unmittelbar vorangegangenen Berichtsstichtag, zu dem ein Konzernabschluss der Garantin veröffentlicht wurde, (y) dem Kaufpreis für Immobilienvermögen, das seit dem unmittelbar vorangegangenen Berichtsstichtag, zu dem ein Konzernabschluss der Garantin veröffentlicht wurde, erworben wurde oder für dessen Erwerb seit diesem Zeitpunkt eine Verpflichtung eingegangen wurde, und (z) dem Erlös aus Finanzverbindlichkeiten, die seit dem unmittelbar vorangegangenen Berichtsstichtag eingegangen wurden, zu dem ein Konzernabschluss der Garantin veröffentlicht wurde (jedoch nur soweit dieser Erlös nicht zum Erwerb von Immobilienvermögen oder zur Verringerung von Finanzverbindlichkeiten verwendet wurde) übersteigen; oder

(b) the sum of (i) the Consolidated Secured Financial Indebtedness of the Group as of the immediately preceding Reporting Date for which Consolidated Financial Statements of the Guarantor have been published and (ii) the Net Nominal Secured Financial Indebtedness incurred since the immediately preceding Reporting Date for which Consolidated Financial Statements of the Guarantor have been published would exceed 45 % of the sum of (without duplication) (x) Total Assets as of the immediately preceding Reporting Date for which Consolidated Financial Statements of the Guarantor have been published, (y) the purchase price of any Real Estate Property acquired or contracted for acquisition since the immediately preceding Reporting Date for which Consolidated Financial Statements of the Guarantor have been published and (z) the proceeds of any Financial Indebtedness incurred since the immediately preceding Reporting Date for which Consolidated Financial

(b) die Summe aus (i) den Besicherten Konsolidierten Finanzverbindlichkeiten der Gruppe zum unmittelbar vorangegangenen Berichtsstichtag, zu dem ein Konzernabschluss der Garantin veröffentlicht wurde, und (ii) dem Nennbetrag der Besicherten Finanzverbindlichkeiten (netto), die seit dem unmittelbar vorangegangenen Berichtsstichtag eingegangen wurden, zu dem ein Konzernabschluss der Garantin veröffentlicht wurde, würde einen Betrag in Höhe von 45 % der Summe (unter Ausschluss einer Doppelberücksichtigung) aus (x) der Bilanzsumme zum unmittelbar vorangegangenen Berichtsstichtag, zu dem ein Konzernabschluss der Garantin veröffentlicht wurde, (y) dem Kaufpreis für Immobilienvermögen, das seit dem unmittelbar vorangegangenen Berichtsstichtag, zu dem ein Konzernabschluss der Garantin veröffentlicht wurde, erworben wurde oder für dessen Erwerb seit diesem Zeitpunkt eine Verpflichtung eingegangen

Statements of the Guarantor have been published (but only to the extent such proceeds were not used to acquire Real Estate Property or to reduce Financial Indebtedness).

wurde, und (z) dem Erlös aus Finanzverbindlichkeiten, die seit dem unmittelbar vorangegangenen Berichtsstichtag eingegangen wurden, zu dem ein Konzernabschluss der Garantin veröffentlicht wurde (jedoch nur soweit dieser Erlös nicht zum Erwerb von Immobilienvermögen oder zur Verringerung von Finanzverbindlichkeiten verwendet wurde) übersteigen.

(2) *Maintenance of Consolidated Coverage Ratio*. The Guarantor undertakes that on each Reporting Date the Consolidated Coverage Ratio will be at least 1.80 to 1.00.

(2) *Einhaltung des Konsolidierten Deckungsgrads*. Die Garantin verpflichtet sich, dass der Konsolidierte Deckungsgrad an jedem Berichtsstichtag mindestens 1,80 zu 1,00 betragen wird.

(3) *Maintenance of Total Unencumbered Assets*. The Guarantor undertakes that from the Issue Date the sum of (i) the Unencumbered Assets as of the immediately preceding Reporting Date for which Consolidated Financial Statements of the Guarantor have been published and (ii) the Net Unencumbered Assets newly recorded since the immediately preceding Reporting Date for which Consolidated Financial Statements of the Guarantor have been published will at no time be less than 125 % of the sum of (x) the Unsecured Financial Indebtedness as of the immediately preceding Reporting Date for which Consolidated Financial Statements of the Guarantor have been published and (y) the Net Nominal Unsecured Financial Indebtedness incurred since the immediately preceding Reporting Date for which Consolidated Financial Statements of the Guarantor have been published.

(3) *Einhaltung des Gesamtbetrags des Unbelasteten Vermögens*. Die Garantin verpflichtet sich, dass ab dem Begebungstag die Summe aus (i) dem Unbelasteten Vermögen zum unmittelbar vorangegangenen Berichtsstichtag, zu dem ein Konzernabschluss der Garantin veröffentlicht wurde, und (ii) dem seit dem unmittelbar vorangegangenen Berichtsstichtag, zu dem ein Konzernabschluss der Garantin veröffentlicht wurde, neu erfassten Unbelasteten Nettovermögen zu keiner Zeit weniger als 125 % der Summe aus (x) den Unbesicherten Finanzverbindlichkeiten zum unmittelbar vorangegangenen Berichtsstichtag, zu dem ein Konzernabschluss der Garantin veröffentlicht wurde, und (y) dem Nennbetrag der Unbesicherten Finanzverbindlichkeiten (netto), die seit dem unmittelbar vorangegangenen Berichtsstichtag, zu dem ein Konzernabschluss der Garantin veröffentlicht wurde, eingegangen wurden, betragen wird.

(4) *Reports*. For so long as any Notes are outstanding, the Guarantor shall post on its website,

(a) within 120 days after the end of each of the Guarantor's fiscal years, annual reports containing the following information:

(i) audited consolidated financial statements in accordance with IFRS as adopted by the EU and the management report in accordance

(4) *Berichte*. Solange Schuldverschreibungen ausstehen, veröffentlicht die Garantin die folgenden Angaben auf ihrer Internetseite:

(a) innerhalb von 120 Tagen nach dem Ende jedes Geschäftsjahres einen Geschäftsbericht der Garantin mit den folgenden Angaben:

(i) einem geprüften Konzernabschluss nach den in der EU anwendbaren International Financial Reporting Standards (IFRS) und einen

with section 315 of the German Commercial Code (*Handelsgesetzbuch*);

(ii) in addition to the requirements of IFRS and of the German Commercial Code (*Handelsgesetzbuch*) the management report to the consolidated financial statements should include information on compliance by the Guarantor with the covenants "*Limitations on Incurrence of Financial Indebtedness*", "*Maintenance of Consolidated Coverage Ratio*" and "*Maintenance of Total Unencumbered Assets*"; and

(iii) the audit opinion of the independent auditors on the consolidated financial statements;

(b) within 60 days after the end of each of the first three fiscal quarters in each fiscal year of the Guarantor, unaudited condensed consolidated quarterly financial statements in accordance with IFRS as adopted by the EU and the requirements of section 37w of the German Securities Trading Act (*Wertpapierhandelsgesetz - WpHG*), which will include information on compliance with the covenants "*Limitations on Incurrence of Financial Indebtedness*", "*Maintenance of Consolidated Coverage Ratio*" and "*Maintenance of Total Unencumbered Assets*".

Lagebericht nach § 315 HBG;

(ii) zusätzlich zu den Anforderungen nach IFRS und HGB soll der Lagebericht zum Konzernabschluss Angaben enthalten über die Einhaltung der Verpflichtungserklärungen zu "*Beschränkungen für das Eingehen von Finanzverbindlichkeiten*", "*Einhaltung des Konsolidierten Deckungsgrads*" und "*Einhaltung des Gesamtbetrags des Unbelasteten Vermögens*" durch die Garantin; und

(iii) dem Bestätigungsvermerk des Abschlussprüfers zum Konzernabschluss;

(b) innerhalb von 60 Tagen nach dem Ende jedes der ersten drei Quartale jedes Geschäftsjahres der Garantin einen ungeprüften verkürzten Konzern-Zwischenabschluss nach den in der EU anwendbaren IFRS und den Anforderungen des § 37w Wertpapierhandelsgesetz (WpHG), der Angaben über die Einhaltung der Verpflichtungserklärungen zu "*Beschränkungen für das Eingehen von Finanzverbindlichkeiten*", "*Einhaltung des Konsolidierten Deckungsgrads*" und "*Einhaltung des Gesamtbetrags des Unbelasteten Vermögens*" enthält.

§ 5 RESOLUTIONS OF HOLDERS - AMENDMENTS TO THE GUARANTEE

The Holders of each series of Notes may consent to amendments of this Guarantee in respect of the respective series of Notes by majority resolution passed in accordance with § 14 of the Conditions, 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 of the respective series of Notes. Resolutions which

§ 5 BESCHLÜSSE DER GLÄUBIGER - ÄNDERUNGEN DER GARANTIE

Die Gläubiger jeder Serie von Schuldverschreibungen können durch Mehrheitsbeschluss gemäß § 14 der Emissionsbedingungen Änderungen dieser Garantie im Hinblick auf die jeweilige Serie von Schuldverschreibungen zustimmen. Eine Verpflichtung zur Leistung kann für die Gläubiger durch Mehrheitsbeschluss nicht begründet werden.

Mehrheitsbeschlüsse sind für alle Gläubiger der jeweiligen Serie von Schuldverschreibungen

do not provide for identical conditions for all Holders of the respective Series of Notes are void, unless Holders who are disadvantaged have expressly consented to their being treated disadvantageously.

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.

§ 6 DEFINITIONS

Unless otherwise defined in this Guarantee, terms used herein and defined in the Conditions shall have the meaning attributed to them in the Conditions.

§ 6 DEFINITIONEN

Soweit diese Garantie keine anderslautenden Definitionen enthält, haben hierin verwendete Begriffe, die in den Emissionsbedingungen definiert sind, jeweils die ihnen in den Emissionsbedingungen zugewiesene Bedeutung.

"**Additional Amounts**" has the meaning assigned to such term in § 3.

"**Zusätzliche Beträge**" hat die diesem Begriff in § 3 zugewiesene Bedeutung.

"**Affiliate**" means any affiliated company (*verbundenes Unternehmen*) within the meaning of section 15 of the German Stock Corporation Act (*Aktiengesetz*).

"**Verbundenes Unternehmen**" bezeichnet ein verbundenes Unternehmen im Sinne von § 15 Aktiengesetz (AktG).

"**Capital Market Indebtedness**" means any present or future obligation for the payment of borrowed money (including obligations by reason of any guarantee or other liability agreement for such obligations of third parties) which is in the form of, or represented by, bonds, notes or other securities which are capable of being quoted, listed, dealt in or traded on a stock exchange, over-the-counter-market or other recognised securities market.

"**Kapitalmarktverbindlichkeit**" bezeichnet jede gegenwärtige oder künftige Verbindlichkeit zur Rückzahlung aufgenommener Geldbeträge (einschließlich Verbindlichkeiten aus Garantien oder sonstigen Haftungsvereinbarungen für solche Verbindlichkeiten Dritter), die in Form von Anleihen, Schuldverschreibungen oder sonstigen Wertpapieren, die an einer Börse, einem außerbörslichen Markt oder an einem anderen anerkannten Wertpapiermarkt notiert, zugelassen oder gehandelt werden können, verbrieft, verkörpert oder dokumentiert ist.

"**Code**" has the meaning assigned to such term in § 3(e).

"**Code**" hat die diesem Begriff in § 3(e) zugewiesene Bedeutung.

"**Conditions**" means the terms and conditions of the relevant Notes issued under the Programme, as annexed to the relevant Global Note.

"**Emissionsbedingungen**" bezeichnet die der jeweiligen Globalurkunde beigefügten Emissionsbedingungen der jeweiligen unter dem Programm begebenen Schuldverschreibungen.

"**Consolidated Adjusted EBITDA**" means the number set out under the heading "*EBITDA (adjusted)*" in the Consolidated Financial Statements of the Guarantor covering the applicable Relevant Period.

"**Konsolidiertes Bereinigtes EBITDA**" bezeichnet den unter der Überschrift "*EBITDA (bereinigt um Sondereinflüsse)*" im Konzernabschluss der Garantin für den jeweiligen Maßgeblichen Zeitraum angegebenen Zahlenwert.

"**Consolidated Coverage Ratio**" means the ratio of (A) the aggregate amount of Consolidated Adjusted EBITDA in the Relevant Period to (B) the aggregate amount of Net Cash Interest in the Relevant Period.

"**Konsolidierter Deckungsgrad**" bezeichnet das Verhältnis (A) des Gesamtbetrags des Konsolidierten Bereinigten EBITDA im Maßgeblichen Zeitraum zu (B) dem Gesamtbetrag des Zinszahlungssaldo im Maßgeblichen Zeitraum.

"**Consolidated Financial Indebtedness**" means Financial Indebtedness of the Guarantor and any of its Subsidiaries, on a consolidated basis determined

"**Konsolidierte Finanzverbindlichkeiten**" bezeichnet die nach IFRS ermittelten Finanzverbindlichkeiten der Garantin und ihrer

in accordance with IFRS.

"**Consolidated Financial Statements**" means, with respect to any Person, collectively, the consolidated financial statements and notes to those financial statements, of that Person and its subsidiaries prepared in accordance with IFRS.

"**Consolidated Secured Financial Indebtedness**" means that portion of the Consolidated Financial Indebtedness of the Group that is secured by a Lien on properties or other assets of the Guarantor or any of its Subsidiaries.

"**Financial Indebtedness**" means (without duplication) any indebtedness (excluding any indebtedness owed to another member of the Group) for or in respect of:

(i) money borrowed;

(ii) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;

(iii) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, commercial papers, debentures, loan stock or any similar instrument;

(iv) receivables sold or discounted (other than any receivables to the extend they are sold on a non-recourse basis);

(v) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing, but excluding bank guarantee facilities (as amended from time to time) made or to be made available by financial institutions to the Guarantor or a Subsidiary under which the Guarantor or the respective Subsidiary may request the issue of a bank guarantee or bank guarantees in favour of a person who agrees to purchase a Real Estate Property owned by the Guarantor or a Subsidiary;

Tochtergesellschaften auf konsolidierter Basis.

"**Konzernabschluss**" bezeichnet in Bezug auf eine Person zusammenfassend den nach IFRS erstellten Konzernabschluss mit Anhang für diese Person und ihre Tochterunternehmen.

"**Besicherte Konsolidierte Finanzverbindlichkeiten**" bezeichnet den Teil der Konsolidierten Finanzverbindlichkeiten der Gruppe, der mit Sicherungsrechten an Immobilien oder sonstigen Vermögenswerten der Garantin oder ihrer Tochtergesellschaften besichert ist.

"**Finanzverbindlichkeiten**" bezeichnet (unter Ausschluss einer Doppelberücksichtigung) alle Verbindlichkeiten (ausgenommen solche gegenüber anderen Mitgliedern der Gruppe) für oder in Bezug auf:

(i) aufgenommene Gelder;

(ii) alle aus Akzepten im Rahmen von Akzeptkreditfazilitäten oder dematerialisierten Vergleichbaren aufgenommenen Beträge;

(iii) alle aus Fazilitäten für die Emission kurzfristiger Schuldtitel oder aus der Begebung von Anleihen, Schuldverschreibungen, Commercial Paper oder sonstigen Schuldtiteln oder vergleichbaren Instrumenten aufgenommenen Beträge;

(iv) veräußerte oder diskontierte Forderungen (mit Ausnahme von Forderungen, die regresslos verkauft werden);

(v) die Aufnahme von Beträgen im Rahmen anderer Transaktionen (einschließlich Terminverkauf oder -kauf), die wirtschaftlich einer Kreditaufnahme gleichkommen, ausgenommen jedoch Bankgarantie-Fazilitäten (wie jeweils geändert), die der Garantin oder einer Tochtergesellschaft von Finanzinstituten gewährt werden oder gewährt werden sollen und in deren Rahmen die Garantin bzw. die jeweilige Tochtergesellschaft die Ausstellung einer oder mehrerer Bankgarantien zugunsten einer Person verlangen kann, die sich zum Erwerb von Immobilienvermögen von der Garantin oder einer Tochtergesellschaft verpflichtet

	hat;
(vi) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and	(vi) einen Aufwendungsersatzanspruch in Bezug auf eine Bürgschaft, eine Freistellungsverpflichtung, eine Garantie, ein Standby- oder Dokumentenakkreditiv oder ein anderes von einer Bank oder einem Finanzinstitut ausgestelltes Instrument; und
(vii) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (i) to (vi) above.	(vii) Verbindlichkeiten aus einer Garantie, Bürgschaft oder Freistellungsverpflichtung in Bezug auf Verbindlichkeiten der in den vorstehenden Absätzen (i) bis (vi) genannten Art.
"**Group**" means the Guarantor together with its Subsidiaries.	"**Gruppe**" bezeichnet die Garantin und ihre Tochtergesellschaften.
"**Guarantee**" has the meaning assigned to such term in § 1(1).	"**Garantie**" hat die diesem Begriff in § 1(1) zugewiesene Bedeutung.
"**Guaranteed Obligations**" has the meaning assigned to such term in § 1(7).	"**Garantierte Verpflichtungen**" hat die diesem Begriff in § 1(7) zugewiesene Bedeutung.
"**Guarantor**" means Vonovia SE, Bochum, Federal Republic of Germany.	"**Garantin**" bezeichnet die Vonovia SE, Bochum, Bundesrepublik Deutschland.
"**Holders**" has the meaning assigned to such term in § 1(1).	"**Gläubiger**" hat die diesem Begriff in § 1(1) zugewiesene Bedeutung.
"**IFRS**" means the International Financial Reporting Standards as adopted by the European Union and as published by the International Accounting Standards Board, as in effect from time to time.	"**IFRS**" bezeichnet die nach der EU anwendbaren International Financial Reporting Standards des International Accounting Standards Board in jeweils geltender Fassung.
"**Incur**" means, with respect to any Financial Indebtedness or other obligation of any Person, to create, assume, guarantee or otherwise become liable in respect of such Financial Indebtedness or other obligation, and "**incurrence**" and "**incurred**" have the meanings correlative to the foregoing.	"**Eingehen**" bezeichnet in Bezug eine Finanzverbindlichkeit oder eine sonstige Verbindlichkeit einer Person die Begründung, Übernahme, die Abgabe einer Garantie oder Bürgschaft dafür oder eine anderweitige Übernahme der Haftung für diese Finanzverbindlichkeit oder sonstige Verbindlichkeit; das "**Eingehen**" bzw. "**eingegangen**" sind entsprechend auszulegen.
"**Issue Date**" means the issue date of the relevant Notes.	"**Begebungstag**" bezeichnet den Tag der Begebung der jeweiligen Schuldverschreibungen.
"**Issuer**" means Vonovia Finance B.V., Amsterdam, The Netherlands.	"**Emittentin**" bezeichnet die Vonovia Finance B.V., Amsterdam, Niederlande.
"**Lien**" means (without duplication) any lien, mortgage, trust deed, deed of trust, deed, pledge, security interest, assignment for collateral purposes, deposit arrangement, or other security agreement, excluding any right of setoff but including, without limitation, any conditional sale or other title retention	"**Sicherungsrecht**" bezeichnet (unter Ausschluss einer Doppelberücksichtigung) Sicherungsrechte, Grundpfandrechte, Sicherung-Treuhandverträge (*trust-deed* oder *deed of trust*), Sicherungs-Urkunden (*deed*), Pfandrechte, Verpfändungsvereinbarungen,

agreement, any financing lease having substantially the same economic effect as any of the foregoing, and any other like agreement granting or conveying a security interest *in rem* (*dingliches Sicherungsrecht*), to a Person that is not a member of the Group, in each case to secure outstanding Financial Indebtedness, but in each case excluding

Sicherungsabtretungen, Sicherungsübereignungen, Hinterlegungsvereinbarungen oder sonstige Sicherungsabreden, ausgenommen Rechte zur Aufrechnung, jedoch u. a. einschließlich bedingte Kaufverträge oder Vereinbarungen mit Eigentumsvorbehalt, Finanzierungsleasingverträge, die wirtschaftlich im Wesentlichen den vorgenannten Vereinbarungen gleichkommen, sowie sonstige Vereinbarungen, die ein dingliches Sicherungsrecht gewähren oder übertragen, und zwar einer Person, die nicht Mitglied der Gruppe ist, jeweils zur Besicherung ausstehender Finanzverbindlichkeiten, jedoch keine

(i) any encumbrance registered in department 2 (*Abteilung 2*) of a German land register (*Grundbuch*);

(i) in Abteilung 2 eines deutschen Grundbuchs eingetragene Belastungen;

(ii) any Lien arising in connection with a disposal of an asset in the ordinary course of business including, without limitation, any Lien created in assets subject to a sale agreement for the purposes of financing the purchase price;

(ii) Sicherungsrechte, die im Zusammenhang mit der Veräußerung eines Vermögenswerts im Rahmen der gewöhnlichen Geschäftstätigkeit entstehen, u. a. Sicherungsrechte an Vermögenswerten, die Gegenstand eines Kaufvertrags sind, zur Finanzierung des Kaufpreises;

(iii) any Lien securing Financial Indebtedness outstanding on the Issue Date;

(iii) Sicherungsrechte, die zum Begebungstag ausstehende Finanzverbindlichkeiten besichern;

(iv) any Lien in respect of which an unconditional deletion consent (*Löschungsbewilligung*) has been delivered to the relevant member of the Group;

(iv) Sicherungsrechte, für die dem maßgeblichen Mitglied der Gruppe eine unbedingte Löschungsbewilligung übermittelt wurde;

(v) any Lien arising by operation of law (or by agreement having the same effect) or in the ordinary course of business, *provided that* any Lien arising in the ordinary course of business over Real Estate Property shall not be excluded;

(v) Sicherungsrechte, die kraft Gesetzes (oder kraft einer Vereinbarung mit derselben Wirkung) oder im Rahmen der gewöhnlichen Geschäftstätigkeit entstehen, wobei im Rahmen der gewöhnlichen Geschäftstätigkeit entstehende Sicherungsrechte an Immobilienvermögen jedoch nicht ausgeschlossen sind;

(vi) any cash collateral posted in connection with cross-currency and interest rate hedging transactions; and

(vi) Barsicherheiten, die im Zusammenhang mit Währungs- und Zinsabsicherungsgeschäften gestellt werden; und

(vii) any Lien on bank accounts under general terms and conditions of any provider of such bank accounts.

(vii) Sicherungsrechte an Bankkonten nach Maßgabe der allgemeinen Geschäftsbedingungen des Anbieters der

Bankkonten.

"**Material Subsidiary**" means any Subsidiary of the Guarantor whose total assets are at least equal to 5 % of the total assets of the Group.

"**Wesentliche Tochtergesellschaft**" bezeichnet eine Tochtergesellschaft der Garantin, deren Bilanzsumme mindestens 5 % der Bilanzsumme der Gruppe ausmacht.

"**Net Cash Interest**" means all interest and other financing charges accrued to persons who are not members of the Group less the amount of any interest and other financing charges accrued to be received from persons who are not members of the Group, in each case, excluding any one-off financing charges (including without limitation, any one-off fees and/or break costs).

"**Zinszahlungssaldo**" bezeichnet alle an Personen, die nicht Mitglied der Gruppe sind, zu zahlenden Zinsen und sonstigen Finanzierungskosten abzüglich des Betrags aller von Personen, die nicht Mitglied der Gruppe sind, zu erhaltenden Zinsen und sonstigen Finanzierungskosten, jeweils ausgenommen einmalige Finanzierungskosten (u. a. einmalige Entgelte und/oder Vorfälligkeitsentschädigungen).

"**Net Nominal Financial Indebtedness**" means the nominal amount of Financial Indebtedness incurred minus the nominal amount of Financial Indebtedness repaid.

"**Nennbetrag der Finanzverbindlichkeiten (netto)**" bezeichnet den Nennbetrag der eingegangenen Finanzverbindlichkeiten abzüglich des Nennbetrags der zurückgezahlten Finanzverbindlichkeiten.

"**Net Nominal Secured Financial Indebtedness**" means the nominal amount of Secured Financial Indebtedness incurred minus the nominal amount of Secured Financial Indebtedness repaid.

"**Nennbetrag der Besicherten Finanzverbindlichkeiten (netto)**" bezeichnet den Nennbetrag der eingegangenen Besicherten Finanzverbindlichkeiten abzüglich des Nennbetrags der zurückgezahlten Besicherten Finanzverbindlichkeiten.

"**Net Nominal Unsecured Financial Indebtedness**" means the nominal amount of Unsecured Financial Indebtedness incurred minus the nominal amount of Unsecured Financial Indebtedness repaid.

"**Nennbetrag der Unbesicherten Finanzverbindlichkeiten (netto)**" bezeichnet den Nennbetrag der eingegangenen Unbesicherten Finanzverbindlichkeiten abzüglich des Nennbetrags der zurückgezahlten Unbesicherten Finanzverbindlichkeiten.

"**Net Unencumbered Assets**" means, on a consolidated basis determined in accordance with IFRS, the value of any Real Estate Property of the Guarantor and its Subsidiaries not subject to any Lien acquired plus the value of all other assets of the Guarantor and its Subsidiaries not subject to any Lien acquired minus the value of such assets which (i) have been disposed of or (ii) have become subject to a Lien.

"**Unbelastetes Nettovermögen**" bezeichnet den nach IFRS auf konsolidierter Basis ermittelten Wert des erworbenen Immobilienvermögens der Garantin und ihrer Tochtergesellschaften, das nicht Gegenstand eines Sicherungsrechts ist, zuzüglich des Werts aller sonstigen erworbenen Vermögenswerte der Garantin und ihrer Tochtergesellschaften, die nicht Gegenstand eines Sicherungsrechts sind, abzüglich des Werts solcher Vermögenswerte, die (i) veräußert wurden oder (ii) Gegenstand eines Sicherungsrechts geworden sind.

"**Notes**" means the notes issued under the Programme by the Issuer from time to time.

"**Schuldverschreibungen**" bezeichnet die von der Emittentin jeweils im Rahmen des Programms begebenen Schuldverschreibungen.

"**Paying Agent**" means, subject to any variation, termination, appointment or change in accordance with § 7 of the Conditions, Deutsche Bank Aktiengesellschaft, Frankfurt am Main, Federal

"**Zahlstelle**" bezeichnet vorbehaltlich einer Änderung, Abberufung, Bestellung oder eines Wechsels nach § 7 der Emissionsbedingungen die Deutsche Bank Aktiengesellschaft, Frankfurt am

Republic of Germany.

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

"**Real Estate Property**" means the real estate property of such Person and its subsidiaries.

"**Relevant Period**" means the respective most recent four consecutive quarters ending prior to the respective date of determination of the Consolidated Coverage Ratio.

"**Relevant Taxing Jurisdiction**" has the meaning assigned to such term in § 3.

"**Reporting Date**" means 31 March, 30 June, 30 September and 31 December of each year.

"**Secured Financial Indebtedness**" means that portion of the aggregate principal amount of all outstanding Financial Indebtedness of the Group that is secured by a Lien on properties or other assets of the Group.

"**Securitised Capital Market Indebtedness**" means any Capital Market Indebtedness incurred in respect of or in connection with any securitisation or similar financing arrangement relating to assets owned by the Guarantor or its Subsidiaries and where the recourse of the holders of such Capital Market Indebtedness against the Guarantor is limited solely to such assets or any income generated therefrom.

"**Subsidiary**" means any Person that must be consolidated with the Guarantor for the purposes of preparing Consolidated Financial Statements of the Guarantor.

"**Total Assets**" means the value of the consolidated total assets of the Guarantor and its Subsidiaries, as such amount appears, or would appear, on a consolidated balance sheet of the Guarantor prepared in accordance with IFRS, *provided that* "*Total Assets*" shall include the proceeds of the Financial Indebtedness or Secured Financial Indebtedness to be incurred.

Main, Bundesrepublik Deutschland.

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

"**Immobilienvermögen**" bezeichnet das Immobilienvermögen der betreffenden Person und ihrer Tochterunternehmen.

"**Maßgeblicher Zeitraum**" bezeichnet die letzten vier vor dem jeweiligen Tag der Feststellung des Konsolidierten Deckungsgrads endenden aufeinanderfolgenden Quartale.

"**Maßgebliche Steuerjurisdiktion**" hat die diesem Begriff in § 3 zugewiesene Bedeutung.

"**Berichtsstichtag**" ist der 31. März, 30. Juni, 30. September und 31. Dezember eines jeden Jahres.

"**Besicherte Finanzverbindlichkeiten**" bezeichnet den Teil des Gesamtnennbetrags aller ausstehenden Finanzverbindlichkeiten der Gruppe, der mit Sicherungsrechten an Immobilien oder sonstigen Vermögenswerten der Gruppe besichert ist.

"**Verbriefte Kapitalmarktverbindlichkeit**" bezeichnet jede Kapitalmarktverbindlichkeit aus oder im Zusammenhang mit einer Verbriefung oder vergleichbaren Finanzierungsvereinbarung in Bezug auf Vermögenswerte der Garantin oder ihrer Tochtergesellschaften, bei der die Rückgriffsrechte der Gläubiger der betreffenden Kapitalmarktverbindlichkeit auf die Garantin ausschließlich auf die betreffenden Vermögenswerte oder die daraus erzielten Erträge beschränkt ist.

"**Tochtergesellschaft**" bezeichnet jede Person, die bei der Erstellung der Konzernabschlüsse der Garantin mit ihr konsolidiert werden muss.

"**Bilanzsumme**" bezeichnet den Wert der konsolidierten Bilanzsumme der Garantin und ihrer Tochtergesellschaften, der in einer nach IFRS erstellten konsolidierten Bilanz der Garantin erscheint oder erscheinen würde, wobei die "*Bilanzsumme*" die Zuflüsse aus den einzugehenden Finanzverbindlichkeiten oder Besicherten Finanzverbindlichkeiten einschließt.

"**Unencumbered Assets**" means without duplication, (i) the value of any Real Estate Property, on a consolidated basis determined in accordance with IFRS, of the Guarantor and its Subsidiaries that is not subject to any Lien, plus (ii) the value of all other assets of the Guarantor and its Subsidiaries that is not subject to any Lien (where in case of (i) and (ii) the value of Real Estate Property, on a consolidated basis determined in accordance with IFRS, and other assets shall be equal to such amounts that appear, or would appear, on a consolidated balance sheet of the Guarantor prepared in accordance with IFRS).

"**Unsecured Financial Indebtedness**" means that portion of the aggregate principal amount of all outstanding Financial Indebtedness of the Group that is not Secured Financial Indebtedness.

§ 7 APPLICABLE LAW, PLACE OF JURISDICTION, LANGUAGE AND ENFORCEMENT

(1) *Applicable Law*. This Guarantee, as to form and content, and all rights and obligations of the Holders and the Guarantor, shall be governed by the laws of the Federal Republic of Germany, without giving effect to the principles of conflict of laws.

(2) *Submission to Jurisdiction*. 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) *Original Text of Guarantee*. The original of this Guarantee shall be delivered to, and kept by, Deutsche Bank Aktiengesellschaft in its capacity as Fiscal Agent under the Programme. The Fiscal Agent does not act as agent, fiduciary or in any other similar capacity for the Holders.

(4) *Holders Third Party Beneficiaries*. This Guarantee constitutes a contract for the benefit of the Holders from time to time as third party beneficiaries in accordance with § 328(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

"**Unbelastetes Vermögen**" bezeichnet ohne doppelte Berücksichtigung (i) den nach IFRS auf konsolidierter Basis ermittelten Wert des Immobilienvermögens der Garantin und ihrer Tochtergesellschaften, das nicht Gegenstand eines Sicherungsrechts ist, zuzüglich (ii) des Werts aller sonstigen Vermögenswerte der Garantin und ihrer Tochtergesellschaften, die nicht Gegenstand eines Sicherungsrechts sind (wobei im Fall von (i) und (ii) der nach IFRS auf konsolidierter Basis ermittelte Wert des Immobilienvermögens und der sonstigen Vermögenswerte dem Betrag entspricht, der in einer nach IFRS erstellten konsolidierten Bilanz der Garantin erscheint oder erscheinen würde).

"**Unbesicherte Finanzverbindlichkeiten**" bezeichnet den Teil des Gesamtnennbetrags aller ausstehenden Finanzverbindlichkeiten der Gruppe, bei dem es sich nicht um Besicherte Finanzverbindlichkeiten handelt.

§ 7 ANWENDBARES RECHT, GERICHTSSTAND, SPRACHE UND GERICHTLICHE GELTENDMACHUNG

(1) *Anwendbares Recht*. Form und Inhalt dieser Garantie sowie die Rechte und Pflichten der Gläubiger und der Garantin bestimmen sich nach dem Recht der Bundesrepublik Deutschland, unter Ausschluss des internationalen Privatrechts.

(2) *Gerichtsstand*. Frankfurt am Main ist nicht ausschließlicher Gerichtsstand für sämtliche im Zusammenhang mit dieser Garantie entstehende Klagen oder sonstige Verfahren.

(3) *Originaltext der Garantie*. Das Original dieser Garantie wird der Deutsche Bank Aktiengesellschaft in ihrer Eigenschaft als Fiscal Agent unter dem Programm ausgehändigt und von dieser verwahrt. Der Fiscal Agent handelt nicht als Beauftragter, Treuhänder oder in einer ähnlichen Eigenschaft für die Gläubiger.

(4) *Gläubiger als begünstigte Dritte*. Diese Garantie stellt einen Vertrag zugunsten der Gläubiger als begünstigte Dritte im Sinne des § 328 Abs. 1 BGB dar, der jedem Gläubiger das Recht gibt, die Garantin unmittelbar aus dieser Garantie auf Erfüllung in Anspruch zu nehmen und Ansprüche aus dieser Garantie unmittelbar gegen die Garantin durchzusetzen.

directly against the Guarantor.

(5) *Language*. This Guarantee is 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.

(6) *Enforcement*. 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 authorised person of the Paying Agent without presentation of the original Guarantee.

Bochum, in March 2018

Vonovia SE

By: _____
Name:
Position:

By: _____
Name:
Position:

We accept the terms of the above Guarantee without recourse, warranty or liability and without acting as agent, fiduciary or in any similar capacity for any Holder.

Frankfurt am Main, in March 2018

Deutsche Bank Aktiengesellschaft

By: _____
Name:
Position:

By: _____
Name:
Position:

(5) *Sprache*. Diese Garantie ist in deutscher Sprache abgefasst. Eine Übersetzung in die englische Sprache ist beigefügt. Der deutsche Text ist bindend und maßgeblich. Die Übersetzung in die englische Sprache ist unverbindlich.

(6) *Gerichtliche Geltendmachung*. 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, deren Übereinstimmung mit dem Original von einer dazu von der Zahlstelle ermächtigten Person bestätigt wurde, geltend zu machen, ohne dass eine Vorlage des Originals der Garantie erforderlich wäre.

Bochum, im März 2018

Vonovia SE

Durch: _____
Name:
Position:

Durch: _____
Name:
Position:

Wir nehmen die Bedingungen der vorstehenden Garantie ohne Obligo, Gewährleistung oder Haftung und ohne als Beauftragter, Treuhänder oder in einer ähnlichen Eigenschaft für einen Gläubiger zu handeln, an.

Frankfurt am Main, im März 2018

Deutsche Bank Aktiengesellschaft

Durch: _____
Name:
Position:

Durch: _____
Name:
Position:

In case of Notes listed on the Luxembourg Stock Exchange or publicly offered in the Grand Duchy of Luxembourg, the Final Terms of Notes 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 or publicly offered in one or more member states of the European Economic Area other than the Grand Duchy of Luxembourg, the Final Terms will be displayed on the website of Vonovia (www.vonovia.de).

FORM OF FINAL TERMS (MUSTER - ENDGÜLTIGE BEDINGUNGEN)

[MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "MiFID II"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.] [5]

[MiFID II PRODUKTÜBERWACHUNGSPFLICHTEN / ZIELMARKT PROFESSIONELLE INVESTOREN UND GEEIGNETE GEGENPARTEIEN – Die Zielmarktbestimmung im Hinblick auf die Schuldverschreibungen hat – ausschließlich für den Zweck des Produktgenehmigungsverfahrens [des/jedes] Konzepteurs – zu dem Ergebnis geführt, dass: (i) der Zielmarkt für die Schuldverschreibungen ausschließlich geeignete Gegenparteien und professionelle Kunden, jeweils im Sinne der Richtlinie 2014/65/EU (in der jeweils gültigen Fassung, "MiFID II"), umfasst und (ii) alle Kanäle für den Vertrieb der Schuldverschreibungen an geeignete Gegenparteien und professionelle Kunden angemessen sind. Jede Person, die in der Folge die Schuldverschreibungen anbietet, verkauft oder empfiehlt (ein "Vertriebsunternehmen") soll die Beurteilung des Zielmarkts [des/der] Konzepteur[s/e] berücksichtigen; ein Vertriebsunternehmen, welches MiFID II unterliegt, ist indes dafür verantwortlich, seine eigene Zielmarktbestimmung im Hinblick auf die Schuldverschreibungen durchzuführen (entweder durch die Übernahme oder durch die Präzisierung der Zielmarktbestimmung [des/der] Konzepteur[s/e]) und angemessene Vertriebskanäle zu bestimmen.] [6]

[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[7] **[and (ii) all channels for distribution of the Notes are appropriate[, including investment advice, portfolio management, non-advised sales and pure execution services] OR**[8] **[(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**

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[5] Include legend in case MiFID II target market assessment in respect of the Notes is "Professional Investors and Eligible Counterparties only."

[6] *Legende einsetzen, wenn MiFID II Zielmarktbestimmung im Hinblick auf die Schuldverschreibungen ergeben hat "Ausschließlich Professionelle Investoren und Geeignete Gegenparteien*".

[7] 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**").

[8] 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.

appropriate distribution channels[, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable][9].] [10]

[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[11] *[und (ii) alle Kanäle für den Vertrieb der Schuldverschreibungen angemessen sind, einschließlich Anlageberatung, Portfolio-Management, Verkäufe ohne Beratung und reine Ausführungsdienstleistungen]* ODER[12] *[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]] [*Bitte jegliche negativen Zielmärkte berücksichtigen*]. Jede Person, die in der Folge die Schuldverschreibungen anbietet, verkauft oder empfiehlt (ein "Vertriebsunternehmen") soll die Beurteilung des Zielmarkts [des/der] Konzepteur[s/e] berücksichtigen; ein Vertriebsunternehmen, welches MiFID II unterliegt, ist indes dafür verantwortlich, seine eigene Zielmarktbestimmung im Hinblick auf die Schuldverschreibungen durchzuführen (entweder durch die Übernahme oder durch die Präzisierung der Zielmarktbestimmung [des/der] Konzepteur[s/e]) und angemessene Vertriebskanäle[nach Maßgabe der Pflichten des Vertriebsunternehmens unter MiFID II im Hinblick Geeignetheit bzw. Angemessenheit][13], zu bestimmen.] [14]

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU ("MiFID II"); (ii) a customer within the meaning of Directive 2002/92/EC ("IMD"), 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 Directive 2003/71/EC (as amended, the "Prospectus Directive"). Consequently, no key information document required by Regulation (EU) No 1286/2014 (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.] [15]

[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 ("MiFID II"); (ii) sie ist ein Kunde im Sinne der Richtlinie 2002/92/EG ("IMD"), soweit dieser Kunde nicht als professioneller Kunde im Sinne von Artikel 4 Abs. 1 Nr. 10 MiFID II gilt; oder (iii) sie ist kein qualifizierter Anleger im Sinne der Richtlinie 2003/71/EG ("Prospektrichtlinie"). Entsprechend wurde kein nach der Verordnung (EU) Nr. 1286/2014 (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

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[9] If there are advised sales, a determination of suitability will be necessary.

[10] Include legend in case MiFID II target market assessment in respect of the Notes is "Retail Investor Target Market."

[11] *Einfügen für Schuldverschreibungen, die nicht nach den Leitlinien zu komplexen Schuldtiteln und strukturierten Einlagen (ESMA/2015/1787) (die "**ESMA Leitlinien**") ESMA komplex sind.*

[12] *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 Art. 25(3) MiFID II nicht zulässig.*

[13] *Im Fall von Beratungsverkäufen ist eine Angemessenheitsprüfung erforderlich.*

[14] *Legende einsetzen, wenn MifID II Zielmarktbestimmung im Hinblick auf die Schuldverschreibungen ergeben hat "Zielmarkt Kleinanleger*".

[15] Include legend unless the Final Terms specify "*Prohibition of Sales to Retail Investors in the European Economic Area*" as "*Not Applicable*".

***Zurverfügungstellung der Schuldverschreibungen an Kleinanleger im EWR nach der PRIIPs-Verordnung rechtswidrig sein.*]**[16]

[Date**]**
[*Datum***]**

Final Terms

Endgültige Bedingungen

Vonovia Finance B.V.
(having its corporate seat in Amsterdam, The Netherlands)
(mit eingetragenem Sitz in Amsterdam, Niederlande)
Legal Entity Identifier (LEI): 5299009XLZLD9TALOZ03

[Title of relevant Series of Notes**]**
[*Bezeichnung der betreffenden Serie der Schuldverschreibungen***]**

issued pursuant to the
begeben aufgrund des
EUR 20,000,000,000
Debt Issuance Programme
of
der
Vonovia Finance B.V.

dated **[●]**
vom ***[●]***

guaranteed by Vonovia SE
garantiert durch die Vonovia SE

Issue Price: **[●]** %
Ausgabepreis: **[●]** *%*

Issue Date: **[●]**[17]
Begebungstag: **[●]**

Series No.: **[●]**
Serie Nr.: **[●]**

Tranche No.: **[●]**
Tranche Nr.: **[●]**

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[16] *Legende einzufügen, sofern nicht die Endgültigen Bedingungen "Verkaufsverbot an Kleinanleger im Europäischen Wirtschaftsraum" für "Nicht anwendbar" erklären.*

[17] The "**Issue Date**" is the date of payment and issue 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.*

These Final Terms have been prepared for the purpose of Article 5 (4) of the Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003, as amended (the "**Prospectus Directive**"), and must be read in conjunction with the Base Prospectus dated 14 March 2018 (the "**Prospectus**") pertaining to the EUR 20,000,000,000 Debt Issuance Programme of Vonovia Finance B.V. (the "**Programme**") guaranteed by Vonovia SE **[**and the supplement**[**(s)**]** thereto dated **[●]]**. Full information on the Issuer, the Guarantor 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 Vonovia SE (www.vonovia.de) and, if the Notes are listed on the Luxembourg Stock Exchange, in addition on the website of the Luxembourg Stock Exchange (www.bourse.lu), and copies may be obtained from Vonovia SE, Universitätsstraße 133, 44803 Bochum, Germany. **[**A summary of the individual issue of the Notes is annexed to these Final Terms.**]**[18]

*Diese Endgültigen Bedingungen werden für die Zwecke des Artikels 5 Absatz 4 der Richtlinie 2003/71/EC, in der jeweils gültigen Fassung, (die "**Prospektrichtlinie**") abgefasst und sind in Verbindung mit dem Basisprospekt vom 14. März 2018 (der "**Prospekt**") über das EUR 20.000.000.000 Debt Issuance Programme der Vonovia Finance B.V. (das "**Programme**") garantiert durch die Vonovia SE **[***und **[***dem Nachtrag**]** **[***den Nachträgen**]** dazu vom **[●]]** zu lesen. Vollständige Information in Bezug auf die Emittentin, die Garantin und das Angebot der Schuldverschreibungen ergibt sich zusammen aus dem Prospekt und diesen Endgültigen Bedingungen. Der Prospekt sowie jeder Nachtrag können in elektronischer Form auf der Internetseite der Vonovia SE (www.vonovia.de) und, sofern die Schuldverschreibungen an der Luxemburger Wertpapierbörse notiert werden, auf der Internetseite der Luxemburger Wertpapierbörse (www.bourse.lu) eingesehen werden. Kopien sind erhältlich bei der Vonovia SE, Universitätsstraße 133, 44803 Bochum, Bundesrepublik Deutschland. **[***Eine Zusammenfassung der einzelnen Emission der Schuldverschreibungen ist diesen Endgültigen Bedingungen angefügt.**]***

[18] Not applicable in the case of an issue of Notes with a minimum denomination of at least EUR 100,000. *Nicht anwendbar im Fall einer Emission von Schuldverschreibungen mit einer Mindeststückelung in Höhe von mindestens EUR 100.000.*

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 or Option II including certain further options contained therein, respectively, and completing the relevant placeholders, insert:[19]

A. Falls die für die betreffende Tranche von Schuldverschreibungen geltenden Optionen durch Wiederholung der betreffenden im Prospekt als Option I oder Option II aufgeführten Angaben (einschließlich der jeweils enthaltenen bestimmten weiteren Optionen) bestimmt und die betreffenden Platzhalter 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 including relevant further options contained therein, and complete relevant placeholders**]**

[*im Fall von Schuldverschreibungen mit fester Verzinsung hier die betreffenden Angaben der Option I (einschließlich der betreffenden weiteren Optionen) wiederholen und betreffende Platzhalter 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 Platzhalter 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 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 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**]** **[**Option II**]**. Capitalised terms 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***]** **[***Option II***]** im Prospekt enthalten ist. Begriffe, die in den Emissionsbedingungen definiert sind, haben dieselbe Bedeutung, wenn sie in diesen Endgültigen Bedingungen verwendet werden.*

All references in these Final Terms to numbered Articles and sections are to Articles and sections of the Terms and Conditions.

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[19] To be determined in consultation with the Issuer. It is anticipated that this type of documenting the Conditions will be required where the Notes are to be publicly offered, in whole or in part, or to be initially distributed, in whole or in part, to non-qualified investors. Delete all references to B. Part I of the Final Terms including numbered paragraphs and subparagraphs of the Terms and Conditions.
In Abstimmung mit der Emittentin festzulegen. Es ist vorgesehen, dass diese Form der Dokumentation der Bedingungen erforderlich ist, wenn die Schuldverschreibungen insgesamt oder teilweise anfänglich an nicht qualifizierte Anleger verkauft oder öffentlich angeboten werden. Alle Bezugnahmen auf B. Teil I der Endgültigen Bedingungen einschließlich der Paragraphen und Absätze der Anleihebedingungen entfernen.

Bezugnahmen in diesen 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 by the information contained in the Final Terms as if such information were inserted in the blanks of such provisions. All provisions in the Terms and Conditions corresponding to items in these Final Terms which are indicated as "**not applicable**" shall be deemed to be deleted from the Terms and Conditions applicable to the Notes (the "**Conditions**").

*Die Platzhalter in den auf die Schuldverschreibungen anwendbaren Bestimmungen der Emissionsbedingungen gelten als durch die in den Endgültigen Bedingungen enthaltenen Angaben ausgefüllt, als ob die Platzhalter in den betreffenden Bestimmungen durch diese Angaben ausgefüllt wären. Sämtliche Bestimmungen der Emissionsbedingungen, die sich auf Variablen dieser Endgültigen Bedingungen beziehen, die als "**nicht anwendbar**" gekennzeichnet sind, gelten als in den auf die Schuldverschreibungen anwendbaren Emissionsbedingungen (die "**Bedingungen**") gestrichen.*

CURRENCY, DENOMINATION, FORM, CERTAIN DEFINITIONS (§ 1)
WÄHRUNG, STÜCKELUNG, FORM, DEFINITIONEN (§ 1)

Currency and Denomination
Währung und Stückelung

Specified Currency *Festgelegte Währung*	**[●]** **[●]**
Aggregate Principal Amount *Gesamtnennbetrag*	**[●]** **[●]**
Aggregate Principal Amount in words *Gesamtnennbetrag in Worten*	**[●]** **[●]**
Specified Denomination[20] *Festgelegte Stückelung*	**[●]** **[●]**
Issue Date *Begebungstag*	**[●]** **[●]**

Global Note
Global Note

☐ Classical Global Note

☐ New Global Note

Certain Definitions
Definitionen

Clearing System
Clearingsystem

☐ Clearstream Banking AG
Neue Börsenstraße 1

[20] The minimum denomination of the Notes issued will be EUR 1,000 or an amount in any other currency which is at least equivalent on the issue date.
Die Mindeststückelung der Schuldverschreibungen, die begeben werden, ist EUR 1.000 oder ein am Tag der Begebung diesem Betrag mindestens entsprechender Betrag in einer anderen Währung.

60487 Frankfurt am Main
Germany

☐ Clearstream Banking S.A.
42 Avenue JF Kennedy
1855 Luxembourg
The Grand Duchy of Luxembourg

☐ Euroclear Bank SA/NV, as Operator of the
Euroclear System
1 Boulevard du Roi Albert II
1210 Brussels
Kingdom of Belgium

INTEREST (§ 4)
ZINSEN (§ 4)

☐ **Fixed Rate Notes (Option I)**
Festverzinsliche Schuldverschreibungen (Option I)

Rate of Interest and Interest Payment Dates
Zinssatz und Zinszahlungstage

Rate of Interest *Zinssatz*	**[●]**% per annum **[●]***% per annum*
Interest Commencement Date *Verzinsungsbeginn*	**[●]** **[●]**
Interest Payment Date(s) *Zinszahlungstag(e)*	**[●]** **[●]**
First Interest Payment Date *Erster Zinszahlungstag*	**[●]** **[●]**
Initial Broken Amount per Specified Denomination *Anfänglicher Bruchteilzinsbetrag je Festgelegte Stückelung*	**[●]** **[●]**
Last Interest Payment Date preceding the Maturity Date *Letzter Zinszahlungstag, der dem Fälligkeitstag vorangeht*	**[●]** **[●]**
Final Broken Amount per Specified Denomination *Abschließender Bruchteilzinsbetrag je Festgelegte Stückelung*	**[●]** **[●]**
Number of regular Interest Payment Dates per calendar year[21] *Anzahl der regulären Zinszahlungstage im Kalenderjahr*	**[●]** **[●]**

Day Count Fraction
Zinstagequotient

☐ Actual/365 or Actual/Actual (ISDA)

☐ Actual/Actual (ICMA)

☐ Actual/365 (Fixed)

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[21] only relevant where the Specified Currency is Euro and the Day Count Fraction is Actual/Actual (ICMA).
nur einschlägig, falls die Festgelegte Währung Euro ist und der Zinstagequotient Actual/Actual (ICMA) anwendbar ist.

☐ Actual/360

☐ 30/360 or 360/360 or Bond Basis

☐ 30E/360 or Eurobond Basis

☐ **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-Folgender-Geschäftstag-Konvention

☐ FRN Convention (specify period(s)) **[●]** [months]
FRN Konvention (Zeitraum angeben) **[●]** [*Monate*]

☐ Following Business Day Convention
Folgender-Geschäftstag-Konvention

☐ Preceding Business Day Convention
Vorangegangener-Geschäftstag-Konvention

Relevant Financial Center(s) Business Day
Relevante(s) Finanzzentrum(en) Geschäftstag

☐ **Relevant Financial Center(s) Business Day**
Relevante(s) Finanzzentren(um) Geschäftstag

Relevant Financial Centers	**[●]**
Relevante Finanzzentren	**[●]**

Rate of Interest
Zinssatz

☐ EURIBOR **[●]**
EURIBOR **[●]**

☐ LIBOR **[●]**

Interest Determination Date: [first] [second] [relevant financial center(s)] Business Day [prior to commencement] of Interest Period

LIBOR **[●]**

Zins-Festlegungstag: [*erster*] [*zweiter*] [*relevante(s)*]

		*Finanzzentrum(en)***]** *Geschäftstag* **[***vor Beginn***]** *der jeweiligen Zinsperiode*
☐	Interpolation[22] *Interpolation*	**[**first**][**last**]** Interest Period **[***erste***][***letzte***]** *Zinsperiode*

Margin
Marge

[Yes/No**]**
[*Ja/Nein***]**

☐	Margin *Marge*	**[●]**% per annum **[●]***% per annum*
☐	plus *plus*	
☐	minus *minus*	

Minimum and Maximum Rate of Interest
Mindest- und Höchstzinssatz

[Yes/No**]**
[*Ja/Nein***]**

☐	Minimum Rate of Interest *Mindestzinssatz*	**[●]**% per annum **[●]***% per annum*
☐	Maximum Rate of Interest *Höchstzinssatz*	**[●]**% per annum **[●]***% per annum*

Day Count Fraction
Zinstagequotient

☐	Actual/365 or Actual/Actual (ISDA)
☐	Actual/365 (Fixed)
☐	Actual/360
☐	30/360 or 360/360 or Bond Basis
☐	30E/360 or Eurobond Basis

PAYMENTS (§ 5)
ZAHLUNGEN (§ 5)

Business Day
Geschäftstag

☐	TARGET *TARGET*	**[●]** **[●]**
☐	Relevant Financial Centre(s) *Relevante(s) Finanzzentrum(en)*	**[●]** **[●]**

[22] Only applicable in the case of a short/long first/last coupon.
Nur anwendbar im Falle von einem kurzen/langen ersten/letzten Kupon anwendbar.

REDEMPTION (§ 6)
RÜCKZAHLUNG (§ 6)

Final Redemption
Rückzahlung bei Endfälligkeit

☐	Maturity Date[23]	**[●]**
	Fälligkeitstag	**[●]**
☐	Redemption Month and Year[24]	**[●]**
	Rückzahlungsmonat und -jahr	**[●]**

Early Redemption
Vorzeitige Rückzahlung

Early Redemption at the Option of the Issuer at Call Redemption Amount[25]	**[**Yes/No**]**
Vorzeitige Rückzahlung nach Wahl der Emittentin zum Wahl-Rückzahlungsbetrag	**[***Ja/Nein***]**

Benchmark Yield	**[[**euro denominated benchmark debt security of the Federal Republic of Germany**] [**other relevant benchmark**]** specifying the following details: ISIN or other securities code, relevant screenpage at Bloomberg and relevant time**]**
Benchmark-Rendite	***[[****Euro-Referenz-Anleihe der Bundesrepublik Deutschland****] [****andere Referenzanleihe****]** unter Angabe folgender Einzelheiten: ISIN oder andere Wertpapierkennung, entsprechende Bildschirmseite von Bloomberg und maßgebliche Uhrzeit**]***
Percentage	**[●]**
Prozentsatz	**[●]**

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[23] Always to be inserted in case of fixed rate notes. Specify date for floating rate Notes, if applicable.
Im Falle von festverzinslichen Schuldverschreibungen immer auszufüllen. Genaues Datum für variabel verzinsliche Schuldverschreibungen angeben, sofern anwendbar.

[24] Specify relevant month for floating rate Notes, if applicable.
Betreffenden Monat für variabel verzinsliche Schuldverschreibungen angeben, sofern anwendbar.

[25] Complete for fixed rate Notes
Für festverzinzliche Schuldverschreibungen auszufüllen

Early Redemption at the Option of a Holder[26] ***Vorzeitige Rückzahlung nach Wahl eines Gläubigers***	**[**Yes/No**]** **[***Ja/Nein***]**
Put Redemption Date(s) *Wahlrückzahlungstag(e) (Put)*	**[●]** **[●]**
Put Redemption Amount(s) *Wahlrückzahlungsbetrag/-beträge (Put)*	**[●]** **[●]**
Early Redemption at the Option of the Issuer for Reasons of Minimal Outstanding Principal Amount ***Vorzeitige Rückzahlung nach Wahl der Emittentin bei geringen ausstehenden Gesamtnennbetrag***	**[**Yes/No**]** **[***Ja/Nein***]**
Early Redemption at the Option of the Issuer at Trigger Call Redemption Amount upon the occurrence of a transaction related event ***Vorzeitige Rückzahlung nach Wahl der Emittentin zum Ereignis-Wahl-Rückzahlungsbetrag bei Eintritt eines transaktionsbezogenen Ereignisses***	**[**Yes/No**]** **[***Ja/Nein***]**
Transaction *Transaktion*	**[●]** **[●]**
Transaction Notice Period *Transaktionsankündigungsfrist*	**[**Not applicable**][●]** **[***Nicht anwendbar***][●]**
Trigger Call Redemption Amount *Ereignis-Wahl-Rückzahlungsbetrag*	**[●]** **[●]**

AGENTS (§ 7)
AGENTS (§ 7)

Calculation Agent/specified office	**[**Not applicable**]** **[**Deutsche Bank Aktiengesellschaft**]** **[**Conv-Ex Advisors Limited**]** **[**name and specified office**]**
Berechnungsstelle/bezeichnete Geschäftsstelle	**[***Nicht anwendbar***]** **[***Deutsche Bank Aktiengesellschaft***]** **[***Conv-Ex Advisors Limited***]** **[***Name und bezeichnete Geschäftsstelle***]**

[26] Complete for fixed rate Notes
Für festverzinsliche Schuldverschreibungen auszufüllen

NOTICES (§ 15)

MITTEILUNGEN (§ 15)

☐	Listing on Luxembourg Stock Exchange *Listing an der Luxemburger Börse*	
☐	Listing on exchange other than Luxembourg Stock Exchange/No listing *Notierung an einer anderen Börse als die Luxemburger Börse/Keine Notierung*	**[**stock exchange other than the Luxembourg Stock Exchange**] [**in**] [**/**] [**under**][●] [**newspaper or website**]** ***[****andere Börse als die Luxemburger Börse****]*** **[***in***] [****/****] [***unter***][●] *[****Zeitung oder Internetseite****]***

LANGUAGE (§ 18) [27]

SPRACHE (§ 18)

☐	German and English (German binding) *Deutsch und Englisch (deutscher Text maßgeblich)*
☐	English and German (English binding) *Englisch und Deutsch (englischer Text maßgeblich)*
☐	German only *ausschließlich Deutsch*
☐	English only *ausschließlich Englisch*

[27] To be determined in consultation with the Issuer. In the case of Notes in bearer form publicly offered, in whole or in part, in the Federal Republic of Germany, or distributed, in whole or in part, to non-qualified investors in the Federal Republic of Germany, German will be the controlling language. If, in the event of such public offer or distribution to non-qualified investors, however, English is chosen as the controlling language, a German language translation of the Conditions will be available from the principal office of Vonovia SE.
In Abstimmung mit der Emittentin festzulegen. Falls Inhaberschuldverschreibungen insgesamt oder teilweise öffentlich zum Verkauf in der Bundesrepublik Deutschland angeboten oder an nicht qualifizierte Investoren in der Bundesrepublik Deutschland verkauft werden, wird die deutsche Sprache maßgeblich sein. Falls bei einem solchen öffentlichen Verkaufsangebot oder Verkauf an nicht qualifizierte Investoren die englische Sprache als maßgeblich bestimmt wird, wird eine deutschsprachige Übersetzung der Bedingungen bei der Hauptgeschäftsstelle der Vonovia SE erhältlich sein.

Part II:Other Information[28]
Teil II: Andere Angaben

A. **Essential information**
Grundlegende Informationen

Interest 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

☐ So far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer, except that certain Dealers and their affiliates may be customers of, and borrowers from and creditors of the Issuer and the Guarantor and/or their affiliates. In addition, certain Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for the Issuer and the Guarantor and/or their affiliates in the ordinary course of business.

Nach Kenntnis der Emittentin bestehen bei den an der Emission beteiligten Personen keine Interessen, die für das Angebot bedeutsam sind, außer, dass bestimmte Platzeure und mit ihnen verbundene Unternehmen Kunden von und Kreditnehmer oder Kreditgeber der Emittentin und der Garantin und mit ihnen verbundenen Unternehmen sein können. Außerdem sind bestimmte Platzeure an Investment Banking Transaktionen und/oder Commercial Banking Transaktionen mit der Emittentin und der Garantin beteiligt, oder könnten sich in Zukunft daran beteiligen, und könnten im gewöhnlichen Geschäftsverkehr Dienstleistungen für die Emittentin und die Garantin und mit ihnen verbundene Unternehmen erbringen.

☐ Other interest (specify) **[●]**
Andere Interessen (angeben) **[●]**

Reasons for the offer[29] **[**specify details**]**
Gründe für das Angebot **[***Einzelheiten einfügen***]**

Estimated net proceeds[30] **[●]**
Geschätzter Nettobetrag der Erträge **[●]**

Estimated total expenses of the issue **[●]**
Geschätzte Gesamtkosten der Emission **[●]**

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[28] There is no obligation to complete Part II of the Final Terms in its entirety in case of Notes with a Specified Denomination of at least EUR 100,000 or its equivalent in any other currency, provided that such Notes will not be listed on any regulated market within the European Economic Area. To be completed in consultation with the Issuer.
If proceeds are intended for more than one use will need to split out and present in order of priority.
Es besteht keine Verpflichtung, Teil II. der Endgültigen Bedingungen bei Schuldverschreibungen mit einer festgelegten Stückelung von mindestens EUR 100.000 oder dem Gegenwert in einer anderen Währung vollständig auszufüllen, sofern diese Schuldverschreibungen nicht an einem geregelten Markt innerhalb des Europäischen Wirtschaftsraums zum Handel zugelassen werden. In Absprache mit der Emittentin auszufüllen.
Sofern die Erträge für verschiedene Verwendungszwecke bestimmt sind, sind diese aufzuschlüsseln und nach der Priorität der Verwendungszwecke darzustellen.

[29] See "Use of Proceeds" wording in the Base Prospectus. If reasons for the offer is different from making profit and /or hedging certain risks include those reasons here. Not to be completed in case of Notes with a Specified Denomination of at least EUR 100,000.
Siehe "Verwendung des Erlöses" im Basisprospekt. Sofern die Gründe für das Angebot nicht in der Gewinnerzielung und/oder der Absicherung bestimmter Risiken bestehen, sind die Gründe hier anzugeben. Nicht auszufüllen bei Schuldverschreibungen mit einem Festgelegten Nennbetrag von mindestens EUR 100.000.

[30] If proceeds are intended for more than one use will need to split out and present in order of priority.
Sofern die Erträge für verschiedene Verwendungszwecke bestimmt sind, sind diese aufzuschlüsseln und nach der Priorität der Verwendungszwecke darzustellen.

B. Information concerning the securities to be offered /admitted to trading
Informationen über die anzubietenden bzw. zum Handel zuzulassenden Wertpapiere

Securities Identification Numbers
Wertpapierkennnummern

[Temporary**]**ISIN Code ***[Vorläufiger]*** *ISIN Code*	**[●]**
[Temporary**]** Common Code ***[Vorläufiger]*** *Common Code*	**[●]**
[Temporary**]** German Securities Code ***[Voläufiger]*** *Wertpapierkennnummer (WKN)*	**[●]**
Classification of Financial Instrument Code (CFI)[31] *Klassifizierungscode von Finanzinstrumenten (CFI-Code)*	[Not applicable] **[●]** *[Nicht anwendbar]* **[●]**
Financial Instrument Short Name (FISN) [32] *Emittenten- und Instrumenten-Kurzname (FISN)*	[Not applicable] **[●]** *[Nicht anwendbar]* **[●]**
Any other **[**temporay**]** securities number *Sonstige **[**vorläufige**]** Wertpapierkennnummer*	**[●]**

Global Note
Global Note

☐ Classical Global Note

☐ New Global Note

Eurosystem eligibility[33]
EZB-Fähigkeit

Intended to be held in a manner which would allow Eurosystem eligibility *Soll in EZB-fähiger Weise gehalten werden*	[Not applicable] [Yes/No] *[Nicht anwendbar]* [*Ja/Nein*]

[Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with in the case of (i) a NGN one of the ICSDs as common safekeeper or (ii) a CGN Clearstream Banking AG, Frankfurt, and does not necessarily mean that the Notes will be recognized as eligible collateral for Eurosystem monetary policy and intra day credit

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[31] If the CFI is not required, requested or available, it should be specified to be "Not applicable".
Soweit eine CFI nicht erforderlich, nicht angefordert oder nicht verfügbar ist, sollte "Nicht anwendbar" ausgewählt werden.

[32] If the FISN is not required, requested or available, it should be specified to be "Not applicable".
Soweit eine FISN nicht erforderlich, nicht angefordert oder nicht verfügbar ist, sollte "Nicht anwendbar" ausgewählt werden.

[33] Select "Yes" if the Notes are in NGN form and are to be kept in custody by an ICSD as common safekeeper. Select "No" if the Notes are in NGN form and are to be kept in custody by the common service provider as common safekeeper. Select "Not applicable" if the Notes are in CGN form but not deposited with Clearstream Banking AG, Frankfurt.
"Ja" wählen, falls die Schuldverschreibungen in Form einer NGN begeben und von einem ICSD als common safekeeper gehalten werden sollen."Nein" wählen, falls die Schuldverschreibungen in Form einer NGN begeben und vom common service provider als common safekeeper gehalten werden sollen. "Nicht anwendbar" wählen, falls die Schuldverschreibungen in Form einer CGN begeben werden, aber nicht bei Clearstream Banking AG, Frankfurt verwahrt werden.

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.]

[No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them, the Notes may then be deposited with one of the ICSDs as common safekeeper (and registered in the name of a nominee of one of the ICSDs acting as common safekeeper). Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day 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.]

[Ja. Es wird darauf hingewiesen, dass "ja" hier lediglich bedeutet, dass die Wertpapiere nach ihrer Begebung im Fall (i) einer NGN bei einem der ICSDs als gemeinsamen Verwahrer oder (ii) einer CGN bei Clearstream Banking AG, Frankfurt verwahrt werden und es bedeutet nicht notwendigerweise, dass die Schuldverschreibungen als geeignete Sicherheit im Sinne der Währungspolitik des Eurosystems und der taggleichen Überziehungen (intra-day credit operations) des Eurosystems entweder nach Begebung oder zu irgendeinem Zeitpunkt während ihrer Existenz anerkannt werden. Eine solche Anerkennung wird vom Urteil der EZB abhängen, dass die Eurosystemfähigkeitskriterien erfüllt werden.]

[Nein. Während die Bestimmung am Tag dieser Endgültigen Bedingungen mit "Nein" festgelegt wurde, können sich die Eurosystemfähigkeitskriterien für die Zukunft deart ändern, dass die Schuldverschreibungen fähig sein werden diese einzuhalten. Die Schuldverschreibungen können dann bei einer der ICSDs als gemeinsamer Verwahrer hinterlegt (und auf den Namen eines Nominees von einem der ICSDs als gemeinsamer Verwahrer eingetragen) werden. Es ist zu beachten, dass die Schuldverschreibungen selbst dann nicht notwendigerweise als geeignete Sicherheit im Sinne der Währungspolitik des Eurosystems und der taggleichen Überziehungen (intra-day credit operations) des Eurosystems zu irgendeinem Zeitpunkt während ihrer Existenz anerkannt werden. Eine solche Anerkennung wird vom Urteil der EZB abhängen, dass die Eurosystemfähigkeitskriterien erfüllt werden.]

Prohibition of Sales to Retail Investors in the European Economic Area[34]	[Applicable] [Not applicable]
Verkaufsverbot an Kleinanleger im Europäischen Wirtschaftsraum[35]	*[Anwendbar] [Nicht anwendbar]*

Historic Interest Rates[36]	**[**not applicable**]**
Zinssätze der Vergangenheit	**[***nicht anwendbar***]**
Details of historic **[**EURIBOR**]** **[**LIBOR**]** rates can be obtained from	Reuters **[**EURIBOR01**]** **[**LIBOR01**]**
Einzelheiten der Entwicklung der **[***EURIBOR***]** **[***LIBOR***]** *Sätze in der Vergangenheit können abgerufen werden unter*	*Reuters* **[***EURIBOR01***]** **[***LIBOR01***]**

Yield[37]	**[**not applicable**][●]**
Rendite	**[***nicht anwendbar***][●]**
Resolutions, authorizations and approvals by which the Notes will be created.	**[specify details]**
Beschlüsse, Ermächtigungen und Genehmigungen, welche die Grundlage für die Schaffung der Schuldverschreibungen bilden.	**[*Einzelheiten einfügen*]**

C. Terms and Conditions of the offer[38]
Bedingungen und Konditionen des Angebots

C.1 Conditions, offer statistics, expected timetable and action required to apply for the offer ***Angebotsstatistiken, erwarteter Zeitplan und erforderliche Maßnahmen für die Antragstellung***	
Conditions to which the offer is subject	**[**not applicable**]** **[**Specify details**]**
Bedingungen, denen das Angebot unterliegt	**[***nicht anwendbar***]** **[***Einzelheiten einfügen***]**
Total amount of the offer and description of the arrangements and time for announcing to the public the amount of the offer	**[**not applicable**]** **[**Specify details**]**
Gesamtsumme des Angebots und Beschreibung der Vereinbarungen und des Zeitpunkts für die Ankündigung des endgültigen Angebotsbetrags an das Publikum	**[***nicht anwendbar***]** **[***Einzelheiten einfügen***]**
Time period, including any possible amendments, during which the offer will be open	**[**not applicable**]** **[**Specify details**]**

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[34] If the Notes clearly do not constitute "packaged" products, "*Not Applicable*" should be specified. If the Notes may constitute "packaged" products and no KID will be prepared, "*Applicable*" should be specified.

[35] *Sind die Schuldverschreibungen eindeutig keine "verpackten" Produkte sind, so sollte "Nicht anwendbar" ausgewählt werden. Wenn die Schuldverschreibungen "verpackte" Produkte darstellen und kein KID vorbereitet wird, ist "Anwendbar" auszuwählen.*

[36] Only applicable for Floating Rate Notes. Not required for Notes with a Specified Denomination of at least EUR 100,000.
Nur bei variabel verzinslichen Schuldverschreibungen anwendbar. Nicht anwendbar auf Schuldverschreibungen mit einer Stückelung von mindestens EUR 100.000.

[37] Only applicable for Fixed Rate Notes.
Nur bei festverzinslichen Schuldverschreibungen anwendbar.

[38] Complete with respect to a public offer of Notes with a Specified Denomination of less than EUR 100,000.
Bei öffentlichem Angebot von Schuldverschreibungen mit einer festgelegten Stückelung von weniger als EUR 100.000 auszufüllen.

Frist - einschließlich etwaiger Änderungen - während der das Angebot vorliegt	**[***nicht anwendbar***]** **[***Einzelheiten einfügen***]**
Description of the application process	**[**not applicable**]** **[**Specify details**]**
Beschreibung des Prozesses für die Umsetzung des Angebots	**[***nicht anwendbar***]** **[***Einzelheiten einfügen***]**
A description of the possibility to reduce subscriptions and the manner for refunding excess amount paid by applicants	**[**not applicable**]** **[**Specify details**]**
Beschreibung der Möglichkeit zur Reduzierung der Zeichnungen und der Art und Weise der Erstattung des zu viel gezahlten Betrags an die Zeichner	**[***nicht anwendbar***]** **[***Einzelheiten einfügen***]**
Details of the minimum and/or maximum amount of application, (whether in number of notes or aggregate amount to invest)	**[**not applicable**]** **[**Specify details**]**
Einzelheiten zum Mindest- und/oder Höchstbetrag der Zeichnung (entweder in Form der Anzahl der Schuldverschreibungen oder des aggregierten zu investierenden Betrags)	**[***nicht anwendbar***]** **[***Einzelheiten einfügen***]**
Method and time limits for paying up the notes and for delivery of the notes	**[**not applicable**]** **[**Specify details**]**
Methode und Fristen für die Bedienung der Schuldverschreibungen und ihre Lieferung	**[***nicht anwendbar***]** **[***Einzelheiten einfügen***]**
Manner and date in which results of the offer are to be made public	**[**not applicable**]** **[**Specify details**]**
Art und Weise und Termin, auf die bzw. an dem die Ergebnisse des Angebots offen zu legen sind	**[***nicht anwendbar***]** **[***Einzelheiten einfügen***]**
The procedure for the exercise of any right of pre-emption, the negotiability of subscription rights and the treatment of subscription rights not exercised.	**[**not applicable**]** **[**Specify details**]**
Verfahren für die Ausübung eines etwaigen Vorzugsrechts, die Marktfähigkeit der Zeichnungsrechte und die Behandlung der nicht ausgeübten Zeichnungsrechte	**[***nicht anwendbar***]** **[***Einzelheiten einfügen***]**

C.2 Plan of distribution and allotment[39]
Plan für die Aufteilung der Wertpapiere und deren Zuteilung

If the Offer is being made simultaneously in the markets of two or more countries and if a tranche has been or is being reserved for certain of these, indicate such tranche	**[**not applicable**]** **[**Specify details**]**
Erfolgt das Angebot gleichzeitig auf den Märkten zwei oder mehrerer Ländern und wurde/ wird eine bestimmte Tranche einigen dieser Märkte vorbehalten, Angabe dieser Tranche	**[***nicht anwendbar***]** **[***Einzelheiten einfügen***]**
Various categories of potential investors to which the notes are offered	**[**qualified investors pursuant to the Prospectus Directive**]** **[**and**]** **[**non-qualified investors**]**

[39] Complete with respect to a public offer of Notes with a Specified Denomination of less than EUR 100,000.
Bei öffentlichem Angebot von Schuldverschreibungen mit einer festgelegten Stückelung von weniger als EUR 100.000 auszufüllen.

	Angabe der verschiedenen Kategorien der potentiellen Investoren, denen die Schuldverschreibungen angeboten werden	**[***Qualifizierte Anleger im Sinne der Prospektrichtlinie***] [***und***] [***Nicht-qualifizierte Anleger***]**
	Process for notification to applicants of the amount allotted and indication whether dealing may begin before notification is made *Verfahren zur Meldung des den Zeichnern zugeteilten Betrags und Angabe, ob eine Aufnahme des Handels vor dem Meldeverfahren möglich ist*	**[**not applicable**] [**Specify details**]** **[***nicht anwendbar***]** **[***Einzelheiten einfügen***]**
	☐ Public offer in Luxembourg *Öffentliches Angebot in Luxemburg* Requires a notice before the commencement of the offer to be published on the website "www.bourse.lu" of the Luxembourg Stock Exchange *Bedarf einer Mitteilung vor Beginn des Angebots auf der Internetseite "www.bourse.lu" der Luxemburger Börse*	
C.3	**Pricing**[40] ***Kursfeststellung***	
	Issue Price *Ausgabepreis*	**[●]**% **[●]***%*
	Expected price at which the notes will be offered *Kurs, zu dem die Schuldverschreibungen angeboten werden*	**[**Not applicable**] [**Specify details**]** **[***Nicht anwendbar***]** **[***Einzelheiten einfügen***]**
	Amount of expenses and taxes charged to the subscriber / purchaser *Kosten/Steuern, die dem Zeichner/Käufer in Rechnung gestellt werden*	**[**Not applicable**] [**Specify details**]** **[***Nicht anwendbar***]** **[***Einzelheiten einfügen***]**
C.4	**Placing and underwriting**[41] ***Platzierung und Emission***	**[**Not applicable**]** **[***Nicht anwendbar***]**
	Name and address of the co-ordinator(s) of the global offer and of single parts of the offer and, to the extent known to the Issuer or the offeror, or the placers in the various countries where the offer takes place. *Name und Anschrift des Koordinator/der Koordinatoren des globalen Angebots oder einzelner Teile des Angebots und - sofern der Emittentin oder dem Bieter bekannt - Angaben zu den Platzeuren in den einzelnen Ländern des Angebots*	**[**Specify details**]** **[***Einzelheiten einfügen***]**
	Method of distribution ***Vertriebsmethode***	

[40] Only required for syndicated issues and Notes with a Specified Denomination of less than EUR 100,000.
Nur erforderlich bei syndizierten Ziehungen und Schuldverschreibungen mit einer Stückelung von weniger als EUR 100.000.

[41] Only required for syndicated issues and Notes with a Specified Denomination of less than EUR 100,000.
Nur erforderlich bei syndizierten Ziehungen und Schuldverschreibungen mit einer Stückelung von weniger als EUR 100.000.

☐ Non-syndicated
Nicht syndiziert

☐ Syndicated
Syndiziert

Subscription Agreement ***Übernahmevertrag***	**[**Not applicable**]** **[***Nicht anwendbar***]**
Date of Subscription Agreement[42] *Datum des Übernahmevertrages*	**[●]** **[●]**
Material Features of the Subscription Agreement *Hauptmerkmale des Übernahmevertrages*	**[●]** **[●]**

Management Details including form of commitment[43] *Einzelheiten bezüglich des Bankenkonsortiums einschließlich der Art der Übernahme*	**[**Not applicable**]** **[***Nicht anwendbar***]**
Dealer/Management Group (specify name(s) and address(es)) *Platzeur/Bankenkonsortium (Name(n) und Adresse(n) angeben)*	

☐ Firm commitment
feste Zusage

☐ No firm commitment/best efforts arrangements
Keine feste Zusage/zu den bestmöglichen Bedingungen

Commissions[44] *Provisionen*	**[**Not applicable**]** **[***Nicht anwendbar***]**
Management/Underwriting Commission (specify) *Management- und Übernahmeprovision (angeben)*	**[●]**
Selling Concession (specify) *Verkaufsprovision (angeben)*	**[●]**
Listing Commission (specify) *Börsenzulassungsprovision (angeben)*	**[●]**

Stabilising Dealer/Manager *Kursstabilibisierender Dealer/Manager*	**[**Insert details**]** **[**None**]** **[***Einzelheiten einfügen***]** **[***keiner***]**

D. Admission to Trading and Dealing Arrangements

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[42] Only required for syndicated issues and Notes with a Specified Denomination of less than EUR 100,000.
Nur erforderlich bei syndizierten Ziehungen und Schuldverschreibungen mit einer Stückelung von weniger als EUR 100.000.

[43] Not required for Notes with a Specified Denomination of at least EUR 100,000.
Nicht erforderlich bei Schuldverschreibungen mit einer Stückelung von mindestens EUR 100.000.

[44] Not required for Notes with a Specified Denomination of at least EUR 100,000.
Nicht erforderlich bei Schuldverschreibungen mit einer Stückelung von mindestens EUR 100.000.

Zulassung zum Handel und Handelsregeln

Listing(s) *Börsenzulassung(en)*	**[**Yes**]** [No] **[***Ja***]** [*Nein*]
☐ Regulated Market of the Luxembourg Stock Exchange Regulierter Markt der Luxemburger Börse	
☐ **[**other stock exchange**]** **[***andere Wertpapierbörse***]**	**[●]** **[●]**

Expected Date of admission[45] *Erwarteter Termin der Zulassung*	**[**not applicable**]** **[●]** **[***nicht anwendbar***]** **[●]**
Estimate of the total expenses related to admission to trading[46] *Geschätzte Gesamtkosten für die Zulassung zum Handel*	**[●]** **[●]**
Regulated markets or equivalent markets on which, to the knowledge of the Issuer, notes of the same class of the notes to be offered or admitted to trading are already admitted to trading.[47] *Angabe geregelter oder gleichwertiger Märkte, auf denen nach Kenntnis der Emittentin Schuldverschreibungen der gleichen Wertpapierkategorie, die zum Handel angeboten oder zugelassen werden sollen, bereits zu Handel zugelassen sind.*	**[●]** **[●]**
☐ Countries where admission to trading on the regulated market is being sought *Länder, in denen die Zulassung zum Handel am geregelten Markt beantragt wird*	**[●]** **[●]**
☐ Countries where the offer to the public takes place *Länder, in denen die Schuldverschreibungen öffentlich angeboten werden*	[●] [●]

[45] To be completed only, if known.
Nur auszufüllen, sofern *bekannt*

[46] Only required for Notes with a Specified Denomination of at least EUR 100,000.
Nur erforderlich bei Schuldverschreibungen mit einer festgelegten Stückelung von mindestens EUR 100.000.

[47] Only to be completed in case of an increase. In case of a fungible issue, need to indicate that the original notes are already admitted to trading. Not required for Notes with a Specified Denomination of at least EUR 100,000.
Nur auszufüllen im Falle einer Aufstockung. Im Falle einer Aufstockung, die mit einer vorangegangenen Emission fungible ist, ist die Angabe erforderlich, dass die ursprünglichen Schuldverschreibungen bereits zum Handel zugelassen sind. Nicht erforderlich bei Schuldverschreibungen mit einer festgelegten Stückelung von mindestens EUR 100.000.

Name and address of the entities which have commitment to act as intermediaries in secondary trading, providing liquidity through bid and offer rates and description of the main terms of their commitment[48] *Name und Anschrift der Institute, die aufgrund einer festen Zusage als Intermediäre im Sekundärhandelt tätig sind und Liquidität mittels Geld- und Briefkursen erwirtschaften, und Beschreibung der Hauptbedingungen der Zusagevereinbarung*	**[**not applicable**]** **[**specify details**]** **[***nicht anwendbar***]** **[***Einzelheiten einfügen***]**

E. Additional Information
Zusätzliche Informationen

Rating[49] ***Rating***	**[**not applicable**] [●]**[50] **[***nicht anwendbar***] [●]**

[[Specify whether the relevant rating agency is established in the European Community 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 "***CRA Regulation***").**]**

The European Securities and Markets Authority ("***ESMA***") publishes on its website (www.esma.europa.eu) 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.

[*Einzelheiten einfügen, ob die jeweilige Ratingagentur ihren Sitz in der Europäischen Gemeinschaft hat und gemäß Verordnung (EG) Nr. 1060/2009 des Europäischen Parlaments und des Rates vom 16. September 2009 über Ratingagenturen (in der jeweils aktuellen Fassung) (die "**Ratingagentur-Verordnung**") registriert ist oder die Registrierung beantragt hat.***]**

*Die Europäische Wertpapier und Marktaufsichtsbehörde ("**ESMA**") veröffentlicht auf ihrer Internetseite (www.esma.europa.eu) ein Verzeichnis der nach der Ratingagentur-Verordnung registrierten Ratingagenturen. Dieses Verzeichnis wird innerhalb von fünf Werktagen nach Annahme eines Beschlusses gemäß Artikel 16, 17 oder 20 der Ratingagentur-Verordnung aktualisiert. Die Europäische Kommission veröffentlicht das aktualisierte Verzeichnis im Amtsblatt der Europäischen Union innerhalb von 30 Tagen nach der Aktualisierung.***]***

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[48] Not required for Notes with a Specified Denomination of at least EUR 100,000.
Nicht erforderlich bei Schuldverschreibungen mit einer Stückelung von mindestens EUR 100.000.

[49] Do not complete, if the Notes are not rated on an individual basis. In case of Notes with a Specified Denomination of less than EUR 100,000, need to include a brief explanation of the meaning of the ratings if this has been previously published by the rating provider.
Nicht auszufüllen, wenn kein Einzelrating für die Schuldverschreibungen vorliegt. Bei Schuldverschreibungen mit einer Stückelung von weniger als EUR 100.000, kurze Erläuterung der Bedeutung des Ratings, wenn dieses unlängst von der Ratingagentur erstellt wurde.

[50] Insert brief explanation of the meaning of the rating.
Kurze Beschreibung des Ratings einzufügen.

F.	**Information to be provided regarding the consent by the Issuer or person responsible for drawing up the Prospectus**	**[**Not applicable**]**
	Zur Verfügung zu stellende Informationen über die Zustimmung der Emittenten oder der für die Erstellung des Prospekts zuständigen Person	**[***Nicht anwendbar***]**
	Final placement of the Notes in the following jurisdictions	**[**Luxembourg**] [**,**] [**and**] [**,**] [**and**] [**Germany**] [**and**] [**The Netherlands**]**
	Endgültige Platzierung der Schuldverschreibungen in den folgenden Jurisdiktionen	**[***Luxemburg***] [**,**] [***und***] [***Deutschland***] [***und***] [***die Niederlande***]**
	Offer period during which subsequent resale or final placement of the Notes by Dealers and/or further financial intermediaries can be made	**[**Not applicable**] [**Specify offer period**]**
	Angebotsfrist, während derer die spätere Weiterveräußerung oder endgültige Platzierung von Wertpapieren durch die Platzeure oder weitere Finanzintermediäre erfolgen kann	**[***Nicht anwendbar***] [***Einzelheiten zur Angebotsfrist einfügen***]**

[Third Party Information
Informationen von Dritter Seite

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.

*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.***]**

Vonovia Finance B.V.

(as Issuer)
(als Emittentin)

DESCRIPTION OF THE ISSUER

General information

The Issuer was incorporated on 21 June 2013 under the laws of The Netherlands as a Dutch private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*). Its first fiscal year ended on 31 December 2013. Each following fiscal year will be the calendar year.

On 13 April 2015, the shareholders' meeting of the Issuer resolved on a change of the Issuer's legal name from "Deutsche Annington Finance B.V." to "Vonovia Finance B.V.". The change was registered with the Dutch companies register on 7 July 2015.

The Issuer has its corporate seat in Amsterdam, The Netherlands and is registered in the Trade Register of the Dutch Chamber of Commerce under number 58224416. The address of the Issuer's registered office is Apollolaan 133-135, 1077 AR Amsterdam, The Netherlands, telephone number: + 31 20 607 7515.

The Legal Entity Identifier ("**LEI**") of the Issuer is 5299009XLZLD9TALOZ03.

Corporate Business

Pursuant to Article 3 of the articles of association of the Issuer, the objects of the Issuer are:

- to participate in, finance or hold any other interest in, or to conduct the management of, other legal entities, partnerships or enterprises;
- to borrow, to lend and to raise funds, including the issue of bonds, promissory notes or other securities or evidences of indebtedness, as well as to enter into agreements in connection with the aforementioned;
- to furnish guarantees, provide security, warrant performance or in any other way assume liability, whether jointly and severally or otherwise, for or in respect of obligations of group companies or other parties; and
- to do anything which, in the widest sense of the words, is connected with or may be conducive to the attainment of these objects.

Organisational structure

The Issuer is a wholly-owned subsidiary of Vonovia. The Issuer does not have any subsidiaries of its own. The Issuer is dependent upon the administrative and management services provided by the Guarantor. The ongoing business activities of the Issuer depend on the ability of the Guarantor and other companies of the Group to fulfil their payment obligations vis-à-vis the Issuer or the obligation to assume losses.

Description of the Governing Bodies of the Issuer

Management Board

The current members of the Issuer's managing board are as follows:

Name	Occupation
Thorsten Arsan (Chairman)	Employee of Vonovia SE
Richard Ivo Larry van Dijk	Director of the Issuer
Iwan Alouisius Antonius Oude Roelink	Director of the Issuer

The current members of the managing board of the Issuer can be contacted at the address of the registered office of the Issuer.

There are no actual or potential conflicts of interest between the duties of the members of the managing board of the Issuer and their respective private interests or other duties.

Supervisory Board

The current members of the Issuer's supervisory board are as follows:

Name	Occupation
Dr. A. Stefan Kirsten (chairman of the supervisory board)	Member of the management board of Vonovia SE
Simone Schumacher	Employee of BMW Finance N.V.
Dr. Fabian Hess	Vonovia Group General Counsel
Olaf Weber	Head of Finance & Treasury Vonovia SE

The supervisory board of the Issuer has not established any committees.

There are no actual or potential conflicts of interest between the duties of the members of the supervisory board of the Issuer and their respective private interests or other duties.

The current members of the supervisory board of the Issuer can be contacted at the address of the registered office of the Issuer.

Corporate governance

No specific rules apply to the Issuer under the Dutch corporate governance code, because the Dutch corporate governance code only applies to companies whose share are listed.

Share capital

The issued capital of Vonovia Finance B.V. amounts to EUR 18,000, divided into 18,000 registered shares of common stock with a par value of EUR 1 each, which are all held by Vonovia. The capital is fully issued and paid-up. The Issuer does not have authorised but unissued capital.

Investments

The Issuer has made no material investments since the date of its incorporation and, as at the date of this Prospectus, its management has made no firm commitments on such material investments in the future.

Business Overview

Pursuant to its corporate purpose, the Issuer acts as financing subsidiary of the Guarantor, the principal activity of the Issuer is the provision of loans to members of the Group financed with funds acquired from the capital market, bank loans and loans from other companies of the Group.

Because of its purely internal purpose, the Issuer does not have any markets in which it competes and, therefore, the Issuer cannot make a statement regarding its competitive position in any markets.

Legal and Arbitration Proceedings

There are currently no, and the Issuer has not been involved in any, governmental, legal or arbitration proceedings during the last twelve months, against or affecting the Issuer, nor is the Issuer aware of any pending or threatened proceedings, which (in either case) may have or have had in the recent past significant effects on the financial position or profitability or results of operations of the Issuer.

Material Agreements

The Issuer issued certain Notes (see under "*Material Agreements—Financing Agreements—Notes Issuances*"). Other than these notes issuances, the Issuer has not entered in any material agreements in the ordinary course of its business, which could result in any Group company (including the Issuer) being under an obligation or entitlement that is material to the ability of the Issuer or the Guarantor to meet its obligation to security holders in respect of the securities being issued.

Recent Developments

On 15 January 2018, the Issuer issued two series of notes under this Programme, guaranteed by the Guarantor: EUR 500 million 0.75 % notes due 2024 and EUR 500 million 1.50 %. notes due 2028.

In January 2018, the Issuer and the Guarantor entered into a EUR 2.65 billion facility agreement with a major international bank acting as arranger for bridge financing of the BUWOG Takeover.

Trend Information and Significant Changes

There has been no material adverse change in the prospects of the Issuer since 31 December 2017.

There has been no significant change in the financial or trading position of the Issuer since 31 December 2017.

Auditors

The auditor of the Issuer's annual financial statements for the 2016 and 2017 fiscal years is PricewaterhouseCoopers Accountants NV, Fascinatio Boulevard 350, 3065 WB Rotterdam, P.O. Box 8800, 3009 AV Rotterdam, The Netherlands ("**PwC**"). The annual financial statements according to Dutch GAAP were audited by PwC and each provided with an unqualified auditor's opinion. PwC are independent auditors of which the responsible partner is a member of the NBA (*Nederlandse Beroepsorganisatie van Accountants,* The Netherlands Institute of Chartered Accountants).

Selected Financial Information for the Issuer

*The following selected financial information for the Issuer is based on the audited annual reports of the Issuer as of 31 December 2017 and 31 December 2016 (the "**Financial Reports**"). The Financial Reports are incorporated by reference in this Prospectus, and should be read together with it. The Financial Reports were prepared in accordance with Dutch GAAP. The annual financial statements of the Issuer were audited by PwC and issued in each case with an unqualified auditor's report.*

Balance sheet data

	As of 31 December 2017	As of 31 December 2016
	(in EUR thousand)	
	(audited)	
Fixed assets	11,572,892	10,501,511
Current assets	144,525	260,812
Total assets	**11,717,417**	**10,762,323**
Total shareholders' equity	45,126	21,204
Hybrid bond	993,814	992,459
Total capital base	**1,038,940**	**1,013,663**
Long-term liabilities		
Bonds	9,689,882	8,218,020
Derivate financial liabilities	283	1,205
Total long-term liabilities	**9,690,165**	**8,219,225**
Current liabilities	988,312	1,529,435
Total equity and liabilities	**11,717,417**	**10,762,323**

DESCRIPTION OF THE GUARANTOR AND THE GROUP

The Guarantor's legal name is Vonovia SE. The Guarantor is the Group's holding company; the Group primarily operates under the commercial name "Vonovia".

Formation, incorporation, commercial name, fiscal year, registered office, corporate purpose and structure of the Group

The Guarantor was formed as a limited liability company (*Gesellschaft mit beschränkter Haftung*) under German law by memorandum of association dated 17 June 1998. Its legal name was "Deutsche Annington Immobilien GmbH" with its registered office in Frankfurt/Main, Germany, registered under the docket number HRB 45366 with the commercial register at the local court (*Amtsgericht*) of Frankfurt/Main, Germany. The Guarantor moved its headquarters to Mainz by decision of its shareholders dated 22 February 2001, and was registered with the commercial register at the local court (*Amtsgericht*) of Mainz, Germany, under the docket number HRB 7562.

On 31 July 2001, the shareholders' meeting decided to relocate the Guarantor's registered office to Düsseldorf, Germany. On 6 September 2001, the Guarantor was registered with the commercial register at the local court (*Amtsgericht*) of Düsseldorf, Germany under the docket number HRB 41246. On 17 January 2012, the shareholders' meeting approved a resolution to change the Guarantor's legal form to a stock corporation (*Aktiengesellschaft*) organised under German law and its legal name to "Deutsche Annington Immobilien AG". The change in legal form and name was registered with the commercial register at the local court (*Amtsgericht*) of Düsseldorf on 1 March 2012 under the docket number HRB 67443. On 11 June 2012, the shareholders' meeting approved a resolution to change the Guarantor's legal form to a European company (*Societas Europaea – SE*) governed by German and European law and its legal name to "Deutsche Annington Immobilien SE". All these changes were effected in accordance with the applicable provisions of the German Reorganisation and Transformation Act (*Umwandlungsgesetz*). The change in legal form and name was registered with the commercial register at the local court (*Amtsgericht*) of Düsseldorf on 21 June 2012 under docket number HRB 68115.

On 30 April 2015, the general shareholder's meeting resolved on a change of the Guarantor's legal name from "Deutsche Annington Immobilien SE" to "Vonovia SE". The change was registered with the German companies register (*Handelsregister)* on 19 August 2015.

The Guarantor is the Group's holding company; the Group currently primarily operates under the commercial name "Vonovia". The Guarantor's fiscal year is the calendar year.

The Guarantor's registered office is at Universitätsstraße 133, 44803 Bochum, Germany (tel. +49 (0) 234-314-0).

Duration of the Guarantor and corporate purpose

The Guarantor was established for an unlimited period of time.

Pursuant to section 2 of the Guarantor's Articles of Association (*Satzung*), the Guarantor's corporate purpose is the conduct of real estate business and any related business of any kind, in particular the acquisition, the administration and the sale of developed and undeveloped properties and rights equivalent to title rights in real estate in Germany and abroad. The Guarantor may also acquire, hold or dispose of shares in German and foreign listed and non-listed companies and partnerships that conduct such activities. To this end, Vonovia may, in particular, be active in the fields of acquiring, erecting, conducting, supervising, operating and managing buildings in all legal forms and usage types and assume all tasks arising in the fields of operating residential and commercial buildings, of urban development and infrastructure, in particular acquiring, developing improving, redeveloping, encumbering, selling real estate and granting hereditary building rights (*Erbbaurechte*). The Guarantor may further be active in the fields

of developing and marketing any technical, commercial and other know-how and providing services of any kind in connection with such activities.

The Guarantor may dispose of any of its shareholdings and may in whole or in part carve out or transfer its business or any of its assets to affiliated entities. The Guarantor is entitled to centralise under its direction/control companies in which it holds an interest and/or restrict its activities to the management of such interest(s).

The Guarantor may also engage in any other business if this is suitable to achieve the corporate purpose of the Guarantor. The Guarantor may restrict its activities to the partial performance of the corporate purpose or may act through companies in which the Guarantor holds an interest. The Guarantor may establish branches in Germany and abroad.

The Guarantor shall not engage in activities which would make it an investment fund within the meaning of the German Investment Code (*Kapitalanlagegesetzbuch*). In particular, it was not founded with the primary objective of generating returns for its shareholders by selling its subsidiaries or affiliated companies.

Group structure

The Guarantor is organized in the legal form of a European company (SE). The Guarantor is directed by a Management Board, which is responsible for conducting business and developing the Group's strategy. Implementation occurs in close coordination with the Supervisory Board, which is regularly briefed by the Management Board regarding the development of business, strategy and potential opportunities and risks. The Supervisory Board oversees the activities of the Management Board (see "*Description of the Governing Bodies of the Guarantor*").

The Guarantor performs the function of the management holding company for the Group. In this role, it is responsible for determining and pursuing the overall strategy and implementing Vonovia's goals. It also performs property management, financing, service and coordination tasks for the Group. Furthermore, it is responsible for the management, control and monitoring system as well as risk management.

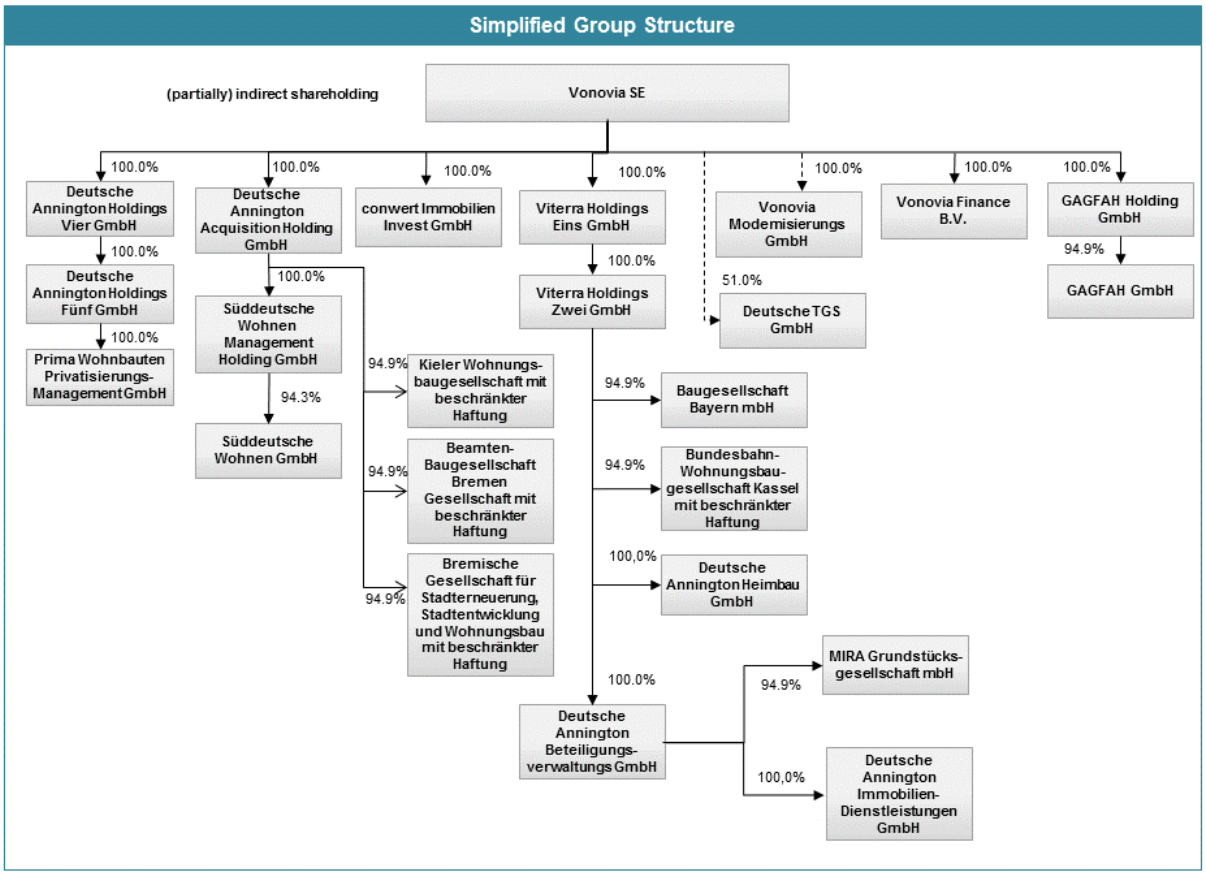
Vonovia's core operating rental business is currently divided into six business areas. These are, in turn, split into business units, each of which is responsible for an average of around 9,800 housing units on location as part of a decentralized structure. The caretaker, craftsmen's and residential environment organization is also based on a regional structure.

Responsibility for product management, new construction and modernization, acquisition and sales are centralized.

In order to carry out its management functions, Vonovia has established a series of service companies, particularly for commercial and operational support functions, which are centralized in shared service centers. By pooling the corporate functions on a uniform management platform, Vonovia aims to achieves harmonization, standardization and economies of scale objectives. Vonovia considers this bundling a prerequisite for the successful digitalization of the process chain.

As of December 31, 2017, 350 legal entities/companies formed part of the Group.

The following diagram provides an overview (in simplified form) of the Guarantor's significant subsidiaries taking into account the relevant successive interests (*durchgerechneter Beteiligungsanteil*) as of 31 December 2017, unless stated otherwise.



History and development

Vonovia can trace its roots to the end of the nineteenth century. Deutsche Annington Immobilien GmbH, however, was officially founded in 1998, but remained dormant until the end of 2000. The Guarantor then acquired between 94.1 % and 94.9 % of the shares in ten regional German Railroad housing companies (*Eisenbahnwohnungsgesellschaften*), which represented 65,000 housing units of the BEV (*Bundeseisenbahnvermögen* – "***BEV***").

Later on, the Guarantor indirectly acquired a majority shareholding in BIG-Heimbau AG, Kronshagen/Kiel, with some 10,000 residential units in 2003. Another 4,500 residential units were acquired from RWE Systems Immobilien GmbH & Co. KG, Essen, at the end of 2004.

In 2005, the Guarantor acquired Viterra AG, the largest German housing company at the time with approximately 138,000 housing units. Viterra AG itself, can trace its residential property portfolio back to the establishment of Urbana in 1895, Veba Immobilien in 1910 and Deutschbau in 1923. This acquisition established the Guarantor, with its at that time approximately 220,000 residential units, as the leading company in the German residential real estate industry in terms of number of units and as a major player on the European level.

During 2006, the Guarantor focused on implementing and optimising the acquired structures, and thus completed its integration of Viterra AG by the end of the year.

The following years were dedicated to enhancing the Guarantor's overall efficiency and maintaining its growth, particularly by way of acquiring a majority shareholding of 94.5 % in Prima Wohnbauten Privatisierungs-Management GmbH, constituting 4,500 residential units in 2009, and by acquiring several small housing portfolios,

which resulted in a total of 16,500 newly acquired housing units. Additionally, sales helped concentrate the property portfolio in metropolitan areas. In 2011, the percentage of the Guarantor's housing units located in cities with a population of over 100,000 reached approximately 69 % This concentration of units supported a reliable and stable increase in the Guarantor's profits by further simplifying services and maintenance.

In April 2014, Vonovia completed the acquisition of the real estate business managed by DeWAG, and also entered into a contribution and investment agreement with a view to integrating parts of the real estate business of the Vitus Group, which closed on 1 October 2014. Together, the two transactions involved a combined portfolio of about 41,500 units as of 31 December 2013 for an aggregate acquisition price of approximately EUR 2.4 billion. 9,600 residential units of the residential units acquired in the Vitus Group Takeover were subsequently sold to a subsidiary of LEG Immobilien AG on 9 October 2014. The transaction closed on 23 October 2014.

In March 2015, the Guarantor closed the Gagfah Takeover under which it acquired 230,924,617 shares in Gagfah S.A. for a total mixed consideration of 86,839,593 shares in the Guarantor and approximately EUR 2.1 billion in cash (including the results of the sell-out right under Luxembourg Takeover Law which had been exercised until the end of 10 May 2015 for 12,355,521 Gagfah shares in return for consideration of EUR 109,710,051.14 and 4,355,790 shares of the Guarantor). The transaction involved a portfolio of 144,452 residential units, approximately 1,500 commercial units and approximately 30,000 parking spaces as of 31 December 2014.

In March 2017, the Guarantor closed the conwert Takeover under which it acquired 94,867,722 shares in conwert Immobilien Invest SE (approximately 93.09 % of the share capital of conwert). Vonovia offered conwert shareholders a choice between EUR 16.16 cash per share or 74 shares in the Guarantor for every 149 shares in conwert. In the course of the entire conwert Takeover, 87.57 % of all conwert shares were tendered into the cash offer and 5.52 % into the exchange. The transfer of the shares of the remaining minority shareholders in conwert to Vonovia against payment of an adequate cash compensation (*squeeze-out*) was resolved on by an extraordinary shareholders' meeting of conwert on 29 August 2017 and became effective on 25 October 2017. The conwert Takeover involved a portfolio of around 24,500 units, mainly in Leipzig, Berlin, Potsdam, Dresden and Vienna.

Business

Overview

Vonovia holds and manages a housing stock of around 350,000 apartments in almost all of Germany's attractive cities and regions. The total fair value comes to around EUR 33 billion, with net assets based on the definition of the European Public Real Estate Association ("**EPRA**") coming to approximately EUR 21 billion. In addition to its own apartments, Vonovia manages around 63,000 apartments for third parties. This makes Vonovia Germany's leading nationwide residential real estate company, albeit with a very low market share due to the highly fragmented nature of the market.

Vonovia's business model is based on two pillars: the nationwide rental of good-quality and, most importantly, affordable living space and the provision of fairly priced property-related services. These property-related services mainly relate to cable TV, bathroom renovations in response to tenant requests, automated meter reading and senior-friendly apartment modernization. This is supported by Vonovia's craftsmen's and residential environment organization.

As a modern service company, Vonovia focuses on customer orientation and, as a result, on the satisfaction of its customers, namely its tenants. Vonovia considers its ability to offer tenants affordable and attractive homes a prerequisite for the company's successful development. A central service center together with local caretakers and Vonovia's own technical and residential environment organization are aimed to ensure that its tenants' concerns are attended to in a timely, straightforward and reliable manner.

In addition to its long-term and modern property management, Vonovia also develops the real estate portfolio through targeted acquisitions and sales. The goals associated with new portfolios acquisitions include strengthening

its overall regional presence in Germany, realizing operational and financial economies of scale and optimizing structures. In addition, Vonovia will be using densification and vertical expansion to build an increasing number of new apartments in order to reflect the rising demand for living space due to migration to metropolitan areas.

The management of the business is based on the strategic approaches of Vonovia and is conducted via the three segments: Rental, Value-add Business and Sales.

The "**Rental**" segment combines all of the business activities that are aimed at the value-enhancing management of the properties.

The "**Value-add Business**" segment bundles all of the customer-oriented services that Vonovia has expanded its core business to include. These services have close ties to and/or influence the rental business. The Value-add Business segment also includes the activities performed by the craftsmen's and residential environment organization, Vonovia's new construction activities, the condominium administration business and insurance.

The "**Sales**" segment bundles all real estate sales from the portfolio. This includes the individual sale of apartments and the sale of entire buildings or pieces of land.

Megatrends and Overall Conditions on the Residential Real Estate Market in Germany

Vonovia's business model is influenced by key environmental developments. The main megatrends are (i) demographic change and migration, (ii) climate change and the replacement of fossil fuels with alternative sources of energy and (iii) social trend. (iv) Digitalization is also becoming increasingly important. The real estate industry is also influenced by a large number of statutory regulations.

Demographic change

The German population is aging rapidly and presenting the real estate industry with considerable challenges, particularly when it comes to senior-friendly homes. This development is reinforcing the growing demand for one- and two-person households. Migration within Germany, from rural and non-urban regions to urban areas, and immigration to Germany, a trend that has been accelerated by the influx of refugees from global crisis regions, is creating greater demand for suitable and affordable living space in conurbations. More than 30 metropolitan areas or "high-influx cities" are reaping above-average benefits from this migration trend. Magnet behavior, shown primarily by younger age groups, is characterized mainly by the growing importance of living in locations that offer a vibrant urban lifestyle.

Climate change and alternative energies

A sustained, significant reduction in energy consumption and the replacement of fossil fuels with alternative sources of energy are key prerequisites for the success of the energy transition. Buildings account for a large share of total energy consumption. Vonovia is aware of its responsibility in this area, which is why it has launched a program for the energy-efficient refurbishment of its buildings. In addition, Vonovia uses modern and resource-conserving technologies when installing new heating units.

Social change

The process of social change is characterized by growing social disparities, meaning that Vonovia has to engage in active neighborhood management in order to ensure a pleasant residential environment. Efficient portfolio management also plays an essential role in ensuring that rents remain affordable, and that ancillary costs remain low, in the long term.

Digitalization

Digital transformation is also having an increasing impact on Vonovia's business model. Developments in the field of digitalization, *i.e.* primarily the exponential increase in computing power, networking (Internet of Things ("**IoT**") and platform solutions, mobile devices, robotic process automation ("**RPA**") and artificial intelligence ("**AI**") are

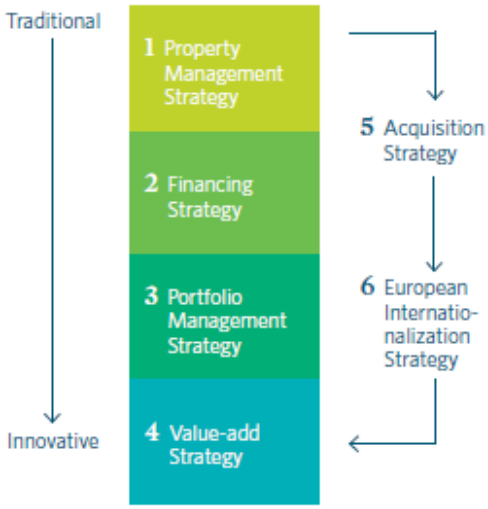
being monitored on an ongoing basis to evaluate the impact on Vonovia's business model and adapt where appropriate. Vonovia evaluates digitalization and the benefits that it offers with regard to its processes and its customers. For Vonovia, Smart Real Estate already means the extensive digitalization of business processes with a level of sophistication that includes RPA and even extends as far as the first few AI approaches, for example in contract and portfolio data analysis. In Vonovia's new construction activities, the Group is using Building Information Modeling ("**BIM**") solutions. Evidence of networking can be found, in particular, within the value chain in Vonovia's management platform, which facilitates ongoing improvements in how Vonovia interacts with its customers using corresponding apps and portal solutions, and in the coordination of the local customer service, the craftsmen's and residential environment organization and the commercial support functions. Vonovia is increasingly seeing approaches for smart home building solutions, from smart grid, to assistance systems and predictive maintenance. Vonovia is not pursuing digitalization as an end in itself, but rather to boost customer satisfaction, improve the basis on which decisions are made, further develop its business model and processes and reduce the use of resources.

Strategy

Its reputation and customer satisfaction remain the cornerstones of Vonovia's strategy. Since 2013, Vonovia's strategy has been based on four pillars, to which a fifth related strategic approach, its acquisition strategy, was added. These four basic strategic approaches include "Traditional Property Management", "Portfolio Management", the "Financing Strategy" and the innovative aspect of the value-add strategy, which was previously known as the "Extension" business. These four basic strategic approaches entail an increasing proportion of innovative elements for the market. The fifth pillar, the "Acquisition Strategy", is designed to strengthen the impact of the first four strategic approaches as the opportunity arises.

Vonovia believes that Germany has an efficient real estate market compared to its European neighboring countries. This has the Group led to the decision to use the expertise acquired in Germany in other parts of Europe. For this reason, Vonovia's "4 + 1 strategy" described above has been turned into a "4 + 2 strategy" with the additional element of "European Internationalization".

In accordance with this, Vonovia has concluded a framework agreement with the French SNI Group on joint collaboration. In addition, a public takeover-offer for all shares in BUWOG AG, Vienna, was submitted to the Austrian Financial Market Authority on 18 January 2018 (see "*Material Agreements – BUWOG Takeover*").



In detail, Vonovia's 4 + 2 strategy elements can be described as follows:

Property Management Strategy

The core element of Vonovia's "Property Management Strategy" is the sophisticated, scalable management platform which benefits primarily from its customer-oriented local business units, the Group-wide bundling of services in shared service centers, the appropriate automated systems designed to deal with mass processes, and cost-efficient operations. The aim of continuous improvements to the management platform is to improve the quality and efficiency of customer service. Mastering complexity is the top priority within this context. The cost per unit ("**CPU**") is Vonovia's benchmark. Vonovia uses its management platform to manage the maintenance and modernization process, as well as procurement. As part of the further development of the platform and its processes, Vonovia keeps a constant eye on digitalization developments to generate further optimization potential for their platform.

Financing Strategy

Vonovia's "Financing Strategy" pursues various yet complementary goals: These are centered on ensuring adequate, but also optimized, liquidity at all times, a balanced structure and maturity of debt capital, optimization of financing costs and credit rating maintenance. Vonovia's aim is to maintain an ideal level of debt, measured in a loan-to-value ratio of between around 40 % and 45 %.

Thanks to its broad range of equity and debt capital providers and the "BBB+" long-term corporate credit rating awarded to the Guarantor by S&P, Vonovia has a secured access to the international debt and equity capital markets. This gives Vonovia flexible access to capital based on favorable financing conditions.

Vonovia believes that this comprehensive access to the international debt and equity capital markets gives a German residential real estate company a clear strategic competitive edge. Vonovia believes that without fast and free access to the equity and debt capital markets, it would not have been possible to carry out its recent acquisitions and the modernization measures that have been implemented.

Portfolio Management Strategy

Up to the present time, Vonovia has split its overall real estate portfolio into the (i) "Strategic" portfolio, which focuses on value-enhancing property management using the "Operate" and "Upgrade Buildings" and "Optimize Apartments" approaches on the one hand and, on the other, into the (ii) "Non-Strategic" portfolio, which includes locations and properties that are not absolutely essential to the Group's further strategic development, and the (iii) "Privatize & Non-Core" portfolio, which is intended to be sold directly.

In the future, the "Strategic" portfolio will be split into the "Operate" and "Invest" subportfolios. The "Invest" subportfolio will bundle the two-former investment subportfolios "Upgrade Buildings" and "Optimize Apartments". Vonovia believes that this portfolio can capture the much greater variety of Vonovia investment programs more comprehensively. The new structure prevents any overlap and keeps the structure simple at the same time. The "Strategic" portfolio, which represents 92.2 % of the overall portfolio in terms of fair value, contains locations that offer development potential that is above average and for which Vonovia is pursuing a value-enhancing property management strategy.

In the subportfolio of the strategic "Operate" portfolio, Vonovia's strategy is to further increase the value of the properties by increasing rents, reducing vacancy levels and carrying out sustainable maintenance measures.

In the subportfolio of the strategic "Invest" portfolio, Vonovia is generating additional added value by implementing an extensive program of investments that responds to climate protection concerns and focuses on investments in energy-efficient renovation. Most of Vonovia's investments are in heat insulation for facades and roofs, as well as in new windows and heating systems. When it comes to investing in its apartments, Vonovia measures to improve

residential standards are based on its customers' needs. As well as modernizing or renovating bathrooms, installing new flooring and offering modern electrical installations, this also includes the demand for senior-friendly fittings.

The "Sell" portfolio includes locations and properties that are likely to have below-average development potential in terms of rent growth in the medium term and are located in areas that can be described as peripheral compared with Vonovia's overall portfolio and in view of future acquisitions. This means that they do not represent strategic regions either. Properties in this portfolio are reviewed on a regular basis and offer additional sale potential.

The "Non-Core" properties will continue to be allocated to the "Non-Strategic" portfolio. As a result of the ongoing sales from the two previous "Non-Strategic" and "Non-Core" subportfolios, Vonovia felt that it made sense to bundle the remaining properties earmarked for sale, which are not intended for the privatization business, in one "Sell" subsegment.

In the "Privatize" portfolio, Vonovia focus is on generating additional added value by selling owner-occupied apartments and single-family houses at a premium compared with their fair value.

The properties in Austria are combined in the "Vonovia Austria" portfolio.

Value-add Business Strategy

The "Value-add Business Strategy" supplements Vonovia's core business to include customer-oriented services, *e.g.* services that are closely related to and/or influence the rental business. As part of this strategy, Vonovia continually evaluates additional service ideas to boost customer satisfaction and add the corresponding services to its offering. Those areas of the "Value-add Business Strategy" that have already been established successfully largely include the craftsmen's organization, the residential environment organization, multimedia services and metering services. In addition, Vonovia's services are currently tapping into the area of decentralized energy supplies or home automation.

By ensuring that all technical services, in particular the maintenance and modernization services, are assumed by Vonovia's own craftsmen's organization, Vonovia believes that they can make the units more attractive in general and help to boost customer satisfaction. In addition, Vonovia's residential environment organization consisting of its own employees is responsible for looking after outdoor areas, green spaces, playgrounds and refuse collection points within its properties, particularly in conurbations. Vonovia has also established its own caretaker organization in recent years, with employees on hand to provide on-site support for its existing properties. This systematic insourcing allows Vonovia to increase the proportion of services it provides itself on an ongoing basis, allowing Vonovia to ensure that its own employees are on-site in the various property locations. This allows the Group to improve the quality of repair work, react more quickly to customer complaints and ultimately increase customer satisfaction.

Vonovia intends to continue to create new living space in its portfolio in the future as part of its densification strategy. The first set of new construction projects has already been successfully completed and others are in the planning stage. These also include moves to add extra stories to existing buildings. New construction and vertical expansion projects are realized using a standardized series construction system with the help of pre-configured segments, making them much quicker to complete. Modular construction using pre-configured elements allows standardization and scaling at a low cost, while ensuring reliable project implementation at the same time. Vonovia wants to implement its projects with its own qualified employees in the future, also in projects relating to new construction and neighborhood development.

Acquisition Strategy

The Group has been growing in recent years thanks to a large number of acquisitions. Vonovia's scalable operational management system allows it to generate economies of scale from the full and swift integration of newly acquired companies and portfolios.

Vonovia aims to make the most of its competitive advantage and to use the expertise that has been built up within Vonovia's organization over time by constantly analyzing portfolios that could constitute potential takeover targets. In accordance with its "Portfolio Management Strategy" and its "Value-add Strategy", Vonovia does not consider acquisitions to be the only way in which to achieve growth, but rather see them as key additional strategic levers that help to strengthen the impact of the core strategies.

Vonovia pursues its acquisitions as and when opportunities present themselves. Acquisitions have to be expected to increase value before they are conducted. Such increases in value are generally assessed in terms of strategic suitability, increases in funds from operation ("**FFO 1**") per share and a neutral impact on the net asset value ("**NAV**") per share. Furthermore, an acquisition must not pose any risk to the Guarantor's stable BBB+ long-term corporate credit rating.

Despite a shorter supply of attractive portfolios, Vonovia remains committed to the implementation of its acquisition strategy, as there are still opportunities for successful takeovers and integration measures available.

European Internationalization Strategy

In Vonovia's opinion, the German real estate market has become a lot more professional over the last 20 years since measures were taken to liberalize it. Vonovia believes that most European markets are still organized in a way that resembles the German market 20 years ago. Vonovia is expecting that a transfer of expertise will result in professionalization in other European countries. Vonovia's experience and expertise as a leading German real estate company serves as a reference in order to generate added value by tapping into other European markets. The potential target markets include those that are not yet as professional as the German real estate market, and those that offer attractive overall conditions in terms of rental market growth and household growth.

It is the clear objective that Vonovia's activities on other European markets must not impact on its domestic business and must entail risk potential that can be controlled or limited.

Any activities by Vonovia on other European markets will initially be organized via high-profile and reliable joint venture partners. This will involve making contact with European partner companies, corresponding investors or political institutions in order to help accurately assess investment opportunities, cooperation options and opportunities for market entry. Vonovia will pursue its internationalization strategy as and when opportunities present themselves.

Customer Service

For Vonovia, systematically making the highest possible level of customer satisfaction one of Vonovia's top priorities forms the key pillar of customer service. Vonovia wants to achieve this primarily by maintaining proximity to its customers and making it convenient for them to contact the Group.

On-site Service

Vonovia considers the management and rental of homes to be a local business that requires in-depth knowledge of the specific local market conditions, Vonovia's own properties and customer needs. Local customer service is provided by Vonovia's local business units. The close interaction of the departments providing local customer service – "New Rentals", "Property Management", "Technical Services" and "Caretaking" – are aimed to archive high flexibility and fast response times in the on-site handling of customers' inquiries.

In order to become less reliant on external service providers, Vonovia has incorporated on-site services into its offering by establishing its own technical services organization. Vonovia believes that this improves the quality of its customer service.

Vonovia has extended its concept based on the on-site presence of its own caretaker and craftsmen's organizations to include the integration and establishment of additional employees responsible for gardening. The Vonovia gardeners now complete the network of employees who are available for tenants on location.

Vonovia believes that, thanks to integrated collaboration with Vonovia's caretakers, Vonovia gardeners are in a better position to judge what is required on-site to maintain the residential environment to the tenant's satisfaction and to efficiently and qualitatively develop it in the long term.

On-site rental points are operated via the business units as a point of contact for customers interested in new rentals. These points play a key role in the reletting of units and can be opened and closed in a flexible manner in response to changes in the demand for local marketing.

Central Customer Service

Although Vonovia provides its services at local level in principle, it has centralized all tasks that can be provided based on uniform quality standards and in a more cost-efficient manner at a nationwide level. The Group's property management platform is characterized overall by a high degree of automation and full integration.

Central Customer Service Center

The central customer service center comprises almost 1,000 employees and serves Vonovia's customers across Germany from two customer service departments that are identical in terms of both the infrastructure used and the content of the work they perform. The department operates across two locations in Duisburg and Dresden and can be reached using a regional service hotline as well as by email, fax or post. The customer service center acts as a central unit that is responsible for processing all matters relating to rent agreements, energy consumption and ancillary expense bills, among others. This process is managed according to defined service levels in order to ensure that customers receive a swift and binding response to their inquiries. The customer service structure is tailored as closely as possible to suit the needs of Vonovia's customers and offers multilingual support. Four employees, for example, are currently responsible for the inquiries made by, and the concerns of, Arabic-speaking customers. Vonovia's customer service team resolves around 85 % of all incoming telephone inquiries directly. The customer service team has an emergency hotline that is available seven days a week, 24 hours a day, to deal specifically with emergencies.

Customer Service Platform and Portal

Tenants can also use the online customer service platform. Since 2011, this platform has enabled them to access their contractual details and additional functions around the clock.

The relaunch of Vonovia's customer portal and the associated integration of "self-services" makes its customer service available around the clock, offering functions that Vonovia believes meet the expectations of today's customers in terms of interaction and communication. Customers can use these functions, for example, to download or consult important forms such as tenancy agreement certificates or ancillary expense bills themselves. As far as new rentals are concerned, a messenger service also allows potential tenants to arrange their own apartment viewing appointments. Vonovia plans to expand these services further in the future. Besides contributing to a higher level of customer satisfaction, Vonovia believes that this provides additional opportunities for enhancing cost efficiency within customer service.

Repair Center

The repair center is responsible for scheduling the tenant visits to be made by the local craftsperson. This is done in close cooperation with the nationwide technical units of the on-site technicians' organization. Here, Vonovia is planning to allow tenants to arrange their own appointments using the self-service function in the future.

Housing-related Services / Value-add Business

As far as Vonovia's housing-related services are concerned, Vonovia used 2017 to continually expand the initiatives it had launched further and also started to explore other offerings for its customers.

Value-add Business

2017 was characterized by the further expansion of Vonovia Mess Service GmbH ("**VMSG**"). This company bundles all activities relating to Vonovia's own meter reading service and the provision of energy services.

At the end of 2017, automated meter reading (smart metering) was being used for 80,000 apartments, including the performance of ancillary cost settlement services. This represents a marked increase compared with the 30,000 apartments in 2016. VMSG is also planning to achieve further growth in the coming year. Tenants benefit from automated remote meter reading, rendering the need for them to be at home on "meter-reading day" obsolete. The remote testing of the meter devices at periodic intervals allows device faults to be picked up on early on, meaning that consumption estimates are becoming increasingly unnecessary.

Vonovia is tapping into further potential in this segment by investing in decentralized power generation. In 2017, Vonovia also continued to invest in expanding the photovoltaics activities and established another 47 facilities in Dresden. This expansion gives Vonovia a photovoltaic portfolio of 206 facilities with an installed total output of 5.5 megawatt-peak ("**MWp**"), enough to generate approximately 5,500,000 kilowatt-hours ("**kWh**") in renewable energy every year.

The entry into force of the Act on the Promotion of Landlord-to-Tenant Electricity (*Mieterstromgesetz*) in 2017 created a legal basis for allowing electricity generated locally to be used by Vonovia's tenants directly on site. Vonovia believes that this area offers considerable growth potential and Vonovia will be further stepping up its efforts to allow its customers to participate even more directly in the energy transition. The first photovoltaic projects for tenant electricity are already being planned for 2018. In addition, the new Vonovia headquarters will be equipped with a 100 kilowatt-peak ("**kWp**") photovoltaic facility. The electricity generated by the facility will be used almost in full to supply Vonovia itself.

Twenty-nine cogeneration units also allowed electricity to be generated on a decentralized basis. The heat generated in the process is used to heat the drinking water and support heating systems within residential buildings.

One service that is already well-established is Vonovia's cable TV business. This business area was launched at the end of 2011 in the form of a strategic partnership with Deutsche Telekom. Further partnerships with other cable network operators followed and mean that, today, Vonovia's multimedia subsidiary already supplies more than 80 % of Vonovia's properties with TV signals. These properties feature high-bandwidth telecommunications connections offering Internet bandwidths of 50 Mbit/s and more. Vonovia plans to gradually expand the existing service business to include further service offerings.

Modernization in response to tenant requests

Vonovia is also expanding the support it provides to its older tenants in the Value-add Business: In particular, senior-friendly apartment conversions and bathroom design based on Vonovia's tenants' wishes respond to the needs of its tenants. Installing walk-in showers and using tiles that minimize the risk of slipping make the bathrooms more convenient for older customers. Vonovia can buy the materials that it needs in bulk, keeping the costs for tenants low. Vonovia installed more than 1,000 bathrooms in response to tenant requests in 2017. Vonovia's aim for the coming years is to keep the number of bathrooms installed in response to tenant requests at a consistently high level.

Following the successful conclusion of the pilot phase in the previous year, the "kitchen modernization in response to tenant requests" offering was rolled out across the board in 2017. The offering includes customized kitchen modules that are a perfect fit for each type of building, as well as added extras that tenants can select themselves. Individual plans can also be taken into account as part of the product standard. If required, tenants can also select further kitchen renovation measures such as new tiles, wallpapering and painting work, new flooring and the installation of new power points and sockets in the kitchen. Vonovia's customers also benefit here from size-related price advantages that arise through its standardized, efficient processes or in the procurement of materials. In 2017,

more than 100 kitchens were ordered in response to tenant requests for the first time. Vonovia expects this segment to grow considerably over the coming years.

Craftsmen Organisation

Vonovia has established its own efficient craftsmen's organization ("**Vonovia Technical Service**"). which assumes responsibility for almost all repair and maintenance work for those companies in the Vonovia Group with real estate holdings. This craftsmen's organization realizes a large part of the "Upgrade Buildings" and "Optimize Apartments" investment programs or coordinates the use of subcontractors. This allows Vonovia to carry out a large part of the modernization work itself.

As well as saving costs, the purpose of Vonovia's own craftsmen's organization is to ensure that the customer service that the Group offers adheres to uniform quality standards and increases these standards on an ongoing basis, as well as to exploit the procurement advantages resulting from bundling and standardization. The fact that Vonovia is able to influence quality and scheduling directly also helps to improve customer satisfaction.

In the 2017 fiscal year, the craftsmen's organization performed around 586,000 (2016: 679,000) smaller repairs and renovated around 40,000 (2016: 40,000) vacant units. As of December 31, 2017, the craftsmen's organization as a whole employed a workforce of 4,943 (2016: 3,765), with 3,640 craftsmen (2016: 2,989) working in 20 locations (2016: 18) across Germany.

Vonovia also ensures compliance with the environmental, health and safety ("**EHS**") regulations by scheduling regular safety inspections that are performed in all units. The specialized department plans the implementation of corrective measures without delay as and when required and monitors amendments to EHS legislation.

Residential Environment

Vonovia systematically continued with its insourcing efforts relating to the residential environment in the form of the gardening service, particularly in conurbations, in 2017. More than 600 employees are now responsible for the management and upkeep of the outdoor areas. Since 2017, employees of Vonovia are furthermore directly involved in maintenance, gardening and landscaping projects. This move also allows Vonovia to expand its training opportunities in the residential environment segment. The offices in Dresden, Berlin and Hanover are currently training 20 employees in this sector. Vonovia believes that future growth and expertise will be increasingly generated within Vonovia itself in the field of gardening and landscaping as well. The development of standardized residential environment modules (such as play areas and refuse collection points) serves to boost efficiency and generate additional cost advantages. In addition to the higher quality of the services provided, Vonovia believes that cost savings can also be achieved in this area by bundling and standardizing procurement processes (consumer materials, playground equipment, etc.). Residential environment measures contribute to positive neighborhood development.

The residential environment plays a key role in Vonovia's neighborhood development measures, in particular. measures such as the creation of new green spaces and playgrounds. Initiatives to design neighborhood centers outside of buildings to provide residents with a place to meet up and communicate can, in the short term, help to increase the acceptance of renovation measures and, in the long term, create real added value for tenants. Vonovia believes that particularly in urban environments, the issue of spaces for relaxation is becoming an increasingly important factor in terms of how people assess their quality of life, and will continue to do so in the future.

Vonovia believes that projects such as the establishment of communal gardens for tenants, for example, can also make positive contributions to fostering social development, particularly in neighborhoods facing cultural challenges and a difficult environment. In turn, developments like these have proven long-term advantages in terms of property management costs.

Procurement practices

Organizing the purchase of materials centrally via Vonovia's Procurement department are aimed to also minimize the risk of hazardous or toxic substances being used. In order to protect its employees and tenants alike, Vonovia ensures material safety using the systematic TÜV Rhineland Toxic Materials Management System (TOGs®). All information is recorded, evaluated and documented centrally in an online toxic material register. This provides Vonovia with a basis within its own craftsmen's organization for conducting risk assessments and developing operating and handling instructions. Vonovia uses its contracts, general terms and conditions of purchasing and its "Business Partner Code" to make sure that its subcontractors adhere to its standards.

Vonovia aims is to minimize risks. When it comes to modernization measures, for example, Vonovia only use selected and tested materials and explicitly subject the companies performing the measures to the obligation to use them. Vonovia is also constantly keeping an eye on product innovations in order to create the best product for its customers. In 2017, for example, Vonovia planned a facade insulation project using hemp in Dortmund and are increasingly looking at the use of mineral fiber as an insulation material.

Vonovia's "Business Partner Code" for subcontractors and suppliers sets out its expectations regarding integrity, reliability and economically and legally compliant conduct, and ensures that its business partners meet these expectations. The Code stipulates, in particular, that corruption must be combated, that illicit employment must be ruled out, that the legal minimum wage must be paid and that valid German regulations on occupational safety, employee rights and the environment must be observed.

In 2018, Vonovia is aiming to increase its efforts to review its guidelines and codes and developing a concept for annual supplier audits in order to also continue systematically reducing potential risks.

Condominium Administration Services

Vonovia offers condominium administration via its wholly-owned subsidiary Vonovia Immobilien-Treuhand GmbH ("**VIT**"). The subsidiary operates in six regional teams distributed across 22 office locations throughout Germany. VIT is one of Germany's biggest property managers. It now also works for external homeowners' associations in order to manage communal property in line with the German Condominium Act (*Wohnungseigentumsgesetz*) and offers full property management services for self-contained properties.

As of 31 December 2017, VIT supported 2,170 homeowners' associations (2016: 2,240) accounting for 72,483 residential and commercial units (2016: 72,247), 16,442 units (2016: 17,208) of which belonged to Vonovia, and also managed 56,041 units for third parties (2016: 55,039).

In addition to these services, Vonovia offers its customers access to nationwide framework agreements with craftsmen and other service providers at special conditions. VIT also offers services relating to technical building evaluation for external owners.

Maintenance/Modernization/New Construction/Neighborhood Development

Vonovia believes that the quality of its portfolio plays a particularly large role in achieving the economic goal of "increasing Vonovia's value". Accordingly, Vonovia deals with it intensively in its daily business. Portfolio quality has two facets for Vonovia: First, it is important for Vonovia that properties are in good structural condition; and second, Vonovia wants to increase the income and value of its portfolio through new construction and holistic neighborhood development projects, as well as acquisitions and sales.

Maintenance and Modernization

Through maintenance, Vonovia preserve and take care of its building stock. Vonovia include the corresponding expenses under routine and partially long-term planned economic expenses. Vonovia believes that continuity helps to prevent order peaks and to distribute capacities evenly.

Modernization measures are long-term and sustainable value-enhancing investments in housing and building stocks. Energy-efficient modernization generally involves improvements to the building shell and communal areas as well as the heat and electricity supply systems. Optimize Apartments measures involve upgrading facilities within a self-contained living area. Where required, the floor plans are altered to meet changed housing needs.

Vonovia uses modernization and maintenance measures to make ongoing investments in its portfolio. As a leading residential real estate company, Vonovia has specific opportunities open to it when it comes to using standardized procedures and materials to achieve economies of scale in its investment activities. Wherever it is appropriate and technically feasible, Vonovia uses standard products for its maintenance and modernization measures. The volumes Vonovia can generate as a result enable it to agree on special conditions with its suppliers, allowing it to either receive higher-quality goods for the same price, or to purchase the material to be used at a lower price. The fact that the construction work is executed exclusively by Vonovia's technical service also allows it, thanks to the large number of recurring orders, to shape the service processes in such a way that the necessary measures can be performed with shorter construction times and optimum resource use. In Vonovia's experience this saves additional costs or increases revenue because apartments can be relet more quickly.

Maintenance and modernization services, including new construction, amounted to EUR 51.00/m² in 2017, up by around 38 % on the prior-year value of EUR 36.84/m². This is largely due to the clear increase in the modernization volume as well as the rise in volume of new construction.

Vonovia will continue to roll out the investment program. Vonovia has decided on an investment program in the amount of around EUR 1 billion for 2018. The program will focus on energy-efficient modernization and the creation of new living space.

As part of the energy-efficient modernization measures Vonovia will insulate facades, basement ceilings and attics for a living area of over 1,000,000 m^2 for Projects which Vonovia began in 2017. The catalog of measures also included the optimization and renewal of heating systems in the previous year – benefiting around 15,000 apartments. All these measures reduce energy consumption which, in turn, cuts CO2 emissions. The lower energy consumption not only benefits the environment but also Vonovia's tenants in the form of lower heating costs. In addition, Vonovia's customers profit from the improved standard of comfort of its properties. The funds provided by KfW-Bank or the European Investment Bank ("**EIB**") provide key support when it comes to refinancing the energy-efficient modernization measures.

Investments in the "Invest" subportfolio relate to measures designed to improve the standard of comfort of Vonovia's properties, a process that often also involves senior-friendly conversion work. As a result, Vonovia implemented modernization measures accounting for a volume of more than EUR 200 million in this subportfolio in 2017. More than 11,000 apartments were completed in 2017. If technically feasible, conversions were carried out according to the standards of the KfW program 159 "Senior-friendly Conversions".

Vonovia makes decisions about portfolio investments for both operating and strategic reasons. In any event, these investments support Vonovia's objectives – not least as far as customer satisfaction is concerned. The investments cover the entire stock in the corresponding subportfolios and the whole of Germany. As far as its technical measures are concerned, Vonovia endeavors not only to adhere to the latest technical standards and the applicable requirements at all times, but also to anticipate future developments, and to implement them where possible.

The table below shows the volume of Vonovia's modernization measures in recent years:

Program year[1]	Investment volume (in EUR million)[2]	Units (No.)	Yield[3] (in %)
Ø 2010 -2013	49	3,257	6.9
2014	163	12,934	7.5
2015	343	17,690	7.8
2016[4]	483	30,544	7.7
2017 (Forecast)[5]	951	43,000	7.3

Notes;

1 "Program year" is generally defined as the calender year in which construction work on the respective measure started.

2 "Investment volume" includes all costs of the measures performed excluding internal personel costs incurred, e.g. for program coordination or for the site managers employed in the Group.

3 "Yield" is the static net initial yield and is calculated for the "Upgrade Buildings" sector from the change in the property management income (i.e. changes in the rent and level of vacancy) in relation to the external planning and construction costs of the measure. The time of measurement is December of the calender year following the program year; in the "Optimize Apartments" sector, the difference between the last rent before the refurbishment and the reletting rent archieved after refurbishment is completed is compared with construction costs of the project. The time of measurement is, in this case, the middle of the calendar year following the program year.

4 Due to the complexity of the measures, it is not possible to measure the final success of all projects in progress. Thus, the 2016 value is an extrapolation based on projects already settled and Vonovia's current knowledge of costs, rents and vacancies of the projects not yet settled.

5 The "forecast" nature of the figures of the 2017 program year is due to the fact that success is not measured until the middle or the end of the calendar year following the program year and is therefore not finally determined until mid-2018 (Optimize Apartments) or the end of 2018 (Upgrade Buildings).

The expansion of the investment programs meant that Vonovia had to make adjustments to its management system. As a result, the Management Board and the Supervisory Board made the decision in 2017 to use the key figure internal rate of return ("**IRR**") to reflect the increase in investment volumes and the complexity of the individual investment programs. The internal rate of return is better suited to Vonovia's "new construction" and "neighborhood development" investment components, as it reflects the financial success of investments with cash flows extending over several periods. This method of presentation applies for the 2018 investment program for the first time:

Program year[1]	Investment volume (in EUR million)[2]	Units (No.)	IRR (in %)
2018 (Forecast)	1,000	~40,000	~8%

Notes;

1 "Program year" is generally defined as the calender year in which construction work on the respective measure started.

2 "Investment volume" includes all costs of the measures performed excluding internal personel costs incurred, e.g. for program coordination or for the site managers employed in the Group.

New Construction

Vonovia believes that the most pressing challenge facing the real estate industry in Germany is the creation of affordable living space in central locations. Vonovia is aiming to play an active role in creasing this new affordable living space.

As far as its new construction activities are concerned, Vonovia makes a distinction between undeveloped and developed land. On developed land, Vonovia creates new living space by adding extra stories to existing buildings. On undeveloped land, Vonovia creates new living space by constructing new buildings. What both of these measures have in common is that Vonovia always focuses on series production based on modular construction.

The term "modular" means that the building is erected using standardized elements produced in the factory that are then transported directly to the construction site. The modules only need to be assembled on site. Vonovia uses three approaches in this regard: Precast concrete construction, wood hybrid and steel skeleton. Vonovia recently concluded a framework agreement with a major precast concrete construction manufacturer. This standardized construction allows both the costs of new residential construction and the construction period to be reduced considerably. This allows Vonovia to create new living space more quickly. Vonovia believes that this means that costs are not only lower but they are also easier to calculate than with other forms of construction. The main

advantage is that this more efficient construction method allows the new apartments to be offered at affordable rents as a result.

In 2017, Vonovia initiated the construction of more than 1,000 new apartments, some of which have already been completed. The initial experience gleaned in 2016 and 2017 will serve as an important foundation for significant expansion of the new construction volume targeted by Vonovia over the next few years. Following Bochum and Dortmund, upcoming projects include new construction in Munich, Bremen, Hamburg, Berlin and Frankfurt.

Vonovia's Portfolio Structure

Overview

As of 31 December 2017, Vonovia had a real estate portfolio across Germany comprising 344,586 residential units, 89,588 garages and parking spaces and 3,888 commercial units. Vonovia's locations span 576 cities, towns and municipalities. 62,631 residential units are also managed for other owners. Most of the properties in the Group's portfolio are multifamily residences.

The Group's German real estate portfolio covered 21,530,449 m² of living area in total as of 31 December 2017, with the average apartment size coming in at approximately 62 m². The average unit consists of two or three rooms, a kitchen and a bathroom.

The vacancy rate came to 2.5 % on 31 December 2017, and Vonovia generated average monthly in-place rent of EUR 6.27 per m². The annualized in-place rent came to EUR 1,579.6 million for apartments, EUR 49.5 million for commercial units and EUR 26.8 million for garages and parking spaces.

Vonovia's portfolio also includes an Austrian real estate portfolio, consisting of 2,058 units located largely in Vienna.

Changes in the Portfolio

At the beginning of the 2017 fiscal year, the takeover of conwert Immobilien Invest SE saw Vonovia's portfolio increase by an additional 23,543 apartments, the majority of which are located in the fast-growing cities of Leipzig, Berlin, Potsdam, Dresden and Vienna.

The conwert acquisition portfolio was as follows at the time of the takeover:

				In-place rent	
	Residential units	**Living area (in thousands m²)**	**Vacancy rate (in %)**	**p.a. (in EUR million)**	**EUR /m² /month**
Germany	21,298	1,376	2.7	93.4	5.81
Austria	2,245	156	2.4	11	6.03
Total	**23,543**	**1,531**	**2.7**	**104.4**	**5.84**

In the course of 2017, properties in the "Non-Core" and "Non-Strategic" portfolios were sold as part of several partial sales during the implementation of the portfolio management strategy.

At the time of the sale, the statistics for the portfolios sold were as follows:

				In-place rent	
	Residential units	**Living area (in thousands m²)**	**Vacancy rate (in %)**	**p.a. (in EUR million)**	**EUR /m² /month**
Package sales	5,865	366	7.0	20.9	5.12

In addition to the acquisition and sale of larger housing stocks, Vonovia's portfolio changed in 2017 as a result of additions arising from tactical acquisitions, the construction of new apartments and attic extensions on the one hand, and disposals of owner-occupied apartments from its Privatize portfolio and the sale of multifamily residences from the "Non-Core" and "Non-Strategic" portfolio on the other. Furthermore, Vonovia's regular portfolio reviews due to

strategic reassessments resulted in certain housing stocks being reallocated within the overall portfolio. As part of the review, Vonovia also made two adjustments to the structure of its portfolio in addition to the strategic reassessment:

(i) The two-former investment subportfolios "Upgrade Buildings" and "Optimize Apartments" have been combined in a new "Invest" subportfolio. Vonovia believes this portfolio can capture the much greater variety of Vonovia investment programs more comprehensively, while preventing any overlap and keeping the structure simple at the same time.

(ii) As a result of the ongoing sales from the two previous "Non-Strategic" und "Non-Core" subportfolios, Vonovia believes it makes sense to bundle the remaining properties earmarked for sale, which are not intended for the privatization business, in one "Sell" subsegment.

Following the implementation of the annual structured reassessment of all potential, as of 31 December 2017, Vonovia's residential portfolio is as follows:

	Fair value*						In-place rent				
	In EUR million	In EUR /m2	Multiple (in-place rent)	Residential Units	Living Area (in thousands m^2)	Vacancy rate (in %)	Total (in pa. in EUR million	Residential (in pa. in EUR million	Residential in EUR / m^2	Change organic (in %)	Average rent growth forecast CBRE (5 years)
Strategic	30,508.0	1,492	19.8	319,014	19,817	2.3	1,543	1,470	6.33	4.3	3.4
Operate	*10,252.9*	*1,494*	*18.6*	*101,697*	*6,311*	*2.3*	*550*	*484*	*6.55*	*4.6*	*3.2*
Invest	*20,255.1*	*1,492*	*20.4*	*217,317*	*13,507*	*2.2*	*993*	*986*	*6.22*	*4.2*	*3.4*
Privatize	1,509.7	1,522	21.1	14,099	976	3.4	72	69	6.13	2.0	3.6
Sell	535.6	702	12.9	11,473	737	8.4	41	40	4.93	1.8	2.0
Vonovia Germany	**32,553.3**	**1,466**	**19.7**	**344,586**	**21,530**	**2.5**	**1,656**	**1,580**	**6.27**	**4.2**	**3.3**
Vonovia Austria	**551.6**	**2,194**	**26.2**	**2,058**	**142**	**2.9**	**21**	**11**	**6.51**	**-**	**n/a**
Total	**33,104.9**	**1,475**	**19.7**	**346,644**	**21,672**	**2.5**	**1,677**	**1,590**	**6.27**	**4.2**	**n/a**

Notes:
* Fair value of the developed land excluding EUR 331.4 million for undeveloped land, inheritable building rights granted, construction in progress and other.

In order to boost transparency among the portfolios, Vonovia showed its extended portfolio in 15 regional markets for the first time in its reporting in 2016. The regional market classification is orientated toward the residential real estate market regions in Germany. These markets are core towns/cities and their surroundings, mainly metropolitan, areas. Vonovia's decision to focus on these regional markets that are particularly relevant to Vonovia is its way of looking ahead to the future and provides an overview of its strategic core portfolio.

In relation to the fair value, 90 % of Vonovia's total portfolio is located in 15 regional markets. Only a small part of Vonovia's strategic stock is located outside of these 15 markets. Vonovia has referred to this group as "Other strategic locations" (6 % of the total fair value). The regional market breakdown does not include Vonovia's housing stocks from the "Sell" subportfolio and stocks for privatization in locations that do not include any strategic stocks.

As of 31 December 2017, Vonovia's strategic core portfolio is as follows, broken down into regional markets:

	Fair value*						In-place rent				
Regional market	In EUR million	In EUR /m2	Multiple (in-place rent)	Residential Units	Living Area (in thousands m²)	Vacancy rate (in %)	Total (in pa. in EUR million	Residential (in pa. in EUR million	Residential in EUR / m²	Change organic (in %)	Average rent growth forecast CBRE (5 years)
Berlin	5,181.9,	2,035	26.6	38,664	2,449	1.5	195	184	6.35	3.9	4.3
Rhine Main Area	3,525.1	1,946	21.0	27,921	1,781	1.4	168	162	7.70	3.8	3.4
Rhineland	3,240.3	1,581	19.4	29,753	1,992	2.6	167	159	6.82	3.8	3.1
Southern Ruhr Area	2,884.2	1,051	15.8	43,900	2,682	2.9	183	176	5.64	4.2	2.9
Dresden	2,875.2	1,230	18.1	38,563	2,193	2.4	159	148	5.79	5.7	3.7
Hamburg	1,940.1	1,795	21.6	16,534	1,048	2.0	90	85	6.86	5.2	3.3
Munich	1,820.2	2,771	29.1	9,708	639	0.8	62	59	7.71	3.1	4.8
Stuttgart	1,742.0	1,893	20.9	14,152	891	1.5	83	79	7.53	2.4	3.1
Northern Ruhr Area	1,417.5	854	13.4	26,532	1,640	3.4	105	102	5.37	3.6	2.5
Hanover	1,297.5	1,374	18.5	14,592	926	2.7	70	67	6.21	5.2	2.9
Kiell	992.3	1,192	17.2	13,801	802	1.8	58	55	5.81	5.7	3.2
Bremen	913.9	1,230	19.1	11,905	722	2.9	48	45	5.42	3.2	3.6
Leipzig	763.3	1,229	18.4	9,174	588	4.0	41	39	5.74	2.6	2.9
Westphalia	667.0	1,075	16.0	9,471	613	1.9	42	41	5.64	4.1	3.0
Freiburg	545.0	1,949	23.0	4,048	277	0.9	24	23	6.98	3.8	4.1
Other strategic locations	2,102.8	1,404	18.4	23,172	1,464	2,3	114	110	6.40	5.2	3.3
Total strategic locations Germanye	**31,908.2**	**1,495**	**19.8**	**33,890**	**20,705**	**2,3**	**1,608**	**1,534**	**6.32**	**4,2**	**3.4**
Austria	551.6	2,194	26.2	2,058	142	2.9	21	11	6.51	-	n/a

Notes:
* Fair value of the developed land excluding EUR 331.4 million for undeveloped land, inheritable building rights granted, construction in progress and other.

A look at the largest regional markets, from Berlin to the Rhine-Main region, the Rhineland, the southern Ruhr region, Dresden, Hamburg and Munich, already shows Vonovia's balanced presence in strong markets across Germany.

In addition to these focal points, Vonovia also has properties primarily in very prosperous regions, such as Hanover, Leipzig and Freiburg.

The increase in in-place rents show that Vonovia is able to generate high growth rates across Germany, without being reliant on the conditions in individual growth markets.

Vonovia believes that the foundation for this success lies in Vonovia's business model, which focuses not only on professional property management but also on successfully leveraging all of the investment potential available.

Employees

The following table provides a breakdown of the number of Group employees, in terms of headcount and in terms of full-time equivalents, for the periods presented (in each case as of the end of period). Since the end of fiscal year 2013, employee numbers have been calculated in accordance with the requirements of the German Commercial Code (*HGB*). This calculation includes several categories of employees such as employees on a mini job contract, students, interns, temporary personnel and persons on permanent sick leave in the headcount whereas members of the Management and Supervisory Boards are not counted. Overall, this change in the calculation method in accordance with German GAAP has led to higher employee numbers.

	As of 31 December					
	2017		2016		2015	
	Headcount	Full-time equivalents	Headcount	Full-time equivalents	Headcount	Full-time equivalents
Total	8,448 *	8,123.3**	7,437*	7,097.5**	6,368*	5,909.8**

Notes:
*) Audited.
**) Taken or derived from the Guarantor's internal management reporting systems, respectively.

As of 31 December 2017, the total headcount amounted to approximately 8,448 and the total number of FTEs amounted to approximately 8123.3.

In order to implement its insourcing initiatives, the Group sharply increased its headcount beginning in late fiscal year 2011, which led to a corresponding increase in personnel expenses in fiscal years 2015, 2016 and 2017. This increase was mainly attributable to the caretaker organisation and craftsmen organisation which were set up in fiscal year 2011. In the light of the Group's strategy to expand the scope of services provided by its craftsmen organisation, the headcount of the craftsmen organisation is expected to increase further in coming years.

Insurance Coverage

Vonovia has taken out various insurances which cover, *inter alia*, the following risks: business and environmental liability coverage, electronic data processing, equipment insurance, motor vehicle insurance, employee accident insurance, employee fraud insurance, and property damage and third-party liability insurance that covers damage caused by fire, lightning, explosion, water, storms and hail, and, for most of its properties, other natural hazards including, for example, floods and earthquakes, broken glass and vandalism as well as compulsory property owner's liability insurance.

Vonovia has taken out a directors and officers ("**D&O**") insurance for the members of its Management and Supervisory Boards and the corresponding corporate bodies of its significant subsidiaries, with a total coverage of up to EUR 200 million annually and per claim, with a consortium of seven insurance companies. The D&O insurance policies provide for a deductible for all of the Management Board and Supervisory Board members in line with the respective provisions of the German Stock Corporation Act (*Aktiengesetz*). The D&O insurance policies cover financial losses arising from a breach of duty by Management Board and Supervisory Board members in the performance of their responsibilities.

Governmental, Legal or Administrative Proceedings

During the ordinary course of its business activities, Vonovia is regularly involved in legal proceedings, both as a claimant and as a defendant. These proceedings relate to routine matters of tenancy and other laws, and do not have a significant impact on the Group's business.

The Group companies are not and were not party to any governmental, legal or arbitration proceedings (including any pending or threatened proceedings) during the previous 12 months, which may have, or have had, significant effects on the Guarantor or the Group's financial position or profitability.

As of the date of this Prospectus, there are no legal and regulatory proceedings and claims pending that the Group currently believes could have a material adverse effect on its business, net assets, financial condition, cash flow, or results of operations.

Material agreements

The following section provides a summary of material agreements to which any member of the Group is a party.

BUWOG Takeover

On 18 December 2018 the Guarantor and BUWOG AG, Austria ("**BUWOG**", and together with BUWOG's consolidated subsidiaries, the "**BUWOG Group**") signed a business combination agreement for the combination of the two companies. Vonovia intends to combine its residential portfolio with that of BUWOG (around 49,000 apartments). Around 55% of apartments owned by BUWOG are located in Germany, for example in the cities of Berlin and Hamburg. BUWOG's apartments in Austria are located in regional centres such as Graz, Klagenfurt, Salzburg and Villach, as well as at its Vienna base, where Vonovia is already represented following the acquisition of conwert. With a total of 24,000 apartments in the country, this would make Austria a substantial part of Vonovia's apartment portfolio.

Following the integration, Vonovia expects cost benefits of approximately EUR 30 million per year, which will arise from the joint management of both portfolios in Germany and Austria and are to be realized, for the most part, by

the end of 2019. Vonovia expects that the combination will also have a positive effect for Vonovia's FFO 1 per share and adjusted NAV per share.

On 5 February 2018 Vonovia published an offer document for its voluntary public takeover offer to acquire all shares in BUWOG (the "**BUWOG Takeover**"). Subject to the terms and conditions contained in the offer document Vonovia offered the BUWOG shareholders a cash consideration of EUR 29.05 per BUWOG share. The acceptance period started on 5 February 2018 and expired on 12 March 2018.

On 12 March 2018, the Guarantor announced that the mandatory minimum acceptance threshold of at least 50% of all outstanding BUWOG shares plus one share was met. The settlement of the offer is scheduled for 26 March 2018.

The planned merger was already cleared by the competition authorities in Germany and Austria. Daniel Riedl, current chairman of the management board of BUWOG, will be appointed to the management board of the Guarantor and will be responsible for the management board areas Austria and Development.

Vonovia intends to finance the BUWOG Takeover entirely by means of debt capital. In January 2018, the Issuer and the Guarantor entered into a EUR 2.65 billion facility agreement with a major international bank acting as arranger for bridge financing of the BUWOG Takeover.

Financing Arrangements

As of 31 December 2017, the Group had outstanding financial indebtedness in a nominal amount of EUR 15.1 billion, consisting of outstanding non-derivative financial liabilities of EUR 14.1 billion, of which EUR 2.9 billion are secured financial liabilities, and a hybrid bond in a nominal amount of EUR 1.0 billion which is classified as equity under IFRS. In addition, the Group's outstanding financial indebtedness comprised unsecured corporate bonds, partly issued under this Programme, subordinated hybrid bonds, commercial paper, secured bank loans and working capital facilities.

In addition to the larger loans, Vonovia has senior loans outstanding in an aggregate amount of EUR 2.3 billion under approximately 2,600 loan agreements (which comprised commercial loans in an aggregate amount of approximately EUR 0.9 billion and subsidised loans in an aggregate amount of approximately EUR 1.4 billion as of 31 December 2017). In the second quarter of 2013, the Group changed its financing strategy; since then, it has issued several tranches of unsecured bonds and notes.

Notes Issuances

The table below provides an overview of outstanding bonds issued by the Vonovia Group, as of the date of this Prospectus:

Type	Tenor & Coupon	ISIN	Amount	Issue price	Coupon	Final Maturity Date
EUR-Bond	6 years 3.125%	DE000A1HNW52	EUR 600m	99.935%	3.125%	25 July 2019
USD-Bond	10 years 5.000%	US25155FAB22	USD 250m	98.993%	4.580%*	02 Oct 2023
EMTN	8 years 3.625%	DE000A1HRVD5	EUR 500m	99.843%	3.625%	08 Oct 2021
Hybrid	60 years 4.625%	XS1028959671	EUR 700m	99.782%	4.625%	08 Apr 2074
EMTN	8 years 2.125%	DE000A1ZLUN1	EUR 500m	99.412%	2.125%	09 July 2022
Hybrid	perpetual 4%	XS1117300837	EUR 1,000m	100.000%	4.000%	perpetual
EMTN	5 years 0.875%	DE000A1ZY971	EUR 500m	99.263%	0.875%	30 Mar 2020
EMTN	10 years 1.500%	DE000A1ZY989	EUR 500m	98.455%	1.5000%	31 Mar 2025
EMTN	5 years 1.625%	DE000A18V138	EUR 1,250m	99.852%	1.625%	15 Dec 2020
EMTN	8 years 2.250%	DE000A18V146	EUR 1,000m	99.085%	2.2500%	15 Dec 2023
EMTN	6 years 0.875%	DE000A182VS4	EUR 500m	99.530%	0.875%	10 Jun 2022
EMTN	10 years 1.500%	DE000A182VT2	EUR 500m	99.165%	1.5000%	10 Jun 2026

Type	Tenor & Coupon	ISIN	Amount	Issue price	Coupon	Final Maturity Date
EMTN	2 years 0.380%+3M EURIBOR	DE000A185WC9	EUR 500m	100.000%	0.140% hedged	13 Sep 2018
EMTN	8 years 1.250%	DE000A189ZX0	EUR 1,000m	99.037%	1.250%	06 Dec 2024
EMTN	5 years 0.750%	DE000A19B8D4	EUR 500m	99.863%	0.750%	25 Jan 2022
EMTN	10 years 1.750%	DE000A19B8E2	EUR 500m	99.266%	1.750%	25 Jan 2027
EMTN	8 years 1.125%	DE000A19NS93	EUR 500m	99.386%	1.125%	08 Sep 2025
EMTN	2 years 0.350%+3M EURIBOR	DE000A19SE11	EUR 500m	100.448%	0.350%+3M EURIBOR	20 Nov 2019
EMTN	6 years 0.750%	DE000A19UR61	EUR 500m	99.330%	0.750%	15 Jan 2024
EMTN	10 years 1.500%	DE000A19UR79	EUR 500m	100.805%	1.500%	14 Jan 2028

Large Bank Loans

Other financings were provided by way of secured bank loans for the purpose of property (re)financing where the (re)financed property portfolios are used as collateral for the individual loans. Some of the loans were used in accordance with the contractual purpose for acquisitions; others are utilised for capital expenditures on the property portfolios.

The table below provides an overview of secured bank loans with an original nominal amount of more than EUR 100 million, each:

	Banks	Borrowing Group Entities	Initial loan amount (in EUR million)	Nominal loan amount outstanding plus accrued interest as of 31 December 2017 (in EUR million) (unaudited*))	Final maturity (year)
1)	Berlin Hyp AG and members of the association of the German savings banks *(Sparkassenfinanzgruppe)*[1]	(i) Eisenbahn-Wohnungsbaugesellschaft Köln mbH; (ii) Baugesellschaft Bayern mbH; and (iii) Eisenbahn-Siedlungsgesellschaft Augsburg mbH (Siegau)	270.8[2]	232.0	2018
2)	Berlin Hyp AG and members of the association of the German savings banks *(Sparkassenfinanzgruppe)*[2]	MIRA Grundstücksgesellschaft mbH	296.9[2]	195.6	2018
3)	Syndicated Loan[3] (i) Berlin Hyp AG (40%); (ii) Landesbank Berlin AG (10%); and (iii) Landesbank Baden-Württemberg (50%)	(i) BWG Frankfurt am Main Bundesbahn-Wohnungsgesellschaft mbH; (ii) Wohnungsgesellschaft Ruhr-Niederrhein mbH Essen; (iii) Bundesbahn-Wohnungsbaugesellschaft Regensburg mbH; and (iv) Eisenbahn-Wohnungsbaugesellschaft Nürnberg GmbH	288.2	221.4	2020

4)	Syndicated loan (i) Berlin Hyp AG (40%); (ii) Landesbank Berlin AG (10%); and (iii) Landesbank Baden-Württemberg (50%)	(i) BWG Frankfurt am Main Bundesbahn-Wohnungsgesellschaft mbH; (ii) Wohnungsgesellschaft Ruhr-Niederrhein mbH Essen; (iii) Bundesbahn-Wohnungsbaugesellschaft Regensburg mbH; and (iv) Eisenbahn-Wohnungsbaugesellschaft Nürnberg GmbH	201.9	121.5	2020
5)	Syndicated Loan: (i) Deutsche Hypothekenbank (Actien-Gesellschaft); (ii) R+V Allgemeine Versicherung AG; (iii) Münchener Hypothekenbank AG and (iv) WL Bank AG	(i) DAIG 1. Objektgesellschaft mbH; (ii) DAIG 2. Objektgesellschaft mbH; (iii) DAIG 3. Objektgesellschaft mbH; and (iv) DAIG 4. Objektgesellschaft mbH	208	167.7	2021

Notes:

*) Taken or derived from the Guarantor's accounting records or internal management reporting systems, respectively.

(1) Berlin Hyp AG as lender may assign and transfer up to 49.9% of the loan to members of the association of the German savings banks (Sparkassenfinanzgruppe). Berlin Hyp AG acts as loan manager also for the assigned and transferred lender tranches.

(2) These loans are split into two tranches, respectively, one for secured claims that are eligible for the cover-pool (Deckungsstock) of German covered bonds (*Pfandbriefe*) and one for secured loan claims that are not eligible as cover-pool for covered bonds.

(3) Properties from the financed portfolio shall be sold only under extraordinary circumstances (hold-on portfolio).

Loan Agreement with the European Investment Bank

On 13 July 2017, the Guarantor entered into a financing agreement with the European Investment Bank ("**EIB**") under which EIB has agreed to provide the Guarantor with an unsecured fixed rate loan in the amount of EUR 300 million. The loan has a term of 8 years and may only be used by the Guarantor to finance Vonovia's energy-efficient modernization measures.

Working Capital Facilities

On 6 December 2017, the Guarantor entered into an agreement for a revolving working capital facility of EUR 250 million with Société Générale S.A., Zweigniederlassung Frankfurt. The Guarantor may use the facility as a money market loan to finance Vonovias working capital requirements. The facility agreement has a term of two years

On 11 December 2017, the Guarantor entered into an agreement for a revolving working capital facility of EUR 250 million with Commerzbank Aktiengesellschaft ("**Commerzbank**"). The Guarantor may, at its option, utilise the facility either as overdraft or as money-market loan.

The facility agreement has a term of three years and replaced a revolving working capital facility of EUR 300 million which the Guarantor entered into with Commerzbank on 10 September 2015.

Both agreements provide for extraordinary termination rights of the lenders, *inter alia*, in case Vonovia no longer receives an investment grade corporate rating.

Commercial Paper Programme

On 3 November 2017, the Issuer and the Guarantor entered into a general agreement with Commerzbank as arranger and several international banking institutions as dealers regarding the establishment of a EUR 500 million multi-currency commercial paper programme (the "**CP Programme**"). Under the CP Programme the Issuer may, from time to time, issue senior notes denominated in various currencies with a maturity of no more than 364 days. The payment obligations of the Issuer under all notes issued pursuant to the CP Programme are irrevocably and unconditionally guaranteed by the Guarantor.

Other Material Agreements

Agreements with Deutsche Telekom Group

On 30 November 2011, Deutsche Multimedia Service GmbH ("**DMS**"), a wholly owned subsidiary of Vonovia, and Telekom Deutschland GmbH ("**TDG**") entered into three separate agreements regarding (i) the basic supply of television and radio signals, (ii) the construction, use and maintenance of fibre-optic networks and (iii) a marketing cooperation between DMS and TDG for TDG's telephone, internet and television products.

Basic Supply of Television and Radio Signals

Pursuant to the agreement on basic supply of television and radio signals, TDG's primary obligation is to provide the signal transfer points (*Übertragungspunkte*) for failure-free television and radio signals to at least 170,000 of Vonovia's residential units. DMS's obligations are: (i) to order, accept and pay for the signal supply for at least 170,000 residential units; (ii) to acquire the right to access and use the cable network within its residential units; and (iii) to terminate the signal distribution contracts with existing signal providers. Under the agreement, DMS is obligated to pay a fixed monthly fee for each supplied residential unit, irrespective of Vonovia's ability to on-sell television and radio signals to its tenants. Monthly fees to be paid will be increased following three, six and nine years after 1 January 2013. Furthermore, DMS agreed to pay a staggered share of those costs that may be required to modernise the cable network according to mandatory legal requirements. The Guarantor assumes joint liability (*Schuldbeitritt*) for DMS's obligations under this cooperation if certain conditions are met.

The residential units that are subject to the agreement are divided into four clusters; for each cluster a changeover period has been agreed, which lasts until 31 December 2024. From the changeover date onwards, TDG and DMS are required to perform their obligations for the respective units.

The agreement has an indefinite term. The agreement may only be terminated without cause (*ordentliche Kündigung*) after 15 years and six months following the changeover date for the respective cluster.

Construction, Use and Maintenance of Fibre-Optic Networks

Pursuant to the agreement on construction, use and maintenance of fibre-optic networks, TDG undertakes to construct and maintain fibre-optic networks for 45% of Vonovia's residential units free of charge. In the case of a successful marketing of fibre-optic network related services, TDG intends to provide fibre-optic networks for up to an additional 45% of Vonovia's residential units.

The agreement may be terminated 20 years after the completed construction of the fibre-optic network for the respective residential unit.

Marketing Cooperation

Pursuant to the marketing cooperation agreement, DMS is required to regularly address and inform Vonovia's tenants about TDG's offers for phone and internet services (double play) or phone, internet and television services (triple play). The agreement entered into force on 1 January 2013 and has a duration of 15 years.

Joint Venture Agreement with B&O Service und Messtechnik AG

Pursuant to a joint venture restructuring agreement dated 28 May 2014, Vonovia and B&O have bundled their craftsmen activities which had previously been performed through two joint ventures and their subsidiaries. The restructuring was achieved by way of several share contributions and mergers ultimately into the new Deutsche TGS GmbH ("**TGS**"). Vonovia owns 51% and B&O owns 49% of TGS. TGS is responsible for, among other things, conducting minor and major repair work (including decorative repairs), in addition to renovation and maintenance of vacant units as well as related services.

On 12 July 2016 Vonovia and B&O have signed an amendment to the joint venture agreement. According to this agreement, Vonovia has gained full control of TGS by a rearrangement of governance and has acquired a call option

to buy the shares of B&O in 2021 for a fixed price of EUR 6 Mio. Further, the non-compete clause in the joint venture agreement, which imposed certain restrictions on the business activities of Vonovia, was removed. Vonovia guarantees B&O a fixed annual compensation of EUR 14.2 Mio from 2016 to 2020.

Pursuant to a separate service level agreement, Vonovia currently provides all overhead services to TGS, such as IT services, accounting, human resources and legal services, for which TGS pays a fee to Vonovia. The management of TGS consists of two managing directors appointed by Vonovia.

Beginning 31 December 2020, the agreement may be terminated by giving one year's notice with effect as of the end of the fiscal year.

Cooperation Agreement with SNI Group

On 18 October 2017, the Guarantor signed a partnership agreement with SNI Group. Both companies agreed to establish a cooperation to pool their expertise and market intelligence with the aim to learn from each other's business practices and also explore joint growth and investment opportunities. SNI Group is Caisse des Dépôts' public interest real estate subsidiary and France's biggest social landlord with a portfolio of 348,000 units of housing throughout France, including 262,000 units of social and low-cost social housing, and 86,000 units of intermediate housing.

Description of the Governing Bodies of the Guarantor

Management Board

Current composition of the Management Board

Under the Articles of Association, the management board of the Guarantor (the "**Management Board**") must consist of at least two persons, and the supervisory board of the Guarantor (the "**Supervisory Board**") determines the exact number of the members of the Management Board. The Supervisory Board appoints members of the Management Board for a period not exceeding six years. The Supervisory Board may appoint a chairperson of the Management Board as well as a deputy chairperson of the Management Board. Currently, the Management Board consists of four members, with Rolf Buch appointed as chairman.

Following the BUWOG Takeover, Daniel Riedl, current chairman of the management board of BUWOG, will be appointed to the management board of the Guarantor and will be responsible for the management board areas Austria and Development.

The table below lists the current members of the Management Board.

Name	Position	Member since	Other current activities outside of Vonovia
Rolf Buch	Chief Executive Officer	1 April 2013	• GSB Gesellschaft zur Sicherung von Bergmannswohnungen mit beschränkter Haftung (member of the supervisory board); • Woldemar-Winkler Stiftung der Sparkasse Gütersloh (member of the committee); • D. Carnegie & Co. AB (publ) (non-executive director).

Dr. A. Stefan Kirsten [4]	Chief Financial Officer	1 January 2011[1]	• AVW Versicherungsmakler GmbH (member of the supervisory board); • Jerónimo Martins SGPS S.A. (non-executive director); • SOCIEDADE Francisco Manuel dos Santos B.V. (non-executive director); • MOVENDO CAPITAL B.V. (non-executive director).
Klaus Freiberg	Chief Operating Officer	1 February 2010[1]	• VBW Bauen und Wohnen GmbH (deputy chairman of the supervisory board); • Freiberg Beteiligungs-GmbH (shareholder and managing director).
Gerald Klinck [2][3]	Chief Controlling Officer	1 April 2015	• BeLouNa UG (haftungsbeschränkt) & Co. KG (limited partner); • BeLouNa Beteiligungs UG (haftungsbeschränkt) (shareholder); • LouNaGe Immobilien GmbH (shareholder and managing director).

Notes:

(1) Until the transformation into a stock corporation (*Aktiengesellschaft*) or a European company (*Societas Europaea*) the listed board member held the position of a managing director.

(2) In August 2017, Mr Gerald Klinck announced his decision not to seek an extension of his contract and to leave the Management Board of the Guarantor when his current contract expires in May 2018.

(3) On 23 January 2018, Vonovia announced that Helene von Roeder was appointed by the supervisory board of the Guarantor to the Guarantor's management board. Helene von Roeder will take over the duties of Gerald Klinck in mid 2018.

(4) On 5 March 2018, Vonovia announced that the Chief Financial Officer ("**CFO**") of the Guarantor, Stefan Kirsten, will step down from the management board of the Guarantor effective 9 May 2018. The two management board areas of controlling and finance will now be consolidated under the leadership of Helene von Roeder who will take office as new CFO of the Guarantor in mid-2018.

The Guarantor has established a code of conduct, which does not permit donations to political organisations.

Supervisory Board

Current composition of the Supervisory Board

In accordance with the Articles of Association and Articles 40(3) and 9(1) lit. c(i) of the SE-Regulation (*SE-Verordnung*) together with section 17 of the SE Implementation Act (*SE-Ausführungsgesetz*) and section 95 of the German Stock Corporation Act (*Aktiengesetz*), the Supervisory Board consists of twelve members, while currently the twelth mandate is vacant after the resignation of Dr Wulf H. Bernotat. On 5 March 2018, Vonovia announced that the supervisory board of the Guarantor had unanimously resolved that it will propose the election of Jürgen Fitschen as member of the supervisory board to the annual general meeting of the Guarantor in 2018. If elected, the supervisory board of the Guarantor intends to elect Jürgen Fitschen as its chairman.

All members of the Supervisory Board are appointed by the Guarantor's general shareholders' meeting. The general shareholders' meeting may appoint substitute members for one or more Supervisory Board members, who may become members of the Supervisory Board if the elected Supervisory Board members leave office before the end of their term. The term of the substitute member expires as soon as a successor for the departing Supervisory Board

member is appointed by a majority of at least 75% of the votes cast, but no later than the expiration of the departing Supervisory Board member's term. Re-election of members of the Supervisory Board is possible. According to the Supervisory Board's internal rules of procedure, persons having reached the age of 75 at the time of the election should generally not be proposed as candidates.

The table below lists the current members of the Guarantor's Supervisory Board.

Name	Principal occupation outside of Vonovia	Member since [1]	Other board memberships outside of Vonovia
Prof. Dr. Edgar Ernst Chairman [2]	President of the German Financial Reporting Enforcement Panel	18 June 2013	• Deutsche Prüfstelle für Rechnungslegung DPR e.V. (president); • Deutsche Postbank AG (member of the supervisory board); • METRO AG (member of the supervisory board); • TUI AG (member of the supervisory board).
Hildegard Müller	Member of the Management Board of innogy SE	18 June 2013	• Dortmunder Energie- und Wasserversorgung GmbH (member of the supervisory board); • Envia Mitteldeutsche Energie AG (member of the supervisory board); • NEW AG (1st deputy chairwoman of the supervisory board); • Rhenag Rheinische Energie AG (deputy chairwoman of the supervisory board); • Süwag Energie AG (member of the supervisory board); • Stadtwerke Essen AG (2nd deputy chairwoman of the supervisory board); • EWG-Essener Wirtschaftsförderungsgesellschaft mbH (deputy chairwoman of the supervisory board).

Clara-Christina Streit	Self-employed management consultant	18 June 2013	• NN Group N.V. (member of the supervisory board); • Jerónimo Martins SGPS, S.A. (member of the administrative council); • UniCredit S.p.A. (member of the administrative board); • Vontobel Holding AG (member of the administrative board).
Prof. Dr. Klaus Rauscher Deputy Chairman [(2)]	Self-employed management consultant	1 August 2008	• Stiftung Berliner Philharmoniker (member of the board of trustees); • Drägerwerk AG & Co. KGaA (member of the supervisory board); • Dräger Safety GmbH (member of the supervisory board); • Drägerwerk Verwaltungs AG (member of the supervisory board).
Dr. Florian Funck	Member of the management board of Franz Haniel & Cie. GmbH	21 August 2014	• Franz Haniel & Cie. GmbH (member of the management board); • TAKKT AG (member of the supervisory board); • Metro AG (member of the supervisory board); • CECONOMY AG (member of the supervisory board).
Christian Ulbrich	Global CEO & President Jones Lang LaSalle Incorporated Member of the Board of Directors of Jones Lang LaSalle Incorporated	21 August 2014	• Jones Lang LaSalle, Inc. (global CEO and member of the board of directors); • 38. VIGAVI Vermögensverwaltungs-gesellschaft mbH (CEO); • IRE/BS International Real Estate Business School (member of the advisory board).

Burkhard Drescher	Chief executive officer of InnovationCity Management GmbH	12 December 2014	• BDC Consulting GmbH & Co. KG (managing director); • BDC Verwaltungs GmbH (managing director); • Innovation City Management GmbH (managing director); • STEAG Fernwärme GmbH (member of the advisory board).
Hendrik Jellema	Member of the management board of Stiftung Berliner Leben	2 June 2015	• Stiftung Berliner Leben (member of the management board); • Wohnraumversorgung Berlin – AöR (member of the operative advisory board).
Daniel Just	Chairman of Bayerische Versorgungskammer	2 June 2015	• Bayerische Versorgungskammer (chairman of the management board); • RREEF Investment GmbH (vice-chairman of the supervisory board); • Universal Investment GmbH (member of the supervisory board); • GLL Real Estate Partner GmbH (member of the supervisory board).
Dr. Ariane Reinhard	Member of the management board of Continental AG	12 May 2016	• Continental AG (member of the management board).
Dr. Ute Geipel-Faber	Self-employed management consultant	11 November 2015	• Bayerische Landesbank (member of the supervisory board);

Notes:

(1) Prior to the Guarantor's change in legal form into a European company (*Societas Europaea*), the Supervisory Board membership refers to the supervisory board of Deutsche Annington Immobilien AG and the optional supervisory board of Deutsche Annington Immobilien GmbH.

(2) On 7 September 2017, the Supervisory Board of the Guarantor has elected the current acting chairman of the Supervisory Board, Prof. Dr. Edgar Ernst, as its Chairman until the next scheduled Supervisory Board elections in May 2018. Prof. Dr. Klaus Rauscher was elected Deputy Chairman of the Supervisory Board.

The Supervisory Board members are appointed until the end of the general shareholders' meeting 2018.

The members of the Supervisory Board can be reached at the Guarantor's office at Philippstraße 3, 44803 Bochum, Germany (tel. +49 (0) 234-314- 0).

Supervisory Board Committees

Under the Articles of Association, the Supervisory Board may form committees from among its members. Under the Supervisory Board's rules of procedure (sections 8 through 11), the Supervisory Board shall form an Audit Committee, an Executive and Nomination Committee and a Finance Committee. Other committees may be formed, if necessary. The Supervisory Board's decision-making authority may be delegated to these committees to the extent permitted by law. The following committees have been established by the Supervisory Board:

The **Audit Committee** (*Prüfungsausschuss*) is concerned, in particular, with the oversight of the Guarantor's accounting process and the effectiveness of its internal control system, internal auditing system, as well as the audit of the annual financial statements, including required independence of the auditor and additional services provided by the auditor, the conclusion of audit agreements with the auditor, setting focus points for the audit and agreeing audit fees and - unless another committee is entrusted therewith - compliance. It shall prepare the Supervisory Board's resolutions on the annual financial statements (including group statements) and the Supervisory Board's proposal to the general shareholders' meeting upon the election of the auditor, and the instruction of the auditor. The chairman of the Audit Committee shall have specialist knowledge and experience in the application of accounting standards and internal control processes. Furthermore, the chairman of the Audit Committee shall be independent and may not be a former member of the Management Board whose appointment ended less than two years prior to his appointment as chairman of the Audit Committee.

The current members of the Audit Committee are:

Name	**Position**
Prof. Dr. Edgar Ernst	Chairman
Dr. Florian Funck	Member
Burkhard Drescher	Member
Hendrik Jellema	Member

In accordance with section 107(4) of the German Stock Corporation Act (*Aktiengesetz*), the Guarantor is required to have at least one independent member of the audit committee with expertise in the fields of accounting or auditing within the meaning of section 100(5) of the German Stock Corporation Act (*Aktiengesetz*). Members of the Supervisory Board and the audit committee are considered to be independent if such members have no business or personal relations with the Guarantor, its Management Board, controlling shareholders or related parties, which could cause a substantial and not merely temporary conflict of interest. As concerns the Supervisory Board and audit committee of the Guarantor, Prof. Dr. Ernst is considered to possess the respective expertise and independence.

The **Executive and Nomination Committee** (*Präsidial- und Nominierungsausschuss*) shall debate key issues and make proposals to the Supervisory Board with respect to the appointment and revocation of members of the Management Board and with respect to their respective remuneration and reductions in remuneration. They make recommendations to the Supervisory Board for Supervisory Board proposals to the shareholders' meeting with respect to the election of Supervisory Board members. Furthermore, the Executive and Nomination Committee is responsible for the establishment of or material amendment to existing employee participation, profit sharing and similar incentive programmes. The Executive and Nomination Committee shall consist of the chairman of the Supervisory Board, and four additional members to be elected by the Supervisory Board. The chairman of the Supervisory Board shall be the chairman of the Executive Committee and Nomination Committee.

The current members of the Executive and Nomination Committee are:

Name	Position
Prof. Dr. Edgar Ernst	Chairman
Hildegard Müller	Member
Prof. Dr. Klaus Rauscher	Member
Clara-Christina Streit	Member
Dr. Ariane Reinhart	Member

The **Finance Committee** (*Finanzausschuss*) shall prepare the Supervisory Board's resolutions on the financial and investment policy, including the capital structure of Group companies and the payment of dividends as well as on the general acquisition and divestiture policy including the acquisition and sale of individual participations of strategic importance. The Finance Committee shall further resolve on: (i) the Guarantor's financial strategy and the general guidelines and policies for implementing this strategy including the management of foreign exchange, interest rate, liquidity and other financial risks and the management of credit risk, (ii) the raising of external financing by any member of the Group and/or the issuance of bonds in an amount ranging from EUR 500 million to EUR 1 billion, (iii) the purchase or sale of shares or of businesses, if the value (including the assumptions of liabilities) per transaction amounts to between EUR 250 million and EUR 500 million, and (iv) the purchase or sale of land, or rights equivalent to title rights in real estate, if the volume of the investment or disinvestment is between EUR 250 million and EUR 500 million. The Finance Committee shall consist of the chairman or the deputy chairman of the Supervisory Board and four additional members to be elected by the Supervisory Board.

The current members of the Finance Committee are:

Name	Position
Clara-Christina Streit	Chairwoman
Prof. Dr. Edgar Ernst	Member
Christian Ulbrich	Member
Daniel Just	Member
Dr. Ute Geipel-Faber	Member

Certain Information Regarding the Members of the Management Board and the Supervisory Board

In the last five years, no member of the Management Board or the Supervisory Board has been convicted of fraudulent offences. In the last five years, no member of the Management Board or the Supervisory Board has been associated with any bankruptcy, receivership or liquidation acting in their capacities as members of any administrative, management or supervisory body or as a senior manager. In the last five years, no official public incriminations have been made by statutory or legal authorities or the regulation authorities (including designated professional bodies) against the members of the Management Board or the Supervisory Board, nor have sanctions been imposed by the aforementioned authorities. No court has ever disqualified any of the members of the Management Board or the Supervisory Board from acting as a member of the administrative, management, or supervisory body of an issuer, or from acting in the management or conduct of the affairs of any issuer for at least the previous five years.

There are no conflicts of interest or potential conflicts of interest between the members of the Management Board and the Supervisory Board *vis-à-vis* the Guarantor and their private interests, membership in governing bodies of companies, or other obligations.

No members of the Management or the Supervisory Board have entered into a service agreement with a Group company that provides for benefits upon termination of employment or office. The Guarantor only provides for severance payments to its executives in the case of an early termination of the service agreement (including, amongst others, a termination following a change of control), which, under all circumstances, are capped at the amount of compensation owed under the remaining contractual term of the respective service agreement. With the exception of Mr. Buch, the members of the Management Board are not bound by non-compete obligations following the end of their term of office and the termination of their service agreements, it being understood that the members of the Management Board participate in long term incentive plans, whose full or partial pay out was triggered upon the commencement of trading and having been further replaced by new long-term incentive plans or continued old long-term incentive plans.

There are no family relationships between the members of the Management Board and of the Supervisory Board, either among themselves or in relation to the members of the other body.

Corporate Governance

The German Corporate Governance Code, as amended on 7 February 2017, (the "**Code**") makes proposals concerning the management and supervision of German listed companies. It is based on internationally and nationally recognised standards of good, responsible governance. The Code contains recommendations ("shall provisions") and suggestions ("should provisions") for corporate governance in relation to shareholders and the general shareholders' meeting, the management board and the supervisory board, transparency and accounting and auditing of financial statements. The Code's recommendations or suggestions are not obligatory, although deviations from the recommendations (but not from the suggestions) are required to be published by the management board and the supervisory board of listed companies in an annual announcement pursuant to section 161 of the German Stock Corporation Act (*Aktiengesetz*). This announcement regards whether or not the recommendations in the Code were complied with and are complied with, or explains which recommendations have not been complied with and are not being applied and the reasons underlying this non-compliance (*Entsprechenserklärung*). The declaration of compliance regarding the Code must be publicly available on the Guarantor's website at all times (see https://www.vonovia.de/). The current version of the Code adopted on 7 February 2017 and published in the German Federal Gazette (*Bundesanzeiger*) on 24 April 2017.

Since the listing of the shares of the Guarantor on the regulated market segment (*Regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) with simultaneous admission to the sub segment of the regulated market with additional post admission obligations (Prime Standard) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) in July 2013, the Guarantor is obligated to issue a declaration relating to the Code.

The Guarantor currently complies with and intends to further comply with all recommendations in the Code, with the following exception:

Pursuant to section 5.3.2 (3) sentence 3 of the Code, the chair of the supervisory board shall not chair the audit committee. Following the resignation of the former Chairman of the Supervisory Board, the Supervisory Board elected the former Deputy Chairman, Prof. Dr. Edgar Ernst, on 7 September 2017 as Chairman of the Supervisory Board for a term ending on the day of the next annual general meeting, which is expected to take place in May 2018. Prof. Ernst is also the Chairman of the Audit Committee. Among the members of the current Supervisory Board, Prof. Ernst has the highest expertise in the field of accounting. He is therefore also to remain Chairman of the Audit Committee. Hence, the recommendation will temporarily not be complied with. The intention is to comply with section 5.3.2. (3) sentence 3 of the Code again as of the constitution of the new Supervisory Board after the elections to the Supervisory Board scheduled for the annual general meeting in May 2018.

Shareholder Structure

The Guarantor's share capital as of the date of this Prospectus amounts to EUR 485,100,826 divided into 485,100,826 ordinary registered shares with no-par value (*Stückaktien*) and is fully paid up.

On the basis of the notifications received by the Guarantor as of the date of this Prospectus in accordance with the German Securities Trading Act (*Wertpapierhandelsgesetz - WpHG*) and pursuant to information provided by the respective shareholders, the following shareholders directly or indirectly hold more than 3 % of the Guarantor's ordinary shares. The percentage values shown in the table below are based on the amount of voting rights last notified to the Guarantor with regard to the stated reference date by the respective shareholder pursuant to sections 33 *et seqq.* WpHG (sections 21 *et seqq*. WpHG (former version)) in relation to the Guarantor's share capital as of the date of this Prospectus. It should be noted that the number of voting rights last notified could have changed since such notifications were submitted to the Guarantor without requiring the relevant shareholder to submit a corresponding voting rights notification if no notifiable thresholds have been reached or crossed:

	Actual (direct or indirect) ownership of Guarantor
Shareholder	**Share of voting rights (in %)**
BlackRock(1)	8.3
Norges Bank(2)	7.3
Lansdowne Partners(3)	5.2
Massachusetts Financial Services Company(4)	3.0
Total	23.8

Notes:
(1) A total of 8.3% of the voting rights in the Guarantor are attributed to BlackRock, Inc. pursuant to section 34 WpHG (section 22 WpHG (former version)) (reference date: 19 May 2017).
(2) A total of 7.3% of the voting rights in the Guarantor are directly held by Norges Bank (reference date: 19 August 2016).
(3) A total of 5.2% of the voting rights in the Guarantor are attributed to Lansdowne Partners International Ltd. pursuant to section 34 WpHG (reference date: 1 March 2018). The percentage of voting rights attributable to Lansdowne Partners (UK) LLP is 5.2% (reference date: 1 March 2018).
(4) A total of 3.0% of the voting rights in the Guarantor are attributed to Massachusetts Financial Services Company pursuant to section 34 WpHG (section 22 WpHG (former version)) (reference date: 11 March 2015).

Other shareholders, including those shareholders whose shareholdings represent less than 3% of the total voting rights in the Guarantor, hold the remaining 76.2% of the shares of the Guarantor.

All of the Guarantor's shares confer the same voting rights.

Material investments since last published Financial Statements

Except as described under "*Recent developments*" below, the Guarantor has made no material investments since the date of its last published financial statements and, as at the date of this Prospectus, its management has made no firm commitments on such material investments in the future.

Recent developments

On 18 December 2017 the Guarantor and BUWOG AG, Austria ("**BUWOG**", and together with BUWOG's consolidated subsidiaries, the "**BUWOG Group**") signed a business combination agreement for the combination of the two companies. Vonovia intends to combine its residential portfolio with that of BUWOG (around 49,000 apartments).

On 5 February 2018 Vonovia published an offer document for its voluntary public takeover offer to acquire all shares in BUWOG (the "**BUWOG Takeover**"). Vonovia offered the BUWOG shareholders a cash consideration of EUR 29.05 per BUWOG share. The acceptance period started on 5 February 2018 and expired at 12 March 2018. On 12 March 2018, the Guarantor announced that the mandatory minimum acceptance threshold of at least 50% of all outstanding BUWOG shares plus one share was met. The settlement of the offer is scheduled for 26 March 2018.

The planned merger was already cleared by the competition authorities in Germany and Austria. Daniel Riedl, current chairman of the management board of BUWOG, will be appointed to the management board of the Guarantor and will be responsible for the management board areas Austria and Development.

Vonovia intends to finance the BUWOG Takeover entirely by means of debt capital. In January 2018, the Issuer and the Guarantor entered into a EUR 2.65 billion facility agreement with a major international bank acting as arranger for bridge financing of the BUWOG Takeover.

On 15 January 2018, the Issuer issued two series of notes under this Programme, guaranteed by the Guarantor: EUR 500 million 0.75 % notes due 2024 and EUR 500 million 1.50 % notes due 2028.

On 23 January 2018, Vonovia announced that Helene von Roeder was appointed by the supervisory board of the Guarantor to the Guarantor's management board. Helene von Roeder will take over the duties of Gerald Klinck in mid-2018. Gerald Klinck has decided in August 2017 not to seek an extension of his contract and to leave the management board of the Guarantor upon expiration of his current contract.

On 29 January 2018, the Guarantor and Berlin Hyp entered into an EUR 500 million loan agreement. The loan will be used by the Guarantor to refinance a number of real estate portfolios acquisitions with approximately 270 objects.

On 5 March 2018, Vonovia announced that the Chief Financial Officer ("**CFO**") of the Guarantor, Stefan Kirsten, will step down from the management board of the Guarantor effective 9 May 2018. The two management board areas of controlling and finance will now be consolidated under the leadership of Helene von Roeder who will take office as new CFO of the Guarantor in mid-2018.

On 5 March 2018, Vonovia announced that the supervisory board of the Guarantor had unanimously resolved that it will propose the election of Jürgen Fitschen as member of the supervisory board to the annual general meeting of the Guarantor in 2018. If elected by the annual general meeting, the supervisory board of the Guarantor intends to elect Jürgen Fitschen as its chairman.

Trend information and significant changes

There has been no material adverse change in the prospects of the Guarantor since 31 December 2017.

Ratings[51]

Standard & Poor's Credit Market Services Europe Limited ("**Standard & Poor's**")[52] has assigned the long-term credit rating "BBB+"[53] (outlook stable) to the Guarantor.

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[51] Rating information is merely an aid for investors for the purposes of decision-making and cannot replace an individual judgment to be made by the investor and may not be taken as a recommendation to purchase or sell certain Notes. Ratings are merely intended as a support when making an investment decision and are only one of the factors relevant to an evaluation, which factor must be seen and weighted in the context of other factors. As ratings often are amended only after the creditworthiness of an issuer or guarantor has changed, investors have to make their own judgments although a rating may exist.

[52] Standard & Poor's is established in the European Community and is registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended (the *CRA Regulation*).
The European Securities and Markets Authority publishes on its website (https://www.esma.europa.eu/supervision/credit-rating-agencies/risk) a list of credit rating agencies registered in accordance with the CRA Regulation. That list is updated within five working days following the adoption of a decision under Article 16, 17 or 20 CRA Regulation. The European Commission shall publish that updated list in the Official Journal of the European Union within 30 days following such update.

[53] Standard & Poor's defines "BBB" as follows: "An obligor rated 'BBB' has an adequate capacity to meet financial commitments, but more subject to adverse economic conditions. The ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or (-) sign to show relative standing within the major rating categories."

Auditors

The auditor of Vonovia's annual and consolidated financial statements for the 2017 and 2016 fiscal years was KPMG AG Wirtschaftsprüfungsgesellschaft, Alfredstrasse 277, 45133 Essen, Germany, ("**KPMG**"). The annual financial statements according to HGB, as well as the consolidated financial statements of Vonovia according to IFRS for the 2017 and 2016 fiscal years, were audited by KPMG and each provided with an unqualified auditor's opinion. KPMG is a member of the German Chamber of Auditors (*Wirtschaftsprüferkammer*).

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

Selected Consolidated Financial Information for the Guarantor

*The following selected historical financial information for the Group is based on the audited consolidated financial statements of Vonovia SE for the fiscal years ended 31 December 2017 and 2016) (the "**Vonovia Financial Statements**") all of which are reproduced elsewhere or incorporated by reference in this Prospectus, and should be read together with them. The Vonovia Financial Statements were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted in the European Union. The consolidated annual financial statements of the Group were audited by KPMG and issued in each case with an unqualified auditor's report. The Vonovia Financial Statements were prepared using the cost summary method.*

Consolidated income statement data

	For the year ended 31 December	
	2017	**2016**
	(in EUR million) *(audited)*	
Income from property management	**2,391.6**	**2,209.3**
Profit on disposal of properties (IFRS)	**151.5**	**102.2**
Net income from fair value adjustments of investment properties	**3,434.1**	**3,236.1**
Capitalised Internal expenses	458.1	341.0
Cost of materials	(1,176.4)	(1,081.9)
Personnel expenses	(416.0)	(353.8)
Depreciation and amortization	(372.2)	(27.0)
Other operating income	116.2	105.3
Other operating expenses	(273.3)	(249.5)
Financial income	46.8	27.1
Financial expenses	(353.0)	(449.0)
Earnings before tax	**4,007.4**	**3,859.8**
Income tax	(1,440.5)	(1,346.9)
Profit for the period	**2,566.9**	**2,512.9**

Consolidated balance sheet data

	As of 31 December	
	2017	**2016**
	(*in EUR million*) (*audited*)	
Total non-current assets	36,719.6	30,459.8
Total current assets	796.7	2,062.3
Total assets	**37,516.3**	**32,522.1**
Total equity attributable to Guarantor's shareholders	15,080.8	12,467.8
Total equity attributable to the hybrid capital investors	1,001.6	1,001.6
Total equity attributable to the Guarantor's shareholders and hybrid capital investors	16,082.4	13,469.4
Non-controlling interests	608.8	419.0
Total equity	**16,691.2**	**13,888.4**
Total non-current liabilities	18,585.2	16,229.1
Total current liabilities	2,239.9	2,404.6
Total liabilities	**20,825.1**	**18,633.7**
Total equity and liabilities	**37,516.3**	**32,522.1**

USE OF PROCEEDS

The net proceeds from each issue of Notes by the Issuer will generally be used for general corporate and financing purposes of the Vonovia Group. These general corporate and financial purposes may include, among other things, the refinancing of existing indebtedness, acquisitions, the underpinning of pension obligations and general working capital requirements. If in respect of any particular issue there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

TAXATION

The following discussion of the tax consequences of an investment in the Notes is based on the laws in force on the date of this Prospectus. We emphasize that the tax implications can be subject to alteration due to future changes in law, possibly with retroactive or retrospective effect.

Although this discussion reflects the opinion of the Issuer, it should not be misunderstood as a guarantee in an area of law which is not free from doubt. Further, this discussion is not intended as the sole basis for an investment in the Notes as the individual tax position of the Holder needs to be investigated. Therefore, this statement is confined to a general discussion of certain Luxembourg tax, Netherlands tax and German tax consequences of an investment in the Notes.

Prospective Holders are recommended to consult their own tax advisors as to the tax consequences to them of the investment.

Responsibility of the Issuer and the Guarantor for the withholding of taxes at source

The Issuer and the Guarantor do not assume any responsibility for the withholding of taxes at source.

Grand Duchy of Luxembourg

The following information is of a general nature only and is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. The information contained within this section is limited to Luxembourg withholding tax issues and prospective investors in the Notes should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

Please be aware that the residence concept referred to below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a withholding tax or a tax of a similar nature, or to any other concepts, refers to Luxembourg tax law and/or concepts only.

Withholding Tax

Under Luxembourg general tax laws currently in force and subject to the exception below, no Luxembourg withholding tax is due on payments of interest (including accrued but unpaid interest) or repayments of principal.

In accordance with the law of 23 December 2005, as amended, interest payments made by Luxembourg paying agents to or for the benefit of Luxembourg individual residents are subject to a 20 % withholding tax. Responsibility for withholding such tax will be assumed by the Luxembourg paying agent.

Federal Republic of Germany

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

As each Series or Tranche of Notes may be subject to a different tax treatment due to the specific terms of such Series or Tranche of Notes as set out in the respective Final Terms, the following section only provides some general information on the possible tax treatment.

Tax resident holders of the Notes

The section "**Tax Residents**" refers to persons who are tax residents of Germany (i.e. persons whose residence, habitual abode, statutory seat, or place of effective management is located in Germany).

Withholding tax on ongoing payments and capital gains

Ongoing payments received by an individual Holder of the Notes will be subject to German withholding tax if the Notes are kept in a custodial account with a German branch of a German or non-German credit institution or financial services institution, a German securities trading company or a German securities trading bank (each a "**Disbursing Agent**", *auszahlende Stelle*). The tax rate is 25 % (plus 5.5 % solidarity surcharge thereon, the total withholding being 26.375 %) plus church tax, if applicable to an individual Holder. An electronic information system for church withholding tax purposes applies in relation to investment income, with the effect that church tax will be collected by the Disbursing Agent by way of withholding unless the individual Holder has filed a blocking notice (*Sperrvermerk*) with the German Federal Central Tax Office (*Bundeszentralamt für Steuern*) in which case the individual Holder will be assessed to church tax.

The same treatment applies to capital gains (i.e. the difference between the proceeds from the disposal, redemption, repayment or assignment after deduction of expenses directly related to the disposal, redemption, repayment or assignment and the cost of acquisition) derived by an individual Holder provided the Notes have been held in a custodial account with a Disbursing Agent since the time of their acquisition. Where Notes are acquired and/or sold in a currency other than Euro, the sales/redemption price and the acquisition costs have to be converted into Euro on the basis of the foreign exchange rates prevailing on the sale or redemption date and the acquisition date respectively. If interest claims are disposed of separately (i.e. without the Notes), the proceeds from the disposition are subject to withholding tax. The same applies to proceeds from the payment of interest claims if the Notes have been disposed of separately.

To the extent the Notes have not been kept in a custodial account with a Disbursing Agent since the time of their acquisition, upon the disposal, redemption, repayment or assignment withholding tax applies at a rate of 26.375 % (including solidarity surcharge, plus church tax, if applicable to an individual Holder) on 30 % of the disposal proceeds (plus interest accrued on the Notes ("**Accrued Interest**", *Stückzinsen*), if any), unless the individual Holder or the previous account bank or financial service institution was able and allowed to provide evidence of the individual Holder's actual acquisition costs of the Notes to the Disbursing Agent.

Where the Notes provide for instalment payments, such instalment payments shall always qualify as taxable savings income, unless the terms and conditions of the Notes provide explicit information regarding redemption or partial redemption during the term of the Notes and the contractual parties comply with these terms and conditions.

In computing any German tax to be withheld, the Disbursing Agent may generally deduct from the basis of the withholding tax negative investment income realised by the individual Holder of the Notes via the Disbursing Agent (*e.g.* losses from the sale of other securities with the exception of shares). The Disbursing Agent may also deduct Accrued Interest on the Notes or other securities paid separately upon the acquisition of the respective security via the Disbursing Agent. In addition, subject to certain requirements and restrictions the Disbursing Agent may credit foreign withholding taxes levied on investment income in a given year regarding securities held by the individual Holder in the custodial account with the Disbursing Agent.

Individual Holders may be entitled to an annual allowance (*Sparer-Pauschbetrag*) of EUR 801 (EUR 1,602 for jointly assessed individual Holders) for all investment income received in a given year. Upon the individual Holder filing an exemption certificate (*Freistellungsauftrag*) with the Disbursing Agent, the Disbursing Agent will take the allowance into account when computing the amount of tax to be withheld. No withholding tax will be deducted if the Holder of the Notes has submitted to the Disbursing Agent a certificate of non-assessment (*Nichtveranlagungsbescheinigung*) issued by the competent local tax office.

German withholding tax will not apply to gains from the disposal, redemption, repayment or assignment of Notes held by a corporation as Holder while ongoing payments, such as interest payments, are subject to withholding tax (irrespective of any deductions of foreign tax and capital losses incurred). With regard to gains from the disposal, redemption, repayment or assignment of Notes held by an individual Holder the same may apply upon application where the Notes form part of a trade or business, subject to further requirements being met.

Neither the Issuer nor the Guarantor is obliged under German law to withhold any withholding tax (*Kapitalertragsteuer*) on interest payments and upon the sale or redemption of the Notes.

Taxation of current income and capital gains

The personal income tax liability of an individual Holder deriving income from capital investments under the Notes is, in principle, settled by the tax withheld. To the extent withholding tax has not been levied, such as in the case of Notes kept in custody abroad or if no Disbursing Agent is involved in the payment process, the individual Holder must report his or her income and capital gains derived from the Notes on his or her tax return and then will also be taxed at a rate of 25 % (plus solidarity surcharge and church tax thereon, where applicable to an individual Holder). If the withholding tax on a disposal, redemption, repayment or assignment has been calculated from 30 % of the disposal proceeds (rather than from the actual gain), an individual Holder may and according to the view of German tax authorities in case the actual gain is higher than 30 % of the disposal proceeds must also apply for an assessment on the basis of his or her actual acquisition costs. Further, an individual Holder may request that all investment income of a given year is taxed at his or her lower individual tax rate based upon an assessment to tax with any amounts over withheld being refunded. In each case, the deduction of expenses (other than transaction costs) on an itemised basis is not permitted.

Please note that the coalition agreement between the German Christdemocratic Party and the German Socialdemocratic Party for the formation of a new German federal government provides that the flat tax regime shall be partially abolished for certain capital investment income. The coalition agreement further provides that the solidarity surcharge shall be abolished in stages provided that the individual income does not exceed certain thresholds. There is however no draft bill available yet and a lot of details are hence still unclear. That means however that income received by Holders holding the Notes as private assets may be taxed at individual progressive income tax rates of up to 45 % in the future (plus a 5.5 % solidarity surcharge thereon, unless abolished or reduced in the future, and church tax, if applicable to the individual Holder).

Capital losses from the disposal, redemption, repayment or assignment of the Notes held as private assets should generally be tax-recognised irrespective of the holding period of the Notes. According to the view of German tax authorities losses suffered upon a bad debt loss (*Forderungsausfall*) and a waiver of a receivable (*Forderungsverzicht*) (to the extent the waiver does not qualify as a hidden contribution) shall, in general, not be deductible for tax purposes. With respect to a bad debt loss the German Federal Tax Court has recently rejected the view of German tax authorities. With respect to a (voluntary) waiver of receivable a lower German fiscal court confirmed the view of German tax authorities in a final decision. Furthermore, capital losses might not be recognised by the German tax authorities if the Notes are sold or redeemed at a market price, which is lower than the transaction costs or if the level of transaction costs is restricted because of a mutual agreement that the transaction costs are calculated by subtracting a certain amount from the sales price. This view has however been challenged in 2014 by a final judgement of a German lower fiscal court. Any tax-recognised capital losses may not be used to offset other income like employment or business income but may only be offset against investment income. Capital losses not utilised in one annual assessment period may be carried forward into subsequent assessment periods but may not be carried back into preceding assessment periods.

Where Notes form part of a trade or business the withholding tax, if any, will not settle the personal or corporate income tax liability. Where Notes form part of a trade or business, interest (accrued) and gains from the disposal, redemption, repayment or assignment of Notes must be taken into account as income. The respective Holder will have to report income and related (business) expenses on the tax return and the balance will be taxed at the Holder's

applicable tax rate. Withholding tax levied, if any, will be credited against the personal or corporate income tax of the Holder. Where Notes form part of a German trade or business the current income and gains from the disposal, redemption, repayment or assignment of the Notes may also be subject to German trade tax.

Non-resident Holders of the Notes

Interest, including Accrued Interest, and capital gains are not subject to German taxation, unless (i) the Notes form part of the business property of a permanent establishment, including a permanent representative, or a fixed base maintained in Germany by the Holder or (ii) the income otherwise constitutes German-source income. In cases (i) and (ii) a tax regime similar to that explained above under "Tax resident holders of the Notes" applies.

Non-residents of Germany are, in general, exempt from German withholding tax on interest and the solidarity surcharge thereon. However, where the interest is subject to German taxation as set forth in the preceding paragraph and the Notes are held in a custodial account with a Disbursing Agent, withholding tax may be levied under certain circumstances. The withholding tax may be refunded based on an assessment to tax or under an applicable tax treaty.

Substitution of the Issuer

If the Issuer exercises the right to substitute the debtor of the Notes, the substitution might, for German tax purposes, be treated as an exchange of the Notes for new notes issued by the Substitute Debtor and subject to similar taxation rules like the Notes. In particular, such a substitution could result in the recognition of a taxable gain or loss for any Holder of a Note.

Inheritance and Gift Tax

The transfer of the Notes to another person by way of gift or inheritance may be subject to German gift or inheritance tax, respectively, if inter alia

(i) the testator, the donor, the heir, the donee or any other acquirer had his residence, habitual abode or, in case of a corporation, association (*Personenvereinigung*) or estate (*Vermögensmasse*), has its seat or place of management in Germany at the time of the transfer of property,

(ii) except as provided under (i), the testator's or donor's Notes belong to business assets attributable to a permanent establishment or a permanent representative in Germany.

Special regulations may apply to certain German expatriates.

Prospective investors are urged to consult with their tax advisor to determine the particular inheritance or gift tax consequences in light of their particular circumstances.

Other Taxes

No stamp, issue, value added, capital transfer or registration taxes or such duties will be payable in Germany in connection with the issuance, delivery or execution as well as the purchase, sale or other disposal of the Notes. However, under certain circumstances entrepreneurs may choose liability to German value added tax with regard to the sale of the Notes to other entrepreneurs which would otherwise be tax exempt. Currently, net assets tax is not levied in Germany.

The Netherlands

The following discussion outlines the principal Netherlands tax consequences of the acquisition, holding, settlement, redemption and disposal of the Notes, but does not purport to be a comprehensive description of all Netherlands tax considerations in relation thereto. This discussion is intended as general information only for holders of Notes who are residents or deemed residents of The Netherlands for Netherlands tax purposes. Each prospective investor should consult a professional tax advisor with respect to the tax consequences of an investment in the Notes.

This discussion is based on tax legislation, published case law, treaties, regulations and published policy, in each case as in force as of the date of this Prospectus, and does not take into account any developments or amendments thereof after that date whether or not such developments or amendments have retroactive effect. Where this section refers to The Netherlands, such reference is restricted to the part of the Kingdom of The Netherlands that is situated in Europe and the legislation applicable in that part of the Kingdom.

Scope

Regardless of whether or not a holder of Notes is, or is deemed to be, a resident of The Netherlands, with the exception of the section on Netherlands Withholding Tax below, this discussion does not address The Netherlands tax consequences for:

(i) investment institutions (*fiscale beleggingsinstellingen*);

(ii) pension funds, exempt investment institutions (*vrijgestelde beleggingsinstellingen*) or other entities that are exempt from Netherlands corporate income tax;

(iii) holders of Notes holding a substantial interest (*aanmerkelijk belang*) or deemed substantial interest (*fictief aanmerkelijk belang*) in the Issuer and holders of Notes of whom a certain related person holds a substantial interest in the Issuer. Generally speaking, a substantial interest in the Issuer arises if a person, alone or, where such person is an individual, together with his or her partner (statutory defined term), directly or indirectly, holds or is deemed to hold (i) an interest of 5 % or more of the total issued capital of the Issuer or of 5 % or more of the issued capital of a certain class of shares of the Issuer, (ii) rights to acquire, directly or indirectly, such interest or (iii) certain profit sharing rights in the Issuer;

(iv) persons to whom the Notes and the income from the Notes are attributed based on the separated private assets (*afgezonderd particulier vermogen*) provisions of The Netherlands Income Tax Act 2001 (*Wet inkomstenbelasting 2001*) and the Netherlands Gift and Inheritance Tax Act 1956 (*Successiewet 1956*);

(v) entities which are a resident of Aruba, Curacao or Sint Maarten that have an enterprise which is carried on through a permanent establishment or a permanent representative on Bonaire, Sint Eustatius or Saba, to which permanent establishment or permanent representative the Notes are attributable; and

(vi) holders of Notes which are not considered the beneficial owner (*uiteindelijk gerechtigde*) of these Notes or of the benefits derived from or realised in respect of these Notes.

Netherlands Withholding Tax

All payments made by the Issuer under the Notes may be made free of withholding or deduction for any taxes of whatsoever nature imposed, levied, withheld or assessed by The Netherlands or any political subdivision or taxing authority thereof or therein provided that the Notes do not in fact function as equity of the Issuer within the meaning of Art. 10, paragraph 1, letter d, The Netherlands Corporate Income Tax Act 1969 (*Wet op de vennootschapsbelasting 1969*).

Netherlands Individual Income Tax

Resident holders: If an individual is a resident or deemed to be a resident of The Netherlands for Netherlands income tax purposes, income derived from the Notes and gains realised upon the redemption, settlement or disposal of the Notes are taxable at the progressive rates (at up to a maximum rate of 51.95 %) under the Netherlands Income Tax Act 2001 (*Wet inkomstenbelasting 2001*), if:

(i) the individual is an entrepreneur (*ondernemer*) and has an enterprise to which the Notes are attributable or the individual has, other than as a shareholder, a co-entitlement to the net worth of an enterprise (*medegerechtigde*), to which enterprise the Notes are attributable; or

(ii) such income or gains qualify as income from miscellaneous activities (*resultaat uit overige werkzaamheden*), which include the performance by the individual of activities with respect to the Notes that exceed regular, active portfolio management (*normaal, actief vermogensbeheer*).

If the above mentioned conditions (i) and (ii) do not apply to the individual holder of the Notes, such holder must record the Notes as assets that are held in box 3. Taxable income with regard to the Notes is then determined on the basis of a certain deemed return on the holder's yield basis (*rendementsgrondslag*) at the beginning of the calendar year insofar the yield basis exceeds a EUR 30,000 threshold (*heffingvrij vermogen*), rather than on the basis of income actually received or gains actually realised. Such yield basis is determined as the fair market value of certain qualifying assets held by the holder of the Notes, less the fair market value of certain qualifying liabilities at the beginning of the calendar year. The fair market value of the Notes will be included as an asset in the holder's yield basis. The holder's yield basis is allocated to up to three brackets for which different deemed returns apply. The first bracket includes amounts up to and including EUR 70,800, which amount will be split into a 67 % low-return part and a 33 % high-return part. The second bracket includes amounts in excess of EUR 70,800 and up to and including EUR 978,000, which amount will be split into a 21 % low-return part and a 79 % high-return part. The third bracket includes amounts in excess of EUR 978,000, which will be considered high-return in full. For 2018 the deemed return on the low-return parts is 0.36 % and on the high-return parts is 5.38 %. The deemed return percentages will be reassessed every year. The deemed return on the holder's yield basis is taxed at a rate of 30 %.

Non-resident holders: If an individual is neither a resident, nor deemed to be a resident of The Netherlands for the purposes of Netherlands income tax, will not be subject to such tax in respect of benefits derived from the Notes, unless such holder is entitled to a share in the profits of an enterprise or a co-entitlement to the net worth of an enterprise which is effectively managed in The Netherlands, to which enterprise the Notes are attributable.

Netherlands Corporate Income Tax

Resident holders: If a holder of Notes which is a corporate entity, and for Netherlands corporate income tax purposes is a resident or deemed to be a resident of The Netherlands, and as a result is fully subject to Netherlands corporate income tax or is only subject to Netherlands corporate income tax in respect of an enterprise to which the Notes are attributable, income derived from the Notes and gains realised upon the redemption, settlement or disposal of the Notes are generally taxable in The Netherlands at up to a maximum rate of 25 %.

Non-resident holders: A holder of Notes which is a corporate entity and, for the purposes of Netherlands corporate income tax, is neither a resident, nor deemed to be a resident of the Netherlands, will not be subject to corporate income tax, unless such holder has an interest in an enterprise that is, in whole or in part, carried on through a permanent establishment or a permanent representative in The Netherlands, a Netherlands Enterprise (*Nederlandse onderneming*), to which Netherlands Enterprise the Notes are attributable, or such holder is (other than by way of securities) entitled to a share in the profits of an enterprise or a co-entitlement to the net worth of an enterprise, which is effectively managed in the Netherlands and to which enterprise the Notes are attributable. Such holder is taxed in respect of benefits derived from the Notes at rates of up to 25 %.

Netherlands Gift and Inheritance Tax

Netherlands gift or inheritance taxes (*schenk- of erfbelasting*) will not be levied on the occasion of the transfer of a Note by way of gift by, or on the death of, a holder of a Note, unless:

(i) the holder of a Note is, or is deemed to be, resident in The Netherlands for the purpose of the relevant provisions; or

(ii) the transfer is construed as an inheritance or gift made by, or on behalf of, a person who, at the time of the gift or death, is or is deemed to be resident in The Netherlands for the purpose of the relevant provisions.

Other Netherlands Taxes and Duties

In general, no value added tax (*omzetbelasting*) will arise in respect of payments in consideration for the issue of the Notes or in respect of a cash payment made under the Notes, or in respect of a transfer of Notes and no registration tax, customs duty, transfer tax, stamp duty or any other similar documentary tax or duty will be payable in The Netherlands by a holder in respect of or in connection with the subscription, issue, placement, allotment, delivery or transfer of the Notes.

Residency

A holder will not become a resident, or a deemed resident, of the Netherlands for Netherlands tax purposes by reason only of holding the Notes.

Foreign Account Tax Compliance Act

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("**Foreign Passthru Payments**") to persons that fail to meet certain certification, reporting, or related requirements. A number of jurisdictions (including Germany and the Netherlands) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to 1 January 2019 (intended date) and Notes issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the Issuer). Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will pay any additional amounts as a result of the withholding.

Financial Transaction Tax

On 14 February 2013, the EU Commission adopted a proposal for a Council Directive (the "**Draft Directive**") on a common financial transaction tax ("**FTT**"). According to the Draft Directive, the FTT shall be implemented in eleven EU Member States (Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Spain, Slovakia and Slovenia; the "**Participating Member States**"). Estonia stated since that it will not participate

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

The rates of the FTT shall be fixed by each Participating Member State but for transactions involving financial instruments other than derivatives shall amount to at least 0.1 % of the taxable amount. The taxable amount for such transactions shall in general be determined by reference to the consideration paid or owed in return for the transfer. The FTT shall be payable by each financial institution established or deemed established in a Participating Member State which is a party to the financial transaction, acting in the name of a party to the transaction or where the

transaction has been carried out on its account. Where the FTT due has not been paid within the applicable time limits, each party to a financial transaction, including persons other than financial institutions, shall become jointly and severally liable for the payment of the FTT due.

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

SUBSCRIPTION AND SALE

Underwriting

The Notes may be issued on a continuous basis to one or more of the Dealers and any additional Dealer appointed under the Programme from time to time by the Issuer, which appointment may be for a specific issue or on an ongoing basis. Notes may be distributed by way of public offers to qualified investors pursuant to the Prospectus Directive and/or non-qualified investors, as specified in the relevant Final Terms, or private placements and, in each case, on a syndicated or non-syndicated basis. The method of distribution of each Tranche of Notes will be stated in the relevant Final Terms.

The Issuer, the Guarantor and the Dealers have entered into an amended and restated dealer agreement dated 14 March 2018 (the "**Dealer Agreement**") which sets out, *inter alia*, the arrangements under which Notes, issued under the Programme, may from time to time be agreed to be purchased by any one or more Dealers from the Issuer. Any such agreement will, *inter alia*, contain provisions dealing with the form and terms and conditions of the relevant Notes, the price at which such Notes will be purchased by the Dealer(s) and the commissions or any other agreed deductibles payable or allowable by the Issuer in respect of such purchase. Further, the Dealer Agreement provides for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of Notes. A subscription agreement prepared in relation to a particular Tranche of Notes will typically be dated on or about the date of the relevant Final Terms applicable to such Tranche of Notes.

Method for determining the issue price and the process for its disclosure

The price and amount of Notes to be issued under the Programme will be determined by the Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions.

Selling Restrictions

European Economic Area

Unless the relevant Final Terms in respect of any Notes specify "*Prohibition of Sales to European Economic Area 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 the Prospectus as completed by the Final Terms in relation thereto to any retail investor in the EEA. For the purposes of this provision:

(a) the expression retail investor means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU of the European Parliament and of the Council of May 15, 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (MiFiD II); or

(ii) a customer within the meaning of Directive 2002/92/EC of the European Parliament and of the Council of December 9, 2002 on insurance mediation, 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 Directive); 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 the Notes.

If the relevant Final Terms in respect of any Notes specify "*Prohibition of Sales to European Economic Area Retail Investors*" as "*Not Applicable*", in relation to each Member State of the EEA which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Prospectus as completed by the final terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

(i) if the Final Terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State ("**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the Final Terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or Final Terms, as applicable and the relevant Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;

(ii) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(iii) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer and/or the Guarantor for any such offer; or

(iv) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (ii) to (iv) above shall require the relevant Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

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

United States of America

The Notes and the Guarantee 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 (as defined in Regulation S under the Securities Act ("**Regulation S**")) except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph shall have the same meanings given to them by Regulation S.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain 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 and regulations thereunder.

Each Dealer has agreed that, except as permitted by the Dealer Agreement, it will not offer, sell or deliver the Notes and the Guarantee (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the closing date, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells the Notes and the Guarantee during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes and the Guarantee within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S.

In addition, until the expiration of 40 days after the commencement of the offering, an offer or sale of Notes and the Guarantee within the United States by a dealer (that is not participating in the offering) may violate the registration requirements of the Securities Act.

United Kingdom of Great Britain and Northern Ireland (United Kingdom)

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) with respect to any Tranche of Notes having a maturity of less than one year, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business, and (b) it has not offered or sold and will not offer or sell any such Notes other than to persons:

  (i) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their business; or

  (ii) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their business, where the issue of the Notes would otherwise constitute a contravention of section 19 of the Financial Services and Markets Act 2000, as amended (the "FSMA") by the Issuer.

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer or the Guarantor, and

(c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to such Notes in, from or otherwise involving the United Kingdom.

General

In addition to the specific restrictions set out above, the Dealers have agreed, and each further Dealer appointed under the Programme will be required to agree, that it will comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes the Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries.

GENERAL INFORMATION

Application has been made to the CSSF, which is the Luxembourg competent authority for the purpose of the Prospectus Directive for its approval of this Prospectus. 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 the Issuer.

Interest of Natural and Legal Persons involved in the Issue/Offer

Certain of the Dealers and their affiliates may be customers of, borrowers from or creditors of the Issuer and the Guarantor and/or their affiliates. Certain Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for the Issuer and the Guarantor and/or their affiliates in the ordinary course of business.

In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or of the Guarantor or of their respective affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer or the Guarantor routinely hedge their credit exposure to the Issuer or Guarantor 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.

The Final Terms (please see "*Part II — A. — Interest of natural and legal persons involved in the issue/offer*" of the relevant Final Terms) may, if relevant, contain any further information about conflicts of interest regarding the Issuer, the Guarantor or any other person involved in the issuance of the Notes or may state that there are no further conflicts of interest of persons involved in the offer of the Notes.

Authorisation

The establishment of the Programme was authorised by the management board of the Issuer on 24 September 2013, by the shareholder of the Issuer on 25 September 2013 and by the Management Board and Supervisory Board of the Guarantor on 25 September 2013.

The latest increase as well as the update of the Programme amount to EUR 20,000,000,000 was authorised by the management board of the Issuer on 5 March 2018, by the supervisory board of the Issuer on 5 March 2018, by the shareholder of the Issuer on 5 March 2018, by the Supervisory Board of the Guarantor on 5 March 2018 and by the Management Board of the Guarantor on 26 February 2018.

Any issue of Notes under the Programme will be authorised as stated in the Final Terms.

Listing and admission to trading of Notes

Application has been made to the Luxembourg Stock Exchange for Notes issued under this Programme to be admitted to trading on the Regulated Market of the Luxembourg Stock Exchange (which is a regulated market for the purposes of Directive 2014/65/EU (as amended) on Markets in Financial Instruments) and to be listed on the Official List of the Luxembourg Stock Exchange.

The Programme provides that Notes may be listed on other or further stock exchanges, as may be agreed between the Issuer and the relevant Dealer(s) in relation to each issue. Notes may further be issued under the Programme which will not be listed on any stock exchange.

Documents available

So long as Notes issued under the Programme are outstanding, copies of the following documents will be available from the specified offices of the Paying Agents:

(a) the articles of association of the Issuer;

(b) the articles of association (*Satzung*) of the Guarantor;

(c) a copy of this Prospectus and any supplement thereto; and

(d) the documents incorporated herein by reference.

Copies of the Guarantee may be obtained free of charge at the specified office of the Fiscal Agent.

This Prospectus, each Final Terms relating to those Notes admitted to trading on the Regulated Market of the Luxembourg Stock Exchange (which is a regulated market for the purposes of Directive 2014/65/EU (as amended) on Markets in Financial Instruments) as well as the documents incorporated by reference in this Prospectus are available on the website of the Luxembourg Stock Exchange (www.bourse.lu).

Clearing Systems

The Notes have been accepted for clearance through Clearstream Banking AG, Frankfurt am Main ("**CBF**"), Clearstream Banking S.A., Luxembourg ("**CBL**") and Euroclear Bank SA/NV as operator of the Euroclear system ("**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 clear through an additional or alternative Clearing System the appropriate information will be specified in the applicable Final Terms.

DOCUMENTS INCORPORATED BY REFERENCE

The pages set out in the "**Table of documents incorporated by reference**" below which are extracted from the following documents shall be deemed to be incorporated by reference in, and to form part of, this Prospectus: (a) the audited non-consolidated financial report for the fiscal year ended 31 December 2016, and the fiscal year ended 31 December 2017 of the Issuer in each case including the respective auditor's report; (b) the audited consolidated financial statements for the fiscal year ended 31 December 2016 and the fiscal year ended 31 December 2017 of the Guarantor, in each case including the respective auditor's report and (c) the condensend valuation report of the determination of fair value of Vonovia's portfolio as at 31 December 2017 (the"**Valuation Report**").

The Valuation Report was carried out by CBRE in accordance with the International Financial Reporting Standards (IFRS), the International Standards for the Valuation of Real Estate for Investment Purposes ("**International Valuation Standards**") and the RICS Valuation – Professional Standards (January 2014) (Red Book) of the Royal Institution of Chartered Surveyors.

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 below is either not relevant for the investor or covered in another part of this Prospectus.

The Issuer will provide, without charge, upon written or oral request, a copy of any or all of the documents incorporated herein by reference. Requests for such documents should be directed to either Issuer at their registered offices set out at the end of this Prospectus.

Table of documents incorporated by reference:

(A) Vonovia Finance B.V.

(1) Audited non-consolidated financial statements (prepared in accordance with Dutch GAAP) of the Issuer as of and for the fiscal year ended 31 December 2017 (*Extracted from the English language Financial Report*)

Balance Sheet as of 31 December 2017	pages 10 – 11
Income statement for the Year from 1 January to 31 December 2017	page 12
Statement of Cash Flows for the Year from 1 January to 31 December 2017	page 13
Notes to the financial statements 2017	pages 14 – 35
Independent Auditor's Report	pages 36 - 44

(2) Audited non-consolidated financial statements (prepared in accordance with Dutch GAAP) of the Issuer as of and for the fiscal year ended 31 December 2016 (*Extracted from the English language Financial Report*)

Balance Sheet as of 31 December 2016	pages 8 - 9
Income statement for the Year from 1 January to 31 December 2016	page 10
Statement of Cash Flows for the Year from 1 January to 31 December 2016	page 11
Notes to the financial statements 2016	pages 12 - 32
Other Information	page 33
Independent Auditor's Report	pages 34 - 40

(B) Vonovia SE

(1) Audited consolidated financial statements (prepared in accordance with IFRS) of the Guarantor as of and for the fiscal year ended 31 December 2017 (*Extracted from the English language Annual Report*)

Consolidated Income Statement	Page 114
Consolidated Statement of Comprehensive Income	page 115
Consolidated Balance Sheet	pages 116 – 117
Consolidated Cash Flow Statement	pages 118 – 119
Consolidated Statement of Changes in Equity	pages 120 – 121
Notes	pages 122 - 205
List of Vonovia's shareholdings	pages 208 - 2016
Independent Auditor's Report	pages 220 - 227

(2) Audited consolidated financial statements (prepared in accordance with IFRS) of the Guarantor as of and for the fiscal year ended 31 December 2016 (*Extracted from the English language Annual Report*)

Consolidated Income Statement	page 104
Consolidated Statement of Comprehensive Income	page 105
Consolidated Balance Sheet	pages 106 - 107
Consolidated Cash Flow Statement	pages 108 - 109
Consolidated Statement of Changes in Equity	pages 110 - 111
Notes	pages 112 - 189
List of Vonovia's shareholdings	pages 192 - 196
Independent Auditor's Report	pages 200 - 206

(C) Valuation Report of the determination of Fair Value of Vonovia's portfolio as at 31 December 2017

Summary of Valuation Conclusions	pages V2 – V3
Basis of Valuation	pages V6 – V9
Asset Holdings	pages V10 – V17
Explanation of Valuation	pages V18 – V35
Valuation Conclusions	pages V36 – V39
Valuation Key Definitions	page V40 – V41

NAMES AND ADDRESSES

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The Netherlands

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DEALERS

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Canary Wharf
London E14 4BB
United Kingdom

Commerzbank Aktiengesellschaft
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60311 Frankfurt am Main
Federal Republic of Germany

Credit Suisse Securities (Europe) Limited
One Cabot Square
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United Kingdom

J.P. Morgan Securities plc
25 Bank Street
Canary Wharf
London E14 5JP
United Kingdom

Merrill Lynch International
2 King Edward Street
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United Kingdom

Morgan Stanley & Co. International plc
25 Cabot Square
Canary Wharf
London E14 4QA
United Kingdom

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France

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Federal Republic of Germany

PAYING AGENT

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