

SCHOLZ



8,5 % p.a.

Subscription period:
15.02. until 02.03.2012*

Any questions? Serviceline, 9 a.m.–18 p.m., starting from 10th Feb. 2012.

Toll free number calling from Germany 0800 50 60 605

Toll free number calling from Austria 00800 5555 6666

Please read the prospectus before subscribing for the bond (especially the risk factors), which is available for download in our section IR / Bond on our homepage.

www.scholz-ag.de | ir@scholz-ag.de

*) The subscription period might be closed earlier

Globally organised with regional roots

Scholz Group is a leading group of companies in the recycling sector operating in ferrous and non-ferrous metals. With a sales tonnage of 10.5mn tons (2010) Scholz Group is one of the internationally largest processors of secondary resources and key supplier for the global steel and metal industry supplying international customers such as e.g. voestalpine, ArcelorMittal, Riva und ThyssenKrupp. The access to resources is secured by some 500 collection and processing yards where various kinds of ferrous and non-ferrous scrap are collected and processed.

Experience for 140 years

As a family-run company with 140 years of experience, Scholz Group is dedicated to sustainability and long-term value creation. The responsible corporate culture is a result of the professional management performed by family members and other experts. Scholz AG is 100 % family-owned: Oliver Scholz holds 74.9 % of the shares, Berndt-Ulrich Scholz owns 25.1 %.

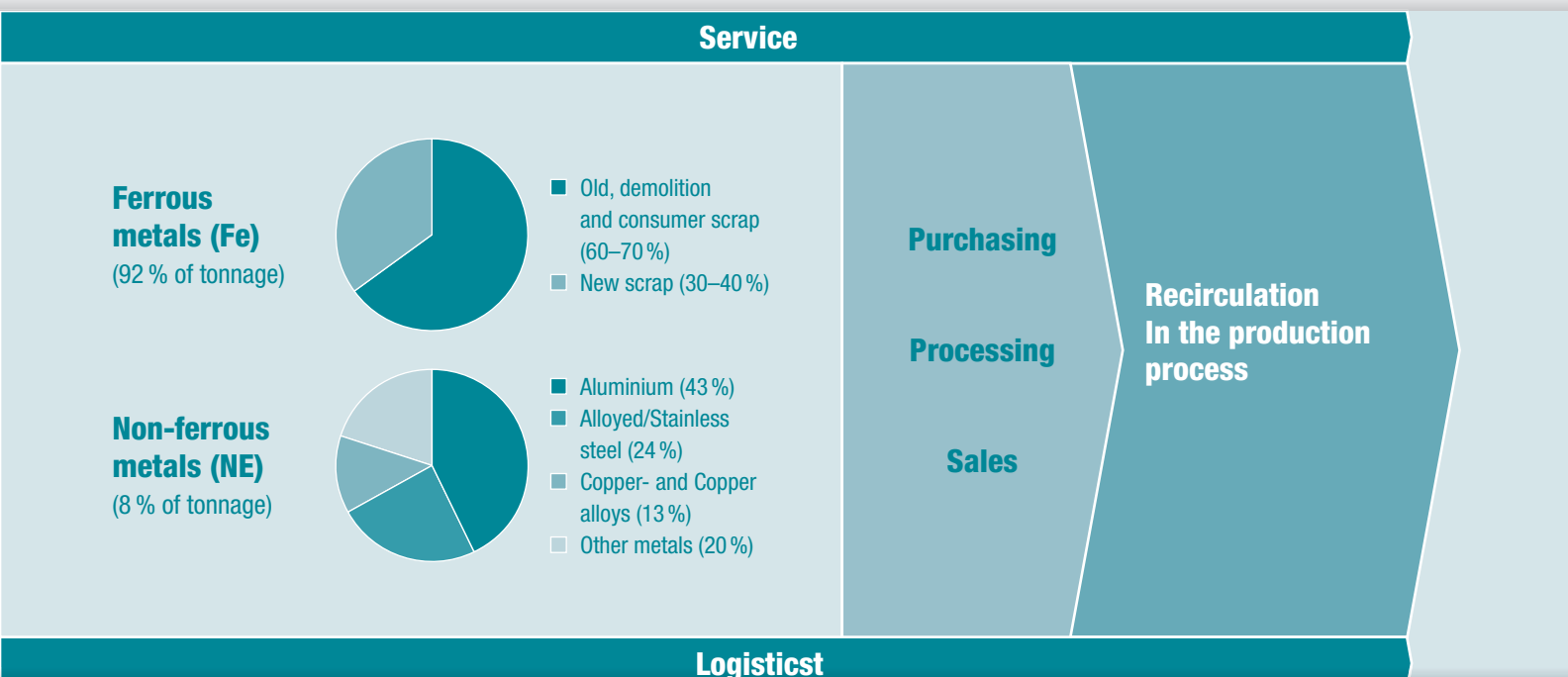
Scholz Group trades with secondary resources such as ferrous, stainless steel, copper and aluminium. Measured by sales and tonnage, the ferrous/non-ferrous division is the largest business division of Scholz Group. The business model in the core division is structured as follows:

- ▷ Brokerage business, meaning the management of trade flows from suppliers to customers
- ▷ Inventory business, including purchasing, processing, transportation and sales.

Other business divisions are aluminium and steel production as well as trading with these resources.



Parag-Johannes Bhatt, Chief Financial Officer (CFO);
Berndt-Ulrich Scholz;
Chairman of the Board;
Oliver Scholz, Chief Executive Officer (CEO);
Raphael Barth, Chief Operating Officer (COO)



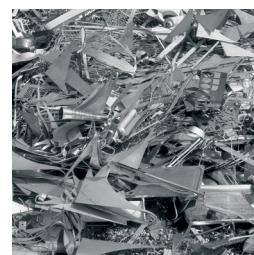
Strategy of Scholz Group

The strategic focus of Scholz Group is targeting on consolidating the market position, organic growth as well as optimising risk management. This shall include further development of the recycling know-how with systematic investments within the group. Further growth prospects will arise in Asia due to the increasing significance of these markets. On top of that, the strategy of Scholz Group aims at improving the capital structure. Through the issuance of this bond Scholz Group will further diversify its financing structure.

Think global, act local

Scholz Group owns a broad international network of locations with more than 500 collection and processing yards. This shall secure the worldwide access to recycling material and guarantee and proximity to customers. Diversified supplier and customer structures provide for an optimal process chain. As a significant outsourcing partner for its suppliers and customers, Scholz Group maintains a long-term and close business relationship. High quality and service are key for Scholz.

Core markets are Germany, Austria as well as further countries in Middle and South-Eastern Europe, where Scholz Group belongs to the market leaders. With some 10% of total sales, Northern America also belongs to the core markets. Scholz Group has invested early in the growing markets of Asia and Eastern Europe.



Scholz Group counts on systematic capacity increases in growth markets

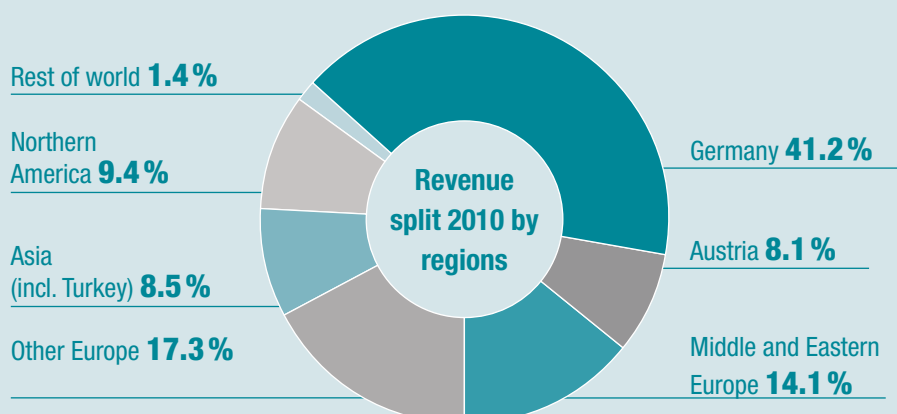


Steel is one of the most often recycled resources: The worldwide recycling share in the production is around 38 %

One of the world's leading Fe/NF-recycling companies

(measured by sales)

- ▶ Market leader in the German speaking area
 - ▷ Market share in Germany 15–20 %
 - ▷ Market leading position in Austria
- ▶ Strong presence in Eastern Europe
 - ▷ Market leading position in Czech Republic,
 - ▷ Slovenia, Croatia, Serbia, Bosnia and Romania
- ▶ Successful market entrance in Northern America
 - ▷ Strong regional market presence (i.a. Great Lakes, Phoenix)



Urban Mining – a future concept

Urban mining is the production of raw materials within municipal areas. Energy and raw materials required for producing steel become increasingly scarce and more expensive. From Scholz' point of view, this bears the future potential for urban mining. The employment of recycled steel improves the efficiency of the steel production.

Technology leader Scholz Group

Innovative processing systems in the recycling process are an important feature of Scholz Group. Recycling ratios of above 94 % with end-of-life vehicles are extraordinary. Modern locations such as Espenhain near Leipzig in Germany are setting worldwide recycling standards. This requires the use of the Scholz-post-shredder-technology to maximise recovery ratios which is an example for patented processes of Scholz Group.

Secondary resources save raw materials and protect the climate

The significance of urban mining within the industry is increasing. The share of secondary resources in the global steel industry already amounts to some 38 % – with further growth potential. The technology bears further potential to protect the climate and raw materials. The substitution of primary through secondary resources avoids the emission of roughly one ton carbon dioxide for every produced ton of steel. Through the production via secondary resources Scholz Group avoids some 12.2 tons of carbon dioxide.



Recovery rate of more than 94 % for end-of-life vehicles



By the use of secondary resources in the steel industry about 2.5 tons of primary resources can be preserved for each ton of produced steel.



Scholz Group in figures

With a trading volume of some 10.5mn tons of secondary resources Scholz Group achieved consolidated sales in 2010 of some 4.5bn Euros. With more than 7,500 employees worldwide, Scholz Group belongs to the largest global producers of secondary resources. The most important target figure is the absolute gross profit per ton, which has shown a stable development in recent years.

(HGB/German GAAP, EUR mn)	30.09.2011	2010	2009	2008	2007
Sales	4.190,7	4.493,2	2.389,6	4.678,3	3.457,5
Gross profit	580,7	775,0	477,7	665,0	495,8
Gross profit per ton	70	74	58	65	60
EBITDA (= operating result)	207,6	262,9	124,3	204,7	178,1
EBITDA/Sales	5,0 %	5,8 %	5,2 %	4,4 %	5,1 %
EBITDA/Gross profit	35,8 %	33,9 %	26,0 %	30,8 %	35,9 %
EBT (= Earnings before tax)	56,3	56,0	-27,8	70,2	89,4
EAT (= net earnings)	35,0	30,9	-32,3	35,8	57,3

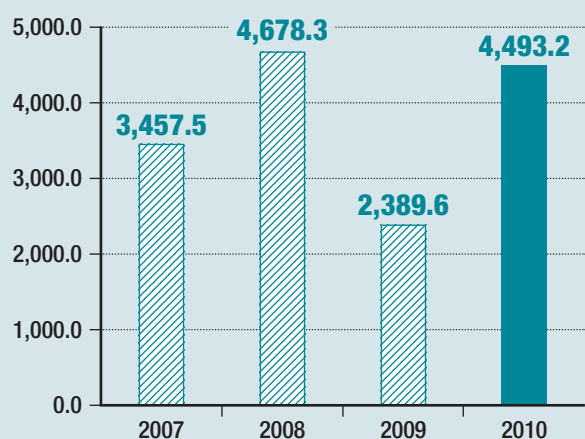


2010:
Consolidated sales:
EUR 4.5bn
Employees: > 7.500

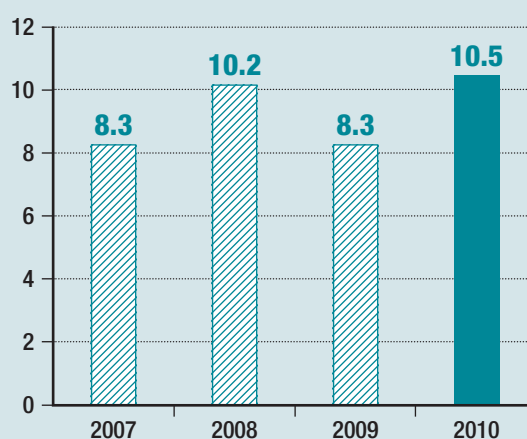


2010:
Trading with secondary
resources:
some 10.5bn tons
Capital expenditures in
improving environmental
standards:
more than 10mn EUR

Sales development
(in mn EUR)



Tonnage development
(in mn tons)



Scholz, the bond: 8,5 % p.a.

Subscription period: 15/02 until 02/03/2012*

Issuer	Scholz AG
Volume	up to EUR 150mn
Interest rate	8.5 % p.a. fixed, annual payment
Denomination	EUR 1,000
Issuance price	100 %, issue surcharge of up to 1 % of the nominal amount possible
Issuance costs	Issuance costs 1.75 % (the Issuer has reserved the right to pay additional incentive fees of up to EUR 400,000)
Term	5 years bullet
Rating of Issuer	BB, stable outlook (Euler Hermes)
Bookrunner	Erste Group Bank, Raiffeisen Bank International
Joint Lead Manager	Berenberg Bank, Close Brothers Seydler Bank
Co Manager	Oberbank
Exchange	Vienna (Dritter Markt) / Frankfurter Wertpapierbörse (Entry Standard for bonds)
Law	Austrian law
Value date	08/03/2012
Repayment	On maturity date with 100 % of nominal amount
ISIN	AT0000A0U9J2
WKN	A1MLSS

IMPORTANT NOTICE

This information is neither an offer nor a solicitation for an offer to purchase notes (the "Notes") of Scholz AG (the "Issuer"). The offer of Notes (the "Offer") is solely made on the basis of a prospectus (the "Prospectus") which has been approved by the Commission de Surveillance du Secteur Financier (CSSF) of the Grand Duchy of Luxembourg and published in electronic form on the website of the Issuer (www.scholz-ag.de) and on the website of the Luxembourg Stock Exchange (www.bourse.lu). Only the information contained in the Prospectus is binding in connection with the Offer.

This document may not be disseminated in the United States, Australia, Canada, Japan or any other jurisdiction where the dissemination or publication of this document would be unlawful. The Notes will neither be registered under the US Securities Act of 1933 nor with any authority of any U.S. State nor in accordance with any applicable securities laws in Australia, Canada or Japan and may not be offered or sold in the United States or for the account of U.S. persons or any other persons domiciled in Australia, Canada, Japan or the United States. No public offer of Notes will be made in the United States, Australia, Canada and Japan.

This document serves as additional information for our investors and is based on the knowledge available to the persons preparing it as of the time of print. Our statements are of general nature and do not take into account the individual needs of investors in respect of yield, tax situation or risk tolerance and ability to bear risk. Past performance is not a reliable indicator of the future performance.

RISK WARNING:

Please note that an investment in Notes also entails risks alongside the opportunities outlined above. The capital repayment at par by the Issuer is only at maturity. As price fluctuations are possible during the term of the Notes a sale of Notes may lead to losses. In case of insolvency or liquidation of the Issuer payments of interest and/or capital may be considerably lower; in these cases also a total loss of the funds invested is possible. Past performance of company indicators is not a reliable indicator of the future performance company indicators. Investors should seek professional personal investment advice and consider the risks described in the Prospectus before making any investment decision. Costs, expenses and fees in connection with the acquisition, maintaining or disposal of the Notes will reduce the yield of the Notes."

*) The subscription period might be closed earlier

Terms and Conditions

of the up to EUR 150,000,000 8.50 % Notes of Scholz AG

ISIN AT0000A0U9J2

Convenience Translation

WARNING: The following translation is for convenience only and not binding. Only the German language original is binding.

§ 1 Principal Amount and Denomination, Form, Central Securities Depositary, Transferability, ISIN

- (1) *Issuer, Denomination, Principal Amount.* These notes of Scholz AG with its seat in Essingen and its business address in 73457 Essingen, Germany, Am Bahnhof, registered in the German Companies Register under HRB 501260 (the "Issuer") are issued in Euro ("EUR" or the "Currency") in an aggregate principal amount of up to EUR 150,000,000 (in words: up to Euro one hundred fifty million) on 8 March 2012 (the "Issue Date") and is divided into up to 150,000 notes payable to the bearer and ranking *pari passu* among themselves with a principal amount of EUR 1,000 each (the "Principal Amount") (the "Notes"; such term includes any further notes issued pursuant to § 12 that form a single series with the Notes).
- (2) *Form, Central Securities Depositary.* The Notes will initially be represented by a temporary global note (the "Temporary Global Note") without interest coupons which will be deposited on or around the Issue Date with Oesterreichische Kontrollbank Aktiengesellschaft or another central securities depositary (the "Central Securities Depositary") without interest coupons or at a common depositary for the Central Securities Depositary. The Temporary Global Note will be exchanged against a permanent global note (the "Permanent Global Note" and, together with the Temporary Global Note, each a "Global Note") not earlier than 40 days and not later than 180 days upon the Issue Date provided that a certification of the non-existence of U.S. beneficial ownership in the Notes is presented according to the rules and operating procedures of the Central Securities Depositary. Payments on a Temporary Global Note will only be made upon presentation of such certification. Notes or interest coupons in definitive form will not be issued. The Global Note will be deposited with or on behalf of the Central Securities Depositary until all obligations of the Issuer under the Notes have been satisfied. Each Global Note shall be signed manually by authorised signatories of the Issuer and shall be authenticated by or on behalf of the Paying Agent. Any claim to receive definitive notes is excluded.
- (3) *Transferability.* The holders of the Notes (the "Noteholders") will receive co-ownership participations or rights in the Global Note that are transferable in accordance with the general business conditions of the Central Securities Depositary and in accordance with all other applicable legal provisions.
- (4) *ISIN.* The International Securities Identification Number of the Notes is AT0000A0U9J2.

§ 2 Status of the Notes

The Notes constitute direct, unconditional, unsubordinated and (subject to the provisions of § 4) unsecured obligations of the Issuer and rank *pari passu* without any preference among themselves and at least *pari passu* with all other unsubordinated and unsecured obligations of the Issuer, present or future, save for certain mandatory exceptions provided by law.

§ 3 Issue Price

The Issue Price is 100 *per cent* of the Principal Amount.

§ 4 Negative Pledge

- (1) *Negative Pledge.* So long as Notes are outstanding, but only until all amounts of principal and interest have been paid, the Issuer shall not provide any mortgage, charge, pledge, lien or other form of encumbrance (each a "Security Interest") over the whole or any part of its present or future assets to secure any Capital Market Indebtedness (as defined below) without at the same time letting the Noteholders share *pari passu* in such Security Interest or providing the Noteholders with an equivalent Security Interest, provided, however, that this undertaking shall not apply with respect to any Security Interest existing in relation to assets at the time of this acquisition by

the Issuer, provided that such Security Interest was not created in connection with or in contemplation of such acquisition and that the amount secured by such Security Interest is not increased subsequently to the acquisition of the relevant asset. For the avoidance of doubt, in respect of asset backed securities transactions, standardised collateralisations for such securitisation programmes shall not fall under the definition of "Security Interest" as set forth in this § 4.

- (2) *Capital Market Indebtedness.* For the purpose of this § 4 "Capital Market Indebtedness" shall mean any present or future obligation of the Issuer or any of its Subsidiaries (irrespective whether it is principal, premium, interest or other amounts) arising from any borrowing in the form of or represented by any securities, regardless of whether such securities are admitted to trading on a stock exchange or a regulated market, or whether they are included in a multilateral trading facility. Promissory notes (*Schuldscheindarlehen*) and syndicated loans do not constitute Capital Market Indebtednesses. "Subsidiary" within the meaning of the Terms and Conditions is any corporation or partnership in which the Issuer holds, directly or indirectly, more than 50 *per cent* of the capital or the voting rights or which otherwise is directly or indirectly controlled by the Issuer and/or its Subsidiaries.

§ 5 Interest

- (1) The Notes shall bear interest on their Principal Amount at a rate of 8.50 *per cent per annum* from (and including) 8 March 2012 (the "Interest Commencement Date") to (and excluding) the Redemption Date (as defined in § 6(1)).
- (2) Interest is payable annually in arrear on 8 March of each year (each an "Interest Payment Date") commencing on 8 March 2013 (the "First Interest Payment Date").
- (3) The "Interest Period" shall be the period from (and including) the Interest Commencement Date to (and excluding) the First Interest Payment Date and any further period from (and including) an Interest Payment Date to (and excluding) the following Interest Payment Date, if required adjusted pursuant § 7(2).
- (4) "Day Count Fraction" means, in respect of the calculation of an amount for any period of time (the "Interest Calculation Period") the actual number of days in the Interest Calculation Period divided by 365 (or, if any calculation portion of that period falls in a leap year, the sum of (i) the actual number of days in that portion of the Interest Calculation Period falling in a leap year divided by 366 and (ii) the actual number of days in that portion of the Calculation Period not falling in a leap year divided by 365).

§ 6 Maturity, Issuer Call Right and Early Redemption

- (1) *Maturity.* The Notes will be redeemed at their Principal Amount (the "Redemption Amount") on 8 March 2017 (the "Redemption Date") to the extent they have not previously been redeemed or purchased and cancelled.
- (2) *Issuer Call Right and Early Redemption due to a Tax Event.* If at any time in the future as a result of a change of the laws applicable in the Federal Republic of Germany or a change in their official application, the Issuer at the time of the next succeeding Interest Payment Date will be required to pay Additional Amounts as defined in § 8(1), and the Issuer cannot avoid such obligation by taking reasonable measures available to it, the Issuer will be entitled at any time to redeem all (but not parts of the) outstanding Notes at their Principal Amount plus accrued interest until the date of redemption.

Such early redemption may not take place (i) with effect earlier than 90 days before the earliest possible date on which the Issuer would be required to pay such Additional Amounts if any payment on the Notes would be due, or (ii) if at the date when the cancellation occurs the obligation to pay Additional Amounts or to withhold or deduct such amounts is no longer effective.

Such early redemption must be noticed by the Issuer not less than 30 days prior to the envisaged early redemption date. The notice must be irrevocable, state the early redemption date and contain a summarising statement outlining the circumstances causing the early redemption rights.

- (3) *Early Redemption.* Except for the provisions contained in § 6(2) and § 9(1), neither the Issuer nor the Noteholders are entitled to repay the Notes or demand repayment of the Notes prior to the Redemption Date.

§ 7 Payments

- (1) *Payment of Principal and Interest.* The Issuer undertakes to pay, as and when due, principal and interest payable on the Notes ("Payments") in the Currency. Such Payments shall, subject to applicable fiscal and other laws and regulations, be made to the Paying Agent for on-payment to the Central Securities Depositary or to its order for credit to the respective account holders.
- (2) *Due Date not a Business Day.* If the due date for any Payment in respect of the Notes is not a Business Day, payment shall be made on the next following Business Day. "Business Day" means any day (other than a Saturday or Sunday) on which banks are open for business in Vienna and the TARGET System settles payments in euro. Noteholders shall have no right to claim payment of interest or other indemnity in respect of such delay in payment.

§ 8 Taxation

- (1) *Taxes.* All payments of principal and interest in respect of the Notes will be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature ("Taxes") imposed, levied, collected, withheld or assessed by the Federal Republic of Germany or any political subdivision or any authority of or in the Federal Republic of Germany that has power to tax, unless the Issuer is compelled by a law or other regulation to make such withholding or deduction. In such event, the Issuer will pay, subject to the provisions of this § 8, such additional amounts (the "Additional Amounts") as will result in receipt by the Noteholders of the same amounts as they would have received if no such withholding or deduction had been required.
- (2) *Exception.* However, no such Additional Amounts shall be payable with respect to such Taxes:
 - (i) to which a Noteholder is liable because of a relationship with the Federal Republic of Germany other than the mere fact of him being the holder of the relevant Notes; or
 - (ii) in respect of which such withholding or deduction is required to be made pursuant to (i) a Directive or Regulation of the European Union, or (ii) any international treaty or understanding relating to such taxation and to which the Federal Republic of Germany or the European Union is a party, or (iii) any law implementing or complying with, or introduced in order to conform to, such Directive, Regulation, treaty or understanding; or
 - (iii) to which the Noteholder would not be subject to if he had presented his Notes for payment within 30 days from the due date for payment, or, if the necessary funds have not been provided to the Paying Agent when due, from the date on which such funds have been provided to the Paying Agent, and a notice to that effect has been published in accordance with § 14; or
 - (iv) which are withheld or deducted by a Paying Agent if payment could have been made by another Paying Agent in a Member State of the European Union without such deduction or withholding; or
 - (v) the withholding or deduction of which a Noteholder or an agent acting on behalf of such Noteholder could legally have avoided (but did not), by complying with the legal provisions (particularly the applicable disclosure requirements and obligations to provide

evidence in respect of citizenship, residence or the identity of the Noteholder) or by making sure that any agent acting on behalf of the Noteholder complies with the legal provisions or by making a declaration of non-residence or induces such agent to make such declaration or to apply any other claim for tax exception vis-à-vis the tax authorities or by inducing another paying agency to make such payments; or

- (vi) which are withheld by a securities custodian or a person acting as collection agent for the Noteholder or which are levied otherwise than by the Issuer making a withholding or deduction from any amounts of principal or interest payable by it.
Capital gains tax (including withholding taxes) applicable in the Federal Republic of Germany, including church taxes (if any) and additional solidarity surcharge or any other taxes which replace the aforementioned withholding taxes are taxes which are withheld by a securities custodian or a person acting as a collection agent for the Noteholder within the meaning of Section 8(2)(vi).
- (3) Any reference in these Terms and Conditions to principal or interest will be deemed to include any Additional Amounts in respect of principal or interest (as the case may be) which are payable under this §8.

§ 9 Events of Default and Redemption

- (1) *Events of Default.* Any Noteholder shall be entitled to declare the Notes to be immediately due and repayable and to demand their immediate redemption at their Principal Amount together with accrued interest, if any of the following events (each an “Event of Default”) shall occur:
 - (a) *Non-Payment:* the Issuer fails to pay any principal or interest or any other amounts due pursuant to §6 on any of the Notes when due and such failure continues for a period of 7 Business Days (as defined in § 7(2) above) after the relevant due date; or
 - (b) *Breach of Other Obligations:* if the Issuer does not perform or comply with any one or more of its other obligations under the Notes and such default is not remedied within 2 weeks after the Paying Agent have received notice thereof from a Noteholder; or
 - (c) *Cross Default:* Cross Default shall occur if (i) one or more present or future payment obligations of the Issuer or any of its Subsidiaries (as defined above) in respect of monies borrowed or raised becomes (or is declared) due and payable prior to its stated maturity for reason of the occurrence of a default (howsoever defined) in an aggregate amount of at least EUR 50,000,000, or (ii) any such payment obligation in an aggregate amount of at least EUR 50,000,000 is not met when due or, as the case may be, within an applicable grace period (whereby the later of such dates shall be decisive), or (iii) one or more Security Interests (as defined above) provided by the Issuer to secure present or future payment obligations of the Issuer or any of its Subsidiaries in respect of moneys borrowed or raised is realised or enforced by one or more creditor of the Issuer or any of its Subsidiaries or such realisation or enforcement is initiated in way that materially adversely affects or could materially adversely affect the Issuer's ability to fulfil its obligations under the Notes (each a “Cross Default Event”); upon the occurrence of a Cross-Default Event, the Issuer shall publish a notice in accordance with § 14 within 5 Business Days of the occurrence of a Cross Default Event or the Paying Agent upon knowledge of the occurrence of a Cross Default Event, in which case a Noteholder may file a Cancellation Notice in accordance with §9(3) with the Issuer and the Paying Agent; such Cancellation Notice in respect of (i) and (ii) shall become effective unless the respective Cross Default Event ceases to exist within 30 Business Days following the publication of the occurrence of such Cross-Default Event, in which case the Issuer shall immediately publish a notice to such effect in accordance with §14, Cancellation Notice in respect of (iii) shall have immediate effect; or
 - (d) *Realisation of Security Interests:* a Security Interest provided for an obligation of the Issuer is realised by a counterparty with the Issuer's consent and this materially adversely affects the Issuer's ability to service its obligations under the Notes; or
 - (e) *Suspension of Payments:* the Issuer or any of its Material Subsidiaries suspends its payments generally or announces its inability to meet its financial obligations or the Issuer offers or makes a general arrangement for the payment of its debts, whereas:

“Material Subsidiary” in this §9 means a Subsidiary of the Issuer whose total assets or turnover on a consolidated basis in the last business year equal or exceed 5 per cent of the aggregate total assets or turnover of the Issuer on a consolidated basis and a report by the Issuer's auditor that in his opinion on the basis of the most recent audited consolidated financial statements of the Issuer a Subsidiary of the Issuer is or is not or was or was not a Material Subsidiary shall, in the absence of manifest error, be conclusive and binding on all parties; or

- (f) *Insolvency:* any competent court institutes insolvency proceedings against the Issuer or any of its Material Subsidiaries (as defined above), or the Issuer or any of its Material Subsidiaries applies for the institution of such proceedings or an application for the institution of such proceedings has been filed but rejected by the competent court for lack of assets
- (g) *Liquidation:* the Issuer or any of its Material Subsidiaries is liquidated (except in connection with a merger, reorganization or other form of combination with another company or in connection with another reconstruction, and such other or new company or, as the case may be, companies effectively assumes substantially all of the assets and liabilities of the Issuer or the respective Material Subsidiary); or
- (h) *Cessation of Business Operations:* the Issuer or any of its Material Subsidiaries (i) ceases or threatens to cease to carry on the whole or substantially the whole of its business or operations or (ii) or sells or disposes of all or for its business essential parts of its assets provided that this has adverse effects on the fulfilment of the obligations under the Notes, or (iii) concludes deals with associated corporations other than on arms-length basis provided that this has adverse effects on the fulfilment of the obligations under the Notes, or (iv) any governmental authority expropriates or threatens to expropriate all or a substantial part of the Issuer's or any Material Subsidiaries' assets; or
- (i) *Change of Control:* A Change of Control Event (as defined below) occurs. Promptly upon the occurrence of a Change of Control Event, the Issuer shall give notice to the Noteholders in accordance with §14. A cancellation pursuant to this §9(i) is invalid if the respective Cancellation Notice pursuant §9(3) is effected later than 30 days upon the notice of the Change of Control has been given by the Issuer; whereas:
a “Change of Control” in the meaning of this §9 shall be deemed to have occurred if any change in the shareholder structure or the capital structure of the Issuer takes place to the effect that the current shareholders of the Issuer, Berndt-Ulrich Scholz, born 17 October 1939 and Oliver Scholz, born 12 July 1970 and/or their descendants (i) in aggregate directly or indirectly hold less than 50.1 % of the voting rights associated with the Issuer's ordinary shares or (ii) cease to have the right to nominate the majority of the Issuer's managing board and/or the capital representatives in the Issuer's advisory board; or
- (j) *Violation of the Negative Pledge.* the Issuer does not fulfil its obligations under §4 (Negative Pledge) of these Terms and Conditions.
- (2) *Expiry of redemption right.* The right to declare Notes due shall lapse if the Event of Default has been cured before the right is validly exercised. No event or circumstance other than an event specified in §9(1) shall entitle Noteholders to declare their Notes due and payable prior to their stated maturity, save as expressly provided for in these Terms and Conditions and subject to applicable mandatory law. In the cases of §9(1)(b) or §9(1)(c) a cancellation will, provided that not also one of the events of default described in §9(1)(a) or §9(1)(d) to (j) is existing, not be effective before the Paying Agent has received cancellation notices from the Noteholders in an aggregate amount of at least 15 per cent of the Notes then outstanding.
- (3) *Cancellation Notice.* Any Cancellation Notice in accordance with §9(1) shall be made by means of a written notice in the German language to the Paying Agent and is effective upon receipt by the Paying Agent. The Cancellation Notice must be accompanied by evidence by means of a certificate of the Noteholder's depository bank that such Noteholder at the time of such written notice is the holder of the relevant Notes.

§ 10 Limitation Period

The limitation period for claims in respect of principal of the Notes shall be thirty years, and in respect of interest three years respectively, in each case after due date.

§ 11 Paying Agent

- (1) *Paying Agent.* Erste Group Bank AG, Graben 21, 1010 Vienna, Austria, shall be the initial paying agent (the “Paying Agent”).
- (2) *Status of the Paying Agent.* The Paying Agent acts solely as agent of the Issuer and does not assume any obligations towards or relationship of contract, agency or trust for or with any of the Noteholders.
- (3) *Variation or Termination of Appointment.* The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent and to appoint successor or additional paying agents. Notice of any change in the paying agents or in the specified office of any Paying Agent will promptly be given to the Noteholders pursuant to §14. The Issuer will procure that there will at all times be a Paying Agent. The Issuer will also procure that, so long as the Notes are listed on a stock exchange, there will at all times be a paying agent with a specified office in such city as may be required by the rules of the relevant stock exchange and appoint a potential successor or a potential additional paying agent in accordance with such rules, such potential successor or potential additional paying agent being a credit institution within the European economic area.

§ 12 Further Issues, Repurchase and Cancellation

- (1) *Further Issues.* In addition to the right to issue further notes not forming a single Series with the Notes, the Issuer may from time to time, without the consent of the Noteholders, 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 may at any time purchase Notes in the open market or otherwise and at any price. Notes purchased by the Issuer may, at the option of the Issuer, be held, resold or submitted to the Paying Agent for cancellation.
- (3) *Cancellation.* All Notes redeemed in full shall be cancelled forthwith and may not be reissued or resold.

§ 13 Inclusion in a Multilateral Trading Facility

The inclusion of the Notes in the Third Market which is operated by the Vienna Stock Exchange as a multilateral trading facility and the Open Market of the German Stock Exchange (*Freiverkehr der Frankfurter Wertpapierbörse*) in the segment Entry Standard for Notes may be applied for.

§ 14 Notices

- (1) *Notices.* All notices concerning the Notes to the Noteholders shall be published on the Issuer's website (www.scholz-ag.de) and in the *Amtsblatt zur Wiener Zeitung* or, if it ceases to be published, in another newspaper with circulation Austria-wide. Each such notice shall be deemed to have been validly given on the date of publication.
- (2) *Notice via the Central Securities Depository.* Notices to Noteholders may (subject to applicable stock exchange rules and requirements), so long as any Global Note representing the Notes is held by the Central Securities Depository, be given by delivery of the relevant notice to the Central Securities Depository for communication to the Noteholders.

§ 15 Governing Law. Jurisdiction

- (1) *Governing law.* The Notes and any rights and obligations in connection with the Notes are governed by the laws of the Republic of Austria excluding its conflict-of-law rules insofar as these would result in the applicability of foreign law.
- (2) *Jurisdiction.* For all disputes which may arise out of or in connection with the Notes, the commercial court competent for Vienna, Inner City, shall have exclusive jurisdiction. The submission to the jurisdiction of the courts of Vienna shall not (and shall not be construed so as to) limit the right of any Noteholder to take proceedings in any other court of competent jurisdiction (in particular, and as far as mandatorily competent, a place of consumer jurisdiction), nor shall the taking up of proceedings in any one or more jurisdictions preclude the taking up of proceedings in any other jurisdiction (whether concurrently or not) if and to the extent permitted by law.
- (3) *Place of Performance.* Place of performance shall be Vienna, Republic of Austria.