

# VOLKSWAGEN

## Volkswagen International Finance N.V.

(public limited liability corporation (*naamloze vennootschap*) under the laws of The Netherlands)

**EUR 1,250,000,000 Undated Subordinated Notes subject to Interest Rate Reset with a First Call Date in 2021**  
**Issue Price: 99.246%**

**EUR 1,750,000,000 Undated Subordinated Notes subject to Interest Rate Reset with a First Call Date in 2026**  
**Issue Price: 98.876%**

guaranteed on a subordinated basis by

## VOLKSWAGEN AKTIENGESELLSCHAFT

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

Volkswagen International Finance N.V. (the "**Issuer**" or "**VIF**") will issue EUR 1,250,000,000 in aggregate principal amount of undated subordinated notes subject to interest rate reset with a first call date on March 24, 2021 (the "**NC7 Notes**") and EUR 1,750,000,000 in aggregate principal amount of undated subordinated notes subject to interest rate reset with a first call date on March 24, 2026 (the "**NC12 Notes**") and, together with the NC7 Notes, the "**Notes**") in a denomination of EUR 1,000 each on March 24, 2014 (the "**Issue Date**") at an issue price of 99.246% of their principal amount in respect of the NC7 Notes and 98.876% of their principal amount in respect of the NC12 Notes (the "**Offering**"). The Notes are unconditionally and irrevocably guaranteed, on a subordinated basis, by VOLKSWAGEN AKTIENGESELLSCHAFT (the "**Guarantor**" or "**VWAG**") and together with its consolidated subsidiaries, the "**Volkswagen Group**").

The NC7 Notes shall bear interest on their principal amount (i) from and including March 24, 2014 (the "**NC7 Interest Commencement Date**") to but excluding March 24, 2021 (the "**NC7 First Call Date**") at a rate of 3.75% per annum; (ii) from and including the NC7 First Call Date to but excluding March 24, 2024 (the "**First NC7 Step-up Date**") at the relevant 7-year swap rate for the relevant Reset Period (as defined herein) plus a margin of 253.4 basis points per annum (no step-up); (iii) from and including the First NC7 Step-up Date to but excluding March 24, 2041 (the "**Second NC7 Step-up Date**") at the relevant 7-year swap rate for the relevant Reset Period plus a margin of 278.4 basis points per annum (including a 25 basis points step-up); and (iv) from and including the Second NC7 Step-up Date to but excluding the date on which the Issuer redeems the Notes in whole at the relevant 7-year swap rate for the relevant Reset Period plus a margin of 353.4 basis points per annum (including a further 75 basis points step-up). During each such period interest is scheduled to be paid annually in arrear on March 24 of each year (each an "**Interest Payment Date**"), commencing on March 24, 2015.

The NC12 Notes shall bear interest on their principal amount (i) from and including March 24, 2014 (the "**NC12 Interest Commencement Date**") to but excluding March 24, 2026 (the "**NC12 First Call Date**") at a rate of 4.625% per annum; (ii) from and including the NC12 First Call Date to but excluding March 24, 2046 (the "**Second NC12 Step-up Date**") at the relevant 12-year swap rate for the relevant Reset Period plus a margin of 296.7 basis points per annum (including a 25 basis points step-up); and (iii) from and including the Second NC12 Step-up Date to but excluding the date on which the Issuer redeems the Notes in whole at the relevant 12-year swap rate for the relevant Reset Period plus a margin of 371.7 basis points per annum (including a further 75 basis points step-up). During each such period interest is scheduled to be paid annually in arrear on March 24 of each year (each an "**Interest Payment Date**"), commencing on March 24, 2015.

The Issuer is entitled to defer payments of interest on any Interest Payment Date (as defined in the Terms and Conditions) ("**Arrears of Interest**") and may pay such Arrears of Interest voluntarily at any time, but only has to pay such Arrears of Interest under certain circumstances as laid out in the terms and conditions of the NC7 Notes (the "**NC7 Note Terms and Conditions**") or the terms and conditions of the NC12 Notes (the "**NC12 Note Terms and Conditions**") and, together with the NC7 Note Terms and Conditions, the "**Terms and Conditions**"), as applicable.

Each issue of the Notes is redeemable in whole but not in part at the option of the Issuer at their principal amount plus accrued and unpaid interest and upon payment of any outstanding Arrears of Interest on the NC7 First Call Date for the NC7 Notes and on the NC12 First Call Date for the NC12 Notes and on any respective Interest Payment Date thereafter. The Issuer may also redeem each issue separately in whole but not in part at any time before the respective first call dates following a Rating Event, an Accounting Event, a Tax Deductibility Event or a Gross-up Event at the Early Redemption Amount (each as defined in the applicable Terms and Conditions). Additionally the Issuer may redeem each issue separately, in whole but not in part, if any of the Issuer, the Guarantor or any of the Guarantor's subsidiaries has, severally or jointly, purchased or redeemed at least 80% of the originally issued aggregate principal amount of the Notes of such issue.

Each of the Notes will initially be represented by a temporary global note, without interest coupons, which will be exchangeable in whole or in part for a permanent global note without interest coupons, not earlier than 40 days after the Issue Date, upon certification as to non-U.S. beneficial ownership. The Notes are issued in bearer form with a denomination of EUR 1,000 each.

The Notes are expected to be rated BBB by Standard & Poor's Ratings Services ("**S&P**") and Baa2 by Moody's Investors Service Ltd. ("**Moody's**") and, together with S&P, the "**Rating Agencies**"). A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organization. As of the date of this Prospectus, each of the Rating Agencies is a credit rating agency established in the European Union and registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (as amended) (the "**CRA Regulation**"). In general, European regulated investors are restricted from using a credit rating for regulatory purposes if such credit rating is not issued by a rating agency established in the European Union and registered under the CRA Regulation. A list of credit rating agencies registered under the CRA Regulation is available for viewing at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>.

This prospectus (the "**Prospectus**") constitutes a prospectus within the meaning of Article 5.3 of Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 as amended from time to time (the "**Prospectus Directive**"). This Prospectus, any supplement thereto and all documents incorporated by reference will be published in electronic form on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) and will be available free of charge at the specified office of the Issuer.

This Prospectus has been approved by the CSSF in its capacity as competent authority under the Luxembourg Prospectus Law. As provided in Article 7(7) of the Luxembourg Prospectus Law, by approving this Prospectus, the CSSF does not give any undertaking as to the economical and financial soundness of the operation or the quality or solvency of the Issuer. The Issuer will prepare and make available an appropriate supplement to this Prospectus if at any time the Issuer will be required to prepare a prospectus supplement pursuant to Article 13 of the Luxembourg Prospectus Law. The Issuer has requested CSSF to provide the competent authorities in the Federal Republic of Germany ("**Germany**"), the Republic of Austria ("**Austria**"), The Netherlands, the United Kingdom and the Republic of Ireland ("**Ireland**") and may request CSSF to provide competent authorities in additional host Member States within the European Economic Area with a certificate of approval attesting that the Prospectus has been drawn up in accordance with the Luxembourg Prospectus Law.

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

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

Application has been made to the Luxembourg Stock Exchange for the Notes to be listed on the Official List of the Luxembourg Stock Exchange (the "**Official List**") and to be admitted to trading on the Luxembourg Stock Exchange's Regulated Market. The Luxembourg Stock Exchange's Regulated Market is a regulated market for the purposes of Directive 2004/39/EC of the European Parliament and of the Council of April 21, 2004 on Markets in Financial Instruments, as amended.

Joint Bookrunners

Barclays

Goldman Sachs  
International

HSBC

Société Générale Corporate  
& Investment Banking

*The date of this Prospectus is March 18, 2014*

The Issuer and the Guarantor accept responsibility for the information contained in this Prospectus and relating to the Notes. To the best of the knowledge and belief of the Issuer and the Guarantor (having taken all reasonable care to ensure that such is the case) the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Prospectus is to be read in conjunction with any supplement hereto and with the Documents Incorporated by Reference as defined in "*Documents Incorporated by Reference*". This Prospectus should be read and construed on the basis that the Documents Incorporated by Reference form part of the Prospectus.

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

Barclays Bank PLC, Goldman Sachs International, HSBC Bank plc and Société Générale (together, the "**Joint Bookrunners**" or the "**Managers**") expressly do not undertake to review the financial condition or affairs of the Issuer during the term of the Notes or to advise any investor in the Notes of any information coming to their attention. No Manager accepts any liability or makes any representation or warranty, expressed or implied, as to the accuracy or completeness of the information contained or incorporated by reference in this Prospectus or any other information provided by the Issuer in connection with the Offering, and nothing in this Prospectus is, or shall be relied upon as, a promise or representation by the Managers.

To the fullest extent permitted by law, the Managers accept no responsibility whatsoever for the contents of this Prospectus or for any other statement, made or purported to be made by a Manager or on its behalf in connection with the Issuer, the Guarantor, or the issue and offering of the Notes. Each Manager accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Prospectus or any such statement.

Only persons authorized in this Prospectus are entitled to use the Prospectus in connection with the Offering.

The delivery of this Prospectus at any time after the date hereof shall not, under any circumstances, create any implication that there has been no change in the affairs of the Volkswagen Group since the date hereof or that the information set out in this Prospectus is correct as at any time since its date. No person is or has been authorized by the Issuer to give any information or to make any representation not contained in or not consistent with this Prospectus or any other information supplied in connection with the Offering and, if given or made, such information or representation must not be relied upon as having been authorized by the Issuer or any of the Managers.

Neither this Prospectus nor any other information supplied in connection with the Offering (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer or any of the Managers that any recipient of this Prospectus or any other information supplied in connection with the Offering should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Prospectus nor any other information supplied in connection with the Offering constitutes an offer or invitation by or on behalf of the Issuer or any of the Managers to any person to subscribe for or to purchase any Notes.

This Prospectus has been prepared by the Issuer in connection with the Offering solely for the purpose of enabling a prospective investor to consider the purchase of the Notes and to comply with the listing requirements of the regulated market of the Luxembourg Stock Exchange. In making an investment decision regarding the Notes offered pursuant to this Prospectus, investors must rely on their own examination of the Volkswagen Group and the terms of the Offering, including, without limitation, the merits and risks involved. The Offering is being made solely on the basis of this Prospectus.

Reproduction and distribution of this Prospectus or disclosure or use of the information contained herein for any purpose other than considering an investment in the Notes is prohibited. The information contained in this Prospectus has been provided by the Issuer. No representation or warranty, explicit or implied, is made by the Managers as to the accuracy or completeness of the information set forth herein and nothing contained in this Prospectus is, or shall be relied upon as a promise or representation, whether as to the past or the future.

The contents of this Prospectus are not to be construed as legal, business or tax advice. Each prospective investor should consult its own lawyer, financial adviser or tax adviser for legal, financial or tax advice.

The Issuer, the Guarantor and the Managers do not represent that this Prospectus may be lawfully distributed, or that the Notes may be lawfully offered, in compliance with any applicable registration or other

requirements in any jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, subject to the following paragraph, no action has been taken by the Issuer or the Managers which is intended to permit a public offering of the Notes or the distribution of this Prospectus in any jurisdiction where action for that purpose is required. Subject to the following paragraph, no Notes may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations.

Persons into whose possession this Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Prospectus and the offer or sale of Notes in the United States and the European Economic Area — see “*Selling Restrictions*”.

This Prospectus contains statements under the captions “*Summary*”, “*Risk Factors*”, and elsewhere which are, or may be deemed to be, “forward-looking statements”. In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including the words “believes”, “estimates”, “anticipates”, “expects”, “intends”, “targets”, “may”, “will”, “plans”, “continue” or “should” or, in each case, their negative or other variations or comparable terminology or by discussions of strategies, plans, objectives, goals, future events or intentions. The forward-looking statements contained in this Prospectus include certain “targets”. These targets reflect goals that the Issuer and all of its subsidiaries are aiming to achieve and do not constitute forecasts.

The Volkswagen Group bases forward-looking statements on its current plans, estimates, projections and expectations. These statements are based on certain assumptions that, although reasonable at this time, may prove to be erroneous. Investors should not place undue reliance on these forward-looking statements. Many factors could cause the Volkswagen Group’s actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements.

The forward-looking statements contained in this Prospectus include all matters that are not historical facts and include statements regarding the Volkswagen Group’s intentions, beliefs or current expectations concerning, among other things, the results of operations, financial condition, liquidity, prospects, growth, strategies and dividend policy and the industry and markets in which the Issuer operates. By their nature, forward-looking statements involve known and unknown risks and uncertainties because they relate to events, and depend on circumstances, that may or may not occur in the future. Forward-looking statements are not guarantees of future performance.

Many factors could cause the actual results, performance or achievements of the Volkswagen Group to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Some of these factors are discussed in more detail under “*Risk Factors*” below. Should one or more of these risks or uncertainties described in this Prospectus occur, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this Prospectus as anticipated, believed, estimated or expected. Neither the Issuer nor the Guarantor has the intention to or assumes the responsibility for updating the information contained in this Prospectus after March 21, 2014 if not required in accordance with Article 13 of the Luxembourg Prospectus Law.

This Prospectus contains statements regarding the market position of the Volkswagen Group. Unless specified otherwise, such statements regarding the Volkswagen Group’s market or competitive position are based on the Volkswagen Group’s internal market research.

Where information has been sourced from a third party, the Issuer and the Guarantor confirm that this information has been accurately reproduced and that as far the Issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. Where such information has been included in this Prospectus, the source is indicated.

The legally binding language of this Prospectus is English. Any part of the Prospectus in the German language constitutes a translation, except for the Terms and Conditions in respect of which German is the legally binding language.

In this Prospectus all references to “EUR” or “Euro” are to the currency introduced at the start of the third stage of the European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No. 974/98 of 3 May 1998 on the introduction of the Euro, as amended.

**IN CONNECTION WITH THE ISSUE OF THE NOTES, GOLDMAN SACHS INTERNATIONAL (THE “STABILIZING MANAGER”) (OR ANY PERSON ACTING ON BEHALF OF ANY STABILIZING MANAGER) 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, THERE IS NO ASSURANCE THAT THE STABILIZING MANAGER (OR ANY PERSON ACTING ON BEHALF OF THE STABILIZING MANAGER) WILL UNDERTAKE STABILIZATION ACTION. ANY STABILIZATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE NOTES IS MADE AND, IF BEGUN, MAY BE ENDED AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 CALENDAR DAYS AFTER THE ISSUE DATE OF THE NOTES AND 60 CALENDAR DAYS AFTER THE DATE OF THE ALLOTMENT OF THE NOTES. ANY STABILIZATION ACTION OR OVER-ALLOTMENT MUST BE CONDUCTED BY THE STABILIZING MANAGER (OR ANY PERSON ACTING ON BEHALF OF THE STABILIZING MANAGER) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

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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 securities 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 securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of “not applicable”.

Section A – Introduction and warnings		
A.1	Warnings	<p><b>Warning that:</b></p> <ul style="list-style-type: none"> <li>The Summary should be read as an introduction to the Prospectus.</li> <li>Any decision to invest in the Notes should be based on consideration of the Prospectus as a whole by the investor.</li> <li>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.</li> <li>Civil liability attaches only to the Issuer who has 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.</li> </ul>
A.2	Consent by the Issuer to the use of the Prospectus by financial intermediaries	The Issuer consents to the use of the Prospectus during the Offer Period (as defined below) by all credit institutions licensed in accordance with Art 4 number 1 of Directive 2006/48/EC to trade securities in Luxembourg, Germany, Austria, The Netherlands, the United Kingdom and/or Ireland (each a “ <b>Financial Intermediary</b> ”) (general consent).
	Indication of the period for which the consent to use the Prospectus is given	The subsequent resale or final placement of the Notes by Financial Intermediaries can be made in Luxembourg from the date of the Prospectus and in Germany, Austria, The Netherlands, the United Kingdom and/or Ireland from the time of effectiveness of the notifications (passporting) of the Prospectus into the respective jurisdictions until March 21, 2014 (the “ <b>Offer Period</b> ”).
	Any other clear and objective conditions attached to the consent which are relevant for the use of the Prospectus	<p>Financial Intermediaries may use the Prospectus for subsequent resale or final placement of the Notes in Luxembourg, Germany, Austria, The Netherlands, the United Kingdom and/or Ireland during the offer period. However, the Issuer may revoke or limit its consent at any time, whereby such revocation requires a supplement to the Prospectus.</p> <p><b>Any Financial Intermediary using the Prospectus has to state on its website that it uses the Prospectus in accordance with the consent and the conditions attached thereto.</b></p>
	Notice to investors	<b>In the event of an offer being made by a Financial Intermediary, this Financial Intermediary will provide information to investors on the terms and conditions of the offer at the time the offer is made.</b>



Section B – Issuer																																															
B.1	Legal and commercial name	Volkswagen International Finance N.V. (“ <b>VIF</b> ”) is both the legal and commercial name.																																													
B.2	Domicile, legal form, legislation, country of incorporation	VIF is a stock corporation incorporated under the laws of and domiciled in The Netherlands.																																													
B.4b	Description of any known trends affecting the Issuer and the industries in which it operates	The financial crisis which started in 2007 passed into a sovereign debt crisis. This financial and sovereign debt crisis and the following economic crisis led to a historically low interest rate level. The Issuer does not anticipate a significant change in the overall economic conditions and thus expects the general interest rate level to remain low.																																													
B.5	Description of the Group and the Issuer’s position within the Group	<p>VIF is part of the Volkswagen Group which consists of numerous subsidiaries and affiliates in Germany and overseas.</p> <p>Its legal shareholders are VOLKSWAGEN AKTIENGESELLSCHAFT (“<b>VWAG</b>”) and Global VW Automotive B.V. (“<b>Global BV</b>”). VIF itself currently has subsidiaries which it directly or indirectly owns.</p> <p>VWAG intends to reorganize VIF by transferring it and its subsidiaries to Volkswagen Finance Luxembourg S.A. (“<b>VFL</b>”), so that VIF will cease to be a holding company except for minority interests in a limited number of former subsidiaries. Following the reorganization, VIF and its former subsidiaries will be direct subsidiaries of VFL, which is a wholly-owned direct subsidiary of VWAG.</p>																																													
B.9	Profit forecast/estimate	Not applicable; no profit forecast or estimate is made.																																													
B.10	Qualifications in the audit report on the historical financial information	Not applicable; PricewaterhouseCoopers Accountants N.V. audited the non-consolidated financial statements of VIF for the years ended on December 31, 2013 and 2012 and gave their unqualified opinion for each year.																																													
B.12	Selected historical key financial information	<table><tr><th></th><th colspan="2">Year ended December 31</th></tr><tr><th></th><th>2013</th><th>2012</th></tr><tr><th></th><th colspan="2">(audited)</th></tr><tr><th></th><th colspan="2">in EUR million</th></tr><tr><td colspan="3"><i>Key Financial Information (Dutch GAAP)</i></td></tr><tr><td>Balance sheet total</td><td>36,230</td><td>29,449</td></tr><tr><td>Participations</td><td>3,932</td><td>4,343</td></tr><tr><td>Receivables from loans granted to Group companies and joint ventures</td><td>31,754</td><td>24,833</td></tr><tr><td>Total equity</td><td>4,807</td><td>4,994</td></tr><tr><td>Liabilities from funding activities</td><td>30,827</td><td>24,068</td></tr><tr><td>Financial result</td><td>26</td><td>19</td></tr><tr><td>Result from participations</td><td>892</td><td>999</td></tr><tr><td>Result before tax</td><td>919</td><td>1,019</td></tr><tr><td>Result after tax</td><td>913</td><td>1,013</td></tr><tr><td>Net cash flow current year</td><td>176</td><td>147</td></tr></table> <p>Audited information extracted from audited financial statements of the Issuer as of and for the years ended December 31, 2013 and 2012.</p>		Year ended December 31			2013	2012		(audited)			in EUR million		<i>Key Financial Information (Dutch GAAP)</i>			Balance sheet total	36,230	29,449	Participations	3,932	4,343	Receivables from loans granted to Group companies and joint ventures	31,754	24,833	Total equity	4,807	4,994	Liabilities from funding activities	30,827	24,068	Financial result	26	19	Result from participations	892	999	Result before tax	919	1,019	Result after tax	913	1,013	Net cash flow current year	176	147
	Year ended December 31																																														
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Result after tax	913	1,013																																													
Net cash flow current year	176	147																																													
	No material adverse change/ significant changes in financial or trading position	Other than the reorganization described in Element B.5, there have been no material adverse change in the prospects of the Issuer since December 31, 2013 and no significant changes in the financial or trading position of the Issuer since December 31, 2013.																																													

<b>B.13</b>	<b>Recent events to a material extent relevant to the evaluation of the Issuer's solvency</b>	Not applicable, as no recent event was to a material extent relevant to evaluate the Issuer's solvency.
<b>B.14</b>	<b>Dependency of the Issuer</b>	<p>Please read Element B.5 together with the information below.</p> <p>Legal Shareholders of VIF are VWAG and Global BV. VIF is dependent upon its shareholders. In 2006, VWAG and Global BV concluded a limited partnership agreement, thus forming Global CV, and contributed the economic rights on their shares to Global CV. As described in Element B.5, VWAG intends to reorganize VIF by transferring it and its subsidiaries to VFL.</p>
<b>B.15</b>	<b>Principal activities</b>	The main activities of VIF are financing Volkswagen Group companies and until the reorganization described in Element B.5 has been completed, acting as a holding company.
<b>B.16</b>	<b>Controlling interest over the Issuer</b>	VIF is directly controlled by Global CV until the reorganization has been completed, indirectly controlled by VWAG and ultimately controlled by Porsche Automobil Holding SE, Stuttgart.
<b>B.17</b>	<b>Ratings</b>	<p>VIF is not rated.</p> <p>VIF has applied for ratings to be assigned to the Notes by Moody's and S&amp;P. As of the publication date of the Prospectus, the ratings expected to be assigned to the Notes are Baa2 by Moody's and BBB by S&amp;P.</p>
<b>B.18</b>	<b>Nature and scope of the guarantee</b>	VWAG guarantees unconditionally and irrevocably the due payment of the amounts corresponding to the principal of and interest on, if any, the Notes issued by VIF.
<b>B.19 B.1</b>	<b>Legal and commercial name</b>	VOLKSWAGEN AKTIENGESELLSCHAFT is both the legal and commercial name.
<b>B.19 B.2</b>	<b>Domicile, legal form, legislation, country of incorporation</b>	VWAG is a German stock corporation ( <i>Aktiengesellschaft</i> ) incorporated under the laws of and domiciled in the Federal Republic of Germany.
<b>B.19 B.4b</b>	<b>Description of any known trends affecting the Guarantor and the industries in which it operates</b>	The automotive industry remains dependent on global economic developments. The competition in the international automotive markets will continue to increase. The markets in which the Volkswagen Group's brands operate remain challenging, particularly in Western Europe. The financial markets still entail risks resulting, above all, from the strained debt situation of many countries. Challenges for the Volkswagen Group will come from the difficult market environment and fierce competition, as well as interest rate and exchange rate volatility and fluctuations in raw materials prices.
<b>B.19 B.5</b>	<b>Description of the Group and the Guarantor's position within the Group</b>	VWAG is the ultimate parent company of the Volkswagen Group, which consists of numerous subsidiaries and affiliates in Germany and overseas.
<b>B.19 B.9</b>	<b>Profit forecast/estimate</b>	Not applicable; no profit forecast or estimate is made.
<b>B.19 B.10</b>	<b>Qualifications in the audit report on the historical financial information</b>	Not applicable; PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft audited the unconsolidated financial statements of VWAG as of and for the year ended December 31, 2013, as well as the consolidated financial statements of VWAG as of and for the years ended December 31, 2013 and December 31, 2012, and issued in each case an unqualified auditor's report ( <i>Bestätigungsvermerk</i> ).



B.19 B.12	Selected historical key financial information	<b>Financial Data (IFRSs), EUR million</b>	<b>2013</b>	<b>2012<sup>1</sup></b>	<b>%</b>
		Sales revenue	197,007	192,676	+2.2
		Operating profit	11,671	11,498	+1.5
		Profit before tax	12,428	25,487	-51.2
		Profit after tax	9,145	21,881	-58.2
		Profit attributable to shareholders of Volkswagen AG	9,066	21,712	-58.2
		Cash flows from operating activities	12,595	7,209	+74.7
		Cash flows from investing activities attributable to operating activities	14,936	16,840	-11.3
		Automotive Division <sup>2</sup>			
		EBITDA <sup>3</sup>	20,594	19,895	+3.5
		Cash flows from operating activities	20,612	16,232	+27.0
		Cash flows from investing activities attributable to operating activities <sup>4</sup>	16,199	16,455	-1.6
		of which: investments in property, plant and equipment	11,040	10,271	+7.5
		as a percentage of sales revenue	6.3	5.9	
		capitalized development costs	4,021	2,615	+53.8
		as a percentage of sales revenue	2.3	1.5	
		Net cash flow	4,413	-223	x
		Net liquidity at December 31	16,869	10,573	+59.5
		<sup>1</sup> Prior-year figures adjusted to reflect application of IAS 19R. <sup>2</sup> Including allocation of consolidation adjustments between the Automotive and Financial Services divisions. <sup>3</sup> Operating profit plus net depreciation/amortization and impairment losses/reversals of impairment losses on property, plant and equipment, capitalized development costs, leasing and rental assets, goodwill and financial assets as reported in the cash flow statement. <sup>4</sup> Excluding acquisition and disposal of equity investments: EUR 14,497 million (2012: EUR 12,528 million).			
		Audited information extracted from VWAG's audited consolidated financial statements as of and for the year ended December 31, 2013.			
	A statement that there has been no material adverse change in the prospects of the Guarantor since the date of its last published audited financial statements or a description of any material adverse change	Not applicable. There has been no material adverse change in the prospects of VWAG since December 31, 2013. There have been no significant changes in the financial or trading position of VWAG since December 31, 2013.			
B.19 B.14	Dependence upon other entities within the group; description of the Group and the Guarantor's position within the Group	Please read Element B.19 B.5 together with the information below. Not applicable, VWAG is the parent company of the Volkswagen Group.			
B.19 B.15	Principal activities	The main activities of the Volkswagen Group are concentrated in the Automotive and Financial Services Divisions. The Automotive Division develops, manufactures and sells vehicles. The Financial Services Division combines dealer and customer financing, leasing, banking and insurance activities, fleet management and mobility offerings.			
B.19 B.16	Controlling interest over the Guarantor	Porsche Automobil Holding SE, Stuttgart holds 50.73% of the voting rights of VWAG.			

B.19 B.17	Ratings	Volkswagen AG

Section C – Securities		
<b>C.1</b>	<b>Type and class, identification</b>	<p>EUR 1,250,000,000 undated notes subject to interest rate reset with a first call date on March 24, 2021 (the "<b>NC7 Notes</b>"): ISIN: XS1048428012 Common Code: 104842801</p> <p>EUR 1,750,000,000 undated notes subject to interest rate reset with a first call date on March 24, 2026 (the "<b>NC12 Notes</b>" and together with the NC7 Notes, the "<b>Notes</b>"): ISIN: XS1048428442 Common Code: 104842844</p>
<b>C.2</b>	<b>Currency</b>	Euro
<b>C.5</b>	<b>Restrictions on free transferability</b>	Not applicable; there are no restrictions on free transferability of Notes in the European Economic Area.
<b>C.8</b>	<b>Rights, ranking and limitations to the rights attached to the Notes</b>	<p>The Notes entitle Noteholders, in particular, to the interest payments described in Element C.9.</p> <p>The Issuer's obligations under the Notes constitute subordinated and unsecured obligations of the Issuer and in the event of the winding-up, dissolution or liquidation of the Issuer rank (i) senior only to the share capital of the Issuer and certain equivalent present and future obligations of the Issuer, (ii) <i>pari passu</i> with any present and future obligations of the Issuer which rank or are expressed to rank <i>pari passu</i>, and (iii) junior to all other present and future obligations of the Issuer, whether subordinated or unsubordinated, except as otherwise provided by mandatory provisions of law or as expressly provided for by the terms of the relevant instrument.</p>

		<p>Except for the possibility for the Issuer to defer interest payments, there are no limitations to the rights attached to the Notes.</p> <p>There are no events of default entitling Noteholders to demand redemption of the Notes. The Notes are undated and therefore the principal amount of the Notes does not come due at the expiration of a specific time. For certain optional redemption events, see Element C.9.</p> <p>The Notes provide for resolutions of Noteholders.</p>
<b>C.9</b>	<b>Interest, due dates and redemption, yield, representation</b>	<p>See Element C.8.</p> <p><b><u>NC7 Notes</u></b></p> <p>The NC7 Notes bear interest on their principal amount (i) from and including March 24, 2014 (the “<b>NC7 Interest Commencement Date</b>”) to but excluding March 24, 2021 (the “<b>NC7 First Call Date</b>”) at a rate of 3.75% <i>per annum</i>; (ii) from and including the NC7 First Call Date to but excluding March 24, 2024 (the “<b>First NC7 Step-up Date</b>”) at the mid swap rates for Euro swap transactions with a maturity of seven years displayed on the relevant Reuters screen (the “<b>7-year swap rate</b>”) for the relevant reset period plus a margin of 253.4 basis points <i>per annum</i> (no step-up); (iii) from and including the First NC7 Step-up Date to but excluding March 24, 2041 (the “<b>Second NC7 Step-up Date</b>”) at the relevant 7-year swap rate for the relevant reset period plus a margin of 278.4 basis points <i>per annum</i> (including a 25 basis points step-up); and (iv) from and including the Second NC7 Step-up Date to but excluding the date on which the Issuer redeems the NC7 Notes in whole at the relevant 7-year swap rate for the relevant reset period plus a margin of 353.4 basis points <i>per annum</i> (including a further 75 basis points step-up). During each such period interest is scheduled to be paid payable annually in arrear on March 24 of each year (each an “<b>Interest Payment Date</b>”), commencing on March 24, 2015.</p> <p><b><u>NC12 Notes</u></b></p> <p>The NC12 Notes bear interest on their principal amount (i) from and including March 24, 2014 (the “<b>NC12 Interest Commencement Date</b>”) to but excluding March 24, 2026 (the “<b>NC12 First Call Date</b>” which equals the first step-up date) at a rate of 4.625% <i>per annum</i>; (ii) from and including the NC12 First Call Date to but excluding March 24, 2046 (the “<b>Second NC12 Step-up Date</b>”) at the mid swap rates for Euro swap transactions with a maturity of twelve years displayed on the relevant Reuters screen (the “<b>12-year swap rate</b>”) for the relevant reset period plus a margin of 296.7 basis points <i>per annum</i> (including a 25 basis points step-up); and (iii) from and including the Second NC12 Step-up Date to but excluding the date on which the Issuer redeems the NC12 Notes in whole at the relevant 12-year swap rate for the relevant reset period plus a margin of 371.7 basis points <i>per annum</i> (including a further 75 basis points step-up). During each such period interest is scheduled to be paid payable annually in arrear on March 24 of each year (each an “<b>Interest Payment Date</b>”), commencing on March 24, 2015.</p> <p><b><u>NC7 Notes and NC12 Notes</u></b></p> <p><i>Optional coupon deferral</i></p> <p>The Issuer may at any time, by giving notice to the noteholders of the Notes no later than 10 business days before the relevant Interest Payment Date, elect to defer the payment of the relevant interest amount scheduled to be paid on such Interest Payment Date.</p>

		<p><i>Payment of outstanding amounts</i></p> <p>Arrears of interest may be paid by the Issuer or the Guarantor at any time by giving notice not less than 10 business days before such voluntary payment and specifying (i) the amount of deferred interest payments to be paid and (ii) the date fixed for such payment.</p> <p><i>Redemption</i></p> <p>The Issuer may elect but will not be obliged to redeem each of the NC7 Notes and the NC12 Notes separately, however each issue only in whole but not in part at par on the First Call Date and on any subsequent Interest Payment Date.</p> <p>The Issuer may elect but will not be obliged to redeem each of the NC7 Notes and the NC12 Notes separately, however each issue only in whole but not in part at any time upon the occurrence of the following special events: (i) a rating event, (ii) an accounting event, (iii) a tax deductibility event and (iv) a gross-up event. The Issuer may also elect but will not be obliged to redeem each of the NC7 Notes and the NC12 Notes separately, however each issue only in whole but not in part at any time, if any of the Issuer, the Guarantor and/or any Subsidiary of the Guarantor has, severally or jointly, purchased or redeemed at least 80 per cent. of the originally issued Aggregate Principal Amount of the respective issue.</p> <p><i>Indication of Yield</i></p> <p>The yield in respect of (i) the NC7 Notes from the Issue Date to the NC7 First Call Date is 3.875 per cent. per annum and (ii) the NC12 Notes from the Issue Date to the NC12 First Call Date is 4.750 per cent. per annum and is calculated on the basis of the issue price of the Notes.</p> <p><i>Representation</i></p> <p>The Notes are subject to the German Act on Issues of Debt Securities (<i>Gesetz über Schuldverschreibungen aus Gesamtemissionen — Schuldverschreibungsgesetz</i>). A Notes Representative can be appointed.</p>
<b>C.10</b>	<b>Derivative component in interest payment</b>	<p>See Element C.9.</p> <p>The fixed interest rate applicable to the Notes for each interest period shall be reset on each reset date. The new fixed interest rate applicable to the Notes for the period from and including each reset date to but excluding the next following reset date shall be calculated on the basis of the 7-year swap rate or the 12-year swap rate, as applicable, determined by the calculation agent prior to the relevant reset date plus the applicable margin.</p> <p>As described under Element C.9, the 7-year swap rate and the 12-year swap rate are based in part on the annual swap rate for Euro swap transactions with a term of 7 years and 12 years, respectively. The relevant 7-year swap rate and 12-year swap rate will therefore in part depend on the level of the EURIBOR at the time of the reset dates, as a result of which an increase in EURIBOR may lead to a higher modified reset interest rate, a decrease to a lower modified reset interest rate.</p>
<b>C.11</b>	<b>Admission to trading on a regulated market</b>	<p>Application has been made to the Luxembourg Stock Exchange for the Notes to be admitted to trading on the Luxembourg Stock Exchange's regulated market.</p>

## Section D – Risks

D.2	<b>Key information on the key risks that are specific to the Issuer</b>	<p><b>Risk of counterparty default</b></p> <p>Risk of counterparty default is defined as the possible loss in value due to non-payment by a customer or deterioration of his creditworthiness. A distinction is made between credit risks, counterparty risks, country risks and shareholder risks.</p> <p><b>Credit risk</b></p> <p>Credit risk is defined as the risk of a partial or total default of contracted interest payment or principal payment by a borrower. Credit risks mainly result from loans granted to group and joint venture companies and bank deposits as well as cross currency and interest rate swaps.</p> <p><b>Counterparty risk</b></p> <p>The counterparty risk arises from overnight money and time deposit investments carried out in the inter-bank sector as well as derivatives transactions.</p> <p><b>Country risk</b></p> <p>Country risk includes risks in the course of international business, which do not result from the contracting party itself, but are due to its foreign investments.</p> <p><b>Shareholder risk</b></p> <p>The shareholder risk is defined as the risk of losses affecting negatively the shareholding book value.</p> <p><b>Market risk</b></p> <p>Market risk refers to the potential loss resulting from disadvantageous changes in market prices or parameters that influence prices. The market risks are subdivided into interest rate risks and currency risks.</p> <p><b>Interest rate risk</b></p> <p>Interest rate risk includes potential losses from changes in market rates. These risks result from refinancing at non-matching interest periods and from different degrees of interest rate elasticity of individual assets and liabilities.</p> <p><b>Currency risk</b></p> <p>Currency risk means the possible negative evolution of the exchange rate of a foreign currency in relation to the Euro, which is the base currency of VIF.</p> <p><b>Liquidity risk</b></p> <p>Liquidity risk describes the risk of not being able to discharge one's payment obligations in due time or in full.</p> <p><b>Refinancing risk</b></p> <p>Refinancing risk includes the risk of lower business volume due to inability of raising funds.</p>
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D.3	Key information on the key risks that are specific to the Guarantor	<p><b>Macroeconomic risks</b></p> <p>The main risk for the medium-term development of the global economy is a phase of weak growth. In addition, substantial risks are associated with a tight situation on the financial markets, persistent structural deficits in developed economies and weakly developing international job markets.</p> <p><b>Sector-specific risks</b></p> <p>Specific markets/countries can have high customs barriers or minimum local content requirements for domestic production. These factors make it difficult to achieve a larger increase in sales volumes. In addition, substantial risks arise from economic and competition related price pressure, as well as capacity under-utilization.</p> <p><b>Research and development risks</b></p> <p>Volkswagen Group's future success depends on its ability to offer new products that meet the customer's demand in due time.</p> <p><b>Procurement risks</b></p> <p>The malperformance of suppliers, especially due to financial effects of crises and insolvencies, as well as the development of energy and commodities prices could adversely affect Volkswagen Group's business.</p> <p><b>Production risks</b></p> <p>The turbulence on the world passenger vehicle markets resulting from the global economic slump led to substantial fluctuations in the number of units of individual models produced at the Volkswagen Group's production facilities. Forecast installation rates for features or components are uncertain due to the unstable sales markets.</p>



	<p><b>Risks arising from long-term production</b></p> <p>Risks may arise from contracting deficiencies, miscosting, post-contract changes in economic and technical conditions, weaknesses in project management and poor performance by subcontractors.</p> <p><b>Risks arising from changes in demand</b></p> <p>The financial crisis, uncertainties on future economic developments, increased fuel and energy prices or uncertainties regarding future carbon dioxide ("CO<sub>2</sub>") emission taxation, as well as other psychological factors, may lead to consumers' reluctance to purchase vehicles and could adversely affect Volkswagen Group's financial results.</p> <p><b>Dependence on fleet customer business</b></p> <p>The fleet customer business is continuing to experience increased concentration and internationalization. Consequential effects could have a negative impact on Volkswagen Group's financial position.</p> <p><b>Quality risk</b></p> <p>Growing production volumes, increasing complexity of vehicles and new environmentally friendly technologies present new challenges for the quality assurance function, in particular, in growing automotive markets. Recalls may cause significant costs and could negatively impact Volkswagen Group's image.</p> <p><b>Personnel risk</b></p> <p>Personnel risks may result from high personnel turnover, insufficient availability of personnel, inadequate personnel qualification and human error.</p> <p><b>IT risk</b></p> <p>IT (Information technology) is exposed to risks that occur when one or more fundamental security objectives such as confidentiality, integrity and availability of data and services are threatened by weak spots either in the organization or in the use/administration of IT systems.</p> <p><b>Environmental protection regulations</b></p> <p>The Volkswagen Group is required to comply with numerous environmental protection regulations. Emission limits exist for new passenger car and light commercial vehicles within and outside Europe. Heavy commercial vehicles put into operation from 2014 onwards are already subject to stricter emission requirements under EU regulation. In addition, the allocation method for emissions certificates changed fundamentally in 2013 when the European Commission decided to initially withhold a portion of the certificates to be auctioned. This temporary shortage of certificates during the trading period may cause certificate prices to rise.</p> <p><b>Litigation</b></p> <p>VWAG and its affiliated companies may become involved in legal disputes and official proceedings that may result in payment and other obligations.</p>
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	<p><b>Key risks specific to the Notes</b></p>	<p><b>Strategies for hedging financial risks</b></p> <p>The Volkswagen Group's business activities entail financial risks that may arise from changes in interest rates, exchange rates and commodity prices as well as fund prices and defaulting of counterparties.</p> <p><b>Risks arising from financial instruments</b></p> <p>Chanelling excess liquidity into investments gives rise to counterparty risk.</p> <p><b>Liquidity risks</b></p> <p>The Volkswagen Group depends on the raising of debt capital, by means of bank loans or the issuance of debt in national or international financial markets. If the refinancing of the liquidity needs from the equity and debt capital markets fails, Volkswagen Group's ability to meet its payment obligations could be affected.</p> <p><b>Residual value risk in the Financial Services business</b></p> <p>In the Volkswagen Financial Services business the residual value risk occurs whenever the estimated sales value of a leased asset at the time of disposal upon expiration of a contract is less than the residual value at the time the contract was closed.</p> <p><b>Risks in relation to corporate acquisitions, cooperations and equity interests</b></p> <p>Volkswagen Group has made significant acquisitions in the recent past and has not ruled out the possibility that it will continue to acquire companies and equity interests in companies in the future. Corporate acquisitions are typically associated with significant investments and risks.</p> <p><b>Other factors</b></p> <p>Risks that cannot be predicted but could have an adverse effect on the further development of Volkswagen Group. These factors include natural disasters, epidemics and terrorist activity.</p> <ul style="list-style-type: none"> <li>• The Notes may not be a suitable investment for all investors.</li> <li>• The Notes are undated securities in which an investment constitutes a financial risk for an indefinite period.</li> <li>• At the Issuer's option, each issue of the Notes may be redeemed (i) on the first call date or any interest payment date thereafter or (ii) if as a consequence of a change in law it has to pay any additional amounts with respect to taxation or (iii) if 80% or more in principal amount of the Notes initially issued have been redeemed or purchased. In addition, the Issuer may redeem the Notes if (i) interest payable in respect of the Notes is no longer fully income tax deductible, (ii) the funds raised by the issuance of the Notes may no longer be treated as equity capital by the Issuer or (iii) certain rating agencies determine to no longer grant "equity credit" or a lower such credit to the Notes. In the case of redemption, Noteholders might suffer a lower than expected yield, might not be able to reinvest the funds on the same term and may receive a redemption amount lower than the prevailing market price of the Notes.</li> <li>• The claims of Noteholders are unsecured, subordinated obligations of the Issuer.</li> </ul>
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		<ul style="list-style-type: none"> <li>• The Terms and Conditions do not contain any express event of default or cross default provisions.</li> <li>• The Issuer will partially depend on payments from other members of the Volkswagen Group to make payments on the Notes.</li> <li>• The Notes do not contain any financial covenants.</li> <li>• The Noteholders have no voting rights in general meetings of the Issuer.</li> <li>• The Noteholders will have only limited remedies against the Issuer for recovery of amounts which have become due in respect of the Notes.</li> <li>• There is no restriction on the amount of debt which the Issuer may issue ranking equal or senior to the obligations under or in connection with the Notes.</li> <li>• The Guarantor's obligations under the Guarantee are unsecured and deeply subordinated.</li> <li>• The Noteholders have only limited rights in a German insolvency proceeding over the Guarantor.</li> <li>• Application has been made for the Notes to be admitted to trading on the regulated market of the Luxembourg Stock Exchange and to be listed on the Official List. However, there can be no assurance that a liquid secondary market for the Notes will develop. Moreover, the trading market for Notes may be volatile.</li> <li>• There is a risk that trading in the Notes will be suspended, interrupted or terminated.</li> <li>• During the period from including the Interest Commencement Date to but excluding the First Call Date, it cannot be ruled out that the price of the Notes may fall as a result of changes in the current interest rate on the capital market (market interest rate), as the market interest rate fluctuates.</li> <li>• After the First Call Date, investors should be aware that the interest rate will be determined on each Reset Date at the 7-year Swap Rate or the 12-year Swap Rate, as applicable, for the relevant Reset Period plus a margin. The performance of the 7-year Swap Rate or the 12-year Swap Rate, as applicable, and the interest income on the Notes cannot be anticipated and a definite yield of the Notes cannot be determined. In addition, during each Reset Period, it cannot be ruled out that the price of the Notes may fall as a result of changes in the current interest rate on the capital market (market interest rate), as the market interest rate fluctuates.</li> <li>• The Issuer may elect to defer an interest payment. Any such deferral of interest shall not constitute a default for any purpose and deferred interest will not bear interest. Any deferral of interest will likely have an adverse effect on the market price of the Notes.</li> <li>• Ratings of the Issuer or the Notes may be subject to change at all times and are not a recommendation to buy, sell or hold Notes.</li> <li>• The Notes denominated in Euro could represent a currency risk for a holder if the Euro represents a foreign currency to such holder; in addition governments and monetary authorities could impose exchange controls in the future.</li> </ul>
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		<ul style="list-style-type: none"> <li>• Because the global notes are held by or on behalf of Euroclear and Clearstream, Luxembourg, investors will have to rely on their procedures for transfer, payment and communication with the Issuer.</li> <li>• Noteholders are subject to the risk of being outvoted and of losing rights towards the Issuer against his will in the case that Noteholders agree to amendments of the Terms and Conditions of the Notes by majority vote according the German Act on Issues of Debt Securities (<i>Gesetz über die Schuldverschreibungen aus Gesamtemissionen</i>). In the case of an appointment of a Noteholders' representative for all Noteholders a particular holder may lose, in whole or in part, the possibility to enforce and claim his rights against the Issuer regardless of other Noteholders.</li> <li>• Investors in the Notes assume the risk that the credit spread of the Issuer changes (credit spread risk).</li> <li>• Due to future money depreciation (inflation), the real yield of an investment may be reduced.</li> <li>• The tax impact of an investment in the Notes should be carefully considered.</li> <li>• If a loan is used to finance the acquisition of the Notes, the loan may significantly increase the risk of a loss.</li> <li>• Incidental costs related in particular to the purchase and sale of the Notes may have a significant impact on the profit potential of the Notes.</li> </ul>
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Section E – Offer		
<b>E.2b</b>	<b>Reasons for the offer and use of proceeds</b>	The Issuer intends to use the net proceeds for general corporate purposes, which will include lending the net proceeds to the Guarantor for use in connection with the Guarantor's intended acquisition of all shares of Scania Aktiebolag, which was announced on February 21, 2014, and for the Guarantor's general corporate purposes.
<b>E.3</b>	<b>Terms and conditions of the offer</b>	<p>The Notes will be offered in Luxembourg, Germany, Austria, The Netherlands, the United Kingdom and/or Ireland during an offer period which will commence in Luxembourg from the date of the Prospectus and in Germany, Austria, The Netherlands, the United Kingdom and/or Ireland from the time of effectiveness of the notifications (passporting) of the Prospectus into the respective jurisdictions until March 21, 2014 subject to a shortening or extension of the offer period.</p> <p>There are no conditions to which the offer is subject.</p> <p>Delivery and payment of the Notes and the confirmation of the allotment to investors will be made on March 24, 2014. The Notes will be delivered via book-entry through the clearing systems and their depositary banks against payment of the issue price.</p>
<b>E.4</b>	<b>Material Interest</b>	Barclays Bank PLC, Goldman Sachs International, HSBC Bank plc and Société Générale (together the " <b>Joint Bookrunners</b> " or the " <b>Managers</b> ") have agreed, pursuant to a subscription agreement signed on March 17, 2014, to subscribe or procure subscribers for the Notes. The Managers will be entitled, under certain circumstances, to terminate the subscription agreement. In such event, no Notes will be delivered to investors. Furthermore, the Issuer will agree to indemnify the Managers against certain liabilities in connection with the offer and sale of the Notes. The commission

		payable to the Managers in connection with the Offering, placement and subscription of the Notes will be up to 0.65 per cent. of the aggregate principal amount of the Notes. The Managers or their affiliates have provided from time to time, and expect to provide in the future, investment services to the Issuer and its affiliates, for which the Managers or their affiliates have received or will receive customary fees and commissions. There are no interests of natural and legal persons other than the Issuer involved in the issue, including conflicting ones that are material to the issue.
<b>E.7</b>	<b>Costs for holders</b>	Not applicable; the Issuer will not charge any costs, expenses or taxes directly to any investor in connection with the Notes. Each investor has however to inform itself about taxes or expenses it may be subject to, e.g. deposit fees.

## GERMAN TRANSLATION OF THE SUMMARY

### ZUSAMMENFASSUNG

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

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

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

Abschnitt A – Einleitung und Warnhinweise		
<b>A.1</b>	<b>Einführung</b>	<ul style="list-style-type: none"> <li>• Diese Zusammenfassung sollte als Einleitung zum Prospekt verstanden werden.</li> <li>• Bei jeder Entscheidung in die Schuldverschreibungen zu investieren sollte sich der Anleger auf den Prospekt als Ganzen stützen.</li> <li>• Ein Anleger, der wegen der in dem Prospekt enthaltenen Angaben Klage einreichen will, muss, nach den nationalen Rechtsvorschriften seines Mitgliedsstaats möglicherweise für die Übersetzung des Prospekts aufkommen, bevor das Verfahren eingeleitet werden kann.</li> <li>• Es haften zivilrechtlich nur die Emittentin, die die Zusammenfassung samt etwaiger Übersetzungen vorgelegt und übermittelt haben, und dies auch nur für den Fall, dass die Zusammenfassung verglichen mit den anderen Teilen des Prospekts irreführend, unrichtig oder inkohärent ist oder verglichen mit den anderen Teilen des Prospekts wesentliche Angaben, die in Bezug auf Anlagen in die Schuldverschreibungen für die Anleger eine Entscheidungshilfe darstellen, vermissen lassen.</li> </ul>
<b>A.2</b>	<b>Zustimmung der Emittentin zur Verwendung des Prospekts durch Finanzintermediäre</b>	Die Emittentin stimmt der Verwendung des Prospekts während der Angebotsperiode (wie nachfolgend definiert) durch alle gemäß Art 4 Nummer 1 der Richtlinie 2006/48/EG zum Handel mit Wertpapieren in Luxemburg, in Deutschland, in Österreich, in den Niederlanden, im Vereinigten Königreich bzw. in Irland zugelassene Kreditinstitute (jeweils ein „ <b>Finanzintermediär</b> “) zu (generelle Zustimmung).
	<b>Angabe des Zeitraums, für den die Zustimmung zur Prospektverwendung erteilt wurde</b>	Die spätere Weiterveräußerung oder endgültige Platzierung der Schuldverschreibungen durch Finanzintermediäre kann ab dem Prospektdatum in Luxemburg und ab dem Zeitpunkt zu dem die Notifizierung des Prospekts (Passporting) in dem jeweiligen Mitgliedsstaat erfolgt ist, in Deutschland, Österreich, den Niederlanden, Großbritannien bzw. Irland bis zum 21. März 2014 (die „ <b>Angebotsperiode</b> “), erfolgen.
	<b>Sonstige klare und objektive Bedingungen, an die die Zustimmung gebunden ist und die für die Verwendung des Prospekts relevant sind</b>	Finanzintermediäre können den Prospekt während der Angebotsfrist für die spätere Weiterveräußerung oder endgültige Platzierung der Schuldverschreibungen in Luxemburg, in Deutschland, in Österreich, in den Niederlanden, im Vereinigten Königreich bzw. in Irland verwenden. Die Emittentin kann die Zustimmung jedoch jederzeit einschränken oder widerrufen, wobei der Widerruf der Zustimmung eines Nachtrags zum Prospekt bedarf.



		<b>Jeder Finanzintermediär, der diesen Prospekt verwendet, muss auf seiner Website bestätigen, dass er diesen Prospekt in Übereinstimmung mit der Zustimmung und den ihr beigefügten Bedingungen verwendet.</b>
	<b>Hinweis für die Anleger</b>	<b>Für den Fall, dass ein Finanzintermediär ein Angebot macht, informiert dieser Finanzintermediär die Anleger zum Zeitpunkt der Angebotsvorlage über die Angebotsbedingungen der Schuldverschreibungen.</b>

<b>Abschnitt B – die Emittentin</b>		
<b>B.1</b>	<b>Gesetzliche und kommerzielle Bezeichnung der Emittentin</b>	Volkswagen International Finance N.V. („ <b>VIF</b> “) ist sowohl der gesetzliche als auch der kommerzielle Name.
<b>B.2</b>	<b>Sitz, Rechtsform, geltendes Recht, Land der Gründung</b>	VIF ist eine Aktiengesellschaft nach niederländischem Recht und mit Sitz in den Niederlanden.
<b>B.4b</b>	<b>Bereits bekannte Trends, die sich auf die Emittentin und die Branchen, in denen sie tätig ist, auswirken</b>	Die 2007 begonnene Finanzkrise ist in eine Staatsschuldenkrise übergegangen. Diese Finanz- und Staatsschuldenkrise und die nachfolgende Wirtschaftskrise führten zu einem historisch niedrigen Zinssatzniveau. Die Emittentin erwartet keine wesentliche Änderungen der gesamtwirtschaftlichen Rahmenbedingungen und rechnet damit, dass das allgemeine Zinsniveau niedrig bleibt.
<b>B.5</b>	<b>Beschreibung der Gruppe und der Stellung der Emittentin innerhalb dieser Gruppe</b>	<p>VIF ist Teil der Volkswagen Gruppe, die aus verschiedenen Tochtergesellschaften und verbundenen Unternehmen in Deutschland und in Übersee besteht.</p> <p>Die Aktionäre der VIF sind die VOLKSWAGEN AKTIENGESELLSCHAFT („<b>VWAG</b>“) und die Global Automotive B.V. („<b>Global BV</b>“). VIF selbst hat Tochtergesellschaften, an denen sie direkt oder indirekt beteiligt ist.</p> <p>VWAG beabsichtigt VIF dahingehend zu restrukturieren, dass VIF und ihre Tochtergesellschaften auf Volkswagen Finance Luxembourg S.A. („<b>VFL</b>“) übertragen werden und damit VIF, bis auf Minderheitsanteile an einigen ehemaligen Tochtergesellschaften, aufhört eine Holdinggesellschaft zu sein. In Folge dieser Umstrukturierung werden VIF und ihre ehemaligen Tochtergesellschaften direkte Tochtergesellschaften von VFL, welche eine hundertprozentige direkte Tochtergesellschaft von VWAG ist.</p>
<b>B.9</b>	<b>Gewinnprognosen oder -schätzungen</b>	Entfällt; es erfolgt keine Gewinnprognose oder -schätzung.
<b>B.10</b>	<b>Art etwaiger Beschränkungen im Bestätigungsvermerk zu den historischen Finanzinformationen</b>	Entfällt; PricewaterhouseCoopers Accountants N.V. hat die nicht konsolidierten Jahresabschlüsse der VIF für die zum 31. Dezember 2013 und 2012 endenden Geschäftsjahre geprüft und jeweils mit einem uneingeschränkten Bestätigungsvermerk versehen.

B.12	Ausgewählte wesentliche historische Finanzinformationen	Jahr bis zum 31. Dezember	
		2013	2012
		(geprüft) In Millionen EUR	
	<p><i>Key Financial Information (Dutch GAAP)</i>  <i>Ausgewählte Finanzinformationen</i>  <i>(gemäß niederländischer Rechnungslegungsvorschriften)</i></p> <p>Balance sheet total ..... 36.230 29.449</p> <p>Beteiligungen ..... 3.932 4.343</p> <p>Forderungen aus Darlehen, die an Konzerngesellschaften und Joint Ventures begeben wurden Bilanzsumme ..... 31.754 24.833</p> <p>Eigenkapital ..... 4.807 4.994</p> <p>Verbindlichkeiten aus Finanzierungstätigkeit ..... 30.827 24.068</p> <p>Finanzergebnis ..... 26 19</p> <p>Ergebnis aus Beteiligungen ..... 892 999</p> <p>Ergebnis vor Steuern ..... 919 1.019</p> <p>Ergebnis nach Steuern ..... 913 1.013</p> <p>Nettocashflow für das bestehende Jahr ..... 176 147</p> <p>Geprüfte Finanzinformationen wurden dem Jahresabschluss 2013 der VIF und dem Jahresabschluss 2012 der VIF entnommen.</p>		
	<b>Keine wesentlichen nachteiligen Veränderungen/wesentliche Veränderungen in der Finanzlage oder der Handelsposition</b>	Außer der in Element B.5 erwähnten Restrukturierung gab es seit dem 31. Dezember 2013 keine wesentlichen nachteiligen Veränderungen in den Aussichten der VIF und es ist keine wesentliche Veränderung in der Finanzlage oder der Handelsposition der VIF eingetreten.	
B.13	<b>Jüngste Entwicklungen die für die Bewertung der Zahlungsfähigkeit der Emittentin in hohem Maße relevant sind</b>	Entfällt; es gibt keine jüngeren Entwicklungen, die für die Bewertung der Zahlungsfähigkeit der Emittentin in hohem Maße relevant waren.	
B.14	<b>Abhängigkeit der Emittentin</b>	<p>Bitte das Element B.5 zusammen mit den unten angegebenen Informationen lesen.</p> <p>Die Aktionäre der VIF sind die VWAG und die Global BV. Sie ist abhängig von ihren Aktionären. Im Jahr 2006, haben die VWAG und die Global BV eine Limited Partnership Vereinbarung geschlossen. Wie in Element B.5 beschrieben, beabsichtigt VWAG VIF zu restrukturieren, in dem VIF und ihre Tochtergesellschaften auf VFL übertragen werden.</p>	
B.15	<b>Beschreibung der Haupttätigkeiten des Emittenten</b>	Die Hauptgeschäftstätigkeit der VIF ist die Finanzierung der Gesellschaften des Volkswagen Konzerns und das Agieren als Holding Gesellschaft bis die in Element B.5 beschriebene Restrukturierung beendet ist.	
B.16	<b>Beteiligung; Beherrschungs verhältnis</b>	VIF wird direkt von der Global CV beherrscht und, bis die Restrukturierung beendet ist, indirekt wird von der VWAG beherrscht welche wiederum von der Porsche Holding SE Stuttgart beherrscht ist.	
B.17	<b>Ratings</b>	<p>Entfällt; VIF hat kein eigenes Rating.</p> <p>VIF hat bei Moody's und S&amp;P um Ratings für die Schuldverschreibungen angesucht. Zum Zeitpunkt der Veröffentlichung dieses Prospekts wird erwartet, dass S&amp;P ein Rating von BBB den Schuldverschreibungen zuteilt und Moody's ein Rating von Baa2.</p>	
B.18	<b>Beschreibung von Art und Umfang der Garantie</b>	Die VWAG garantiert unwiderruflich und unbedingt die pünktliche Zahlung der Beträge, die dem Kapital und den etwaigen Zinsen der jeweiligen Schuldverschreibungen entsprechen, die von der VIF begeben wurden.	

B.19 B.1	Gesetzliche und kommerzielle Bezeichnung der Garantin	VOLKSWAGEN AKTIENGESELLSCHAFT ist sowohl der gesetzliche als auch der kommerzielle Name.																																																																								
B.19 B.2	Sitz, Rechtsform, geltendes Recht, Land der Gründung	Die VWAG ist eine nach dem Recht der Bundesrepublik Deutschland gegründete deutsche Aktiengesellschaft mit Sitz in der Bundesrepublik Deutschland.																																																																								
B.19 B.4b	Bereits bekannte Trends, die sich auf die Garantin und die Branchen, in denen sie tätig ist, auswirken	Die Automobilbranche bleibt abhängig von der Entwicklung der Weltwirtschaft. Auf den internationalen Automobilmärkten wird eine weiterhin steigende Wettbewerbsintensität erwartet. Die Märkte, auf denen sich der Konzern mit seinen Marken bewegt, stellen sich insbesondere in Westeuropa weiterhin herausfordernd dar. Risiken gehen unverändert von den Finanzmärkten aus, vor allem aufgrund der angespannten Verschuldungssituation vieler Länder. Herausforderungen ergeben sich für den Volkswagen Konzern aus dem schwierigen Marktumfeld, dem intensiven Wettbewerb sowie aus volatilen Zins- und Wechselkursverläufen und schwankenden Rohstoffpreisen.																																																																								
B.19 B.5	Beschreibung der Gruppe und der Stellung der Garantin innerhalb dieser Gruppe	Die VWAG ist die Konzernobergesellschaft des Volkswagen Konzerns, bestehend aus zahlreichen Tochter- und Beteiligungsgesellschaften in Deutschland und im Ausland.																																																																								
B.19 B.9	Gewinnprognosen oder -schätzungen	Entfällt; es erfolgt keine Gewinnprognose oder -schätzung.																																																																								
B.19 B.10	Art etwaiger Beschränkungen im Bestätigungsvermerk zu den historischen Finanzinformationen	Entfällt; PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft hat den Jahresabschluss der VWAG für das am 31. Dezember 2013 endende Geschäftsjahr sowie die Konzernabschlüsse der VWAG für die am 31. Dezember 2013 und die am 31. Dezember 2012 endenden Geschäftsjahre geprüft und jeweils mit einem uneingeschränkten Bestätigungsvermerk versehen.																																																																								
B.19 B.12	Ausgewählte wesentliche historische Finanzinformationen	<table><tr><th>Finanzdaten nach IFRS, EUR million</th><th>2013</th><th>2012<sup>1</sup></th><th>%</th></tr><tr><td>Umsatzerlöse .....</td><td>197.007</td><td>192.676</td><td>+2,2</td></tr><tr><td>Operatives Ergebnis .....</td><td>11.671</td><td>11.498</td><td>+1,5</td></tr><tr><td>Ergebnis vor Steuern .....</td><td>12.428</td><td>25.487</td><td>–51,2</td></tr><tr><td>Ergebnis nach Steuern .....</td><td>9.145</td><td>21.881</td><td>–58,2</td></tr><tr><td>Ergebnisanteil der Aktionäre der Volkswagen AG ...</td><td>9.066</td><td>21.712</td><td>–58,2</td></tr><tr><td>Cash-flow laufendes Geschäft .....</td><td>12.595</td><td>7.209</td><td>+74,7</td></tr><tr><td>Investionstätigkeit laufendes Geschäft .....</td><td>14.936</td><td>16.840</td><td>–11,3</td></tr><tr><td colspan="4">Konzernbereich Automobile<sup>2</sup></td></tr><tr><td>EBITDA<sup>3</sup> .....</td><td>20.594</td><td>19.895</td><td>+3,5</td></tr><tr><td>Cash-flow laufendes Geschäft .....</td><td>20.612</td><td>16.232</td><td>+27,0</td></tr><tr><td>Investionstätigkeit laufendes Geschäft<sup>4</sup> .....</td><td>16.199</td><td>16.455</td><td>–1,6</td></tr><tr><td>davon: Sachinvestitionen .....</td><td>11.040</td><td>10.271</td><td>+7,5</td></tr><tr><td>in % der Umsatzerlöse .....</td><td>6,3</td><td>5,9</td><td></td></tr><tr><td>Entwicklungskosten (aktiviert) .....</td><td>4.021</td><td>2.615</td><td>+53,8</td></tr><tr><td>in % der Umsatzerlöse .....</td><td>2,3</td><td>1,5</td><td></td></tr><tr><td>Netto-Cash-flow .....</td><td>4.413</td><td>–223</td><td>x</td></tr><tr><td>Netto-Liquidität am 31.12. ....</td><td>16.869</td><td>10.573</td><td>+59,5</td></tr></table> <p><sup>1</sup> Das Vorjahr wurde aufgrund des geänderten IAS 19R angepasst.</p> <p><sup>2</sup> Inklusive Zuordnung der Konsolidierung zwischen den Konzernbereichen Automobile und Finanzdienstleistungen.</p> <p><sup>3</sup> Operatives Ergebnis zuzüglich des Saldo aus Zu-/Abschreibungen auf Sachanlagen, aktivierte Entwicklungskosten, Vermietvermögen, Goodwill und Finanzanlagen gemäß Kapitalflussrechnung.</p> <p><sup>4</sup> Ohne Erwerb und Verkauf von Beteiligungen: EUR 14.497 Mio. (2012: EUR 12.528 Mio.).</p> <p>Geprüfte Angaben entnommen aus dem konsolidierten Geschäftsbericht der VWAG für das am 31. Dezember 2013 endende Geschäftsjahr.</p>	Finanzdaten nach IFRS, EUR million	2013	2012 <sup>1</sup>	%	Umsatzerlöse .....	197.007	192.676	+2,2	Operatives Ergebnis .....	11.671	11.498	+1,5	Ergebnis vor Steuern .....	12.428	25.487	–51,2	Ergebnis nach Steuern .....	9.145	21.881	–58,2	Ergebnisanteil der Aktionäre der Volkswagen AG ...	9.066	21.712	–58,2	Cash-flow laufendes Geschäft .....	12.595	7.209	+74,7	Investionstätigkeit laufendes Geschäft .....	14.936	16.840	–11,3	Konzernbereich Automobile <sup>2</sup>				EBITDA <sup>3</sup> .....	20.594	19.895	+3,5	Cash-flow laufendes Geschäft .....	20.612	16.232	+27,0	Investionstätigkeit laufendes Geschäft <sup>4</sup> .....	16.199	16.455	–1,6	davon: Sachinvestitionen .....	11.040	10.271	+7,5	in % der Umsatzerlöse .....	6,3	5,9		Entwicklungskosten (aktiviert) .....	4.021	2.615	+53,8	in % der Umsatzerlöse .....	2,3	1,5		Netto-Cash-flow .....	4.413	–223	x	Netto-Liquidität am 31.12. ....	16.869	10.573	+59,5
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	Eine Erklärung, dass sich die Aussichten der Garantin seit dem Datum des letzten veröffentlichten geprüften Abschlusses nicht wesentlich verschlechtert haben, oder Beschreibung jeder wesentlichen Verschlechterung	Entfällt, seit dem 31. Dezember 2013 sind keine wesentlichen nachteiligen Veränderungen in den Aussichten der VWAG eingetreten und es ist keine wesentliche Veränderung in der Finanzlage oder der Handelsposition der VWAG eingetreten.																																				
B.19 B.14	Angabe zur Abhängigkeit von anderen Unternehmen innerhalb der Gruppe; Angabe über die Gruppe und die Position der Garantin in der Gruppe	Bitte Punkt B.19 B.5 zusammen mit den unten stehenden Informationen lesen.  Entfällt; die VWAG ist die Muttergesellschaft des Volkswagen Konzerns.																																				
B.19 B.15	Beschreibung der Haupttätigkeiten der Garantin	Die Hauptgeschäftstätigkeiten des Volkswagen Konzerns sind gebündelt in den Konzernbereichen Automobile und Finanzdienstleistungen. Der Konzernbereich Automobile entwickelt, produziert und verkauft Fahrzeuge. Im Konzernbereich Finanzdienstleistungen, sind die Händler- und Kundenfinanzierungen, das Leasing, das Banken- und Versicherungsgeschäft, das Flottenmanagement sowie Mobilitätsangebote gebündelt.																																				
B.19 B.16	Beteiligung; Beherrschungsverhältnis	Die Porsche Automobil Holding SE, Stuttgart hält 50,73 % der Stimmrechte an der VWAG.																																				
B.19 B.17	Kreditratings	<b>Volkswagen AG</b> <table><thead><tr><th></th><th>2013</th><th>2012</th><th>2011</th></tr></thead><tbody><tr><td colspan="4"><b>Standard &amp; Poor's</b></td></tr><tr><td>Kurzfristig .....</td><td>A-2</td><td>A-2</td><td>A-2</td></tr><tr><td>Langfristig .....</td><td>A-</td><td>A-</td><td>A-</td></tr><tr><td>Ausblick .....</td><td>positive</td><td>positive</td><td>stable</td></tr><tr><td colspan="4"><b>Moody's Investors Service</b></td></tr><tr><td>Kurzfristig .....</td><td>P-2</td><td>P-2</td><td>P-2</td></tr><tr><td>Langfristig .....</td><td>A3</td><td>A3</td><td>A3</td></tr><tr><td>Ausblick .....</td><td>positive</td><td>positive</td><td>positive</td></tr></tbody></table> <p>Standard &amp; Poor's Ratings Services („S&amp;P“) und Moody's Investors Services Ltd. („Moody's“) haben ihren Sitz in der Europäischen Gemeinschaft und sind gemäß der Verordnung (EG) Nr. 1060/2009 des Europäischen Parlaments und des Rates vom 16. September 2009 über Ratingagenturen, geändert durch Verordnung (EU) Nr. 513/2011 des Europäischen Parlaments und des Rates vom 11. März 2011 registriert. Die Europäische Wertpapier- und Marktaufsichtsbehörde veröffentlicht auf ihrer Webseite (<a href="http://www.esma.europa.eu/page/List-registered-and-certified-CRAs">www.esma.europa.eu/page/List-registered-and-certified-CRAs</a>) 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.</p>		2013	2012	2011	<b>Standard &amp; Poor's</b>				Kurzfristig .....	A-2	A-2	A-2	Langfristig .....	A-	A-	A-	Ausblick .....	positive	positive	stable	<b>Moody's Investors Service</b>				Kurzfristig .....	P-2	P-2	P-2	Langfristig .....	A3	A3	A3	Ausblick .....	positive	positive	positive
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Ausblick .....	positive	positive	positive																																			

Abschnitt C – Wertpapiere		
<b>C.1</b>	<b>Gattung und Art der Wertpapiere, einschließlich der Wertpapierkennung</b>	<p>EUR 1.250.000.000 auf den Inhaber lautende Schuldverschreibungen ohne feste Laufzeit, erstmals kündbar am 24. März 2021 (die „<b>NC7 Schuldverschreibungen</b>“):</p> <p>ISIN: XS1048428012</p> <p>Common Code: 104842801</p>
		<p>EUR 1.750.000.000 auf den Inhaber lautende Schuldverschreibungen ohne feste Laufzeit, erstmals kündbar am 24. März 2026 (die „<b>NC12 Schuldverschreibungen</b>“ und gemeinsam mit den NC7 Schuldverschreibungen, die „<b>Schuldverschreibungen</b>“):</p> <p>ISIN: XS1048428442</p> <p>Common Code: 104842844</p>
<b>C.2</b>	<b>Währung</b>	Euro
<b>C.5</b>	<b>Beschränkungen der freien Übertragbarkeit</b>	Entfällt; die Schuldverschreibungen sind im Europäischen Wirtschaftsraum frei übertragbar.
<b>C.8</b>	<b>Rechte, die mit den Schuldverschreibungen verbunden sind, Rangfolge der Schuldverschreibungen und Einschränkungen der mit den Schuldverschreibungen verbundenen Rechte</b>	<p>Die Schuldverschreibungen berechtigen die Inhaber der Schuldverschreibungen insbesondere zum Bezug von Zinszahlungen wie unter Element C.9 näher dargestellt.</p> <p>Die Schuldverschreibungen begründen nicht besicherte, nachrangige Verbindlichkeiten der Emittentin, die im Fall der Abwicklung, Auflösung oder Liquidation der Emittentin: (i) gehen nur dem Stammkapital der Emittentin im Rang sowie gewissen anderen bestehenden oder zukünftigen ähnlichen Kapitalinstrumenten der Emittentin vor, (ii) stehen untereinander gleich im Rang und mit jeden bestehenden und zukünftigen Verbindlichkeiten die speziell als gleichrangig mit den Schuldverschreibungen vereinbart wurde, und (iii) allen anderen bestehenden und zukünftigen Verbindlichkeiten der Emittentin, ob nachrangig oder nicht nachrangig, im Rang nachgehen, soweit zwingende gesetzliche Vorschriften nichts anderes vorschreiben bzw. die Bedingungen des betreffenden Instruments ausdrücklich etwas anderes vorsehen.</p> <p>Abgesehen vom Recht der Emittentin Zinszahlungen aufzuschieben, sind die mit den Schuldverschreibungen verbundenen Rechte nicht eingeschränkt.</p> <p>Es bestehen keine Verzugsfälle (Events of Default) welche den Inhabern der Schuldverschreibungen das Recht einräumen die Zahlung auf die Schuldverschreibungen zu verlangen. Die Schuldverschreibungen haben kein Fälligkeitsdatum und die Nominale wird daher nicht nach dem Ablauf eines bestimmten Zeitraums fällig. Zur Darstellung von Fällen der freiwilligen Rücknahme der Schuldverschreibungen, siehe Element C.9.</p> <p>Die Schuldverschreibungen sehen vor, dass die Inhaber der Schuldverschreibungen Beschlüsse treffen können.</p>
<b>C.9</b>	<b>Zinssatz, Fälligkeitstag und Rückzahlung, Rendite, Vertreter</b>	<p>Siehe Element C.8.</p> <p><b><u>NC7 Schuldverschreibungen</u></b></p> <p>Die NC7 Schuldverschreibungen sind auf ihren Nennbetrag (i) vom (einschließlich) 24. März 2014 (der „<b>NC7 Zinslaufbeginn</b>“) bis zu (ausschließlich) dem 24. März 2021 (der „<b>NC7 Erste Rückzahlungstermin</b>“) mit einem Fixzinssatz von 3,75 % pro Jahr</p>

	<p>verzinst; (ii) von (einschließlich) dem NC7 Ersten Rückzahlungstermin bis zu (ausschließlich) dem 24. März 2024 (der „<b>Erste NC7 Step-up Termin</b>“) mit dem mid-market Swapsatz für Euro Swap Transaktionen mit einer Laufzeit von 7 Jahren, wie sie auf der relevanten Reuters Bildschirmseite angezeigt werden, (der „<b>7-Jahres Swapsatz</b>“) für den jeweiligen Reset-Zeitraum zuzüglich einer Marge von 253,4 Basispunkten pro Jahr (kein Step-up); (iii) vom (einschließlich) dem Ersten NC7 Step-up Termin bis zu (ausschließlich) 24. März 2041 (der „<b>Zweite NC7 Step-up Termin</b>“) zu dem jeweiligen 7-Jahres Swapsatz für den jeweiligen Reset-Zeitraum zuzüglich einer Marge von 278,4 Basispunkten pro Jahr (einschließlich eines Step-ups von 25 Basispunkten); und (iv) von (einschließlich) des Zweiten NC7 Step-up Termins bis (ausschließlich) dem Tag, an dem die Emittentin die NC7 Schuldverschreibungen im Ganzen zurückkauft, zum jeweiligen 7-Jahres Swapsatz für den jeweiligen Reset-Zeitraum zuzüglich einer Marge von 353,4 Basispunkten pro Jahr (einschließlich eines weiteren Step-ups von 75 Basispunkten). Während jedes solchen Zeitraums werden Zinsen im Nachhinein jährlich am 24. März eines jeden Jahres bezahlt (jeder solcher Tag ein „<b>Zinszahlungstag</b>“), beginnend mit dem 24. März 2015.</p> <p><b><u>NC12 Schuldverschreibungen</u></b></p> <p>Die NC12 Schuldverschreibungen sind auf ihren Nennbetrag (i) vom (einschließlich) 24. März 2014 (der „<b>NC12 Zinslaufbeginn</b>“) bis zu (ausschließlich) dem 24. März 2026 (der „<b>NC12 Erste Rückzahlungstermin</b>“, welcher auch der erste Step-up Termin ist) mit einem Fixzinssatz von 4,625 % pro Jahr verzinst; (ii) vom (einschließlich) dem NC12 Ersten Rückzahlungstermin bis (ausschließlich) 24. März 2046 (der „<b>Zweite NC12 Step-up Termin</b>“) zu dem mid-market Swapsatz für Euro Swap Transaktionen mit einer Laufzeit von 12 Jahren, wie sie auf der relevanten Reuters Bildschirmseite angezeigt werden (der „<b>12-Jahres Swapsatz</b>“) für den jeweiligen Reset-Zeitraum zuzüglich einer Marge von 296,7 Basispunkten pro Jahr (einschließlich eines Step-ups von 25 Basispunkten); und (iii) von (einschließlich) des Zweiten NC12 Step-up Termins bis (ausschließlich) dem Tag, an dem die Emittentin die NC12 Schuldverschreibungen im Ganzen zurückkauft zum jeweiligen 12-Jahres Swapsatz für den jeweiligen Reset-Zeitraum zuzüglich einer Marge von 371,7 Basispunkten pro Jahr (einschließlich eines weiteren Step-ups von 75 Basispunkten). Während jedes solchen Zeitraums werden Zinsen im Nachhinein jährlich am 24. März eines jeden Jahres bezahlt (jeder solcher Tag ein „<b>Zinszahlungstag</b>“), beginnend mit dem 24. März 2015.</p> <p><b><u>NC7 Schuldverschreibungen und NC12 Schuldverschreibungen</u></b></p> <p><i>Aufschub von Zinszahlungen</i></p> <p>Die Emittentin kann sich zu jeder Zeit durch Bekanntmachung an die Inhaber der Nachrangigen Schuldverschreibungen innerhalb einer Frist von nicht weniger als 10 Geschäftstagen vor dem betreffenden Zinszahlungstag dazu entscheiden die betreffende Zinszahlung auszusetzen.</p> <p><i>Nachzahlung von Aufgeschobenen Zinszahlungen</i></p> <p>Aufgeschobene Zinszahlungen können jederzeit durch die Emittentin oder die Garantin nachgezahlt werden, nach Bekanntmachung an die Anleihegläubiger unter Einhaltung einer Frist von nicht weniger als 10 Geschäftstagen vor einer freiwilligen Zinszahlung, wobei eine solche Bekanntmachung (i) den Betrag an Aufgeschobenen Zinszahlungen, der gezahlt werden soll, und (ii) den für diese Zahlung festgelegten Termin enthalten muss.</p>
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		<p><i>Freiwillige Rückzahlung</i></p> <p>Die Emittentin ist berechtigt, aber nicht verpflichtet, die EUR NC7 Schuldverschreibungen und die EUR NC12 Schuldverschreibungen jeweils einzeln, allerdings pro Serie nur insgesamt und nicht teilweise, am Ersten Rückzahlungstermin und an jedem darauf folgenden Reset-Termin zum Nennbetrag zurückzahlen, ohne dazu verpflichtet zu sein.</p> <p>Die Emittentin ist berechtigt, aber nicht verpflichtet, die EUR NC7 Schuldverschreibungen und die EUR NC12 Schuldverschreibungen jeweils einzeln, allerdings pro Serie nur insgesamt und nicht teilweise, zu jeder Zeit bei Eintritt eines der folgenden Spezialereignisse zurückzahlen: (i) ein Ratingmethodologieereignis, (ii) ein Rechnungslegungereignis, (iii) ein Steuerereignis oder (iv) ein Gross-up Ereignis. Die Emittentin ist ferner berechtigt, aber nicht verpflichtet, die EUR NC7 Schuldverschreibungen und die EUR NC12 Schuldverschreibungen jeweils einzeln, allerdings pro Serie nur insgesamt und nicht teilweise zu jeder Zeit zurückzahlen, falls die Emittentin, die Garantin oder eine Tochtergesellschaft der Garantin allein oder gemeinsam 80 % oder mehr des ursprünglich begebenen Gesamtnennbetrages der jeweiligen Serie von Schuldverschreibungen erworben oder zurückgezahlt haben.</p> <p><i>Indikative Rendite</i></p> <p>Die Rendite in Bezug auf die (i) NC7 Schuldverschreibungen wird vom Ausgabebetrag bis zum Ersten NC7 Rückzahlungstermin 3,875 % jährlich sein und (ii) NC12 Schuldverschreibungen wird vom Ausgabebetrag bis zum Ersten NC12 Rückzahlungstermin 4,750 % jährlich sein und wird anhand des Ausgabepreises der Schuldverschreibungen berechnet.</p> <p><i>Representation</i></p> <p>Auf die Schuldverschreibungen ist das Gesetz über Schuldverschreibungen aus Gesamtemissionen (<i>Schuldverschreibungsgesetz</i>) anwendbar. Ein Gemeinsamer Vertreter der Gläubiger kann bestellt werden.</p>
<b>C.10</b>	<b>Derivative Komponente bei der Zinszahlung</b>	<p>Siehe Element C.9.</p> <p>Der Zinssatz, der jeweils auf die Schuldverschreibungen für jede Zinsperiode anwendbar ist, wird bei jedem Reset-Termin angepasst. Der neue Zinssatz, der auf die Schuldverschreibungen anwendbar ist und zwar für den Zeitraum von und einschließlich jedes Reset-Termins bis und ausschließlich des nächsten Reset-Termins, wird auf Basis des 7-Jahres Swapsatzes bzw. des 12-Jahres Swapsatzes kalkuliert, jeweils berechnet von der Berechnungsstelle am jeweiligen Reset-Termin zuzüglich einer Marge.</p> <p>Wie unter Element C.9 beschrieben, basiert der 7-Jahres Swapsatz bzw. der 12-Jahres Swapsatz auf dem jährlichen Swapsatz für Euroswaptransaktionen mit einer Laufzeit von 7 Jahren bzw. 12 Jahren. Der jeweilige 7-Jahres Swapsatz und 12-Jahres Swapsatz wird daher teils abhängig von der Höhe des EURIBOR am Reset-Termin sein, wodurch eine Erhöhung des EURIBOR zu einem höheren modifizierten Reset-Zinssatz führen würde und eine Verringerung des EURIBOR zu einem niedrigeren modifizierten Reset-Zinssatz.</p>
<b>C.11</b>	<b>Einführung in einen regulierten Markt oder einem gleichwertigen Markt</b>	<p>Für die Schuldverschreibungen ist ein Antrag auf Listung an der Luxemburger Wertpapierbörse und auf Zulassung zum Börsenhandel im regulierten Markt der Luxemburger Wertpapierbörse gestellt worden.</p>

## Abschnitt D – Risiken

D.2

**Zentrale Angaben zu den zentralen Risiken, die der Emittentin eigen sind**

### **Adressenausfallrisiko**

Unter Adressenausfallrisiko werden mögliche Wertverluste aufgrund des Ausfalls eines Kunden oder Bonitätsverschlechterung verstanden. Es wird unterschieden zwischen dem Kreditrisiko, dem Kontrahentenrisiko, dem Länderrisiko und dem Anteilseignerrisiko.

#### **Kreditrisiko**

Das Kreditrisiko beschreibt das Risiko eines Teilverlusts oder eines vollständigen Verlustes der vereinbarten Zinszahlung oder Hauptzahlung des Schuldners. Die Hauptursachen aus denen Kreditrisiko resultieren kann sind Darlehen an die Gruppe oder Joint Venture Gesellschaften und Bankeinlagen sowie Währungs- und zinsswap.

#### **Kontrahentenrisiko**

Das Kontrahentenrisiko entsteht bei Tages- und Termingeldinvestitionen die im Interbank-Sektor getätigt werden sowie bei Transaktionen mit Derivaten.

#### **Länderrisiko**

Länderrisiko beinhaltet Risiken, welche im Rahmen von internationalen Geschäften, nicht vom Vertragspartnern selbst sondern aus ausländischen Investitionen resultieren.

#### **Anteilseignerrisiko**

Als Anteilseignerrisiko wird als Risiko definiert, dass Verluste das Beteiligungsbuchwert negativ beeinflussen können.

#### **Marktrisiko**

Das Marktrisiko bezeichnet den potenziellen Verlust aufgrund nachteiliger Veränderungen von Marktpreisen oder den Preis beeinflussenden Parametern. Die Marktrisiken werden in Zinsänderungsrisiko und Währungsrisiko unterteilt.

#### **Zinsrisiko**

Zinsrisiko beinhaltet potentielle Verluste aufgrund von Änderungen der Marktkurse. Diese Risiken resultieren aus fristeninkongruenter Refinanzierung und aus unterschiedlichen Zinselastizitäten der einzelnen Aktiv- und Passivposten.

#### **Währungsrisiko**

Währungsrisiko beschreibt eine mögliche negative Entwicklung des Wechselkurses einer ausländischen Währung in Bezug zum Euro, welche die Basiswährung von VIF ist.

#### **Liquiditätsrisiken**

Das Liquiditätsrisiko beschreibt das Risiko, den Zahlungsverpflichtungen nicht termingerecht oder nicht in voller Höhe nachkommen zu können.

#### **Refinanzierungsrisiko**

Das Refinanzierungsrisiko betrifft das Risiko einer Verminderung des Geschäftsvolumens infolge unzureichender Refinanzierungsmöglichkeiten.

		<p><b>Operationelle Risiken</b></p> <p>Die Operationellen Risiken werden als die Gefahr von Verlusten definiert, die infolge der Unangemessenheit oder des Versagens von internen Prozessen (Prozessrisiken), Mitarbeitern (Personalrisiken) oder Technologie (Infrastruktur- und IT Risiken) eintreten. Die Definitionen dieser drei Risikokategorien schließen die jeweiligen Rechtsrisiken ein. Strategische Risiken und Reputationsrisiken werden unter Operationellen Risiken nicht betrachtet.</p> <p><b>IT- und Systemrisiken</b></p> <p>Die IT (Informationstechnologie) ist Risiken ausgesetzt. Diese kommen zur Geltung, wenn ein oder mehrere Sicherheitsziele wie Vertraulichkeit, Integrität oder Verfügbarkeit von Daten und Dienstleistungen, durch Schwachstellen sowohl in der Organisation als auch in der Nutzung beziehungsweise Verwaltung der IT-Systeme bedroht werden</p> <p><b>Personalrisiken</b></p> <p>Personalrisiken können aus hohem Personalwechsel, ungenügender Verfügbarkeit von Personal, unzureichender Personalqualifikation und menschlich bedingten Fehlern resultieren.</p> <p><b>Rechtliche Risiken</b></p> <p>Rechtliche Risiken können als plötzlich eintretende und unerwartete Änderungen im nationalen Recht definiert werden, welche der lokalen Regierung ermöglicht entweder teilweise oder vollständig die Kontrolle über die Vertragspartner von VIF zu erlangen. Solche Vertragspartner sind Banken, verbundene Konzernunternehmen, Tochtergesellschaften, die Muttergesellschaft der VIF oder VIF selbst.</p>
D.3	Zentrale Angaben zu den zentralen Risiken, die dem Garantiegeber sind	<p><b>Gesamtwirtschaftliche Risiken</b></p> <p>Das Hauptrisiko für die mittelfristige Entwicklung der Weltwirtschaft besteht in einer Phase schwachen Wachstums. Erhebliche Risiken resultieren auch aus einer angespannten Situation an den Finanzmärkten, anhaltenden strukturellen Defiziten von Volkswirtschaften und sich schwach entwickelnden internationalen Arbeitsmärkten.</p> <p><b>Branchenrisiken</b></p> <p>In bestimmten Märkten/Ländern existieren hohe Zollbarrieren oder es gelten Mindestanforderungen an die lokale Fertigung. Durch diese Beschränkungen wird eine größere Ausweitung des Absatzvolumens erschwert. Erhebliche Risiken ergeben sich auch aus dem konjunktur- und wettbewerbsbedingten Preisverfall und nicht ausgelasteten Produktionskapazitäten.</p> <p><b>Risiken aus Forschung und Entwicklung</b></p> <p>Der zukünftige Erfolg des Volkswagen Konzerns ist daran gekoppelt den Kundenansprüchen rechtzeitig mit neuen Produkten zu begegnen.</p> <p><b>Risiken aus der Beschaffung</b></p> <p>Die Schlechtleistung von Zulieferern, insbesondere aufgrund der finanziellen Auswirkungen von Krisen und Insolvenzen, sowie die Entwicklung der Energie- und Rohstoffpreise können sich ebenso nachteilig auf das Geschäft des Volkswagen Konzerns auswirken.</p>

		<p><b>Produktionsrisiken</b></p> <p>Die Unruhe an den weltweiten PKW-Märkten, die aus dem Einbruch der Weltwirtschaft resultierte, führte an den Produktionsstandorten des Volkswagen Konzerns zu erheblichen Stückzahlschwankungen einzelner Fahrzeugmodelle. Wegen der instabilen Absatzmärkte sind Prognosen in Bezug auf Einbauraten von Ausstattungsmerkmalen beziehungsweise Komponenten risikobehaftet.</p> <p><b>Risiken aus langfristiger Fertigung</b></p> <p>Risiken können sich aus Mängeln in der Vertragsgestaltung, Fehlern in der Auftragskalkulation, veränderten wirtschaftlichen und technischen Bedingungen nach Vertragsabschluss sowie Schwächen in der Projektsteuerung und unzureichenden Leistungen der Sublieferanten ergeben.</p> <p><b>Risiken aus Nachfrageveränderungen</b></p> <p>Die Finanzmarktkrise, Unsicherheiten über zukünftige wirtschaftliche Entwicklungen, gestiegene Kraftstoff- und Energiepreise und Unsicherheiten bezüglich der künftigen Besteuerung von CO<sub>2</sub>-Emissionen sowie andere psychologische Faktoren können zu einer unerwarteten Kaufzurückhaltung führen. Daraus können sich negative Entwicklungen auf das Finanzergebnis des Volkswagen Konzerns ergeben.</p> <p><b>Abhängigkeit vom Großkundengeschäft</b></p> <p>Das Großkundengeschäft ist weiterhin durch eine zunehmende Konzentration und Internationalisierung gekennzeichnet. Daraus folgende Effekte könnten negative Auswirkungen auf die Finanzlage des Volkswagen Konzerns haben.</p> <p><b>Qualitätsrisiken</b></p> <p>Wachsende Produktionsvolumina, die steigende Komplexität der Fahrzeuge und die Einführung neuer umweltfreundlicher Technologien stellt die Qualitätssicherung vor neue Herausforderungen insbesondere in den automobilen Wachstumsregionen. Rückrufe können erhebliche Kosten verursachen und negative Auswirkungen auf das Image des Volkswagen Konzerns haben.</p> <p><b>Personalrisiken</b></p> <p>Personalrisiken können aus hohem Personalwechsel, ungenügender Verfügbarkeit von Personal, unzureichender Personalqualifikation und menschlich bedingten Fehlern resultieren.</p> <p><b>IT Risiken</b></p> <p>Die IT (Informationstechnologie) wird Risiken ausgesetzt. Diese kommen zur Geltung, wenn ein oder mehrere Sicherheitsziele wie Vertraulichkeit, Integrität oder Verfügbarkeit von Daten und Dienstleistungen, durch Schwachstellen sowohl in der Organisation als auch in der Nutzung beziehungsweise Verwaltung der IT-Systeme bedroht werden.</p> <p><b>Umweltschutzrechtliche Auflagen</b></p> <p>Der Volkswagen Konzern ist verpflichtet, eine Vielzahl von umweltschutzrechtlichen Auflagen zu befolgen. Emissionslimits existieren für neue Pkw und leichte Nutzfahrzeuge innerhalb von Europa. Schwere Nutzfahrzeuge, die ab 2014 genutzt werden, unterliegen</p>
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		<p>bereits strengeren Emissionsanforderungen gemäß EU Verordnungen. Außerdem ist die Allokationsmethode für Emissionszertifikate in 2013 fundamental geändert worden, als die Europäische Kommission sich entschloss, anfänglich einen Anteil an Zertifikaten, die versteigert werden sollten, einzubehalten. Aufgrund dieser temporären Fehlmenge von Zertifikaten während der Handelsperiode kann es zu Preisanstiegen kommen.</p> <p><b>Rechtsfälle</b></p> <p>VWAG und die Unternehmen, an denen sie direkt oder mittelbar beteiligt ist, sind in Rechtstreitigkeiten und behördlichen Verfahren beteiligt, aus denen sich Zahlungs- und andere Verpflichtungen ergeben können.</p> <p><b>Strategien zur Absicherung im Finanzbereich</b></p> <p>Die Geschäftstätigkeit des Volkswagen Konzerns birgt Finanzrisiken, die sich aus der Veränderung von Zinssätzen, Währungskursen und Rohstoffpreisen sowie Fondspreisen und dem Ausfall von Kontrahenten ergeben können.</p> <p><b>Risiken aus Finanzinstrumenten</b></p> <p>Aufgrund der Kanalisierung von überschüssiger Liquidität in Kapitalanlagen entsehen Adressausfallrisiken.</p> <p><b>Liquiditätsrisiken</b></p> <p>Der Volkswagen Konzern ist angewiesen auf die Aufnahme von Fremdkapital von Banken oder über die nationalen und internationalen Finanzmärkte. Eine gescheiterte Eigen-/Fremdkapitalbeschaffung zur Refinanzierung eines Liquiditätsbedarfs könnte die Zahlungsfähigkeit gefährden.</p> <p><b>Restwertrisiken im Finanzdienstleistungsgeschäft</b></p> <p>Im Volkswagen Financial Services Geschäft tritt ein Restwertrisiko auf, wenn der geschätzte Verkaufswert eines gemieteten Gegenstands bei Vertragsablauf geringer ist als der bei Vertragsabschluss vereinbarte Restwert.</p> <p><b>Risiko im Zusammenhang mit Unternehmensübernahmen und Unternehmensbeteiligungen</b></p> <p>In der jüngsten Vergangenheit hat der Volkswagen Konzern bedeutende Übernahmen durchgeführt und die Möglichkeit nicht ausgeschlossen, auch in Zukunft Unternehmen oder Unternehmensanteile zu erwerben. Unternehmensübernahmen sind typischerweise mit signifikanten Investitionen und Risiken verbunden.</p> <p><b>Sonstige Einflüsse</b></p> <p>Risiken, die derzeit noch nicht vorhersehbar sind, können einen negativen Einfluss auf die zukünftige Entwicklung des Volkswagen Konzerns nehmen. Dieses umfasst beispielhaft Naturkatastrophen, Epidemien und Terroranschläge.</p>
	<b>Zentrale Angaben zu den zentralen Risiken, die den Schuldverschreibungen eigen sind</b>	<ul style="list-style-type: none"> <li>• Die Schuldverschreibungen sind möglicherweise keine für alle Anleger geeignete Anlage.</li> <li>• Die Schuldverschreibungen haben eine unbegrenzte Laufzeit, und Anleihegläubiger können die Schuldverschreibungen nicht kündigen.</li> </ul>

		<ul style="list-style-type: none"> <li>• Nach Wahl der Emittentin können die Schuldverschreibungen zurückgezahlt werden: (i) am ersten Rückzahlungstermin oder an jedem darauf folgenden Zinszahlungstag, (ii) wenn die Emittentin aufgrund einer Gesetzesänderung zusätzliche Beträge hinsichtlich Steuern zu bezahlen hat oder (iii) wenn 80 % oder mehr des ursprünglich begebenen Nennbetrags der Schuldverschreibungen zurückgezahlt oder zurückerworben wurden. Darüber hinaus kann die Emittentin die Schuldverschreibungen zurückzahlen, wenn (i) Zinszahlungen in Bezug auf die Schuldverschreibungen nicht mehr vollständig steuerlich abzugsfähig sind, (ii) die durch die Emission eingeworbenen Mittel nicht mehr als Eigenkapital der Emittentin behandelt werden können oder (iii) bestimmte Ratingagenturen die Schuldverschreibungen keiner oder einer geringeren Eigenkapitalanrechnungskategorie zuordnen. Im Fall einer Rückzahlung könnten Anleihegläubiger, die eine niedrigere als die erwartete Rendite erzielen, nicht in der Lage sein, den Rückzahlungsbetrag zu denselben Konditionen wiederzuveranlagen und einen niedrigeren Rückzahlungsbetrag als den letzten Marktpreis der Schuldverschreibungen erhalten.</li> <li>• Die Verbindlichkeiten der Emittentin aus den Schuldverschreibungen stellen nicht besicherte, nachrangige Verbindlichkeiten der Emittentin dar.</li> <li>• Die Anleihebedingungen enthalten keine ausdrücklichen Bestimmungen über Events of Default und Cross Default.</li> <li>• Im Zusammenhang mit Zahlungen auf Verbindlichkeiten aus den Schuldverschreibungen wird die Emittentin teilweise von Zahlungen anderer Gesellschaften, die Teil der Volkswagen Gruppe sind, abhängig sein.</li> <li>• Die Schuldverschreibungen enthalten keine Einschränkungen in Bezug auf die Einhaltung von Finanzkennzahlen.</li> <li>• Die Möglichkeiten der Anleihegläubiger, den Ausgang eines Insolvenzverfahrens oder eines Restrukturierungsverfahrens außerhalb eines Insolvenzverfahrens zu beeinflussen, sind beschränkt.</li> <li>• Anleihegläubiger haben kein Stimmrecht in der Hauptversammlung.</li> <li>• Anleihegläubiger haben nur begrenzte Rechtsmittel gegen die Emittentin, um fällige Beträge unter den Schuldverschreibungen einzutreiben.</li> <li>• Es besteht keine Beschränkung hinsichtlich der Ausgabe von Schuldtiteln durch die Emittentin, die den Verpflichtungen aus oder im Zusammenhang mit den Schuldverschreibungen im Rang gleichstehen oder gegenüber ihnen vorrangig sind.</li> <li>• Die Verpflichtungen der Garantin in der Garantie sind unbesichert und tief nachrangig.</li> <li>• Die Anleihegläubiger haben in einem deutschen Insolvenzverfahren der Garantin nur eingeschränkte Rechte.</li> <li>• Die Zulassung der Schuldverschreibungen zum Handel im regulierten Markt der Luxemburger Wertpapierbörse und zur Amtlichen Notierung (<i>Official List</i>) ist beantragt worden. Es besteht jedoch keine Gewähr dafür, dass sich ein liquider Sekundärmarkt für die Schuldverschreibungen entwickeln wird. Außerdem kann der Markt für Schuldverschreibungen volatil sein.</li> </ul>
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		<ul style="list-style-type: none"> <li>• Es besteht das Risiko, dass der Handel mit den Schuldverschreibungen ausgesetzt, unterbrochen oder eingestellt wird.</li> <li>• In dem Zeitraum ab dem Zinslaufbeginn bis zum Ersten Rückzahlungstermin kann nicht ausgeschlossen werden, dass der Kurs der Schuldverschreibungen infolge von Veränderungen des derzeitigen Zinssatzes auf dem Kapitalmarkt (Marktzins) fällt, da der Marktzins Schwankungen unterliegt.</li> <li>• Ab dem ersten Rückzahlungstermin sollten Anleihegläubiger berücksichtigen, dass der Zinssatz an jedem Reset-Termin mit Bezug auf den 7-Jahres-Swapsatz respektive den 12-Jahres-Swapsatz für den betreffenden Reset-Zeitraum zuzüglich einer Marge festgesetzt wird. Die Entwicklung des 7-Jahres-Swapsatzes respektive des 12-Jahres-Swapsatzes und die Verzinsung der Schuldverschreibungen können nicht antizipiert und eine Rendite kann nicht berechnet werden. Zusätzlich kann in keinem Reset-Zeitraum ausgeschlossen werden, dass der Kurs der Schuldverschreibungen infolge von Veränderungen des derzeitigen Zinssatzes auf dem Kapitalmarkt (Marktzins) fällt, da der Marktzins Schwankungen unterliegt.</li> <li>• Anleihegläubiger sollten berücksichtigen, dass Zinsen aufgeschoben werden können. Aufgeschobene Zinszahlungen werden nicht verzinst. Ein Zinsaufschub wird vermutlich nachteilige Auswirkungen auf den Marktpreis der Schuldverschreibungen haben.</li> <li>• Ratings der Emittentin oder der Schuldverschreibungen können sich jederzeit verändern und sind keine Empfehlung zum Kauf, Verkauf oder zum Halten der Schuldverschreibungen.</li> <li>• Die auf Euro lautenden Schuldverschreibungen könnten ein Währungsrisiko für einen Anleihegläubiger darstellen, wenn der Euro für den betreffenden Anleihegläubiger eine Fremdwährung ist; außerdem könnten Regierungen und zuständige Behörden künftig Devisenkontrollen verhängen.</li> <li>• Da die Globalschuldverschreibungen von oder für Euroclear und Clearstream, Luxembourg, gehalten werden, müssen sich Anleihegläubiger auf deren Verfahren zur Übertragung, Zahlung und Kommunikation mit der Emittentin verlassen.</li> <li>• Für einen Anleihegläubiger besteht das Risiko, dass er überstimmt wird und gegen seinen Willen Rechte gegenüber der Emittentin verliert, falls Anleihegläubiger mit einer Stimmenmehrheit gemäß dem Schuldverschreibungsgesetz ihre Zustimmung zu Änderungen der Anleihebedingungen erteilen. Im Falle der Ernennung eines gemeinsamen Vertreters aller Anleihegläubiger besteht das Risiko, dass ein einzelner Anleihegläubiger ganz oder teilweise die Möglichkeit verliert, seine Rechte gegenüber der Emittentin unabhängig von den anderen Anleihegläubigern durchzusetzen und geltend zu machen.</li> <li>• Anleihegläubiger übernehmen das Risiko, dass sich der Credit Spread der Emittentin ändert (Credit Spread Risiko).</li> <li>• Die Rendite einer Veranlagung kann sich aufgrund künftiger Inflation verringern.</li> <li>• Die steuerlichen Auswirkungen einer Veranlagung in die Schuldverschreibungen sollten genau geprüft werden.</li> <li>• Wenn der Erwerb der Schuldverschreibungen fremdfinanziert wird, erhöht dies die Höhe des größten möglichen Verlusts wesentlich.</li> </ul>
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		<ul style="list-style-type: none"> <li>Nebenkosten, insbesondere in Verbindung mit dem Erwerb oder der Veräußerung der Schuldverschreibungen können wesentliche nachteilige Auswirkungen auf das Ertragspotential haben.</li> </ul>
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Abschnitt E – Angebot		
<b>E.2b</b>	<b>Gründe für das Angebot und Zweckbestimmung der Erlöse</b>	Die Emittentin beabsichtigt die Nettoerlöse für allgemeine Geschäftszwecke zu nutzen, welches die Weiterleitung der Nettoerlöse zum Garanten beinhalten wird, für die Nutzung im Zusammenhang mit der vorgesehenen Akquisition aller Aktien von Scania Aktiebolag, welches am 21. Februar 2014 verkündet wurde und zur Nutzung für generellen Geschäftszwecke des Garanten.
<b>E.3</b>	<b>Beschreibung der Angebotskonditionen</b>	<p>Die Schuldverschreibungen werden in Luxembourg, Deutschland, Österreich, den Niederlanden, dem Vereinigten Königreich bzw. Irland innerhalb eines Angebotszeitraums angeboten, ab dem Prospektdatum in Luxemburg und ab dem Zeitpunkt zu dem die Notifizierung des Prospekts (Passporting) in dem jeweiligen Mitgliedsstaat erfolgt ist, in Deutschland, Österreich, den Niederlanden, dem Vereinigten Königreich bzw. Irland bis zum 21. März 2014, vorbehaltlich einer Verkürzung oder Verlängerung des Angebotszeitraums.</p> <p>Das Angebot unterliegt keinen Bedingungen. Lieferung und Zahlung der Schuldverschreibungen und Bestätigung der Zuteilung an Anleger erfolgen am 24. März 2014. Die Lieferung der Schuldverschreibungen erfolgt durch buchmäßige Übertragung über die Clearingsysteme und ihre Depotbanken gegen Zahlung des Emissionspreises.</p>
<b>E.4</b>	<b>Beschreibung aller für die Emission/das Angebot wesentlichen, auch kollidierenden Interessen</b>	Barclays Bank PLC, Goldman Sachs International, HSBC Bank plc und Société Générale (zusammen die „ <b>Joint Bookrunner</b> “ oder die „ <b>Konsortialführer</b> “) haben sich nach Maßgabe eines Übernahmevertrags am 17. März 2014 unterzeichnet wurden, verpflichtet, die Schuldverschreibungen zu zeichnen oder andere Unterzeichner zu vermitteln. Die Konsortialführer sind unter bestimmten Voraussetzungen berechtigt, den Übernahmevertrag zu kündigen. In diesem Fall werden keine Schuldverschreibungen an Anleger geliefert. Weiterhin wird die Emittentin sich bereit erklären, die Konsortialführer von bestimmten Haftungsrisiken im Zusammenhang mit dem Angebot und dem Verkauf der Schuldverschreibungen freizustellen. Die Provision, die im Zusammenhang mit dem Angebot, der Platzierung und der Zeichnung der Schuldverschreibungen an die Konsortialführer zu zahlen ist, beträgt bis zu 0,65 % des Gesamtnennbetrags der Schuldverschreibungen. Die Konsortialführer oder mit ihnen verbundene Unternehmen haben bisher Investment Dienstleistungen gegenüber der Emittentin und den mit ihr verbundenen Unternehmen erbracht und werden dies voraussichtlich auch in Zukunft tun. Für diese Dienstleistungen haben die Konsortialführer und ihre verbundenen Unternehmen marktübliche Gebühren und Provisionen erhalten bzw. werden solche zukünftig erhalten. Außer den Interessen der Emittentin bestehen keine Interessen (einschließlich Interessenkonflikte) natürlicher oder juristischer Personen die an der Emission beteiligt sind, die für die Emission wesentlich sind.
<b>E.7</b>	<b>Schätzung der Ausgaben, die dem Anleger vom Emittenten oder Anbieter in Rechnung gestellt werden</b>	Entfällt; die Emittentin wird dem Anleger direkt keine Kosten, Ausgaben oder Steuern in Bezug auf die Schuldverschreibungen berechnen. Jeder Investor muss sich allerdings selbst über Steuern und Ausgaben informieren, die für ihn anfallen könnten, z.B. Gebühren für die Verwahrstelle.

## RISK FACTORS

*Prospective investors should carefully review the following risk factors in conjunction with the other information contained in this Prospectus before making an investment in the Notes. If these risks materialize, individually or together with other circumstances, they may have a material adverse effect on Volkswagen's business, results of operations and financial condition. The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes, but the Issuer may be unable to fulfill its obligations under the Notes for other reasons than those described below. Additional risks not currently known to Volkswagen or that it currently believes are immaterial may also adversely affect its business, results of operations and financial condition. Should any of these risks materialize, the trading price of the Notes could decline, the Issuer may not be able to fulfill its obligations under the Notes and investors could lose all or a part of their investment. The order in which the individual risks are presented does not provide an indication of the likelihood of their occurrence nor of the severity or significance of the individual risks.*

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

### **Risk Factors regarding Volkswagen International Finance N.V.**

Risk is defined as the possibility of negative future developments in the economic situation of VIF. The principal risks to which VIF is exposed are described below.

#### ***Risk of counterparty default***

Risk of counterparty default is defined as the possible loss in value due to non-payment by a customer or deterioration of his creditworthiness. A distinction is made between credit risks, counterparty risks, country risks and shareholder risks.

#### ***Credit risk***

Credit risk is defined as the risk of a partial or total default of contracted interest payment or principal payment by a borrower. Credit risks mainly result from loans granted to group and joint venture companies and bank deposits as well as cross currency and interest rate swaps. Credit risk represents the largest component of the indicated risk factors affecting VIF. Risk acceptance is approved by the Board of Management and the Supervisory Board regularly monitors VIF's risk profile. Lending guidelines regulate credit processes and competences.

#### ***Counterparty risk***

Counterparty risk arises from overnight money and time deposit investments carried out in the inter-bank sector as well as derivatives transactions.

#### ***Country risk***

Country risk includes risks in the course of international business, which do not result from the contracting party itself, but are due to its foreign investments. For example, critical political or economic developments as well as difficulties in the entire finance system in this country can lead to the fact that agreed transborder capital payments (interest and repayment) cannot take place or take place incompletely or delayed, due to difficulties of transfer by reason of mandatory measures by a foreign state.

The evaluation of country risks is based on the assessments of the long-term foreign currency liabilities of a state (sovereign ratings) by the rating agencies Moody's and Standard & Poor's.

#### ***Shareholder risk***

The shareholder risk is defined as the risk of losses affecting negatively the shareholding book value.

#### ***Market risk***

Market risks signify potential losses because of disadvantageous changes of market prices or price-influencing parameters. At VIF market risk is subdivided into interest rate risks and currency risks.

### ***Interest rate risk***

Interest rate risk includes potential losses from changes in market rates. These risks result from refinancing at non-matching interest periods and from different degrees of interest rate elasticity of individual assets and liabilities.

### ***Currency risk***

Currency risk means the possible negative evolution of the exchange rate of a foreign currency in relation to the Euro, which is the base currency of VIF. These changes could then create a negative result if in a specific currency assets and liabilities do not match (currency position).

### ***Liquidity risk***

Liquidity risk could occur when the receivables dates do not match the corresponding liability dates. Although VIF has access to multiple funding sources, such as a debt issuance programme and a commercial paper programme as well as the possibility to benefit from the parent company's facilities, it is still exposed to the liquidity risk. The prime objective of cash flow management at VIF is to ensure the ability to pay at all times.

### ***Refinancing risk***

Refinancing risks can be described as the possibility of not being able to meet finance requirements of affiliated group companies or subsidiaries, due to worsening markets conditions on the capital market, such as significant negative alteration of VW credit rating, growing economic instability or negative changes in solvency for major international banks, possibly undermining VIF's ability to refinance itself.

### ***Operational risk***

Operational risk is the term used for the threat of losses due to inadequate or failing internal processes, personnel and systems. This also takes into account risks that result from external factors such as natural disasters, terrorist attacks, political unrest or legal risks.

### ***IT and system risk***

VIF's information technology ("IT") is exposed to risks that occur when one or more fundamental security objectives such as confidentiality, integrity and availability of data and services are threatened by weak spots in either the organization or in the use or administration of IT systems.

### ***Personnel risk***

Personnel risks may result from high personnel turnover, insufficient availability of personnel, inadequate personnel qualification and human error.

### ***Legal risk***

Legal risks can be described as a sudden and unexpected change in a national law enabling local government to partially or wholly take control of VIF's contract parties: banks, affiliated group companies, subsidiaries, parent company or VIF itself. This so-called nationalization could then influence VIF's ability to meet their obligations.

Although the tax department, supported by local advisors, monitors the international tax situation, other risks, such as the introduction of withholding taxes or other restrictive tax implications for one of its contract parties, as described above, could occur during the lifetime of its assets and liabilities, thus causing negative tax implications with regard to (re)payment of principal or interest funds.

## **Risk Factors regarding VOLKSWAGEN AKTIENGESELLSCHAFT and Volkswagen Group**

In the following section specific risks arising from the business activities of the Volkswagen Group are explained.

### ***Macroeconomic risks***

One of the biggest risks to continued global economic growth consists primarily of the persistent structural deficits in developed economies. The unanswered questions surrounding the economic and institutional stability of the eurozone are particularly noteworthy in this context, as are the unresolved debt problems in

many industrialized countries. In the eurozone, the situation of numerous financial institutions whose stability and ability to withstand a crisis remain in doubt is hindering sustained economic recovery.

Structural deficits also pose a risk to the growth of many emerging economies. Overindebtedness, reliance on capital inflows, violent clashes and corruption are some of the main threats to these countries' development. As the global economy becomes increasingly interconnected, declines in growth in key countries and regions often have an immediate impact on the state of the global economy and therefore pose a central risk. The trend in the large economies of Europe, the United States and China are especially important for global growth.

Geopolitical risks result primarily from tensions in the Middle East and North Africa and may impact negatively on global energy and commodity prices. In addition, a large number of local and regional conflicts pose a threat to the performance of both individual economies and entire regions.

### ***Sector-specific risks***

The growth markets of Asia, South America, and Central and Eastern Europe are particularly important in terms of the global trend in demand for passenger cars and commercial vehicles. Although these markets harbor considerable potential, the underlying conditions in some of the countries in these regions make it difficult to increase unit sales figures there. Some have high customs barriers or minimum local content requirements for domestic production, for example. Following the reduction in the number of new vehicles allowed to be registered in places such as Beijing, further restrictions on registrations could enter into force in other Chinese metropolitan areas as well. Furthermore, a potential global economic slowdown could impact negatively on consumer confidence in some of these countries. In addition, the Volkswagen Group cannot entirely rule out the possibility of freight deliveries being shifted from trucks to other means of transport and of demand for the Volkswagen Group's commercial vehicles falling as a result.

At the same time, if the economic and regulatory situation permits, there are opportunities for faster growth above and beyond current projections in emerging markets, where vehicle ownership rates are still low. The demand that builds up in established markets during a crisis could also lead to a strong recovery in these markets if the economic environments ease more quickly.

Price pressure in established automotive markets is a particular challenge for the Volkswagen Group as a supplier of volume and premium models due to its high level of market coverage. As the global economy is still under strain, competitive pressures are likely to remain high in the future. Some manufacturers will respond by offering incentives in order to meet their sales targets, putting the entire sector under additional pressure, particularly in Western Europe, the United States and China.

Western Europe is one of the Volkswagen Group's main sales markets. The combination of a drop in prices due to the economic climate and a fall in demand in this region would have a particularly strong impact on the Volkswagen Group's earnings. Outside Western Europe, the Volkswagen Group's overall delivery volumes are broadly diversified throughout the world. The Chinese market accounts for an increasing share.

The global economic climate deteriorated tangibly in 2013. The resulting challenges for the Volkswagen Group's trading and sales companies, such as efficient warehouse management and a profitable dealer network, are considerable. Financing business activities through bank loans remains difficult.

The Volkswagen Group continues to approve loans for vehicle finance on the basis of the same cautious principles applied in the past, taking into account the regulatory requirements of section 25a(1) of the German Banking Act (*Kreditwesengesetz*).

The Volkswagen Group may be exposed to increased competition in aftermarkets for two reasons: firstly, because of the provisions of the new Block Exemption Regulations, which have been in force for after-sales service since June 2010, and, secondly, because of the amendments included in EU Regulation 566/2011 dated June 8, 2011, which expand independent market participants' access to technical information.

The European Commission is planning to end design protection for visible vehicle parts. If this plan is actually implemented, it could adversely affect the Volkswagen Group's genuine parts business.

### ***Research and development risks***

The Volkswagen Group is conducting extensive trend analyses, customer surveys and scouting activities so as to adequately reflect its customers' requirements during product development. These measures should ensure that the Volkswagen Group identifies trends at an early stage and examines their relevance for customers.

Although the Volkswagen Group continuously and systematically monitors the progress of all projects and increasingly analyzes third-party industrial property rights, including in relation to communication

technologies, there is a risk that it may not be possible to develop products or modules within the specified timeframe, to the required quality standards, or in line with cost specifications. Countermeasures initiated in the event that actual progress deviates from the original targets may not prove suitable.

### ***Procurement risks***

Although European demand for vehicles steadied during 2013, there are still considerable economic differences in the regional markets. These differences affect the Volkswagen Group's suppliers, especially those focused on Southern and Western Europe. In 2013, this situation once again contributed to a cautious stance on the part of investors. As a result, greater consideration was given to suppliers' financing options when making lending decisions. The Volkswagen Group's procurement risk management system continuously monitors changes at the suppliers' end and deploys a suite of different measures in the event of any negative developments. This allows the Volkswagen Group to minimize supply risks and the financial effects of crises and insolvencies at suppliers. However, these risk management measures may be ineffective in mitigating procurement risks.

### ***Production risks***

The weakness in the European automotive market had a noticeable effect on production of the Volkswagen Group in 2013. Changes in the demand environment, partly due to weak domestic markets, caused production volumes of several vehicle models to fluctuate at some plants.

In addition, short-term changes in demand for special equipment features or components of the Volkswagen Group's products and the decreasing predictability of those changes may lead to supply bottlenecks.

The Volkswagen Group selects new sites for vehicle or drivetrain plants by assessing the economic, geological and technical factors, environmental factors, environmental laws and compliance requirements of the site locations. However, production risks due to the location of a production site are not entirely predictable.

### ***Risks arising from long-term production***

In the case of large projects, risks may arise that are often only identified in the course of the project. These may result in particular from contracting deficiencies, miscosting, post-contract changes in economic and technical conditions, weaknesses in project management and poor performance by subcontractors.

### ***Risks arising from changes in demand***

Consumer demand is shaped not only by real factors such as disposable income, but also by psychological factors for which it is impossible to plan.

Increased fuel and energy prices could result in unexpected buyer reluctance, which could be further exacerbated by media reports. This is the case particularly in saturated automotive markets such as Western Europe, where demand could drop as a result of owners holding on to their vehicles for longer.

In 2013, the effect of unpredictable psychological demand factors was exacerbated by the euro crisis and its impact on the global economy and the entire automotive industry. Several automotive markets, particularly in Southern Europe, were unable to recover from their record lows and even contracted further in some cases.

A combination of buyer reluctance as a result of the crisis and increases in some vehicle taxes based on CO<sub>2</sub> emissions, such as those already formulated in some European countries, is driving a shift in demand towards smaller segments and engines in individual markets. In automotive markets around the world, risks arise due to government intervention in the form of tax increases, for example, which could curb private consumption.

As industrial goods, commercial vehicles are influenced by the general economic environment, which means that the market is highly cyclical. Although production volumes are significantly lower, the complexity of the trucks and buses range exceeds that of passenger cars since they are tailored to customers' requirements. MAN Power Engineering's two-stroke engines are produced exclusively by licensees, particularly in China and Korea. Weaker demand could result in licensees having excess capacity and consequently in risks due to declining license revenues or bad debt losses up to and including the loss of licensees.

### ***Dependence on fleet customer business***

In 2013, the percentage of total registrations in Germany accounted for by fleet customers fell to 12.5% (previous year: 12.7%). The Volkswagen Group's share of this customer segment decreased to 47.2% (previous year: 47.7%).



In Europe, the Volkswagen Group was unable to extend its position in this customer segment despite its comprehensive product range and customized support for this target group. Registrations by business fleet customers were down 2.2% year-on-year, while the Volkswagen Group's share fell to 28.8% (previous year: 29.4%). The fleet customer business continues to be marked by increasing concentration and internationalization.

### **Quality risk**

The increasing use of modular components means that when vehicle defects occur, the cause of the defect must be identified and eliminated as quickly as possible.

Growing production volumes, increasing complexity and the use of the Volkswagen Group's toolkit system mean that the need for high-grade supplier components of impeccable quality is also rising. To ensure production and hence meet customer expectations, it is extremely important that Volkswagen's plants and suppliers deliver on time.

Sustained high demand in the Volkswagen Group's key markets presents particular challenges for quality assurance. Quality assurance is of fundamental importance especially in the growing automotive markets of Brazil, Russia, India and China, for which dedicated vehicles are developed and where local manufacturing operations and suppliers have been established.

### **Personnel risk**

The individual skills and technical expertise of the Volkswagen Group's employees are a major factor contributing to its success.

The Volkswagen Group's strategic, end-to-end human resources development strategy gives all employees attractive training and development opportunities, with particular emphasis placed on increasing technical expertise in Volkswagen's different vocational groups. However, the failure to attract sufficient numbers of new employees and the retain qualified employees may lead to competitive disadvantages.

### **IT risk**

At the Volkswagen Group the IT used group-wide is assuming an increasingly important role. IT risks include unauthorized access to sensitive electronic corporate data as well as limited systems availability as a consequence of downtime or natural disasters.

The Volkswagen Group addresses the risk of unauthorized access to corporate data by using firewall and intrusion prevention systems and a dual authentication procedure. In addition, the Volkswagen Group continuously takes measures to combat identified and anticipated risks during the software development process, when protecting the IT infrastructure and also in the allocation of access rights to systems and data resources. Rapid technological advancement, however, creates a residual risk in relation to IT security that cannot be managed completely.

### **Environmental protection regulations**

The EU Regulation governing CO<sub>2</sub> emissions from passenger cars (443/2009/EC) and the EU Regulation governing light commercial vehicles of up to 3.5 tonnes (510/2011/EU), in effect since April 2009 and June 2011 respectively, set the specific emission targets for all new passenger car and light commercial vehicle fleet calculated from the individual vehicle data of brands in the EU member states for the period up to 2019. They are an important component of European climate protection regulations and therefore form the key regulatory framework for product design and marketing by all vehicle manufacturers operating in the European markets.

From 2012 onwards, the average CO<sub>2</sub> emissions of European manufacturers' new passenger car fleets should not exceed the figure of 130 g CO<sub>2</sub>/km. Compliance with this requirement is being introduced in stages: 75% of the fleet had to meet this requirement in 2013, 80% must meet it in 2014 and the entire fleet in 2015. A further significant reduction in European passenger car fleet emissions to 95 g CO<sub>2</sub>/km from 2020 onwards has also been resolved.

The EU's CO<sub>2</sub> regulation for light commercial vehicles requires targets to be met from 2014 onwards, with targets being phased in over the period to 2017: the average CO<sub>2</sub> emissions of new registrations in Europe should not exceed 175 g CO<sub>2</sub>/km, a target required to be met by 70% of the fleet in 2014. The long-term target has also been set, subject to the European Commission's current review. For the period after 2020, the limit is to be set at 147 g CO<sub>2</sub>/km. Similar to the CO<sub>2</sub> regulation for passenger cars, the regulation provides for derogations from the targets, for example by offering relief for eco-innovations.

The European Commission intends to establish the CO<sub>2</sub> regime for the period after 2020 by the end of 2014. Reduction targets for the transport sector are already being discussing for the period until 2050, such



as the 60% reduction in greenhouse gas emissions from 1990 levels cited in the EU White Paper on transport published in March 2011. It will only be possible to meet these long-term goals by also making extensive use of non-fossil sources of energy, in particular in the form of renewable electricity.

At the same time, CO<sub>2</sub> or fuel consumption regulations are also being developed or introduced outside Europe (e.g., in Japan, China, South Korea, India, Brazil, Mexico and Australia). In the United States, a new consumption regulation will impose uniform fuel consumption and greenhouse gas rules in all states of the United States for the period from 2017 to 2025.

The increase in CO<sub>2</sub> and consumption regulations mean that the most efficient technologies are required in all key markets worldwide. Electrified and pure-play electric drives will also gain more and more ground.

The Volkswagen Group closely coordinates technology and product planning with its brands so as to avoid breaches of emission limits, which would entail severe sanctions. In principle, the EU legislation permits some flexibility.

The implementation of main EU regulations affecting the automotive industry by the EU member states serves as a flanking measure for the CO<sub>2</sub> regulations in Europe. In addition to vehicle manufacturers, the EU regulations affecting the automotive industry are also aimed at other stakeholders such as the mineral oil industry. Vehicle taxes based on CO<sub>2</sub> emissions are having a similar effect. Many EU member states have already incorporated CO<sub>2</sub> elements into their rules on vehicle taxation.

Heavy commercial vehicles put into operation from 2014 onwards are already subject to the stricter emission requirements under the Euro 6 standard in accordance with EU Regulation 595/2009/EC. At the same time as the CO<sub>2</sub> legislation for passenger cars and light commercial vehicles, the EU is preparing a further CO<sub>2</sub> regulation for heavy commercial vehicles. The European Commission's concrete regulatory proposals are anticipated by the end of 2014 and likely to enter into force in 2017/2018.

As part of its efforts to reduce the CO<sub>2</sub> emissions of heavy commercial vehicles, the European Commission is also planning to revise the provisions regarding the maximum permissible dimensions of trucks (Directive 1996/53/EC, the Weights and Measures Directive).

In the Power Engineering segment, the International Maritime Organization (IMO) has implemented the International Convention for the Prevention of Pollution from Ships (MARPOL), which aims to reduce marine pollution and which is phasing in limits on exhaust emissions from marine engines. Emission limits also apply, for example, under EU directive 1997/68/EC and the United States Environmental Protection Agency's marine regulations. As regards stationary equipment, national rules are in place worldwide and have to be applied locally.

The allocation method for emissions certificates changed fundamentally when the third trading period (2013 – 2020) began. For manufacturing industry and certain power generation installations (e.g. combined heat and power installations), a portion of the certificates are allocated free of charge on the basis of benchmarks applicable throughout the EU. The share allocated for free will gradually decrease as the trading period progresses: the remaining quantities of certificates required will have to be bought, and thus paid for, at auction. Furthermore, installation operators can partly fulfill their obligation to hold emission allowances using certificates from climate protection projects (Joint Implementation and Clean Development Mechanism projects).

For certain (sub-) sectors of industry where there is a risk that production will be transferred to countries outside Europe due to the amended provisions governing emissions trading (a phenomenon referred to as "carbon leakage"), a consistent quantity of certificates will be allocated free of charge for the period from 2013 to 2020 on the basis of the pan-EU benchmarks. The automotive industry is not on this list because in the past it did not meet the criteria examined. It is currently unclear whether it will be included in the carbon leakage list when this is updated in the future.

In 2013, the European Commission decided to initially withhold a portion of the certificates to be auctioned and to only release them for auction at a later date during the third trading period ("backloading"). This temporary shortage of certificates during the trading period may cause certificate prices to rise.

As in the European Union, other countries in which the Volkswagen Group has production sites are also considering introducing an emissions trading system. Seven pilot projects have started in China, for example, although they have not so far affected the Volkswagen Group. The Chinese government plans to expand those pilot projects into a national emissions trading system.

## **Litigation**

In the course of their operating activities, VWAG and the companies in which it is directly or indirectly invested become involved in legal disputes and official proceedings in Germany and internationally. In

particular, such legal disputes and proceedings may occur in relation to suppliers, dealers, customers, employees, or investors. For the companies involved, these may result in payment or other obligations. Particularly in cases where U.S. customers assert claims for vehicle defects individually or by way of a class action, highly cost-intensive measures may have to be taken and substantial compensation or punitive damages paid. Similar risks also result from U.S. patent infringement proceedings.

Where transparent and economically viable, adequate insurance cover is taken out for these risks and appropriate provisions recognized for the remaining identifiable risks. However, as some risks cannot be assessed or can only be assessed to a limited extent, the possibility of loss or damage not being covered by the insured amounts and provisions cannot be ruled out.

### ***Strategies for hedging financial risks***

In the course of the Volkswagen Group's business activities, financial risks may arise from changes in interest rates, exchange rates, raw materials prices, or share and fund prices. Management of financial and liquidity risks is the responsibility of the central Volkswagen Group Treasury department, which manages these risks using nonderivative and derivative financial instruments. The Board of Management is informed of the current risk situation at regular intervals.

The Volkswagen Group hedges interest rate risk, where appropriate in combination with currency risk, and risks arising from fluctuations in the value of financial instruments by means of interest rate swaps, cross-currency swaps and other interest rate contracts with matching amounts and maturity dates. This also applies to financing arrangements within the Volkswagen Group.

Foreign currency risk is reduced in particular through natural hedging, i.e. by flexibly adapting the Volkswagen Group's production capacity at its locations around the world, establishing new production facilities in the most important currency regions and also procuring a large percentage of components locally, currently for instance in Russia, China and Mexico. The Volkswagen Group hedges the residual foreign currency risk using hedging instruments. These include currency forwards, currency options and cross-currency swaps. The Volkswagen Group uses these transactions to hedge its principal foreign currency risks associated with forecasted cash flows, mostly against the Euro and primarily in U.S. dollars, pound sterling, Chinese renminbi, Swiss francs, Mexican pesos, Swedish kronor, Polish zloty and Australian dollars.

Raw materials purchasing entails risks relating to the availability of raw materials and price trends. The Volkswagen Group limits these risks mainly by entering into forward transactions and swaps. The Volkswagen Group has used appropriate contracts to hedge some of its requirements for commodities such as aluminum, copper, lead, platinum, rhodium, palladium and coal over a period of up to seven years. Similar transactions have been entered into for the purpose of supplementing and improving allocations of CO<sub>2</sub> emission certificates.

### ***Risks arising from financial instruments***

Channeling excess liquidity into investments gives rise to counterparty risk. Partial or complete failure by a counterparty to perform its obligation to pay interest and repay principal would have a negative impact on earnings and liquidity. In addition to counterparty risk, the financial instruments held for hedging purposes hedge balance sheet risks.

### ***Liquidity risks***

In order for the Volkswagen Group to remain solvent at all times, it must hold sufficient liquidity reserves. The Volkswagen Group uses confirmed credit lines and money market and capital market programs. The Volkswagen Group covers the capital requirements of its growing financial services business mainly by raising funds at matching maturities in the national and international financial markets as well as through customer deposits from the direct banking business.

Credit lines from banks are only used within the Volkswagen Group to cover short-term working capital requirements. Projects are financed by, among other things, loans provided by development banks.

A rating downgrade could adversely affect the terms attached to the Volkswagen Group's borrowings.

### ***Residual value risk in the financial services business***

In the financial services business, the Volkswagen Group buys back selected vehicles at a residual value that is fixed at inception of the contract. Residual values are set realistically so that the Volkswagen Group is able to leverage market opportunities. The Volkswagen Group evaluates the underlying lease contracts at regular intervals and recognizes any necessary provisions if potential risks are identified.

Management of the residual value risk is based on a defined feedback loop ensuring the full assessment, monitoring, management and communication of risks.

As part of the Volkswagen Group's risk management, residual value forecasts are used to regularly assess the appropriateness of the provisions for risks and the potential for residual value risk. In the process, the Volkswagen Group compares the contractually agreed residual values with the fair values obtainable. These are determined utilizing data from external service providers and the Volkswagen Group's own marketing data.

### ***Risks in relation to corporate acquisitions, cooperations and equity interests***

The Volkswagen Group has made significant acquisitions in the recent past and has not ruled out the possibility that it will continue to acquire companies and equity interests in companies in the future. Corporate acquisitions are typically associated with significant investments and risks. As it is often not possible to completely review the target company prior to the acquisition or investment, or this can be done only by incurring disproportionately high costs, the Volkswagen Group can therefore not guarantee that it will recognize all risks related to such a transaction in advance or that it will have protected itself against such risks. There is a risk that it might not be possible to realize the targets for growth, economies of scale, cost savings, development, production and distribution targets, or other strategic goals being sought from the acquisition of companies and interests in companies, or it may only be possible to realize them to an insufficient extent given time and budget constraints.

For research and development, market launches and large projects, the Volkswagen Group at times enters into joint ventures with strategic partners, recently with a focus on China. In the corresponding agreements, the Volkswagen Group agrees with the joint venture partners or the joint ventures to perform certain services for the project. If the Volkswagen Group fails to fulfill its obligations under these contracts, either in whole or in part, this may lead to claims for damages, contractual penalties or termination of the joint venture by the partner or by the joint venture. Additionally, the Volkswagen Group cannot exclude the possibility that joint venture technology will or must be disclosed to joint venture partners and that they will use it for their own purposes outside the joint venture project.

### ***Other factors***

Going beyond the risks already outlined, there are other factors that cannot be predicted and are therefore difficult to control. Should these transpire, they could have an adverse effect on the further development of the Volkswagen Group. These factors include natural disasters, epidemics and terror attacks.

### ***Risks relating to the Notes***

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

### ***The Notes may not be a suitable investment for all investors***

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

- have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes, and the information contained or incorporated by reference in this Prospectus or any applicable supplement;
- have access to and knowledge of appropriate analytical tools to evaluate, in the context of its particular financial situation and the investment(s) it is considering, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all risks of an investment in the relevant Notes, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- understand thoroughly the terms of the relevant Notes and be familiar with the behaviors of any relevant indices and financial markets;
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks; and
- recognize that it may not be possible to dispose of the Notes for a substantial period of time or at all.

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

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

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

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

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

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

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

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

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

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

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

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

***The Notes do not contain any financial covenants.***

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

***The Noteholders have no voting rights.***

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

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

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

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

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

***Subordinated claims under Guarantee***

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

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

***The beneficiaries under the Guarantee have limited rights in German insolvency proceedings***

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

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



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

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

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

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

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

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

Each issue of Notes bears interest at a fixed rate to but excluding the First Call Date for that issue of Notes.

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

***The Noteholders are exposed to risks relating to the reset of interest rates linked to the 7-year swap rate or 12-year swap rate.***

From and including the First Call Date to but excluding the date on which the Issuer redeems the Notes in whole, the Notes bear interest at a rate which will be determined on each reset date at the 7-year swap rate or the 12-year swap rate, as applicable, for the relevant reset period plus a margin.

Investors should be aware that the performance of the 7-year swap rate or the 12-year swap rate, as applicable, and the interest income on the Notes cannot be anticipated. Due to varying interest income, investors are not able to determine a definite yield of the Notes at the time they purchase them, so that their return on investment cannot be compared with that of investments having longer fixed interest periods. In addition, after interest payment dates, investors are exposed to the reinvestment risk if market interest rates decline. That is, investors may reinvest the interest income paid to them only at the relevant lower interest rates then prevailing.

Furthermore, during each Reset Period, it cannot be ruled out that the price of the Notes may fall as a result of changes in the current interest rate on the capital market (market interest rate), as the market interest rate fluctuates. During each of these periods, the investor is exposed to the risk as described under “—Fixed interest rate notes”.

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

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

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

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

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

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

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

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

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

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

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

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

A holder is subject to the risk of being outvoted and of losing rights towards the Issuer against his will in the event that Noteholders agree pursuant to the Terms and Conditions of the Notes to amendments of the Terms and Conditions of the Notes by majority vote according to the German Act on Issues of Debt Securities.



rities (*Gesetz über Schuldverschreibungen aus Gesamtemissionen*). In the event of an appointment of a Noteholders' representative for all Noteholders a particular holder may lose, in whole or in part, the possibility to enforce and claim his rights against the Issuer regardless of other Noteholders.

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

A credit spread is the margin payable by the Issuer to the holder of a Note as a premium for the assumed credit risk of the Issuer. Credit spreads are offered and sold as premiums on current risk-free interest rates or as discounts on the price.

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

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

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

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

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

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

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

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

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

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

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

## TERMS AND CONDITIONS OF THE NC7 NOTES

### Terms and Conditions

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

#### § 1

##### (Form and Denomination)

###### (1) Currency, Denomination and Form.

Volkswagen International Finance N.V. (the **"Issuer"**) issues undated unsecured subordinated notes with a first call date after 7 years in an aggregate principal amount of EUR 1,250,000,000 (the **"Notes"**). The Notes are guaranteed on a subordinated basis by Volkswagen Aktiengesellschaft (the **"Guarantor"**) and have a denomination of EUR 1,000 each (the **"Principal Amount"**).

###### (2) Global Notes and Exchange.

The Notes will initially be represented by one temporary global bearer note (the **"Temporary Global Note"**) without coupons which will be deposited with a common depositary for Clearstream Banking, *société anonyme*, Luxembourg and Euroclear Bank SA/NV (together hereinafter referred to as the **"Clearing System"**) on or around the date of issue of the Notes. The Temporary Global Note will be exchangeable for a permanent global bearer note (the **"Permanent Global Note"**) and, together with the Temporary Global Note, the **"Global Notes"**) without coupons not earlier than 40 and not later than 180 days after the date of issue of the Notes upon certification as to non-U.S. beneficial ownership in the Notes in accordance with the rules and operating procedures of the Clearing System. Payments on the Temporary Global Note will only be made against presentation of such certification. No definitive notes or interest coupons will be issued.

###### (3) Proportional Co-ownership Interests.

The holders of the Notes (the **"Noteholders"**) are entitled to proportional co-ownership interests or rights in the Temporary Global Note and the Permanent Global Note, which are transferable in accordance with applicable law and the rules and regulations of the Clearing System.

### Anleihebedingungen

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

#### § 1

##### (Verbriefung und Nennbetrag)

###### (1) Währung, Nennbetrag und Form.

Volkswagen International Finance N.V. (die **"Emittentin"**) begibt unbesicherte nachrangige Schuldverschreibungen ohne feste Laufzeit kündbar nach 7 Jahren im Gesamtnennbetrag von EUR 1.250.000.000 (die **"Schuldverschreibungen"**). Die Schuldverschreibungen werden von der Volkswagen Aktiengesellschaft auf nachrangiger Basis garantiert (die **"Garantin"**) und haben einen Nennbetrag von je EUR 1.000 (der **"Nennbetrag"**).

###### (2) Globalurkunden und Austausch.

Die Schuldverschreibungen werden zunächst von einer vorläufigen Globalurkunde (die **"Vorläufige Globalurkunde"**) ohne Zinsscheine verbrieft, welche am oder um den Tag der Begebung der Schuldverschreibungen bei einer gemeinsamen Verwahrstelle für Clearstream Banking, *société anonyme*, Luxemburg und Euroclear Bank SA/NV (beide gemeinsam nachstehend als **"Clearing system"** bezeichnet) hinterlegt wird. Die Vorläufige Globalurkunde wird nicht vor Ablauf von 40 und spätestens nach Ablauf von 180 Tagen nach dem Tag der Begebung der Schuldverschreibungen gegen Vorlage einer Bestätigung über das Nichtbestehen U.S.-amerikanischen wirtschaftlichen Eigentums (*beneficial ownership*) an den Schuldverschreibungen gemäß den Regeln und Betriebsabläufen des Clearingsystems gegen eine endgültige Globalurkunde (die **"Dauer-Globalurkunde"**) und, gemeinsam mit der Vorläufigen Globalurkunde, die **"Globalurkunden"**) ohne Zinsscheine ausgetauscht. Zahlungen auf die Vorläufige Globalurkunde erfolgen nur gegen Vorlage einer solchen Bestätigung. Einzelurkunden oder Zinsscheine werden nicht ausgegeben.

###### (3) Miteigentumsanteile.

Den Inhabern der Schuldverschreibungen (die **"Anleihegläubiger"**) stehen Miteigentumsanteile bzw. Rechte an der Vorläufigen Globalurkunde und der Dauer-Globalurkunde zu, die nach Maßgabe des anwendbaren Rechts und der Regeln und Bestimmungen des Clearingsystems übertragen werden können.

## § 2 (Status)

### (1) Status of the Notes.

The Issuer's obligations under the Notes constitute subordinated and unsecured obligations of the Issuer and in the event of the winding-up, dissolution or liquidation of the Issuer rank:

- (a) senior only to the Junior Obligations of the Issuer,
- (b) *pari passu* among themselves and with any Parity Obligations of the Issuer, and
- (c) junior to all other present and future obligations of the Issuer, whether subordinated or unsubordinated, except as otherwise provided by mandatory provisions of law or as expressly provided for by the terms of the relevant instrument.

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

**"Parity Obligations of the Issuer"** means any present or future obligation which (i) is issued by the Issuer and the obligations under which rank or are expressed to rank *pari passu* with the Issuer's obligations under the Notes, or (ii) benefits from a guarantee or support agreement expressed to rank *pari passu* with its obligations under the Notes. For the avoidance of doubt, Parity Obligations of the Issuer include its undated unsecured subordinated notes with a first call date after 12 years, ISIN XS1048428442, its undated unsecured subordinated notes with a first call date in 2018, ISIN XS0968913268 its undated unsecured subordinated notes with a first call date in 2023, ISIN XS0968913342 (together the **"Hybrid Securities"**) and its mandatory convertible notes due 2015, ISIN DE000A1HCC91 and ISIN DE000A1HCC83 (the **"Mandatory Convertible Notes"**).

## § 2 (Status)

### (1) Status der Schuldverschreibungen.

Die Schuldverschreibungen begründen nicht besicherte, nachrangige Verbindlichkeiten der Emittentin, die im Fall der Abwicklung, Auflösung oder Liquidation der Emittentin:

- (a) nur Nachrangigen Verbindlichkeiten der Emittentin im Rang vorgehen,
- (b) untereinander und mit jeder Gleichrangigen Verbindlichkeit im Rang gleich stehen, und
- (c) allen anderen bestehenden und zukünftigen Verbindlichkeiten der Emittentin, ob nachrangig oder nicht nachrangig, im Rang nachgehen, soweit zwingende gesetzliche Vorschriften nichts anderes vorschreiben bzw. die Bedingungen des betreffenden Instruments ausdrücklich etwas anderes vorsehen.

**„Nachrangige Verbindlichkeiten der Emittentin“** bezeichnet (i) die Stammaktien der Emittentin, (ii) jede gegenwärtige oder zukünftige Aktie einer anderen Gattung von Aktien der Emittentin, (iii) jedes andere gegenwärtige oder zukünftige Wertpapier, Namenswertpapier oder jedes andere Instrument, das von der Emittentin begeben ist und bei dem die daraus folgenden Verbindlichkeiten der Emittentin mit den Stammaktien der Emittentin gleichrangig vereinbart sind und (iv) jedes gegenwärtige oder zukünftige Wertpapier, Namenswertpapier oder jedes andere Instrument, das von einer Tochtergesellschaft der Emittentin begeben und von der Emittentin dergestalt garantiert ist oder für das die Emittentin dergestalt die Haftung übernommen hat, dass die betreffenden Verbindlichkeiten der Emittentin aus der maßgeblichen Garantie oder Haftungsübernahme mit den unter (i) und (ii) genannten Instrumenten gleichrangig oder als gleichrangig vereinbart sind.

**„Gleichrangige Verbindlichkeiten der Emittentin“** bezeichnet jede bestehende und zukünftige Verbindlichkeit, die (i) von der Emittentin begeben wurde und die gleichrangig im Verhältnis zu den Verbindlichkeiten der Emittentin unter den Schuldverschreibungen ist oder ausdrücklich als gleichrangig vereinbart ist oder die (ii) von einer Garantie oder Haftungsübernahme profitiert, bei der die Verbindlichkeiten der Emittentin aus der betreffenden Garantie oder Haftungsübernahme mit den Verbindlichkeiten der Emittentin aus den Schuldverschreibungen als gleichrangig vereinbart sind. Gleichrangige Verbindlichkeiten der Emittentin sind, unter anderem, die nicht besicherten nachrangigen Schuldverschreibungen der Emittentin ohne feste Laufzeit kündbar nach 12 Jahren, ISIN XS1048428442, die nicht besicherten nachrangigen Schuldverschreibungen der Emittentin ohne feste Laufzeit erstmals kündbar in 2018,

ISIN XS0968913268, die nicht besicherten nachrangigen Schuldverschreibungen der Emittentin ohne feste Laufzeit erstmals kündbar in 2023, ISIN XS0968913342 (zusammen die „Hybridanleihen“) und die Pflichtwandelanleihe der Emittentin fällig 2015, ISIN DE000A1HCC91 und ISIN DE000A1HCC83 (die „Pflichtwandelanleihe“).

“**Subsidiary of the Issuer**” means any corporation, partnership or other enterprise in which the Issuer directly or indirectly holds in the aggregate more than 50 per cent. of the capital or the voting rights.

„**Tochtergesellschaft der Emittentin**“ bezeichnet jede Gesellschaft, Personengesellschaft und jedes sonstige Unternehmen oder jede andere Person an der bzw. dem die Emittentin direkt oder indirekt insgesamt mehr als 50 % des Kapitals oder der Stimmrechte hält.

## (2) **Insolvency or Liquidation of the Issuer.**

In an insolvency or liquidation of the Issuer, no payments under the Notes shall be made to the Noteholders unless all claims that, pursuant to § 2(1), rank senior to the Notes (condition precedent) have been discharged or secured in full (i.e. not only with a quota).

## (2) **Insolvenz oder Liquidation der Emittentin.**

Im Falle einer Insolvenz oder Liquidation der Emittentin steht jedwede Zahlung unter den Schuldverschreibungen an die Anleihegläubiger unter dem Vorbehalt, dass zuvor sämtliche Verpflichtungen auf gegenüber den Schuldverschreibungen gemäß § 2(1) vorrangige Verbindlichkeiten zur Gänze (d.h. nicht nur quotenmäßig) bezahlt oder sichergestellt wurden.

### **§ 3 (Guarantee)**

#### (1) **Unconditional and Irrevocable Guarantee.**

The Notes will be unconditionally and irrevocably guaranteed by the Guarantor on a subordinated basis as to payments (the “**Guarantee**”).

#### (2) **Status of the Guarantee.**

The obligations of the Guarantor under the Guarantee rank:

- (a) senior only to the Junior Obligations of the Guarantor,
- (b) *pari passu* with any other present and future Parity Obligations of the Guarantor, and
- (c) junior to the Guarantor’s unsubordinated obligations, contractually and statutorily subordinated obligations except as expressly provided for otherwise by the terms of the relevant obligation, and subordinated obligations required to be preferred by law.

“**Junior Obligations of the Guarantor**” means (i) the ordinary shares and preferred shares of the Guarantor, (ii) any present or future share of any other class of shares of the Guarantor, (iii) any other present or future security, registered security or other instrument of the Guarantor under which the Guarantor

### **§ 3 (Garantie)**

#### (1) **Unbedingte und Unwiderrufliche Garantie.**

Die Schuldverschreibungen werden unbedingt und unwiderruflich durch die Garantin auf nachrangiger Ebene im Hinblick auf Zahlungen garantiert (die „**Garantie**“).

#### (2) **Status der Garantie.**

Die Verbindlichkeiten der Garantin unter der Garantie:

- (a) gehen nur Nachrangigen Verbindlichkeiten der Garantin im Rang vor,
- (b) stehen gleich im Rang untereinander und mit jeder Gleichrangigen Verbindlichkeit der Garantin, und
- (c) gehen allen anderen nicht nachrangigen Verbindlichkeiten der Garantin, gesetzlich nachrangigen und vertraglich nachrangigen Verbindlichkeiten, außer wenn in den Bedingungen der betreffenden Verbindlichkeit etwas anderes geregelt sein sollte, und nachrangigen Verbindlichkeiten, die durch Gesetz vorrangig sein müssen, im Rang nach.

„**Nachrangige Verbindlichkeiten der Garantin**“ bezeichnet (i) die Stammaktien und die Vorzugsaktien der Garantin, (ii) jede gegenwärtige oder zukünftige Aktie einer anderen Gattung von Aktien der Garantin, (iii) jedes andere gegenwärtige oder zukünftige Wertpapier, Namenswertpapier oder

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

**"Parity Obligations of the Guarantor"** means any present or future obligation which (i) is issued by the Guarantor and the obligations under which rank or are expressed to rank *pari passu* with the Guarantor's obligations under the Guarantee, or (ii) benefits from a guarantee or support agreement that ranks or is expressed to rank *pari passu* with its obligations under the Guarantee. For the avoidance of doubt, Parity Obligations of the Guarantor include its obligations under the guarantees for the Issuer's Hybrid Securities and the Mandatory Convertible Notes.

**"Subsidiary of the Guarantor"** means any corporation, partnership or other enterprise in which the Guarantor directly or indirectly holds in the aggregate more than 50 per cent. of the capital or the voting rights.

#### **§ 4 (Prohibition of Set-off)**

No Noteholder may set-off any claims arising under the Notes or the Guarantee against any claims that the Issuer or the Guarantor may have against it. The Issuer may not set-off any claims it may have against the Noteholders against any of its obligations under the Notes. The Guarantor may not set-off any claims it may have against the Noteholders against any of its obligations under the Guarantee.

#### **§ 5 (Interest)**

##### **(1) Interest accrual.**

From and including March 24, 2014 (the **"Interest Commencement Date"**) to but excluding March 24, 2021 (the **"First Call Date"**) the Notes bear interest on their principal amount at a rate of 3.75 per cent. per annum.

jedes andere Instrument, das von der Garantin begeben ist und bei dem die daraus folgenden Verbindlichkeiten der Garantin mit den Stammaktien oder den Vorzugsaktien der Garantin gleichrangig vereinbart sind und (iv) jedes gegenwärtige oder zukünftige Wertpapier, Namenswertpapier oder jedes andere Instrument, das von einer Tochtergesellschaft der Garantin begeben und von der Garantin dergestalt garantiert ist oder für das die Garantin dergestalt die Haftung übernommen hat, dass die betreffenden Verbindlichkeiten der Garantin aus der maßgeblichen Garantie oder Haftungsübernahme mit den unter (i), (ii) und (iii) genannten Instrumenten gleichrangig oder als gleichrangig vereinbart sind.

**„Gleichrangige Verbindlichkeiten der Garantin“** bezeichnet jede bestehende und zukünftige Verbindlichkeit, die (i) von der Garantin begeben wurde und die gleichrangig im Verhältnis zu den Verbindlichkeiten der Garantin aus der Garantie ist oder ausdrücklich als gleichrangig vereinbart ist oder die (ii) von einer Garantie oder Haftungsübernahme profitiert, bei der die Verbindlichkeiten der Garantin aus der betreffenden Garantie oder Haftungsübernahme mit den Verbindlichkeiten der Garantin aus der Garantie gleichrangig oder als gleichrangig vereinbart sind. Gleichrangige Verbindlichkeiten der Garantin sind, unter anderem, ihre Verbindlichkeiten aus der Garantie für die Hybridanleihen und die Pflichtwandelanleihe.

#### **§ 4 (Aufrechnungsverbot)**

Die Anleihegläubiger sind nicht berechtigt, Forderungen aus den Schuldverschreibungen bzw. aus der Garantie gegen mögliche Forderungen der Emittentin bzw. der Garantin aufzurechnen. Die Emittentin ist nicht berechtigt, Forderungen gegenüber Anleihegläubigern gegen Verpflichtungen aus den Schuldverschreibungen aufzurechnen. Die Garantin ist nicht berechtigt, Forderungen gegenüber Anleihegläubigern gegen Verpflichtungen aus der Garantie aufzurechnen.

#### **§ 5 (Zinsen)**

##### **(1) Zinslauf.**

In dem Zeitraum ab dem 24. März 2014 (der **„Zinslaufbeginn“**) (einschließlich) bis zum 24. März 2021 (der **„Erste Rückzahlungstermin“**) (ausschließlich) belaufen sich die Zinsen auf den Nennbetrag der Schuldverschreibungen auf 3,75 % per annum.



From and including the First Call Date to but excluding the date on which the Issuer redeems the Notes in whole pursuant to § 7(3) or § 7(4) the Notes bear interest at the relevant Reset Rate of Interest for the Interest Period.

**“Reset Rate of Interest”** means the Reset Reference Rate for the relevant Reset Period in which the relevant Interest Period falls plus the relevant Margin for the relevant Interest Period.

Interest is scheduled to be paid annually in arrear on March 24 of each year (each an **“Interest Payment Date”**), commencing on March 24, 2015, and will be due and payable (*fällig*) in accordance with the conditions set out in § 6.

## (2) Definitions.

The **“7-year Swap Rate”** for the relevant Reset Period will be determined by the Calculation Agent on the Reset Rate Determination Date prior to the relevant Reset Date on which the relevant Reset Period commences (the **“Reference Reset Date”**) and will be the annual swap rate for euro swap transactions with a term of 7 years commencing on the Reference Reset Date, expressed as a percentage, which appears on the Reuters screen ISDAFIX2 Page under the heading “EURIBOR BASIS EUR” and above the caption “11:00AM FRANKFURT” as of 11:00 a.m., Frankfurt time, on the Reset Rate Determination Date. If such rate does not appear on the Reuters screen ISDAFIX2 Page, the Reset Reference rate for that Reset Date will be the Reset Reference Bank Rate.

**“Business Day”** means a day on which all relevant parts of the Trans-European Automated Real-time Gross settlement Express Transfer (TARGET 2) system are operational.

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

**“Margin”** means:

- (i) in respect of each Interest Period from and including the First Call Date to but excluding March 24, 2024 (the **“First Step-up Date”**): 253.4 basis points per annum (no step-up);
- (ii) in respect of each Interest Period from and including the First Step-up Date to but excluding March 24, 2041 (the **“Second Step-up Date”**): 278.4 basis points per annum (including a 25 basis points step-up); and

In dem Zeitraum ab dem Ersten Rückzahlungstermin (einschließlich) bis zu dem Tag, an dem die Emittentin die Schuldverschreibungen vollständig gemäß § 7(3) oder § 7(4) zurückzahlt, belaufen sich die Zinsen auf den jeweiligen Reset-Zinssatz für die jeweilige Zinsperiode.

**„Reset-Zinssatz“** bezeichnet den jeweiligen Reset-Referenzsatz für den jeweiligen Reset-Zeitraum, in den die jeweilige Zinsperiode fällt, zuzüglich der relevanten Marge für die jeweilige Zinsperiode.

Zinsen werden nachträglich am 24. März eines jeden Jahres (jeweils ein **„Zinszahlungstag“**) bezahlt, erstmals am 24. März 2015, und werden nach Maßgabe der in § 6 dargelegten Bedingungen fällig.

## (2) Definitionen.

Der **„7-Jahres Swapsatz“** für den jeweiligen Reset-Zeitraum wird von der Berechnungsstelle am Reset-Zinssatz-Bestimmungstag vor dem jeweiligen Reset-Termin zu dem der jeweilige Reset-Zeitraum beginnt (der **„Referenz-Reset-Termin“**) bestimmt und ist der jährliche Swapsatz für Euro-Swap-Transaktionen mit einer Laufzeit von 7 Jahren beginnend mit dem Referenz-Reset-Termin, ausgedrückt als Prozentsatz, der am Reset-Zinssatz-Bestimmungstag um 11:00 Uhr, Frankfurter Zeit auf der Reuters-Bildschirmseite ISDAFIX2 unter der Überschrift „EURIBOR BASIS EUR“ und über der Bildüberschrift „11:00AM FRANKFURT“ angezeigt wird. Falls ein solcher Zinssatz nicht auf der Reuters-Bildschirmseite ISDAFIX2 angezeigt wird, ist der Reset-Referenzsatz für den Reset-Termin der Reset-Referenzbankzinssatz.

**„Geschäftstag“** bezeichnet einen Tag, an dem alle maßgeblichen Stellen des Trans-European Automated Real-time Gross settlement Express Transfer (TARGET 2) Systems Geschäfte tätigen.

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

**„Marge“** bedeutet:

- (i) für jede Zinsperiode ab dem Ersten Rückzahlungstermin (einschließlich) bis zum 24. März 2024 (der **„Erste Step-up Termin“**): 253,4 Basispunkte per annum (kein Step-Up);
- (ii) für jede Zinsperiode ab dem Ersten Step-up Termin (einschließlich) bis zum 24. März 2041 (der **„Zweite Step-up Termin“**): 278,4 Basispunkte per annum (einschließlich eines 25 Basispunkte Step-up); und

(iii) in respect of each Interest Period from and including the Second Step-up Date to but excluding the date on which the Issuer redeems the Notes in whole pursuant to § 7(3) or § 7(4): 353.4 basis points per annum (including a further 75 basis points step-up).

**“Reference Banks”** means five leading swap dealers in the interbank market.

**“Representative Amount”** means an amount that is representative for a single transaction in the swap market at the relevant time.

**“Reset Date”** means the First Call Date and each seventh anniversary of the First Call Date.

**“Reset Period”** means each period from and including the First Call Date to but excluding the next following Reset Date and thereafter from and including each Reset Date to but excluding the next following Reset Date.

**“Reset Reference Rate”** means the relevant 7-year Swap Rate for the relevant Reset Period, as determined by the Calculation Agent.

**“Reset Rate Determination Date”** means the second Business Day prior to the relevant Reset Date.

**“Reset Reference Bank Rate”** means will be a percentage determined on the basis of the mid-market annual swap rate quotations provided by the Reference Banks at approximately 11:00 a.m., Frankfurt time on the Reset Rate Determination Date. For this purpose, the mid-market annual swap rate means the arithmetic mean of the bid and offered rates for the annual fixed leg, calculated on a 30/360 day count basis, of a fixed-for-floating euro interest rate swap transaction with a term of 7 years commencing on that Reference Reset Date and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, calculated on an Actual/360 day count basis, is equivalent to a designated maturity of six months. The Calculation Agent will request the principal office of each of the Reference Banks to provide a quotation of its rate. If at least three quotations are provided, the rate for that Reset Date will be the arithmetic mean (rounded if necessary to the nearest one thousandth of a percentage point, with 0.0005 being rounded upwards) of the quotations, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest).

(iii) für jede Zinsperiode ab dem Zweiten Step-up Termin (einschließlich) bis zum Tag an dem die Emittentin die Schuldverschreibungen vollständig gemäß § 7(3) oder § 7(4) zurückzahlt: 353,4 Basispunkte per annum (einschließlich eines weiteren 75 Basispunkte Step-up).

**„Referenzbanken“** bedeutet fünf im Interbankenmarkt führende Swap Dealer.

**„Repräsentative Höhe“** bedeutet die Höhe einer einzelnen Transaktion, die zur jeweiligen Zeit im Swap-Markt typisch ist.

**„Reset-Termin“** bezeichnet den Ersten Rückzahlungstermin und jeden siebten Jahrestag des Ersten Rückzahlungstermins.

**„Reset-Zeitraum“** bezeichnet jeden Zeitraum ab dem Ersten Rückzahlungstermin (einschließlich) bis zum ersten Reset-Termin (ausschließlich) und nachfolgend ab jedem Reset-Termin (einschließlich) bis zu dem jeweils nächstfolgenden Reset-Termin (ausschließlich).

**„Reset-Referenzsatz“** ist der jeweilige 7-Jahres Swap Zinssatz für den jeweiligen Reset-Zeitraum, wie er von der Berechnungsstelle festgestellt wird.

**„Reset-Referenzsatz-Bestimmungstag“** ist der zweite Geschäftstag vor dem jeweiligen Reset-Termin.

Der **„Reset-Referenzbankenzinssatz“** bezeichnet den Prozentsatz, der auf Basis der Mid-market Jahres-Swapsatz-Angebotssätze von den Referenzbanken um ungefähr 11:00 Uhr, Frankfurter Zeit, am Reset-Referenzsatz-Bestimmungstag festgestellt wird. Der Mid-market Jahres-Swapsatz ist das arithmetische Mittel des Geld- und Briefkurses für den Jahres-Festzinsszahlungsstrom, berechnet auf Basis eines 30/360 Zinstagequotienten, einer Fest-zu-variabel Euro-Zinsswaptransaktion mit einer Laufzeit von 7 Jahren beginnend mit dem Referenz-Reset-Termin, die in einer Repräsentativen Höhe mit einem anerkannten Händler von guter Bonität im Swap-markt abgeschlossen wurde, wobei der variable Teil, berechnet basierend auf einem Actual/360 Zinstagequotienten, eine Endfälligkeit von sechs Monaten hat. Die Berechnungsstelle wird bei der Hauptniederlassung der Referenzbanken jeweils um einen Angebotssatz bitten. Falls zumindest drei Angebotssätze zur Verfügung gestellt werden, ist der Zinssatz für den Reset-Termin das arithmetische Mittel (falls erforderlich, auf- oder abgerundet auf das nächste Tausendstel Prozent, wobei 0,0005 aufgerundet wird) der Angebotssätze, bereinigt um den höchsten Angebotssatz (oder, falls mehrere Angebotssätze gleich hoch sind, einer der höchsten) und den niedrigsten Angebotssatz (oder, falls mehrere Angebotssätze gleich niedrig sind, einen der niedrigsten).



**(3) Determination or calculation by Calculation Agent**

The Calculation Agent will, on the Reset Rate Determination Date, determine the Reset Rate of Interest and cause the same to be notified to the Issuer, the Principal Paying Agent and, if required by the rules of any stock exchange on which the Notes are then listed, to such stock exchange, and to the Noteholders in accordance with § 13 without undue delay, but, in any case, not later than on the eighth Business Day after its determination.

**(4) Day Count Fraction.**

Where interest is to be calculated in respect of any period of time that is equal to or shorter than an Interest Period (the **"Calculation Period"**), the interest will be calculated on the basis of the actual number of days elapsed in such Calculation Period (from and including the day from which interest begins to accrue to but excluding the day on which it falls due), divided by the number of days in the Interest Period in which the Calculation Period falls (Act/Act (ICMA)) (including the first such day of the relevant Interest Period but excluding the last day of the relevant Interest Period).

**(5) Cessation of interest accrual.**

The Notes will cease to bear interest from the beginning of the day their principal amount is due for repayment. If the Issuer fails to make any payment of principal under the Notes when due, the Notes will cease to bear interest from the beginning of the day on which such payment is made. In such case the applicable rate of interest will be determined pursuant to this § 3(1).

**§ 6**

**(Due date for interest payments; Deferral of interest payments; Payment of Arrears of Interest)**

**(1) Due date for interest payments; optional interest deferral.**

- (a) Interest which accrues during an Interest Period will be due and payable (*fällig*) on the relevant Interest Payment Date, unless the Issuer elects, by giving notice to the Noteholders not less than 10 Business Days prior the relevant Interest Payment Date in accordance with § 13, to defer the relevant payment of interest (in whole but not in part).

If the Issuer elects not to pay accrued interest on an Interest Payment Date, then it will not have any obligation to pay such interest on such Interest Payment Date. Any such

**(3) Berechnungen und Feststellungen durch die Berechnungsstelle.**

Die Berechnungsstelle wird den Reset-Zinssatz für die Schuldverschreibungen am Reset-Zinsfeststellungstag bestimmen und veranlassen, dass dieser der Emittentin, der Hauptzahlstelle und jeder Börse, an der die Schuldverschreibungen zu diesem Zeitpunkt notiert sind und deren Regeln eine Mitteilung an die Börse verlangen, sowie den Anleihegläubigern gemäß § 13 unverzüglich, aber keinesfalls später als am achten auf dessen Bestimmung folgenden Geschäftstag mitgeteilt wird.

**(4) Zinstagekoeffizient.**

Sind Zinsen für einen Zeitraum zu berechnen (der „Zinsberechnungszeitraum“), der kürzer als eine Zinsperiode ist oder einer Zinsperiode entspricht, so werden sie berechnet auf der Grundlage der tatsächlichen Anzahl der Tage in dem betreffenden Zinsberechnungszeitraum (ab dem ersten Tag, an dem Zinsen auflaufen (einschließlich) bis zu dem Tag, an dem die Zinsen fällig werden (ausschließlich)), dividiert durch die Anzahl der Tage in der Zinsperiode, in die der betreffende Zinsberechnungszeitraum fällt (Act/Act (ICMA)) (einschließlich des ersten Tages der betreffenden Zinsperiode, aber ausschließlich des letzten Tages der betreffenden Zinsperiode).

**(5) Zinslaufende.**

Die Verzinsung der Schuldverschreibungen endet mit Beginn des Tages, an dem ihr Kapitalbetrag zur Rückzahlung fällig wird. Sollte die Emittentin eine Zahlung von Kapital auf die Schuldverschreibungen bei Fälligkeit nicht leisten, endet die Verzinsung der Schuldverschreibungen mit Beginn des Tages der tatsächlichen Zahlung. Der in einem solchen Fall jeweils anzuwendende Zinssatz wird gemäß § 3(1) bestimmt.

**§ 6**

**(Fälligkeit von Zinszahlungen; Aufschub von Zinszahlungen; Zahlung Aufgeschobener Zinszahlungen)**

**(1) Fälligkeit von Zinszahlungen; wahlweiser Zinsaufschub.**

- (a) Zinsen, die während einer Zinsperiode auflaufen, werden an dem betreffenden Zinszahlungstag fällig, sofern sich die Emittentin nicht durch eine Bekanntmachung an die Anleihegläubiger gemäß § 13 innerhalb einer Frist von nicht weniger als 10 Geschäftstagen vor dem betreffenden Zinszahlungstag dazu entscheidet, die betreffende Zinszahlung (insgesamt, jedoch nicht teilweise) auszusetzen.

Wenn sich die Emittentin an einem Zinszahlungstag zur Nichtzahlung aufgelaufener Zinsen entscheidet, dann ist sie nicht verpflichtet, an dem betreffenden

non-payment of interest will not constitute a default of the Issuer or any other breach of its obligations under the Notes or for any other purpose.

Interest not due and payable in accordance with this § 6(1)(a) will constitute arrears of interest ("**Arrears of Interest**").

- (b) Arrears of Interest will not bear interest.

(2) **Optional Settlement of Arrears of Interest.**

The Issuer or the Guarantor will be entitled to pay outstanding Arrears of Interest (in whole but not in part) at any time by giving notice to the Noteholders not less than 10 Business Days before such voluntary payment and specifying (i) the amount of Arrears of Interest to be paid and (ii) the date fixed for such payment.

(3) **Mandatory Payment of Arrears of Interest**

The Issuer must pay outstanding Arrears of Interest (in whole but not in part) on the earliest of the following calendar days (each a "**Mandatory Settlement Date**"):

- (a) the calendar day on which a dividend, other distribution or other payment was validly resolved on, declared, paid, or made in respect of Junior Obligations of the Guarantor, Parity Obligations of the Issuer or Parity Obligations of the Guarantor (except where such dividend, other distribution or payment was required in respect of employee share schemes);
- (b) the calendar day on which the Issuer, the Guarantor, a Subsidiary of the Issuer or a Subsidiary of the Guarantor has redeemed, repurchased or otherwise acquired Junior Obligations of the Issuer, Junior Obligations of the Guarantor, Parity Obligations of the Issuer or Parity Obligations of the Guarantor (except where such redemption or repurchase was mandatory under the terms of the instrument or required in respect of employee share schemes);

Zinszahlungstag Zinsen zu zahlen. Eine Nichtzahlung von Zinsen aus diesem Grunde begründet keinen Verzug der Emittentin und keine anderweitige Verletzung ihrer Verpflichtungen aufgrund der Schuldverschreibungen oder für sonstige Zwecke.

Nach Maßgabe dieses § 6(1)(a) nicht fällig gewordene Zinsen sind aufgeschobene Zinszahlungen („**Aufgeschobene Zinszahlungen**").

- (b) Aufgeschobene Zinszahlungen werden nicht verzinst.

(2) **Freiwillige Zahlung von Aufgeschobenen Zinszahlungen.**

Die Emittentin oder Garantin ist berechtigt, ausstehende Aufgeschobene Zinszahlungen jederzeit insgesamt, jedoch nicht teilweise nach Bekanntmachung an die Anleihegläubiger unter Einhaltung einer Frist von nicht weniger als 10 Geschäftstagen vor einer freiwilligen Zinszahlung, wobei eine solche Bekanntmachung (i) den Betrag an Aufgeschobenen Zinszahlungen, der gezahlt werden soll, und (ii) den für diese Zahlung festgelegten Termin enthalten muss.

(3) **Pflicht zur Zahlung von Aufgeschobenen Zinszahlungen**

Die Emittentin ist verpflichtet, Aufgeschobene Zinszahlungen insgesamt und nicht nur teilweise am ersten der folgenden Kalendertage zu zahlen (jeweils ein „**Pflichtnachzahlungstag**“):

- (a) am Kalendertag, an dem eine Dividende oder sonstige Ausschüttung oder sonstige Zahlung in Bezug auf Nachrangige Verbindlichkeiten der Garantin, Gleichrangige Verbindlichkeiten der Emittentin oder Gleichrangige Verbindlichkeiten der Garantin erklärt, beschlossen, gezahlt oder geleistet wurde (außer in dem Fall, dass die Dividende oder sonstige Ausschüttung oder Zahlung unter einem Mitarbeiterbeteiligungsprogramm erforderlich war);
- (b) am Kalendertag, an dem die Emittentin, die Garantin, eine Tochtergesellschaft der Emittentin oder eine Tochtergesellschaft der Garantin Nachrangige Verbindlichkeiten der Emittentin, Nachrangige Verbindlichkeiten der Garantin, Gleichrangige Verbindlichkeiten der Emittentin oder Gleichrangige Verbindlichkeiten der Garantin zurückgekauft, zurückgezahlt oder anderweitig erworben hat (außer in dem Fall, dass die Rückzahlung oder der Rückkauf nach den Bedingungen des Instruments verpflichtend war oder unter einem Mitarbeiterbeteiligungsprogramm erforderlich war);

- (c) the calendar day on which the Notes are redeemed;
- (d) the next Interest Payment Date on which the Issuer pays interest on the Notes scheduled to be paid on such Interest Payment Date; or
- (e) the calendar day after an order is made for the winding-up, dissolution or liquidation of the Issuer or the Guarantor (other than for the purposes of or pursuant to an amalgamation, reorganization or restructuring while solvent, where the continuing entity assumes substantially all of the assets and obligations of the Issuer or Guarantor, as the case may be);

provided that

- (x) in the cases (a) and (b) above no Mandatory Settlement Date occurs if the Issuer, the Guarantor or the relevant Subsidiary is obliged under the terms and conditions of such parity or junior obligations to make such payment, such redemption, such repurchase or such other acquisition; and
- (y) in the case (b) above no Mandatory Settlement Date occurs if the Issuer, the Guarantor or the relevant Subsidiary repurchases or otherwise acquires any Parity Obligations of the Issuer or Parity Obligations of the Guarantor in whole or in part in a public tender offer or public exchange offer at a purchase price per Parity Obligation below its par value.
- (z) in the cases (a) and (b) above no Mandatory Settlement Date occurs if the Issuer exercises the option for early mandatory conversion of the Mandatory Convertible Notes pursuant to § 7(c) of the terms and conditions of the Mandatory Convertible Notes. Such early mandatory conversion at the option of the Issuer would require the Guarantor to deliver such number of preferred shares of the Guarantor as is equal to the maximum conversion ratio specified in the terms and conditions of the Mandatory Convertible Notes and in addition the Issuer would be required to pay any accrued interest, a make-whole amount and any outstanding arrears of interest relating to the Mandatory Convertible Notes.

- (c) am Kalendertag, an dem die Schuldverschreibungen zurückgezahlt wurden;
- (d) am nächsten Zinszahlungstag, an dem Emittentin Zinsen auf die Schuldverschreibungen zahlt; oder
- (e) am Kalendertag nach dem ein Beschluss zur Auflösung, Abwicklung oder Liquidation der Emittentin oder der Garantin ergangen ist (aber nur, wenn dies nicht für die Zwecke oder als Folge eines Zusammenschlusses, einer Umstrukturierung oder Sanierung geschieht und die Emittentin bzw. die Garantin noch zahlungsfähig sind und die übernehmende Gesellschaft im Wesentlichen alle Vermögenswerte und Verpflichtungen der Emittentin bzw. der Garantin übernimmt);

mit der Maßgabe, dass

- (x) in den vorgenannten Fällen (a) und (b) kein Pflichtnachzahlungstag vorliegt, wenn die Emittentin, die Garantin oder die betreffende Tochtergesellschaft nach Maßgabe der Emissionsbedingungen der betreffenden gleichrangigen oder nachrangigen Verbindlichkeit zu der Zahlung, zu der Rückzahlung, zu dem Rückkauf oder zu dem anderweitigen Erwerb verpflichtet ist; und
- (y) im vorgenannten Fall (b) kein Pflichtnachzahlungstag vorliegt, wenn die Emittentin, die Garantin oder die betreffende Tochtergesellschaft Gleichrangige Verbindlichkeiten der Emittentin oder Gleichrangige Verbindlichkeiten der Garantin nach einem öffentlichen Rückkaufangebot oder öffentlichen Umtauschangebot zu einem unter dem Nennwert je Gleichrangiger Verbindlichkeit liegenden Kaufpreis zurückkauft oder anderweitig erwirbt.
- (z) in den vorgenannten Fällen (a) und (b) kein Pflichtnachzahlungstag vorliegt, wenn die Emittentin ihr Wahlrecht zur vorzeitigen Pflichtwandlung der Pflichtwandelanleihe gemäß § 7(c) der Anleihebedingungen der Pflichtwandelanleihe ausübt. Eine solche vorzeitige Pflichtwandlung nach Wahl der Emittentin würde die Garantin dazu verpflichten eine solche Anzahl von Vorzugsaktien der Garantin auszugeben, wie es gemäß dem Höchst-Wandlungsverhältnis in den Anleihebedingungen der Pflichtwandelanleihe entspricht. Ferner müsste die Emittentin aufgelaufene Zinsen, einen Make-whole Betrag und etwaige ausstehenden Zinsrückstände in Bezug auf die Pflichtwandelanleihe zahlen.

## § 7

### (Redemption and Repurchase)

#### (1) No Scheduled Redemption.

The Notes have no final maturity date and shall not be redeemed except in accordance with the provisions set out in this § 7.

#### (2) Repurchase.

Subject to applicable laws, the Issuer, the Guarantor or any Subsidiary of the Guarantor may at any time purchase Notes in the open market or otherwise and at any price. Such acquired Notes may be cancelled, held or resold.

#### (3) Redemption at the Option of the Issuer and in Case of Minimum Outstanding Aggregate Principal Amount.

- (a) The Issuer may, upon giving not less than 20 nor more than 40 days notice pursuant to § 13 call the Notes for redemption (in whole but not in part) for the first time with effect as of the First Call Date and subsequently with effect as of each Interest Payment Date thereafter. In this case the Issuer shall redeem each Note at its Principal Amount plus accrued and unpaid interest and any Arrears of Interest on the redemption date specified in the notice.
- (b) The Issuer may, upon giving not less than 20 nor more than 40 days notice pursuant to § 13, call the Notes for redemption (in whole but not in part) at any time if at least 80 per cent. of the originally issued aggregate principal amount of the Notes have been redeemed or purchased and cancelled. In this case the Issuer shall redeem each Note at its Principal Amount plus accrued and unpaid interest and any Arrears of Interest on the redemption date specified in the notice.

#### (4) Other Special Redemption Events.

The Issuer may upon giving not less than 20 nor more than 40 days notice pursuant to § 13, call the Notes

## § 7

### (Rückzahlung und Rückkauf)

#### (1) Keine Endfälligkeit.

Die Schuldverschreibungen haben keinen Endfälligkeitstag und werden, außer gemäß den Bestimmungen in diesem § 7, nicht zurückgezahlt.

#### (2) Rückkauf.

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

#### (3) Rückzahlung nach Wahl der Emittentin und bei geringem ausstehendem Gesamtnennbetrag.

- (a) Die Emittentin ist berechtigt, durch Bekanntmachung gemäß § 13 unter Einhaltung einer Frist von nicht weniger als 20 und nicht mehr als 40 Geschäftstagen, die Schuldverschreibungen (insgesamt und nicht nur teilweise) erstmals mit Wirkung zum Ersten Kündigungstag, und danach mit Wirkung zu jedem nachfolgenden Zinszahlungstag zu kündigen. Im Falle einer solchen Kündigung ist die Emittentin verpflichtet, jede Schuldverschreibung an dem in der Bekanntmachung festgelegten Rückzahlungstag zu ihrem Nennbetrag zuzüglich aufgelaufener aber noch nicht bezahlter Zinsbeträge sowie Aufgeschobener Zinszahlungen zurückzuzahlen.
- (b) Die Emittentin ist berechtigt, durch Bekanntmachung gemäß § 13 unter Einhaltung einer Frist von nicht weniger als 20 und nicht mehr als 40 Geschäftstagen, die Schuldverschreibungen (insgesamt und nicht nur teilweise) jederzeit zu kündigen, falls mindestens 80 % des ursprünglich begebenen Gesamtnennbetrages der Schuldverschreibungen zurückgezahlt oder erworben und eingezogen worden sind. Im Falle einer solchen Kündigung ist die Emittentin verpflichtet, jede Schuldverschreibung an dem in der Bekanntmachung festgelegten Rückzahlungstag zu ihrem Nennbetrag zuzüglich aufgelaufener aber noch nicht bezahlter Zinsbeträge sowie Aufgeschobener Zinszahlungen zurückzuzahlen.

#### (4) Besondere Rückzahlungsereignisse.

Die Emittentin ist berechtigt, durch Bekanntmachung gemäß § 13 unter Einhaltung

for redemption (in whole but not in part) at any time if any of the special events as set forth below has occurred. In this case the Issuer shall redeem each Note at the Early Redemption Amount on the redemption date specified in the notice. The notice shall set forth the underlying facts of the Issuer's right to early redemption and specify the redemption date:

- (i) If (a)(I) any Rating Agency publishes a change in hybrid capital methodology or the interpretation thereof, as a result of which change the Notes would no longer be eligible for the same or a higher category of "equity credit" or such similar nomenclature as may be used by that Rating Agency from time to time to describe the degree to which the terms of an instrument are supportive of the Guarantor's senior obligations, attributed to the Notes at the Issue Date (a "**Loss in Equity Credit**"), or (II) the Issuer has received, and has provided the Principal Paying Agent with a copy of, a written confirmation from any Rating Agency that due to a change in hybrid capital methodology or the interpretation thereof, a Loss in Equity Credit occurred (the events described in (I) and (II) each a "**Rating Event**") and (b) the Issuer has given notice to the Noteholders in accordance with § 13 of such Rating Event prior to giving the notice of redemption referred to above.

"**Rating Agency**" means each of Moody's and S&P, where "**Moody's**" means Moody's Investors Services Limited or any of its successors, and "**S&P**" means Standard & Poor's Rating Services, a division of the McGraw-Hill Companies, Inc., or any of its subsidiaries or successors.

- (ii) A recognized accountancy firm, acting upon instructions of the Issuer or Guarantor, has delivered a letter or report to the Issuer or Guarantor, stating that as a result of a change in accounting principles (or the application thereof) since

einer Frist von nicht weniger als 20 und nicht mehr als 40 Geschäftstagen, die Schuldverschreibungen (insgesamt und nicht nur teilweise) jederzeit zu kündigen, falls eines der folgenden besonderen Ereignisse eingetreten ist. Im Falle einer solchen Kündigung ist die Emittentin verpflichtet, jede Schuldverschreibung an dem in der Bekanntmachung festgelegten Rückzahlungstag zu ihrem Vorzeitigen Rückzahlungsbetrag zurückzuzahlen. Die Bekanntmachung hat den Grund der vorzeitigen Rückzahlung und den Rückzahlungstag anzugeben:

- (i) Falls (a)(I) eine Ratingagentur eine Veränderung in der Methodologie für Hybridkapital oder der Interpretation dieser Methodologie veröffentlicht, wodurch die Schuldverschreibungen nicht mehr länger in derselben oder einer höheren Kategorie von Eigenkapital (oder eine vergleichbare Beschreibung, die von der Ratingagentur in Zukunft genutzt wird, um zu beschreiben in wieweit die Bedingungen eines Instruments die vorrangigen Verbindlichkeiten der Garantin unterstützen) wie am Ausgabetag einzuordnen sind (ein "**Verlust der Eigenkapitalzuordnung**"), oder (II) die Emittentin hat eine schriftliche Bestätigung von einer Ratingagentur erhalten und hat diese an die Hauptzahlstelle in Kopie weitergegeben, welche besagt, dass aufgrund einer Änderung der Methodologie für Hybridkapital oder der Interpretation dieser Methodologie, ein Verlust der Eigenkapitalzuordnung erfolgt ist (die Ereignisse unter (I) und (II) jeweils ein "**Ratingereignis**") und (b) die Emittentin hat die Anleihegläubiger über das Ratingereignis gemäß § 13 informiert bevor die Mitteilung der Rückzahlung (wie oben beschrieben) bekanntgemacht wurde.

"**Ratingagentur**" bezeichnet jeweils Moody's und S&P, wobei "**Moody's**" Moody's Investors Services Limited oder eine ihrer Nachfolgegesellschaften bezeichnet und "**S&P**" Standard & Poor's Rating Services, eine Abteilung der McGraw-Hill Companies, Inc. oder eine ihrer Tochter- oder Nachfolgegesellschaften bezeichnet.

- (ii) Eine anerkannte Wirtschaftsprüfungsgesellschaft, die im Auftrag der Emittentin oder der Garantin handelt, hat der Emittentin oder der Garantin einen Brief oder ein Gutachten übermittelt, wonach

the Issue Date, the Notes may not or may no longer be recorded as "equity" in the audited annual or the semi-annual consolidated financial statements of the Guarantor pursuant to the International Financial Reporting Standards ("IFRS") or any other accounting standards that may replace IFRS for the purposes of preparing the annual consolidated financial statements of the Guarantor (an "**Accounting Event**").

- (iii) An opinion of a recognized law firm of international standing has been delivered to the Issuer or Guarantor, stating that by reason of a change in German or Dutch law or regulation, or any change in the official application or interpretation of such law, becoming effective after the Issue Date, the tax regime of any payments under the Notes is modified and such modification results in payments of interest payable by the Issuer or the Guarantor in respect of the Notes being no longer deductible for corporate income tax purposes in whole or in part; and such risk cannot be avoided by the Issuer taking reasonable measures available to it (a "**Tax Deductibility Event**").

- (iv) If, by reason of any change in German or Dutch law or published regulations becoming effective after the Issue Date, the Issuer or the Guarantor would have to pay Additional Amounts, provided that the payment obligation cannot be avoided by the Issuer taking such reasonable measures it (acting in good faith) deems appropriate (a "**Gross-up Event**").

The "**Early Redemption Amount**" shall be equal to 101 per cent. of the Principal Amount plus accrued and unpaid interest and any Arrears of Interest in the case of a Rating Event, Accounting Event or Tax Deductibility Event, and 100 per cent. of the Principal Amount plus accrued and unpaid interest and any Arrears of Interest in the case of a Gross-Up Event.

aufgrund einer Änderung der Rechnungslegungsgrundsätze (oder deren Auslegung) seit dem Ausgabetag die Schuldverschreibungen nicht oder nicht mehr als „Eigenkapital“ in den konsolidierten Jahres- oder Halbjahresabschlüssen der Garantin gemäß den International Financial Reporting Standards („IFRS“) bzw. anderen Rechnungslegungsstandards, die die Garantin für die Erstellung ihrer konsolidierten Jahresabschlüsse anstelle der IFRS anwenden kann, ausgewiesen werden dürfen (ein „**Rechnungslegungsereignis**“).

- (iii) Erhalt durch die Emittentin oder die Garantin eines Gutachtens einer international anerkannten Rechtsanwaltskanzlei, aus dem hervorgeht, dass nach dem Ausgabetag als Folge einer Änderung von deutschem oder niederländischen Recht oder dessen offizieller Auslegung oder Anwendung die steuerliche Behandlung von Zinszahlungen, die von der Emittentin oder der Garantin in Bezug auf die Schuldverschreibungen zahlbar sind, dergestalt geändert wurde, dass sie nicht mehr für die Zwecke der Körperschaftsteuer ganz oder teilweise abzugsfähig sind; und die Emittentin dieses Risiko nicht durch das Ergreifen zumutbarer Maßnahmen vermeiden kann (ein „**Steuerereignis**“).

- (iv) Falls die Emittentin oder die Garantin als Folge einer Änderung nach dem Ausgabetag von deutschen oder niederländischen Gesetzen oder veröffentlichten Vorschriften verpflichtet ist, Zusätzliche Beträge zu zahlen, allerdings nur soweit die Emittentin oder Garantin die Zahlungsverpflichtung nicht durch das Ergreifen zumutbarer Maßnahmen vermeiden kann, die sie nach Treu und Glauben für angemessen hält (ein „**Gross-up Ereignis**“).

Der „**Vorzeitige Rückzahlungsbetrag**“ bezeichnet 101 % des Nennbetrages zuzüglich aufgelaufener aber noch nicht bezahlter Zinsbeträge sowie Aufgeschobener Zinszahlungen im Falle eines Ratingereignisses, eines Rechnungslegungsereignisses oder eines Steuerereignisses und 100 % des Nennbetrages zuzüglich aufgelaufener aber noch nicht bezahlter Zinsbeträge sowie Aufgeschobener Zinszahlungen im Falle eines Gross-Up Ereignisses.



**§ 8**  
**(Payments)**

- (1) The Issuer undertakes to pay, as and when due, principal and interest on the Notes in euro. Payment of principal and interest on the Notes will be made, subject to applicable fiscal and other laws and regulations, through the Principal Paying Agent for on-payment to the Clearing System or to its order for credit to the respective account holders. Payments to the Clearing System or to its order will to the extent of amounts so paid constitute the discharge of the Issuer from its corresponding liabilities under the Notes. Any reference in these Terms and Conditions of the Notes to principal or interest will be deemed to include any Additional Amounts as set forth in § 9.
- (2) If the due date for any payment of principal and/or interest is not a Business Day, payment will be effected only on the next Business Day. The Noteholders will have no right to claim payment of any interest or other indemnity in respect of such delay in payment.

**§ 9**  
**(Taxation)**

All payments of principal and interest in respect of the Notes by the Issuer or (as the case may be) the Guarantor under the Guarantee will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of The Netherlands or the Federal Republic of Germany or, in each case, any authority therein or thereof having power to tax, unless the Issuer or the Guarantor is required by law to make such withholding or deduction of such taxes, duties, assessments or governmental charges. In that event, the Issuer or, as the case may be, the Guarantor will pay such additional amounts ("**Additional Amounts**") as may be necessary in order that the net amounts received by the Noteholders after such withholding or deduction shall equal the respective amounts of principal and interest which would have been received in respect of the Notes in the absence of such withholding or deduction, except that no such Additional Amounts shall be payable on account of any taxes or duties which:

- (a) are payable otherwise than by withholding or deduction from amounts payable; or

**§ 8**  
**(Zahlungen)**

- (1) Die Emittentin verpflichtet sich, Kapital und Zinsen auf die Schuldverschreibungen bei Fälligkeit in Euro zu zahlen. Die Zahlung von Kapital und Zinsen auf die Schuldverschreibungen erfolgt, vorbehaltlich geltender steuerrechtlicher und sonstiger gesetzlicher Regelungen und Vorschriften, über die Hauptzahlstelle zur Weiterleitung an das Clearingsystem oder nach dessen Weisung zur Gutschrift für die jeweiligen Kontoinhaber. Die Zahlung an das Clearingsystem oder nach dessen Weisung befreit die Emittentin in Höhe der geleisteten Zahlung von ihren entsprechenden Verbindlichkeiten aus den Schuldverschreibungen. Eine Bezugnahme in diesen Anleihebedingungen auf Kapital oder Zinsen der Schuldverschreibungen schließt jegliche Zusätzlichen Beträge gemäß § 9 ein.
- (2) Falls ein Fälligkeitstag für die Zahlung von Kapital und/oder Zinsen kein Geschäftstag ist, erfolgt die Zahlung erst am nächstfolgenden Geschäftstag; die Anleihegläubiger sind nicht berechtigt, Zinsen oder eine andere Entschädigung wegen eines solchen Zahlungsaufschubs zu verlangen.

**§ 9**  
**(Besteuerung)**

Sämtliche auf die Schuldverschreibungen zu zahlenden Beträge von Kapital oder Zinsen sind ohne Einbehalt oder Abzug von oder aufgrund von gegenwärtigen oder zukünftiger Steuern, sonstigen Abgaben oder behördlicher Gebühren gleich welcher Art durch die Emittentin oder gegebenenfalls die Garantin unter der Garantie zu leisten, die von oder in den Niederlanden oder der Bundesrepublik Deutschland oder für deren Rechnung oder von oder für Rechnung einer Gebietskörperschaft oder Steuerbehörde der oder in den Niederlanden oder der Bundesrepublik Deutschland auferlegt oder erhoben werden, es sei denn, die Emittentin ist gesetzlich verpflichtet, einen solchen Einbehalt oder Abzug vorzunehmen. In diesem Fall wird die Emittentin oder die Garantin diejenigen zusätzlichen Beträge (die „**Zusätzlichen Beträge**“) zahlen, die erforderlich sind, damit die den Anleihegläubigern zufließenden Nettobeträge nach diesem Einbehalt oder Abzug jeweils den Beträgen entsprechen, die ohne einen solchen Einbehalt oder Abzug von den Inhabern der Schuldverschreibungen empfangen worden wären; die Verpflichtung zur Zahlung solcher zusätzlicher Beträge besteht jedoch nicht im Hinblick auf Steuern und Abgaben, die:

- (a) auf andere Weise als durch Einbehalt oder Abzug von zahlbaren Beträgen zu entrichten sind; oder



- (b) are payable by reason of the Noteholder having, or having had, some personal or business connection with The Netherlands or the Federal Republic of Germany and not merely by reason of the fact that payments in respect of the Notes are, or for purposes of taxation are deemed to be, derived from sources in, or are secured in, The Netherlands or the Federal Republic of Germany; or
- (c) are withheld or deducted from a payment to an individual or a residual entity within the meaning of the European Council Directive 2003/48/EC and are required to be made pursuant to the European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (d) are payable by reason of a change in law that becomes effective more than 30 days after the relevant payment of principal or interest becomes due, or, if later, is duly provided for and notice thereof is published in accordance with § 13; or
- (e) are deducted or withheld by a Paying Agent from a payment if the payment could have been made by another Paying Agent without such deduction or withholding.

## § 10

### (Presentation Period, Prescription)

The period for presentation of the Notes will be reduced to 10 years. The period of limitation for all claims (including claims for interest payment and repayment, if any) under the Notes presented during the period for presentation will be two years calculated from the expiration of the relevant presentation period.

## § 11

### (Paying and Calculation Agent)

#### (1) Appointment.

The Issuer has appointed Citibank, N.A., London Branch as principal paying agent with respect to the Notes (the **"Principal Paying Agent"** and, together with any additional paying agent appointed by the Issuer in accordance with § 11(2), the **"Paying Agents"**).

- (b) wegen einer gegenwärtigen oder früheren persönlichen oder geschäftlichen Beziehung des Anleihegläubigers zu den Niederlanden oder der Bundesrepublik Deutschland zu zahlen sind, und nicht allein deshalb, weil Zahlungen auf die Schuldverschreibungen aus Quellen in den Niederlanden oder der Bundesrepublik Deutschland stammen (oder für Zwecke der Besteuerung so behandelt werden) oder dort besichert sind; oder
- (c) aufgrund der Richtlinie des Europäischen Rats 2003/48/EG oder jeder anderen Richtlinie, die die Schlussfolgerungen des Treffens des ECOFIN-Rates vom 26. -27. November 2000 betreffend die Besteuerung von Zinserträgen, umsetzt, oder aufgrund einer gesetzlichen Vorschrift, die diese Richtlinie umsetzt oder befolgt oder erlassen wurde, um der Richtlinie zu entsprechen, von Zahlungen an eine natürliche Person oder eine sonstige Einrichtung im Sinne der Richtlinie des Europäischen Rates 2003/48/EG einzubehalten oder abzuziehen sind; oder
- (d) aufgrund einer Rechtsänderung zu zahlen sind, welche später als 30 Tage nach Fälligkeit der betreffenden Zahlung von Kapital oder Zinsen oder, wenn dies später erfolgt, ordnungsgemäßer Bereitstellung aller fälligen Beträge und einer diesbezüglichen Bekanntmachung gemäß § 13 wirksam wird; oder
- (e) von einer Zahlstelle abgezogen oder einbehalten werden, wenn eine andere Zahlstelle die Zahlung ohne einen solchen Abzug oder Einbehalt hätte leisten können.

## § 10

### (Vorlegungsfrist, Verjährung)

Die Vorlegungsfrist der Schuldverschreibungen wird auf zehn Jahre reduziert. Die Verjährungsfrist für alle Ansprüche (inklusive Ansprüche auf Zinszahlungen und gegebenenfalls Rückzahlung) aus den Schuldverschreibungen, die innerhalb der Vorlegungsfrist zur Zahlung vorgelegt wurden, beträgt zwei Jahre von dem Ende der betreffenden Vorlegungsfrist an.

## § 11

### (Zahlstellen und Berechnungsstelle)

#### (1) Bestellung.

Die Emittentin hat Citibank, N.A., London Branch als Hauptzahlstelle in Bezug auf die Schuldverschreibungen (die **"Hauptzahlstelle"** und gemeinsam mit jeder etwaigen von der Emittentin nach § 11(2) bestellten zusätzlichen Zahlstelle, die **"Zahlstellen"**) bestellt.

The Issuer has appointed Citibank, N.A., London Branch as calculation agent with respect to the Notes (the “**Calculation Agent**” and, together with the Paying Agents, the “**Agents**”).

The addresses of the specified offices of the Agents are:

*Principal Paying Agent:*

Citibank, N.A., London Branch  
Citigroup Centre  
Canada Square, Canary Wharf  
London E14 5LB  
United Kingdom

*Calculation Agent:*

Citibank, N.A., London Branch  
Citigroup Centre  
Canada Square, Canary Wharf  
London E14 5LB  
United Kingdom

**(2) Variation or Termination of Appointment.**

The Issuer reserves the right at any time to vary or terminate the appointment of any 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 § 13.

**(3) Status of the Agents.**

The Paying Agents and the Calculation Agent act solely as agents of the Issuer and do not assume any obligations towards or relationship of contract, agency or trust for or with any of the Noteholders.

**§ 12  
(Further Issues)**

The Issuer may from time to time, without the consent of the Noteholders, create and issue further Notes having the same terms and conditions as the Notes in all respects (except for the first payment of interest) so as to form a single series with the Notes.

**§ 13  
(Notices)**

**(1) Notices Published on [www.bourse.lu](http://www.bourse.lu).**

All notices regarding the Notes will be published (so long as any of the Notes is listed on the Luxembourg Stock Exchange) on the website of the Luxembourg Stock Exchange on [www.bourse.lu](http://www.bourse.lu). Any notice will become effective for all purposes on the date of the first such publication.

Die Emittentin hat Citibank, N.A., London Branch als Berechnungsstelle in Bezug auf die Schuldverschreibungen (die „**Berechnungsstelle**“ und, gemeinsam mit den Zahlstellen, die „**Verwaltungsstellen**“) bestellt.

Die Geschäftsräume der Verwaltungsstellen befinden sich unter den folgenden Adressen:

*Hauptzahlstelle:*

Citibank, N.A., London Branch  
Citigroup Centre  
Canada Square, Canary Wharf  
London E14 5LB  
Vereinigtes Königreich

*Berechnungsstelle:*

Citibank, N.A., London Branch  
Citigroup Centre  
Canada Square, Canary Wharf  
London E14 5LB  
Vereinigtes Königreich

**(2) Änderung oder Beendigung der Bestellung.**

Die Emittentin behält sich das Recht vor, jederzeit die Benennung einer Zahlstelle zu verändern oder zu beenden und Nachfolger bzw. zusätzliche Zahlstellen zu ernennen. Den Anleihegläubigern werden Änderungen in Bezug auf die Zahlstellen, deren angegebenen Geschäftsstellen umgehend gemäß § 13 bekannt gemacht.

**(3) Status der beauftragten Stellen.**

Die Zahlstellen und die Berechnungsstelle handeln ausschließlich als Vertreter der Emittentin und übernehmen keine Verpflichtungen gegenüber den Anleihegläubigern; es wird kein Vertrags-, Auftrags- oder Treuhandverhältnis zwischen ihnen und den Anleihegläubigern begründet.

**§ 12  
(Weitere Emissionen)**

Die Emittentin kann ohne Zustimmung der Anleihegläubiger weitere Schuldverschreibungen begeben, die in jeder Hinsicht (mit Ausnahme der ersten Zinszahlung) die gleichen Bedingungen wie die Schuldverschreibungen haben und die zusammen mit den Schuldverschreibungen eine einzige Anleihe bilden.

**§ 13  
(Bekanntmachungen)**

**(1) Bekanntmachungen auf [www.bourse.lu](http://www.bourse.lu).**

Alle Bekanntmachungen, die die Schuldverschreibungen betreffen, werden (solange eine der Schuldverschreibungen an der Luxemburger Wertpapierbörse notiert ist) auf der Internet-Seite der Luxemburger Börse unter [www.bourse.lu](http://www.bourse.lu) veröffentlicht. Für das Datum und die Rechtswirksamkeit sämtlicher Bekanntmachungen ist die erste Veröffentlichung maßgeblich.

(2) **Notices delivered to the Clearing System.**

The Issuer will also be entitled to deliver all notices concerning the Notes to the Clearing System for communication by the Clearing System to the Noteholders. A notice will have been deemed to have been given to Noteholders if such notice is sent to the Clearing Systems for publication to Noteholders.

**§ 14  
(Substitution)**

(1) **Substitution.**

The Issuer may at any time, without the consent of the Noteholders, substitute for itself any majority-owned subsidiary of the Guarantor whose primary purpose is to raise financing for the Guarantor and other group entities as new debtor (the **"New Debtor"**) in respect of all obligations arising under or in connection with the Notes, with the effect of releasing the Issuer of all such obligations, if:

- (a) the Issuer is not in default in respect of any amount payable under any of the Notes;
- (b) the New Debtor assumes all obligations of the Issuer in respect of the Notes;
- (c) the New Debtor and the Issuer have obtained all authorizations and approvals necessary for the substitution and the fulfillment of the obligations under or in connection with the Notes;
- (d) the New Debtor has obtained all necessary governmental authorizations and may transfer to the Paying Agent in the currency required hereunder and without being obligated to deduct or withhold any taxes or other duties of whatever nature imposed, levied or deducted by the country (or countries) in which the New Debtor has its domicile or tax residence all amounts required for the performance of the payment obligations arising from or in connection with the Notes;
- (e) the New Debtor has agreed to indemnify the Noteholders against such taxes, duties or governmental charges as may be imposed on the Noteholders in connection with the substitution;

(2) **Mitteilungen, die an das Clearingsystem weitergeleitet werden.**

Die Emittentin ist ferner berechtigt, alle die Schuldverschreibungen betreffenden Mitteilungen an das Clearingsystem zur Weiterleitung an die Anleihegläubiger zu übermitteln. Eine Nachricht gilt als an die Anleihegläubiger übermittelt, wenn sie an die Clearingsysteme zur Veröffentlichung für die Anleihegläubiger gesendet wurde.

**§ 14  
(Ersetzung)**

(1) **Ersetzung.**

Die Emittentin ist jederzeit berechtigt, ohne Zustimmung der Anleihegläubiger eine Tochtergesellschaft im Mehrheitsbesitz der Garantin, deren vorrangiger Zweck die Beschaffung von Kapital für die Garantin und andere Konzerngesellschaften ist, als neue Anleiheschuldnerin für alle sich aus oder im Zusammenhang mit den Schuldverschreibungen ergebenden Verpflichtungen mit Schuld befreiender Wirkung für die Emittentin an die Stelle der Emittentin zu setzen (die **„Neue Anleiheschuldnerin“**), sofern:

- (a) die Emittentin nicht mit irgendwelchen auf die Schuldverschreibungen zahlbaren Beträgen in Verzug ist;
- (b) die Neue Anleiheschuldnerin alle Verpflichtungen der Emittentin in Bezug auf die Schuldverschreibungen übernimmt;
- (c) die Neue Anleiheschuldnerin und die Emittentin sämtliche für die Schuldnerersetzung und die Erfüllung der Verpflichtungen aus oder im Zusammenhang mit den Schuldverschreibungen erforderlichen Genehmigungen und Zustimmungen erhalten hat;
- (d) die Neue Anleiheschuldnerin alle behördlichen Genehmigungen erhalten hat und berechtigt ist, an die Zahlstelle die zur Erfüllung der Zahlungsverpflichtungen auf die Schuldverschreibungen zu zahlenden Beträge in der hierin festgelegten Währung zu zahlen, und zwar ohne Abzug oder Einbehalt von Steuern oder sonstigen Abgaben jedweder Art, die von dem Land (oder den Ländern), in dem (in denen) die Neue Anleiheschuldnerin ihren Sitz oder Steuersitz hat, auferlegt, erhoben oder eingezogen werden;
- (e) die Neue Anleiheschuldnerin sich verpflichtet hat, die Anleihegläubiger hinsichtlich solcher Steuern, Abgaben oder behördlicher Gebühren freizustellen, die den Anleihegläubigern bezüglich der Ersetzung auferlegt werden;

- (f) each stock exchange on which the Notes are listed shall have confirmed that, following the proposed substitution of the New Debtor, such Notes will continue to be listed on such stock exchange; and
- (g) no event would occur as a result of the substitution that would give rise to the right of the New Debtor to call the Notes for redemption pursuant to § 7(4).

## (2) References.

In the event of a substitution pursuant to subsection (1), any reference in these Terms and Conditions to the Issuer will be a reference to the New Debtor and any reference to the Netherlands will be a reference to the New Debtor's country (countries) of domicile for tax purposes.

## (3) Notice and Effectiveness of Substitution.

Notice of any substitution of the Issuer will be given by publication in accordance with § 13. Upon such publication, the substitution will become effective, and the Issuer and in the event of a repeated application of this § 14, any previous New Debtor will be discharged from any and all obligations under the Notes.

### § 15 (Enforcement)

- (1) If the Issuer fails to pay any interest or principal on the Notes when due, each Noteholder may institute legal proceedings to enforce payment of the amounts due or file an application for the institution of insolvency proceedings for the assets of the Issuer.
- (2) Any Noteholder may, by written notice addressed to the Issuer and the Principal Paying Agent, declare its Notes due and payable, whereupon such Notes shall become immediately due and payable at their Principal Amount plus any interest accrued on such Notes to but excluding the date of redemption but yet unpaid and, for the avoidance of doubt, any Arrears of Interest due to be paid pursuant to § 6(3) without further action or formality, if an order is made for the winding up, dissolution or liquidation of the Issuer (other than for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent, where the continuing entity assumes substantially all of the assets and obligations of the Issuer).

- (f) jede Wertpapierbörse, an der die Schuldverschreibungen zugelassen sind, bestätigt hat, dass nach der vorgesehenen Ersetzung durch die Neue Anleiheschuldnerin diese Schuldverschreibungen weiterhin an dieser Wertpapierbörse zugelassen sind; und
- (g) aufgrund der Ersetzung kein Ereignis eintreten würde, welches die Neue Anleiheschuldnerin dazu berechtigen würde, die Schuldverschreibungen gemäß § 7(4) zu kündigen und zurückzuzahlen.

## (2) Bezugnahmen.

Im Fall einer Schuldnerersetzung gemäß Absatz (1) gilt jede Bezugnahme in diesen Anleihebedingungen auf die Emittentin als eine solche auf die Neue Anleiheschuldnerin und jede Bezugnahme auf die Niederlande als eine solche auf den Staat (die Staaten), in welchem die Neue Anleiheschuldnerin steuerlich ansässig ist.

## (3) Bekanntmachung und Wirksamwerden der Ersetzung.

Die Ersetzung der Emittentin ist gemäß § 13 bekannt zu machen. Mit der Bekanntmachung der Ersetzung wird die Ersetzung wirksam und die Emittentin und, im Falle einer wiederholten Anwendung dieses § 14, jede frühere Neue Anleiheschuldnerin von ihren sämtlichen Verbindlichkeiten aus den Schuldverschreibungen frei.

### § 15 (Durchsetzung)

- (1) Falls die Emittentin Zinsen oder Kapital auf die Schuldverschreibungen bei Fälligkeit nicht oder nicht rechtzeitig zahlt, ist jeder Anleihegläubiger berechtigt, rechtliche Schritte zur Durchsetzung der fälligen Beträge einzuleiten oder einen Antrag auf Eröffnung eines Insolvenzverfahrens über das Vermögen der Emittentin zu stellen.
- (2) Jeder Anleihegläubiger ist berechtigt, seine Schuldverschreibungen durch schriftliche Mitteilung gegenüber der Emittentin und der Hauptzahlstelle zur Rückzahlung fällig zu stellen, woraufhin diese Schuldverschreibungen sofort zum Nennbetrag zuzüglich der bis zum Tag der Rückzahlung in Bezug auf die Schuldverschreibungen aufgelaufenen, aber noch nicht bezahlten Zinsen sowie, zur Klarstellung, sämtlicher gemäß § 6(3) zur Nachzahlung fälligen Aufgeschobenen Zinszahlungen ohne weitere Handlungen oder Formalitäten fällig werden, falls eine Anordnung zur Abwicklung, Auflösung oder Liquidation der Emittentin ergeht (sofern dies nicht für die Zwecke oder als Folge eines Zusammenschlusses, einer Umstrukturierung oder Sanierung geschieht,

bei dem bzw. bei der die Emittentin noch zahlungsfähig ist und bei dem bzw. bei der die fortführende Gesellschaft im Wesentlichen alle Vermögenswerte und Verpflichtungen der Emittentin übernimmt).

- (3) There is no cross default under the Notes.

- (3) Die Schuldverschreibungen sehen keinen Drittverzug vor.

#### § 16

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

- (1) The Issuer may amend the Terms and Conditions with the consent of a majority resolution of the Noteholders pursuant to §§ 5 et seq. of the German Act on Issues of Debt Securities (*Gesetz über Schuldverschreibungen aus Gesamtemissionen*) (*Schuldverschreibungsgesetz - SchVG*), as amended from time to time (the "**SchVG**"). In particular, the Noteholders may consent to amendments which materially change the substance of the Terms and Conditions, including such measures as provided for under § 5(3) of the SchVG, but excluding a substitution of the Issuer, which is exclusively subject to the provisions in § 12, by resolutions passed by such majority of the votes of the Noteholders as stated under § 14(2) below. A duly passed majority resolution will be binding upon all Noteholders.
- (2) Except as provided by the following sentence and provided that the quorum requirements are being met, the Noteholders may pass resolutions by simple majority of the voting rights participating in the vote. Resolutions which materially change the substance of the Terms and Conditions, in particular in the cases of § 5(3) numbers 1 through 9 of the SchVG, may only be passed by a majority of at least 75 per cent. of the voting rights participating in the vote (a "**Qualified Majority**"). The voting right is suspended as long as any Notes are attributable to the Issuer or any of its affiliates (within the meaning of § 271(2) of the German Commercial Code (*Handelsgesetzbuch*)) or are being held for the account of the Issuer or any of its affiliates.
- (3) Resolutions of the Noteholders will be made either in a Noteholders' meeting in accordance with § 14(3)(a) or by means of a vote without a meeting (Abstimmung ohne Versammlung) in accordance with § 14(3)(b), in either case convened by the Issuer or a joint representative, if any. Pursuant to § 9(1) sentence 2 of the SchVG, Noteholders holding Notes in the total amount of 5 per cent. of the outstanding principal amount of the Notes may in writing request to convene a

#### § 16

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

- (1) Die Emittentin kann die Anleihebedingungen mit Zustimmung aufgrund Mehrheitsbeschlusses der Anleihegläubiger nach Maßgabe der §§ 5 ff. des Gesetzes über Schuldverschreibungen aus Gesamtemissionen (*Schuldverschreibungsgesetz - SchVG*) in seiner jeweiligen gültigen Fassung (das „SchVG“) ändern. Die Anleihegläubiger können insbesondere einer Änderung wesentlicher Inhalte der Anleihebedingungen, einschließlich der in § 5 Absatz 3 SchVG vorgesehenen Maßnahmen mit Ausnahme der Ersetzung der Emittentin, die in § 12 abschließend geregelt ist, mit den in dem nachstehenden § 14(2) genannten Mehrheiten zustimmen. Ein ordnungsgemäß gefasster Mehrheitsbeschluss ist für alle Anleihegläubiger verbindlich.
- (2) Vorbehaltlich des nachstehenden Satzes und der Erreichung der erforderlichen Beschlussfähigkeit, beschließen die Anleihegläubiger mit der einfachen Mehrheit der an der Abstimmung teilnehmenden Stimmrechte. Beschlüsse, durch welche der wesentliche Inhalt der Anleihebedingungen, insbesondere in den Fällen des § 5 Absatz 3 Nummer 1 bis 9 SchVG, geändert wird, bedürfen zu ihrer Wirksamkeit einer Mehrheit von mindestens 75 % der an der Abstimmung teilnehmenden Stimmrechte (eine „**Qualifizierte Mehrheit**“). Das Stimmrecht ruht, solange die Schuldverschreibungen der Emittentin oder einem mit ihr verbundenen Unternehmen (§ 271 Absatz 2 HGB) zustehen oder für Rechnung der Emittentin oder eines mit ihr verbundenen Unternehmens gehalten werden.
- (3) Beschlüsse der Anleihegläubiger werden entweder in einer Gläubigerversammlung nach § 14(3)(a) oder im Wege der Abstimmung ohne Versammlung nach § 14(3)(b) getroffen, die von der Emittentin oder einem gemeinsamen Vertreter einberufen wird. Gemäß § 9 Absatz 1 S. 2 SchVG können Anleihegläubiger, deren Schuldverschreibungen zusammen 5 % des jeweils ausstehenden Gesamtnennbetrags der



Noteholders' meeting or vote without a meeting for any of the reasons permitted pursuant to § 9(1) sentence 2 of the SchVG.

- (a) Resolutions of the Noteholders in a Noteholders' meeting will be made in accordance with § 9 et seq. of the SchVG. The convening notice of a Noteholders' meeting will provide the further details relating to the resolutions and the voting procedure. The subject matter of the vote as well as the proposed resolutions will be notified to the Noteholders in the agenda of the meeting. The attendance at the Noteholders' meeting or the exercise of voting rights requires a registration of the Noteholders prior to the meeting.
- (b) Resolutions of the Noteholders by means of a voting not requiring a physical meeting (*Abstimmung ohne Versammlung*) will be made in accordance with § 18 of the SchVG. The request for voting as submitted by the chairman (*Abstimmungsleiter*) will provide the further details relating to the resolutions and the voting procedure. The subject matter of the vote as well as the proposed resolutions will be notified to Noteholders together with the request for voting.
- (4) The exercise of voting rights is subject to the registration of the Noteholders. 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, Noteholders must demonstrate their eligibility to participate in the vote by means of a special confirmation of its custodian bank hereof in text form and by submission of a blocking instruction by the custodian bank stating that the relevant Notes are not transferable from and including the day such registration has been sent until and including the day the voting period ends.
- (5) If it is ascertained that no quorum exists for the vote without meeting pursuant to § 14(3)(b), the chairman (*Abstimmungsleiter*) may convene a meeting, which shall be deemed to be a second meeting within the meaning of § 15(3) sentence 3 of the SchVG. Attendance at the second meeting and exercise of voting rights is subject to the registration of the Noteholders. The regis-

Schuldverschreibungen erreichen, schriftlich die Durchführung einer Anleihegläubigerversammlung oder Abstimmung ohne Versammlung mit einer gemäß § 9 Absatz 1 S. 2 SchVG zulässigen Begründung verlangen.

- (a) Beschlüsse der Anleihegläubiger im Rahmen einer Gläubigerversammlung werden nach §§ 9 ff. SchVG getroffen. Die Einberufung der Gläubigerversammlung regelt die weiteren Einzelheiten der Beschlussfassung und der Abstimmung. Mit der Einberufung der Gläubigerversammlung werden in der Tagesordnung die Beschlussgegenstände sowie die Vorschläge zur Beschlussfassung den Anleihegläubigern bekannt gegeben. Für die Teilnahme an der Gläubigerversammlung oder die Ausübung der Stimmrechte ist eine Anmeldung der Anleihegläubiger vor der Versammlung erforderlich.
- (b) Beschlüsse der Anleihegläubiger im Wege der Abstimmung ohne Versammlung werden nach § 18 SchVG getroffen. Die Aufforderung zur Stimmabgabe durch den Abstimmungsleiter regelt die weiteren Einzelheiten der Beschlussfassung und der Abstimmung. Mit der Aufforderung zur Stimmabgabe werden die Beschlussgegenstände sowie die Vorschläge zur Beschlussfassung den Anleihegläubigern bekannt gegeben.
- (4) Die Stimmrechtsausübung ist von einer vorherigen Anmeldung der Anleihegläubiger abhängig. Die Anmeldung muss bis zum dritten Tag vor dem Beginn des Abstimmungszeitraums unter der in der Aufforderung zur Stimmabgabe angegebenen Anschrift zugehen. Zusammen mit der Anmeldung müssen Anleihegläubiger den Nachweis ihrer Berechtigung zur Teilnahme an der Abstimmung durch eine besondere Bescheinigung seiner Depotbank in Textform und die Vorlage eines Sperrvermerks der Depotbank erbringen, aus dem hervorgeht, dass die relevanten Schuldverschreibungen für den Zeitraum vom Tag der Absendung der Anmeldung (einschließlich) bis dem Ende des Abstimmungszeitraums (einschließlich) nicht übertragen werden können.
- (5) Wird die Beschlussfähigkeit bei der Abstimmung ohne Versammlung nach § 14(3)(b) nicht festgestellt, kann der Abstimmungsleiter eine Gläubigerversammlung einberufen, welche als zweite Gläubigerversammlung im Sinne des § 15(3) Satz 3 SchVG gilt. Die Teilnahme an der zweiten Gläubigerversammlung und die



tration must be received at the address stated in the convening notice no later than the third day preceding the second Noteholders' meeting. Noteholders must demonstrate their eligibility to participate in the vote by means of a special confirmation of its custodian bank hereof in text form and by submission of a blocking instruction by the custodian bank stating that the relevant Notes are not transferable from and including the day such registration has been sent until and including the stated end of the meeting.

- (6) The Noteholders may by majority resolution provide for the appointment or dismissal of a joint representative, the duties and responsibilities and the powers of such joint representative, the transfer of the rights of the Noteholders to the joint representative and a limitation of liability of the joint representative. Appointment of a joint representative may only be passed by a Qualified Majority if such joint representative is to be authorised to consent to a material change in the substance of the Terms and Conditions in accordance with § 14(1) hereof,
- (7) Any notices concerning this § 14 will be made in accordance with § 5 et seq. of the SchVG and § 13.

## **§ 17 (Final Provisions)**

### **(1) Applicable Law.**

The Notes are governed by, and construed in accordance with, the laws of the Federal Republic of Germany.

### **(2) Place of Jurisdiction.**

To the extent legally permissible, exclusive place of jurisdiction for all proceedings arising from matters provided for in these Terms and Conditions will be Frankfurt am Main, Federal Republic of Germany. The Issuer irrevocably waives any objection which it might now or hereafter have to the courts of Frankfurt am Main being nominated as the forum to hear and determine any proceedings and to settle any disputes, and agrees not to claim that any of those courts is not a convenient or appropriate forum.

The local court (*Amtsgericht*) of Frankfurt will have jurisdiction for all judgments pursuant to § 9(2), § 13(3) and § 18(2) SchVG in accordance with § 9(3) SchVG. The regional court (*Landgericht*) of Frankfurt

Stimmrechtsausübung sind von einer vorherigen Anmeldung der Anleihegläubiger abhängig. Die Anmeldung muss bis zum dritten Tag vor der zweiten Gläubigerversammlung unter der in der Einberufung angegebenen Anschrift zugehen. Zusammen mit der Anmeldung müssen Anleihegläubiger den Nachweis ihrer Berechtigung zur Teilnahme an der Abstimmung durch eine besondere Bescheinigung seiner Depotbank in Textform und die Vorlage eines Sperrvermerks der Depotbank erbringen, aus dem hervorgeht, dass die relevanten Schuldverschreibungen für den Zeitraum vom Tag der Absendung der Anmeldung (einschließlich) bis zum angegebenen Ende der Versammlung (einschließlich) nicht übertragen werden können.

- (6) Die Anleihegläubiger können durch Mehrheitsbeschluss die Bestellung und Abberufung eines gemeinsamen Vertreters, die Aufgaben und Befugnisse des gemeinsamen Vertreters, die Übertragung von Rechten der Anleihegläubiger auf den gemeinsamen Vertreter und eine Beschränkung der Haftung des gemeinsamen Vertreters bestimmen. Die Bestellung eines gemeinsamen Vertreters bedarf einer Qualifizierten Mehrheit, wenn er ermächtigt wird, wesentlichen Änderungen der Anleihebedingungen gemäß § 14(1) zuzustimmen.
- (7) Bekanntmachungen betreffend diesen § 14 erfolgen gemäß den §§ 5ff. SchVG sowie nach § 13.

## **§ 17 (Schlussbestimmungen)**

### **(1) Anzuwendendes Recht.**

Form und Inhalt der Schuldverschreibungen bestimmen sich nach dem Recht der Bundesrepublik Deutschland.

### **(2) Gerichtsstand.**

Ausschließlicher Gerichtsstand für alle Rechtsstreitigkeiten aus den in diesen Anleihebedingungen geregelten Angelegenheiten ist, soweit gesetzlich zulässig, Frankfurt am Main, Bundesrepublik Deutschland. Die Emittentin verzichtet unwiderruflich darauf, gegenwärtig oder zukünftig gegen die Gerichte in Frankfurt am Main als Forum für Rechtsstreitigkeiten Einwände zu erheben, und versichert, keines der Gerichte in Frankfurt am Main als ungelegenes oder unangemessenes Forum zu bezeichnen.

Für Entscheidungen gemäß § 9 Absatz 2, § 13 Absatz 3 und § 18 Absatz 2 SchVG ist gemäß § 9 Absatz 3 SchVG das Amtsgericht Frankfurt am Main zuständig. Für Entscheidungen über die

am Main will have exclusive jurisdiction for all judgments over contested resolutions by Noteholders in accordance with § 20(3) SchVG.

**(3) Place of Performance.**

Place of performance will be Frankfurt am Main, Federal Republic of Germany.

**(4) Enforcement of Rights.**

Any Noteholder may in any proceedings against the Issuer or to which the Noteholder and the Issuer are parties protect and enforce in his own name his rights arising under his Notes on the basis of:

- (a) a certificate issued by his Custodian (A) stating the full name and address of the Noteholder, (B) specifying an aggregate Principal Amount of Notes credited on the date of such statement to such Noteholder's securities account(s) maintained with his Custodian and (C) confirming that his Custodian has given a written notice to the Clearing System and the Principal Paying Agent containing the information specified in (A) and (B) and bearing acknowledgements of the Clearing System and the relevant account holder in the Clearing System and
- (b) a copy of the Global Notes relating to the Notes, certified as being true copies by a duly authorised officer of the Clearing System or the Principal Paying Agent; or
- (c) any other means of evidence permitted in legal proceedings in the country of enforcement.

**"Custodian"** means any bank or other financial institution with which the Noteholder maintains a securities account in respect of any Notes and having an account maintained with the Clearing System, including the Clearing System.

**§ 18  
(Language)**

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

**Restrictions regarding the Redemption and Repurchase of the Notes**

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

*The Issuer intends (without thereby assuming a legal or contractual obligation) that it will redeem or repurchase the Notes only to the extent they are*

Anfechtung von Beschlüssen der Anleihegläubiger ist gemäß § 20 Absatz 3 SchVG das Landgericht Frankfurt am Main ausschließlich zuständig.

**(3) Erfüllungsort.**

Erfüllungsort ist Frankfurt am Main, Bundesrepublik Deutschland.

**(4) Geltendmachung von Rechten.**

Jeder Anleihegläubiger ist berechtigt, in jedem Rechtsstreit gegen die Emittentin oder in jedem Rechtsstreit, in dem der Anleihegläubiger und die Emittentin Partei sind, seine Rechte aus diesen Schuldverschreibungen im eigenen Namen geltend zu machen gegen Vorlage:

- (a) einer Bescheinigung der Depotbank, die (A) den vollen Namen und die volle Anschrift des Anleihegläubigers bezeichnet, (B) den gesamten Nennbetrag von Schuldverschreibungen angibt, die am Ausstellungstag dieser Bescheinigung den bei dieser Depotbank bestehenden Depots dieses Anleihegläubigers gutgeschrieben sind und (C) bestätigt, dass die Depotbank dem Clearingsystem und der Hauptzahlstelle eine schriftliche Mitteilung gemacht hat, die die Angaben gemäß (A) und (B) enthält und Bestätigungsvermerke des Clearingsystems sowie des betroffenen Kontoinhabers bei dem Clearingsystem trägt sowie
- (b) einer von einem Vertretungsberechtigten des Clearingsystems oder der Hauptzahlstelle beglaubigten Ablichtung der Globalurkunden; oder
- (c) eines anderen, in Rechtsstreitigkeiten in dem Land der Geltendmachung zulässigen Beweismittels.

**„Depotbank“** bezeichnet ein Bank- oder sonstiges Finanzinstitut, bei dem der Anleihegläubiger Schuldverschreibungen im Depot verwahren lässt und das ein Konto bei dem Clearingsystem hat, einschließlich des Clearingsystems.

**§ 18  
(Sprache)**

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

**Beschränkungen bezüglich der Rückzahlung und des Rückkaufs der Schuldverschreibungen.**

*Der folgende Absatz in Kursivschrift ist nicht Bestandteil der Anleihebedingungen.*

*Die Emittentin beabsichtigt (ohne dadurch eine Rechtspflicht zu übernehmen) die Schuldverschreibungen nur zurückzuzahlen oder*

replaced with instruments with equivalent S&P equity credit. Such replacement would be provided during the 360-day period prior to the date of such redemption or repurchase. The net proceeds received by the Issuer, the Guarantor or subsidiary of the Guarantor from the sale to third party purchasers of securities which are assigned an S&P equity credit that is at least equal to the initial equity credit of the Notes will count as replacement.

The following exceptions apply as to the Issuer's replacement intention. The Notes are not required to be replaced:

- (i) if the rating assigned by S&P to the Issuer or the Guarantor is at least A- and the Issuer or the Guarantor (as applicable) is comfortable that such rating would not fall below this level as a result of such redemption or repurchase, or
- (ii) in the case of repurchase of less than (x) 10 per cent of the aggregate principal amount of the Notes originally issued in any period of 12 consecutive months or (y) 25 per cent of the aggregate principal amount of the Notes originally issued in any period of 10 consecutive years is repurchased, or
- (iii) if the Notes are redeemed pursuant to a Rating Event (to the extent it is triggered by a change of methodology at S&P), an Accounting Event, a Tax Deductibility Event or a Gross-Up Event, or
- (iv) if the Notes are not assigned an "equity credit" (or such similar nomenclature then used by S&P at the time of such redemption or repurchase), or
- (v) if such redemption or repurchase occurs on or after March 24, 2041.

zurückzukaufen, soweit sie durch Instrumente mit gleichwertiger S&P Eigenkapitalanrechnung ersetzt werden. Ein solcher Ersatz würde innerhalb von 360 Tagen vor dem Tag der Rückzahlung oder des Rückkaufs geschaffen werden. Als Ersatz gelten die Nettoerlöse, die die Emittentin, die Garantin oder eine Tochtergesellschaft der Garantin aus dem Verkauf an Dritte von Wertpapieren erhält, die eine S&P Eigenkapitalanrechnung haben, die mindestens so hoch ist wie die ursprüngliche S&P Eigenkapitalanrechnung der Schuldverschreibungen.

Es gelten jedoch folgende Ausnahmen in Bezug auf die Absicht der Emittentin. Es muss nicht für Ersatz gesorgt werden:

- (i) wenn das der Emittentin oder der Garantin durch S&P erteilte Rating mindestens A- beträgt und die Emittentin oder die Garantin (je nach Fall) sich sicher ist, dass ein solches Rating infolge der Rückzahlung oder des Rückkaufs nicht unter diesen Wert fallen würde oder
- (ii) im Fall eines Rückkaufs von Schuldverschreibungen in Höhe von weniger als (x) 10 % des ursprünglich ausgegebenen Gesamtnennbetrags der Schuldverschreibungen während einer Frist von 12 aufeinander folgenden Monaten oder (y) 25 % des ursprünglich ausgegebenen Gesamtnennbetrags der Schuldverschreibungen während einer Frist von 10 aufeinander folgenden Jahren oder
- (iii) im Fall der Rückzahlung der Schuldverschreibungen gemäß einem Ratingereignis (sofern es durch eine Änderung von S&P Methodologie verursacht wurde), einem Rechnungslegungereignis, einem Steuerereignis oder einem Gross-Up Ereignis erfolgt oder
- (iv) wenn die Schuldverschreibungen keine Eigenkapitalanrechnung (oder eine solche von S&P zum Zeitpunkt der Rückzahlung oder des Rückkaufs dann verwendete gleichartige Klassifikation) aufweisen oder
- (v) wenn die Rückzahlung oder der Rückkauf am oder nach dem 24. März 2041 erfolgt.

## TERMS AND CONDITIONS OF THE NC12 NOTES

### Terms and Conditions

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

#### § 1

##### (Form and Denomination)

###### (1) Currency, Denomination and Form.

Volkswagen International Finance N.V. (the **"Issuer"**) issues undated unsecured subordinated notes with a first call date after 12 years in an aggregate principal amount of EUR 1,750,000,000 (the **"Notes"**). The Notes are guaranteed on a subordinated basis by Volkswagen Aktiengesellschaft (the **"Guarantor"**) and have a denomination of EUR 1,000 each (the **"Principal Amount"**).

###### (2) Global Notes and Exchange.

The Notes will initially be represented by one temporary global bearer note (the **"Temporary Global Note"**) without coupons which will be deposited with a common depositary for Clearstream Banking, *société anonyme*, Luxembourg and Euroclear Bank SA/NV (together hereinafter referred to as the **"Clearing System"**) on or around the date of issue of the Notes. The Temporary Global Note will be exchangeable for a permanent global bearer note (the **"Permanent Global Note"**) and, together with the Temporary Global Note, the **"Global Notes"** without coupons not earlier than 40 and not later than 180 days after the date of issue of the Notes upon certification as to non-U.S. beneficial ownership in the Notes in accordance with the rules and operating procedures of the Clearing System. Payments on the Temporary Global Note will only be made against presentation of such certification. No definitive notes or interest coupons will be issued.

###### (3) Proportional Co-ownership Interests.

The holders of the Notes (the **"Noteholders"**) are entitled to proportional co-ownership interests or rights in the Temporary Global Note and the Permanent Global Note, which are transferable in accordance with applicable law and the rules and regulations of the Clearing System.

### Anleihebedingungen

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

#### § 1

##### (Verbriefung und Nennbetrag)

###### (1) Währung, Nennbetrag und Form.

Volkswagen International Finance N.V. (die **"Emittentin"**) begibt unbesicherte nachrangige Schuldverschreibungen ohne feste Laufzeit kündbar nach 12 Jahren im Gesamtnennbetrag von EUR 1.750.000.000 (die **"Schuldverschreibungen"**). Die Schuldverschreibungen werden von der Volkswagen Aktiengesellschaft auf nachrangiger Basis garantiert (die **"Garantin"**) und haben einen Nennbetrag von je EUR 1.000 (der **"Nennbetrag"**).

###### (2) Globalurkunden und Austausch.

Die Schuldverschreibungen werden zunächst von einer vorläufigen Globalurkunde (die **"Vorläufige Globalurkunde"**) ohne Zinsscheine verbrieft, welche am oder um den Tag der Begebung der Schuldverschreibungen bei einer gemeinsamen Verwahrstelle für Clearstream Banking, *société anonyme*, Luxemburg und Euroclear Bank SA/NV (beide gemeinsam nachstehend als **"Clearingsystem"** bezeichnet) hinterlegt wird. Die Vorläufige Globalurkunde wird nicht vor Ablauf von 40 und spätestens nach Ablauf von 180 Tagen nach dem Tag der Begebung der Schuldverschreibungen gegen Vorlage einer Bestätigung über das Nichtbestehen U.S.-amerikanischen wirtschaftlichen Eigentums (*beneficial ownership*) an den Schuldverschreibungen gemäß den Regeln und Betriebsabläufen des Clearingsystems gegen eine endgültige Globalurkunde (die **"Dauer-Globalurkunde"**) und, gemeinsam mit der Vorläufigen Globalurkunde, die **"Globalurkunden"**) ohne Zinsscheine ausgetauscht. Zahlungen auf die Vorläufige Globalurkunde erfolgen nur gegen Vorlage einer solchen Bestätigung. Einzelurkunden oder Zinsscheine werden nicht ausgegeben.

###### (3) Miteigentumsanteile.

Den Inhabern der Schuldverschreibungen (die **"Anleihegläubiger"**) stehen Miteigentumsanteile bzw. Rechte an der Vorläufigen Globalurkunde und der Dauer-Globalurkunde zu, die nach Maßgabe des anwendbaren Rechts und der Regeln und Bestimmungen des Clearingsystems übertragen werden können.

## § 2 (Status)

### (1) Status of the Notes.

The Issuer's obligations under the Notes constitute subordinated and unsecured obligations of the Issuer and in the event of the winding-up, dissolution or liquidation of the Issuer rank:

- (a) senior only to the Junior Obligations of the Issuer,
- (b) *pari passu* among themselves and with any Parity Obligations of the Issuer, and
- (c) junior to all other present and future obligations of the Issuer, whether subordinated or unsubordinated, except as otherwise provided by mandatory provisions of law or as expressly provided for by the terms of the relevant instrument.

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

**"Parity Obligations of the Issuer"** means any present or future obligation which (i) is issued by the Issuer and the obligations under which rank or are expressed to rank *pari passu* with the Issuer's obligations under the Notes, or (ii) benefits from a guarantee or support agreement expressed to rank *pari passu* with its obligations under the Notes. For the avoidance of doubt, Parity Obligations of the Issuer include its undated unsecured subordinated notes with a first call date after 7 years, ISIN XS1048428012, its undated unsecured subordinated notes with a first call date in 2018, ISIN XS0968913268 its undated unsecured subordinated notes with a first call date in 2023, ISIN XS0968913342 (together the **"Hybrid Securities"**) and its mandatory convertible notes due 2015, ISIN DE000A1HCC91 and ISIN DE000A1HCC83 (the **"Mandatory Convertible Notes"**).

## § 2 (Status)

### (1) Status der Schuldverschreibungen.

Die Schuldverschreibungen begründen nicht besicherte, nachrangige Verbindlichkeiten der Emittentin, die im Fall der Abwicklung, Auflösung oder Liquidation der Emittentin:

- (a) nur Nachrangigen Verbindlichkeiten der Emittentin im Rang vorgehen,
- (b) untereinander und mit jeder Gleichrangigen Verbindlichkeit im Rang gleich stehen, und
- (c) allen anderen bestehenden und zukünftigen Verbindlichkeiten der Emittentin, ob nachrangig oder nicht nachrangig, im Rang nachgehen, soweit zwingende gesetzliche Vorschriften nichts anderes vorschreiben bzw. die Bedingungen des betreffenden Instruments ausdrücklich etwas anderes vorsehen.

**„Nachrangige Verbindlichkeiten der Emittentin“** bezeichnet (i) die Stammaktien der Emittentin, (ii) jede gegenwärtige oder zukünftige Aktie einer anderen Gattung von Aktien der Emittentin, (iii) jedes andere gegenwärtige oder zukünftige Wertpapier, Namenswertpapier oder jedes andere Instrument, das von der Emittentin begeben ist und bei dem die daraus folgenden Verbindlichkeiten der Emittentin mit den Stammaktien der Emittentin gleichrangig vereinbart sind und (iv) jedes gegenwärtige oder zukünftige Wertpapier, Namenswertpapier oder jedes andere Instrument, das von einer Tochtergesellschaft der Emittentin begeben und von der Emittentin dergestalt garantiert ist oder für das die Emittentin dergestalt die Haftung übernommen hat, dass die betreffenden Verbindlichkeiten der Emittentin aus der maßgeblichen Garantie oder Haftungsübernahme mit den unter (i) und (ii) genannten Instrumenten gleichrangig oder als gleichrangig vereinbart sind.

**„Gleichrangige Verbindlichkeiten der Emittentin“** bezeichnet jede bestehende und zukünftige Verbindlichkeit, die (i) von der Emittentin begeben wurde und die gleichrangig im Verhältnis zu den Verbindlichkeiten der Emittentin unter den Schuldverschreibungen ist oder ausdrücklich als gleichrangig vereinbart ist oder die (ii) von einer Garantie oder Haftungsübernahme profitiert, bei der die Verbindlichkeiten der Emittentin aus der betreffenden Garantie oder Haftungsübernahme mit den Verbindlichkeiten der Emittentin aus den Schuldverschreibungen als gleichrangig vereinbart sind. Gleichrangige Verbindlichkeiten der Emittentin sind, unter anderem, die nicht besicherten nachrangigen Schuldverschreibungen der Emittentin ohne feste Laufzeit kündbar nach 7 Jahren, ISIN XS1048428012, die nicht besicherten nachrangigen Schuldverschreibungen der Emittentin



ohne feste Laufzeit erstmals kündbar in 2018, ISIN XS0968913268, die nicht besicherten nachrangigen Schuldverschreibungen der Emittentin ohne feste Laufzeit erstmals kündbar in 2023, ISIN XS0968913342 (zusammen die „Hybridanleihen“) und die Pflichtwandelanleihe der Emittentin fällig 2015, ISIN DE000A1HCC91 und ISIN DE000A1HCC83 (die „Pflichtwandelanleihe“).

“**Subsidiary of the Issuer**” means any corporation, partnership or other enterprise in which the Issuer directly or indirectly holds in the aggregate more than 50 per cent. of the capital or the voting rights.

„**Tochtergesellschaft der Emittentin**“ bezeichnet jede Gesellschaft, Personengesellschaft und jedes sonstige Unternehmen oder jede andere Person an der bzw. dem die Emittentin direkt oder indirekt insgesamt mehr als 50 % des Kapitals oder der Stimmrechte hält.

## (2) **Insolvency or Liquidation of the Issuer.**

In an insolvency or liquidation of the Issuer, no payments under the Notes shall be made to the Noteholders unless all claims that, pursuant to § 2(1), rank senior to the Notes (condition precedent) have been discharged or secured in full (i.e. not only with a quota).

## (2) **Insolvenz oder Liquidation der Emittentin.**

Im Falle einer Insolvenz oder Liquidation der Emittentin steht jedwede Zahlung unter den Schuldverschreibungen an die Anleihegläubiger unter dem Vorbehalt, dass zuvor sämtliche Verpflichtungen auf gegenüber den Schuldverschreibungen gemäß § 2(1) vorrangige Verbindlichkeiten zur Gänze (d.h. nicht nur quotenmäßig) bezahlt oder sichergestellt werden.

### **§ 3 (Guarantee)**

#### (1) **Unconditional and Irrevocable Guarantee.**

The Notes will be unconditionally and irrevocably guaranteed by the Guarantor on a subordinated basis as to payments (the “**Guarantee**”).

#### (2) **Status of the Guarantee.**

The obligations of the Guarantor under the Guarantee rank:

- (a) senior only to the Junior Obligations of the Guarantor,
- (b) pari passu with any other present and future Parity Obligations of the Guarantor, and
- (c) junior to the Guarantor’s unsubordinated obligations, contractually and statutorily subordinated obligations except as expressly provided for otherwise by the terms of the relevant obligation, and subordinated obligations required to be preferred by law.

“**Junior Obligations of the Guarantor**” means (i) the ordinary shares and preferred shares of the Guarantor, (ii) any present or future share of any other class of shares of the Guarantor, (iii) any other present or future security, registered security or other instrument of the Guarantor under which the Garan-

### **§ 3 (Garantie)**

#### (1) **Unbedingte und Unwiderrufliche Garantie.**

Die Schuldverschreibungen werden unbedingt und unwiderruflich durch die Garantin auf nachrangiger Ebene im Hinblick auf Zahlungen garantiert (die „**Garantie**“).

#### (2) **Status der Garantie.**

Die Verbindlichkeiten der Garantin unter der Garantie:

- (a) gehen nur Nachrangigen Verbindlichkeiten der Garantin im Rang vor,
- (b) stehen gleich im Rang untereinander und mit jeder Gleichrangigen Verbindlichkeit der Garantin, und
- (c) gehen allen anderen nicht nachrangigen Verbindlichkeiten der Garantin, vertraglich nachrangigen und gesetzlich nachrangigen Verbindlichkeiten, außer wenn in den Bedingungen der betreffenden Verbindlichkeit etwas anderes geregelt sein sollte, und nachrangigen Verbindlichkeiten, die durch Gesetz vorrangig sein müssen, im Rang nach.

„**Nachrangige Verbindlichkeiten der Garantin**“ bezeichnet (i) die Stammaktien und die Vorzugsaktien der Garantin, (ii) jede gegenwärtige oder zukünftige Aktie einer anderen Gattung von Aktien der Garantin, (iii) jedes andere gegenwärtige oder zukünftige Wertpapier, Namenswertpapier oder



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

**"Parity Obligations of the Guarantor"** means any present or future obligation which (i) is issued by the Guarantor and the obligations under which rank or are expressed to rank *pari passu* with the Guarantor's obligations under the Guarantee, or (ii) benefits from a guarantee or support agreement that ranks or is expressed to rank *pari passu* with its obligations under the Guarantee. For the avoidance of doubt, Parity Obligations of the Guarantor include its obligations under the guarantees for the Issuer's Hybrid Securities and the Mandatory Convertible Notes.

**"Subsidiary of the Guarantor"** means any corporation, partnership or other enterprise in which the Guarantor directly or indirectly holds in the aggregate more than 50 per cent. of the capital or the voting rights.

#### **§ 4 (Prohibition of Set-off)**

No Noteholder may set-off any claims arising under the Notes or the Guarantee against any claims that the Issuer or the Guarantor may have against it. The Issuer may not set-off any claims it may have against the Noteholders against any of its obligations under the Notes. The Guarantor may not set-off any claims it may have against the Noteholders against any of its obligations under the Guarantee.

#### **§ 5 (Interest)**

##### **(1) Interest accrual.**

From and including March 24, 2014 (the **"Interest Commencement Date"**) to but excluding March 24, 2026 (the **"First Call Date"**) the Notes bear interest on their principal amount at a rate of 4.625 per cent. per annum.

jedes andere Instrument, das von der Garantin begeben ist und bei dem die daraus folgenden Verbindlichkeiten der Garantin mit den Stammaktien oder den Vorzugsaktien der Garantin gleichrangig vereinbart sind und (iv) jedes gegenwärtige oder zukünftige Wertpapier, Namenswertpapier oder jedes andere Instrument, das von einer Tochtergesellschaft der Garantin begeben und von der Garantin dergestalt garantiert ist oder für das die Garantin dergestalt die Haftung übernommen hat, dass die betreffenden Verbindlichkeiten der Garantin aus der maßgeblichen Garantie oder Haftungsübernahme mit den unter (i), (ii) und (iii) genannten Instrumenten gleichrangig oder als gleichrangig vereinbart sind.

**„Gleichrangige Verbindlichkeiten der Garantin“** bezeichnet jede bestehende und zukünftige Verbindlichkeit, die (i) von der Garantin begeben wurde und die gleichrangig im Verhältnis zu den Verbindlichkeiten der Garantin aus der Garantie ist oder ausdrücklich als gleichrangig vereinbart ist oder die (ii) von einer Garantie oder Haftungsübernahme profitiert, bei der die Verbindlichkeiten der Garantin aus der betreffenden Garantie oder Haftungsübernahme mit den Verbindlichkeiten der Garantin aus der Garantie gleichrangig oder als gleichrangig vereinbart sind. Gleichrangige Verbindlichkeiten der Garantin sind, unter anderem, ihre Verbindlichkeiten aus der Garantie für die Hybridanleihen und die Pflichtwandelanleihe.

**„Tochtergesellschaft der Garantin“** bezeichnet jede Gesellschaft, Personengesellschaft und jedes sonstige Unternehmen oder jede andere Person an der bzw. dem die Garantin direkt oder indirekt insgesamt mehr als 50% des Kapitals oder der Stimmrechte hält.

#### **§ 4 (Aufrechnungsverbot)**

Die Anleihegläubiger sind nicht berechtigt, Forderungen aus den Schuldverschreibungen bzw. aus der Garantie gegen mögliche Forderungen der Emittentin bzw. der Garantin aufzurechnen. Die Emittentin ist nicht berechtigt, Forderungen gegenüber Anleihegläubigern gegen Verpflichtungen aus den Schuldverschreibungen aufzurechnen. Die Garantin ist nicht berechtigt, Forderungen gegenüber Anleihegläubigern gegen Verpflichtungen aus der Garantie aufzurechnen.

#### **§ 5 (Zinsen)**

##### **(1) Zinslauf.**

In dem Zeitraum ab dem 24. März 2014 (der **„Zinslaufbeginn“**) (einschließlich) bis zum 24. März 2026 (der **„Erste Rückzahlungstermin“**) (ausschließlich) belaufen sich die Zinsen auf den Nennbetrag der Schuldverschreibungen auf 4,625 % per annum.

From and including the First Call Date to but excluding the date on which the Issuer redeems the Notes in whole pursuant to § 7(3) or § 7(4) the Notes bear interest at the relevant Reset Rate of Interest for the Interest Period.

**“Reset Rate of Interest”** means the Reset Reference Rate for the relevant Reset Period in which the relevant Interest Period falls plus the relevant Margin for the relevant Interest Period.

Interest is scheduled to be paid annually in arrear on March 24, of each year (each an **“Interest Payment Date”**), commencing on March 24, 2015, and will be due and payable (*fällig*) in accordance with the conditions set out in § 6.

## (2) Definitions.

The **“12-year Swap Rate”** for the relevant Reset Period will be determined by the Calculation Agent on the Reset Rate Determination Date prior to the relevant Reset Date on which the relevant Reset Period commences (the **“Reference Reset Date”**) and will be the annual swap rate for euro swap transactions with a term of 12 years commencing on the Reference Reset Date, expressed as a percentage, which appears on the Reuters screen ISDAFIX2 Page under the heading **“EURIBOR BASIS-EUR”** and above the caption **“11:00AM FRANKFURT”** as of 11:00 a.m., Frankfurt time, on the Reset Rate Determination Date. If such rate does not appear on the Reuters screen ISDAFIX2 Page, the Reset Reference rate for that Reset Date will be the Reset Reference Bank Rate.

**“Business Day”** means a day on which all relevant parts of the Trans-European Automated Real-time Gross settlement Express Transfer (TARGET 2) system are operational.

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

**“Margin”** means:

- (i) in respect of each Interest Period from and including the First Call Date (which equals the first step-up date) to but excluding March 24, 2046 (the **“Second Step-up Date”**): 296.7 basis points per annum (including a 25 basis points step-up); and
- (ii) in respect of each Interest Period from and including the Second Step-up Date to but excluding the date on which the Issuer redeems the

In dem Zeitraum ab dem Ersten Rückzahlungstermin (einschließlich) bis zu dem Tag, an dem die Emittentin die Schuldverschreibungen vollständig gemäß § 7(3) oder § 7(4) zurückzahlt, belaufen sich die Zinsen auf den jeweiligen Reset-Zinssatz für die jeweilige Zinsperiode.

**„Reset-Zinssatz“** bezeichnet den jeweiligen Reset-Referenzsatz für den jeweiligen Reset-Zeitraum, in den die jeweilige Zinsperiode fällt, zuzüglich der relevanten Marge für die jeweilige Zinsperiode.

Zinsen werden nachträglich am 24. März eines jeden Jahres (jeweils ein **„Zinszahlungstag“**) bezahlt, erstmals am 24. März 2015, und werden nach Maßgabe der in § 6 dargelegten Bedingungen fällig.

## (2) Definitionen.

Der **„12-Jahres Swapsatz“** für den jeweiligen Reset-Zeitraum wird von der Berechnungsstelle am Reset-Zinssatz-Bestimmungstag vor dem jeweiligen Reset-Termin zu dem der jeweilige Reset-Zeitraum beginnt (der **„Referenz-Reset-Termin“**) bestimmt und ist der jährliche Swapsatz für Euro-Swap-Transaktionen mit einer Laufzeit von 12 Jahren beginnend mit dem Referenz-Reset-Termin, ausgedrückt als Prozentsatz, der am Reset-Zinssatz-Bestimmungstag um 11:00 Uhr, Frankfurter Zeit auf der Reuters-Bildschirmseite ISDAFIX2 unter der Überschrift **„EURIBOR BASIS-EUR“** und über der Bildüberschrift **„11:00AM FRANKFURT“** angezeigt wird. Falls ein solcher Zinssatz nicht auf der Reuters-Bildschirmseite ISDAFIX2 angezeigt wird, ist der Reset-Referenzsatz für den Reset-Termin der Reset-Referenzbankzinssatz.

**„Geschäftstag“** bezeichnet einen Tag, an dem alle maßgeblichen Stellen des Trans-European Automated Real-time Gross settlement Express Transfer (TARGET 2) Systems Geschäfte tätigen.

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

**„Marge“** bedeutet:

- (i) für jede Zinsperiode ab dem Ersten Rückzahlungstermin (einschließlich) (welcher auch der erste Step-up Termin ist) bis zum 24. März 2046 (der **„Zweite Step-up Termin“**): 296,7 Basispunkte per annum (einschließlich eines 25 Basispunkte Step-up); und
- (ii) für jede Zinsperiode ab dem Zweiten Step-up Termin (einschließlich) bis zum Tag an dem die Emittentin die Schuldverschreibungen

Notes in whole pursuant to § 7(3) or § 7(4): 371.7 basis points per annum (including a further 75 basis points step-up).

**“Reference Banks”** means five leading swap dealers in the interbank market.

**“Representative Amount”** means an amount that is representative for a single transaction in the swap market at the relevant time.

**“Reset Date”** means the First Call Date and each twelfth anniversary of the First Call Date.

**“Reset Period”** means each period from and including the First Call Date to but excluding the next following Reset Date and thereafter from and including each Reset Date to but excluding the next following Reset Date.

**“Reset Reference Rate”** means the relevant 12-year Swap Rate for the relevant Reset Period, as determined by the Calculation Agent.

**“Reset Rate Determination Date”** means the second Business Day prior to the relevant Reset Date.

**“Reset Reference Bank Rate”** means will be a percentage determined on the basis of the mid-market annual swap rate quotations provided by the Reference Banks at approximately 11:00 a.m., Frankfurt time on the Reset Rate Determination Date. For this purpose, the mid-market annual swap rate means the arithmetic mean of the bid and offered rates for the annual fixed leg, calculated on a 30/360 day count basis, of a fixed-for-floating euro interest rate swap transaction with a term of 12 years commencing on that Reference Reset Date and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, calculated on an Actual/360 day count basis, is equivalent to a designated maturity of six months. The Calculation Agent will request the principal office of each of the Reference Banks to provide a quotation of its rate. If at least three quotations are provided, the rate for that Reset Date will be the arithmetic mean (rounded if necessary to the nearest one thousandth of a percentage point, with 0.0005 being rounded upwards) of the quotations, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest).

vollständig gemäß § 7(3) oder § 7(4) zurückzahlt: 371,7 Basispunkte per annum (einschließlich eines weiteren 75 Basispunkte Step-up).

**„Referenzbanken“** bedeutet fünf im Interbankenmarkt führende Swap Dealer.

**„Repräsentative Höhe“** bedeutet die Höhe einer einzelnen Transaktion, die zur jeweiligen Zeit im Swap-Markt typisch ist.

**„Reset-Termin“** bezeichnet den Ersten Rückzahlungstermin und jeden zwölften Jahrestag des Ersten Rückzahlungstermins.

**„Reset-Zeitraum“** bezeichnet jeden Zeitraum ab dem Ersten Rückzahlungstermin (einschließlich) bis zum ersten Reset-Termin (ausschließlich) und nachfolgend ab jedem Reset-Termin (einschließlich) bis zu dem jeweils nächstfolgenden Reset-Termin (ausschließlich).

**„Reset-Referenzsatz“** ist der jeweilige 12-Jahres Swap Zinssatz für den jeweiligen Reset-Zeitraum, wie er von der Berechnungsstelle festgestellt wird.

**„Reset-Referenzsatz-Bestimmungstag“** ist der zweite Geschäftstag vor dem jeweiligen Reset-Termin.

Der **„Reset-Referenzbankenzinssatz“** bezeichnet den Prozentsatz, der auf Basis der Mid-market Jahres-Swapsatz-Angebotssätze von den Referenzbanken um ungefähr 11:00 Uhr, Frankfurter Zeit, am Reset-Referenzsatz-Bestimmungstag festgestellt wird. Der Mid-market Jahres-Swapsatz ist das arithmetische Mittel des Geld- und Briefkurses für den Jahres-Festzinssatzstrom, berechnet auf Basis eines 30/360 Zinstagequotienten, einer Fest-zu-variabel Euro-Zinsswaptransaktion mit einer Laufzeit von 12 Jahren beginnend mit dem Referenz-Reset-Termin, die in einer Repräsentativen Höhe mit einem anerkannten Händler von guter Bonität im Swap-markt abgeschlossen wurde, wobei der variable Teil, berechnet basierend auf einem Actual/360 Zinstagequotienten, eine Endfälligkeit von sechs Monaten hat. Die Berechnungsstelle wird bei der Hauptniederlassung der Referenzbanken jeweils um einen Angebotssatz bitten. Falls zumindest drei Angebotssätze zur Verfügung gestellt werden, ist der Zinssatz für den Reset-Termin das arithmetische Mittel (falls erforderlich, auf- oder abgerundet auf das nächste Tausendstel Prozent, wobei 0,0005 aufgerundet wird) der Angebotssätze, bereinigt um den höchsten Angebotssatz (oder, falls mehrere Angebotssätze gleich hoch sind, einer der höchsten) und den niedrigsten Angebotssatz (oder, falls mehrere Angebotssätze gleich niedrig sind, einen der niedrigsten).

**(3) Determination or calculation by Calculation Agent**

The Calculation Agent will, on the Reset Rate Determination Date, determine the Reset Rate of Interest and cause the same to be notified to the Issuer, the Principal Paying Agent and, if required by the rules of any stock exchange on which the Notes are then listed, to such stock exchange, and to the Noteholders in accordance with § 13 without undue delay, but, in any case, not later than on the eighth Business Day after its determination.

**(4) Day Count Fraction.**

Where interest is to be calculated in respect of any period of time that is equal to or shorter than an Interest Period (the "**Calculation Period**"), the interest will be calculated on the basis of the actual number of days elapsed in such Calculation Period (from and including the day from which interest begins to accrue to but excluding the day on which it falls due), divided by the number of days in the Interest Period in which the Calculation Period falls (Act/Act (ICMA)) (including the first such day of the relevant Interest Period but excluding the last day of the relevant Interest Period).

**(5) Cessation of interest accrual.**

The Notes will cease to bear interest from the beginning of the day their principal amount is due for repayment. If the Issuer fails to make any payment of principal under the Notes when due, the Notes will cease to bear interest from the beginning of the day on which such payment is made. In such case the applicable rate of interest will be determined pursuant to this § 3(1).

**§ 6**

**(Due date for interest payments; Deferral of interest payments; Payment of Arrears of Interest)**

**(1) Due date for interest payments; optional interest deferral.**

- (a) Interest which accrues during an Interest Period will be due and payable (*fällig*) on the relevant Interest Payment Date, unless the Issuer elects, by giving notice to the Noteholders not less than 10 Business Days prior the relevant Interest Payment Date in accordance with § 13, to defer the relevant payment of interest (in whole but not in part).

**(3) Berechnungen und Feststellungen durch die Berechnungsstelle.**

Die Berechnungsstelle wird den Reset-Zinssatz für die Schuldverschreibungen am Reset-Zinsfeststellungstag bestimmen und veranlassen, dass dieser der Emittentin, der Hauptzahlstelle und jeder Börse, an der die Schuldverschreibungen zu diesem Zeitpunkt notiert sind und deren Regeln eine Mitteilung an die Börse verlangen, sowie den Anleihegläubigern gemäß § 13 unverzüglich, aber keinesfalls später als am achten auf dessen Bestimmung folgenden Geschäftstag mitgeteilt wird.

**(4) Zinstagekoeffizient.**

Sind Zinsen für einen Zeitraum zu berechnen (der „**Zinsberechnungszeitraum**“), der kürzer als eine Zinsperiode ist oder einer Zinsperiode entspricht, so werden sie berechnet auf der Grundlage der tatsächlichen Anzahl der Tage in dem betreffenden Zinsberechnungszeitraum (ab dem ersten Tag, an dem Zinsen auflaufen (einschließlich) bis zu dem Tag, an dem die Zinsen fällig werden (ausschließlich)), dividiert durch die Anzahl der Tage in der Zinsperiode, in die der betreffende Zinsberechnungszeitraum fällt (Act/Act (ICMA)) (einschließlich des ersten Tages der betreffenden Zinsperiode, aber ausschließlich des letzten Tages der betreffenden Zinsperiode).

**(5) Zinslaufende.**

Die Verzinsung der Schuldverschreibungen endet mit Beginn des Tages, an dem ihr Kapitalbetrag zur Rückzahlung fällig wird. Sollte die Emittentin eine Zahlung von Kapital auf die Schuldverschreibungen bei Fälligkeit nicht leisten, endet die Verzinsung der Schuldverschreibungen mit Beginn des Tages der tatsächlichen Zahlung. Der in einem solchen Fall jeweils anzuwendende Zinssatz wird gemäß § 3(1) bestimmt.

**§ 6**

**(Fälligkeit von Zinszahlungen; Aufschub von Zinszahlungen; Zahlung Aufgeschobener Zinszahlungen)**

**(1) Fälligkeit von Zinszahlungen; wahlweiser Zinsaufschub.**

- (a) Zinsen, die während einer Zinsperiode auflaufen, werden an dem betreffenden Zinszahlungstag fällig, sofern sich die Emittentin nicht durch eine Bekanntmachung an die Anleihegläubiger gemäß § 13 innerhalb einer Frist von nicht weniger als 10 Geschäftstagen vor dem betreffenden Zinszahlungstag dazu entscheidet, die betreffende Zinszahlung (insgesamt, jedoch nicht teilweise) auszusetzen.

If the Issuer elects not to pay accrued interest on an Interest Payment Date, then it will not have any obligation to pay such interest on such Interest Payment Date. Any such non-payment of interest will not constitute a default of the Issuer or any other breach of its obligations under the Notes or for any other purpose.

Interest not due and payable in accordance with this § 6(1)(a) will constitute arrears of interest ("**Arrears of Interest**").

- (b) Arrears of Interest will not bear interest.

## (2) Optional Settlement of Arrears of Interest.

The Issuer or the Guarantor will be entitled to pay outstanding Arrears of Interest (in whole but not in part) at any time by giving notice to the Noteholders not less than 10 Business Days before such voluntary payment and specifying (i) the amount of Arrears of Interest to be paid and (ii) the date fixed for such payment.

## (3) Mandatory Payment of Arrears of Interest

The Issuer must pay outstanding Arrears of Interest (in whole but not in part) on the earliest of the following calendar days (each a "**Mandatory Settlement Date**"):

- (a) the calendar day on which a dividend, other distribution or other payment was validly resolved on, declared, paid, or made in respect of Junior Obligations of the Guarantor, Parity Obligations of the Issuer or Parity Obligations of the Guarantor (except where such dividend, other distribution or payment was required in respect of employee share schemes);
- (b) the calendar day on which the Issuer, the Guarantor, a Subsidiary of the Issuer or a Subsidiary of the Guarantor has redeemed, repurchased or otherwise acquired Junior Obligations of the Issuer, Junior Obligations of the Guarantor, Parity Obligations of the Issuer or Parity Obligations of the Guarantor (except where such redemption or repurchase was mandatory under the terms of the instrument or required in respect of employee share schemes);

Wenn sich die Emittentin an einem Zinszahlungstag zur Nichtzahlung aufgelaufener Zinsen entscheidet, dann ist sie nicht verpflichtet, an dem betreffenden Zinszahlungstag Zinsen zu zahlen. Eine Nichtzahlung von Zinsen aus diesem Grunde begründet keinen Verzug der Emittentin und keine anderweitige Verletzung ihrer Verpflichtungen aufgrund der Schuldverschreibungen oder für sonstige Zwecke.

Nach Maßgabe dieses § 6(1)(a) nicht fällig gewordene Zinsen sind aufgeschobene Zinszahlungen („**Aufgeschobene Zinszahlungen**“).

- (b) Aufgeschobene Zinszahlungen werden nicht verzinst.

## (2) Freiwillige Zahlung von Aufgeschobenen Zinszahlungen.

Die Emittentin oder Garantin ist berechtigt, ausstehende Aufgeschobene Zinszahlungen jederzeit insgesamt, jedoch nicht teilweise nach Bekanntmachung an die Anleihegläubiger unter Einhaltung einer Frist von nicht weniger als 10 Geschäftstagen vor einer freiwilligen Zinszahlung, wobei eine solche Bekanntmachung (i) den Betrag an Aufgeschobenen Zinszahlungen, der gezahlt werden soll, und (ii) den für diese Zahlung festgelegten Termin enthalten muss.

## (3) Pflicht zur Zahlung von Aufgeschobenen Zinszahlungen

Die Emittentin ist verpflichtet, Aufgeschobene Zinszahlungen insgesamt und nicht nur teilweise am ersten der folgenden Kalendertage zu zahlen (jeweils ein „**Pflichtnachzahlungstag**“):

- (a) am Kalendertag, an dem eine Dividende oder sonstige Ausschüttung oder sonstige Zahlung in Bezug auf Nachrangige Verbindlichkeiten der Garantin, Gleichrangige Verbindlichkeiten der Emittentin oder Gleichrangige Verbindlichkeiten der Garantin erklärt, beschlossen, gezahlt oder geleistet wurde (außer in dem Fall, dass die Dividende oder sonstige Ausschüttung oder Zahlung unter einem Mitarbeiterbeteiligungsprogramm erforderlich war);
- (b) am Kalendertag, an dem die Emittentin, die Garantin, eine Tochtergesellschaft der Emittentin oder eine Tochtergesellschaft der Garantin Nachrangige Verbindlichkeiten der Emittentin, Nachrangige Verbindlichkeiten der Garantin, Gleichrangige Verbindlichkeiten der Emittentin oder Gleichrangige Verbindlichkeiten der Garantin zurückgekauft, zurückgezahlt oder anderweitig erworben hat (außer in dem Fall, dass die Rückzahlung oder der



Rückkauf nach den Bedingungen des Instruments verpflichtend war oder unter einem Mitarbeiterbeteiligungsprogramm erforderlich war);

- (c) the calendar day on which the Notes are redeemed;
- (d) the next Interest Payment Date on which the Issuer pays interest on the Notes scheduled to be paid on such Interest Payment Date; or
- (e) the calendar day after an order is made for the winding-up, dissolution or liquidation of the Issuer or the Guarantor (other than for the purposes of or pursuant to an amalgamation, reorganization or restructuring while solvent, where the continuing entity assumes substantially all of the assets and obligations of the Issuer or Guarantor, as the case may be);

- (c) am Kalendertag, an dem die Schuldverschreibungen zurückgezahlt wurden;
- (d) am nächsten Zinszahlungstag, an dem Emittentin Zinsen auf die Schuldverschreibungen zahlt; oder
- (e) am Kalendertag nach dem ein Beschluss zur Auflösung, Abwicklung oder Liquidation der Emittentin oder der Garantin ergangen ist (aber nur, wenn dies nicht für die Zwecke oder als Folge eines Zusammenschlusses, einer Umstrukturierung oder Sanierung geschieht und die Emittentin bzw. die Garantin noch zahlungsfähig sind und die übernehmende Gesellschaft im Wesentlichen alle Vermögenswerte und Verpflichtungen der Emittentin bzw. der Garantin übernimmt);

provided that

mit der Maßgabe, dass

- (x) in the cases (a) and (b) above no Mandatory Settlement Date occurs if the Issuer, the Guarantor or the relevant Subsidiary is obliged under the terms and conditions of such parity or junior obligations to make such payment, such redemption, such repurchase or such other acquisition; and
- (y) in the case (b) above no Mandatory Settlement Date occurs if the Issuer, the Guarantor or the relevant Subsidiary repurchases or otherwise acquires any Parity Obligations of the Issuer or Parity Obligations of the Guarantor in whole or in part in a public tender offer or public exchange offer at a purchase price per Parity Obligation below its par value.
- (z) in the cases (a) and (b) above no Mandatory Settlement Date occurs if the Issuer exercises the option for early mandatory conversion of the Mandatory Convertible Notes pursuant to § 7(c) of the terms and conditions of the Mandatory Convertible Notes. Such early mandatory conversion at the option of the Issuer would require the Guarantor to deliver such number of preferred shares of the Guarantor as is equal to the maximum conversion ratio specified in the terms and conditions of the Mandatory Convertible Notes and in addition the Issuer

- (x) in den vorgenannten Fällen (a) und (b) kein Pflichtnachzahlungstag vorliegt, wenn die Emittentin, die Garantin oder die betreffende Tochtergesellschaft nach Maßgabe der Emissionsbedingungen der betreffenden gleichrangigen oder nachrangigen Verbindlichkeit zu der Zahlung, zu der Rückzahlung, zu dem Rückkauf oder zu dem anderweitigen Erwerb verpflichtet ist; und
- (y) im vorgenannten Fall (b) kein Pflichtnachzahlungstag vorliegt, wenn die Emittentin, die Garantin oder die betreffende Tochtergesellschaft Gleichrangige Verbindlichkeiten der Emittentin oder Gleichrangige Verbindlichkeiten der Garantin nach einem öffentlichen Rückkaufangebot oder öffentlichen Umtauschangebot zu einem unter dem Nennwert je Gleichrangiger Verbindlichkeit liegenden Kaufpreis zurückkauft oder anderweitig erwirbt.
- (z) in den vorgenannten Fällen (a) und (b) kein Pflichtnachzahlungstag vorliegt, wenn die Emittentin ihr Wahlrecht zur vorzeitigen Pflichtwandlung der Pflichtwandelanleihe gemäß § 7(c) der Anleihebedingungen der Pflichtwandelanleihe ausübt. Eine solche vorzeitige Pflichtwandlung nach Wahl der Emittentin würde die Garantin dazu verpflichten eine solche Anzahl von Vorzugsaktien der Garantin auszugeben, wie es gemäß dem Höchst-Wandlungsverhältnis in den Anleihebedingungen der Pflichtwandel-



would be required to pay any accrued interest, a make-whole amount and any outstanding arrears of interest relating to the Mandatory Convertible Notes.

## **§ 7**

### **(Redemption and Repurchase)**

#### **(1) No Scheduled Redemption.**

The Notes have no final maturity date and shall not be redeemed except in accordance with the provisions set out in this § 7.

#### **(2) Repurchase.**

Subject to applicable laws, the Issuer, the Guarantor or any Subsidiary of the Guarantor may at any time purchase Notes in the open market or otherwise and at any price. Such acquired Notes may be cancelled, held or resold.

#### **(3) Redemption at the Option of the Issuer and in Case of Minimum Outstanding Aggregate Principal Amount.**

- (a) The Issuer may, upon giving not less than 20 nor more than 40 days notice pursuant to § 13 call the Notes for redemption (in whole but not in part) for the first time with effect as of the First Call Date and subsequently with effect as of each Interest Payment Date thereafter. In this case the Issuer shall redeem each Note at its Principal Amount plus accrued and unpaid interest and any Arrears of Interest on the redemption date specified in the notice.
- (b) The Issuer may, upon giving not less than 20 nor more than 40 days notice pursuant to § 13, call the Notes for redemption (in whole but not in part) at any time if at least 80 per cent. of the originally issued aggregate principal amount of the Notes have been redeemed or purchased and cancelled. In this case the Issuer shall redeem each Note at its Principal Amount plus accrued and unpaid interest and any Arrears of Interest on the redemption date specified in the notice.

anleihe entspricht. Ferner müsste die Emittentin aufgelaufene Zinsen, einen Make-whole Betrag und etwaige ausstehenden Zinsrückstände in Bezug auf die Pflichtwandelanleihe zahlen.

## **§ 7**

### **(Rückzahlung und Rückkauf)**

#### **(1) Keine Endfälligkeit.**

Die Schuldverschreibungen haben keinen Endfälligkeitstag und werden, außer gemäß den Bestimmungen in diesem § 7, nicht zurückgezahlt.

#### **(2) Rückkauf.**

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

#### **(3) Rückzahlung nach Wahl der Emittentin und bei geringem ausstehendem Gesamtnennbetrag.**

- (a) Die Emittentin ist berechtigt, durch Bekanntmachung gemäß § 13 unter Einhaltung einer Frist von nicht weniger als 20 und nicht mehr als 40 Geschäftstagen, die Schuldverschreibungen (insgesamt und nicht nur teilweise) erstmals mit Wirkung zum Ersten Kündigungstag, und danach mit Wirkung zu jedem nachfolgenden Zinszahlungstag zu kündigen. Im Falle einer solchen Kündigung ist die Emittentin verpflichtet, jede Schuldverschreibung an dem in der Bekanntmachung festgelegten Rückzahlungstag zu ihrem Nennbetrag zuzüglich aufgelaufener aber noch nicht bezahlter Zinsbeträge sowie Aufgeschobener Zinszahlungen zurückzuzahlen.
- (b) Die Emittentin ist berechtigt, durch Bekanntmachung gemäß § 13 unter Einhaltung einer Frist von nicht weniger als 20 und nicht mehr als 40 Geschäftstagen, die Schuldverschreibungen (insgesamt und nicht nur teilweise) jederzeit zu kündigen, falls mindestens 80 % des ursprünglich begebenen Gesamtnennbetrages der Schuldverschreibungen zurückgezahlt oder erworben und eingezogen worden sind. Im Falle einer solchen Kündigung ist die Emittentin verpflichtet, jede Schuldverschreibung an dem in der Bekanntmachung festgelegten Rückzahlungstag zu ihrem Nennbetrag zuzüglich aufgelaufener aber noch nicht bezahlter Zinsbeträge sowie Aufgeschobener Zinszahlungen zurückzuzahlen.

#### (4) Other Special Redemption Events.

The Issuer may upon giving not less than 20 nor more than 40 days notice pursuant to § 13, call the Notes for redemption (in whole but not in part) at any time if any of the special events as set forth below has occurred. In this case the Issuer shall redeem each Note at the Early Redemption Amount on the redemption date specified in the notice. The notice shall set forth the underlying facts of the Issuer's right to early redemption and specify the redemption date.

- (i) If (a)(I) any Rating Agency publishes a change in hybrid capital methodology or the interpretation thereof, as a result of which change the Notes would no longer be eligible for the same or a higher category of "equity credit" or such similar nomenclature as may be used by that Rating Agency from time to time to describe the degree to which the terms of an instrument are supportive of the Guarantor's senior obligations, attributed to the Notes at the Issue Date (a "**Loss in Equity Credit**"), or (II) the Issuer has received, and has provided the Principal Paying Agent with a copy of, a written confirmation from any Rating Agency that due to a change in hybrid capital methodology or the interpretation thereof, a Loss in Equity Credit occurred (the events described in (I) and (II) each a "**Rating Event**") and (b) the Issuer has given notice to the Noteholders in accordance with § 13 of such Rating Event prior to giving the notice of redemption referred to above.

"**Rating Agency**" means each of Moody's and S&P, where "**Moody's**" means Moody's Investors Services Limited or any of its successors, and "**S&P**" means Standard & Poor's Rating Services, a division of the McGraw-Hill Companies, Inc., or any of its subsidiaries or successors.

#### (4) Besondere Rückzahlungsereignisse.

Die Emittentin ist berechtigt, durch Bekanntmachung gemäß § 13 unter Einhaltung einer Frist von nicht weniger als 20 und nicht mehr als 40 Geschäftstagen, die Schuldverschreibungen (insgesamt und nicht nur teilweise) jederzeit zu kündigen, falls eines der folgenden besonderen Ereignisse eingetreten ist. Im Falle einer solchen Kündigung ist die Emittentin verpflichtet, jede Schuldverschreibung an dem in der Bekanntmachung festgelegten Rückzahlungstag zu ihrem Vorzeitigen Rückzahlungsbetrag zurückzuzahlen. Die Bekanntmachung hat den Grund der vorzeitigen Rückzahlung und den Rückzahlungstag anzugeben.

- (i) Falls (a)(I) eine Ratingagentur eine Veränderung in der Methodologie für Hybridkapital oder der Interpretation dieser Methodologie veröffentlicht, wodurch die Schuldverschreibungen nicht mehr länger in derselben oder einer höheren Kategorie von Eigenkapital (oder eine vergleichbare Beschreibung, die von der Ratingagentur in Zukunft genutzt wird, um zu beschreiben in wieweit die Bedingungen eines Instruments die vorrangigen Verbindlichkeiten der Garantin unterstützen) wie am Ausgabetag einzuordnen sind (ein "**Verlust der Eigenkapitalzuordnung**"), oder (II) die Emittentin hat eine schriftliche Bestätigung von einer Ratingagentur erhalten und hat diese an die Hauptzahlstelle in Kopie weitergegeben, welche besagt, dass aufgrund einer Änderung der Methodologie für Hybridkapital oder der Interpretation dieser Methodologie, ein Verlust der Eigenkapitalzuordnung erfolgt ist (die Ereignisse unter (I) und (II) jeweils ein "**Ratingereignis**") und (b) die Emittentin hat die Anleihegläubiger über das Ratingereignis gemäß § 13 informiert bevor die Mitteilung der Rückzahlung (wie oben beschrieben) bekanntgemacht wurde.

"**Ratingagentur**" bezeichnet jeweils Moody's und S&P, wobei "**Moody's**" Moody's Investors Services Limited oder eine ihrer Nachfolgegesellschaften bezeichnet und "**S&P**" Standard & Poor's Rating Services, eine Abteilung der McGraw-Hill Companies, Inc. oder eine ihrer Tochter- oder Nachfolgegesellschaften bezeichnet.

- (ii) A recognized accountancy firm, acting upon instructions of the Issuer or Guarantor, has delivered a letter or report to the Issuer or Guarantor, stating that as a result of a change in accounting principles (or the application thereof) since the Issue Date, the Notes may not or may no longer be recorded as "equity" in the audited annual or the semi-annual consolidated financial statements of the Guarantor pursuant to the International Financial Reporting Standards ("**IFRS**") or any other accounting standards that may replace IFRS for the purposes of preparing the annual consolidated financial statements of the Guarantor (an "**Accounting Event**").
- (iii) An opinion of a recognized law firm of international standing has been delivered to the Issuer or Guarantor, stating that by reason of a change in German or Dutch law or regulation, or any change in the official application or interpretation of such law, becoming effective after the Issue Date, the tax regime of any payments under the Notes is modified and such modification results in payments of interest payable by the Issuer or the Guarantor in respect of the Notes being no longer deductible for corporate income tax purposes in whole or in part; and such risk cannot be avoided by the Issuer taking reasonable measures available to it (a "**Tax Deductibility Event**").
- (iv) If, by reason of any change in German or Dutch law or published regulations becoming effective after the Issue Date, the Issuer or the Guarantor would have to pay Additional Amounts, provided that the payment obligation cannot be avoided by the Issuer taking such reasonable measures it (acting in good faith) deems appropriate (a "**Gross-up Event**").
- (ii) Eine anerkannte Wirtschaftsprüfungsgesellschaft, die im Auftrag der Emittentin oder der Garantin handelt, hat der Emittentin oder der Garantin einen Brief oder ein Gutachten übermittelt, wonach aufgrund einer Änderung der Rechnungslegungsgrundsätze (oder deren Auslegung) seit dem Ausgabetag die Schuldverschreibungen nicht oder nicht mehr als „Eigenkapital“ in den konsolidierten Jahres- oder Halbjahresabschlüssen der Garantin gemäß den International Financial Reporting Standards („**IFRS**“) bzw. anderen Rechnungslegungsstandards, die die Garantin für die Erstellung ihrer konsolidierten Jahresabschlüsse anstelle der IFRS anwenden kann, ausgewiesen werden dürfen (ein „**Rechnungslegungsereignis**“).
- (iii) Erhalt durch die Emittentin oder die Garantin eines Gutachtens einer international anerkannten Rechtsanwaltskanzlei, aus dem hervorgeht, dass nach dem Ausgabetag als Folge einer Änderung von deutschem oder niederländischen Recht oder dessen offizieller Auslegung oder Anwendung die steuerliche Behandlung von Zinszahlungen, die von der Emittentin oder der Garantin in Bezug auf die Schuldverschreibungen zahlbar sind, dergestalt geändert wurde, dass sie nicht mehr für die Zwecke der Körperschaftssteuer ganz oder teilweise abzugsfähig sind; und die Emittentin dieses Risiko nicht durch das Ergreifen zumutbarer Maßnahmen vermeiden kann (ein „**Steuerereignis**“).
- (iv) Falls die Emittentin oder die Garantin als Folge einer Änderung nach dem Ausgabetag von deutschen oder niederländischen Gesetzen oder veröffentlichten Vorschriften verpflichtet ist, Zusätzliche Beträge zu zahlen, allerdings nur soweit die Emittentin oder Garantin die Zahlungsverpflichtung nicht durch das Ergreifen zumutbarer Maßnahmen vermeiden kann, die sie nach Treu und Glauben für angemessen hält (ein „**Gross-up Ereignis**“).

The "**Early Redemption Amount**" shall be equal to 101 per cent. of the Principal Amount plus accrued and unpaid interest and any Arrears of Interest in the

Der „**Vorzeitige Rückzahlungsbetrag**“ bezeichnet 101% des Nennbetrages zuzüglich aufgelaufener aber noch nicht bezahlter

case of a Rating Event, Accounting Event or Tax Deductibility Event, and 100 per cent. of the Principal Amount plus accrued and unpaid interest and any Arrears of Interest in the case of a Gross-Up Event.

#### **§ 8 (Payments)**

- (1) The Issuer undertakes to pay, as and when due, principal and interest on the Notes in euro. Payment of principal and interest on the Notes will be made, subject to applicable fiscal and other laws and regulations, through the Principal Paying Agent for on-payment to the Clearing System or to its order for credit to the respective account holders. Payments to the Clearing System or to its order will to the extent of amounts so paid constitute the discharge of the Issuer from its corresponding liabilities under the Notes. Any reference in these Terms and Conditions of the Notes to principal or interest will be deemed to include any Additional Amounts as set forth in § 9.
- (2) If the due date for any payment of principal and/or interest is not a Business Day, payment will be effected only on the next Business Day. The Noteholders will have no right to claim payment of any interest or other indemnity in respect of such delay in payment.

#### **§ 9 (Taxation)**

All payments of principal and interest in respect of the Notes by the Issuer or (as the case may be) the Guarantor under the Guarantee will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of The Netherlands or the Federal Republic of Germany or, in each case, any authority therein or thereof having power to tax, unless the Issuer or the Guarantor is required by law to make such withholding or deduction of such taxes, duties, assessments or governmental charges. In that event, the Issuer or, as the case may be, the Guarantor will pay such additional amounts ("**Additional Amounts**") as may be necessary in order that the net amounts received by the Noteholders after such withholding or deduction shall equal the respective amounts of principal and interest which would have been received in respect of the Notes in the absence

Zinsbeträge sowie Aufgeschobener Zinszahlungen im Falle eines Ratingereignisses, eines Rechnungslegungsereignisses oder eines Steuerereignisses und 100% des Nennbetrages zuzüglich aufgelaufener aber noch nicht bezahlter Zinsbeträge sowie Aufgeschobener Zinszahlungen im Falle eines Gross-Up Ereignisses.

#### **§ 8 (Zahlungen)**

- (1) Die Emittentin verpflichtet sich, Kapital und Zinsen auf die Schuldverschreibungen bei Fälligkeit in Euro zu zahlen. Die Zahlung von Kapital und Zinsen auf die Schuldverschreibungen erfolgt, vorbehaltlich geltender steuerrechtlicher und sonstiger gesetzlicher Regelungen und Vorschriften, über die Hauptzahlstelle zur Weiterleitung an das Clearingsystem oder nach dessen Weisung zur Gutschrift für die jeweiligen Kontoinhaber. Die Zahlung an das Clearingsystem oder nach dessen Weisung befreit die Emittentin in Höhe der geleisteten Zahlung von ihren entsprechenden Verbindlichkeiten aus den Schuldverschreibungen. Eine Bezugnahme in diesen Anleihebedingungen auf Kapital oder Zinsen der Schuldverschreibungen schließt jegliche Zusätzlichen Beträge gemäß § 9 ein.
- (2) Falls ein Fälligkeitstag für die Zahlung von Kapital und/oder Zinsen kein Geschäftstag ist, erfolgt die Zahlung erst am nächstfolgenden Geschäftstag; die Anleihegläubiger sind nicht berechtigt, Zinsen oder eine andere Entschädigung wegen eines solchen Zahlungsaufschubs zu verlangen.

#### **§ 9 (Besteuerung)**

Sämtliche auf die Schuldverschreibungen zu zahlenden Beträge von Kapital oder Zinsen sind ohne Einbehalt oder Abzug von oder aufgrund von gegenwärtigen oder zukünftiger Steuern, sonstigen Abgaben oder behördlicher Gebühren gleich welcher Art durch die Emittentin oder gegebenenfalls die Garantin unter der Garantie zu leisten, die von oder in den Niederlanden oder der Bundesrepublik Deutschland oder für deren Rechnung oder von oder für Rechnung einer Gebietskörperschaft oder Steuerbehörde der oder in den Niederlanden oder der Bundesrepublik Deutschland erhoben werden, es sei denn, die Emittentin ist gesetzlich verpflichtet, einen solchen Einbehalt oder Abzug vorzunehmen. In diesem Fall wird die Emittentin oder die Garantin diejenigen zusätzlichen Beträge (die „**Zusätzlichen Beträge**“) zahlen, die erforderlich sind, damit die den Anleihegläubigern zufließenden Nettobeträge nach

of such withholding or deduction, except that no such Additional Amounts shall be payable on account of any taxes or duties which:

- (a) are payable otherwise than by withholding or deduction from amounts payable; or
- (b) are payable by reason of the Noteholder having, or having had, some personal or business connection with The Netherlands or the Federal Republic of Germany and not merely by reason of the fact that payments in respect of the Notes are, or for purposes of taxation are deemed to be, derived from sources in, or are secured in, The Netherlands or the Federal Republic of Germany; or
- (c) are withheld or deducted from a payment to an individual or a residual entity within the meaning of the European Council Directive 2003/48/EC and are required to be made pursuant to the European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (d) are payable by reason of a change in law that becomes effective more than 30 days after the relevant payment of principal or interest becomes due, or, if later, is duly provided for and notice thereof is published in accordance with § 13; or
- (e) are deducted or withheld by a Paying Agent from a payment if the payment could have been made by another Paying Agent without such deduction or withholding.

#### **§ 10**

##### **(Presentation Period, Prescription)**

The period for presentation of the Notes will be reduced to 10 years. The period of limitation for all claims (including claims for interest payment and repayment, if any) under the Notes presented during the period for presentation will be two years calculated from the expiration of the relevant presentation period.

diesem Einbehalt oder Abzug jeweils den Beträgen entsprechen, die ohne einen solchen Einbehalt oder Abzug von den Inhabern der Schuldverschreibungen empfangen worden wären; die Verpflichtung zur Zahlung solcher zusätzlicher Beträge besteht jedoch nicht im Hinblick auf Steuern und Abgaben, die:

- (a) auf andere Weise als durch Einbehalt oder Abzug von zahlbaren Beträgen zu entrichten sind; oder
- (b) wegen einer gegenwärtigen oder früheren persönlichen oder geschäftlichen Beziehung des Anleihegläubigers zu den Niederlanden oder der Bundesrepublik Deutschland zu zahlen sind, und nicht allein deshalb, weil Zahlungen auf die Schuldverschreibungen aus Quellen in den Niederlanden oder der Bundesrepublik Deutschland stammen (oder für Zwecke der Besteuerung so behandelt werden) oder dort besichert sind; oder
- (c) aufgrund der Richtlinie des Europäischen Rats 2003/48/EG oder jeder anderen Richtlinie, die die Schlussfolgerungen des Treffens des ECOFIN-Rates vom 26. - 27. November 2000 betreffend die Besteuerung von Zinserträgen, umsetzt, oder aufgrund einer gesetzlichen Vorschrift, die diese Richtlinie umsetzt oder befolgt oder erlassen wurde, um der Richtlinie zu entsprechen, von Zahlungen an eine natürliche Person oder eine sonstige Einrichtung im Sinne der Richtlinie des Europäischen Rates 2003/48/EG einzubehalten oder abzuziehen sind; oder
- (d) aufgrund einer Rechtsänderung zu zahlen sind, welche später als 30 Tage nach Fälligkeit der betreffenden Zahlung von Kapital oder Zinsen oder, wenn dies später erfolgt, ordnungsgemäßer Bereitstellung aller fälligen Beträge und einer diesbezüglichen Bekanntmachung gemäß § 13 wirksam wird; oder
- (e) von einer Zahlstelle abgezogen oder einbehalten werden, wenn eine andere Zahlstelle die Zahlung ohne einen solchen Abzug oder Einbehalt hätte leisten können.

#### **§ 10**

##### **(Vorlegungsfrist, Verjährung)**

Die Vorlegungsfrist der Schuldverschreibungen wird auf zehn Jahre reduziert. Die Verjährungsfrist für alle Ansprüche (inklusive Ansprüche auf Zinszahlungen und gegebenenfalls Rückzahlung) aus den Schuldverschreibungen, die innerhalb der Vorlegungsfrist zur Zahlung vorgelegt wurden, beträgt zwei Jahre von dem Ende der betreffenden Vorlegungsfrist an.

**§ 11**  
**(Paying and Calculation Agent)**

**(1) Appointment.**

The Issuer has appointed Citibank, N.A., London Branch as principal paying agent with respect to the Notes (the **"Principal Paying Agent"** and, together with any additional paying agent appointed by the Issuer in accordance with § 11(2), the **"Paying Agents"**).

The Issuer has appointed Citibank, N.A., London Branch as calculation agent with respect to the Notes (the **"Calculation Agent"** and, together with the Paying Agents, the **"Agents"**).

The addresses of the specified offices of the Agents are:

*Principal Paying Agent:*

Citibank, N.A., London Branch  
Citigroup Centre  
Canada Square, Canary Wharf  
London E14 5LB  
United Kingdom

*Calculation Agent:*

Citibank, N.A., London Branch  
Citigroup Centre  
Canada Square, Canary Wharf  
London E14 5LB  
United Kingdom

**(2) Variation or Termination of Appointment.**

The Issuer reserves the right at any time to vary or terminate the appointment of any 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 § 13.

**(3) Status of the Agents.**

The Paying Agents and the Calculation Agent act solely as agents of the Issuer and do not assume any obligations towards or relationship of contract, agency or trust for or with any of the Noteholders.

**§ 12**  
**(Further Issues)**

The Issuer may from time to time, without the consent of the Noteholders, create and issue further Notes having the same terms and conditions as the Notes in all respects (except for the first payment of interest) so as to form a single series with the Notes.

**§ 11**  
**(Zahlstellen und Berechnungsstelle)**

**(1) Bestellung.**

Die Emittentin hat Citibank, N.A., London Branch als Hauptzahlstelle in Bezug auf die Schuldverschreibungen (die **"Hauptzahlstelle"** und gemeinsam mit jeder etwaigen von der Emittentin nach § 11(2) bestellten zusätzlichen Zahlstelle, die **"Zahlstellen"**) bestellt.

Die Emittentin hat Citibank, N.A., London Branch als Berechnungsstelle in Bezug auf die Schuldverschreibungen (die **"Berechnungsstelle"** und, gemeinsam mit den Zahlstellen, die **"Verwaltungsstellen"**) bestellt.

Die Geschäftsräume der Verwaltungsstellen befinden sich unter den folgenden Adressen:

*Hauptzahlstelle:*

Citibank, N.A., London Branch  
Citigroup Centre  
Canada Square, Canary Wharf  
London E14 5LB  
Vereinigtes Königreich

*Berechnungsstelle:*

Citibank, N.A., London Branch  
Citigroup Centre  
Canada Square, Canary Wharf  
London E14 5LB  
Vereinigtes Königreich

**(2) Änderung oder Beendigung der Bestellung.**

Die Emittentin behält sich das Recht vor, jederzeit die Benennung einer Zahlstelle zu verändern oder zu beenden und Nachfolger bzw. zusätzliche Zahlstellen zu ernennen. Den Anleihegläubigern werden Änderungen in Bezug auf die Zahlstellen, deren angegebenen Geschäftsstellen umgehend gemäß § 13 bekannt gemacht.

**(3) Status der beauftragten Stellen.**

Die Zahlstellen und die Berechnungsstelle handeln ausschließlich als Vertreter der Emittentin und übernehmen keine Verpflichtungen gegenüber den Anleihegläubigern; es wird kein Vertrags-, Auftrags- oder Treuhandverhältnis zwischen ihnen und den Anleihegläubigern begründet.

**§ 12**  
**(Weitere Emissionen)**

Die Emittentin kann ohne Zustimmung der Anleihegläubiger weitere Schuldverschreibungen begeben, die in jeder Hinsicht (mit Ausnahme der ersten Zinszahlung) die gleichen Bedingungen wie die Schuldverschreibungen haben und die zusammen mit den Schuldverschreibungen eine einzige Anleihe bilden.



**§ 13  
(Notices)**

**(1) Notices Published on [www.bourse.lu](http://www.bourse.lu).**

All notices regarding the Notes will be published (so long as any of the Notes is listed on the Luxembourg Stock Exchange) on the website of the Luxembourg Stock Exchange on [www.bourse.lu](http://www.bourse.lu). Any notice will become effective for all purposes on the date of the first such publication.

**(2) Notices delivered to the Clearing System.**

The Issuer will also be entitled to deliver all notices concerning the Notes to the Clearing System for communication by the Clearing System to the Noteholders. A notice will have been deemed to have been given to Noteholders if such notice is sent to the Clearing Systems for publication to Noteholders.

**§ 14  
(Substitution)**

**(1) Substitution.**

The Issuer may at any time, without the consent of the Noteholders, substitute for itself any majority-owned subsidiary of the Guarantor whose primary purpose is to raise financing for the Guarantor and other group entities as new debtor (the "**New Debtor**") in respect of all obligations arising under or in connection with the Notes, with the effect of releasing the Issuer of all such obligations, if:

- (a) the Issuer is not in default in respect of any amount payable under any of the Notes;
- (b) the New Debtor assumes all obligations of the Issuer in respect of the Notes;
- (c) the New Debtor and the Issuer have obtained all authorizations and approvals necessary for the substitution and the fulfillment of the obligations under or in connection with the Notes;
- (d) the New Debtor has obtained all necessary governmental authorizations and may transfer to the Paying Agent in the currency required hereunder and without being obligated to deduct or withhold any taxes or other duties of whatever nature imposed, levied or deducted by the country (or coun-

**§ 13  
(Bekanntmachungen)**

**(1) Bekanntmachungen auf [www.bourse.lu](http://www.bourse.lu).**

Alle Bekanntmachungen, die die Schuldverschreibungen betreffen, werden (solange einer der Schuldverschreibungen an der Luxemburger Wertpapierbörse notiert ist) auf der Internet-Seite der Luxemburger Börse unter [www.bourse.lu](http://www.bourse.lu) veröffentlicht. Für das Datum und die Rechtswirksamkeit sämtlicher Bekanntmachungen ist die erste Veröffentlichung maßgeblich.

**(2) Mitteilungen, die an das Clearingsystem weitergeleitet werden.**

Die Emittentin ist ferner berechtigt, alle die Schuldverschreibungen betreffenden Mitteilungen an das Clearingsystem zur Weiterleitung an die Anleihegläubiger zu übermitteln. Eine Nachricht gilt als an die Anleihegläubiger übermittelt, wenn sie an die Clearingsysteme zur Veröffentlichung für die Anleihegläubiger gesendet wurde.

**§ 14  
(Ersetzung)**

**(1) Ersetzung.**

Die Emittentin ist jederzeit berechtigt, ohne Zustimmung der Anleihegläubiger eine Tochtergesellschaft im Mehrheitsbesitz der Garantin, deren vorrangiger Zweck die Beschaffung von Kapital für die Garantin und andere Konzerngesellschaften ist, als neue Anleiheschuldnerin für alle sich aus oder im Zusammenhang mit den Schuldverschreibungen ergebenden Verpflichtungen mit Schuld befreiender Wirkung für die Emittentin an die Stelle der Emittentin zu setzen (die „**Neue Anleiheschuldnerin**“), sofern:

- (a) die Emittentin nicht mit irgendwelchen auf die Schuldverschreibungen zahlbaren Beträgen in Verzug ist;
- (b) die Neue Anleiheschuldnerin alle Verpflichtungen der Emittentin in Bezug auf die Schuldverschreibungen übernimmt;
- (c) die Neue Anleiheschuldnerin und die Emittentin sämtliche für die Schuldnerersetzung und die Erfüllung der Verpflichtungen aus oder im Zusammenhang mit den Schuldverschreibungen erforderlichen Genehmigungen und Zustimmungen erhalten hat;
- (d) die Neue Anleiheschuldnerin alle behördlichen Genehmigungen erhalten hat und berechtigt ist, an die Zahlstelle die zur Erfüllung der Zahlungsverpflichtungen auf die Schuldverschreibungen zu zahlenden Beträge in der hierin festgelegten Währung zu zahlen, und

tries) in which the New Debtor has its domicile or tax residence all amounts required for the performance of the payment obligations arising from or in connection with the Notes;

- (e) the New Debtor has agreed to indemnify the Noteholders against such taxes, duties or governmental charges as may be imposed on the Noteholders in connection with the substitution;
- (f) each stock exchange on which the Notes are listed shall have confirmed that, following the proposed substitution of the New Debtor, such Notes will continue to be listed on such stock exchange; and
- (g) no event would occur as a result of the substitution that would give rise to the right of the New Debtor to call the Notes for redemption pursuant to § 7(4).

## **(2) References.**

In the event of a substitution pursuant to subsection (1), any reference in these Terms and Conditions to the Issuer will be a reference to the New Debtor and any reference to the Netherlands will be a reference to the New Debtor's country (countries) of domicile for tax purposes.

## **(3) Notice and Effectiveness of Substitution.**

Notice of any substitution of the Issuer will be given by publication in accordance with § 13. Upon such publication, the substitution will become effective, and the Issuer and in the event of a repeated application of this § 14, any previous New Debtor will be discharged from any and all obligations under the Notes.

### **§ 15 (Enforcement)**

- (1) If the Issuer fails to pay any interest or principal on the Notes when due, each Noteholder may institute legal proceedings to enforce payment of the amounts due or file an application for the institution of insolvency proceedings for the assets of the Issuer.
- (2) Any Noteholder may, by written notice addressed to the Issuer and the Principal Paying Agent, declare its Notes due and payable,

zwar ohne Abzug oder Einbehalt von Steuern oder sonstigen Abgaben jedweder Art, die von dem Land (oder den Ländern), in dem (in denen) die Neue Anleiheschuldnerin ihren Sitz oder Steuersitz hat, auferlegt, erhoben oder eingezogen werden;

- (e) die Neue Anleiheschuldnerin sich verpflichtet hat, die Anleihegläubiger hinsichtlich solcher Steuern, Abgaben oder behördlicher Gebühren freizustellen, die den Anleihegläubigern bezüglich der Ersetzung auferlegt werden;
- (f) jede Wertpapierbörse, an der die Schuldverschreibungen zugelassen sind, bestätigt hat, dass nach der vorgesehenen Ersetzung durch die Neue Anleiheschuldnerin diese Schuldverschreibungen weiterhin an dieser Wertpapierbörse zugelassen sind; und
- (g) aufgrund der Ersetzung kein Ereignis eintreten würde, welches die Neue Anleiheschuldnerin dazu berechtigen würde, die Schuldverschreibungen gemäß § 7(4) zu kündigen und zurückzuzahlen.

## **(2) Bezugnahmen.**

Im Fall einer Schuldnerersetzung gemäß Absatz (1) gilt jede Bezugnahme in diesen Anleihebedingungen auf die Emittentin als eine solche auf die Neue Anleiheschuldnerin und jede Bezugnahme auf die Niederlande als eine solche auf den Staat (die Staaten), in welchem die Neue Anleiheschuldnerin steuerlich ansässig ist.

## **(3) Bekanntmachung und Wirksamwerden der Ersetzung.**

Die Ersetzung der Emittentin ist gemäß § 13 bekannt zu machen. Mit der Bekanntmachung der Ersetzung wird die Ersetzung wirksam und die Emittentin und, im Falle einer wiederholten Anwendung dieses § 14, jede frühere Neue Anleiheschuldnerin von ihren sämtlichen Verbindlichkeiten aus den Schuldverschreibungen frei.

### **§ 15 (Durchsetzung)**

- (1) Falls die Emittentin Zinsen oder Kapital auf die Schuldverschreibungen bei Fälligkeit nicht oder nicht rechtzeitig zahlt, ist jeder Anleihegläubiger berechtigt, rechtliche Schritte zur Durchsetzung der fälligen Beträge einzuleiten oder einen Antrag auf Eröffnung eines Insolvenzverfahrens über das Vermögen der Emittentin zu stellen.
- (2) Jeder Anleihegläubiger ist berechtigt, seine Schuldverschreibungen durch schriftliche Mitteilung gegenüber der Emittentin und der

whereupon such Notes shall become immediately due and payable at their Principal Amount plus any interest accrued on such Notes to but excluding the date of redemption but yet unpaid and, for the avoidance of doubt, any Arrears of Interest due to be paid pursuant to § 6(3) without further action or formality, if an order is made for the winding up, dissolution or liquidation of the Issuer (other than for the purposes of or pursuant to an amalgamation, reorganization or restructuring whilst solvent, where the continuing entity assumes substantially all of the assets and obligations of the Issuer).

- (3) There is no cross default under the Notes.

#### § 16

##### **(Amendments to the Terms and Conditions by resolution of the Noteholders; Joint Representative)**

- (1) The Issuer may amend the Terms and Conditions with the consent of a majority resolution of the Noteholders pursuant to §§ 5 et seq. of the German Act on Issues of Debt Securities (*Gesetz über Schuldverschreibungen aus Gesamtemissionen*) (*Schuldverschreibungsgesetz - SchVG*), as amended from time to time (the "**SchVG**"). In particular, the Noteholders may consent to amendments which materially change the substance of the Terms and Conditions, including such measures as provided for under § 5(3) of the SchVG, but excluding a substitution of the Issuer, which is exclusively subject to the provisions in § 12, by resolutions passed by such majority of the votes of the Noteholders as stated under § 14(2) below. A duly passed majority resolution will be binding upon all Noteholders.
- (2) Except as provided by the following sentence and provided that the quorum requirements are being met, the Noteholders may pass resolutions by simple majority of the voting rights participating in the vote. Resolutions which materially change the substance of the Terms and Conditions, in particular in the cases of § 5(3) numbers 1 through 9 of the SchVG, may only be passed by a majority of at least 75 per cent. of the voting rights participating in the vote (a "**Qualified Majority**"). The voting right is suspended as long as any Notes are attributable to the Issuer or any of its affiliates (within the meaning of § 271(2) of the German Commercial Code (*Handelsgesetzbuch*)) or are being held for the account of the Issuer or any of its affiliates.

Hauptzahlstelle zur Rückzahlung fällig zu stellen, woraufhin diese Schuldverschreibungen sofort zum Nennbetrag zuzüglich der bis zum Tag der Rückzahlung in Bezug auf die Schuldverschreibungen aufgelaufenen, aber noch nicht bezahlten Zinsen sowie, zur Klarstellung, sämtlicher gemäß § 6(3) zur Nachzahlung fälligen Aufgeschobenen Zinszahlungen ohne weitere Handlungen oder Formalitäten fällig werden, falls eine Anordnung zur Abwicklung, Auflösung oder Liquidation der Emittentin ergeht (sofern dies nicht für die Zwecke oder als Folge eines Zusammenschlusses, einer Umstrukturierung oder Sanierung geschieht, bei dem bzw. Bei der die Emittentin noch zahlungsfähig ist und bei dem bzw. Bei der die fortführende Gesellschaft im Wesentlichen alle Vermögenswerte und Verpflichtungen der Emittentin übernimmt).

- (3) Die Schuldverschreibungen sehen keinen Drittverzug vor.

#### § 16

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

- (1) Die Emittentin kann die Anleihebedingungen mit Zustimmung aufgrund Mehrheitsbeschlusses der Anleihegläubiger nach Maßgabe der §§ 5 ff. des Gesetzes über Schuldverschreibungen aus Gesamtemissionen (*Schuldverschreibungsgesetz - SchVG*) in seiner jeweiligen gültigen Fassung (das „SchVG“) ändern. Die Anleihegläubiger können insbesondere einer Änderung wesentlicher Inhalte der Anleihebedingungen, einschließlich der in § 5 Absatz 3 SchVG vorgesehenen Maßnahmen mit Ausnahme der Ersetzung der Emittentin, die in § 12 abschließend geregelt ist, mit den in dem nachstehenden § 14(2) genannten Mehrheiten zustimmen. Ein ordnungsgemäß gefasster Mehrheitsbeschluss ist für alle Anleihegläubiger verbindlich.
- (2) Vorbehaltlich des nachstehenden Satzes und der Erreichung der erforderlichen Beschlussfähigkeit, beschließen die Anleihegläubiger mit der einfachen Mehrheit der an der Abstimmung teilnehmenden Stimmrechte. Beschlüsse, durch welche der wesentliche Inhalt der Anleihebedingungen, insbesondere in den Fällen des § 5 Absatz 3 Nummer 1 bis 9 SchVG, geändert wird, bedürfen zu ihrer Wirksamkeit einer Mehrheit von mindestens 75 % der an der Abstimmung teilnehmenden Stimmrechte (eine „Qualifizierte Mehrheit“). Das Stimmrecht ruht, solange die Schuldverschreibungen der Emittentin oder einem mit ihr verbundenen Unternehmen (§ 271 Absatz 2 HGB) zustehen

- oder für Rechnung der Emittentin oder eines mit ihr verbundenen Unternehmens gehalten werden.
- (3) Resolutions of the Noteholders will be made either in a Noteholders' meeting in accordance with § 14(3)(a) or by means of a vote without a meeting (*Abstimmung ohne Versammlung*) in accordance with § 14(3)(b), in either case convened by the Issuer or a joint representative, if any. Pursuant to § 9(1) sentence 2 of the SchVG, Noteholders holding Notes in the total amount of 5 per cent. of the outstanding principal amount of the Notes may in writing request to convene a Noteholders' meeting or vote without a meeting for any of the reasons permitted pursuant to § 9(1) sentence 2 of the SchVG.
- (a) Resolutions of the Noteholders in a Noteholders' meeting will be made in accordance with § 9 et seq. of the SchVG. The convening notice of a Noteholders' meeting will provide the further details relating to the resolutions and the voting procedure. The subject matter of the vote as well as the proposed resolutions will be notified to the Noteholders in the agenda of the meeting. The attendance at the Noteholders' meeting or the exercise of voting rights requires a registration of the Noteholders prior to the meeting.
- (b) Resolutions of the Noteholders by means of a voting not requiring a physical meeting (*Abstimmung ohne Versammlung*) will be made in accordance with § 18 of the SchVG. The request for voting as submitted by the chairman (*Abstimmungsleiter*) will provide the further details relating to the resolutions and the voting procedure. The subject matter of the vote as well as the proposed resolutions will be notified to Noteholders together with the request for voting.
- (4) The exercise of voting rights is subject to the registration of the Noteholders. 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, Noteholders must demonstrate their eligibility to participate in the vote by means of a special confirmation of its custodian bank hereof in text form and by submission of a blocking instruction by the custodian bank stating that the relevant Notes are not transferable from and including the day such registration has been sent until and including the day the voting period ends.
- (3) Beschlüsse der Anleihegläubiger werden entweder in einer Gläubigerversammlung nach § 14(3)(a) oder im Wege der Abstimmung ohne Versammlung nach § 14(3)(b) getroffen, die von der Emittentin oder einem gemeinsamen Vertreter einberufen wird. Gemäß § 9 Absatz 1 S. 2 SchVG können Anleihegläubiger, deren Schuldverschreibungen zusammen 5% des jeweils ausstehenden Gesamtnennbetrags der Schuldverschreibungen erreichen, schriftlich die Durchführung einer Anleihegläubigerversammlung oder Abstimmung ohne Versammlung mit einer gemäß § 9 Absatz 1 S. 2 SchVG zulässigen Begründung verlangen.
- (a) Beschlüsse der Anleihegläubiger im Rahmen einer Gläubigerversammlung werden nach §§ 9 ff. SchVG getroffen. Die Einberufung der Gläubigerversammlung regelt die weiteren Einzelheiten der Beschlussfassung und der Abstimmung. Mit der Einberufung der Gläubigerversammlung werden in der Tagesordnung die Beschlussgegenstände sowie die Vorschläge zur Beschlussfassung den Anleihegläubigern bekannt gegeben. Für die Teilnahme an der Gläubigerversammlung oder die Ausübung der Stimmrechte ist eine Anmeldung der Anleihegläubiger vor der Versammlung erforderlich.
- (b) Beschlüsse der Anleihegläubiger im Wege der Abstimmung ohne Versammlung werden nach § 18 SchVG getroffen. Die Aufforderung zur Stimmabgabe durch den Abstimmungsleiter regelt die weiteren Einzelheiten der Beschlussfassung und der Abstimmung. Mit der Aufforderung zur Stimmabgabe werden die Beschlussgegenstände sowie die Vorschläge zur Beschlussfassung den Anleihegläubigern bekannt gegeben.
- (4) Die Stimmrechtsausübung ist von einer vorherigen Anmeldung der Anleihegläubiger abhängig. Die Anmeldung muss bis zum dritten Tag vor dem Beginn des Abstimmungszeitraums unter der in der Aufforderung zur Stimmabgabe angegebenen Anschrift zugehen. Zusammen mit der Anmeldung müssen Anleihegläubiger den Nachweis ihrer Berechtigung zur Teilnahme an der Abstimmung durch eine besondere Bescheinigung seiner Depotbank in Textform und die Vorlage eines Sperrvermerks der Depotbank erbringen, aus dem hervorgeht, dass die relevanten Schuldverschreibungen

- (5) If it is ascertained that no quorum exists for the vote without meeting pursuant to § 14(3)(b), the chairman (*Abstimmungsleiter*) may convene a meeting, which shall be deemed to be a second meeting within the meaning of § 15(3) sentence 3 of the SchVG. Attendance at the second meeting and exercise of voting rights is subject to the registration of the Noteholders. The registration must be received at the address stated in the convening notice no later than the third day preceding the second Noteholders' meeting. Noteholders must demonstrate their eligibility to participate in the vote by means of a special confirmation of its custodian bank hereof in text form and by submission of a blocking instruction by the custodian bank stating that the relevant Notes are not transferable from and including the day such registration has been sent until and including the stated end of the meeting.
- (6) The Noteholders may by majority resolution provide for the appointment or dismissal of a joint representative, the duties and responsibilities and the powers of such joint representative, the transfer of the rights of the Noteholders to the joint representative and a limitation of liability of the joint representative. Appointment of a joint representative may only be passed by a Qualified Majority if such joint representative is to be authorised to consent to a material change in the substance of the Terms and Conditions in accordance with § 14(1) hereof,
- (7) Any notices concerning this § 14 will be made in accordance with § 5 et seq. of the SchVG and § 13.

## **§ 17** **(Final Provisions)**

### **(1) Applicable Law.**

The Notes are governed by, and construed in accordance with, the laws of the Federal Republic of Germany.

### **(2) Place of Jurisdiction.**

To the extent legally permissible, exclusive place of jurisdiction for all proceedings arising from matters

für den Zeitraum vom Tag der Absendung der Anmeldung (einschließlich) bis dem Ende des Abstimmungszeitraums (einschließlich) nicht übertragen werden können.

- (5) Wird die Beschlussfähigkeit bei der Abstimmung ohne Versammlung nach § 14(3)(b) nicht festgestellt, kann der Abstimmungsleiter eine Gläubigerversammlung einberufen, welche als zweite Gläubigerversammlung im Sinne des § 15(3) Satz 3 SchVG gilt. Die Teilnahme an der zweiten Gläubigerversammlung und die Stimmrechtsausübung sind von einer vorherigen Anmeldung der Anleihegläubiger abhängig. Die Anmeldung muss bis zum dritten Tag vor der zweiten Gläubigerversammlung unter der in der Einberufung angegebenen Anschrift zugehen. Zusammen mit der Anmeldung müssen Anleihegläubiger den Nachweis ihrer Berechtigung zur Teilnahme an der Abstimmung durch eine besondere Bescheinigung seiner Depotbank in Textform und die Vorlage eines Sperrvermerks der Depotbank erbringen, aus dem hervorgeht, dass die relevanten Schuldverschreibungen für den Zeitraum vom Tag der Absendung der Anmeldung (einschließlich) bis zum angegebenen Ende der Versammlung (einschließlich) nicht übertragen werden können.
- (6) Die Anleihegläubiger können durch Mehrheitsbeschluss die Bestellung und Abberufung eines gemeinsamen Vertreters, die Aufgaben und Befugnisse des gemeinsamen Vertreters, die Übertragung von Rechten der Anleihegläubiger auf den gemeinsamen Vertreter und eine Beschränkung der Haftung des gemeinsamen Vertreters bestimmen. Die Bestellung eines gemeinsamen Vertreters bedarf einer Qualifizierten Mehrheit, wenn er ermächtigt wird, wesentlichen Änderungen der Anleihebedingungen gemäß § 14(1) zuzustimmen.
- (7) Bekanntmachungen betreffend diesen § 14 erfolgen gemäß den §§ 5ff. SchVG sowie nach § 13.

## **§ 17** **(Schlussbestimmungen)**

### **(1) Anzuwendendes Recht.**

Form und Inhalt der Schuldverschreibungen bestimmen sich nach dem Recht der Bundesrepublik Deutschland.

### **(2) Gerichtsstand.**

Ausschließlicher Gerichtsstand für alle Rechtsstreitigkeiten aus den in diesen Anleihebe-



provided for in these Terms and Conditions will be Frankfurt am Main, Federal Republic of Germany. The Issuer irrevocably waives any objection which it might now or hereafter have to the courts of Frankfurt am Main being nominated as the forum to hear and determine any proceedings and to settle any disputes, and agrees not to claim that any of those courts is not a convenient or appropriate forum.

The local court (*Amtsgericht*) of Frankfurt will have jurisdiction for all judgments pursuant to § 9(2), § 13(3) and § 18(2) SchVG in accordance with § 9(3) SchVG. The regional court (*Landgericht*) of Frankfurt am Main will have exclusive jurisdiction for all judgments over contested resolutions by Noteholders in accordance with § 20(3) SchVG.

### (3) **Place of Performance.**

Place of performance will be Frankfurt am Main, Federal Republic of Germany.

### (4) **Enforcement of Rights.**

Any Noteholder may in any proceedings against the Issuer or to which the Noteholder and the Issuer are parties protect and enforce in his own name his rights arising under his Notes on the basis of:

- (a) a certificate issued by his Custodian (A) stating the full name and address of the Noteholder, (B) specifying an aggregate Principal Amount of Notes credited on the date of such statement to such Noteholder's securities account(s) maintained with his Custodian and (C) confirming that his Custodian has given a written notice to the Clearing System and the Principal Paying Agent containing the information specified in (A) and (B) and bearing acknowledgements of the Clearing System and the relevant account holder in the Clearing System and
- (b) a copy of the Global Notes relating to the Notes, certified as being true copies by a duly authorised officer of the Clearing System or the Principal Paying Agent; or
- (c) any other means of evidence permitted in legal proceedings in the country of enforcement.

**"Custodian"** means any bank or other financial institution with which the Noteholder maintains a securities account in respect of any Notes and having an account maintained with the Clearing System, including the Clearing System.

dingungen geregelten Angelegenheiten ist, soweit gesetzlich zulässig, Frankfurt am Main, Bundesrepublik Deutschland. Die Emittentin verzichtet unwiderruflich darauf, gegenwärtig oder zukünftig gegen die Gerichte in Frankfurt am Main als Forum für Rechtsstreitigkeiten Einwände zu erheben, und versichert, keines der Gerichte in Frankfurt am Main als ungelegenes oder unangemessenes Forum zu bezeichnen.

Für Entscheidungen gemäß § 9 Absatz 2, § 13 Absatz 3 und § 18 Absatz 2 SchVG ist gemäß § 9 Absatz 3 SchVG das Amtsgericht Frankfurt am Main zuständig. Für Entscheidungen über die Anfechtung von Beschlüssen der Anleihegläubiger ist gemäß § 20 Absatz 3 SchVG das Landgericht Frankfurt am Main ausschließlich zuständig.

### (3) **Erfüllungsort.**

Erfüllungsort ist Frankfurt am Main, Bundesrepublik Deutschland.

### (4) **Geltendmachung von Rechten.**

Jeder Anleihegläubiger ist berechtigt, in jedem Rechtsstreit gegen die Emittentin oder in jedem Rechtsstreit, in dem der Anleihegläubiger und die Emittentin Partei sind, seine Rechte aus diesen Schuldverschreibungen im eigenen Namen geltend zu machen gegen Vorlage:

- (a) einer Bescheinigung der Depotbank, die (A) den vollen Namen und die volle Anschrift des Anleihegläubigers bezeichnet, (B) den gesamten Nennbetrag von Schuldverschreibungen angibt, die am Ausstellungstag dieser Bescheinigung den bei dieser Depotbank bestehenden Depots dieses Anleihegläubigers gutgeschrieben sind und (C) bestätigt, dass die Depotbank dem Clearingsystem und der Hauptzahlstelle eine schriftliche Mitteilung gemacht hat, die die Angaben gemäß (A) und (B) enthält und Bestätigungsvermerke des Clearingsystems sowie des betroffenen Kontoinhabers bei dem Clearingsystem trägt sowie
- (b) einer von einem Vertretungsberechtigten des Clearingsystems oder der Hauptzahlstelle beglaubigten Ablichtung der Globalurkunden; oder
- (c) eines anderen, in Rechtsstreitigkeiten in dem Land der Geltendmachung zulässigen Beweismittels.

**„Depotbank“** bezeichnet ein Bank- oder sonstiges Finanzinstitut, bei dem der Anleihegläubiger Schuldverschreibungen im Depot verwahren lässt und das ein Konto bei dem Clearingsystem hat, einschließlich des Clearingsystems.



**§ 18**  
**(Language)**

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

**Restrictions regarding the Redemption and Repurchase of the Notes**

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

*The Issuer intends (without thereby assuming a legal or contractual obligation) that it will redeem or repurchase the Notes only to the extent they are replaced with instruments with equivalent S&P equity credit. Such replacement would be provided during the 360-day period prior to the date of such redemption or repurchase. The net proceeds received by the Issuer, the Guarantor or subsidiary of the Guarantor from the sale to third party purchasers of securities which are assigned an S&P equity credit that is at least equal to the initial equity credit of the Notes will count as replacement.*

*The following exceptions apply as to the Issuer's replacement intention. The Notes are not required to be replaced:*

- (i) if the rating assigned by S&P to the Issuer or the Guarantor is at least A- and the Issuer or the Guarantor (as applicable) is comfortable that such rating would not fall below this level as a result of such redemption or repurchase, or*
- (ii) in the case of repurchase of less than (x) 10 per cent of the aggregate principal amount of the Notes originally issued in any period of 12 consecutive months or (y) 25 per cent of the aggregate principal amount of the Notes originally issued in any period of 10 consecutive years is repurchased, or*
- (iii) if the Notes are redeemed pursuant to a Rating Event (to the extent it is triggered by a change of methodology at S&P), an Accounting Event, a Tax Deductibility Event or a Gross-Up Event, or*
- (iv) if the Notes are not assigned an "equity credit" (or such similar nomenclature then used by S&P at the time of such redemption or repurchase), or*
- (v) if such redemption or repurchase occurs on or after March 24, 2046.*

**§ 18**  
**(Sprache)**

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

**Beschränkungen bezüglich der Rückzahlung und des Rückkaufs der Schuldverschreibungen.**

*Der folgende Absatz in Kursivschrift ist nicht Bestandteil der Anleihebedingungen.*

*Die Emittentin beabsichtigt (ohne dadurch eine Rechtspflicht zu übernehmen) die Schuldverschreibungen nur zurückzuzahlen oder zurückzukaufen, soweit sie durch Instrumente mit gleichwertiger S&P Eigenkapitalanrechnung ersetzt werden. Ein solcher Ersatz würde innerhalb von 360 Tagen vor dem Tag der Rückzahlung oder des Rückkaufs geschaffen werden. Als Ersatz gelten die Nettoerlöse, die die Emittentin, die Garantin oder eine Tochtergesellschaft der Garantin aus dem Verkauf an Dritte von Wertpapieren erhält, die eine S&P Eigenkapitalanrechnung haben, die mindestens so hoch ist wie die ursprüngliche S&P Eigenkapitalanrechnung der Schuldverschreibungen.*

*Es gelten jedoch folgende Ausnahmen in Bezug auf die Absicht der Emittentin. Es muss nicht für Ersatz gesorgt werden:*

- (i) wenn das der Emittentin oder der Garantin durch S&P erteilte Rating mindestens A- beträgt und die Emittentin oder die Garantin (je nach Fall) sich sicher ist, dass ein solches Rating infolge der Rückzahlung oder des Rückkaufs nicht unter diesen Wert fallen würde oder*
- (ii) im Fall eines Rückkaufs von Schuldverschreibungen in Höhe von weniger als (x) 10% des ursprünglich ausgegebenen Gesamtnennbetrags der Schuldverschreibungen während einer Frist von 12 aufeinander folgenden Monaten oder (y) 25% des ursprünglich ausgegebenen Gesamtnennbetrags der Schuldverschreibungen während einer Frist von 10 aufeinander folgenden Jahren oder*
- (iii) im Fall der Rückzahlung der Schuldverschreibungen gemäß einem Ratingereignis (sofern es durch eine Änderung von S&P Methodologie verursacht wurde), einem Rechnungslegungsergebnis, einem Steuerereignis oder einem Gross-Up Ereignis erfolgt oder*
- (iv) wenn die Schuldverschreibungen keine Eigenkapitalanrechnung (oder eine solche von S&P zum Zeitpunkt der Rückzahlung oder des Rückkaufs dann verwendete gleichartige Klassifikation) aufweisen oder*
- (v) wenn die Rückzahlung oder der Rückkauf am oder nach dem 24. März 2046 erfolgt.*

## GUARANTEE FOR THE NC7 NOTES

### GUARANTEE

of

**Volkswagen AG**  
(Wolfsburg, Germany)  
(the "**Guarantor**")

for the benefit of the Noteholders of the EUR 1,250,000,000 guaranteed undated unsecured subordinated Notes with a first call date after 7 years (the "**Notes**"), divided into notes in bearer form with a principal amount of EUR 1,000 each, which rank *pari passu* among themselves, issued by

**Volkswagen International Finance N.V.**  
(incorporated as a limited liability company under the laws of The Netherlands)  
(the "**Issuer**")

ISIN XS1048428012.

### WHEREAS:

- (A) The Guarantor intends to guarantee on a subordinated basis the due and punctual payment of any amounts payable by the Issuer in accordance with the terms and conditions of the Notes (the "**Terms and Conditions**").
- (B) The intent and purpose of this Guarantee is to ensure that the Noteholders under any and all circumstances, whether factual or legal, and irrespective of validity or enforceability of the obligations of the Issuer under the Notes, or any other reasons on the basis of which the Issuer may fail to fulfil its obligations, receive on the respective due date any and all sums payable in accordance with the Terms and Conditions.

### IT IS AGREED AS FOLLOWS:

#### 1. Definitions

Terms used in this Guarantee and not otherwise defined herein will have the meaning attributed to them in the Terms and Conditions.

#### 2. Guarantee

- (a) The Guarantor unconditionally and irrevocably guarantees towards Citibank N.A. (the "**Principal Paying Agent**") for the benefit of each holder (each a "**Noteholder**") of each Note (which expression will include any Global Note representing the Notes), the due payment of all amounts which are payable by the Issuer in accordance with the Terms and Conditions, as and when the same will become due.

### GARANTIE

der

**Volkswagen AG**  
(Wolfsburg, Deutschland)  
(die "**Garantin**")

zugunsten der Anleihegläubiger der EUR 1.250.000.000 garantierten, unbefristeten, nicht besicherten nachrangigen Schuldverschreibungen, kündbar nach 7 Jahren (die "**Schuldverschreibungen**"), eingeteilt in untereinander gleichberechtigte, auf den Inhaber lautende Schuldverschreibungen im Nennbetrag von je EUR 1.000, die von der

**Volkswagen International Finance N.V.**  
(einer mit beschränkter Haftung nach dem Recht der Niederlande errichteten Gesellschaft)  
(die "**Emittentin**")

begeben worden sind, ISIN XS1048428012.

### VORBEMERKUNG:

- (A) Die Garantin beabsichtigt die ordnungsgemäße Zahlung von allen Beträgen, die nach Maßgabe der Emissionsbedingungen (die "**Emissionsbedingungen**") der von der Emittentin begebenen Schuldverschreibungen zu zahlen sind, auf nachrangiger Basis zu garantieren.
- (B) Es ist Sinn und Zweck dieser Garantie, sicherzustellen, dass die Anleihegläubiger unter allen tatsächlichen und rechtlichen Umständen und unabhängig von Wirksamkeit und Durchsetzbarkeit der Verpflichtungen der Emittentin aus den Schuldverschreibungen und unabhängig von sonstigen Gründen, aufgrund derer die Emittentin ihre Verpflichtungen nicht erfüllt, bei Fälligkeit alle nach Maßgabe der Emissionsbedingungen zu zahlenden Beträge erhalten.

### ES WIRD FOLGENDES VEREINBART:

#### 1. Definitionen

Die in dieser Garantie verwendeten und nicht anders definierten Begriffe haben die ihnen in den Emissionsbedingungen zugewiesene Bedeutung.

#### 2. Garantie

- (a) Die Garantin übernimmt gegenüber Citibank N.A. (die "**Hauptzahlstelle**") zugunsten jedes Anleihegläubigers (jeweils ein "**Anleihegläubiger**") der Schuldverschreibungen (wobei dieser Begriff jede Globalurkunde, welche die Schuldverschreibungen verbrieft, einschließt), die unbedingte und unwiderrufliche Garantie für die ordnungsgemäße Zahlung aller gemäß den Emissionsbedingungen von der Emittentin zu zahlenden Beträge bei Fälligkeit.

- (b) The obligations of the Guarantor under the Guarantee rank:
- (i) senior only to the Junior Obligations of the Guarantor,
  - (ii) *pari passu* with any other present and future Parity Obligations of the Guarantor, and
  - (iii) junior to the Guarantor's unsubordinated obligations, contractually and statutorily subordinated obligations except as expressly provided for otherwise by the terms of the relevant obligation, and subordinated obligations required to be preferred by law.

**"Junior Obligations of the Guarantor"** means

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

**"Parity Obligations of the Guarantor"** means

any present or future obligation which (i) is issued by the Guarantor and the obligations under which rank or are expressed to rank *pari passu* with the Guarantor's obligations under the Guarantee, or (ii) benefits from a guarantee or support agreement that ranks or is expressed to rank *pari passu* with its obligations under the Guarantee. For the avoidance of doubt, Parity Obligations of the Guarantor include its obligations under the guarantees for the Issuer's undated unsecured subordinated notes with a first call date after 12 years, ISIN XS1048428442, its obligations under the guarantee for the Issuer's undated unsecured subordinated notes with a first call date in 2018, ISIN XS0968913268, its obligations under the guarantee for the Issuer's undated unsecured subordinated notes with a first call date in 2023, ISIN XS0968913342, and its obligations under the guarantee for the Issuer's mandatory convertible notes due 2015, ISIN DE000A1HCC91 and ISIN DE000A1HCC83.

- (b) Die Verbindlichkeiten der Garantin unter der Garantie:

- (i) gehen nur Nachrangigen Verbindlichkeiten der Garantin im Rang vor,
- (ii) stehen gleich im Rang untereinander und mit jeder Gleichrangigen Verbindlichkeit der Garantin, und
- (iii) gehen allen anderen nicht nachrangigen Verbindlichkeiten der Garantin, gesetzlich nachrangigen und vertraglich nachrangigen Verbindlichkeiten, außer wenn in den Bedingungen der betreffenden Verbindlichkeit etwas anderes geregelt sein sollte, und nachrangigen Verbindlichkeiten, die durch Gesetz vorrangig sein müssen, im Rang nach.

**„Nachrangige Verbindlichkeiten der Garantin“** bezeichnet

(i) die Stammaktien und die Vorzugsaktien der Garantin, (ii) jede gegenwärtige oder zukünftige Aktie einer anderen Gattung von Aktien der Garantin, (iii) jedes andere gegenwärtige oder zukünftige Wertpapier, Namenswertpapier oder jedes andere Instrument, das von der Garantin begeben ist und bei dem die daraus folgenden Verbindlichkeiten der Garantin mit den Stammaktien oder den Vorzugsaktien der Garantin gleichrangig vereinbart sind und (iv) jedes gegenwärtige oder zukünftige Wertpapier, Namenswertpapier oder jedes andere Instrument, das von einer Tochtergesellschaft der Garantin begeben und von der Garantin dergestalt garantiert ist oder für das die Garantin dergestalt die Haftung übernommen hat, dass die betreffenden Verbindlichkeiten der Garantin aus der maßgeblichen Garantie oder Haftungsübernahme mit den unter (i), (ii) und (iii) genannten Instrumenten gleichrangig oder als gleichrangig vereinbart sind.

**„Gleichrangige Verbindlichkeiten der Garantin“** bezeichnet

jede bestehende und zukünftige Verbindlichkeit, die (i) von der Garantin begeben wurde und die gleichrangig im Verhältnis zu den Verbindlichkeiten der Garantin aus der Garantie ist oder ausdrücklich als gleichrangig vereinbart ist oder die (ii) von einer Garantie oder Haftungsübernahme profitiert, bei der die Verbindlichkeiten der Garantin aus der betreffenden Garantie oder Haftungsübernahme mit den Verbindlichkeiten der Garantin aus der Garantie gleichrangig oder als gleichrangig vereinbart sind. Gleichrangige Verbindlichkeiten der Garantin sind, unter anderem, ihre Verbindlichkeiten aus der Garantie für die nicht besicherten nachrangigen Schuldverschreibungen der Emittentin ohne feste Laufzeit kündbar nach 12 Jahren, ISIN XS1048428442, ihre Verbindlichkeiten aus der Garantie für die nicht besicherten nachrangigen Schuldverschreibungen der Emittentin ohne feste Laufzeit erstmals

kündbar in 2018, ISIN XS0968913268, ihre Verbindlichkeiten aus der Garantie für die nicht besicherten nachrangigen Schuldverschreibungen der Emittentin ohne feste Laufzeit erstmals kündbar in 2023, ISIN XS0968913342, und ihre Verbindlichkeiten aus der Garantie für die Pflichtwandelanleihe der Emittentin fällig 2015, ISIN DE000A1HCC91 und ISIN DE000A1HCC83.

**“Subsidiary of the Guarantor”** means any corporation, partnership or other enterprise in which the Guarantor directly or indirectly holds in the aggregate more than 50 per cent. of the capital or the voting rights.

**„Tochtergesellschaft der Garantin“** bezeichnet jede Gesellschaft, Personengesellschaft und jedes sonstige Unternehmen oder jede andere Person an der bzw. dem die Garantin direkt oder indirekt insgesamt mehr als 50 % des Kapitals oder der Stimmrechte hält.

- (c) In the event of liquidation, dissolution, insolvency, composition or other proceedings for the avoidance of insolvency of, or against the Guarantor, the claims of the Noteholders under the Guarantee will be satisfied after (but only after) the obligations of the Guarantor that rank senior to the Notes. In any such event, Noteholders will not receive any amounts payable in respect of the Guarantee until the claims of all obligations of the Guarantor that rank senior to the Notes have first been satisfied in full.

- (c) Im Fall der Liquidation, der Auflösung oder der Insolvenz der Garantin oder eines Vergleichs oder eines anderen der Abwendung der Insolvenz dienenden Verfahrens gegen die Garantin werden die Ansprüche der Anleihegläubiger aus der Garantie erst nach den Ansprüchen der Inhaber aller anderen gegenüber den Schuldverschreibungen vorrangigen Verbindlichkeiten der Garantin bedient. In einem solchen Fall werden die Anleihegläubiger keine Zahlungen auf die Garantie erhalten, bis alle Ansprüche aus den gegenüber den Schuldverschreibungen vorrangigen Verbindlichkeiten der Garantin vollständig bedient sind.

No Noteholder may set off any claims arising under the Guarantee against claims that the Guarantor may have against it. The Guarantor may not set off any claims it may have against any Noteholder against any of its obligations under the Guarantee.

Die Anleihegläubiger sind nicht berechtigt, Forderungen aus der Garantie mit etwaigen gegen sie gerichteten Forderungen der Garantin aufzurechnen. Die Garantin ist nicht berechtigt, Forderungen gegenüber Anleihegläubigern mit den Verpflichtungen aus der Garantie aufzurechnen.

- (d) The obligations of the Guarantor under this guarantee (i) will be separate and independent from the obligations of the Issuer under the Notes, (ii) will exist irrespective of the legality, validity and binding effect or enforceability of the Notes, and (iii) will not be affected by any event, condition or circumstance of whatever nature, whether factual or legal, save the full, definitive and irrevocable satisfaction of any and all payment obligations expressed to be assumed under the Notes.

- (d) Die Verpflichtungen der Garantin aus dieser Garantie (i) sind selbständig und unabhängig von den Verpflichtungen der Emittentin aus den Schuldverschreibungen, (ii) bestehen unabhängig von der Rechtmäßigkeit, Gültigkeit, Verbindlichkeit oder Durchsetzbarkeit der Schuldverschreibungen und (iii) werden nicht durch Ereignisse, Bedingungen oder Umstände tatsächlicher oder rechtlicher Art berührt, außer durch die vollständige, endgültige und unwiderrufliche Erfüllung sämtlicher in den Schuldverschreibungen eingegangenen Zahlungsverpflichtungen.

- (e) In the event of a substitution of the Issuer by a New Debtor pursuant to § 14 of the Terms and Conditions, this Guarantee will extend to any and all amounts payable by the New Debtor pursuant to the Terms and Conditions. The foregoing will also apply if the New Debtor will have assumed the obligations arising under the Notes directly from the Guarantor.

- (e) Im Falle einer Ersetzung der Emittentin durch eine Neue Anleiheschuldnerin gemäß § 14 der Emissionsbedingungen erstreckt sich diese Garantie auf sämtliche von der Neuen Anleiheschuldnerin gemäß den Emissionsbedingungen zu zahlenden Beträge. Dies gilt auch dann, wenn die Neue Anleiheschuldnerin die Verpflichtungen aus den Schuldverschreibungen unmittelbar von der Garantin übernommen hat.

- (f) The Guarantor will make all payments in respect of the Notes and the Guarantee without deduction of taxes or other duties which the Guarantor would be required by law to deduct under the law applicable on March 24, 2014.

All payments of principal and interest in respect of the Notes by the Guarantor under the Guarantee will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of The Netherlands or the Federal Republic of Germany or, in each case, any authority therein or thereof having power to tax, unless the Guarantor is required by law to make such withholding or deduction of such taxes, duties, assessments or governmental charges. In that event, the Guarantor will pay such Additional Amounts as may be necessary in order that the net amounts received by the Noteholders after such withholding or deduction shall equal the respective amounts of principal and interest which would have been received in respect of the Notes, in the absence of such withholding or deduction, except that no such Additional Amounts shall be payable on account of any taxes or duties which:

- (i) are payable otherwise than by withholding or deduction from amounts payable; or
- (ii) are payable by reason of the Noteholder having, or having had, some personal or business connection with The Netherlands or the Federal Republic of Germany and not merely by reason of the fact that payments in respect of the Notes are, or for purposes of taxation are deemed to be, derived from sources in, or are secured in, The Netherlands or the Federal Republic of Germany; or
- (iii) are withheld or deducted from a payment to an individual or a residual entity within the meaning of the European Council Directive 2003/48/EC and are required to be made pursuant to the European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or

- (f) Die Garantin wird sämtliche auf die Garantie zu zahlenden Beträge ohne Abzug von Steuern oder sonstigen Abgaben leisten, zu deren Abzug die Garantin nach dem am 24. März 2014 geltenden Recht gesetzlich verpflichtet wäre.

Sämtliche auf die Schuldverschreibungen zu zahlenden Beträge von Kapital oder Zinsen sind ohne Einbehalt oder Abzug von oder aufgrund von gegenwärtigen oder zukünftiger Steuern, sonstigen Abgaben oder behördlicher Gebühren gleich welcher Art durch die Garantin unter der Garantie zu leisten, die von oder in den Niederlanden oder der Bundesrepublik Deutschland oder für deren Rechnung oder von oder für Rechnung einer Gebietskörperschaft oder Steuerbehörde der oder in den Niederlanden oder der Bundesrepublik Deutschland auferlegt oder erhoben werden, es sei denn, die Garantin ist gesetzlich verpflichtet, einen solchen Einbehalt oder Abzug vorzunehmen. In diesem Fall wird die Garantin diejenigen zusätzlichen Beträge zahlen, die erforderlich sind, damit die den Anleihegläubigern zufließenden Nettobeträge nach diesem Einbehalt oder Abzug jeweils den Beträgen entsprechen, die ohne einen solchen Einbehalt oder Abzug von den Inhabern der Schuldverschreibungen empfangen worden wären; die Verpflichtung zur Zahlung solcher zusätzlicher Beträge besteht jedoch nicht im Hinblick auf Steuern und Abgaben, die:

- (i) auf andere Weise als durch Einbehalt oder Abzug von zahlbaren Beträgen zu entrichten sind; oder
- (ii) wegen einer gegenwärtigen oder früheren persönlichen oder geschäftlichen Beziehung des Anleihegläubigers zu den Niederlanden oder der Bundesrepublik Deutschland zu zahlen sind, und nicht allein deshalb, weil Zahlungen auf die Schuldverschreibungen aus Quellen in den Niederlanden oder der Bundesrepublik Deutschland stammen (oder für Zwecke der Besteuerung so behandelt werden) oder dort besichert sind; oder
- (iii) aufgrund der Richtlinie des Europäischen Rates 2003/48/EG oder jeder anderen Richtlinie, die die Schlussfolgerungen des Treffens des ECOFIN-Rates vom 26. - 27. November 2000 betreffend die Besteuerung von Zinserträgen, umsetzt, oder aufgrund einer gesetzlichen Vorschrift, die diese Richtlinie umsetzt oder befolgt oder erlassen wurde, um der Richtlinie zu entsprechen, von Zahlungen an eine natürliche Person oder eine sonstige Einrichtung im Sinne der Richtlinie des Europäischen Rates 2003/48/EG einzubehalten oder abzuziehen sind; oder



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|---|---|
| <p>(iv) are payable by reason of a change in law that becomes effective more than 30 days after the relevant payment of principal or interest becomes due, or, if later, is duly provided for and notice thereof is published in accordance with § 13 of the Terms and Conditions; or</p> <p>(v) are deducted or withheld by a Paying Agent from a payment if the payment could have been made by another Paying Agent without such deduction or withholding.</p> | <p>(iv) aufgrund einer Rechtsänderung zu zahlen sind, welche später als 30 Tage nach Fälligkeit der betreffenden Zahlung von Kapital oder Zinsen oder, wenn dies später erfolgt, ordnungsgemäßer Bereitstellung aller fälligen Beträge und einer diesbezüglichen Bekanntmachung gemäß § 13 der Emissionsbedingungen wirksam wird; oder</p> <p>(v) von einer Zahlstelle abgezogen oder einbehalten werden, wenn eine andere Zahlstelle die Zahlung ohne einen solchen Abzug oder Einbehalt hätte leisten können.</p> |
| <p>3. This Guarantee and all undertakings contained herein constitute a contract for the benefit of the Noteholders from time to time as third party beneficiaries pursuant to § 328 (1) of the BGB. They give rise to the right of each such Noteholder to require performance of the obligations undertaken herein directly from the Guarantor, and to enforce such obligations directly against the Guarantor.</p>   | <p>3. Diese Garantie und alle darin enthaltenen Vereinbarungen stellen einen Vertrag zugunsten der jeweiligen Anleihegläubiger als begünstigte Dritte gemäß § 328 Absatz 1 BGB dar. Sie begründen das Recht eines jeden Anleihegläubigers, die Erfüllung der hierin eingegangenen Verpflichtungen unmittelbar von der Garantin zu fordern und diese Verpflichtungen unmittelbar gegenüber der Garantin durchzusetzen.</p>   |
| <p>4. The Principal Paying Agent does not act in a fiduciary or in any other similar capacity for the Noteholders.</p>  | <p>4. Die Hauptzahlstelle handelt nicht als Treuhänder oder in einer ähnlichen Eigenschaft für die Anleihegläubiger.</p>  |
| <p>5. Miscellaneous Provisions</p>  | <p>5. Verschiedene Bestimmungen</p>   |
| <p>(a) This Guarantee will be governed by, and construed in accordance with, German law.</p>  | <p>(a) Diese Garantie unterliegt deutschem Recht.</p>   |
| <p>(b) Place of performance will be Frankfurt am Main.</p>  | <p>(b) Erfüllungsort ist Frankfurt am Main.</p>   |
| <p>(c) The District Court (<i>Landgericht</i>) in Frankfurt am Main will have non-exclusive jurisdiction for any action or other legal proceedings arising out of or in connection with the Guarantee.</p>  | <p>(c) Nicht ausschließlich zuständig für sämtliche im Zusammenhang mit der Garantie entstehenden Klagen oder sonstige Verfahren ist das Landgericht Frankfurt am Main.</p>   |
| <p>(d) On the basis of a copy of this Guarantee certified as being a true copy by a duly authorised officer of the Principal Paying Agent, each Noteholder may protect and enforce in its own name its rights arising under this Guarantee in any legal proceedings against the Guarantor or to which such Noteholder and the Guarantor are parties, without the need for presentation of this Guarantee in such proceedings.</p>                                 | <p>(d) Jeder Anleihegläubiger kann in jedem Rechtsstreit gegen die Garantin und in jedem Rechtsstreit, in dem er und die Garantin Partei sind, seine Rechte aus dieser Garantie auf der Grundlage einer von einer vertretungsberechtigten Person der Hauptzahlstelle beglaubigten Kopie dieser Garantie ohne Vorlage des Originals im eigenen Namen wahrnehmen und durchsetzen.</p>   |
| <p>(e) The Principal Paying Agent agrees to hold the original copy of this Guarantee in custody until all obligations under the Notes and this Guarantee have been fulfilled.</p>   | <p>(e) Die Hauptzahlstelle verpflichtet sich, das Original dieser Garantie bis zur Erfüllung sämtlicher Verpflichtungen aus den Schuldverschreibungen und dieser Garantie zu verwahren.</p>   |
| <p>6. In relation to amendments of the terms of the Guarantee by resolution of the Noteholders with the consent of the Guarantor, § 16 of the Terms and Conditions applies <i>mutatis mutandis</i>.</p>   | <p>6. Für Änderungen der Bedingungen der Garantie durch Beschluss der Anleihegläubiger mit Zustimmung der Garantin gilt § 16 der Emissionsbedingungen entsprechend.</p>   |



## GUARANTEE FOR THE NC12 NOTES

### GUARANTEE

of

**Volkswagen AG**  
(Wolfsburg, Germany)  
(the "**Guarantor**")

for the benefit of the Noteholders of the EUR 1,750,000,000 guaranteed undated unsecured subordinated Notes with a first call date after 12 years (the "**Notes**"), divided into notes in bearer form with a principal amount of EUR 1,000 each, which rank *pari passu* among themselves, issued by

**Volkswagen International Finance N.V.**  
(incorporated as a limited liability company under the laws of The Netherlands)  
(the "**Issuer**")

ISIN XS1048428442.

### WHEREAS:

- (A) The Guarantor intends to guarantee on a subordinated basis the due and punctual payment of any amounts payable by the Issuer in accordance with the terms and conditions of the Notes (the "**Terms and Conditions**").
- (B) The intent and purpose of this Guarantee is to ensure that the Noteholders under any and all circumstances, whether factual or legal, and irrespective of validity or enforceability of the obligations of the Issuer under the Notes, or any other reasons on the basis of which the Issuer may fail to fulfil its obligations, receive on the respective due date any and all sums payable in accordance with the Terms and Conditions.

### IT IS AGREED AS FOLLOWS:

- 1. Definitions  
Terms used in this Guarantee and not otherwise defined herein will have the meaning attributed to them in the Terms and Conditions.
- 2. Guarantee
  - (a) The Guarantor unconditionally and irrevocably guarantees towards Citibank N.A. (the "**Principal Paying Agent**") for the benefit of each holder (each a "**Noteholder**") of each Note (which expression will include any Global Note representing the Notes), the due payment of all amounts which are payable by the Issuer in accordance with the Terms and Conditions, as and when the same will become due.

### GARANTIE

der

**Volkswagen AG**  
(Wolfsburg, Deutschland)  
(die "**Garantin**")

zugunsten der Anleihegläubiger der EUR 1.750.000.000 garantierten, unbefristeten, nicht besicherten nachrangigen Schuldverschreibungen, kündbar nach 12 Jahren (die "**Schuldverschreibungen**"), eingeteilt in untereinander gleichberechtigte, auf den Inhaber lautende Schuldverschreibungen im Nennbetrag von je EUR 1.000, die von der

**Volkswagen International Finance N.V.**  
(einer mit beschränkter Haftung nach dem Recht der Niederlande errichteten Gesellschaft)  
(die "**Emittentin**")

begeben worden sind, ISIN XS1048428442.

### VORBEMERKUNG:

- (A) Die Garantin beabsichtigt die ordnungsgemäße Zahlung von allen Beträgen, die nach Maßgabe der Emissionsbedingungen (die "**Emissionsbedingungen**") der von der Emittentin begebenen Schuldverschreibungen zu zahlen sind, auf nachrangiger Basis zu garantieren.
- (B) Es ist Sinn und Zweck dieser Garantie, sicherzustellen, dass die Anleihegläubiger unter allen tatsächlichen und rechtlichen Umständen und unabhängig von Wirksamkeit und Durchsetzbarkeit der Verpflichtungen der Emittentin aus den Schuldverschreibungen und unabhängig von sonstigen Gründen, aufgrund derer die Emittentin ihre Verpflichtungen nicht erfüllt, bei Fälligkeit alle nach Maßgabe der Emissionsbedingungen zu zahlenden Beträge erhalten.

### ES WIRD FOLGENDES VEREINBART:

- 1. Definitionen  
Die in dieser Garantie verwendeten und nicht anders definierten Begriffe haben die ihnen in den Emissionsbedingungen zugewiesene Bedeutung.
- 2. Garantie
  - (a) Die Garantin übernimmt gegenüber Citibank N.A. (die "**Hauptzahlstelle**") zugunsten jedes Anleihegläubigers (jeweils ein "**Anleihegläubiger**") der Schuldverschreibungen (wobei dieser Begriff jede Globalurkunde, welche die Schuldverschreibungen verbrieft, einschließt), die unbedingte und unwiderrufliche Garantie für die ordnungsgemäße Zahlung aller gemäß den Emissionsbedingungen von der Emittentin zu zahlenden Beträge bei Fälligkeit.

(b) The obligations of the Guarantor under the Guarantee rank:

- (i) senior only to the Junior Obligations of the Guarantor,
- (ii) *pari passu* with any other present and future Parity Obligations of the Guarantor, and
- (iii) junior to the Guarantor's unsubordinated obligations, contractually and statutorily subordinated obligations except as expressly provided for otherwise by the terms of the relevant obligation, and subordinated obligations required to be preferred by law.

**"Junior Obligations of the Guarantor"** means

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

**"Parity Obligations of the Guarantor"** means

any present or future obligation which (i) is issued by the Guarantor and the obligations under which rank or are expressed to rank *pari passu* with the Guarantor's obligations under the Guarantee, or (ii) benefits from a guarantee or support agreement that ranks or is expressed to rank *pari passu* with its obligations under the Guarantee. For the avoidance of doubt, Parity Obligations of the Guarantor include its obligations under the guarantees for the Issuer's undated unsecured subordinated notes with a first call date after 7 years, ISIN XS1048428012, its obligations under the guarantee for the Issuer's undated unsecured subordinated notes with a first call date in 2018, ISIN XS0968913268, its obligations under the guarantee for the Issuer's undated unsecured subordinated notes with a first call date in 2023, ISIN XS0968913342, and its obligations under the guarantee for the

(b) Die Verbindlichkeiten der Garantin unter der Garantie:

- (i) gehen nur Nachrangigen Verbindlichkeiten der Garantin im Rang vor,
- (ii) stehen gleich im Rang untereinander und mit jeder Gleichrangigen Verbindlichkeit der Garantin, und
- (iii) gehen allen anderen nicht nachrangigen Verbindlichkeiten der Garantin, gesetzlich nachrangigen und vertraglich nachrangigen Verbindlichkeiten, außer wenn in den Bedingungen der betreffenden Verbindlichkeit etwas anderes geregelt sein sollte, und nachrangigen Verbindlichkeiten, die durch Gesetz vorrangig sein müssen, im Rang nach.

**„Nachrangige Verbindlichkeiten der Garantin“** bezeichnet

(i) die Stammaktien und die Vorzugsaktien der Garantin, (ii) jede gegenwärtige oder zukünftige Aktie einer anderen Gattung von Aktien der Garantin, (iii) jedes andere gegenwärtige oder zukünftige Wertpapier, Namenswertpapier oder jedes andere Instrument, das von der Garantin begeben ist und bei dem die daraus folgenden Verbindlichkeiten der Garantin mit den Stammaktien oder den Vorzugsaktien der Garantin gleichrangig vereinbart sind und (iv) jedes gegenwärtige oder zukünftige Wertpapier, Namenswertpapier oder jedes andere Instrument, das von einer Tochtergesellschaft der Garantin begeben und von der Garantin dergestalt garantiert ist oder für das die Garantin dergestalt die Haftung übernommen hat, dass die betreffenden Verbindlichkeiten der Garantin aus der maßgeblichen Garantie oder Haftungsübernahme mit den unter (i), (ii) und (iii) genannten Instrumenten gleichrangig oder als gleichrangig vereinbart sind.

**„Gleichrangige Verbindlichkeiten der Garantin“** bezeichnet

jede bestehende und zukünftige Verbindlichkeit, die (i) von der Garantin begeben wurde und die gleichrangig im Verhältnis zu den Verbindlichkeiten der Garantin aus der Garantie ist oder ausdrücklich als gleichrangig vereinbart ist oder die (ii) von einer Garantie oder Haftungsübernahme profitiert, bei der die Verbindlichkeiten der Garantin aus der betreffenden Garantie oder Haftungsübernahme mit den Verbindlichkeiten der Garantin aus der Garantie gleichrangig oder als gleichrangig vereinbart sind. Gleichrangige Verbindlichkeiten der Garantin sind, unter anderem, ihre Verbindlichkeiten aus der Garantie für die nicht besicherten nachrangigen Schuldverschreibungen der Emittentin ohne feste Laufzeit kündbar nach 7 Jahren, ISIN XS1048428012, ihre Verbindlichkeiten aus der Garantie für die nicht besicherten

Issuer's mandatory convertible notes due 2015, ISIN DE000A1HCC91 and ISIN DE000A1HCC83.

**"Subsidiary of the Guarantor"** means any corporation, partnership or other enterprise in which the Guarantor directly or indirectly holds in the aggregate more than 50 per cent. of the capital or the voting rights.

- (c) In the event of liquidation, dissolution, insolvency, composition or other proceedings for the avoidance of insolvency of, or against the Guarantor, the claims of the Noteholders under the Guarantee will be satisfied after (but only after) the obligations of the Guarantor that rank senior to the Notes. In any such event, Noteholders will not receive any amounts payable in respect of the Guarantee until the claims of all obligations of the Guarantor that rank senior to the Notes have first been satisfied in full.

No Noteholder may set off any claims arising under the Guarantee against claims that the Guarantor may have against it. The Guarantor may not set off any claims it may have against any Noteholder against any of its obligations under the Guarantee.

- (d) The obligations of the Guarantor under this guarantee (i) will be separate and independent from the obligations of the Issuer under the Notes, (ii) will exist irrespective of the legality, validity and binding effect or enforceability of the Notes, and (iii) will not be affected by any event, condition or circumstance of whatever nature, whether factual or legal, save the full, definitive and irrevocable satisfaction of any and all payment obligations expressed to be assumed under the Notes.
- (e) In the event of a substitution of the Issuer by a New Debtor pursuant to § 14 of the Terms and Conditions, this Guarantee will extend to any and all amounts payable by the New Debtor pursuant to the Terms and Conditions. The foregoing will also apply if the New Debtor will have assumed

nachrangigen Schuldverschreibungen der Emittentin ohne feste Laufzeit erstmals kündbar in 2018, ISIN XS0968913268, ihre Verbindlichkeiten aus der Garantie für die nicht besicherten nachrangigen Schuldverschreibungen der Emittentin ohne feste Laufzeit erstmals kündbar in 2023, ISIN XS0968913342, und ihre Verbindlichkeiten aus der Garantie für die Pflichtwandelanleihe der Emittentin fällig 2015, ISIN DE000A1HCC91 und ISIN DE000A1HCC83.

**„Tochtergesellschaft der Garantin“** bezeichnet jede Gesellschaft, Personengesellschaft und jedes sonstige Unternehmen oder jede andere Person an der bzw. dem die Garantin direkt oder indirekt insgesamt mehr als 50% des Kapitals oder der Stimmrechte hält.

- (c) Im Fall der Liquidation, der Auflösung oder der Insolvenz der Garantin oder eines Vergleichs oder eines anderen der Abwendung der Insolvenz dienenden Verfahrens gegen die Garantin werden die Ansprüche der Anleihegläubiger aus der Garantie erst nach den Ansprüchen der Inhaber aller anderen gegenüber den Schuldverschreibungen vorrangigen Verbindlichkeiten der Garantin bedient. In einem solchen Fall werden die Anleihegläubiger keine Zahlungen auf die Garantie erhalten, bis alle Ansprüche aus den gegenüber den Schuldverschreibungen vorrangigen Verbindlichkeiten der Garantin vollständig bedient sind.

Die Anleihegläubiger sind nicht berechtigt, Forderungen aus der Garantie mit etwaigen gegen sie gerichteten Forderungen der Garantin aufzurechnen. Die Garantin ist nicht berechtigt, Forderungen gegenüber Anleihegläubigern mit den Verpflichtungen aus der Garantie aufzurechnen.

- (d) Die Verpflichtungen der Garantin aus dieser Garantie (i) sind selbständig und unabhängig von den Verpflichtungen der Emittentin aus den Schuldverschreibungen, (ii) bestehen unabhängig von der Rechtmäßigkeit, Gültigkeit, Verbindlichkeit oder Durchsetzbarkeit der Schuldverschreibungen und (iii) werden nicht durch Ereignisse, Bedingungen oder Umstände tatsächlicher oder rechtlicher Art berührt, außer durch die vollständige, endgültige und unwiderrufliche Erfüllung sämtlicher in den Schuldverschreibungen eingegangenen Zahlungsverpflichtungen.
- (e) Im Falle einer Ersetzung der Emittentin durch eine Neue Anleiheschuldnerin gemäß § 14 der Emissionsbedingungen erstreckt sich diese Garantie auf sämtliche von der Neuen Anleiheschuldnerin gemäß den Emissionsbedingungen zu zahlenden Beträge. Dies gilt

the obligations arising under the Notes directly from the Guarantor.

- (f) The Guarantor will make all payments in respect of the Notes and the Guarantee without deduction of taxes or other duties which the Guarantor would be required by law to deduct under the law applicable on March 24, 2014.

All payments of principal and interest in respect of the Notes by the Guarantor under the Guarantee will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of The Netherlands or the Federal Republic of Germany or, in each case, any authority therein or thereof having power to tax, unless the Guarantor is required by law to make such withholding or deduction of such taxes, duties, assessments or governmental charges. In that event, the Guarantor will pay such Additional Amounts as may be necessary in order that the net amounts received by the Noteholders after such withholding or deduction shall equal the respective amounts of principal and interest which would have been received in respect of the Notes, in the absence of such withholding or deduction, except that no such Additional Amounts shall be payable on account of any taxes or duties which:

- (i) are payable otherwise than by withholding or deduction from amounts payable; or
- (ii) are payable by reason of the Noteholder having, or having had, some personal or business connection with The Netherlands or the Federal Republic of Germany and not merely by reason of the fact that payments in respect of the Notes are, or for purposes of taxation are deemed to be, derived from sources in, or are secured in, The Netherlands or the Federal Republic of Germany; or
- (iii) are withheld or deducted from a payment to an individual or a residual entity within the meaning of the European Council Directive 2003/48/EC and are required to be made pursuant to the European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or

auch dann, wenn die Neue Anleiheschuldnerin die Verpflichtungen aus den Schuldverschreibungen unmittelbar von der Garantin übernommen hat.

- (f) Die Garantin wird sämtliche auf die Garantie zu zahlenden Beträge ohne Abzug von Steuern oder sonstigen Abgaben leisten, zu deren Abzug die Garantin nach dem am 24. März 2014 geltenden Recht gesetzlich verpflichtet wäre.

Sämtliche auf die Schuldverschreibungen zu zahlenden Beträge von Kapital oder Zinsen sind ohne Einbehalt oder Abzug von oder aufgrund von gegenwärtigen oder zukünftiger Steuern, sonstigen Abgaben oder behördlicher Gebühren gleich welcher Art durch die Garantin unter der Garantie zu leisten, die von oder in den Niederlanden oder der Bundesrepublik Deutschland oder für deren Rechnung oder von oder für Rechnung einer Gebietskörperschaft oder Steuerbehörde der oder in den Niederlanden oder der Bundesrepublik Deutschland auferlegt oder erhoben werden, es sei denn, die Garantin ist gesetzlich verpflichtet, einen solchen Einbehalt oder Abzug vorzunehmen. In diesem Fall wird die Garantin diejenigen Zusätzlichen Beträge zahlen, die erforderlich sind, damit die den Anleihegläubigern zufließenden Nettobeträge nach diesem Einbehalt oder Abzug jeweils den Beträgen entsprechen, die ohne einen solchen Einbehalt oder Abzug von den Inhabern der Schuldverschreibungen empfangen worden wären; die Verpflichtung zur Zahlung solcher zusätzlicher Beträge besteht jedoch nicht im Hinblick auf Steuern und Abgaben, die:

- (i) auf andere Weise als durch Einbehalt oder Abzug von zahlbaren Beträgen zu entrichten sind; oder
- (ii) wegen einer gegenwärtigen oder früheren persönlichen oder geschäftlichen Beziehung des Anleihegläubigers zu den Niederlanden oder der Bundesrepublik Deutschland zu zahlen sind, und nicht allein deshalb, weil Zahlungen auf die Schuldverschreibungen aus Quellen in den Niederlanden oder der Bundesrepublik Deutschland stammen (oder für Zwecke der Besteuerung so behandelt werden) oder dort besichert sind; oder
- (iii) aufgrund der Richtlinie des Europäischen Rats 2003/48/EG oder jeder anderen Richtlinie, die die Schlussfolgerungen des Treffens des ECOFIN-Rates vom 26. - 27. November 2000 betreffend die Besteuerung von Zinserträgen, umsetzt, oder aufgrund einer gesetzlichen Vorschrift, die diese Richtlinie umsetzt oder befolgt oder erlassen wurde, um der

any law implementing or complying with, or introduced in order to conform to, such Directive; or

(iv) are payable by reason of a change in law that becomes effective more than 30 days after the relevant payment of principal or interest becomes due, or, if later, is duly provided for and notice thereof is published in accordance with § 13 of the Terms and Conditions; or

(v) are deducted or withheld by a Paying Agent from a payment if the payment could have been made by another Paying Agent without such deduction or withholding.

3. This Guarantee and all undertakings contained herein constitute a contract for the benefit of the Noteholders from time to time as third party beneficiaries pursuant to § 328 (1) of the BGB. They give rise to the right of each such Noteholder to require performance of the obligations undertaken herein directly from the Guarantor, and to enforce such obligations directly against the Guarantor.

4. The Principal Paying Agent does not act in a fiduciary or in any other similar capacity for the Noteholders.

#### 5. Miscellaneous Provisions

(a) This Guarantee will be governed by, and construed in accordance with, German law.

(b) Place of performance will be Frankfurt am Main.

(c) The District Court (*Landgericht*) in Frankfurt am Main will have non-exclusive jurisdiction for any action or other legal proceedings arising out of or in connection with the Guarantee.

(d) On the basis of a copy of this Guarantee certified as being a true copy by a duly authorised officer of the Principal Paying Agent, each Noteholder may protect and enforce in its own name its rights arising under this Guarantee in any legal proceedings against the Guarantor or to which such Noteholder and the Guarantor are parties, without the need for presentation of this Guarantee in such proceedings.

(e) The Principal Paying Agent agrees to hold the original copy of this Guarantee in custody until all obligations under the Notes and this Guarantee have been fulfilled.

Richtlinie zu entsprechen, von Zahlungen an eine natürliche Person oder eine sonstige Einrichtung im Sinne der Richtlinie des Europäischen Rates 2003/48/EG einzubehalten oder abzuziehen sind; oder

(iv) aufgrund einer Rechtsänderung zu zahlen sind, welche später als 30 Tage nach Fälligkeit der betreffenden Zahlung von Kapital oder Zinsen oder, wenn dies später erfolgt, ordnungsgemäßer Bereitstellung aller fälligen Beträge und einer diesbezüglichen Bekanntmachung gemäß § 13 der Emissionsbedingungen wirksam wird; oder

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

3. Diese Garantie und alle darin enthaltenen Vereinbarungen stellen einen Vertrag zugunsten der jeweiligen Anleihegläubiger als begünstigte Dritte gemäß § 328 Absatz 1 BGB dar. Sie begründen das Recht eines jeden Anleihegläubigers, die Erfüllung der hierin eingegangenen Verpflichtungen unmittelbar von der Garantin zu fordern und diese Verpflichtungen unmittelbar gegenüber der Garantin durchzusetzen.

4. Die Hauptzahlstelle handelt nicht als Treuhänder oder in einer ähnlichen Eigenschaft für die Anleihegläubiger.

#### 5. Verschiedene Bestimmungen

(a) Diese Garantie unterliegt deutschem Recht.

(b) Erfüllungsort ist Frankfurt am Main.

(c) Nicht ausschließlich zuständig für sämtliche im Zusammenhang mit der Garantie entstehenden Klagen oder sonstige Verfahren ist das Landgericht Frankfurt am Main.

(d) Jeder Anleihegläubiger kann in jedem Rechtsstreit gegen die Garantin und in jedem Rechtsstreit, in dem er und die Garantin Partei sind, seine Rechte aus dieser Garantie auf der Grundlage einer von einer vertretungsberechtigten Person der Hauptzahlstelle beglaubigten Kopie dieser Garantie ohne Vorlage des Originals im eigenen Namen wahrnehmen und durchsetzen.

(e) Die Hauptzahlstelle verpflichtet sich, das Original dieser Garantie bis zur Erfüllung sämtlicher Verpflichtungen aus den Schuldverschreibungen und dieser Garantie zu verwahren.

6. In relation to amendments of the terms of the Guarantee by resolution of the Noteholders with the consent of the Guarantor, § 16 of the Terms and Conditions applies *mutatis mutandis*.

6. Für Änderungen der Bedingungen der Garantie durch Beschluss der Anleihegläubiger mit Zustimmung der Garantin gilt § 16 der Emissionsbedingungen entsprechend.



## DESCRIPTION OF THE ISSUER

### History and Development

Volkswagen International Finance N.V. (the “**Issuer**” or “**VIF**”), which is both the legal and the commercial name, was incorporated as a stock corporation under the laws of The Netherlands for an indefinite period of time on April 15, 1977. It is registered with the Register of Commerce under No. 33148825. VIF’s registered office is in Amsterdam, The Netherlands; its head office is at Herengracht 495, 1017 BT Amsterdam, The Netherlands (telephone number +31 ((20) 624 5971).

### Articles of Association

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

### Investments

On December 13, 2012 the Issuer signed a Joint Venture Agreement with local partners Automotive Technologies Alliance, LLC and Saudi Arabian Marketing & Agencies Co. Ltd. to form Volkswagen Group Saudi Arabia, LLC, which was officially incorporated on April 8, 2013. The Issuer invested approximately EUR 9.6 million as of January 23, 2013 and holds 51% of Volkswagen Group Saudia Arabia, LLC, while Automotive Technologies Alliance, LLC holds 39% and Saudi Arabian Marketing & Agencies Co. Ltd. holds 10%. The main purpose of Volkswagen Group Saudi Arabia, LLC is the import and sales of passenger cars of the brands Volkswagen, Audi and Porsche.

On April 24, 2013 VIF increased the capital of Volkswagen Finance Luxemburg S.A. (“**VFL**”) by EUR 1.1 billion. In return, VIF received shares in the capital of VFL, which were transferred to VWAG. VWAG remains 100% shareholder of VFL.

On November 8, 2013 VIF purchased additional shares in VW Group Rus OOO from the European Bank for Reconstruction and Development (EBRD) in the amount of EUR 30.0 million and equaling 6.22% of the total amount of shares of VW Group Rus OOO. After the transaction VIF now holds 55.14% of the shares of VW Group Rus OOO.

The management bodies of VIF have not formed firm decisions on principal future investments.

### Organizational Structure / Shareholder Structure

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

Legal shareholders of VIF are VWAG (103,034 shares) and Global VW Automotive B.V. (“**Global BV**”, 1 share). In 2006, VWAG and Global BV concluded a Limited Partnership Agreement, thus forming Global Automotive C.V. (“**Global CV**”), and contributed the economic rights on their shares to Global CV.

VIF currently acts both as a finance subsidiary and as a holding company within the Volkswagen Group. VWAG, VIF’s ultimate parent, intends to reorganise VIF by transferring it and its subsidiaries to Volkswagen Finance Luxembourg S.A. (“**VFL**”), so that VIF will cease to be a holding company except for minority interests in a limited number of former subsidiaries. Following the reorganisation, VIF and its former subsidiaries will be direct subsidiaries of VFL, which is a wholly-owned direct subsidiary of VWAG.

The intended reorganization will not affect VIF’s legal existence, which will continue without interruption, and VIF’s obligations will remain in full force and effect. VWAG intends to commence the reorganization in April 2014 and, subject to timely receipt of required consents and approvals, expects to complete most of the reorganization before the end of the second quarter of 2014.

### Share Capital

As of December 31, 2013 the authorized capital of VIF amounted to EUR 104,370,000 divided into 104,370 registered shares with a par nominal value of EUR 1,000 each, 103,035 of which were issued and fully paid-up.

### Employees

During the year 2013, the average number of employees calculated on a full-time-equivalent basis was 15.

## Business Overview

### Principal activities

The main activities of VIF consist in financing Volkswagen Group companies and pending implementation of the reorganization, acting as a holding company.

Within the financing business VIF issues notes under a EUR 25 billion debt issuance programme and commercial papers under a EUR 10 billion commercial paper programme. Furthermore VIF issued notes to U.S. qualified institutional buyers in reliance on the exemption from the requirements of the Securities Act, provided by Regulation S and Rule 144A thereunder (so-called U.S. bonds). Both programmes, and the U.S. bonds, are guaranteed by VIF's parent company VWAG. The funds raised are granted to Volkswagen Group companies.

As a holding company VIF owned the following subsidiaries on December 31, 2013:

<b>Company name</b>	<b>Main activity</b>	<b>Country of Registration</b>	<b>Participation (%)</b>	<b>Equity (Million EUR)</b>	<b>Year of acquisition</b>
Bentley Motors Ltd. ....	Production of vehicles	United Kingdom	98.978*	36.5	2010
VW Group France s.a. ....	Import of vehicles	France	89.978	292.0	2010
VW Group Polska Sp. z o.o. ....	Import of vehicles	Poland	100	142.4	2012
SEAT, S.A. ....	Production of vehicles	Spain	100	4.7	2010
Sitech Sp. z o.o. ....	Production of car seats	Poland	100	155.8	2009
ŠKODA Auto a.s. ....	Production of vehicles	Czech Republic	100	3,440.8	2007
Södertälje Bil Invest AB ....	Holding company	Sweden	100	54.3	2006
VW Autoeuropa, Lda. ....	Production of vehicles	Portugal	74	376.2	2006/2008
VW do Brasil Ltda. ....	Production of vehicles	Brazil	100	781.5	2008
VW Group Australia Pty Ltd. ....	Import of vehicles	Australia	100	71.7	2009
VW Group Canada Inc. ....	Import of vehicles	Canada	100	151.4	2010
VW Group United Kingdom Ltd. ....	Import of vehicles	United Kingdom	100	841.7	2010
VW Group Ireland Ltd. ....	Import of vehicles	Ireland	100	8.9	2008
VW Group Japan K.K. ....	Import of vehicles	Japan	100	160.2	2006
VW Group Rus OOO ....	Production of vehicles	Russian Federation	48.92	455.9	2007 (merger 2009)
VW International Payment Services N.V. ....	Financial services	Netherlands	100	265.8	2007
VW Poznan Sp. z o.o. ....	Production of vehicles	Poland	100	560.1	2008
VW Motor Polska Sp. z o.o. ....	Production of engines	Poland	100	202.8	2008
VW Slovakia a.s. ....	Production of vehicles	Slovakia	100	1,302.5	2006
VW Group Hong Kong Ltd. ....	Import of vehicles	China	100	0.1	2012
VW Group Saudi Arabia LLC ....	Import of vehicles	Kindom of Saudi Arabia	51	9.6	2013

\* 100% voting rights

In addition to the participations in the above listed Volkswagen Group companies in which VIF holds interests greater than 20%, VIF also holds 9% interests in the Volkswagen India Private Limited and Volkswagen Group Sales India Private Limited as well as 1 share in the capital of Volkswagen Group Services S.A.

### ***Principal markets***

VIF finances Volkswagen Group companies primarily situated on the European, American and Asian market. Participations are held in Europe, Asia, North and South America, and Australia.

## **Administrative, Management and Supervisory Bodies**

### ***Management Board***

The Management Board of VIF consists of two members.

Present members of the Management Board are:

<b><u>Name</u></b>	<b><u>Additional Activities</u></b>
Thomas Fries, Managing Director	Managing Director of Volkswagen International Payment Services NV, Amsterdam Managing Director of Global VW Automotive BV, Amsterdam Managing Director of Volkswagen Financial Services NV, Amsterdam Managing Director of VW Global Finance Holding BV, Amsterdam Director A of Global Mobility Holding BV, Amsterdam Managing Director of VW Finance Overseas BV, Amsterdam Managing Director of VW Finance Cooperation BV, Amsterdam
Vincent Delva, Managing Director	Secretary General of Volkswagen Group Services SA, Brussels Managing Director of Volkswagen International Payment Services NV, Amsterdam Managing Director of Volkswagen Finance Luxembourg SA, Luxembourg Managing Director of Volkswagen International Luxembourg SA, Luxembourg

Shared or equal responsibility within the Management Board

Office address: Herengracht 495, 1017 BT Amsterdam; The Netherlands

### ***Supervisory Board***

The Supervisory Board of VIF consists of one or more members.

Present members of the Supervisory Board are:

<b><u>Name</u></b>	<b><u>Additional Activities</u></b>
Dr. Jochen Stich, Chairman	CEO and President of Volkswagen Group Services SA, Brussels Managing Director of Volkswagen Finance Belgium SA, Brussels Chairman of the Supervisory Board of Volkswagen Finance Luxembourg SA, Luxembourg Chairman of the Supervisory Board of Volkswagen International Luxembourg SA, Luxembourg Member of the Board of Management of Porsche Pensionskasse AG, Salzburg Member of the Supervisory Board of Spaengler IQAM Invest GmbH, Salzburg

<b>Name</b>	<b>Additional Activities</b>
Albrecht Möhle	<p>Global Head of Global Markets and Group Funding of Volkswagen AG</p> <p>Supervisory Board position at Volkswagen International Payment Services N.V.</p> <p>Supervisory Board position at Volkswagen Finance Luxembourg S.A.</p> <p>Supervisory Board position at Volkswagen International Luxembourg S.A.</p> <p>Supervisory Board position at Volkswagen Group Services S.A.</p> <p>Member of the Board at Volkswagen Pension Trust e.V.</p> <p>Managing Director of Porsche Holding Finance</p> <p>Member of the Credit Committee at LeasePlan Corporation N.V.</p>

The members of the Management Board and of the Supervisory Board can be contacted at the address of the head office of the Issuer.

None of the persons referred to above has declared that there are potential conflicts of interest between any duties to the issuing entity and their private interests and or duties.

### **Board Practices**

Pursuant to the Dutch Corporate Governance Decree of March 20, 2009 implementing further accounting standards for annual reports (*Besluit Corporate Governance*) and based on the listing of VIF's debt securities issued on regulated markets in the EU, VIF is subject to the less restrictive regime under the Corporate Governance Decree, pursuant to which the Corporate Governance Statement in VIF's annual report (directly or incorporated by reference) must contain information on the main features of VIF's internal control and risk management system in relation to the financial reporting process of VIF and its group companies. The Corporate Governance Statement in the Guarantor's 2013 annual report contains information on the main features of the internal control and risk management system in relation to the financial reporting process of the company and their group companies.

The integrity and quality of VIF's management is evaluated in accordance with instructions from the shareholder by a Board of Supervisory Directors consisting of 2 executives from the direct and ultimate parent company. In addition, periodic internal and external audits are conducted of VIF's accounting and operations, including the risk management. VIF has no specific audit committee. The members of the Supervisory Board are in charge of all relevant tasks.

VIF's company works with proven transparent systems for accounting and treasury. All operations are subject to a so-called "*4 eye principle*" so that basically all decisions and external instructions have to be approved by at least 2 persons. Abuse of authority and of privileges has been made practically impossible.

The management of risks in VIF's work particularly of its interest rate mismatch risks and foreign exchange position risks is subject to narrowly defined limits and monthly reporting apart from the frequent audits.

Members of management may not have other external functions, which could imply conflict of interest. Any other function requires the approval of the Board.

## Selected Financial Information

The following table shows selected financial information of VIF extracted without material adjustment from the audited financial statements for the year ended December 31, 2013 and 2012 prepared in accordance with accounting standards generally accepted in The Netherlands (*Dutch GAAP*):

	<b>Year ended December 31</b>	
	<b>2013</b>	<b>2012</b>
	<b>(audited)</b>	
	<b>in EUR million</b>	
<i>Key Financial Information (Dutch GAAP)</i>		
Balance sheet total . . . . .	36,230	29,449
Participations . . . . .	3,932	4,343
Receivables from loans granted to group companies and joint ventures . . . . .	31,754	24,833
Total equity . . . . .	4,807	4,994
Liabilities from funding activities . . . . .	30,827	24,068
Financial result . . . . .	26	19
Result from participations . . . . .	892	999
Result before tax . . . . .	919	1,019
Result after tax . . . . .	913	1,013
Net cash flow current year . . . . .	176	147

## Interim Financial Information

VIF publishes short-form financial reports as of June 30 each year.

## Third Party Information and Statement by Expert and Declarations of any interest

There are no third party information and statements by experts and declarations of any interest regarding VIF.

## Legal and Arbitration Proceedings

As of the date of this Prospectus, the Issuer is not involved in any governmental, legal or arbitration proceedings nor is the Issuer aware of any such proceedings pending or being threatened, the results of which have had during the previous 12 months, or which could, at present or in future, have a significant effect on its financial position or profitability.

## DESCRIPTION OF THE GUARANTOR

### History and Development

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

VWAG is located in Wolfsburg. Since August 1, 2005 it has been listed in the commercial register (*Handelsregister*) at the Braunschweig local court (*Amtsgericht*) under the number HRB 100484. Its head office and registered office are located at Berliner Ring 2, 38440 Wolfsburg, Germany (telephone number + 49 (0) 5361 9-0).

### Articles of Association

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

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

### Investments

Based on current planning, the Volkswagen Group will invest a total of EUR 84.2 billion in the Automotive Division in the period from 2014 to 2018. Investments in property, plant and equipment will account for EUR 63.4 billion, more than half of which (roughly 60%) will be in Germany alone. The ratio of investments in property, plant and equipment to sales revenue in the period from 2014 to 2018 will be at 6 to 7%. Besides investments in property, plant and equipment, investing activities will include additions of EUR 19.5 billion to capitalized development costs. By investing in new facilities and models, as well as by developing alternative drives and modular toolkits, the Volkswagen Group is laying the foundations for profitable, sustainable growth. These investments also include commitments arising from decisions taken in previous fiscal years.

At EUR 41.2 billion (roughly 65%), the majority of the total amount to be invested in property, plant and equipment in the Automotive Division will be spent on modernizing and extending the product range for the Group’s brands.

Among other things, the high level of investment results from upfront expenditures in connection with the Euro 6 emission standard, which necessitates extensive upgrading of the vehicle and engine portfolio. The main focus will be on new vehicles and successor models in almost all vehicle classes, which will be based on the modular toolkit technology and the related components. This will allow the Volkswagen Group to systematically continue its model rollout with a view to tapping new markets and segments. In the area of drivetrain production, the Volkswagen Group will launch new generations of engines offering improved performance and lower fuel consumption and emission levels, focusing for example on hybrid and electric motors.

In addition, the Volkswagen Group will make cross-product investments of EUR 22.2 billion over the next five years; this includes investments to expand capacity. As a result of its high quality targets and its commitment to continuous improvement of its production processes, investments in the Volkswagen Group’s press shops and paintshops are also necessary. Non-production-related investments are mainly planned for the areas of development, quality assurance, sales, genuine parts supply and information technology.

The Volkswagen Group endeavors to finance its investments in the Automotive Division using internally generated funds and expects cash flows from operating activities to amount to EUR 115.8 billion over the 2014 to 2018 planning period. This means that the funds generated are expected to exceed the Automotive Division’s investment requirements by EUR 31.6 billion, further improving the Volkswagen Group’s liquidity position. The Volkswagen Group expects net cash flow in the Automotive Division to be moderately lower in 2014 than in the prior year, but it will nevertheless make a significant contribution to strengthening the Volkswagen Group’s financial position.



These plans are based on the Volkswagen Group's current structures. They do not take into account the possible settlement payable to other shareholders associated with the control and profit and loss transfer agreement with MAN SE. Volkswagen Group joint ventures in China are not consolidated and are therefore also not included in the above figures. These joint ventures will invest a total of EUR 18.2 billion in new production facilities and products in the period from 2014 to 2018 and will finance these investments from their own funds.

The Volkswagen Group is planning to invest EUR 2.6 billion in the Financial Services Division from 2014 to 2018. The Volkswagen Group expects the growth in leasing and rental assets and in receivables from leasing, customer and dealer financing to lead to funds tied up in working capital of EUR 81.8 billion. Roughly 43% of the total capital requirements of EUR 84.5 billion will be financed from gross cash flow. As is common in the sector, the remaining funds needed will be met primarily through established money and capital market debt issuance programs and customer deposits from the direct banking business.

## Organizational Structure

As of August 1, 2012, Porsche Automobil Holding SE's operating automotive business was contributed in full to the Volkswagen Group. Since then, Porsche has been consolidated in the Volkswagen Group. AUDI AG acquired Italian sports motorcycle manufacturer Ducati as of July 19, 2012. Ducati is a well-known international manufacturer of premium motorcycles.

The Volkswagen Group consists of two divisions: the Automotive Division and the Financial Services Division. Until December 31, 2012 the Automotive Division, in turn, comprises two business areas: "Passenger Cars and Light Commercial Vehicles" and "Trucks and Buses, Power Engineering". The Passenger Cars and Light Commercial Vehicles segment and the reconciliation are combined to form the Passenger Cars and Light Commercial Vehicles Business Area. The Volkswagen Group reports on the Trucks and Buses and Power Engineering segments under the Trucks and Buses/Power Engineering Business Area. Since January 1, 2013, Volkswagen Group has bundled the light commercial vehicles, trucks and buses, and power engineering businesses in a new Commercial Vehicles, Power Engineering Business Area within the Automotive Division. The activities of the Automotive Division are centered on the development of vehicles and engines, the production and sale of passenger cars, light commercial vehicles, trucks and buses, as well as the genuine parts, large-bore diesel engines, turbomachinery, special gear units, propulsion components and testing systems businesses. The acquisition of Ducati has expanded this to include motorcycles. The Financial Services Division, which corresponds to the Financial Services segment, combines dealer and customer financing, leasing, banking and insurance activities, fleet management and mobility offerings.

VWAG is the parent company of the Volkswagen Group. It develops vehicles and components for the Volkswagen Group's brands, but also produces and sells vehicles, in particular Volkswagen brand passenger cars and light commercial vehicles. In its function as parent company, VWAG holds direct and indirect interests in AUDI AG, SEAT S.A., ŠKODA AUTO a.s., Scania AB, MAN SE, Dr. Ing. h.c. F. Porsche AG, Volkswagen Financial Services AG and numerous other companies in Germany and abroad.

## Volkswagen Group

<b>Division:</b>	<b>Automotive</b>					<b>Financial Services</b>
<i>Brand / Business Field:</i>	Audi	Bentley	MAN	Porsche	SEAT	Dealer and customer financing
	Scania	ŠKODA	Volkswagen Commercial Vehicles	Volkswagen Passenger Cars	Other	Leasing Direct bank Insurance Fleet business Mobility offerings

## Shareholder Structure

VWAG's subscribed capital amounted to EUR 1,191,009,251.84 at the end of 2013.

The distribution of voting rights at December 31, 2013 was the following: Porsche Automobil Holding SE, Stuttgart, held 50.73% of the voting rights. The second-largest shareholder was the State of Lower Saxony, which held 20.0% of the voting rights. Qatar Holding LLC was the third-largest shareholder, with 17.0%. The remaining 12.3% of the 295,089,818 ordinary shares were attributable to other shareholders.

Notifications of changes in voting rights in accordance with the German Securities Trading Act (*Wertpapierhandelsgesetz* (WpHG)) are published on VWAG's website at [www.volkswagenag.com/ir](http://www.volkswagenag.com/ir).

VWAG has not received any notifications of changes in voting rights since December 31, 2013 that would result in a change to the distribution of voting rights.

In accordance with the foregoing, the following table shows the shareholder structure of VWAG as a percentage of subscribed capital:

Porsche Automobil Holding SE .....	32.2%
Foreign institutional investors .....	24.3%
Qatar Holding LLC .....	15.6%
State of Lower Saxony .....	12.7%
Private shareholders / Others .....	12.5%
German institutional investors .....	2.7%

### **General Meeting of Shareholders**

The annual General Meeting of Shareholders is to be held in Wolfsburg or in a German city where a stock exchange is located or at another appropriate place in Germany within the first eight months of each financial year.

### **Share Capital**

On December 31, 2013 the share capital of VWAG amounted to EUR 1,191,009,251.84. It was composed of 295,089,818 ordinary shares and 170,148,171 preferred shares. Each share conveys a notional interest of EUR 2.56 in the share capital. All shares have been issued and are fully paid.

In January 2014, a voluntary conversion right from the mandatory convertible notes, issued in 2012 and 2013, was exercised, with a total of EUR 4 million of the notes being converted into 22,103 newly created preferred shares.

### **Business Overview**

VWAG is the parent company of the Volkswagen Group.

In terms of sales volume (*i.e.* the number of vehicles delivered to dealers), the Volkswagen Group is one of the world's leading automobile manufacturers and is the largest automobile manufacturer in Europe (Source: IHS Global Insight, Automotive: Report Volkswagen Group, as of February 26, 2013). With the products of its group brands Volkswagen Passenger Cars, Audi, ŠKODA, SEAT and Volkswagen Commercial Vehicles, the Volkswagen Group addresses business and private customers from a wide range of customer segments and in multiple regional markets in the so-called high-volume business (*i.e.* production and unit sales of vehicles with a large number of units per model). The Volkswagen Group is represented in the sports car segment with the brand Porsche. The brand diversity of the Volkswagen Group is represented by group brands Lamborghini, Bentley and Bugatti in the luxury class. With Ducati the Volkswagen Group extend its activities regarding motorcycles. In the heavy commercial vehicle sector (trucks with a gross vehicle weight in excess of 6 tonnes, buses and special vehicles), the Volkswagen Group conducts business under the Scania and MAN brand. As of December 31, 2013, VWAG indirectly held 75.23% of the voting rights and 73.98% of the share capital of MAN SE. Since August 1, 2012 VWAG indirectly holds 100% of the share capital of Dr. Ing. h.c. F. Porsche AG. Effective as of July 19, 2012, the Volkswagen Group acquired 100% of the voting rights of Ducati Motor Holding S.p.A., Bologna. VWAG directly holds 19.89% of the share capital of Suzuki Motor Corporation.

The Volkswagen Group's business operations encompass the Automotive and Financial Services Divisions. In the Automotive Division, the Volkswagen Group develops vehicles and engines, produces and distributes passenger cars, motorcycles, light commercial vehicles, trucks and buses as well as the genuine parts, large-bore diesel, engines, turbomachinery, special gear units, propulsion components and testing systems businesses. Worldwide, during 2013, the Volkswagen Group delivered a total of approximately 9.73 million vehicles (passenger cars, light commercial vehicles, trucks and buses) to its customers. The Volkswagen Group's range of products comprises around 315 passenger car, commercial vehicle and motorcycle models and their derivatives. With this range of automotive products, the Volkswagen Group covers almost all key segments and body types, with offerings from small cars to super sports cars in the passenger car sector, and from small pickups to heavy trucks and buses in the commercial vehicles sector, as well as motorcycles.

The Financial Services Division includes customer and dealer financing, leasing, banking and insurance activities, fleet management and mobility offerings. The primary purpose of the Financial Services Division is to promote the Volkswagen Group's sales and customer retention.

The Volkswagen Group's production network was extended by 7 locations in 2013, and consisted of a total of 106 production facilities worldwide at the end of 2013. It comprises 61 automobile, commercial vehicle and motorcycle factories as well as 45 component plants. The sites are spread out over the continents of Europe, North and South America, Africa and Asia. Including the Chinese joint ventures, the Volkswagen Group employed an average of 563,066 people in 2013, an increase of 5.5% year-on-year.

The Volkswagen Group's total headcount was 572,800 employees (+4.2% compared to the end of 2012) at the end of 2013. Significant factors in this increase were the volume-related expansion in growth markets, particularly China, and the recruitment of specialists and experts in Germany, among other places. A total of 260,449 people were employed in Germany (+4.4% compared to the end of 2012), while 312,351 were employed abroad (+4.0% compared to the end of 2012).

## **Automotive**

### ***Sales to the Dealer Organization***

In 2013, the Volkswagen Group (including the Chinese joint ventures) sold 9,728,250 vehicles to the dealer organization worldwide, an increase of 4.1% compared with the prior-year figure. In particular, the sustained high demand for the Volkswagen Group's models in China led to a 5.0% year-on-year increase in sales outside Germany. In Germany, 1.7% fewer vehicles were sold. Vehicles sold in Germany accounted for 12.2% (previous year: 12.9%) of the Volkswagen Group's overall sales.

The Jetta, Golf and Passat were the Volkswagen Group's biggest sellers in 2013. The greatest growth in demand was recorded by the Tiguan, Audi Q3, Audi Q5 and ŠKODA Rapid models, as well as the new Beetle Convertible, Audi A3 Sportback and SEAT Leon models. The Laida, Sagitar and Santana models available in China were also very popular with customers based on number of vehicles sold.

### ***Vehicle Deliveries Worldwide***

With its brands, the Volkswagen Group has a presence in all relevant automotive markets around the world. Western Europe, China, Brazil, the United States, Russia, Mexico and Argentina are currently the key sales markets for the Volkswagen Group. In 2013, the Volkswagen Group again recorded an encouraging increase in demand in key core markets.

The Volkswagen Group delivered 8,957,975 passenger cars to customers in 2013, exceeding the record prior-year level. The rise of 5.1% was ahead of growth in the passenger car market as a whole, which amounted to 5.0% in the same period. The Volkswagen Group's share of the global market was 12.8% (previous year: 12.8%). Since August 1, 2012, the Volkswagen Group's delivery figures also include Porsche brand vehicles. The Volkswagen Passenger Cars, Audi and Bentley brands recorded their best ever delivery figures in 2013. Demand for Volkswagen Group passenger cars grew fastest in the Asia-Pacific region.

### ***Passenger Car Deliveries***

The Volkswagen Group's share of the overall passenger car market in Western Europe rose to 24.8% (previous year: 24.4%). The Volkswagen Group's share of the passenger car market in Central and Eastern Europe rose to 15.7% (previous year: 15.2%). In 2013, the Volkswagen Group sold 2.6% more vehicles in the U.S. market than in the previous year. The Volkswagen Group delivered 13.3% fewer vehicles to customers in the highly competitive South American markets than in the prior year. The Volkswagen Group's car sales in the Asia-Pacific region increased by 14.8% in 2013 compared with the prior-year figure. The Volkswagen Group increased its share of the passenger car market in the Asia-Pacific region to 12.9% (previous year: 12.2%). In 2013, the Volkswagen Group delivered 16.2% more vehicles year-on-year to customers in the Chinese market, which was again the main driver of growth in the Asia-Pacific region.

### ***Commercial Vehicles Deliveries***

In 2013 the Volkswagen Group delivered 772,705 light commercial vehicles, trucks and buses to customers worldwide (+2.8% year-on-year), of which 551,908 were light commercial vehicles (+0.3% year-on-year). The number of trucks sold rose to 198,004 (+10.0% year-on-year), while deliveries of buses increased to 22,793 (+5.3% year-on-year). Volkswagen Commercial Vehicles sold 0.3% more units than in 2012. The MAN brand delivered 140,333 units in 2013, an increase of 4.5% on the previous year. Scania significantly increased deliveries by 19.4% year-on-year to 80,464 units. In Western Europe, the Volkswagen Group's deliveries were on a level with the previous year (-1.0% year-on-year) at a total of 349,204 units. The Volkswagen Group delivered 69,171 vehicles in Central and Eastern Europe, matching the prior-year level. In 2013 the Volkswagen Group delivered 11,638 commercial vehicles in the North American markets and overall increased its sales by 19.9% year-on-year. In South America, 244,720 vehicles were delivered to

customers (+11.3% year-on-year). In the Brazilian market the Volkswagen Group delivered a total of 196,882 commercial vehicles (+13.4% year-on-year). In the markets of the Asia-Pacific region, the Volkswagen Group increased sales to its customers by 1.8% to a total of 30,447 units.

### **Worldwide Development of Inventories**

Global vehicle inventories at Volkswagen Group companies and in the dealer organization were higher on December 31, 2013 than at year-end 2012 due to an increase in inventories in China in response to demand.

### **Production**

The Volkswagen Group produced 9,727,848 vehicles worldwide in 2013, exceeding the prior-year figure by 5.1%. The Chinese joint ventures increased their production volume by 18.6% due to the continued strong demand in China. Germany accounted for 25.3% (previous year: 25.1%) of the Volkswagen Group's total production, remaining on a level with the previous year. In the past year, the Volkswagen Group's plants worldwide produced an average of 39,352 vehicles per working day, an increase of 4.2% year-on-year. The Crafter models built in the Daimler plants in Düsseldorf and Ludwigsfelde and the Routan, which is manufactured in cooperation with Chrysler in North America, are not included in the Volkswagen Group's production figures.

### **Volkswagen Financial Services**

Volkswagen Financial Services increased its products in the market in 2013. 4.3 million new financing, leasing and service/insurance contracts were signed worldwide, a 13.4% increase on the prior-year figure. At 10.7 million, the total number of contracts at December 31, 2013 exceeded the number at the end of 2012 by 11.3%. The number of contracts in the Customer Financing/ Leasing area was up 9.0% to 6.9 million and the number of contracts in the Service/Insurance area increased by 15.7%. Assuming unchanged credit eligibility criteria, the total Volkswagen Group delivery volumes accounted for by financed or leased vehicles increased from 27.5% in the previous year to 28.9%.

Volkswagen Bank direkt was managing 1,418 thousand accounts at the end of 2013 (previous year: 1,438 thousand).

### **Sales Revenue and Profit**

The Volkswagen Group generated sales revenue of EUR 197.0 billion in 2013, 2.2% higher than in 2012. Although the slight decline in volumes — excluding the Chinese joint ventures — and in particular negative exchange rate effects depressed sales revenue year-on-year, these effects were more than offset by the initial full-year consolidation of Porsche and the good business performance by the Financial Services Division. The largest proportion of sales revenue, at 80.9% (80.4%), was recorded outside of Germany.

Gross profit was slightly up on the previous year, at EUR 35.6 billion (EUR 35.2 billion). Depreciation charges resulting from increased capital expenditures, higher research and development costs, negative mix effects as well as contingency reserves had a negative impact. The gross margin was virtually unchanged at 18.1% (18.2%).

The Volkswagen Group generated an operating profit of EUR 11.7 billion in the fiscal year 2013, surpassing the record prior-year figure (EUR 11.5 billion). Distribution and administrative expenses increased as a result of the initial full-year consolidation of Porsche. At EUR 2.6 billion, other operating income exceeded the prior-year figure, mainly as a result of lower expenses related to exchange rate factors. The operating return on sales was 5.9% (6.0%).

At EUR 12.4 billion, the Volkswagen Group's profit before tax in 2013 was down on the prior-year period, when measurement effects in connection with the integration of Porsche (EUR 12.3 billion) had a clearly positive impact on the financial result. The return on sales before tax declined from 13.2% to 6.3%. Profit after tax consequently declined by EUR 12.7 billion to EUR 9.1 billion. The tax rate rose to 26.4% (14.1%); the effects from the updated measurement of options relating to Porsche and the remeasurement of the existing shares held did not affect tax expense in the previous year.

## Administration, Management and Supervisory Bodies

### Board of Management

The Board of Management shall consist of at least three members; its members are at the date of this Prospectus:

<u>Name</u>	<u>Area of responsibility</u>
Prof. Dr. Dr. h. c. mult. Martin Winterkorn	Chairman, Research and Development, Chairman of the Executive Board of Porsche Automobil Holding SE
Dr. rer. pol. h.c. Francisco Javier Garcia Sanz	Procurement
Prof. Dr. rer. pol. Dr.-Ing. E. h. Jochem Heizmann	China
Christian Klingler	Sales and Marketing
Dr.-Ing. E. h. Michael Macht	Production
Prof. Dr. rer. pol. Horst Neumann	Human Resources and Organization
Dr. h.c. Leif Östling	Commercial Vehicles
Hans Dieter Pötsch	Finance and Controlling, Chief Financial Officer of Porsche Automobil Holding SE
Prof. Rupert Stadler	Chairman of the Board of Management of AUDI AG

The members of the Board of Management hold the following additional mandates:

<u>Name</u>	<u>Additional activities (as of December 31, 2013)</u>
Prof. Dr. Dr. h. c. mult. Martin Winterkorn	FC Bayern München AG, Munich <sup>1</sup>
Dr. rer. pol. h. c. Francisco Javier Garcia Sanz	Hochtief AG, Essen <sup>1</sup> Criteria CaixaHolding S.A., Barcelona <sup>2</sup>
Prof. Dr. rer. pol. Dr.-Ing. E. h. Heizmann	Lufthansa Technik AG, Hamburg <sup>1</sup> OBO Bettermann GmbH, Menden <sup>2</sup>
Christian Klingler	Messe Frankfurt GmbH, Frankfurt am Main <sup>2</sup>
Prof. Dr. rer. pol. Horst Neumann	Wolfsburg AG, Wolfsburg <sup>1</sup>
Dr. h.c. Leif Östling	SKF AB, Gothenburg <sup>2</sup> EQT Holdings AB, Stockholm <sup>2</sup>
Hans Dieter Pötsch	Bertelsmann SE & Co. KGaA, Gütersloh <sup>1</sup>
Prof. Rupert Stadler	FC Bayern München AG, Munich <sup>1</sup>

<sup>1</sup> Membership of statutory supervisory boards in Germany.

<sup>2</sup> Comparable appointments in Germany and abroad.

### Supervisory Board

The Supervisory Board shall consist of 20 members, as of the date of this Prospectus its members are:

<u>Name</u>	<u>Additional Activities (as of December 31, 2013)</u>
Hon.-Prof. Dr. techn. h. c. Dipl.-Ing. ETH Ferdinand K. Piëch Chairman	AUDI AG, Ingolstadt <sup>1</sup> Dr. Ing. h.c. F. Porsche AG, Stuttgart <sup>1</sup> MAN SE, Munich (Chairman) <sup>1</sup> Porsche Automobil Holding SE, Stuttgart <sup>1</sup> Ducati Motor Holding S.p.A., Bologna <sup>3</sup> Porsche Gesellschaft m.b.H., Salzburg <sup>3</sup> Porsche Holding Gesellschaft m.b.H., Salzburg <sup>3</sup> Porsche Piech Holding GmbH, Salzburg <sup>3</sup> Scania AB, Södertälje <sup>3</sup> Scania CV AB, Södertälje <sup>3</sup>

<b>Name</b>	<b>Additional Activities (as of December 31, 2013)</b>
Berthold Huber* Deputy Chairman IG Metall	AUDI AG, Ingolstadt (Deputy Chairman) <sup>1</sup> Porsche Automobil Holding SE, Stuttgart <sup>1</sup> Siemens AG, München (Deputy Chairman) <sup>1</sup>
Dr. Hussain Ali Al-Abdulla Vice Chairman of Qatar Holding LLC	Gulf Investment Corporation, Safat/Kuwait <sup>3</sup> Masraf Al Rayan, Doha (Chairman) <sup>3</sup> Qatar Exchange, Doha (Chairman) <sup>3</sup> Qatar Investment Authority, Doha <sup>3</sup> Qatar Holding LLC, Doha <sup>3</sup>
Ahmad Al-Sayed CEO of the Qatar Investment Authority and Managing Director (CEO) of Qatar Holding LLC	Canary Wharf Group, London <sup>3</sup> Qatar Exchange, Doha (Deputy Chairman) <sup>3</sup> Qatar National Bank, Doha <sup>3</sup>
Jürgen Dorn Chairman of the Works Council at the MAN Truck & Bus AG Munich plant, Chairman of the General Works Council of MAN Truck & Bus AG and Chairman of the Group Works Council and the SE Works Council of MAN SE	MAN SE, Munich <sup>1</sup> MAN Truck & Bus AG, Munich (Deputy Chairman) <sup>1</sup>
Annika Falkengren President and Group Chief Executive of Skandinaviska Enskilda Banken AB	Münchener Rückversicherungs-Gesellschaft AG, Munich <sup>1</sup> Securitas AB, Stockholm <sup>3</sup>
Dr. jur. Hans-Peter Fischer Chairman of the Board of Management of Volkswagen Management Association	Volkswagen Pension Trust e.V., Wolfsburg <sup>3</sup>
Uwe Fritsch Chairman of the Works Council at the Volkswagen AG Braunschweig plant	Eintracht Braunschweig GmbH & Co KGaA, Braunschweig <sup>3</sup> Phantoms Basketball Braunschweig GmbH, Braunschweig <sup>3</sup>
Babette Fröhlich* IG Metall, Department head for coordination of Executive Board duties and planning	MTU Aero Engines AG, Munich <sup>1</sup>
Olaf Lies Minister of Economic Affairs, Labor and Transport for the Federal State of Lower Saxony	Deutsche Messe AG, Hanover <sup>1</sup>
Hartmut Meine* Director of the Lower Saxony and Saxony-Anhalt Regional Office of IG Metall	Continental AG, Hanover <sup>1</sup> KME Germany GmbH, Osnabrück <sup>1</sup>



**Name****Additional Activities (as of December 31, 2013)**

Peter Mosch\*

Chairman of the General Works Council of AUDI AG

AUDI AG, Ingolstadt<sup>1</sup>

Porsche Automobil Holding SE, Stuttgart<sup>1</sup>

Dr.-Richard-Bruhn-Hilfe, Altersversorgung der

AUTO UNION GmbH, VVaG, Ingolstadt<sup>1</sup>

Bernd Osterloh\*

Chairman of the General and Group Works Councils  
of Volkswagen AG

Autostadt GmbH, Wolfsburg<sup>1</sup>

Porsche Automobil Holding SE, Stuttgart<sup>1</sup>

Wolfsburg AG, Wolfsburg<sup>1</sup>

Allianz für die Region GmbH, Braunschweig<sup>3</sup>

Porsche Holding Gesellschaft m.b.H., Salzburg<sup>3</sup>

VfL Wolfsburg-Fußball GmbH, Wolfsburg<sup>3</sup>

Volkswagen Immobilien GmbH, Wolfsburg<sup>3</sup>

Dr. jur. Hans Michel Piëch

Lawyer in private practice

AUDI AG, Ingolstadt<sup>1</sup>

Dr. Ing. h.c. F. Porsche AG, Stuttgart<sup>1</sup>

Porsche Automobil Holding SE, Stuttgart<sup>1</sup>

Porsche Cars Great Britain Ltd., Reading<sup>3</sup>

Porsche Cars North America Inc., Wilmington<sup>3</sup>

Porsche Gesellschaft m.b.H., Salzburg (Chairman)<sup>3</sup>

Porsche Holding Gesellschaft m.b.H., Salzburg<sup>3</sup>

Porsche Ibérica S.A., Madrid<sup>3</sup>

Porsche Italia S.p.A., Padua<sup>3</sup>

Porsche Piech Holding GmbH, Salzburg  
(Chairman)<sup>3</sup>

Schmittenhöhebahn AG, Zell am See<sup>3</sup>

Volksoper Wien GmbH, Vienna<sup>3</sup>

Ursula Piëch

Supervisory Board member of AUDI AG

AUDI AG, Ingolstadt<sup>1</sup>

Dr. jur. Ferdinand Oliver Porsche

Member of the Board of Management of Familie  
Porsche AG Beteiligungsgesellschaft

AUDI AG, Ingolstadt<sup>1</sup>

Dr. Ing. h.c. F. Porsche AG, Stuttgart<sup>1</sup>

Porsche Automobil Holding SE, Stuttgart<sup>1</sup>

PGA S.A., Paris<sup>3</sup>

Porsche Holding Gesellschaft m.b.H., Salzburg<sup>3</sup>

Porsche Lizenz- und Handelsgesellschaft mbH &  
Co. KG,

Bietigheim-Bissingen<sup>3</sup>

<b>Name</b>	<b>Additional Activities (as of December 31, 2013)</b>
Dr. rer. comm. Wolfgang Porsche	AUDI AG, Ingolstadt <sup>1</sup>
Chairman of the Supervisory Board of Porsche Automobil Holding SE;	Dr. Ing. h.c. F. Porsche AG, Stuttgart (Chairman) <sup>1</sup>
Chairman of the Supervisory Board of Dr. Ing. h.c. F. Porsche AG	Porsche Automobil Holding SE, Stuttgart (Chairman) <sup>1</sup>
	Familie Porsche AG Beteiligungsgesellschaft, Salzburg (Chairman) <sup>3</sup>
	Porsche Cars Great Britain Ltd., Reading <sup>3</sup>
	Porsche Cars North America Inc., Wilmington <sup>3</sup>
	Porsche Gesellschaft m.b.H., Salzburg (Deputy Chairman) <sup>3</sup>
	Porsche Holding Gesellschaft m.b.H., Salzburg <sup>3</sup>
	Porsche Ibérica S.A., Madrid <sup>3</sup>
	Porsche Italia S.p.A., Padua <sup>3</sup>
	Porsche Piech Holding GmbH, Salzburg (Deputy Chairman) <sup>3</sup>
	Schmittenhöhebahn AG, Zell am See <sup>3</sup>
Stephan Weil	
Minister-President of the Federal State of Lower Saxony	
Stephan Wolf	Wolfsburg AG, Wolfsburg <sup>1</sup>
Deputy Chairman of the General and Group Works Council of Volkswagen AG	Sitech Sitztechnik GmbH, Wolfsburg <sup>3</sup>
	Volkswagen Pension Trust e.V., Wolfsburg <sup>3</sup>
Thomas Zwiebler*	
Chairman of the Works Council for Volkswagen Commercial Vehicles	

\* Employee representative

<sup>1</sup> Membership of statutory supervisory boards in Germany.

<sup>2</sup> Volkswagen Group appointments to statutory supervisory boards.

<sup>3</sup> Comparable appointments in Germany and abroad.

Wolfgang Ritmeier, Jürgen Stumpf and Bernd Wehlauer resigned from the Supervisory Board at the end of 2012. Effective January 1, 2013, Dr. Hans-Peter Fischer, Jürgen Dorn and Stephan Wolf were appointed to the Supervisory Board as their successors. Jassim Al-Kuwari stepped down from the Supervisory Board as of April 25, 2013. He was succeeded by Ahmad Al-Sayed, who was appointed by court order as his replacement on the Supervisory Board effective June 28, 2013.

Effective February 19, 2013, the State of Lower Saxony appointed the Minister-President, Stephan Weil, and the Minister of Economic Affairs, Labor and Transport, Olaf Lies, to the Supervisory Board. They succeeded David McAllister and Jörg Bode, who stepped down from the Supervisory Board as of the same day.

The scheduled term of office of Dr. Wolfgang Porsche as a member of the Supervisory Board expired at the end of the Annual General Meeting on April 25, 2013. The Annual General Meeting elected Dr. Porsche to the Supervisory Board for a further full term of office. The Annual General Meeting also resolved to distribute a dividend of EUR 3.50 per ordinary share and EUR 3.56 per preferred share for 2012.

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

The following family relationships exist between the members of the Supervisory Board: Hon.-Prof. Dr. techn. h.c. Dipl.-Ing. ETH Ferdinand K. Piëch and Ursula Piëch are married. Furthermore, Hon.-Prof. Dr. techn. h.c. Dipl.-Ing. ETH Ferdinand K. Piëch and Dr. jur. Hans Michel Piëch are brothers and both are

cousins of Dr. rer. comm. Wolfgang Porsche. In addition, Dr. jur. Ferdinand Oliver Porsche is a nephew of the aforementioned members of the Supervisory Board. There are no family relationships between the remaining members of the Supervisory Board.

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

Such dual mandates are, for example, held by the Chairman of the Supervisory Board of VWAG, Hon.-Prof. Dr. techn. h.c. Dipl.-Ing. ETH Ferdinand K. Piëch, the Chairman of the Board of Management of VWAG, Prof. Dr. Dr. h. c. mult. Martin Winterkorn, the CFO of VWAG, Hans Dieter Pötsch and by the members of the Board of Management of VWAG, Dr. rer. pol. h.c. Francisco Javier Garcia Sanz and Dr. h.c. Leif Östling, who are simultaneously members of the Board of Directors of Scania AB, with Prof. Dr. Dr. h. c. mult. Martin Winterkorn holding the position of Chairman of the Board of Directors. Prof. Dr. Dr. h. c. mult. Martin Winterkorn, Dr. rer. pol. h.c. Francisco Javier Garcia Sanz, Prof. Dr. rer. pol. Dr.-Ing. E. h. Horst Neumann and Hans Dieter Pötsch are also members of the Supervisory Board of AUDI AG, with Prof. Dr. Dr. h. c. mult. Martin Winterkorn holding the position of Chairman of the Supervisory Board. The member of the Board of Management, Prof. Rupert Stadler, is simultaneously the Chairman of the Board of Management of AUDI AG.

Hon.-Prof. Dr. techn. h.c. Dipl.-Ing. ETH Ferdinand K. Piëch, Chairman of the Supervisory Board, is simultaneously Chairman of the Supervisory Board of MAN SE. The members of the Board of Management of VWAG, Dr. h.c. Leif Östling, Hans Dieter Pötsch and Prof. Rupert Stadler, as well as Prof. Dr. Dr. h. c. mult. Martin Winterkorn are also members of the Supervisory Board of MAN SE.

Dual mandates also exist in relation to key shareholders of VWAG and the members of its governing bodies. For example, the Chairman of the Board of Management of VWAG, Prof. Dr. Dr. h. c. mult. Martin Winterkorn, and the CFO, Hans Dieter Pötsch, are simultaneously members of the Executive Board of Porsche Automobil Holding SE (the Chairman and the CFO, respectively) and members of the Supervisory Board of Dr. Ing. h.c. F. Porsche AG, Porsche Holding Gesellschaft m.b.H., Salzburg, Porsche Austria G.m.b.H., Salzburg, and Porsche Retail G.m.b.H., Salzburg.

Dr. jur. Hans Michel Piëch, Dr. jur. Ferdinand Oliver Porsche, Berthold Huber, Peter Mosch and Bernd Osterloh are simultaneously members of the Supervisory Board of VWAG and members of the Supervisory Board of Porsche Automobil Holding SE. Hon.-Prof. Dr. techn. h.c. Dipl.-Ing. ETH Ferdinand K. Piëch is simultaneously a member of the Supervisory Board of Porsche Automobil Holding SE and Chairman of the Supervisory Board of VWAG. Dr. rer. comm. Wolfgang Porsche, Chairman of the Supervisory Board of Porsche Automobil Holding SE, is simultaneously a member of the Supervisory Board of VWAG.

Hon.-Prof. Dr. techn. h.c. Dipl.-Ing. ETH Ferdinand K. Piëch, Dr. jur. Hans Michel Piëch and Dr. jur. Ferdinand Oliver Porsche are simultaneously members of the Supervisory Board of VWAG and members of the Supervisory Board of Dr. Ing. h.c. F. Porsche AG. Dr. rer. comm. Wolfgang Porsche, Chairman of the Supervisory Board of Dr. Ing. h.c. F. Porsche AG, is simultaneously a member of the Supervisory Board of VWAG.

Hon.-Prof. Dr. techn. h.c. Dipl.-Ing. ETH Ferdinand K. Piëch, Dr. jur. Hans Michel Piëch, Dr. jur. Ferdinand Oliver Porsche, Dr. rer. comm. Wolfgang Porsche, Berthold Huber, Peter Mosch and Ursula Piëch are members of the Supervisory Board of VWAG and members of the Supervisory Board of AUDI AG.

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

There are no employment contracts between VWAG or any of its subsidiaries and members of the Supervisory Board or the Board of Management of VWAG which provide for benefits at the end of the employment relationship. In the event of regular termination of service, however, members of the Board of Management of VWAG are entitled to a pension, including a surviving dependents' pension as well as the use of company cars for the period in which they receive their pension.

Hon.-Prof. Dr. techn. h.c. Dipl.-Ing. ETH Ferdinand K. Piëch, Ursula Piëch, Dr. jur. Hans Michel Piëch, Dr. jur. Ferdinand Oliver Porsche and Dr. rer. comm. Wolfgang Porsche are members of the Supervisory Board and are indirect owners of voting rights in VWAG.

## Board Practices

In accordance with the provisions of the German Stock Corporation Act (*Aktiengesetz*—AktG) and the German Co-Determination Act (*Mitbestimmungsgesetz* — (“**MitbestG**”)), the Supervisory Board elects a Chairman and a Deputy Chairman for the respective terms of office. If the Chairman or his Deputy leaves before expiration of his term of office, the Supervisory Board must promptly hold a new election to fill the position for the remainder of the departed member’s term of office. The Articles of Association of VWAG provide that declarations of intent by the Supervisory Board are made by the Chairman of the Supervisory Board on its behalf.

In accordance with the Articles of Association of VWAG, the Supervisory Board may form further committees from among its members to perform specific functions, in addition to the committee to be formed in accordance with section 27(3) of the MitbestG.

The Supervisory Board had formed the following four committees: the Executive Committee, the Mediation Committee, the Audit Committee and the Nomination Committee. On September 21, 2012 the Committee for Major Shareholder Business Relationships and the Integrated Automotive Group Committee were dissolved.

The Executive Committee consists of three shareholder representatives and three employee representatives. The members of the Nomination Committee are the shareholder representatives in the Executive Committee. In 2013, the remaining two committees were each composed of two shareholder representatives and two employee representatives.

The Executive Committee of the Supervisory Board met four times during 2013. These meetings mainly served to prepare in detail the resolutions by the Supervisory Board and to deal with contractual issues concerning the Board of Management other than those relating to members’ remuneration. The following persons are members of the Executive Committee: Hon.-Prof. Dr. techn. h.c. Dipl.-Ing. ETH Ferdinand K. Piëch (Chairman), Berthold Huber (Deputy Chairman), Bernd Osterloh, Dr. Wolfgang Porsche, Stephan Weil and Stephan Wolf.

The Nomination Committee is responsible for proposing suitable candidates for the Supervisory Board to recommend for election to the Annual General Meeting. The Committee met once during 2013. The following persons were members of the Nomination Committee in 2013: Hon.-Prof. Dr. techn. h.c. Dipl.-Ing. ETH Ferdinand K. Piëch (Chairman), Dr. Wolfgang Porsche and Stephan Weil.

The Mediation Committee is responsible, in accordance with the German Co-Determination Act, for appointing the members of the Board of Management. In 2013, the following persons were members of the Mediation Committee: Hon.-Prof. Dr. techn. h.c. Dipl.-Ing. ETH Ferdinand K. Piëch (Chairman), Berthold Huber (Deputy Chairman), Bernd Osterloh and Stephan Weil. The Mediation Committee did not have to be convened in 2013.

The Audit Committee met five times during 2013. It focused primarily on the consolidated financial statements, risk management (including the internal control system), and the work performed by VWAG’s compliance organization. In addition, the Audit Committee addressed the quarterly reports and the half-yearly financial report of the Volkswagen Group, as well as current financial reporting issues and their examination by the auditors. The following persons are members of the Audit Committee: Dr. Ferdinand Oliver Porsche (Chairman), Peter Mosch (Deputy Chairman), Annika Falkengren and Babette Fröhlich.

## Corporate Governance

The government commission on the German Corporate Governance Code appointed by the Federal Ministry of Justice (*Bundesministerium für Justiz*) in September 2001 adopted the German Corporate Governance Code (“**AktG**” or the “**Code**”) on February 26, 2002 and, most recently, adopted various amendments to the Code on May 13, 2013. The Code provides recommendations and suggestions on managing and supervising listed German companies. In doing so, it is based on recognized international and national standards for good and responsible corporate governance. The purpose of the Code is to make the German corporate governance system transparent and comprehensible. The Code contains recommendations and suggestions on corporate governance with respect to shareholders and the general meeting, the board of management, the supervisory board, transparency, accounting and auditing. The Code can be viewed online at [www.corporate-governance-code.de](http://www.corporate-governance-code.de).

There is no obligation to comply with the recommendations and suggestions of the Code. German stock corporation law merely requires the board of management and supervisory board of a listed company to either make an annual declaration that the company has been and will be in compliance with the recommendations of the Code, or state which recommendations have not or will not be applied and why. The statement is to be made permanently available on the website of VWAG. A company may deviate from the suggestions made in the Code without disclosing this.

On February 22, 2013 the Board of Management and the Supervisory Board of VWAG issued the following supplement to the statement of compliance with the German Corporate Governance Code required by section 161 of the AktG dated as of November 23, 2012:

“In their Declaration of Conformity dated 23 November 2012, the Board of Management and the Supervisory Board of VWAG declared that they would fully comply with the recommendations of the Government Commission of the German Corporate Governance Code (DCGK) in the version dated 15 May 2012 that had been published by the German Ministry of Justice in the official section of the Federal Gazette (Bundesanzeiger) on 15 June 2012, with the exception of numbers 4.2.3 paragraph 4 (severance pay cap), 5.1.2 paragraph 2 sentence 3 (age limit for members of the Board of Management), 5.3.2 sentence 3 (independence of the Chair of the Audit Committee), 5.4.1 paragraphs 4 to 6 (disclosures regarding election recommendations), 5.4.6 paragraph 2 (performance-related compensation for members of the Supervisory Board) and 5.5.3 sentence 1 (report to the Annual General Meeting of any conflicts of interest which have occurred, together with their treatment).

On 22 February 2013, the Supervisory Board adopted a resolution regarding the parameters for determining the extent of the bonus paid to members of the Board of Management, a fact which also affects the 2012 bonus. This resolution deviates from number 4.2.3 paragraph 3 sentence 3 of the DCGK where the 2012 bonus is concerned. Under this provision, a retroactive change of the comparison parameters for variable compensation elements should be excluded. However, the Supervisory Board is of the opinion that continued adherence to the previous parameters for the bonus would have resulted in bonuses that are no longer appropriate. An adjustment of the comparison parameters was therefore advisable despite the retroactive nature thereof.

The Board of Management and the Supervisory Board of VWAG declare that the Declaration of Conformity issued on 23 November 2012 is now being qualified to exclude compliance with recommendation number 4.2.3 paragraph 3 sentence 3 (exclusion of retroactive changes of comparison parameters) for the 2012 bonus.”

On November 22, 2013 the Board of Management and the Supervisory Board of VWAG issued the following annual declaration of conformity with the German Corporate Governance Code required by section 161 of the AktG:

“The Board of Management and the Supervisory Board declare that:

1. The recommendations of the Government Commission of the German Corporate Governance Code in the version dated 13 May 2013 (2013 DCGK) that was published by the German Ministry of Justice in the official section of the Federal Gazette (Bundesanzeiger) on 10 June 2013 will be fully complied with, effective immediately, with the exception of the numbers listed below. The reasons for the exceptions are also listed below.

a) 4.2.3 paragraph 4 (severance pay cap)

A severance pay cap will be included in new contracts concluded with members of the Board of Management, but not in contracts concluded with Board of Management members entering their third term of office or beyond, provided a cap did not form part of the initial contract. Existing contractual provisions have, to this extent, been protected.

b) 5.1.2 paragraph 2 sentence 3 (age limit for members of the Board of Management) An age limit for members of the Board of Management is not considered to be appropriate because the ability to successfully manage the company does not necessarily cease when a specific age is reached. A rigid retirement age could also be deemed discriminatory. It may be in the interests of the company to appoint someone over the age of 65. A rigid retirement age would therefore appear to be inappropriate.

c) 5.3.2 sentence 3 (independence of the chair of the Audit Committee)

The wording of the German Corporate Governance Code does not make it clear whether the Chairman of the Audit Committee is independent within the meaning of number 5.3.2 sentence 3 of the 2013 DCGK. Such independence could be considered lacking in view of his membership of the Supervisory Board of Porsche Automobil Holding SE, kinship with other members of the Supervisory Board of the company and Porsche Automobil Holding SE, his indirect minority interest in Porsche Automobil Holding SE, and contractual relations with other members of the Porsche and Piëch families who also have a direct or indirect interest in Porsche Automobil Holding SE. However, in the opinion of the Supervisory Board and the Board of Management, these relationships do not constitute a conflict of interest nor do they interfere with his duties as the Chairman of the Audit Committee. However, the aforementioned exception is being declared, purely as a precautionary measure.

d) 5.4.1 paragraphs 4 to 6 (disclosure regarding election recommendations)

With regard to the recommendation in number 5.4.1 paragraphs 4 to 6 of the 2013 DCGK that certain circumstances be disclosed by the Supervisory Board when making election recommendations to the Annual General Meeting, the requirements of the Code are vague and the definitions unclear. Purely as a precautionary measure, the Board of Management and the Supervisory Board therefore declare a deviation from the Code in this respect. Notwithstanding this, the Supervisory Board will make every effort to satisfy the requirements of number 5.4.1 paragraphs 4 to 6.

e) 5.4.6 paragraph 2 (performance-related remuneration of members of the Supervisory Board)

The remuneration of members of the Supervisory Board is regulated by the shareholders in article 17(1) of the VW Articles of Association, including a link to dividend distribution. We therefore assume that the variable remuneration component will be oriented toward the sustainable growth of the enterprise within the meaning of number 5.4.6 paragraph 2 of the 2013 DCGK. However, as it cannot be ruled out that other views will be taken, a deviation from this recommendation in the Code is being declared as a precautionary measure.

f) 5.5.3 sentence 1 (report to the Annual General Meeting of any conflicts of interest which have occurred, together with their treatment)

In its verdict of 5 July 2011 (file number 5 U 104/10), the Higher Regional Court of Frankfurt am Main ruled that the ratification of the actions of the Board of Management and of the Supervisory Board of a listed company by the Annual General Meeting was invalid, due partly to the fact that the report to the Annual General Meeting concerning conflicts of interest and their treatment was not detailed enough. As a result of this verdict, there is now some uncertainty with regard to the scope of reporting required by the Code, particularly within the context of the non-disclosure obligations relating to stock corporations pursuant to sections 93 and 116 of the German Stock Corporation Act (AktG). As a precautionary measure, we therefore declare an exception to number 5.5.3 sentence 1. Notwithstanding the above, we will continue to report on any conflicts of interest which have occurred and their treatment in the same scope as before.

2. The recommendations of the Government Commission of the German Corporate Governance Code in the version dated 15 May 2012 (2012 DCGK) was complied with in the period from the last Declaration of Conformity dated 23 November 2012 until the entry into force of the 2013 DCGK with the exception of the numbers listed below.

a) 4.2.3 paragraph 4 (severance pay cap)

b) 5.1.2 paragraph 2 sentence 3 (age limit for members of the Board of Management)

c) 5.3.2 sentence 3 (independence of the chair of the Audit Committee)

d) 5.4.1 paragraphs 4 to 6 (disclosure regarding election recommendations)

e) 5.4.6 paragraph 2 (performance-related remuneration for members of the Supervisory Board)

f) 5.5.3 sentence 1 (report to the Annual General Meeting of any conflicts of interest which have occurred, together with their treatment)

g) 4.2.3 paragraph 3 sentence 3 of the 2012 DCGK (exclusion of retroactive changes to comparison parameters)

The reasons for the exceptions to a) to f) are explained above under clause 1. In the supplement dated 22 February 2013 to the Declaration of Conformity dated 23 November 2012, another deviation was declared regarding number 4.2.3 paragraph 3 sentence 3 of the 2012 DCGK (exclusion of retroactive changes to comparison parameters). However, the Supervisory Board is of the opinion that continued adherence to the previous parameters for the bonus would have resulted in bonuses that were no longer appropriate. An adjustment of the comparison parameters was therefore advisable despite the retroactive nature thereof. This deviation occurred on a one-off basis relating to the bonus for the year 2012.

3. From the entry into force of the 2013 DCGK until the submission of this Declaration of Conformity, the recommendations were complied with except for the following numbers

a) 4.2.3 paragraph 4 (severance pay cap)

b) 5.1.2 paragraph 2 sentence 3 (age limit for members of the Board of Management)

c) 5.3.2 sentence 3 (independence of the chair of the Audit Committee)

d) 5.4.1 paragraphs 4 to 6 (disclosure regarding election recommendations)

e) 5.4.6 paragraph 2 (performance-related remuneration for members of the Supervisory Board)



f) 5.5.3 sentence 1 (report to the Annual General Meeting of any conflicts of interest which have occurred, together with their treatment)

g) 4.2.2 paragraph 2 sentence 3 (vertical comparison of remuneration)

The reasons for the deviations to a) to f) are explained above under clause 1. The recommendation under number 4.2.2 paragraph 2 sentence 3 (vertical comparison of remuneration) is made for the first time in the 2013 DCGK. The 2013 DCGK does not indicate the extent to which this recommendation requires the Supervisory Board to make stipulations and observations, even if no decisions are made regarding the remuneration of members of the Board of Management. For this reason, purely as a precautionary measure, a deviation will be declared. Following the necessary consultations and declarations by the Supervisory Board, this recommendation shall be complied with as of today."

## Selected Historical Financial Information

The following financial data was extracted without material adjustment from the Volkswagen Group's 2013 annual report:

<b>Volume Data<sup>1</sup></b>	<b>2013</b>	<b>2012</b>	<b>%</b>
Vehicle sales (units) . . . . .	9,728,250	9,344,559	+4.1
Production (units) . . . . .	9,727,848	9,255,384	+5.1
Employees at Dec. 31. . . . .	572,800	549,763	+4.2
<b>Financial Data (IFRSs), EUR million</b>	<b>2013</b>	<b>2012<sup>2</sup></b>	<b>%</b>
Sales revenue . . . . .	197,007	192,676	+2.2
Operating profit . . . . .	11,671	11,498	+1.5
Profit before tax . . . . .	12,428	25,487	-51.2
Profit after tax . . . . .	9,145	21,881	-58.2
Profit attributable to shareholders of Volkswagen AG . . . . .	9,066	21,712	-58.2
Cash flows from operating activities . . . . .	12,595	7,209	+74.7
Cash flows from investing activities attributable to operating activities . . . .	14,936	16,840	-11.3
Automotive Division <sup>3</sup>			
EBITDA <sup>4</sup> . . . . .	20,594	19,895	+3.5
Cash flows from operating activities . . . . .	20,612	16,232	+27.0
Cash flows from investing activities attributable to operating activities <sup>5</sup> . . . . .	16,199	16,455	-1.6
of which: investments in property, plan and equipment . . . . .	11,040	10,271	+7.5
as a percentage of sales revenue . . . . .	6.3	5.9	
capitalized development costs . . . . .	4,021	2,615	+53.8
as a percentage of sales revenue . . . . .	2.3	1.5	
Net cash flow . . . . .	4,413	-223	x
Net liquidity at Dec. 31 . . . . .	16,869	10,573	+59.5
<b>Return ratios in %</b>	<b>2013</b>	<b>2012</b>	
Return on sales before tax . . . . .	6.3	13.2	
Return on investment (RoI) in the Automotive Division . . . . .	14.5	16.6	
Return on equity before tax (Financial Services Division) <sup>6</sup> . . . . .	14.3	13.1	

<sup>1</sup> Volume data including the unconsolidated Chinese joint ventures.

<sup>2</sup> Prior-year figures adjusted to reflect application of IAS 19R.

<sup>3</sup> Including allocation of consolidation adjustments between the Automotive and Financial Services divisions.

<sup>4</sup> Operating profit plus net depreciation/amortization and impairment losses/reversals of impairment losses on property, plant and equipment, capitalized development costs, leasing and rental assets, goodwill and financial assets as reported in the cash flow statement.

<sup>5</sup> Excluding acquisition and disposal of equity investments: EUR 14,497 million (EUR 12,528 million).

<sup>6</sup> Profit before tax as a percentage of average equity.

Figures relating to costs and investments will be displayed as absolute numbers without plus-minus sign ( $\pm$ ).

<b>Volume Data</b>	<b>2013</b>	<b>2012</b>	<b>%</b>
Vehicle sales (units) .....	2,495,745	2,580,266	-3.3
Production (units) .....	1,169,151	1,148,774	+1.8
Employees at Dec. 31 .....	107,559	101,794	+5.7
<b>Financial Data (HGB), EUR million</b>	<b>2013</b>	<b>2012</b>	<b>%</b>
Sales .....	65,587	68,361	-4.1
Net income for the year .....	3,078	6,380	-51.8
Dividends (EUR)			
per ordinary share .....	4.00 <sup>1</sup>	3.50	
per preferred share .....	4.06 <sup>1</sup>	3.56	

<sup>1</sup> Amounts are not final, but will be proposed for approval at the Volkswagen annual general meeting of shareholders.

The following unaudited financial data was extracted without material adjustment from the Volkswagen Group's 2012 annual report:

<b>Volume Data<sup>1</sup></b>	<b>2012</b>	<b>2011</b>	<b>%</b>
Vehicle sales (units) .....	9,344,559	8,361,294	+11.8
Production (units) .....	9,255,384	8,494,280	+9.0
Employees at Dec. 31 .....	549,763	501,956	+9.5
<b>Financial Data (IFRSs), EUR million</b>	<b>2012</b>	<b>2011</b>	<b>%</b>
Sales revenue .....	192,676	159,337	+20.9
Operating profit .....	11,510	11,271	+2.1
Profit before tax .....	25,492	18,926	+34.7
Profit after tax .....	21,884	15,799	+38.5
Profit attributable to shareholders of Volkswagen AG .....	21,717	15,409	+40.9
Cash flows from operating activities .....	7,209	8,500	-15.2
Cash flows from investing activities attributable to operating activities ....	16,840	16,002	+5.2
Automotive Division <sup>2</sup>			
EBITDA <sup>3</sup> .....	19,906	17,815	+11.7
Cash flows from operating activities .....	16,232	17,109	-5.1
Cash flows from investing activities attributable to operating activities <sup>4</sup> ...	16,455	15,998	+2.9
of which: investments in property, plant and equipment .....	10,271	7,929	+29.5
as a percentage of sales revenue .....	5.9	5.6	
capitalized development costs .....	2,615	1,666	+56.9
as a percentage of sales revenue .....	1.5	1.2	
Net cash flow .....	-223	1,112	x
Net liquidity at Dec. 31 .....	10,573	16,951	-37.6
<b>Return ratios in %</b>	<b>2012</b>	<b>2011</b>	
Return on sales before tax .....	13.2	11.9	
Return on investment after tax (Automotive Division) .....	16.6	17.7	
Return on equity before tax (Financial Services Division) <sup>5</sup> .....	13.1	14.0	

<sup>1</sup> Volume data including the unconsolidated Chinese joint ventures.

<sup>2</sup> Including allocation of consolidation adjustments between the Automotive and Financial Services divisions.

<sup>3</sup> Operating profit plus net depreciation/amortization and impairment losses/reversals of impairment losses on property, plant and equipment, capitalized development costs, leasing and rental assets, goodwill and financial assets as reported in the cash flow statement.

<sup>4</sup> Excluding acquisition and disposal of equity investments: EUR 12,528 million (EUR 9,371 million).

<sup>5</sup> Profit before tax as a percentage of average equity.

Figures relating to costs and investments will be displayed as absolute numbers without plus-minus sign ( $\pm$ ).

<b>Volume Data</b>	<b>2012</b>	<b>2011</b>	<b>%</b>
Vehicle sales (units) . . . . .	2,580,266	2,661,327	−3.0
Production (units) . . . . .	1,148,774	1,215,058	−5.5
Employees at Dec. 31 . . . . .	101,794	97,691	+4.2
<b>Financial Data (HGB), EUR million</b>	<b>2012</b>	<b>2011</b>	<b>%</b>
Sales . . . . .	68,361	67,178	+1.8
Net income for the year . . . . .	6,380	3,418	+86.7
Dividends (EUR)			
per ordinary share . . . . .	3.50	3.00	
per preferred share . . . . .	3.56	3.06	

### **Legal and arbitration proceedings**

In the course of their operating activities, VWAG and the companies in which it is directly or indirectly invested become involved in legal disputes and official proceedings in Germany and internationally. In particular, such proceedings may occur in relation to suppliers, dealers, customers, employees, or investors. For the companies involved, these may result in payment or other obligations. Particularly in cases where U.S. customers assert claims for vehicle defects individually or by way of a class action, highly cost-intensive measures may have to be taken and substantial compensation or punitive damages paid. Corresponding risks also result from U.S. patent infringement proceedings.

Where transparent and economically viable, adequate insurance cover is taken out for these risks and appropriate provisions recognized for the remaining identifiable risks. VWAG does not believe, therefore, that these risks will have a sustained effect on the economic position of the Volkswagen Group.

Consequently, VWAG is of the opinion that, to the best of its knowledge, there have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which VWAG is aware) in the twelve months preceding the date of this Prospectus that may have or had significant effects on VWAG's or the VW Group's financial position or profitability.

## TAXATION

*The following is a general overview of certain tax consequences under the tax laws of Luxembourg, the Federal Republic of Germany, Austria, The Netherlands, the United Kingdom (UK) and Ireland of the acquisition, ownership and disposal of the Notes. It contains the information required on taxation by the Commission Regulation (EC) No 809/2004 of 29 April 2004. Information exceeding this information requirement is included herein solely for information purposes. This overview does not purport to be a comprehensive description of all tax considerations which may be relevant to a decision to purchase the Notes. In particular, this discussion does not consider any specific facts or circumstances that may apply to a particular purchaser, relates only to the position of persons who are absolute beneficial owners of the Notes and may not apply to certain classes of persons such as dealers, certain professional investors or persons connected with the Issuer. This overview is based on the laws of Luxembourg, the Federal Republic of Germany, Austria, The Netherlands, the UK and Ireland (including the practice of the respective tax authorities of each jurisdiction) currently in force and as applied on the date of this Prospectus, which are subject to change, possibly with retroactive or retrospective effect. It is based is not intended to be, nor should it be construed to be, legal or tax advice.*

**PROSPECTIVE PURCHASERS OF NOTES ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX CONSEQUENCES OF THE ACQUISITION, OWNERSHIP AND DISPOSAL OF THE NOTES, INCLUDING THE EFFECT OF ANY STATE OR LOCAL TAXES UNDER THE TAX LAWS APPLICABLE IN LUXEMBOURG, THE FEDERAL REPUBLIC OF GERMANY, AUSTRIA, THE NETHERLANDS, THE UK, IRELAND AND EACH COUNTRY OF WHICH THEY ARE RESIDENTS.**

### **Taxation in Luxembourg**

The following overview is of a general nature. It contains the information required on taxation by the Commission Regulation (EC) No 809/2004 of April 29, 2004. Information exceeding this information requirement is included herein solely for information purposes. It is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice.

Prospective investors in the Notes should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

### **Withholding tax and self-applied tax**

#### *Non-resident Noteholders*

Under Luxembourg general tax laws currently in force and subject to the laws of June 21, 2005, as amended (the "**Laws**") mentioned below, there is no withholding tax on payments of principal, premium or interest made to non-resident Noteholders, nor on accrued but unpaid interest in respect of the Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Notes held by non-resident Noteholders.

Under the Laws implementing the EU Savings Directive (see below) and ratifying the treaties entered into by Luxembourg and certain dependent and associated territories of EU member states (the "**Territories**"), payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the immediate benefit of an individual beneficial owner or a residual entity, as defined by the Laws, which is a resident of, or established in, an EU member state (other than Luxembourg) or one of the Territories will be subject to a withholding tax unless the relevant recipient has adequately instructed the relevant paying agent to provide details of the relevant payments of interest or similar income to the fiscal authorities of his/her/its country of residence or establishment, or, in case of an individual beneficiary, has provided a tax certificate issued by the fiscal authorities of his/her/its country of residence in the required format to the relevant paying agent. Where withholding tax is applied, it will be levied at a rate of 35%. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent.

The withholding tax system will only apply during a transitional period, the ending of which depends on the conclusion of certain agreements relating to information exchange with certain third countries. The Luxembourg government however officially announced on April 10, 2013 that they will give up the withholding tax system as from January 1, 2015 and apply the automatic exchange of information system under the EU Savings Directive (see above).

#### *Resident Noteholders*

Under Luxembourg general tax laws currently in force and subject to the law of December 23, 2005 as amended (the "**Law**") mentioned below, there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident Noteholders, nor on accrued but unpaid interest in respect of Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Notes held by Luxembourg resident Noteholders.

Under the Law, payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the immediate benefit of an individual beneficial owner who is a resident of Luxembourg or a foreign residual entity that secures interest payments on behalf of such individuals (unless such entity has opted to be treated as UCITS recognized in accordance with the Council Directive 85/611/EEC, as replaced by the European Council Directive 2009/65/EC, or for the exchange of information regime) will be subject to a withholding tax of 10%. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her/its private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent.

Pursuant to the Law as amended by the law of July 17, 2008, Luxembourg resident individuals, acting in the course of their private wealth, can opt to self-declare and pay a 10% tax on interest payments made after December 31, 2007 by paying agents (defined in the same way as in the EU Savings Directive) located in an EU member state other than Luxembourg, a member state of the European Economic Area other than an EU member state or in one of the Territories.

## **Taxation in Germany**

### ***Investors resident in Germany***

Persons (individuals and corporate entities) who are tax resident in Germany (in particular, persons having a residence, habitual abode, seat or place of management in Germany) are subject to income taxation (income tax or corporate income tax, as the case may be, plus solidarity surcharge thereon plus church tax and/or trade tax, if applicable) on their worldwide income, regardless of its source, including interest from debt of any kind (such as the Notes) and, in general, capital gains.

#### *Taxation if the Notes are held as private assets (Privatvermögen)*

In the case of German tax-resident individual investors (*unbeschränkt Steuerpflichtige*) holding the Notes as private assets (*Privatvermögen*), the following applies:

#### *Income*

The Notes should qualify as other capital receivables (*sonstige Kapitalforderungen*) in terms of section 20 para 1 no 7 German Income Tax Act ("**ITA**" — *Einkommensteuergesetz*).

Accordingly, payments of interest on the Notes should qualify as taxable savings income (*Einkünfte aus Kapitalvermögen*) pursuant to section 20 para 1 no 7 ITA.

Capital gains / capital losses realised upon sale of the Notes, computed as the difference between the acquisition costs and the sales proceeds reduced by expenses directly and factually related to the sale, should qualify as positive or negative savings income in terms of section 20 para 2 sentence 1 no 7 ITA. Where the Notes are acquired and/or sold in a currency other than Euro, the acquisition costs will be converted into Euro at the time of acquisition, the sales proceeds will be converted into Euro at the time of sale and the difference will then be computed in Euro. If the Notes are assigned, redeemed, repaid or contributed into a corporation by way of a hidden contribution (*verdeckte Einlage in eine Kapitalgesellschaft*) rather than sold, as a rule, such transaction is treated like a sale. Losses from the sale of Notes can only be offset against other savings income and, if there is not sufficient other positive savings income, carried forward in subsequent assessment periods.

Pursuant to a tax decree issued by the Federal Ministry of Finance dated December 22, 2009, as amended, a sale shall be disregarded where the transaction costs exceed the sales proceeds, which means that losses suffered from such "sale" shall not be tax-deductible. Similarly, a bad debt loss (*Forderungsausfall*), i.e. should the Issuer become insolvent, and a waiver of a receivable (*Forderungsverzicht*), to the extent the waiver does not qualify as a hidden contribution, shall not be treated like a sale. Accordingly, losses suffered upon such bad debt loss or waiver shall not be tax-deductible.

If the Issuer exercises the right to substitute the debtor of the Notes, the substitution might, for German tax purposes, be treated as an exchange of the Notes for new notes issued by the new debtor. Such a substitution could result in the recognition of a taxable gain or loss for the respective investors.

#### *German withholding tax (Kapitalertragsteuer)*

With regard to savings earnings (*Kapitalerträge*), e.g. interest or capital gains, German withholding tax (*Kapitalertragsteuer*) will be levied if the Notes are held in a custodial account which the investor maintains with a German branch of a German or non-German credit or financial services institution or with a German securities trading business or a German securities trading bank (a "**German Disbursing Agent**") and such German Disbursing Agent credits or pays out the earnings.

The tax base is, in principle, equal to the taxable gross income as set out above (i.e. prior to withholding). However, in the case of capital gains, if the custodial account has changed since the time of acquisition of the Notes (e.g. if the Notes are transferred from a non-EU custodial account) and the acquisition costs of the Notes are not proven to the German Disbursing Agent in the form required by law, withholding tax is applied to 30% of the proceeds from the redemption or sale of the Notes. When computing the tax base for withholding tax purposes, the German Disbursing Agent has to deduct any negative savings earnings (*negative Kapitalerträge*) or paid accrued interest (*Stückzinsen*) in the same calendar year or unused negative savings earnings of previous calendar years.

German withholding tax will be levied at a flat withholding tax rate of 26.375% (including solidarity surcharge) plus, if applicable, church tax.

Individuals who are subject to church tax may apply in writing for this tax to be withheld as a surcharge to the withholding tax. Individuals subject to church tax but declining the application have to include their savings income in their tax return and will then be assessed to church tax. For German credit institutions an electronic information system as regards church withholding tax shall apply in respect of interest received after December 31, 2014, with the effect that church tax will be collected by the German Disbursing Agent by way of withholding unless the investor has filed a blocking notice (*Sperrvermerk*) with the German Federal Central Tax Office (*Bundeszentralamt für Steuern*).

No German withholding tax will be levied if the investor has filed a withholding tax exemption certificate (*Freistellungsauftrag*) with the German Disbursing Agent, but only to the extent the savings income does not exceed the exemption amount shown on the withholding tax exemption certificate. Currently, the maximum exemption amount is EUR 801 (EUR 1,602 in the case of jointly assessed husband and wife). Similarly, no withholding tax will be levied if the relevant investor has submitted a certificate of non-assessment (*Nichtveranlagungs-Bescheinigung*) issued by the relevant local tax office to the German Disbursing Agent.

The Issuer is, as a rule, not obliged to levy German withholding tax in respect of payments on the Notes.

#### *Tax assessment*

The taxation of savings income shall take place mainly by way of levying withholding tax (please see above). If and to the extent German withholding tax has been levied, such withholding tax shall, in principle, become definitive and replace the investor's income taxation. If no withholding tax has been levied other than by virtue of a withholding tax exemption certificate (*Freistellungsauftrag*) and in certain other cases, the investor is nevertheless obliged to file a tax return, and the savings income will then be taxed within the assessment procedure. If the investor is subject to church tax and has not applied in writing for this tax to be withheld as a surcharge to the withholding tax or, after December 31, 2014, has filed a blocking notice (*Sperrvermerk*) with the German Federal Central Tax Office (*Bundeszentralamt für Steuern*), the investor is also obliged to include the savings income in the tax return for church tax purposes.

However, also in the assessment procedure, savings income is principally taxed at a separate tax rate for savings income (*gesonderter Steuertarif für Einkünfte aus Kapitalvermögen*) being identical to the withholding tax rate (26.375% — including solidarity surcharge (*Solidaritätszuschlag*) plus, if applicable, church tax). In certain cases, the investor may apply to be assessed on the basis of its personal tax rate if such rate is lower than the above tax rate. Such application can only be filed consistently for all savings income within the assessment period. In case of jointly assessed husband and wife the application can only be filed for savings income of both spouses.

When computing the savings income, the saver's lump sum amount (*Sparer-Pauschbetrag*) of EUR 801 (EUR 1,602 in the case of jointly assessed husband and wife) will be deducted. The deduction of the actual income related expenses, if any, is excluded.

#### *Taxation if the Notes are held as business assets (Betriebsvermögen)*

In the case of German tax-resident corporations or individual investors (*unbeschränkt Steuerpflichtige*) holding the Notes as business assets (*Betriebsvermögen*), interest payments and capital gains will be subject to corporate income tax at a rate of 15% or income tax at a rate of up to 45%, as the case may be, (in each case plus 5.5% solidarity surcharge thereon). In addition, trade tax may be levied, the rate of which depends on the municipality where the business is located. Further, in the case of individuals, church tax may be levied. Business expenses that are connected with the Notes are deductible.

The provisions regarding German withholding tax (*Kapitalertragsteuer*) apply, in principle, as set out above for private investors. However, investors holding the Notes as business assets cannot file a withholding tax exemption certificate with the German Disbursing Agent. Instead, no withholding tax will be levied on capital gains from the redemption, sale or assignment of the Notes if, for example, (a) the Notes are held by a



corporation or (b) the proceeds from the Notes qualify as income of a domestic business and the investor notifies this to the German Disbursing Agent by use of the officially required form.

Any withholding tax levied is credited as prepayment against the German (corporate) income tax amount. If the tax withheld exceeds the respective (corporate) income tax amount, the difference will be refunded within the tax assessment procedure.

### **Investors not resident in Germany**

Persons who are not tax resident in Germany are not subject to tax with regard to income from the Notes unless (i) the Notes are held as business assets (*Betriebsvermögen*) of a German permanent establishment (including a permanent representative) which is maintained by the investor or (ii) the income from the Notes qualifies for other reasons as taxable German source income. If a non-resident person is subject to tax with its income from the Notes, in principle, similar rules apply as set out above with regard to German tax resident persons (please see above).

### **Inheritance and Gift Tax**

Inheritance or gift taxes with respect to any Note will, in principle, arise under German law if, in the case of inheritance tax, either the decedent or the beneficiary or, in the case of gift tax, either the donor or the donee is a resident of Germany or if such Note is attributable to a German trade or business for which a permanent establishment is maintained or a permanent representative has been appointed.

The few existing double taxation treaties regarding inheritance and gift tax may lead to different results. Special rules apply to certain German citizens that are living in a foreign country and German expatriates.

### **Other Taxes**

No stamp, issue, registration or similar taxes or duties are payable in Germany in connection with the issuance, delivery or execution of the Notes. Currently, net assets tax (*Vermögensteuer*) is not levied in Germany. It is intended to introduce a financial transaction tax, but not before the middle of 2014.

### **Taxation in Austria**

The following is a general overview of certain Austrian tax aspects in connection with the Notes and contains the information required on taxation by the Commission Regulation (EC) No 809/2004 of April 29, 2004. It does not claim to fully describe all Austrian tax consequences of the acquisition, ownership, disposition or redemption of the Notes nor does it take into account the Noteholders' individual circumstances or any special tax treatment applicable to the Noteholder. It is not intended to be, nor should it be construed to be, legal or tax advice. Prospective investors should consult their own professional advisors as to the particular tax consequences of the acquisition, ownership, disposition or redemption of the Notes.

This overview is based on Austrian law as in force when drawing up this Prospectus. The laws and their interpretation by the tax authorities may change and such changes may also have retroactive effect. It cannot be ruled out that the Austrian tax authorities adopt a view different from that outlined below. This overview is based on the assumption that the Notes are offered to the public.

### **Austrian residents**

Income from the Notes derived by individuals, whose domicile or habitual abode is in Austria, is subject to Austrian income tax pursuant to the provisions of the Austrian Income Tax Act (*Einkommensteuergesetz*).

Interest income from the Notes is subject to a special income tax rate of 25%. If the interest is paid out to the Noteholder by an Austrian paying agent (Austrian bank or Austrian branch of foreign bank or investment firm), the interest income from the Notes is subject to Austrian withholding tax (*Kapitalertragssteuer*) at a rate of 25%, which is withheld by the paying agent (*auszahlende Stelle*). The income tax for interest income generally constitutes a final taxation (*Endbesteuerung*) for individuals, irrespectively whether the Notes are held as private assets or as business assets. If the interest income is not subject to Austrian withholding tax because there is no domestic paying agent, the taxpayer will have to include the interest income derived from the Notes in his personal income tax return pursuant to the provisions of the Austrian Income Tax Act.

Furthermore, any realized capital gain (*Einkünfte aus realisierten Wertsteigerungen*) from the Notes is subject to Austrian income tax at a rate of 25%. Realized capital gain means any income derived from the sale or redemption of the Notes. The tax base is, in general, the difference between the sale proceeds or the redemption amount and the acquisition costs, in each case including accrued interest. Expenses which are directly connected with income subject to the special tax rate of 25% are not deductible. For Notes held as private assets, the acquisition costs shall not include incidental acquisition costs. For the calculation of the acquisition costs of Notes held within the same securities account and having the same securities identification number but which are acquired at different points in time, an average price shall apply.

Where an Austrian securities depository (*depotführende Stelle*) or paying agent is involved and pays out or settles the capital gain, also any realized capital gain from the Notes is subject to a 25% withholding tax. The 25% withholding tax deduction will result in final income taxation for private investors (holding the Notes as private assets) provided that the investor has evidenced the factual acquisition costs of the Notes to the securities depository. If the realized capital gain is not subject to Austrian withholding tax because there is no domestic securities depository or paying agent, the taxpayer will also have to include the realized capital gain derived from the Notes in his personal income tax return pursuant to the provisions of the Austrian Income Tax Act.

Withdrawals (*Entnahmen*) and other transfers of Notes from the securities account will be treated as disposals (sales), unless specified exemptions will be fulfilled like the transfer of the Notes to a securities account owned by the same taxpayer (i) with the same Austrian securities depository (bank), (ii) with another Austrian bank if the account holder has instructed the transferring bank to disclose the acquisition costs to the receiving bank or (iii) with a non-Austrian bank, if the account holder has instructed the transferring bank to transmit the pertaining information to the competent tax office or has, in the case of transfers from a foreign account, himself notified the competent Austrian tax office within a month; or like the transfer without consideration to a securities account held by another taxpayer, if the fact that the transfer has been made without consideration has been evidenced to the bank or the bank has been instructed to inform the Austrian tax office thereof or if the taxpayer has himself notified the competent Austrian tax office within a month. Special rules apply if a taxpayer transfers his residence outside of Austria or Austria loses for other reasons its taxation right in respect of the Notes to other countries (which gives rise to a deemed capital gain and exit taxation with the option for deferred taxation in the case of a transfer to an EU Member State or certain member states of the European Economic Area).

Taxpayers, whose regular personal income tax is lower than 25% may opt for taxation of the income derived from the Notes at the regular personal income tax rate. Any tax withheld will then be credited against the income tax. Such application for opting into taxation at the regular personal income tax rate must, however, include all income subject to the special 25% tax rate. Expenses in direct economical connection with such income are also not deductible if the option for taxation at the regular personal income tax rate is made.

Income from Notes which are not offered to the public within the meaning of the Austrian Income Tax Act would not be subject to withholding tax and final taxation but subject to normal progressive personal income tax rates.

Losses from Notes held as private assets may only be set off with other investment income subject to the special 25% tax rate (excluding, *inter alia*, interest income from bank deposits and other claims against banks) and must not be set off with any other income. The Austrian Budget Implementation Act 2012 provides for a mandatory set-off of losses applied as of January 1, 2013 by the Austrian securities depository to investment income from securities accounts at the same securities depository (subject to certain exemptions). However, a carry-forward of such losses is not permitted.

Income including capital gain derived from the Notes which are held as business assets are also subject to the special income tax rate of 25% deducted by way of the withholding tax. However, realized capital gains, contrary to interest income, have to be included in the tax return and must not be a main focus of the taxpayer's business activity. Write-downs and losses derived from the sale or redemption of Notes held as business assets must primarily be set off against positive income from realized capital gains of financial instruments of the same business and only half of the remaining loss may be set off or carried forward against any other income.

Income including capital gains from the Notes derived by corporate Noteholders, whose seat or place of management is based in Austria, is subject to Austrian corporate income tax pursuant to the provisions of the Austrian Corporate Income Tax Act (*Körperschaftsteuergesetz*). Corporate Noteholders deriving business income from the Notes may avoid the application of Austrian withholding tax by filing a declaration of exemption (*Befreiungserklärung*). There is, *inter alia*, a special tax regime for private foundations established under Austrian law (*Privatstiftungen*) (interim tax, no withholding tax).

The Issuer does not assume responsibility for Austrian withholding tax (*Kapitalertragsteuer*) at source and is not obliged to make additional payments in case of withholding tax deductions at source.

### **Non-residents**

Income including capital gains derived from the Notes by individuals who do not have a domicile or their habitual abode in Austria or by corporate investors who do not have their corporate seat or their place of management in Austria ("**non-residents**") is not taxable in Austria provided that the income is not attributable to an Austrian permanent establishment (for withholding tax under the EU Savings Directive see below).

Thus, non-resident Noteholders — in case they receive income or capital gains from the Notes through a securities depository or paying agent located in Austria — may avoid the application of Austrian withholding tax if they evidence their non resident-status vis-à-vis the paying agent by disclosing their identity and address pursuant to the provisions of the Austrian income tax guidelines. The provision of evidence that the Noteholder is not subject to Austrian withholding tax is the responsibility of the Noteholder.

If any Austrian withholding tax is deducted by the securities depository or paying agent, the tax withheld shall be refunded to the non-resident Noteholder upon his application which has to be filed with the competent Austrian tax authority within five calendar years following the date of the imposition of the withholding tax.

Where non-residents receive income from the Notes as part of business income taxable in Austria (e.g. permanent establishment), they will, in general, be subject to the same tax treatment as resident investors.

Pursuant to a draft bill for a tax law amendment act 2014 (*Abgabenänderungsgesetz 2014*) which was published on January 9, 2014, interest income, within the meaning of the Council Directive 2003/48/EC of June 3, 2003 on taxation of savings income in the form of interest payments ("**EU Savings Directive**") and the EU Withholding Tax Act (see below), of non-residents will be subject to 25% Austrian income tax, which would be levied by deduction of the 25% Austrian withholding tax if such interest income is paid out by an Austrian paying agent, unless such interest income is received by non-residents to which the EU Withholding Tax Act applies (see "*—Implementation of the EU Savings Directive in the Republic of Austria*"). According to the draft bill, such new 25% Austrian withholding tax would apply to interest payments made to non-residents after June 30, 2014. An applicable tax treaty may provide relief from such withholding tax. The scope of the draft bill is currently unclear and it remains to be seen if and how such draft bill will be passed by the Austrian parliament.

### **Implementation of the EU Savings Directive in Austria**

The EU Savings Directive provides for an exchange of information between the authorities of EU Member States regarding interest payments made in one EU Member State to beneficial owners who are individuals and resident for tax purposes in another EU Member State (concerning the EU Savings Directive, please see also below).

Austria has implemented the EU Savings Directive by way of the EU Withholding Tax Act (*EU-Quellensteuergesetz*) which provides for a withholding tax rather than for an exchange of information. Such EU withholding tax is levied on interest payments within the meaning of the EU Withholding Tax Act made by a paying agent located in Austria to an individual resident for tax purposes in another EU Member State of the European Union or certain dependent and associated territories. The EU withholding tax currently amounts to 35%.

No EU withholding tax is deducted if the EU-resident Noteholder provides the paying agent with a certificate drawn up in his name by the tax office of his EU Member State of residence. Such certificate has to indicate, among other things, the name and address of the paying agent as well as the bank account number of the Noteholder or the identification of the Notes (section 10 EU Withholding Tax Act).

The Issuer does not assume responsibility for EU withholding tax at source and is not obliged to make additional payments in case of EU withholding tax deductions at source.

### **Other taxes**

There should be no transfer tax, registration tax or similar tax payable in Austria by Noteholders as a consequence of the acquisition, ownership, disposition or redemption of the Notes. The Austrian inheritance and gift tax (*Erbschafts- und Schenkungssteuer*) was abolished with effect as of August 1, 2008. However, gifts from or to Austrian residents have to be notified to the tax authorities within a three-month notification period. There are certain exemptions from such notification obligation, e.g. for gifts among relatives that do not exceed an aggregate amount of EUR 50,000 per year or gifts among unrelated persons that do not exceed an aggregate amount of EUR 15,000 within five years.

Concerning the proposed financial transaction tax ("**FTT**") please see below under "*—Proposed Financial Transaction Tax*".

### **Taxation in The Netherlands**

The following summary of certain Dutch taxation matters is based on the laws and practice in force as of the date of this Prospectus and is subject to any changes in law and the interpretation and application thereof, which changes could be made with retroactive effect. The following summary does not purport to

be a comprehensive description of all the tax considerations that may be relevant to a decision to acquire, hold or dispose of Notes or Coupons, and does not purport to deal with the tax consequences applicable to all categories of investors, some of which may be subject to special rules.

For the purpose of the paragraph “Taxes on Income and Capital Gains” below it is assumed that:

- a holder of Notes, being an individual or a non-resident entity, does not have nor will have a substantial interest (*aanmerkelijk belang*), or — in the case of such holder being an entity — a deemed substantial interest, in the Issuer and that no connected person (*verbonden persoon*) to the holder has or will have a substantial interest in the Issuer;
- a holder of Notes which is an entity is not a pension fund, otherwise not a taxpayer or exempt for tax purposes; and
- a holder of Notes which is an entity is not a resident of Aruba, Curaçao or Sint Maarten.

Generally speaking, an individual has a substantial interest in a company if (a) such individual, either alone or together with his partner, directly or indirectly has, or is deemed to have or (b) certain relatives of such individual or his partner directly or indirectly have or are deemed to have (i) the ownership of, a right to acquire the ownership of, or certain rights over, shares representing 5 per cent or more of either the total issued and outstanding capital of such company or the issued and outstanding capital of any class of shares of such company, or (ii) the ownership of, or certain rights over, profit participating certificates (*winstbewijzen*) that relate to 5 per cent or more of either the annual profit or the liquidation proceeds of such company.

Generally speaking, a non-resident entity has a substantial interest in a company if such entity, directly or indirectly has (i) the ownership of, a right to acquire the ownership of, or certain rights over, shares representing 5 per cent or more of either the total issued and outstanding capital of such company or the issued and outstanding capital of any class of shares of such company, or (ii) the ownership of, or certain rights over, profit participating certificates (*winstbewijzen*) that relate to 5 per cent or more of either the annual profit or the liquidation proceeds of such company. An entity has a deemed substantial interest in a company if such entity has disposed of or is deemed to have disposed of all or part of a substantial interest on a non-recognition basis.

For the purpose of this summary, the term “entity” means a corporation as well as any other person that is taxable as a corporation for Dutch corporate tax purposes.

Where this summary refers to a holder of Notes, an individual holding Notes or an entity holding Notes, such reference is restricted to an individual or entity holding legal title to as well as an economic interest in such Notes or otherwise being regarded as owning Notes for Dutch tax purposes. It is noted that for purposes of Dutch income, corporate, gift and inheritance tax, assets legally owned by a third party such as a trustee, foundation or similar entity, may be treated as assets owned by the (deemed) settlor, grantor or similar originator or the beneficiaries in proportion to their interest in such arrangement.

Where the summary refers to “the Netherlands” or “Dutch” it refers only to the European part of the Kingdom of the Netherlands.

**Investors should consult their professional advisers on the tax consequences of their acquiring, holding and disposing of Notes or Coupons.**

### ***Withholding Tax***

All payments made by the Issuer of interest and principal under the Notes can be made free of withholding or deduction of any taxes of whatever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein.

### ***Taxes on Income and Capital Gains***

#### ***Residents***

##### ***Resident entities***

An entity holding Notes which is, or is deemed to be, resident in the Netherlands for corporate tax purposes and which is not tax exempt, will generally be subject to corporate tax in respect of income or a capital gain derived from the Notes at the prevailing statutory rates.

##### ***Resident individuals***

An individual holding Notes who is, is deemed to be, or has elected to be treated as, resident in the Netherlands for income tax purposes will be subject to income tax in respect of income or a capital gain derived from the Notes at rates up to 52 per cent if:

(i) the income or capital gain is attributable to an enterprise from which the holder derives profits (other than as a shareholder); or

(ii) the income or capital gain qualifies as income from miscellaneous activities (*belastbaar resultaat uit overige werkzaamheden*) as defined in the Income Tax Act (*Wet inkomstenbelasting 2001*), including, without limitation, activities that exceed normal, active asset management (normaal, actief vermogensbeheer).

If neither condition (i) nor (ii) applies, an individual holding Notes will be subject to income tax on the basis of a deemed return, regardless of any actual income or capital gain derived from the Notes. The deemed return amounts 4% of the fair market value of the individual's net assets exceeding a certain threshold as at the beginning of the relevant fiscal year (including the Notes). Subject to application of certain allowances, the deemed return will be taxed at a rate of 30 per cent.

### *Non-residents*

A holder which is not, is not deemed to be, and — in case the holder is an individual — has not elected to be treated as, resident in the Netherlands for the relevant tax purposes will not be subject to taxation on income or a capital gain derived from the Notes unless:

(i) the income or capital gain is attributable to an enterprise or part thereof which is either effectively managed in the Netherlands or carried on through a permanent establishment (*vaste inrichting*) or a permanent representative (*vaste vertegenwoordiger*) in the Netherlands and the holder of Notes derives profits from such enterprise (other than by way of securities); or

(ii) the holder is an individual and the income or capital gain qualifies as income from miscellaneous activities (*belastbaar resultaat uit overige werkzaamheden*) in The Netherlands as defined in the Income Tax Act (*Wet inkomstenbelasting 2001*), including, without limitation, activities that exceed normal, active asset management (*normaal, actief vermogensbeheer*).

### **Gift and Inheritance Taxes**

Dutch gift or inheritance taxes will not be levied on the occasion of the transfer of Notes by way of gift by, or on the death of, a holder of Notes, unless:

(i) such holder is, or is deemed to be, resident in the Netherlands for the purpose of the relevant provisions; or

(ii) the transfer is construed as an inheritance or gift made by, or on behalf of, a person who, at the time of the gift or death, is or is deemed to be resident in the Netherlands for the purpose of the relevant provisions.

### **Value Added Tax**

There is no Dutch value added tax payable by a holder of Notes in respect of payments in consideration for the issue of the Notes or in respect of the payment of interest or principal under the Notes, or the transfer of Notes.

### **Other Taxes and Duties**

There is no Dutch registration tax, stamp duty or any other similar tax or duty payable in the Netherlands by a holder of Notes in respect of or in connection with the execution, delivery and/or enforcement by legal proceedings (including any foreign judgement in the courts of the Netherlands) of the Notes or the performance of the Issuer's obligations under the Notes.

### **Residence**

A holder of Notes will not be and will not be deemed to be resident in the Netherlands for tax purposes and, subject to the exceptions set out above, will not otherwise become subject to Dutch taxation, by reason only of acquiring, holding or disposing of Notes or the execution, performance, delivery and/or enforcement of Notes.

### **Taxation in the United Kingdom (UK)**

#### **Interest on the Notes**

Provided that the interest on the Notes does not have a UK source, interest on Notes issued for a term of one year or more (or under arrangements the effect of which is to render the Notes part of a borrowing



with a total term of one year or more) may be paid by the Issuer without withholding or deduction for or on account of UK income tax. The source of a payment is a complex matter. It is necessary to have regard to case law and HMRC practice. Case law has established that in determining the source of interest, all relevant facts must be taken into account. HMRC consider the most important factor in deciding whether interest has a UK source is the residence of the debtor and the location of the debtor's assets.

If the interest on the Notes does have a UK source ("**UK interest**") it may be paid by the Issuer without withholding or deduction for or on account of UK income tax if the Notes in respect of which the UK interest is paid constitute "quoted Eurobonds" within the meaning of section 987 of the Income Tax Act 2007 ("**UK ITA**"). Notes which carry a right to interest will constitute quoted Eurobonds provided they are and continue to be listed on a recognised stock exchange within the meaning of section 1005 of UK ITA. Whilst the Notes are and continue to be quoted Eurobonds, payments of interest on the Notes may be made without withholding or deduction for or on account of UK income tax.

Securities will be "listed on a recognised stock exchange" for this purpose if they are admitted to trading on an exchange designated as a recognised stock exchange by an order made by the Commissioners for HMRC and either they are included in the UK official list (within the meaning of Part 6 of the Financial Services and Markets Act 2000) or they are officially listed, in accordance with provisions corresponding to those generally applicable in European Economic Area states, in a country outside the UK in which there is a recognised stock exchange. The Luxembourg Stock Exchange is a recognised stock exchange for these purposes. The Issuer's understanding of current HMRC practice is that securities which are officially listed and admitted to trading on the Euro MTF Market of that Exchange may be regarded as "listed on a recognised stock exchange" for these purposes.

In all other cases, UK interest on the Notes may fall to be paid under withholding or deduction for or on account of UK income tax at the basic rate (currently 20%), subject to such relief as may be available following a direction from HMRC pursuant to the provisions of any applicable double taxation treaty, or to any other exemption which may apply.

Where Notes are issued on terms in which a premium is, or may be, payable on redemption it is possible that such element of premium will constitute a payment of interest and be subject to withholding or deduction for or on account of UK income tax as outlined in the preceding paragraphs.

The interest may be chargeable to UK tax by direct assessment even where paid without withholding or deduction. Where the interest is paid without withholding or deduction, the interest will generally not be assessed to UK tax in the hands of Noteholders who do not (in the case of an individual) have a "UK representative", within the meaning of the Income Tax Act 2007, through whom the Noteholder carries on a trade, profession or vocation in the UK and to which the interest is attributable or (in the case of a company) carry on a trade in the UK.

The above description of the UK withholding tax position assumes that there will be no substitution of the Issuer and does not consider the tax consequences of any such substitution. Any references to "interest" in this section are to "interest" as understood in UK tax law. The statements herein do not take any account of any different definitions of "interest" which may prevail under any other law.

Payments by a Guarantor in respect of interest may not be eligible for any of the exemptions described above.

### ***Taxation on Disposal (including redemption) and return (including interest)***

#### ***Corporate Noteholders***

Noteholders within the charge to UK corporation tax (including non-UK resident Noteholders whose Notes are issued, used, held or acquired for the purposes of a trade carried on in the UK though a permanent establishment in the UK) will be subject to tax as income for UK corporation tax purposes on all profits (including interest), gains and losses in respect of the Notes and fluctuations in the value of the Notes (whether attributable to currency fluctuations or otherwise) in accordance with the "loan relationship" rules in Part 5 of the Corporation Tax Act 2009 (as amended from time to time) on a basis broadly in accordance with the treatment in their statutory accounts. Such Noteholders will generally be charged in each accounting period by reference to interest and other amounts which, in accordance with generally accepted accounting practice, are recognised in determining their profit or loss for that period.

#### ***Individual Noteholders***

Noteholders who are either individuals or trustees and are resident or ordinarily resident for tax purposes in the UK or who carry on a trade, profession or vocation in the UK through a branch or agency to which the Notes are attributable will generally be liable to UK income tax on the amount of any interest received in respect of the Notes.



Dependent, among other things, on the discount (if any) at which the Notes are issued, the Notes may be deemed to constitute “deeply discounted securities” for the purposes of Chapter 8 of Part 4 of the Income Tax (Trading and Other Income) Act 2005. If the Notes are deemed to be deeply discounted securities, any profit made on a disposal (including redemption) of a Note by an individual or trustee who is resident for tax purposes in the UK or who is subject to UK income tax by virtue of carrying on a trade, profession or vocation in the UK through a branch or agency to which the Notes are attributable will be taxed as income.

The Notes will not be “qualifying corporate bonds” within the meaning of section 117 of the Taxation of Chargeable Gains Act 1992 because they are Euro denominated. Accordingly, a disposal of Notes may (depending on the Noteholder’s individual circumstances, including the availability of any exemptions or reliefs) give rise to a chargeable gain or an allowable loss for the purposes of taxation of capital gains. In calculating any gain or loss on a disposal of Notes, pound sterling values are compared at acquisition and disposal. Accordingly, a taxable profit can arise even where the foreign currency amount received on a disposal does not exceed the amount paid for the relevant Note.

On a disposal of Notes by a Noteholder, any interest which has accrued since the last interest payment date may be chargeable to tax as income under the rules of the accrued income scheme as set out in Part 12 of the Income Tax Act 2007 if that Noteholder is resident or ordinarily resident in the UK or carries on a trade in the UK through a branch or agency to which the Notes are attributable.

### ***Provision of Information***

Persons in the UK (i) paying interest to or receiving interest on behalf of another person who is an individual or a partnership containing individuals, or (ii) paying amounts due on redemption of any Notes which constitute deeply discounted securities as defined in Chapter 8 of Part 4 of the Income Tax (Trading and Other Income) Act 2005 to or receiving such amounts on behalf of another person who is an individual or a partnership containing individuals, may be required to provide certain information to HMRC regarding the identity of the payee or person entitled to the interest and, in certain circumstances, such information may be exchanged with tax authorities in other jurisdictions. However, in relation to the payments contemplated in (ii) above, HMRC published guidance for the year 2013/2014 indicates that HMRC will not exercise its power to obtain information in relation to such payments in that year. There is no guarantee that equivalent guidance will be published in respect of future years.

For the above purposes, “interest” should be taken, for practical purposes, as including payments made by a Guarantor in respect of interest on Notes.

Information may also be required to be reported in accordance with regulations made pursuant to the EU Savings Directive (see below).

### ***Stamp Duty and Stamp Duty Reserve Tax***

No liability to UK stamp duty or stamp duty reserve tax will arise for a Noteholder on the creation, issue or redemption of Notes.

No liability to UK stamp duty will arise for a Noteholder on a transfer or, or an agreement to transfer, Notes provided that such transfer or agreement to transfer is effected by electronic means, without executing any documentary transfer of, or agreement to transfer, such Note.

Provided that no register of the Notes is kept or maintained in the UK by or on behalf of the Issuer, no UK stamp duty reserve tax should be payable on a transfer of the Notes.

## ***Irish Tax Section***

### ***Irish income tax***

In general, individuals who are resident or ordinarily resident in Ireland for tax purposes are liable to Irish taxation on their worldwide income. All such individuals are generally under a statutory obligation to account for Irish tax on interest income earned on listed debt securities on a self-assessment basis (and there is no requirement for the Irish Revenue Commissioners to issue or raise an assessment).

Accordingly, Irish resident or ordinarily resident individuals who receive interest income in respect of the Notes will be liable to account for Irish income tax on that interest income at their applicable marginal rate of Irish income tax. Irish resident or ordinarily resident individuals may also be liable to account for the Irish universal social charge and pay-related social insurance contributions in respect of such interest. The applicable rates of the universal social charge and the pay-related social contributions will depend on the personal circumstances of each individual holding the Notes.

A disposal of notes is also within the charge to Irish capital gains tax where the notes constitute a 'debt on a security'. The Notes may constitute a 'debt on a security'. If this is the case, Irish resident or ordinarily resident individuals would also be liable to Irish capital gains tax at the rate of 33% in respect of any gains realised on the disposal of the Notes.

### ***Irish corporation tax***

In general, companies that are resident in Ireland for tax purposes are liable to Irish tax on their world-wide income and gains. All such companies are under a statutory obligation to account for Irish tax on a self-assessment basis (and there is no requirement for the Irish Revenue Commissioners to issue or raise an assessment).

Irish resident companies that do not hold the Notes as part of a trade will generally be subject to Irish corporation tax at a rate of 25% on any interest income received in respect of the Notes. Such Irish resident companies will generally be subject to Irish corporation tax at the rate of 33% on any gains realised on the disposal of the Notes, assuming the Notes constitute a 'debt on a security'.

Irish resident companies that have acquired the Notes in the course of their trade will generally be subject to Irish corporation tax at a rate of 12.5% on profits arising in respect of the Notes.

Companies that are not resident in Ireland, but which carry on a trade in Ireland to which Notes are attributable, will generally be liable to Irish corporation tax in respect of interest income on the Notes at the rate of 12.5% or 25% (depending on the circumstances) and may be subject to Irish corporation tax at a rate of 33% in respect of any gains on the disposal of the Notes.

### ***Interest withholding tax***

Irish interest withholding tax should not apply to interest payments which have their source outside Ireland. On the basis that the Issuer is not resident in Ireland nor has any presence in Ireland, that no interest payments will be made from Ireland and that the Notes are unsecured, payments on the Notes should not have an Irish source and, therefore, no Irish interest withholding tax should arise.

### ***Irish encashment tax***

Irish encashment tax may be required to be withheld at the standard rate (currently 20%) from any interest paid in respect of the Notes where such interest is paid or collected by a person in Ireland on behalf of any person holding the Notes. Persons holding the Notes should therefore note that the appointment of an Irish collection agent or an Irish paying agent could result in the deduction of 20% encashment tax by such agent from interest payments on the Notes. A person holding the Notes that is not resident in Ireland for tax purposes may claim an exemption from this withholding tax by submitting an appropriate declaration of non-Irish tax residency to the Irish agent.

### ***Capital acquisitions tax***

If the Notes are comprised in a gift or inheritance taken from an Irish domiciled, resident or ordinarily resident donor or if the donee (or successor) is resident or ordinarily resident in Ireland, the donee (or successor) may be liable to Irish capital acquisitions tax at a rate of 33%.

### ***Stamp duty***

No charge to Irish stamp duty should be payable on the transfer of the Notes, provided that the transfer of the Notes does not relate to Irish immoveable property or stocks or marketable securities of an Irish registered company.

### ***EU Savings Directive***

Under EC Council Directive 2003/48/EC on the taxation of savings income (the "**EU Savings Directive**"), each Member State is required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in that other Member State; however, for a transitional period, Austria and Luxembourg apply instead a withholding system in relation to such payments, deducting tax at a rate of meanwhile 35% (unless during that transitional period they elect to provide information in accordance with the EU Savings Directive). The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments. Luxembourg announced to abandon the transitional withholding system and provide information in accordance with the EU Savings Directive as from January 1, 2015 onwards.

A number of non-EU countries, and certain dependent or associated territories of certain Member States, have adopted similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in a Member State. In addition, the Member States have entered into provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident or certain limited types of entity established in one of those territories.

The European Commission has proposed certain amendments to the EU Savings Directive, which may, if implemented, amend or broaden the scope of the requirements described above. Investors who are in any doubt as to their position should consult their professional advisers.

If a payment under a Note were to be made by a person in a Member State or another country or territory which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment pursuant to the EU Savings Directive or any law implementing or complying with, or introduced in order to conform to the EU Savings Directive, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts under the terms of such Note as a result of the imposition of such withholding tax.

### **Proposed Financial Transactions Tax**

The European Commission has published a proposal for a Directive for a FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the “**participating Member States**”).

The proposed FTT has very broad scope and could, if introduced in its current form, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances.

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

The FTT proposal remains subject to negotiation between the participating Member States and is the subject of legal challenge. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate. Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

## DESCRIPTION OF RULES REGARDING RESOLUTIONS OF NOTEHOLDERS

The Terms and Conditions provide that the Noteholders may agree to amendments or decide on other matters relating to the Notes by way of resolution to be passed by taking votes without a meeting. Any such resolution duly adopted by resolution of the Noteholders shall be binding on each Noteholder, irrespective of whether such Noteholder took part in the vote and whether such Noteholder voted in favor or against such resolution.

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

### Specific Rules regarding Votes without Meeting

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

The notice soliciting the Noteholders' votes shall set out the period within which votes may be cast. During such voting period, the Noteholders may cast their votes to the person presiding over the taking of votes. Such notice shall also set out in detail the conditions to be met for the votes to be valid.

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

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

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

### Rules regarding Noteholders' Meetings applicable to Votes without Meeting

In addition, the statutory rules applicable to the convening and conduct of Noteholders' meetings will apply *mutatis mutandis* to any vote without a meeting. The following summarises some of such rules.

Meetings of Noteholders may be convened by the Issuer or the Noteholders' Representative. Meetings of Noteholders must be convened if one or more Noteholders holding five per cent or more of the outstanding Notes so require for specified reasons permitted by statute.

Meetings may be convened not less than 14 days prior to the date of the meeting. Attendance and exercise of voting rights at the meeting may be made subject to prior registration of Noteholders. The convening notice will provide what proof will be required for attendance and voting at the meeting. The place of the meeting is the place of the Issuer's registered offices, provided, however, that where the Notes are listed on a stock exchange within the European Union or the European Economic Area, the meeting may be held at the place of such stock exchange.

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

Each Noteholder may be represented by proxy. The Noteholders' meeting will have a quorum if the persons attending represent at least 50 per cent of the outstanding Notes by value. If the quorum is not reached, a second meeting may be convened at which no quorum will be required, provided that where a resolution may only be adopted by a qualified majority, a quorum requires the presence of at least 25 per cent of the aggregate principal amount of outstanding Notes.

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

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

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

## OFFER, SALE AND SUBSCRIPTION OF THE NOTES

### Offer of the Notes

The offer will be coordinated and the Notes will be offered to investors by Barclays Bank PLC, Goldman Sachs International, HSBC Bank plc and Société Générale (together, the **"Joint Bookrunners"** or the **"Managers"**) during an offer period which will commence in Luxembourg from the date of the Prospectus and in Germany, Austria, The Netherlands, the United Kingdom and/or Ireland from the time of effectiveness of the notifications (passporting) of the Prospectus into the respective jurisdictions until March 21, 2014 subject to a shortening or extension of the offer period. Should the Issuer and the Managers determine any shortening or extension of the offer period (e.g., due to changing market conditions), such changes will be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

The Notes will be offered to institutional investors and retail investors in compliance with applicable public offer restrictions. The Notes may be offered to the public in each of Luxembourg, Germany, Austria, the Netherlands, the United Kingdom and/or Ireland following the effectiveness of the notification of the Prospectus by the CSSF according to article 18 of the Prospectus Directive.

### Conditions and details of the offer

The Joint Bookrunners have subscribed the EUR 1,250,000,000 NC7 Notes and the EUR 1,750,000,000 NC12 Notes.

The commission for the Joint Bookrunners in connection with the offering, placement and subscription of the Notes will amount to up to 0.65 per cent. of the aggregate principal amount of Notes issued.

There is no obligation for the Issuer to issue the Notes and the Issuer may withdraw the offer. Subscription rights for the Notes will not be issued. Therefore, there are no procedures in place for the exercise of any right of pre-emption, the negotiability of subscription rights and the treatment of subscription rights not exercised. There are no minimum and/or maximum amount of application whether in number of Notes or aggregate amount to invest.

There are no conditions to which the offer is subject.

### Costs of and reasons for the offer; use of proceeds

In connection with the Offering, the Issuer will receive net proceeds of approximately EUR 2,980,500,000 after deducting total expenses of approximately EUR 19,500,000 (assuming the maximum amount of commissions paid including discretionary incentive fees). The Issuer intends to use the net proceeds for general corporate purposes, which will include lending the net proceeds to the Guarantor for use in connection with the Guarantor's intended acquisition of all shares of Scania Aktiebolag, which was announced on February 21, 2014, and for the Guarantor's general corporate purposes.

### Derivative component

The fixed interest rate applicable to the Notes for each interest period shall be reset on each reset date. The new fixed interest rate applicable to the Notes for the period from and including each reset date to but excluding the next following reset date shall be calculated on the basis of the 7-year swap rate or the 12-year swap rate, as applicable, determined by the calculation agent prior to the relevant reset date plus the applicable margin.

The 7-year swap rate and the 12-year swap rate are based in part on the annual swap rate for Euro swap transactions with a term of 7 years and 12 years. The relevant 7-year swap rate and 12-year swap rate will therefore in part depend on the level of the EURIBOR at the time of the reset dates, as a result of which an increase in EURIBOR may lead to a higher modified reset interest rate, a decrease to a lower modified reset interest rate.

### Subscription and allotment of the Notes

#### **Subscription by the Managers**

The Managers have entered into a subscription agreement on March 17, 2014 (the **"Subscription Agreement"**) in which they have subscribed, each with an equal quota and severally not jointly, for the EUR 1,250,000,000 NC7 Notes and the EUR 1,750,000,000 NC12 Notes. The Managers will be entitled, under certain circumstances, to terminate the Subscription Agreement reached with the Issuer and the Guarantor. In such event, no Notes will be delivered to investors. Furthermore, the Issuer and the Guarantor agree in the Subscription Agreement to indemnify the Managers against certain liabilities in connection with the offer and sale of the Notes.

The Managers or their affiliates have provided from time to time, and expect to provide in the future, investment services to the Issuer and its affiliates, for which the Managers or their affiliates have received or will receive customary fees and commissions. In addition, in the ordinary course of their business activities, the Managers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer, Issuer's affiliates, the Guarantor or the Guarantor's affiliates. Certain of the Managers or their affiliates that have a lending relationship with the Issuer or the Guarantor routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Managers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes. Any such short positions could adversely affect future trading prices of the Notes. The Managers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments. There are no interests of natural and legal persons other than the Issuer involved in the issue, including conflicting ones that are material to the issue.

### ***Pricing of the Notes and Yield***

The yield in respect of (i) the NC7 Notes from the Issue Date to the NC7 First Call Date is 3.875 per cent. per annum and (ii) the NC12 Notes from the Issue Date to the NC12 First Call Date is 4.750 per cent. per annum and is calculated on the basis of the issue price of the Notes.

### ***Confirmation of offers placed by, and allotments to, investors***

Any investor who has submitted an order in relation to the Notes and whose order is accepted by the Managers will receive a confirmation by electronic mail, fax or through commonly used information systems setting out its respective allotment of Notes. Before an investor receives a confirmation from the Managers that its offer to purchase Notes has been accepted, the investor may reduce or withdraw its purchase order.

### ***Delivery of the Notes to investors***

Delivery and payment of the Notes will be made on the Issue Date, which is expected to be March 24, 2014. The Notes so purchased will be delivered via book-entry through the Clearing Systems and their depository banks against payment of the Issue Price therefor.

### ***Costs and expenses relating to the offer***

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



## SELLING RESTRICTIONS

### General

Each Manager has acknowledged that other than explicitly mentioned in this Prospectus no action is taken or will be taken by the Issuer in any jurisdiction that would permit a public offering of the Notes, or possession or distribution of any offering material relating to them, in any jurisdiction where action for that purpose is required.

Each Manager has represented and agreed that it will comply with all applicable laws and regulations in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes any offering material relating to them.

### 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 in the United States, or to, or for the account or benefit of, U.S. persons, unless registered under the Securities Act or pursuant to an exemption from such registration. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

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.

### United Kingdom of Great Britain and Northern Ireland:

(a) Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the “**FSMA**”)) in connection with the issue or sale of the Notes will be communicated or caused to be communicated and will only be communicated or caused to be communicated in circumstances in which section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and

(b) All applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom have been and will be complied with.

### European Economic Area

In relation to each Member State of the European Union, Iceland, Norway and Liechtenstein (together the “**European Economic Area**”) which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”) an offer of Notes to the public may not be made in that Relevant Member State prior to the publication of a prospectus in relation to the Notes which has been approved by the competent authority in the Grand Duchy of Luxembourg and published and notified to the relevant competent authorities in accordance with the Prospectus Directive as implemented in such Relevant Member State, including Germany, Austria, The Netherlands, the United Kingdom, and Ireland, respectively, except that with effect from and including the Relevant Implementation Date, an offer of such Notes may be made to the public in that Relevant Member State until the issue date:

(a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(b) to fewer than 150 (or 100 if the Relevant Member State has not yet implemented the relevant provision of the 2010 Prospectus Directive Amending Directive) natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the Joint Bookrunners; or

(c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

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

For the purposes of this provision, the expression an “offer of Notes to the public” in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression “Prospectus

Directive” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression “2010 PD Amending Directive” means Directive 2010/73/EU.

### **Consent to use the Prospectus**

The Issuer consents to the use of the Prospectus during the Offer Period by all credit institutions licensed in accordance with Art 4 number 1 of Directive 2006/48/EC to trade securities in Luxembourg, Germany, Austria, The Netherlands, the United Kingdom and/or Ireland (each a “**Financial Intermediary**”) (general consent) and accepts responsibility for the content of the Prospectus also with respect to subsequent resale or final placement of the Notes by any Financial Intermediary which was given consent to use the Prospectus; an exceeding liability of the Issuer is excluded.

The subsequent resale or final placement of the Notes by Financial Intermediaries can be made in Luxembourg from the date of the Prospectus and in Germany, Austria, The Netherlands, the United Kingdom and/or Ireland from the time of effectiveness of the notifications (passporting) of the Prospectus into the respective jurisdictions until March 21, 2014 (the “**Offer Period**”).

Financial Intermediaries may use the Prospectus for subsequent resale or final placement of the Notes in Luxembourg, Germany, Austria, The Netherlands, the United Kingdom and/or Ireland during the Offer Period. However, the Issuer may revoke or limit its consent at any time, whereby such revocation requires a supplement to the Prospectus.

**Any Financial Intermediary using the Prospectus has to state on its website that it uses the Prospectus in accordance with the consent and the conditions attached thereto.**

**In the event of an offer being made by a Financial Intermediary, this Financial Intermediary will provide information to investors on the terms and conditions of the offer at the time the offer is made.**

## **MARKET AND INDUSTRY DATA**

This Prospectus includes information regarding market share, market position, growth rates and industry data for the Volkswagen Group's lines of business, which consists of estimates based on data and reports compiled by third parties, on data from other external sources, and on the Volkswagen Group's knowledge of its sales and markets. Sources of such third party information include the International Monetary Fund, the World Bank and IHS Global Insight. Such third party sources have been accurately reproduced and, as far as the Issuer is aware and able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

The Issuer has no access to the facts and assumptions underlying the numerical data, market data and other information extracted from publicly available sources, and has not independently verified market data provided by third parties or industry or general publications. In many cases there is no readily available external information (whether from trade associations, government bodies or other organizations) to validate market-related analyses and estimates, requiring the Issuer to rely on internally developed estimates. While the Issuer believes its internal research to be reliable, such research has not been verified by any independent source and the Issuer cannot guarantee its accuracy. The Issuer believes that such data is useful in helping investors understand the industry in which the Volkswagen Group operates and the Volkswagen Group's position within the industry.

## GENERAL INFORMATION

### Listing and admission to trading

Application has been made to list the Notes on the Official List of the Luxembourg Stock Exchange and to admit the Notes to trading on the Regulated Market of the Luxembourg Stock Exchange (*Bourse de Luxembourg*). The Regulated Market of the Luxembourg Stock Exchange is a regulated market for the purposes of the Market and Financial Instruments Directive 2004/39/EC.

### Authorizations

The Notes will be issued by virtue of resolutions by the Guarantor's Board of Management dated January 28, 2014, the Guarantor's Supervisory Board dated February 21, 2014, the Issuer's Board of Managing Directors dated March 5, 2014 and the Issuer's Supervisory Board dated March 5, 2014.

### Statutory auditors

The auditor for the consolidated and unconsolidated financial statements of VWAG for the current year is PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft ("**PwC**"), Fuhrberger Str. 5, 30625 Hannover, Germany. PwC is member of the Chamber of Public Accountants (*Wirtschaftsprüferkammer*) in Berlin.

PwC audited the unconsolidated financial statements of the Guarantor as of and for the fiscal year ended December 31, 2013, which were prepared in accordance with the German Commercial Code (*Handelsgesetzbuch* — "**HGB**"), as well as the consolidated financial statements of the Guarantor as of and for the fiscal years ended December 31, 2013 and December 31, 2012, which were prepared in accordance with IFRS, as adopted by the European Union, and the additional requirements of German commercial law pursuant to Section 315a (1) of the HGB, and issued in each case an unqualified auditor's report (*Bestätigungsvermerk*).

PricewaterhouseCoopers Accountants N.V., Fascinatio Boulevard 350, 3065 WB Rotterdam, P.O. Box 8800, 3009 AV Rotterdam, The Netherlands, independent auditors of the Issuer, have audited and issued unqualified audit reports on the financial statements of the Issuer as of and for the years ended December 31, 2013 and December 31, 2012, which the Issuer's management prepared in accordance with "Dutch GAAP", which term is used to indicate the whole body of authoritative Dutch accounting literature including the Dutch Civil Code and the Framework and the Guidelines on Annual Reporting from the Dutch Accounting Standards Board (collectively referred to as "**Dutch GAAP**").

In the period covered by these financial statements, no auditors of any of the Issuers or the Guarantor have resigned, been removed or not re-appointed.

### Ratings

#### **Credit Ratings of the Issuer**

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

#### **Credit Ratings of the Guarantor**

As of the publication date of the Prospectus, the ratings assigned to the Guarantor were as follows:

by Moody's:

- long-term rating: A3
- short-term rating: Prime-2

by S&P:

- long-term rating: A-
- short-term rating: A-2

The outlook for the long-term guarantor ratings assigned by Moody's and by Standard & Poor's is positive. Companies rated A3 by Moody's are considered upper-medium grade and are subject to low credit risk. Companies rated A- by S&P are considered to have a strong capacity to meet financial commitments, but somewhat susceptible to adverse economic conditions and changes in circumstances.

Detailed information on the Guarantor's ratings can be found on the Guarantor's website ([http://www.volkswagenag.com/content/vwcorp/content/en/investor\\_relations/fixec\\_income/ratings.html](http://www.volkswagenag.com/content/vwcorp/content/en/investor_relations/fixec_income/ratings.html)).

## **Ratings assigned to the Notes**

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

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

More information regarding the meaning of the rating and the qualifications which have to be observed in connection therewith can be found on Moody's ([www.moodys.com](http://www.moodys.com)) and S&P ([www.standardandpoors.com](http://www.standardandpoors.com)) websites.

Moody's Investors Services Ltd. ("**Moody's**") has its registered office at One Canada Square, Canary Wharf, London E14 5FA, United Kingdom and is registered at Companies House in England.

Standard & Poor's Ratings Services ("**S&P**") has its registered office at 20 Canada Square, Canary Wharf, London E14 5LH, United Kingdom and is registered at Companies House in England.

Moody's and S&P are registered under Regulation (EC) No. 1060/2009 of the European Parliament and of Council of September 16, 2009 on credit rating agencies as amended by Regulation (EU) No 513/2011 (credit rating agency regulation, the "**CRA Regulation**") as a registered rating agency. The European Securities and Markets Authority publishes on its website (<http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) a list of credit rating agencies registered in accordance with the CRA Regulation. That list shall be updated within five working days following the adoption of a decision under Articles 16, 17 or 20 of the CRA Regulation. The European Commission publishes that updated list in the Official Journal of the European Union within 30 days following the updates.

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

## **Significant changes and material adverse changes**

There has been no material adverse changes in the prospects of the Issuer and the Guarantor since December 31, 2013. There has been no significant change in the financial or trading position of the Issuer and the Guarantor since December 31, 2013.

## **U.S. legend**

Each Note will bear the following legend: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sec. 165(j) and 1287(a) of the Internal Revenue Code".

## **Clearance**

The Notes have been accepted for clearance through Euroclear Bank S.A./N.V., Koning Albert II laan 1 1210 Saint-Josse-ten-Noode, Belgium and Clearstream Banking, *société anonyme*, 42 Avenue JF Kennedy, 1855 Luxembourg. The following table sets forth the securities identifying data for the Notes.

	<b>Common Code</b>	<b>International Securities Identification Number (ISIN)</b>
NC7 Notes .....	104842801	XS1048428012
NC12 Notes .....	104842844	XS1048428442

## **Notification**

In order to be able to conduct a public offer in relation to the Notes in Austria and Germany, the Issuer has applied for notifications pursuant to Article 19 of the Luxembourg Act into Germany, Austria, The Netherlands, the United Kingdom and Ireland. The Issuer may from time to time arrange for a notification into other jurisdictions under Article 19 of the Luxembourg Act.

## **Documents Incorporated by Reference**

### ***Financial statements, Auditors***

The following financial statements are incorporated by reference into this Prospectus and are defined herein as the “**Documents Incorporated by Reference**”:

#### ***Financial statements of Volkswagen International Finance N.V.***

This Prospectus incorporates by reference the audited financial statements of the Issuer as of and for the years ended December 31, 2013 and 2012, in the English language (including the notes thereto, the “**Issuer Annual Financial Statements**”).

The Issuer has prepared the Issuer Annual Financial Statements in accordance with Dutch GAAP. The Issuer Annual Financial Statements of Volkswagen International Finance N.V. were audited by PricewaterhouseCoopers Accountants N.V. in accordance with Dutch law, including the Dutch Standards on Auditing, and unqualified auditor’s opinions were issued dated March 10, 2014 and March 13, 2013. The auditor signing the Issuer Financial Statements is a member of the Netherlands Institute of Chartered Accountants and has no material interest in the Issuer.

#### ***Consolidated financial statements of VOLKSWAGEN AKTIENGESELLSCHAFT***

This Prospectus incorporates by reference the audited consolidated financial statements of the Guarantor as of and for the years ended December 31, 2013 and 2012 (including the notes thereto, the “**Guarantor Annual Financial Statements**”) in the English language.

The Guarantor has prepared the Guarantor Annual Financial Statements in accordance with IFRS, as adopted by the European Union. The German language consolidated financial statements of VOLKSWAGEN AKTIENGESELLSCHAFT were audited by PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Fuhrberger Str. 5, 30625 Hannover, Germany, in accordance with Section 317 of the German Commercial Code (*Handelsgesetzbuch*) and German generally accepted standards for the audit of financial statements promulgated by the Institute of Public Auditors in Germany (*Institut der Wirtschaftsprüfer — IDW*) and unqualified auditor’s reports were issued regarding those audits on February 12, 2014 and February 13, 2013. The auditors of the Guarantor are members of the Chamber of Public Accountants (*Wirtschaftsprüferkammer*), Berlin, and have no material interest in the Guarantor.

### ***Table of Documents Incorporated by Reference***

The following documents incorporated by reference form part of this Prospectus:

The Issuer’s financial statements as of and for the year ended December 31, 2013, prepared in accordance with Dutch GAAP and contained in the Issuer’s 2013 financial report, pages 4-42, including:

- Balance sheet as at December 31, 2013, pages 5-6;
- Income statement 2013, page 7
- Cash flow statement 2013, page 8;
- Notes to the financial statements, pages 9-42;

and together with the related

- Independent auditor’s report, pages 45-47.

The Issuer’s financial statements as of and for the year ended December 31, 2012, prepared in accordance with Dutch GAAP and contained in the Issuer’s 2012 financial report, pages 7-39, including:

- Balance sheet as at December 31, 2012, pages 6-7;
- Income statement 2012, page 8;
- Cash flow statement 2012, page 9;
- Notes to the financial statements, pages 12-39;

and together with the related

- Independent auditor’s report, pages 42-44.

The Guarantor’s consolidated financial statements as of and for the year ended December 31, 2013, prepared in accordance with IFRS, as adopted by the European Union, and contained in the Guarantor’s 2013 annual report, pages 165 to 282, including:

- Income statement, page 169;



- Statement of comprehensive income, pages 170-171;
- Balance sheet, pages 172-173;
- Statement of changes in equity, pages 174-175;
- Cash flow statement, page 176;
- Notes to the consolidated financial statements, pages 177-282

and together with the related

- Responsibility statement, page 283; and
- Auditor's report, pages 284-285.

The Guarantor's consolidated financial statements as of and for the year ended December 31, 2012, prepared in accordance with IFRS as adopted by the European Union and contained in the Guarantor's 2012 annual report, pages 247 to 350, including:

- Income statement, page 250;
- Statement of comprehensive income, pages 251-252;
- Balance sheet, page 253;
- Statement of changes in equity, pages 254-255;
- Cash flow statement, page 256;
- Notes to the consolidated financial statements, pages 257-350;

and together with the related

- Responsibility statement, page 351; and
- Auditor's report, pages 352-353.

The information incorporated by reference that is not included in the cross-reference list is considered as additional information and is not required by the relevant schedules of the Commission Regulation (EC) No 809/2004 of April 29, 2004, as amended.

### ***Financial information displayed in this Prospectus***

All financial information displayed in this Prospectus, including, in particular, the information under the headings "*Description of the Issuer-Selected Financial Information*" and "*Description of the Guarantor-Selected Historical Financial Information*", is extracted from the Issuer Financial Statements and the Guarantor Financial Statements. The Prospectus, including the Documents Incorporated by Reference, will be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)). The Documents Incorporated by Reference are available at the Issuer's registered office during usual business hours for 12 months from the date of this Prospectus, see "*Documents on display*". The Issuer Financial Statements may be inspected on the Issuer's website ([www.vif.nl](http://www.vif.nl)) and the Guarantor Financial Statements may be inspected on the Guarantor's website ([www.volkswagenag.com](http://www.volkswagenag.com)).

### **Documents on display**

#### ***Prospectus***

This Prospectus, any supplement thereto, if any, and any documents incorporated by reference into this Prospectus will be published in electronic form on the website of the Luxembourg Stock Exchange under "[www.bourse.lu](http://www.bourse.lu)" and will be available, during normal business hours, free of charge at the office of the Issuer.

#### ***Other documents***

Copies of the following documents will be available at the office of the Listing Agent during usual business hours for 12 months from the date of this Prospectus:

- the Articles of Association of the Issuer; and
- the annual financial statements of the Issuer as of and for the years ended December 31, 2013 and December 31, 2012.

The Issuer Annual Financial Statements will be available at the Issuer's website ([www.vif.nl](http://www.vif.nl)) for 12 months from the date of this Prospectus.

Copies of the following documents will be available at the Guarantor's website ([www.volkswagenag.com](http://www.volkswagenag.com)) and the office of the Listing Agent during usual business hours for 12 months from the date of this Prospectus:

- the Articles of Association of the Guarantor; and
- the consolidated financial statements of the Guarantor as of and for the years ended December 31, 2013 and December 31, 2012, containing English language translations of the consolidated financial statements of the Guarantor, in each case together with the auditor's reports prepared in connection therewith. The Guarantor prepares audited consolidated and audited non-consolidated accounts on an annual basis.

## GLOSSARY OF ABBREVIATIONS AND DEFINITIONS

<b>2010 PD Amending Directive</b>	Directive 2010/73/EU of the European Parliament and of the Council of November 24, 2010 amending Directives 2003/71/EC on the prospectus to be published when securities are offered to the public or admitted to trading and 2004/109/EC on the harmonization of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market, as amended.
<b>7-year Swap Rate</b>	The 7-year swap rate for Euro swap transactions with a maturity of seven years displayed on the relevant Reuters screen determined by the Calculation Agent according to the NC7 Terms and Conditions.
<b>12-year Swap Rate</b>	The 12-year swap rate for Euro swap transactions with a maturity of twelve years displayed on the relevant Reuters screen determined by the Calculation Agent according to the NC12 Terms and Conditions.
<b>Arrears of Interest</b>	Issuer's deferment of payments of interest on any Interest Payment Date (as defined in the Terms and Conditions).
<b>Austria</b>	Republic of Austria.
<b>Clearstream, Luxembourg</b>	Clearstream Banking, société anonyme, 42 Avenue JF Kennedy, 1855 Luxembourg.
<b>CRA Regulation</b>	Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (as amended).
<b>CSSF</b>	<i>Commission de Surveillance du Secteur Financier.</i>
<b>Dutch GAAP</b>	The whole body of authoritative Dutch accounting literature including the Dutch Civil Code and the Framework and the Guidelines on Annual Reporting from the Dutch Accounting Standards Board.
<b>EU Member State</b>	A member state of the European Union.
<b>EU Savings Directive</b>	Council Directive 2003/48/EC of June 3, 2003 on taxation of savings income in the form of interest payments.
<b>EURIBOR</b>	Euro Interbank Offered Rate.
<b>Euroclear</b>	Euroclear Bank S.A./N.V., Koning Albert II laan 1 1210 Saint-Josse-ten-Noode, Belgium.
<b>Financial Intermediary</b>	Credit institutions licensed in accordance with Art 4 number 1 of EU Directive 2006/48/EC to trade securities in Luxembourg, Germany, Austria, The Netherlands, the United Kingdom and Ireland.
<b>FSMA</b>	Financial Services and Markets Act 2000, as amended.
<b>FTT</b>	Financial transaction tax in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia proposed by the European Commission.
<b>Germany</b>	Federal Republic of Germany.
<b>Global BV</b>	Global VW Automotive B.V.
<b>Global CV</b>	Global Automotive C.V.
<b>Guarantor</b>	VOLKSWAGEN AKTIENGESSELLSCHAFT.
<b>Guarantor Annual Financial Statements</b>	Audited consolidated financial statements of the Guarantor as of and for the years ended December 31, 2013 and 2012 (including the notes thereto).

<b>IFRS</b>	International Financial Reporting Standards (IFRS) including International Accounting Standards (IAS) and interpretations published by International Accounting Standard Board, as adopted by the EU.
<b>Interest Payment Date</b>	March 24 of each year during each such period interest is scheduled to be paid annually, commencing on March 24, 2015.
<b>Ireland</b>	Republic of Ireland.
<b>Issue Date</b>	March 24, 2014.
<b>Issuer</b>	Volkswagen International Finance N.V.
<b>Issuer Annual Financial Statements</b>	Audited financial statements of the Issuer as of and for the years ended December 31, 2013 and 2012, in the English language (including the notes thereto).
<b>Joint Bookrunners</b>	Barclays Bank plc, Goldman Sachs International, HSBC Bank plc and Société Générale.
<b>Luxembourg</b>	The Grand Duchy of Luxembourg.
<b>Luxembourg Act</b>	The Luxembourg Act dated July 10, 2005 on prospectuses for securities.
<b>Managers</b>	Barclays Bank plc, Goldman Sachs International, HSBC Bank plc and Société Générale.
<b>Moody's</b>	Moody's Investors Service, Inc.
<b>NC7 First Call Date</b>	March 24, 2021.
<b>NC7 Interest Commencement Date</b>	March 24, 2014.
<b>NC7 Note Terms and Conditions</b>	Terms and conditions of the NC7 Notes.
<b>NC7 Notes</b>	EUR 1,250,000,000 in aggregate principal amount of undated subordinated notes subject to interest rate reset with a first call date on March 24, 2021.
<b>NC12 First Call Date</b>	March 24, 2026.
<b>NC12 Interest Commencement Date</b>	March 24, 2014.
<b>NC12 Note Terms and Conditions</b>	Terms and conditions of the NC12 Notes.
<b>NC12 Notes</b>	EUR 1,750,000,000 in aggregate principal amount of undated subordinated notes subject to interest rate reset with a first call date on March 24, 2026.
<b>Noteholders' Representative</b>	Joint representative ( <i>gemeinsamer Vertreter</i> ) of the Noteholders.
<b>Notes</b>	NC7 Notes together with the NC12 Notes.
<b>Offer Period</b>	In Luxembourg from the date of the Prospectus and in Germany, Austria, The Netherlands, the United Kingdom and/ or Ireland from the time of effectiveness of the notifications (passporting) of the Prospectus into the respective jurisdictions until March 21, 2014 .
<b>Official List</b>	Official List of the Luxembourg Stock Exchange.
<b>Prospectus Directive</b>	Directive 2003/71/EC of the European Parliament and of the Council of November 4, 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC, as amended.
<b>Rating Agencies</b>	Moody's and S&P.
<b>S&amp;P</b>	Standard & Poor's Ratings Services.

<b>Second NC7 Step-up Date</b>	March 24, 2024.
<b>Second NC12 Step-up Date</b>	March 24, 2046.
<b>Securities Act</b>	United States Securities Act of 1933, as amended.
<b>Stabilizing Manager</b>	Goldman Sachs International.
<b>Subscription Agreement</b>	Subscription agreement among VWAG, VIF and the Joint Bookrunners entered into on March 17, 2014.
<b>TEFRA</b>	United States Tax Equity and Fiscal Responsibility Act of 1982, as amended.
<b>Terms and Conditions</b>	NC7 Note Terms and Conditions and the NC12 Note Terms and Conditions.
<b>VFL</b>	Volkswagen Finance Luxemburg S.A.
<b>VIF</b>	Volkswagen International Finance N.V.
<b>Volkswagen Group</b>	VOLKSWAGEN AKTIENGESELLSCHAFT and its consolidated subsidiaries.
<b>VWAG</b>	VOLKSWAGEN AKTIENGESELLSCHAFT.

# **STATEMENTS PURSUANT TO COMMISSION REGULATION (EC) NO 809/2004 OF 29 APRIL 2004**

Volkswagen International Finance N.V. as Issuer under this Prospectus is responsible for the correctness of the information contained in this Prospectus and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of its knowledge, in accordance with the facts and does not omit anything likely to affect the import of such information.

**Volkswagen International Finance N.V. (as Issuer)**



**REGISTERED OFFICE OF THE ISSUER**

**Volkswagen International Finance N.V.**

Herengracht 495  
1017 BT, Amsterdam  
The Netherlands  
Telephone no.: +31 20 624 5971

**REGISTERED OFFICE OF THE GUARANTOR**

**VOLKSWAGEN AKTIENGESELLSCHAFT**

Berliner Ring 2  
38440 Wolfsburg  
Germany  
Telephone no: +49 5361 9 0

**JOINT BOOKRUNNERS**

**Barclays Bank PLC**

5 The North Colonnade  
Canary Wharf  
London E14 4BB  
United Kingdom

**Goldman Sachs International**

Peterborough Court  
133 Fleet Street  
London EC4A 2BB  
United Kingdom

**HSBC Bank plc**

8 Canada Square  
London E14 5HQ  
United Kingdom

**Société Générale**

29, Boulevard Haussmann  
75009 Paris  
France

**PRINCIPAL PAYING AGENT AND  
CALCULATION AGENT**

**Citibank, N.A., London Branch**

Citigroup Centre  
Canada Square, Canary Wharf  
London E14 5LB  
United Kingdom

**LISTING AGENT**

**BNP Paribas Securities Services  
Luxembourg Branch**

33 rue de Gasperich  
5826 Hesperange  
Luxembourg

**LEGAL ADVISERS**

*To Volkswagen*

*As to German Law:*

**Clifford Chance Partnerschaftsgesellschaft**

Mainzer Landstraße 46  
60325 Frankfurt am Main  
Germany

*As to Dutch law:*

**Clifford Chance LLP**

Droogbak 1A  
1013 GE Amsterdam  
The Netherlands

*To the Joint Bookrunners*

*As to German Law:*

**Linklaters LLP**

Mainzer Landstrasse 16  
60325 Frankfurt am Main  
Germany

**AUDITORS**

*To the Guarantor*

**PricewaterhouseCoopers Aktiengesellschaft  
Wirtschaftsprüfungsgesellschaft**

Fuhrberger Straße 5  
30625 Hannover  
Germany

*To the Issuer*

**PricewaterhouseCoopers Accountants N.V.**

Fascinatio Boulevard 350  
3065 WB Rotterdam  
The Netherlands