

MERCEDES-BENZ FINANCIAL SERVICES ITALIA S.p.A.

(incorporated as a joint stock company in the Republic of Italy)

with registered office in Via Giulio Vincenzo Bona, 110, 00156 Rome, Italy

Share capital equal to Euro 216,700,000 fully paid-up

Tax code and registration number with the Companies' Register of Rome: 02828850582

R.E.A. No. RM – 417167

ADMISSION DOCUMENT

for the trading of the financial instruments called

"€300,000,000 Floating Rate Notes due June 22, 2020"

issued by Mercedes-Benz Financial Services Italia S.p.A.

and unconditionally and irrevocably guaranteed by Daimler AG

ISIN: IT0005260085

on the professional segment (ExtraMOT PRO) of the ExtraMOT Market

managed by the Italian Stock Exchange

The financial instruments are issued in dematerialised form in accordance with Legislative Decree No. 58 of February 24, 1998, as amended, and held with Monte Titoli S.p.A.

**CONSOB AND THE ITALIAN STOCK EXCHANGE HAVE NEITHER
EXAMINED NOR APPROVED THE CONTENTS OF THIS ADMISSION
DOCUMENT**

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CERTAIN DEFINITIONS

The table below shows a list of definitions and terms used in this Admission Document. These definitions and terms, unless otherwise specified in the "Terms and Conditions of the Notes", have the meanings set out below (both singular and plural).

CONSOB		the <i>Commissione Nazionale per le Società e la Borsa</i> (the Italian securities authority).
ExtraMOT Market		the multilateral trading facility managed and organised by the Italian Stock Exchange named ExtraMOT.
ExtraMOT Market Rules		the rules of the ExtraMOT Market issued by the Italian Stock Exchange and in force since June 8, 2009, as amended and supplemented from time to time.
ExtraMOT PRO		the segment of the ExtraMOT Market for the trading of the financial instruments referred to in Article 220.5 of the ExtraMOT Market Rules and the additional instruments referred to in Article 220 of the ExtraMOT Market Rules, to be accessed only by professional investors.
Guarantor		Daimler AG, a stock corporation organised under the laws of the Federal Republic of Germany and registered at the commercial register of the Stuttgart local court under HRB 19360 with its executive offices at Mercedesstraße 137, 70327 Stuttgart, Federal Republic of Germany.
Holder		any holder of a Note.
Issuer		Mercedes-Benz Financial Services Italia S.p.A., a joint stock company incorporated in the Republic of Italy having its registered office in Via Giulio Vincenzo Bona, 110, 00156 Rome, Italy, share capital equal to Euro 216,700,000 (fully paid-up) and tax code and registration number with the Companies' Register of Rome: 02828850582.
Italian Stock Exchange	Stock	Borsa Italiana S.p.A., having its registered office at Piazza degli Affari 6, 20123 Milan, Italy.
Notes		the €300,000,000 Floating Rate Notes due June 22, 2020 as defined in the "Terms and Conditions of the Notes".
Qualified Investors		the "qualified investors" (<i>investitori qualificati</i>) as defined in Article 34-ter, first paragraph, letter b) of CONSOB Regulation No. 11971 of May 14, 1999, as amended, implementing Article 100 of Legislative Decree No. 58 of February 24, 1998 (" Decree No. 58 "), as amended.

TYPE OF DOCUMENT

This Admission Document has been prepared in shortened form in accordance with Sec. 10.2 of the ExtraMOT Market Rules, given that the shares of the Guarantor are listed on the Frankfurt and Stuttgart Stock Exchanges.

Information relating to the Guarantor and the financial statements of the Issuer can be found on the website of the Guarantor (www.daimler.com).

RESPONSIBLE PERSONS

Responsibility for the Admission Document

The Issuer and the Guarantor accept responsibility for the information contained in this Admission Document.

Declaration of Responsibility

To the best of the knowledge of the Issuer and the Guarantor (each having taken all reasonable care to ensure that such is the case), the information contained in this Admission Document is in accordance with the facts and does not omit anything likely to affect the import of such information.

RISK FACTORS

In purchasing Notes, investors assume the risk that the Issuer and the Guarantor may become insolvent or otherwise be unable to make all payments due in respect of the Notes. There is a wide range of factors which individually or together could result in the Issuer and the Guarantor becoming unable to make all payments due in respect of the Notes. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the Issuer and the Guarantor may not be aware of all relevant factors and certain factors which they currently deem not to be material may become material as a result of the occurrence of events outside the Issuer's and the Guarantor's control. The Issuer and the Guarantor have identified in this Admission Document a number of factors relating to the Notes which could materially adversely affect their ability to make payments due under the Notes or the Guarantee.

In addition, factors which are material for the purpose of assessing the market risks associated with the Notes are also described below.

Prospective investors should also read the other information set out elsewhere in this Admission Document and the information and documents available on the website of the Guarantor (www.daimler.com) and reach their own views prior to making any investment decision.

Risk Factors Relating 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:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained in this Admission Document or any applicable supplement hereto;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation and the investment(s) it is considering, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency of principal or interest payments under the Notes is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant financial markets; and
- (v) 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.

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

Risks Related to the Admission to Trading on the ExtraMOT PRO and Liquidity Risk

Application has been made for the admission to trading of the Notes on ExtraMOT PRO, which is the professional segment of the ExtraMOT Market (reserved exclusively to professional investors) organised and managed by the Italian Stock Exchange. The Notes are new securities for which there is no market at the date of this Admission Document and which will not benefit from the appointment of a specialist operator (*operatore specialista*, as defined under the ExtraMOT Market Rules). Therefore, there can be no assurance as to the liquidity of any market that may develop for the Notes, the ability of the Holders to sell the Notes or the price at which the Notes may be sold. The liquidity of any market for the Notes will depend on the number of Holders, prevailing interest rates, the market for similar securities and other factors, including general economic conditions, and the Issuer's and the Guarantor's financial condition, performance and prospects. In an illiquid market, a Holder might not be able to sell his Notes at any time at fair market prices.

There can be no assurance that an active trading market will develop or, if one does develop, that it will be maintained. If an active trading market does not develop or cannot be maintained, this could have a material adverse effect on the liquidity and trading prices of the Notes.

Market Price Risk

The development of market prices of the Notes depends on various factors, such as changes of market interest rate levels, the policy of central banks, overall economic developments, inflation rates or the lack of or excess demand for the Notes. The Holder of Notes is therefore exposed to the risk of an unfavourable development of market prices of his Notes which materializes if the Holder sells the Notes prior to the final maturity of the Notes. If the Holder decides to hold the Notes until final maturity the Notes will be redeemed at their principal amount.

Risk of Early Redemption

Pursuant to the Terms and Conditions of the Notes, the Issuer has the right to call the Notes in whole, but not in part, on any Interest Payment Date if

- (i) the Issuer has or will become obliged to pay additional amounts pursuant to § 7 of the Terms and Conditions of the Notes (*Taxation*) or the Guarantor were unable for reasons outside its control to procure payment by the Issuer and in making payment itself were required to pay such additional amounts as a result of any change in, or amendment to, the laws or regulations of the country in which the Issuer or the Guarantor is domiciled (or resident for tax purposes) or of any political subdivision or taxing authority thereof or therein, or as a result of any change in, or amendment to, an official interpretation or application of such laws or regulations, which amendment or change is effective on or after the date on which the Notes are issued; or
- (ii) the Notes will cease to be listed on a regulated market or on a multilateral trading facility as defined by Directive 2014/65/EU of the European Parliament and of the Council of May 15, 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU,

((i) to (ii) together, the "**Issuer's Call Rights**").

The Issuer's Call Rights are likely to limit the market value of the Notes. Prior to or during any period when the Issuer may elect to redeem the Notes, the market value of the Notes generally will not rise substantially above the price at which they can be redeemed.

In addition, the Notes are subject to early redemption in case of the occurrence of an event of default (an "**Event of Default**") specified in § 9 of the Terms and Conditions of the Notes (*Acceleration*).

If the Issuer redeems the Notes prior to maturity or the Notes are subject to early redemption due to an Event of Default, a Holder of the Notes is exposed to the risk that due to early redemption his investment may have a lower than expected yield.

In case the Issuer exercises its optional call right at a point in time when the yield on comparable notes in the capital market falls, an investor may only be able to reinvest the redemption proceeds in notes with a lower yield. Prospective investors should consider reinvestment risk in light of other investments available.

Currency Risks

The Notes will be issued in Euro. However, pursuant to § 4 of the Terms and Conditions of the Notes (*Payments*), payments of amounts due on the Notes shall be made in the freely negotiable and convertible currency which on the respective due date is the legal currency in the Republic of Italy. Therefore, the Issuer will pay principal and interest on the Notes either in Euro (in case the Euro will be the legal currency in the Republic of Italy on the relevant due date of any payment under the Notes) or in such other currency which may be the legal currency in the Republic of Italy on the relevant due date (in case the Euro will not be the legal currency in the Republic of Italy on the relevant due date anymore).

This presents certain risks relating to currency conversions and payment and transfer restrictions.

Following a replacement of the Euro as the legal currency in the Republic of Italy by a new currency, exchange rates may significantly fluctuate or change (including fluctuations and changes due to the devaluation of the new legal currency in the Republic of Italy *vis-à-vis* (i) the Euro or (ii) the investor's currency (in case the investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Euro or the new legal currency in the Republic of Italy). Fluctuations and changes in currency exchange rates may result from, *inter alia*, macro-economic factors, speculative transactions and interventions by central banks. An appreciation in the value of the Euro or the Investor's Currency relative to the new legal currency in the Republic of Italy would decrease (i) the Euro-equivalent or the Investor's Currency-equivalent yield on the Notes, (ii) the Euro-equivalent or the Investor's Currency-equivalent value of the principal payable on the Notes, and (iii) the Euro-equivalent or the Investor's Currency-equivalent market value of the Notes.

In addition, government and monetary authorities in Italy and Europe but also government and monetary authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls and other restrictions on payments and transfers. As a result of the imposition of such exchange controls and other restrictions on payments and transfers, investors may receive less interest or principal than expected, or no interest or principal at all.

The Notes Will Pay a Floating Rate of Interest

Floating rate debt securities tend to be volatile investments. A Holder of the Notes is exposed to the risk of fluctuating interest rate levels and, consequently, uncertain interest income. Fluctuating interest rate levels make it impossible to determine the yield of the Notes in advance. Neither the current nor the historical value of the relevant floating rate should be taken as an indication of the future performance of such floating rate during the term of the Notes.

Depending on the development of the 3 months Euro Interbank Offered Rate, to which payments of interest under the Notes are linked, a Holder may not receive any interest at all.

Payments of Interest under the Notes Are Linked to the 3 months Euro Interbank Offered Rate

The Euro Interbank Offered Rate ("**EURIBOR**") and other indices which are deemed "benchmarks" (each a "**Benchmark**" and together, the "**Benchmarks**") are the subject of recent national, international and other regulatory guidance and proposals for reform. Some of these reforms are already effective while others are

still to be implemented. These reforms may cause the relevant Benchmarks to perform differently than in the past, or have other consequences which cannot be predicted.

Key international reforms of Benchmarks include (i) IOSCO's *Principles for Oil Price Reporting Agencies* (October 2012) and *Principles for Financial Benchmarks* (July 2013), (ii) ESMA-EBA's *Principles for the benchmark-setting process* (June 2013), and (iii) the Benchmark Regulation EU 2016/1011 of June 8, 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (the "**Benchmark Regulation**"). In addition to the aforementioned reforms, there are numerous other proposals, initiatives and investigations which may impact Benchmarks.

Any changes to the 3 months EURIBOR as a result of the Benchmark Regulation or other initiatives could have a material adverse effect on the costs of obtaining exposure to the 3 months EURIBOR or the costs and risks of administering or otherwise participating in the setting of the 3 months EURIBOR and complying with any such regulations or requirements. Such factors may have the effect of discouraging market participants from continuing to administer or participate in the 3 months EURIBOR, trigger changes in the rules or methodologies used in determining the 3 months EURIBOR or lead to the disappearance of the 3 months EURIBOR.

Although it is uncertain whether or to what extent any of the above-mentioned changes and/or any further changes in the administration or method for determining the 3 months EURIBOR could have an effect on the value of the Notes, investors should be aware that:

- (i) any change to the 3 months EURIBOR could affect the level of the published rate, including to cause it to be lower and/or more volatile than it would otherwise be;
- (ii) if the 3 months EURIBOR is discontinued, the rate of interest on the Notes will be determined by the fallback provisions of the Notes. This may cause the interest to be lower than it would otherwise be;
- (iii) the methodology or other terms of the 3 months EURIBOR could be changed, and such changes could have the effect of reducing the rate or level or affecting the volatility of the 3 months EURIBOR; and
- (iv) the administrator of the 3 months EURIBOR will not have any involvement in the Notes and may take any actions in respect of the 3 months EURIBOR without regard to the effect of such actions on the Notes.

Investors thus face the risk that any changes to the 3 months EURIBOR may have a material adverse effect on the value of and the amount payable under the Notes.

Taxation

Potential purchasers of Notes should be aware that stamp duty and other taxes and/or charges may be levied in accordance with the laws and practices in the countries where the Notes are transferred and other relevant jurisdictions. Potential purchasers of the Notes who are in any doubt as to their tax position should consult their own independent tax advisers. In addition, potential purchasers should be aware that tax regulations and their application by the relevant taxation authorities may change from time to time. Accordingly, it is not possible to predict the precise tax treatment of the Notes which will apply at any given time.

Resolutions at Holders' Meetings Bind All Holders

§ 13 of the Terms and Conditions of the Notes (*Amendment of the Terms and Conditions, Holders' Representative*) provides for calling meetings of Holders to consider matters affecting Holders' interests generally, including modifications to the Terms and Conditions of the Notes. These provisions permit defined majorities to bind all Holders, including those who did not attend and vote at the relevant meeting or who voted in a manner contrary to the majority. Therefore, a Holder is subject to the risk of being outvoted

by a majority resolution adopted at a Holders' meeting. As such majority resolution properly adopted is binding on all Holders, certain rights of such Holder against the Issuer under the Terms and Conditions of the Notes may be amended or reduced or even cancelled.

Holders' Representative

§ 13 of the Terms and Conditions of the Notes (*Amendment of the Terms and Conditions, Holders' Representative*) provides for the appointment of a Holders' Representative. It is therefore possible that a Holder may be deprived of its individual right to pursue and enforce its rights under the Terms and Conditions of the Notes against the Issuer if such actions are incompatible with the decisions adopted at the Holders' meetings pursuant to Article 2415 of the Italian Civil Code, such right passing to the Holders' Representative who is then responsible to claim and enforce the rights of all Holders.

Credit Ratings may not Reflect all Risks Associated with an Investment in the Notes

The Notes are expected to be rated. A rating may not reflect the potential impact of all risks relating to structure, market, additional factors discussed above and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time.

Interests of Natural and Legal Persons Involved in the Issue or the Offer

The lead manager which will subscribe and purchase the Notes and/or its affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and the Guarantor in the ordinary course of business. In addition, in the ordinary course of their business activities, the lead manager and/or its affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or the Guarantor. The lead manager and/or its affiliates that have a lending relationship with the Issuer or the Guarantor may hedge their credit exposure to the Issuer or the Guarantor consistent with their customary risk management policies. Typically, the lead manager and/or its 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 lead manager and/or its affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

The Proposed Financial Transactions Tax

On February 14, 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common financial transactions tax ("**FTT**") in Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Slovakia, Slovenia and Spain (the "**Participating Member States**"). However, Estonia has since stated that it will not participate with regard to the FTT proposal.

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

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

Member State or (b) where the financial instrument which is subject to the dealings is issued in a Participating Member State.

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

Investors are advised to seek their own professional advice in relation to the FTT.

INFORMATION RELATING TO THE NOTES

Below are the terms and conditions of the Notes to be admitted to trading on the ExtraMOT PRO according to this Admission Document.

TERMS AND CONDITIONS OF THE MERCEDES-BENZ FINANCIAL SERVICES ITALIA S.P.A. EUR 300,000,000 FLOATING RATE NOTES DUE JUNE 22, 2020

The following is the text of the terms and conditions of the Notes (the "Terms and Conditions"). The rights and powers of the Holders (as defined in § 1 (3)) may only be exercised in accordance with these Terms and Conditions.

§ 1 ISSUER, CURRENCY, DENOMINATION, FORM AND TRANSFERS, CERTAIN DEFINITIONS

(1) *Issuer, Currency, Denomination.* These Floating Rate Notes due June 22, 2020 (the "Notes") are being issued by Mercedes-Benz Financial Services Italia S.p.A. (the "Issuer") in Euro ("EUR" or the "Specified Currency") in the aggregate principal amount of EUR 300,000,000 (in words: EUR three hundred million) in the denomination of EUR 100,000 (in words: EUR one hundred thousand) each (the "Specified Denomination").

(2) *Form and Transfers.* The Notes are issued in bearer form and shall be in dematerialized form (*forma dematerializzata*) in accordance with the provisions of Article 83-bis and ff. of the Italian Legislative Decree No. 58 of February 24, 1998 as amended (the "Financial Law") and the Regulation issued by the Bank of Italy and CONSOB on February 22, 2008, as amended and supplemented from time to time (the "BoI/CONSOB Regulation") and will be held and accounted for in book entry form with the central securities depository and management system managed by Monte Titoli (as defined in § 1 (3)) on behalf of the Holders (as defined in § 1 (3)) until redemption or cancellation thereof for the account of the relevant Monte Titoli Account Holder (as defined in § 1 (3)). No physical documents of title will be issued in respect of the Notes. However, the Holders have the faculty to obtain certifications (*certificazioni*) pursuant to Article 83-quinquies and Article 83-novies, 1(b) of the Financial Law.

The Notes will at all times be evidenced by, and title thereto will be transferable by means of book-entries on the relevant accounts opened with Monte Titoli in accordance with (i) the provisions of Article 83-bis and ff. of the Financial Law; and (ii) the BoI/CONSOB Regulation.

(3) *Certain Definitions.*

"**CONSOB**" means the *Commissione Nazionale per le Società e la Borsa* (the Italian securities authority).

"**Euro**" means the single currency of the member states of the Euro-zone.

"**Euro-zone**" means the region comprised of those member states of the European Union that have adopted, or will have adopted from time to time, the Euro as single currency.

"**ExtraMOT Market**" means the multilateral trading facility managed and organized by the Italian Stock Exchange named ExtraMOT.

"**ExtraMOT Market Rules**" means the rules of the ExtraMOT Market issued by the Italian Stock Exchange and in force since June 8, 2009, as amended and supplemented from time to time.

"**ExtraMOT PRO**" means the segment of the ExtraMOT Market for the trading of the financial instruments referred to in Article 220.5 of the ExtraMOT Market Rules and the additional instruments referred to in Article 220 of the ExtraMOT Market Rules, to be accessed only by professional investors.

"**Holder**" means, from time to time, any holder of a Note.

"Issue Date" means June 22, 2017.

"Italian Stock Exchange" means Borsa Italiana S.p.A., a società per azioni, having its registered office at Piazza degli Affari 6, 20123 Milan, Republic of Italy.

"Monte Titoli" means Monte Titoli S.p.A., a società per azioni, having its registered office at Piazza degli Affari, 6, 20123 Milan, Republic of Italy.

"Monte Titoli Account Holder" means any authorized financial intermediary institution entitled to hold accounts on behalf of its customers with Monte Titoli and includes any clearing system (including Euroclear Bank SA/NV, Boulevard du Roi Albert II, 1210 Brussels, Belgium and Clearstream Banking, S.A., 42 Avenue J.F. Kennedy, 1855 Luxembourg, Luxembourg) which holds an account with Monte Titoli.

§ 2

STATUS, NEGATIVE PLEDGE AND GUARANTEE

(1) *Status*. The Notes constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer and rank *pari passu* (without any preference among themselves) with the claims of all other unsecured and unsubordinated creditors of it other than those claims which are expressly preferred under the laws of its jurisdiction of incorporation.

(2) *Negative Pledge*. So long as any of the Notes remain outstanding, the Issuer undertakes not to provide for other notes or bonds, including any guarantee or indemnity assumed therefor, any security upon its assets without at the same time having the Holders of the Notes share equally and rateably in such security, provided that such security upon its assets is neither mandatory pursuant to applicable laws nor required as a prerequisite for obtaining any governmental approvals.

(3) *Guarantee*. Daimler AG (the "**Guarantor**") has given its unconditional and irrevocable guarantee (the "**Guarantee**"), a form of which is annexed to these Terms and Conditions, for the due payment of the amounts corresponding to the principal of and interest on the Notes. All payments under the Guarantee will be made subject to applicable fiscal and other laws and regulations and in the freely negotiable and convertible currency which on the due date of the respective payment is the legal currency in the Republic of Italy. The Guarantor has further undertaken (the "**Undertaking**") in the Guarantee, as long as Notes are outstanding, not to provide for other notes or bonds, including any guarantee or indemnity assumed therefor, any security upon its assets without at the same time having the Holders of the Notes share equally and rateably in such security, provided that such security upon its assets is neither mandatory pursuant to applicable laws nor required as a prerequisite for obtaining any governmental approvals. In case the Issuer and the Holders agree to amend these Terms and Conditions in accordance with the provisions of § 13 the Guarantor unconditionally and irrevocably guarantees in the Guarantee the payment of all amounts due in accordance with such amended Terms and Conditions.

The Guarantee constitutes a contract for the benefit of the Holders as third party beneficiaries in accordance with § 328 (1) of the German Civil Code (*Bürgerliches Gesetzbuch*) giving rise to the right of each Holder to require performance of the Guarantee directly from the Guarantor and to enforce the Guarantee directly against the Guarantor.

§ 3

INTEREST

(1) *Interest Payment Dates*.

(a) The Notes shall bear interest on their outstanding aggregate principal amount from, and including, June 22, 2017 (the "**Interest Commencement Date**") to, but excluding, the Maturity Date (as defined in § 5 (1)). Interest on the Notes shall be payable quarterly in arrear on each Interest Payment Date (as defined below).

(b) "**Interest Payment Date**" means each March 22, June 22, September 22 and December 22, commencing on September 22, 2017.

Interest Payment Dates are subject to adjustment in accordance with the provisions set out in § 4 (4).

(2) *Rate of Interest*. The rate of interest (the "**Rate of Interest**") for each Interest Period (as defined below) shall be the Reference Interest Rate (as defined below) plus the Margin (as defined below), all as determined

by the Calculation Agent.

"Reference Interest Rate" means, except as provided below, the 3 months EUR-EURIBOR (as defined below), expressed as a percentage rate *per annum*.

The **"3 months EUR-EURIBOR"** shall be the rate for deposits in the Specified Currency with a term corresponding with the term of the Reference Interest Rate, which appears on the Screen Page (as defined below) as of 11.00 a.m. (Brussels time) on the Determination Day (as defined below), all as determined by the Calculation Agent (as specified in § 6).

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

"Determination Day" means the second Business Day prior to the commencement of the relevant Interest Period. For the purposes of this paragraph (2) only, **"Business Day"** means a day (other than a Saturday or Sunday) on which the Trans-European Automated Real-time Gross Settlement Express Transfer System 2 (**"TARGET"**) is open and commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in Rome and Milan.

"Margin" means 0.35 per cent. *per annum*.

"Screen Page" means (i) Reuters Screen Page EURIBOR01, or (ii) such other display page as may replace such Screen Page on the service provided by Reuters, or (iii) the display page of such other service as may be nominated by the Calculation Agent as the replacement information vendor for the purpose of displaying the relevant rate.

If the Screen Page is cancelled or unavailable or if the Reference Interest Rate does not appear as at such time on the relevant Determination Day on the Screen Page, the Determination Agent (as defined below) shall request each of the Reference Banks (as defined below) to provide the Calculation Agent with its rate (expressed as a percentage rate *per annum*) at which it offers deposits in the Specified Currency with a term corresponding with the term of the Reference Interest Rate, commencing on the first day of the relevant Interest Period and in a Representative Amount (as defined below) to prime banks in the interbank market of the Euro-zone at approximately 11.00 a.m. (Brussels time) on the Determination Day. If two or more of the Reference Banks provide the Calculation Agent with such rates, the Reference Interest Rate for such Interest Period shall be the arithmetic mean (rounded if necessary to the nearest one thousandth of a percentage point, with 0.0005 being rounded upwards) of such rates, all as determined by the Calculation Agent.

If on any Determination Day only one or none of the Reference Banks provides the Calculation Agent with such rates as specified in the preceding paragraph, the Reference Interest Rate for the relevant Interest Period shall be the rate *per annum* which the Calculation Agent determines as being the arithmetic mean (rounded if necessary to the nearest one thousandth of a percentage point, with 0.0005 being rounded upwards) of the rates, as communicated to the Calculation Agent (at the request of the Determination Agent) by major banks in the interbank market of the Euro-zone, selected by the Determination Agent acting in good faith, at which such banks offer, as at approximately 11.00 a.m. (Brussels time) on the first day of the relevant Interest Period loans in the Specified Currency with a term corresponding with the term of the Reference Interest Rate, commencing on the first day of the relevant Interest Period and in a Representative Amount to leading European banks. If the Reference Interest Rate cannot be determined in accordance with the foregoing provisions of this paragraph, the Reference Interest Rate shall be the rate on the Screen Page, as described above, on the last day preceding the Determination Day on which such rate appeared.

"Determination Agent" means (i) any recognized service provider to be appointed by the Issuer at any time for the purpose of these Terms and Conditions or (ii) in case such appointment shall not be possible, the Issuer itself. The Issuer will notify the Holders of any such appointment in accordance with § 12.

"Reference Banks" means four major banks in the interbank market of the Euro-zone.

"Representative Amount" means an amount that is representative for a single transaction in the relevant market at the relevant time.

(3) *Minimum Rate of Interest.* If the Rate of Interest in respect of any Interest Period determined in

accordance with the above provisions is less than 0.00 per cent. *per annum*, the Rate of Interest for such Interest Period shall be 0.00 per cent. *per annum*.

(4) *Default Interest*. If the Issuer fails to redeem the Notes when due, interest shall accrue on the outstanding aggregate principal amount of the Notes from, and including, the due date for redemption to, but excluding, the date of actual redemption of the Notes at the default rate of interest which corresponds to the Rate of Interest plus 2 per cent. *per annum*.

(5) *Calculation of Amount of Interest*. The Calculation Agent will, on or as soon as practicable after each date at which the relevant Rate of Interest is to be determined, calculate the amount of interest payable under the Notes in respect of the Specified Denomination for the relevant Interest Period (the "**Amount of Interest**"). The Amount of Interest shall be calculated by applying the Rate of Interest to the Specified Denomination, multiplying such sum by the applicable Day Count Fraction (as defined below), and rounding the resulting figure to the nearest sub-unit of the Specified Currency, half of such sub-unit being rounded upwards or otherwise in accordance with the applicable market convention.

(6) *Notification of Rate of Interest and Amount of Interest*. The Calculation Agent will cause the Interest Period, the Rate of Interest, the Amount of Interest and the Interest Payment Date for the relevant Interest Period to be notified to the Issuer, to any stock exchange or multilateral trading facility on which the Notes are from time to time listed, if so required by the rules of such stock exchange or multilateral trading facility, and to the Holders in accordance with § 12 as soon as possible after their determination. Each Amount of Interest and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. Any such amendment will be notified to any stock exchange or multilateral trading facility on which the Notes are from time to time listed and to the Holders in accordance with § 12.

(7) *Determinations Binding*. All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this § 3 by the Calculation Agent shall (in the absence of wilful default, manifest error or gross negligence) be binding on the Issuer, the Issuing Agent, any Paying Agent and the Holders and, in the absence of the aforesaid, no liability to the Issuer, the Issuing Agent, any Paying Agent or the Holders shall attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(8) *Day Count Fraction*. "**Day Count Fraction**" means, in respect of the calculation of an Amount of Interest on any Note for any period of time (the "**Calculation Period**") the actual number of days in the Calculation Period divided by 360.

§ 4 PAYMENTS

(1) *Payments*. All payments in respect of the Notes will be credited, in accordance with the instructions of Monte Titoli, by the Paying Agent on behalf of the Issuer or the Guarantor, as the case may be, to the accounts of those banks and authorized investment firms whose accounts with Monte Titoli are credited with those Notes and thereafter credited by such banks and authorized investment firms from such aforementioned accounts to the accounts of the beneficial owners of those Notes or through the clearing systems to the accounts with the clearing systems of the beneficial owners of those Notes, in accordance with the rules and procedures of Monte Titoli and of the relevant clearing systems, as the case may be.

(2) *Manner of Payment*. Subject to applicable fiscal and other laws and regulations, payments of amounts due on the Notes shall be made in the freely negotiable and convertible currency which on the respective due date is the legal currency in the Republic of Italy.

(3) *Discharge*. Payments to Monte Titoli or to its order shall to the extent of amounts so paid constitute the discharge of the Issuer from its liabilities under the Notes.

(4) *Payment Business Day*. If the due date for any payment in respect of the Notes would otherwise fall on a day which is not a Payment Business Day (as defined below) the due date for such payment shall be postponed to the next day which is a Payment Business Day unless the due date for such payment would thereby fall into the next calendar month, in which event the due date for such payment shall be the

immediately preceding day which is a Payment Business Day.

"Payment Business Day" means a day (other than a Saturday or a Sunday) (i) on which Monte Titoli is operating, and (ii) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in Rome and Milan and TARGET is open.

If the due date for a payment of interest is brought forward or postponed (as described above), the Amount of Interest shall be adjusted accordingly.

If the due date for the redemption of the principal amount of the Notes is adjusted the Holder shall not be entitled to payments in respect of such adjustment.

(5) *References to Principal and Interest.* References in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable: the Final Redemption Amount of the Notes (as specified in § 5 (1)); the Early Redemption Amount of the Notes (as specified in § 5 (4)); and any premium and any other amounts (other than interest) which may be payable under or in respect of the Notes. References in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any Additional Amounts (as defined in § 7) which may be payable under § 7.

§ 5

REDEMPTION

(1) *Redemption at Maturity.* Unless previously redeemed or purchased and cancelled, and subject to adjustment in accordance with the provisions set out in § 4 (4), the Notes shall be redeemed at their Final Redemption Amount on June 22, 2020 (the "**Maturity Date**"). The "**Final Redemption Amount**" in respect of each Note shall be its principal amount.

(2) *Early Redemption for Reasons of Taxation.* The Notes will be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date on giving not less than 30 days' nor more than 60 days' prior notice of redemption to the Issuing Agent and, in accordance with § 12, to the Holders (which notice shall be irrevocable), if on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay Additional Amounts pursuant to § 7 or the Guarantor were unable for reasons outside its control to procure payment by the Issuer and in making payment itself were required to pay such Additional Amounts as a result of any change in, or amendment to, the laws or regulations of the country in which the Issuer or the Guarantor is domiciled (or resident for tax purposes) or of any political subdivision or taxing authority thereof or therein, or as a result of any change in, or amendment to, an official interpretation or application of such laws or regulations, which amendment or change is effective on or after the date on which the first tranche of this series of Notes is issued, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or the Guarantor would be obliged to pay such Additional Amounts were a payment in respect of the Notes then due.

Notes to be redeemed pursuant to this § 5 (2) will be redeemed at their Early Redemption Amount (as defined in § 5 (4)) together with interest, if any, accrued to, but excluding, the date of redemption.

(3) *Early Redemption at the Option of the Issuer.* The Issuer may, at its option, redeem the Notes in whole, but not in part, on any Interest Payment Date on giving not less than 15 days' prior notice of redemption to the Issuing Agent and, in accordance with § 12, to the Holders (which notice shall be irrevocable) in the event that the Notes will cease to be listed on a regulated market or on a multilateral trading facility as defined by Directive 2014/65/EU of the European Parliament and of the Council of May 15, 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU.

Notes to be redeemed pursuant to this § 5 (3) will be redeemed at their Early Redemption Amount together with interest, if any, accrued to, but excluding, the date of redemption.

(4) *Early Redemption Amount.* For purposes of paragraphs (2) and (3) of this § 5 and § 9, the "**Early Redemption Amount**" of a Note shall be its Final Redemption Amount.

§ 6
ISSUING AGENT, PAYING
AGENT AND CALCULATION AGENT

(1) *Appointment; Specified Offices.* The initial Issuing Agent, the initial Principal Paying Agent and the initial Calculation Agent and their respective initial specified offices are:

Issuing Agent and Principal Paying Agent:

The Bank of New York Mellon SA/NV - Milan branch
Diamantino Building, 5th Floor
Via Mike Bongiorno 13
20124 Milan
Republic of Italy

Where these Terms and Conditions refer to the "**Paying Agent**" such definition shall include the Principal Paying Agent.

Calculation Agent:

The Bank of New York Mellon SA/NV - Milan branch
Diamantino Building, 5th Floor
Via Mike Bongiorno 13
20124 Milan
Republic of Italy

The Issuing Agent, the Principal Paying Agent and the Calculation Agent reserve the right to change their respective specified offices to some other specified offices in the same city at any time.

(2) *Variation or Termination of Appointment.* The Issuer reserves the right at any time to vary or terminate the appointment of the Issuing Agent or any Paying Agent or the Calculation Agent or any Determination Agent and to appoint another issuing agent or additional or other paying agents or another calculation agent or another determination agent. The Issuer shall at all times maintain (i) an issuing agent, (ii) so long as the Notes are listed on a stock exchange or a multilateral trading facility, a paying agent (which may be the Principal Paying Agent) with a specified office in such place as may be required by any applicable rules, (iii) a calculation agent, and (iv) (but only if so required to make any determination pursuant to § 3(2)) a determination agent. The Holders will be given notice in accordance with § 12 of any variation, termination, appointment or any other change as soon as possible upon the effectiveness of such change.

(3) *Agents of the Issuer.* The Issuing Agent, any Paying Agent and the Calculation Agent as well as any Determination Agent act solely as agents of the Issuer and do not have any obligations towards or relationship of agency or trust with any Holder.

(4) *Determinations Binding.* All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of these Terms and Conditions by the Issuing Agent shall (in the absence of wilful default, manifest error or gross negligence) be binding on the Issuer, any Paying Agent, the Calculation Agent, any Determination Agent and the Holders and, in the absence of the aforesaid, no liability to the Issuer or the Holders shall attach to the Issuing Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

§ 7
TAXATION

The Notes will be subject to the Italian tax regime regulated by Legislative Decree No. 239 of April 1, 1996 as amended and supplemented ("**Decree No. 239**") provided that the Notes are listed on a regulated stock market or on a multilateral trading facility of an EU member state or a state belonging to the European Economic Area which allows the exchange of information with the Italian tax authorities. A substitute tax (*imposta sostitutiva*) levied at the rate of 26 per cent. will be applicable to interest and other proceeds payable to Holders resident in the Republic of Italy which are individuals, non-commercial partnerships, non-profit organisations, or entities which are exempt from corporate income tax. No *imposta sostitutiva* will be

applicable on interest and other proceeds payable to (i) Italian resident corporate entities, Italian investment funds, Italian real estate investment funds, Italian pension funds or Italian permanent establishments of non-resident companies which have deposited the Notes in accordance with the provisions of the Decree No. 239; (ii) non-Italian resident persons which are resident for tax purposes in a country which allows an adequate exchange of information with the Republic of Italy as indicated by Article 6 of Decree No. 239 that refers to applicable Italian tax laws and regulations as amended from time to time, including *inter alia*, Ministerial Decree as of September 4, 1996, as amended and supplemented by Italian Ministerial Decree dated August 9, 2016, and possibly updated from time to time according to Article 11, par. 4, let. c) of Decree No. 239 (the "**Qualifying Countries**"); (iii) institutional investors incorporated in one of the Qualifying Countries if the Notes have been deposited in accordance with the provisions of Article 7 of Decree No. 239. In addition, non-Italian resident persons indicated in point (ii) above or non-Italian resident institutional investors indicated in point (iii) above have to produce a self-certification (in compliance with the tax forms and official instructions provided by the Italian Revenue Agency) stating that they meet the requirements of Decree No. 239; in any other case, the *imposta sostitutiva* levied at the rate of 26 per cent. will be applicable on interest and other proceeds payable to non-Italian resident persons. The rate of the *imposta sostitutiva* may be decreased pursuant to the provisions of the applicable double tax treaty (if any). All payments of principal and interest due by the Issuer on the Notes or by the Guarantor under the Guarantee shall be made without deduction or withholding for or on account of any present or future taxes, duties or governmental charges of any nature whatsoever imposed, levied or collected by or in or on behalf of the country in which the Issuer or the Guarantor is domiciled (or resident for tax purposes) or by or on behalf of any political subdivision or authority therein or thereof having power to tax (in the following together "**Withholding Taxes**"), unless such deduction or withholding is required by law. In such latter event, the Issuer or the Guarantor shall pay such additional amounts (the "**Additional Amounts**") of principal and interest as may be necessary in order that the net amounts received by the Holders after such deduction or withholding each shall equal the respective amounts of principal and interest which would have been receivable had no such deduction or withholding been required. No such Additional Amounts shall, however, be payable on account of any Withholding Taxes

- (i) which are payable otherwise than by deduction or withholding from payments of principal or interest; or
- (ii) which are payable by reason of a change in law (or by reason of any application or official interpretation of any law or regulation) that becomes effective or is published more than 30 days after the relevant payment of principal or interest becomes due, or, if this occurs later, is duly provided for and notice thereof is given in accordance with § 12; or
- (iii) which 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; or
- (iv) which are payable where the Holder is able to avoid such deduction or withholding by making a declaration of non-residence or other similar claim for exemption to the relevant tax authority; or
- (v) which are deducted or withheld pursuant to (x) any European Union Directive or Regulation concerning the taxation of interest income, or (y) any international treaty or understanding relating to such taxation and to which the country of domicile (or residence for tax purposes) of the Issuer, or the Guarantor or the European Union is a party, or (z) any provision of law implementing, or complying with, or introduced to conform with, such Directive, Regulation, treaty or understanding; or
- (vi) which are payable in respect of any Note presented for payment by or on behalf of a Holder who would have been able to avoid such deduction or withholding by presenting the Note to another paying agent in a member state of the EU; or
- (vii) which are payable because of a Holder's (or beneficial owner's) failure, or the failure of any agent collecting or executing a payment, to establish its exemption from such deduction or withholding by complying with any requirements to report on it, its owners or holders of interests, or to enter into an agreement with a taxing authority to provide such information; or
- (viii) which in case of payments by the Issuer or the Guarantor are payable by reason of the Holder having, or having had, some personal or business connection with the country in which the Issuer or the Guarantor is domiciled (or resident for tax purposes) 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 country in which the Issuer or the Guarantor is domiciled (or resident for tax purposes); or

- (ix) in respect of any payment or deduction of any interest or principal on account of *imposta sostitutiva* (at the then applicable rate of tax) pursuant to Decree No. 239 with respect to any Notes or the Guarantee or, for the avoidance of doubt, Italian Legislative Decree No. 461 of November 21, 1997 (as amended by Italian Legislative Decree No. 201 of June 16, 1998) (as any of the same may be amended or supplemented) or any related implementing regulations; or
- (x) in all circumstances in which the procedures set forth in Decree No. 239 in order to benefit from a tax exemption have not been met or complied with except where such procedures have not been met or complied with due to the actions or omissions of the Issuer or its agents; or
- (xi) in respect of any Notes or the Guarantee where payments are required:
 - (a) in the Republic of Italy; or
 - (b) more than 30 days after the Maturity Date except to the extent that the relevant Holder would have been entitled to an Additional Amount on the payment of such Note on such thirtieth day assuming that day to have been a Payment Business Day; or
 - (c) in the event of payment to a non-Italian resident legal entity or a non-Italian resident individual, to the extent that interest or other amounts are paid to a non-Italian resident legal entity or a non-Italian resident individual which is neither resident nor incorporated in a Qualifying Country; or
 - (d) in respect of any Notes where such withholding or deduction is required pursuant to Presidential Decree No. 600 of 29 September, 1973, as amended or supplemented from time to time.

§ 8

PRESCRIPTION PERIOD

The claims for payment under the Notes shall become statute-barred ten years (in respect of principal) or five years (in respect of interest) after the applicable due date for payment thereof.

§ 9

ACCELERATION

- (1) *Events of Default*. Each Holder shall be entitled to declare his Notes due and demand immediate redemption thereof at the Early Redemption Amount (as specified in § 5 (4) (*Early Redemption Amount*)), together with accrued interest, if any, in the event that
- (i) any amount due under these Notes has not been paid within 30 days from the relevant due date; or
 - (ii) the Issuer fails duly to perform any other obligation arising from the Notes, or the Guarantor fails to perform any obligation arising from the Undertaking referred to in § 2 (3) and such failure continues for more than 45 days after the Issuing Agent has received notice thereof from a Holder; or
 - (iii) the Issuer or the Guarantor announces its inability to meet its financial obligations; or
 - (iv) a court opens insolvency or other bankruptcy proceedings against the Issuer or the Guarantor, or such proceedings are instituted and have not been discharged or stayed within 90 days, or the Issuer or the Guarantor applies for or institutes such proceedings; or
 - (v) the Issuer or the Guarantor goes into liquidation unless this is done in connection with a merger, consolidation or other form of combination with another company or in connection with a reconstruction and such other or new company assumes all obligations contracted by the Issuer or the Guarantor in connection with the issue of the Notes.

The right to declare the Notes due shall terminate if the situation giving rise to it has been cured before the right is exercised.

(2) *Notice*. Any notice, including any notice declaring Notes due in accordance with this § 9, shall be made in accordance with § 12 (3) (*Form of Notice to Be Given by any Holder*).

In the case of subparagraph (1) (ii) above, any notice declaring Notes due shall, unless at the time such notice

is received, any of the events specified in subparagraphs (1) (i) and (iii) through (v) above entitling Holders to declare their Notes due has occurred, become effective only when the Issuer or the Issuing Agent has received such notices from Holders of at least one tenth of the aggregate principal amount of the Notes of this Series or, if this is less, one-tenth of the aggregate principal amount of all Notes of this Series then outstanding.

§ 10 SUBSTITUTION

(1) *Substitution.* The Issuer shall, without the consent of the Holders, be entitled in case of any amalgamation, merger, reconstruction, reorganisation, transfer or contribution of assets or other similar transaction in relation to the Issuer at any time to substitute, for the Issuer either the Guarantor or any other company located in the Republic of Italy, more than 90 per cent. of the shares or other equity interest carrying the right to vote of which are directly or indirectly owned by the Guarantor, as principal debtor (the "**Substitute Issuer**") in respect of all obligations arising from or in connection with the Notes provided that (i) the Substitute Issuer is in a position to fulfil all payment obligations arising from or in connection with the Notes without the necessity of any taxes or duties to be withheld at source, and to transfer all amounts which are required therefore to the Issuing Agent without any restrictions and (ii) the Guarantor unconditionally and irrevocably guarantees to each Holder the due and punctual payment of principal, interest and any Additional Amounts.

(2) *Notification of Substitution.* Any such substitution shall be notified in accordance with § 12.

(3) *Change of References.* In the event of any such substitution, any reference in these Terms and Conditions to the Issuer shall from then on be deemed to refer to the Substitute Issuer.

§ 11 FURTHER ISSUES OF NOTES, PURCHASES AND CANCELLATION

(1) *Further Issues of Notes.* The Issuer may from time to time, without the consent of the Holders, issue further notes having the same terms as these Notes in all respects (except for, as applicable, the issue date, issue price, interest commencement date and first interest payment date) so as to be consolidated and form a single series with these Notes.

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

(3) *Cancellation.* All Notes redeemed in full shall be cancelled forthwith and may not be reissued or resold.

§ 12 NOTICES

(1) *Form of Notice to Be Given by the Issuer.* Save for the provisions of § 13 below, and without prejudice to any other mandatory provisions of Italian law, from time to time in force (including, without limitations, the provisions of the Financial Law and the relevant implementing regulations), any notice regarding the Notes, as long as the Notes are held through Monte Titoli, shall be deemed to have been duly given if given through the systems of Monte Titoli.

(2) *Notification in Case of Listing.* In case the Notes are admitted to listing, trading or quotation by any listing authority, stock exchange, or quotation system, notices shall be published additionally in accordance with the rules and regulations of such listing authority, stock exchange or quotation system. Any such notice shall be deemed to have been duly given on the date of such publication.

(3) *Form of Notice to Be Given by any Holder.* Unless stipulated differently in these Terms and Conditions or required differently by law, notices regarding the Notes which are to be given by any Holder to the Issuer shall be validly given if delivered in writing in the Italian or English language to the Issuer, the Guarantor or the Issuing Agent (for onward delivery to the Issuer) and by hand or mail. The Holder shall provide evidence satisfactory to the Issuer of its holding of the Notes. Such evidence may be (i) in the form of a certification from the Custodian (as defined in § 14 (4)) with which the Holder maintains a securities account in respect of the Notes that such Holder is, at the time such notice is given, the Holder of the relevant Notes, or (ii) in any other appropriate manner.

§ 13

AMENDMENT OF THE TERMS AND CONDITIONS, HOLDERS' REPRESENTATIVE

The provisions of Article 2415 and ff. of the Italian Civil Code apply for the protection of the common interests of the Holders. The Holders agree hereafter to any changes in these Terms and Conditions made by the Issuer for the purpose of eliminating any error which is minor, formal or technical in nature.

The provisions below are subject to compliance with mandatory laws, legislation, rules and regulations of Italy applicable to the Issuer from time to time (including without limitations the provisions of the Financial Law and the relevant implementing regulations) and, where applicable Italian law so requires, the Issuer's by-laws, including any amendment, restatement or re-enactment of such laws, legislation, rules and regulations (or, where applicable, the Issuer's by-laws) taking effect at any time on or after the Issue Date.

(1) *Holders' Meeting*. In accordance with the provision of Article 2415 of the Italian Civil Code, the Holders' meeting has the power to resolve upon the following: a) the appointment and revocation of the Holders' Representative (as defined in § 13 (8)); b) amendments of these Terms and Conditions; c) proposals for creditors' arrangements; d) the establishment of a fund for the expenses needed to protect the joint interest and the related accounts; and e) other matters of common interest to the Holders.

(2) *Calling of Meetings*. A meeting may be convened by the directors of the Issuer or the Holders' Representative and shall be convened without delay upon request in writing by Holders holding at least 5.00 per cent. of the aggregate principal amount of the outstanding Notes. The notice to convene a meeting shall be published in the *Gazzetta Ufficiale* (the Official Gazette of the Republic of Italy) or in one of the newspapers referred to in the Issuer's by-laws (or according to such other publication method which may be required under any Italian law applicable or according to the by-laws of the Issuer from time to time) at least 15 days (or such other period as may be prescribed by then applicable Italian law or the Issuer's by-laws) prior to the date of the meeting.

(3) *Holders' Meetings and Quorums*. In compliance with Article 2415, paragraph 3, of the Italian Civil Code the rules set forth under Italian law for an extraordinary meeting of the shareholders of joint stock companies apply to the Holders' meeting. Resolutions adopted are recorded in the competent companies' register under the responsibility of the public notary who drafted the minutes of the meeting. The majority required to pass a resolution of the Holders' meeting shall be one or more Holders representing:

- (i) for voting on any matter other than a Reserved Matter (as defined below), more than one half of the principal amount of the Notes for the time being outstanding, and
- (ii) for voting on a Reserved Matter, at least one half of the aggregate principal amount of the Notes for the time being outstanding.

For the purpose of this provision, a "**Reserved Matter**" means any amendment of these Terms and Conditions pursuant to Article 2415, paragraph 1, item 2 of the Italian Civil Code.

(4) *Binding Effects of the Resolutions*. Any resolution passed at a Holders' meeting duly convened and held shall be binding upon all Holders whether present or not present at the meeting and whether or not voting.

(5) *Challenge of Resolutions*. In accordance with Article 2416 of the Italian Civil Code, the resolutions adopted by the Holders' meeting may be challenged in accordance with Articles 2377 and 2379 of the Italian Civil Code. Such challenge is made before the Court of Rome against the Holders' Representative.

(6) *Voting Rights*. Each Holder participating in any vote shall cast its vote in accordance with the principal amount or the notional share of its entitlement to the outstanding Notes.

(7) *Holders' Individual Action*. In accordance with Article 2419 of the Italian Civil Code individual actions by Holders are not precluded, provided such actions are not incompatible with the resolutions of the meeting of Holders provided by Article 2415 of the Italian Civil Code.

(8) *Holders' Representative*. A representative of the Holders (*rappresentante comune*) (the "**Holders' Representative**"), may be appointed under Articles 2415 and 2417 of the Italian Civil Code in order to represent the Holders' interests under these Terms and Conditions and to give effect to resolutions passed at a meeting of the Holders. If the Holders' Representative is not appointed by a meeting of Holders,

the Holders' Representative shall be appointed by an order of a competent court where the Issuer has its registered office at the request of one or more Holders or at the request of the directors of the Issuer. The Holders' Representative shall remain appointed for a maximum period of three years but may be reappointed again thereafter.

§ 14
APPLICABLE LAW, PLACE OF
PERFORMANCE, PLACE OF JURISDICTION,
ENFORCEMENT AND ADMISSION TO TRADING

(1) *Applicable Law.* The Notes, as to form and content, and all rights and obligations of the Holders and the Issuer, shall in all respects be governed by, and shall be construed exclusively in accordance with, Italian law.

(2) *Place of Performance.* Place of performance shall be Rome.

(3) *Place of Jurisdiction.* The courts of Rome have exclusive competence for the resolution of any dispute and legal proceeding ("**Proceedings**") that may arise in relation to the Notes or their validity, interpretation or performance. The decision to elect the courts of Rome as having exclusive competence shall not restrict the right of each Holder to propose judgement by any other competent court, including that of residence or elected domicile, when that right may not be conventionally limited or modified pursuant to applicable law.

(4) *Enforcement.* Any Holder of Notes held through Monte Titoli may in any Proceedings against the Issuer, or to which such Holder and the Issuer are parties, protect and enforce in its own name its rights arising under such Notes on the basis of a statement issued by the Custodian with whom such Holder maintains a securities account in respect of the Notes (a) stating the full name and address of the Holder, (b) specifying the aggregate principal amount of the Notes credited to such securities account on the date of such statement and (c) confirming that the Custodian has given written notice to Monte Titoli containing the information pursuant to (a) and (b). Each Holder may, without prejudice to the foregoing, protect and enforce its rights under these Notes also in any other way which is admitted in the country in which the Proceedings are conducted. For purposes of this § 14 (4), "**Custodian**" means any bank or other financial institution of recognized standing authorized to engage in securities custody business with which the Holder maintains a securities account in respect of the Notes and includes any clearing system (including Euroclear Bank SA/NV, Boulevard du Roi Albert II, 1210 Brussels, Belgium and Clearstream Banking, S.A., 42 Avenue J.F. Kennedy, 1855 Luxembourg, Luxembourg) which holds an account with Monte Titoli.

(5) *Admission to Trading.* Application has been made for admission to trading on the ExtraMOT PRO managed and organized by the Italian Stock Exchange.

§ 15
FURTHER INFORMATION
IN RESPECT OF THE ISSUER

(1) *Corporate Objects.* The objects of the Issuer as set out in Article 2 of its By-Laws are as follows:

- (i) grant loans to the public in any form reserved to financial intermediaries;
- (ii) the assignment of loans or financial leasing contracts; and
- (iii) insurance intermediation activities as defined by European Union legislation and by the relevant national implementing legislation, to this end establishing companies and controlling companies operating in the insurance, banking and finance business in accordance with applicable legislation.

The Issuer may avail itself, when the necessary conditions are met, of benefits provided for by European Union, local and regional law for leasing and related activities and for any type of financial transaction generally useful for the achievement of the company objects, including through institutions duly authorized by law.

To this end it may undertake commercial and leasing transactions, acquire shareholdings in other companies, within the limits provided by the applicable legislation, and may undertake all transactions directly or indirectly related to the company objects.

The Issuer may perform servicing activities for collection and factoring in general, with the further possibility of acquiring credits from third parties with or without recourse.

The Issuer shall not undertake activities that are reserved by law for banks.

The Issuer may receive loans from shareholders and/or provide loans to companies in which a stake is held, in all cases within the limits and by the methods established by applicable legislation.

(2) *Registered Office.* The Issuer's registered office is at Via Giulio Vincenzo Bona, 110, 00156 Rome, Republic of Italy.

(3) *Issuer's Companies' Register.* The Issuer is registered at the Companies' Register of Rome with No. 02828850582.

(4) *Amount of Share Capital and Reserves, as at December 31, 2016.* The Issuer's share capital amounts to EUR 216,700,000 and the Issuer's reserves amount to EUR -5,203,000 (taking into account the profits of the year 2016 equal to EUR 35,570,490).

(5) *Resolutions.* The issue of the Notes was authorized by a resolution of the board of directors of the Issuer adopted on March 13, 2017 and filed with the competent Companies' Register on March 14, 2017.

MERCEDES-BENZ FINANCIAL SERVICES ITALIA S.P.A.

By:

By:

ANNEX

GUARANTEE

entered into in relation to

EUR 300,000,000 FLOATING RATE NOTES DUE JUNE 22, 2020

issued by

MERCEDES-BENZ FINANCIAL SERVICES ITALIA S.P.A.

BINDING GERMAN LANGUAGE VERSION

Die Daimler AG (die "**Garantin**") übernimmt gegenüber jedem Gläubiger (jeweils ein "**Gläubiger**" und zusammen, die "**Gläubiger**") der EUR 300.000.000 variabel verzinslichen Schuldverschreibungen fällig am 22. Juni 2020 (die "**Schuldverschreibungen**"), die von Mercedes-Benz Financial Services Italia S.p.A. (die "**Emittentin**") am 22. Juni 2017 begeben werden, die unbedingte und unwiderrufliche Garantie für die ordnungsgemäße und pünktliche Zahlung von Kapital und Zinsen auf die Schuldverschreibungen sowie von jeglichen sonstigen Beträgen (die "**zusätzlichen Beträge**"), die gemäß den Emissionsbedingungen der Schuldverschreibungen (die "**Bedingungen**") zahlbar sind. Vorbehaltlich geltender steuerlicher und sonstiger gesetzlicher Regelungen und Vorschriften erfolgen Zahlungen auf diese Garantie in der frei handelbaren und konvertierbaren Währung, die am Fälligkeitstag der jeweiligen Zahlung die gesetzliche Währung in der Republik Italien ist.

Sinn und Zweck dieser Garantie ist es, sicherzustellen, dass die Gläubiger unter allen tatsächlichen oder rechtlichen Umständen und ungeachtet der Wirksamkeit und Durchsetzbarkeit der Verpflichtungen der Emittentin oder der gemäß § 10 der Bedingungen an ihre Stelle getretene(n) Gesellschaft(en) sowie ungeachtet aller sonstigen Gründe, aus denen eine Zahlung durch die Emittentin oder die gemäß § 10 der Bedingungen an ihre Stelle getretene(n) Gesellschaft(en) unterbleiben mag, die als Kapital und Zinsen zahlbaren Beträge und etwaige zusätzliche Beträge zu den Terminen und in der Währung erhalten, die in den Bedingungen vorgesehen sind.

Solange die Schuldverschreibungen ausstehen, jedoch nur bis zu dem Zeitpunkt, an dem alle Beträge an Kapital und Zinsen sowie etwaige zusätzliche Beträge der Hauptzahlstelle zur Verfügung gestellt worden sind, verpflichtet sich die Garantin hiermit gegenüber den Gläubigern, für andere Schuldverschreibungen, einschließlich dafür übernommener Garantien und Schadloshaltungen, keine Sicherheiten an ihrem

NON-BINDING ENGLISH LANGUAGE VERSION

Daimler AG (the "**Guarantor**") unconditionally and irrevocably guarantees to the holder (each a "**Holder**" and, together the "**Holders**") of the EUR 300,000,000 Floating Rate Notes due June 22, 2020 (the "**Notes**") to be issued by Mercedes-Benz Financial Services Italia S.p.A. (the "**Issuer**") on June 22, 2017 the due and punctual payment of the principal of, and interest on, the Notes, and any other amounts (the "**Additional Amounts**") which may be expressed to be payable under any Note in accordance with the terms and conditions of the Notes (the "**Conditions**"). All payments under this Guarantee will be made subject to applicable fiscal and other laws and regulations and in the freely negotiable and convertible currency which on the due date of the respective payment is the legal currency in the Republic of Italy.

The intent and purpose of this Guarantee is to ensure that the Holders under all circumstances, whether factual or legal, and regardless of the validity and enforceability of the obligations of the Issuer or the company/companies which may have been substituted for the same pursuant to § 10 of the Conditions and regardless of any other grounds on the basis of which the Issuer or the company/companies which may have been substituted for the same pursuant to § 10 of the Conditions may fail to effect payment, shall receive the amounts payable as principal and interest, and any Additional Amounts on the dates and in the currency stipulated in the Conditions.

So long as the Notes are outstanding, but only up to the time all amounts of principal and interest and any Additional Amounts have been placed at the disposal of the principal paying agent, the Guarantor hereby undertakes with the Holders not to provide any security upon its assets for other notes or bonds, including any guarantee or indemnity assumed therefore, without at the same time having the Holders of the Notes share

Vermögen zu bestellen, ohne die Gläubiger der Schuldverschreibungen zur gleichen Zeit im gleichen Rang an solchen Sicherheiten teilnehmen zu lassen, vorausgesetzt, dass derartige Besicherungen ihres Vermögens weder gesetzlich vorgeschrieben sind noch im Zusammenhang mit staatlichen Genehmigungen verlangt werden.

Diese Garantie stellt einen Vertrag zugunsten der jeweiligen Gläubiger als begünstigte Dritte gemäß § 328 Absatz 1 BGB dar, der jedem Gläubiger das Recht gibt, Erfüllung der hierin übernommenen Verpflichtungen unmittelbar von der Garantin zu verlangen und diese Verpflichtungen unmittelbar gegen die Garantin durchzusetzen.

The Bank of New York Mellon SA/NV - Milan branch, die diese Garantie annimmt, handelt nicht als Treuhänderin oder in ähnlicher Eigenschaft für die Gläubiger.

Das Original dieser Garantie wird The Bank of New York Mellon SA/NV - Milan branch ausgehändigt und von ihr verwahrt. The Bank of New York Mellon SA/NV - Milan branch verpflichtet sich, das Original dieser Garantie bis zur Erfüllung aller Verpflichtungen aus den Schuldverschreibungen und der Garantie in Verwahrung zu halten.

Wenn die Emittentin und die Gläubiger die Änderung der Bedingungen in Übereinstimmung mit den Bestimmungen von § 13 der Bedingungen vereinbaren, übernimmt die Garantin die unbedingte und unwiderrufliche Garantie für die Zahlung aller gemäß den geänderten Bedingungen zahlbaren Beträge.

Die Rechte und Pflichten aus dieser Garantie bestimmen sich in jeder Hinsicht nach deutschem Recht und sollen ausschließlich nach deutschem Recht ausgelegt werden. Erfüllungsort und Gerichtsstand ist Frankfurt am Main.

Diese Garantie ist in der deutschen Sprache abgefasst und ihr ist eine unverbindliche Übersetzung in die englische Sprache beigelegt.

Stuttgart, den 20. Juni 2017

Daimler AG

equally and rateably in such security, provided that such security upon its assets is neither mandatory pursuant to applicable law nor required as a prerequisite for governmental approvals.

This Guarantee constitutes a contract in favour of the Holders from time to time as third party beneficiaries pursuant to § 328 (1) German Civil Code (BGB) giving rise to the right of each Holder to require performance of the obligations undertaken herein directly from the Guarantor and to enforce such obligations directly against the Guarantor.

The Bank of New York Mellon SA/NV - Milan branch which accepts this Guarantee does not act as a fiduciary or in a similar capacity for the Holders.

The original of this Guarantee shall be delivered to, and kept by, The Bank of New York Mellon SA/NV - Milan branch. The Bank of New York Mellon SA/NV - Milan Branch agrees to hold the original of this Guarantee in custody until all obligations under the Notes and the Guarantee have been fulfilled.

In case the Issuer and the Holders agree to amend the Conditions in accordance with the provisions of § 13 of the Conditions the Guarantor unconditionally and irrevocably guarantees the payment of all amounts due in accordance with such amended Conditions.

The rights and obligations arising from this Guarantee shall in all respects be governed by, and shall be exclusively construed in accordance with, German law. Place of performance and place of jurisdiction shall be Frankfurt am Main.

This Guarantee is written in the German language and attached hereto is a non-binding English language translation.

Stuttgart, June 20, 2017

Daimler AG

Wir nehmen die vorstehenden Erklärungen ohne Obligo,
Gewährleistung oder Rückgriff auf uns an.

Mailand, den 20. Juni 2017

The Bank of New York Mellon SA/NV - Milan branch

We accept all of the above without recourse, warranty
or liability.

Milan, June 20, 2017

The Bank of New York Mellon SA/NV - Milan branch

ADMISSION TO TRADING AND RELEVANT METHODS

Request of Admission to Trading

The Issuer has filed with Borsa Italiana a request for the Notes to be admitted to trading on the ExtraMOT PRO. The decision of Borsa Italiana and the date of beginning of trading of the Notes on the ExtraMOT PRO, together with the information regarding the admission to listing, will be communicated by Borsa Italiana with specific notice, pursuant to Sec. 11.6 of the guidelines contained in the ExtraMOT Market Rules.

Other Regulated Markets and Multilateral Trading Systems

As of the date of this Admission Document, the Notes are not listed on any regulated market or other multilateral trading facility or equivalent in any jurisdiction. The Issuer does not have any intention to file any request for the listing of the Notes or any other market or multilateral trading facility, other than the ExtraMOT PRO.

Trading Method

The trading of the Notes on the ExtraMOT PRO is reserved to Qualified Investors only.

SUBSCRIPTION AND SALE OF THE NOTES

Pursuant to a subscription agreement made between the lead manager and the Issuer and dated June 20, 2017, the lead manager has agreed to subscribe and purchase the Notes, subject to the conditions contained in the subscription agreement.

1. General

The lead manager has agreed that it will comply with all applicable laws and regulations in force in any jurisdiction in which it subscribes for, purchases, offers, sells or delivers Notes or possesses or distributes this Admission Document or, as the case may be, any supplement to this Admission Document and will obtain any consent, approval or permission required by it for the subscription, purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such subscriptions, purchases, offers, sales or deliveries and none of the Issuer nor the Guarantor shall have any responsibility therefore.

The lead manager has represented and agreed that it will not offer, sell or deliver any Notes or distribute any document relating to the Notes to persons resident, domiciled or located, including a permanent establishment thereof established in one of the countries not listed in the Italian Ministerial Decree issued pursuant to Article 11, paragraph 4(c) of Legislative Decree No. 239 of April 1, 1996.

2. United States of America (the "United States")

- (a) The lead manager has acknowledged that neither the Notes nor the Guarantee have been or will be registered under the Securities Act, and the Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

The lead manager has represented, warranted and undertaken that it has not offered or sold and will not offer or sell, any Notes within the United States or to, or for the account or benefit of, any U.S. person, (x) as part of its distribution at any time or (y) otherwise until 40 days after the later of the commencement of the offering and the closing date. Accordingly, the lead manager has further represented, warranted and undertaken that neither it, nor its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to the Notes, neither it nor they have offered or sold Notes to or for the benefit or account of any U.S. person, and it and they have complied with, and will comply with, the offering restrictions requirement of Regulation S under the Securities Act.

The lead manager has agreed that, at or prior to confirmation of any sale of Notes, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from it during the distribution compliance period (within the meaning of Regulation S) a confirmation or notice to substantially the following effect:

"The Notes and the Guarantee covered hereby have not been registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), and the Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons by any person referred to in Rule 903 (b)(2)(iii) of Regulation S under the Securities Act (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the closing date. Terms used above have the meanings given to them by Regulation S under the Securities Act."

In addition, until 40 days after the commencement of the offering, an offer or sale of Notes within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

- (b) The lead manager shall determine and notify to the Issuing Agent and the Issuer the completion of the distribution of the Notes. On the basis of such notification, the Issuing Agent agrees to notify the lead manager of the end of the distribution compliance period with respect to the Notes. Terms used in this paragraph have the meanings given to them by Regulation S.
- (c) With regard to the Notes, the lead manager has represented, warranted and undertaken that it has not entered and will not enter into any contractual arrangement with respect to the distribution or delivery of Notes, except with its affiliates or with the prior written consent of the Issuer.

3. **United Kingdom**

The lead manager has represented and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the "**FSMA**")) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

4. **Italy**

The lead manager understands that the Notes have not been registered pursuant to Italian securities legislation. Accordingly, the lead manager has represented and agreed that it has not offered or sold, and will not offer or sell, any Notes in the Republic of Italy unless in accordance with all Italian securities, tax and exchange control and other applicable laws and regulations.

The lead manager has represented and agreed that it will not offer, sell or deliver any Notes or distribute any document relating to the Notes in the Republic of Italy except:

- (1) to Qualified Investors; or
- (2) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of Decree No. 58 and Article 34-ter of CONSOB Regulation No. 11971 of May 14, 1999, as amended.

Any such offer, sale or delivery of the Notes or distribution of any other document relating to the Notes in the Republic of Italy must:

- (a) be made by investment firms, banks or financial intermediaries permitted to conduct such activities in the Republic of Italy in accordance with Legislative Decree No. 385 of September 1, 1993 as amended ("**Decree No. 385**"), Decree No. 58, CONSOB Regulation No. 16190 of October 29, 2007 (as amended from time to time); and

- (b) comply with any other applicable laws and regulations or requirement imposed by CONSOB, the Bank of Italy (including the reporting requirements, where applicable, pursuant to Article 129 of the Decree No. 385 and the implementing guidelines of the Bank of Italy, as amended from time to time) and/or any other Italian authority.

5. **European Economic Area**

From January 1, 2018, the lead manager has represented, warranted and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the European Economic Area (“**EEA**”), provided that the Notes qualify as “packaged retail investment product” or “PRIP” as defined in Regulation (EU) No. 1286/2014 of the European Parliament and of the Council of November 26, 2014 on key information documents for packaged retail and insurance-based investment products. For the purposes of this provision:

- (a) the expression “**retail investor**” means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU of the European Parliament and of the Council of May 15, 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (“**MiFiD II**”); or
 - (ii) a customer within the meaning of Directive 2002/92/EC of the European Parliament and of the Council of December 9, 2002 on insurance mediation, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFiD II; or
 - (iii) not a qualified investor as defined in the Prospectus Directive (as defined below); and
- (b) the expression an “**offer**” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

In relation to each Member State of the EEA which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), the lead manager has represented, warranted and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”) it has not made and will not make an offer of Notes to the public in that Relevant Member State other than:

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

provided that no such offer of Notes referred to in (a) to (c) above shall require the Issuer or the lead manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive.

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

ISSUER

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ISSUING, PAYING AND CALCULATION AGENT

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