



Merck KGaA

(Darmstadt, Germany)

EUR [●] Subordinated Fixed to Reset Rate Notes due 2074 with a First Call Date 2021

and

EUR [●] Subordinated Fixed to Reset Rate Notes due 2074 with a First Call Date 2024

Merck KGaA, incorporated in the Federal Republic of Germany, (the "Issuer" and, together with its consolidated subsidiaries, the "Merck Group", "Group" or "Merck") will issue EUR [●] in aggregate principal amount of subordinated notes subject to interest rate reset at 5 year intervals commencing on the first call date on June 12, 2021 (the "NC6.5 Notes") and EUR [●] in aggregate principal amount of subordinated notes subject to interest rate reset at 5 year intervals commencing on the first call date on December 12, 2024 (the "NC10 Notes" and, together with the NC6.5 Notes, the "Notes" and each a "Series"), each on December 12, 2014 (the "Issue Date") at an issue price of [●]% of their principal amount in respect of the NC6.5 Notes (the "NC6.5 Issue Price") and [●]% of their principal amount in respect of the NC10 Notes (the "NC10 Issue Price" and together, with the NC6.5 Issue Price, each an "Issue Price"). The Notes are issued in denominations of EUR 1,000 each (the "Specified Denomination").

The NC6.5 Notes shall bear interest on their principal amount (i) from and including December 12, 2014 (the "Issue Date") to but excluding June 12, 2021 (the "NC6.5 First Call Date") at a rate of [●] *per annum* (the "NC6.5 Fixed Interest Rate"); (ii) from and including the NC6.5 First Call Date to but excluding June 12, 2026 at the relevant 5 year swap rate for the relevant reset period plus a margin of [●] basis points *per annum* (the "NC6.5 Initial Margin"); (iii) from and including June 12, 2026 to but excluding June 12, 2041 at the relevant 5 year swap rate for the relevant reset period plus a margin (being equal to the NC6.5 Initial Margin plus 25 basis points *per annum*); and (iv) from and including June 12, 2041 to but excluding December 12, 2074 (the "Maturity Date") (including the last interest period from and including June 12, 2074 to, but excluding December 12, 2074 (short last coupon)) at the relevant 5 year swap rate for the relevant reset period plus a margin (being equal to the NC6.5 Initial Margin plus 100 basis points *per annum*).

The NC10 Notes shall bear interest on their principal amount (i) from and including the Issue Date to but excluding December 12, 2024 (the "NC10 First Call Date" and together, with the NC6.5 First Call Date, each a "First Call Date") at a rate of [●] *per annum* (the "NC10 Fixed Interest Rate" and together, with the NC6.5 Fixed Interest Rate, each a "Fixed Interest Rate"); (ii) from and including the NC10 First Call Date to but excluding December 12, 2044 at the relevant 5 year swap rate for the relevant reset period plus a first step-up margin (being equal to the initial credit spread plus 25 basis points *per annum*); and (iii) from and including December 12, 2044 to but excluding the Maturity Date at the relevant 5 year swap rate for the relevant reset period plus a second step-up margin (being equal to the initial credit spread plus 100 basis points *per annum*).

During each interest period interest is scheduled to be paid annually in arrear, with respect to the NC6.5 Notes, on June 12 of each year, and, with respect to the NC10 Notes, on December 12 of each year (each an "Interest Payment Date"), commencing, with respect to the NC6.5 Notes, on June 12, 2015 (short first coupon), and, with respect to the NC10 Notes, on December 12, 2015. Upon the occurrence of a Change of Control Event (as defined in § 5(7)(c) of the terms and conditions of the NC6.5 Notes (the "NC6.5 Terms and Conditions") and of the terms and conditions of the NC10 Notes (the "NC10 Terms and Conditions") and, together with the NC6.5 Terms and Conditions, the "Terms and Conditions"), the interest rate payable on the Notes may be increased by an additional 500 basis points *per annum* above the otherwise applicable rate (as set out in § 4(4) of the Terms and Conditions).

The Issuer is entitled to defer payments of interest on any Interest Payment Date ("Deferred Interest Payments") and may pay such Deferred Interest Payments voluntarily at any time, but only has to pay such Deferred Interest Payments under certain circumstances as set out in the relevant Terms and Conditions.

Unless previously redeemed or purchased and cancelled, the Notes will be redeemed at par on the Maturity Date.

Each Series of Notes may be separately redeemed in whole but not in part at the option of the Issuer at an amount per Note equal to the Specified Denomination plus interest accrued on the Note to but excluding the date of redemption but yet unpaid and any outstanding Deferred Interest Payments due and payable on the Note on the NC6.5 First Call Date for the NC6.5 Notes and on the NC10 First Call Date for the NC10 Notes and on any Reset Date (as defined in the relevant Terms and Conditions) thereafter. The Issuer may also redeem each Series of Notes separately in whole but not in part at any time following a Rating Agency Event, a Tax Event, an Acquisition Event (each as defined in the relevant Terms and Conditions) or if the Issuer has redeemed or repurchased and cancelled at least 80% of the originally issued aggregate principal amount, in each case, at an amount per Note (i) equal to 101% of the Specified Denomination if the redemption occurs prior to the relevant First Call Date or (ii) equal to the Specified Denomination if the redemption occurs on or after the relevant First Call Date, plus, in each case, interest accrued on the Note to but excluding the date of redemption but yet unpaid and any outstanding Deferred Interest Payments due and payable on the Note. Additionally the Issuer may redeem the Notes in whole but not in part at any time following a Gross-up Event and a Change of Control Event (each as defined in the Terms and Conditions), in each case, at an amount per Note equal to the Specified Denomination plus interest accrued to but excluding the date of redemption but yet unpaid and any outstanding Deferred Interest Payments.

The Issue Price, the aggregate principal amount of Notes to be issued, the Fixed Interest Rate, several margins, the issue proceeds and the yield of the issue to the First Call Date for each Series will be set out in the Pricing Notice (as described under "Subscription, Offer and Sale") which will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu) on or after the Pricing Date (which is expected to be on or about December 8, 2014) and prior to the Issue Date.

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 November 4, 2003 as amended from time to time (the "Prospectus Directive") and has been approved by the *Commission de Surveillance du Secteur Financier* (the "CSSF") which is the Luxembourg competent authority for the purposes of the approval of the Prospectus under the Luxembourg law on prospectuses for securities (*loi relative aux prospectus pour valeurs mobilières*) dated July 10, 2005, as amended (the "Luxembourg Prospectus Law") transposing under Luxembourg law the Prospectus Directive. 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 has requested CSSF to provide the competent authorities in Austria, Germany and The Netherlands, 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.

This Prospectus will be published in electronic form together with any supplement thereto and all documents incorporated by reference on the website of the Luxembourg Stock Exchange (www.bourse.lu) and on the website of Merck (www.merckgroup.com).

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 "Regulated Market of the Luxembourg Stock Exchange"), which is a regulated market for the purposes of Directive 2004/39/EC on Markets in Financial Instruments.

Joint Bookrunners

Banco Bilbao Vizcaya Argentaria, S.A.
BofA Merrill Lynch
Deutsche Bank

Barclays
Citigroup
Goldman Sachs International

BayernLB
Commerzbank
Helaba

BNP PARIBAS
DZ BANK AG
J.P. Morgan

Landesbank Baden-Württemberg

SEB

Société Générale Corporate &
Investment Banking

The Royal Bank of Scotland

UniCredit Bank

NOTICE

This Prospectus should be read and construed with any supplement thereto and with any other documents incorporated by reference.

The Issuer has confirmed to the Joint Bookrunners (as defined herein) that this Prospectus is true and accurate in all material respects and is not misleading; that any opinions and intentions expressed herein are honestly held and based on reasonable assumptions; that there are no other facts with respect to the Issuer, the omission of which would make this Prospectus as a whole or any statement herein or opinions or intentions expressed herein misleading in any material respect; and that all reasonable enquiries have been made to verify the foregoing.

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

No person has been 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 document entered into in relation to the Notes or any information supplied by the Issuer or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorized by the Issuer, the Joint Bookrunners or any individual Joint Bookrunner.

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

Neither the delivery of this Prospectus nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that the information contained in this Prospectus is true subsequent to the date upon which this Prospectus has been published or most recently supplemented or that there has been no adverse change in the financial position of the Issuer since the date hereof or, as the case may be, the date upon which this Prospectus has been most recently supplemented or the balance sheet date of the most recent financial statements which are deemed to be incorporated into this Prospectus by reference is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

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

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), and will include Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons, see "*Subscription and Sale — Selling Restrictions*".

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

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

The securities described herein are complex financial instruments and are not a suitable or appropriate investment for all investors and should not be promoted, offered, distributed and/or sold to investors for whom they are not appropriate. Any person who might promote, offer, distribute or sell the securities described herein is hereby notified by the Issuer and each of the Joint Bookrunners that it shall comply at all times with all applicable laws, regulations and regulatory guidance (whether inside or outside the European Economic Area) relating to the promotion, offering, distribution and/or sale of the securities described herein (including without limitation the European Union's Directive 2004/39/EC (as amended) as implemented in each Member State of the European Economic Area) and any other applicable laws, regulations and regulatory guidance relating to determining the appropriateness and/or suitability of an investment in the securities described herein by investors in any relevant jurisdiction.

This Prospectus may not be used for the purpose of an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such an offer or solicitation.

This Prospectus does not constitute an offer or an invitation to subscribe for or purchase Notes and should not be considered as a recommendation by the Issuer or any Joint Bookrunner that any recipient of this Prospectus should subscribe for or purchase Notes. Each recipient of this Prospectus shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer.

IN CONNECTION WITH THE ISSUE OF THE NOTES, DEUTSCHE BANK AG, LONDON BRANCH (THE "STABILISING MANAGER") (OR PERSONS ACTING ON BEHALF OF THE STABILISING MANAGER) MAY OVER ALLOT THE 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 STABILISING MANAGER (OR PERSONS ACTING ON BEHALF OF THE STABILISING MANAGER) WILL UNDERTAKE STABILISATION ACTION. ANY STABILISATION 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 DAYS AFTER THE ISSUE DATE OF THE NOTES AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE NOTES. ANY STABILISATION ACTION OR OVER-ALLOTMENT MUST BE CONDUCTED BY THE STABILISING MANAGER (OR PERSON(S) ACTING ON BEHALF OF THE STABILISING MANAGER) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

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

The language of this Prospectus is English. The German text of the Terms and Conditions is controlling and binding, the respective English language text constitutes a translation. In respect of the documents incorporated by reference, the German language version is controlling and binding in relation to the documents listed in the table of documents incorporated by reference in the section "*Documents Incorporated by Reference*".

FORWARD-LOOKING STATEMENTS

This Prospectus contains certain forward-looking statements. A forward-looking statement is a statement that does not relate to historical facts and events. They are based on analyses or forecasts of future results and estimates of amounts not yet determinable or foreseeable. These forward-looking statements are identified by the use of terms and phrases such as "anticipate", "believe", "could", "estimate", "expect", "intend", "may", "plan", "predict", "project", "will" and similar terms and phrases, including references and assumptions. This applies, in particular, to statements in this Prospectus containing information on future earning capacity, plans and expectations regarding Merck Group's business and management, its growth and profitability, and general economic and regulatory conditions and other factors that affect it.

Forward-looking statements in this Prospectus are based on current estimates and assumptions that the Issuer makes to the best of its present knowledge. These forward-looking statements are subject to risks, uncertainties and other factors which could cause actual results, including Merck Group's financial condition and results of operations, to differ materially from and be worse than results that have expressly or implicitly been assumed or described in these forward-looking statements. Merck Group's business is also subject to a number of risks and uncertainties that could cause a forward-looking statement, estimate or prediction in this Prospectus to become inaccurate. Accordingly, investors are strongly advised to read the following sections of this Prospectus: "*Summary*" and "*Description of Merck and the Merck Group*". These sections include more detailed descriptions of factors that might have an impact on Merck Group's business and the markets in which it operates.

In light of these risks, uncertainties and assumptions, future events described in this Prospectus may not occur. In addition, neither the Issuer nor the Joint Bookrunners assume any obligation, except as required by law, to update any forward-looking statement or to conform these forward-looking statements to actual events or developments.

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SUMMARY

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

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

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

Element	Section A – Introduction and warnings
A.1 Warnings	<p>This Summary should be read as an introduction to the Prospectus.</p> <p>Any decision to invest in the Notes should be based on consideration of the Prospectus as a whole by the investor.</p> <p>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.</p> <p>Civil liability attaches only to the Issuer which 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.</p>
A.2 Consent to the use of the Prospectus	<p>The Issuer consents to the use of the Prospectus by all financial intermediaries (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.</p> <p>The subsequent resale or final placement of Notes by financial intermediaries can be made from December 9, 2014 until December 12, 2014 (being the date of issuance of the Notes), provided however, that the Prospectus is still valid in accordance with Article 11 of the Luxembourg law on prospectuses for securities, as amended (<i>Loi relative aux prospectus pour valeurs mobilières</i>) which implements Directive 2003/71/EC of the European Parliament and of the Council of November 4, 2003 (as amended by Directive 2010/73/EU of the European Parliament and of the Council of November 24, 2010).</p>

Element	Section A – Introduction and warnings
	<p>Financial intermediaries may use the Prospectus for subsequent resale or final placement of the Notes in Austria, Germany, Luxembourg and The Netherlands.</p> <p>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.</p> <p>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.</p>

Element	Section B – Merck KGaA as Issuer	
B.1	Legal and commercial name	Merck KGaA is simultaneously the legal and commercial name of the Issuer (together with all consolidated subsidiaries " Merck " or the " Merck Group ").
B.2	Domicile, legal form, legislation and country of incorporation	Merck KGaA is a corporation with general partners (KGaA - <i>Kommanditgesellschaft auf Aktien</i>) incorporated in Germany and organized under the laws of Germany. The registered office of Merck is Frankfurter Str. 250, 64293 Darmstadt, Federal Republic of Germany.
B.4b	Known trends affecting the Issuer and the industries in which it operates	<p>Merck maintains businesses in the pharmaceutical, life science tools and speciality chemicals industries. With global operations and a worldwide market presence, Merck serves its customers worldwide. Therefore, global economic developments can adversely affect Merck's sales and profits. Furthermore, the pharmaceutical, chemical and life science industries are dominated by cost pressure.</p> <p>In addition, ongoing high levels of national debt in some countries and the associated potential reductions in health care spending could lead to declines in sales of some products.</p> <p>Litigation has been widespread in the pharmaceutical industry for years and this has also impacted Merck in the past. Merck cannot rule out the possibility of this also being the case in the coming years.</p>
		Merck continues to see neither any major technology shifts in its chemical businesses nor any major new product launches in the pharmaceutical businesses in 2014.

Element	Section B – Merck KGaA as Issuer				
B.5	Description of the group and the Issuer's position within the group	Merck KGaA is the parent company of the Merck Group, which as per September 30, 2014 included 223 fully consolidated subsidiaries.			
B.9	Profit forecast or estimate	Not applicable. No profit forecast or estimate are made.			
B.10	Nature of qualifications in the auditor's reports on the historical financial information	Not applicable. The auditor's reports with respect to the consolidated financial statements of Merck for the financial years ended December 31, 2012 and December 31, 2013 do not include any qualifications.			
B.12	<p style="text-align: center;">Selected historical key financial information regarding Merck</p> <p>The following tables set forth selected financial information relating to Merck. The financial information has been extracted from the audited consolidated financial statements of Merck for the financial years ended December 31, 2012 and December 31, 2013 respectively, as well as from Merck's unaudited condensed consolidated interim financial statements for the nine-months period ended September 30, 2013 and September 30, 2014.</p> <p>The audited consolidated financial statements for the financial years ended December 31, 2012 and December 31, 2013, as well as the unaudited condensed consolidated interim financial statements for the nine-months period ended September 30, 2013 and September 30, 2014 have been prepared in accordance with International Financial Reporting Standards, as adopted by the European Union ("IFRS"), and the additional requirements of German commercial law pursuant to Section 315a (1) German Commercial Code (<i>Handelsgesetzbuch</i>; "HGB").</p> <p>Where financial information in the following table is labelled "audited", this means that it was taken or derived from the audited consolidated financial statements of Merck as of and for the financial years ended December 31, 2012 and December 31, 2013, respectively.</p>				
		Nine months ended		Fiscal Year ended	
		September 30,		December 31,	
		2014	2013	2013	2012
	in EUR million	(unaudited)	(unaudited)	(audited)	(audited)
	Total revenues	8,464.4	8,353.4	11,095.1	11,172.9
	Sales	8,315.0	8,063.8	10,700.1	10,740.8
	Earnings before interest and tax (EBIT) ¹	1,338.2	1,346.6	1,610.8	963.6
	Margin (% of sales)	16.1%	16.7%	15.1%	9.0%
	EBIT before depreciation and amortization (EBITDA) ²	2,318.7	2,343.4	3,069.2	2,360.2
	Margin (% of sales)	27.9%	29.1%	28.7%	22.0%
	EBITDA pre one-time items	2,509.4	2,458.1	3,253.3	2,964.9
	Margin (% of sales)	30.2%	30.5%	30.4%	27.6%
	Earnings per share ³ (in €)	2.02	2.12	5.53	2.61
	Operating cash flow	1,564.2	1,785.1	2,225.5	2,472.2
	¹ EBIT is defined as a key figure for earnings before interest and taxes on income. Equals the operating result.				
	² EBITDA is defined as a key figure for earnings before interest, taxes on income, depreciation and amortization: depreciation and amortization are added back to EBIT.				
	³ Earnings per share, calculated as specified in IAS 33 by dividing the Group profit by the weighted average number of shares. The calculation of the earnings per share as of September 30, 2014 is based on the fact that the annual general meeting of Merck KGaA approved on May 9, 2014 a share split in a ratio of 1:2 effective as of June 30, 2014. Taking into account the share split, the figure for the nine month period ended September 30, 2013 has been adjusted accordingly. The retrospectively				

Element	Section B – Merck KGaA as Issuer	
	unaudited adjusted earnings per share amounts to EUR 2.77 as of December 31, 2013 and EUR 1.30 as of December 31, 2012.	
	<p>Trend information</p> <p>There has been no material adverse change in the prospects of Merck since December 31, 2013.</p> <p>Significant change in the financial and trading position</p> <p>Not applicable. There has been no significant change in the financial or trading position of Merck since September 30, 2014.</p>	
B.13	Recent developments	<p>On September 22, 2014, Merck KGaA and Sigma-Aldrich Corporation ("Sigma-Aldrich") entered into a definitive agreement under which Merck will acquire Sigma-Aldrich for US\$ 17.0 billion (EUR 13.1 billion).</p> <p>Merck KGaA intends to acquire all of the outstanding shares of Sigma-Aldrich for US\$ 140 per share in cash. The agreed price represents a 37% premium to the latest closing price of US\$ 102.37 on September 19, 2014, and a 36% premium to the one-month average closing price.</p> <p>Bridge financing has been secured for the all-cash transaction, and Merck KGaA expects the final financing structure will comprise a combination of cash on Merck's balance sheet, bank loans and bonds. Closing is expected mid-year 2015, subject to regulatory approvals and other customary closing conditions. The shareholders of Sigma-Aldrich approved the transaction on December 5, 2014.</p> <p>On November 17, 2014, Merck KGaA entered into a global agreement with Pfizer Inc. to co-develop and co-commercialize MSB0010718C, an investigational anti-PD-L1 antibody currently in development by Merck KGaA as a potential treatment for multiple tumor types to accelerate the two companies' presence in immuno-oncology. Under the terms of the agreement, Merck KGaA will receive an upfront payment of US\$ 850 million (around EUR 680 million) and is eligible to receive regulatory and commercial milestone payments up to US\$ 2.0 billion. Both companies will jointly fund all development and commercialization costs.</p>
B.14	Statement of dependency upon other entities within the Group	<p><i>Please see Element B.5 for information on the description of the Group.</i></p> <p>Not applicable. Merck KGaA is the parent company of the Merck Group and is not dependent upon other entities in the Merck Group.</p>

Element	Section B – Merck KGaA as Issuer	
B.15	Principal activities	<p>Merck KGaA is the parent company of the Merck Group with businesses in the pharmaceutical, life science tools and speciality chemicals industries. Its operating activities are organized into the following four divisions:</p> <p><i>Merck Serono</i>: prescription drugs business which markets drugs of both chemical and biotechnological origin. Key products are from the therapeutic areas of Neurodegenerative diseases, Oncology, Fertility, Endocrinology and Cardiovascular diseases.</p> <p><i>Consumer Health</i>: over-the-counter pharmaceutical business primarily focused on Europe with a growing presence in Emerging Markets.</p> <p><i>Performance Materials</i>: specialty materials business with strong market positions in liquid crystals, yield-enhancing process chemicals for integrated circuit production and pearlescent effect pigments.</p> <p><i>Merck Millipore</i>: life science tools business with products for use in laboratory research and the production of biopharmaceuticals.</p>
B.16	Major shareholders	<p>The following shareholders have notified Merck KGaA in accordance with Sections 21 et seq. of the German Securities Trading Act (<i>Wertpapierhandelsgesetz</i>; "WpHG") that at least 3% of the voting rights in Merck are either held directly by them or are attributed to them:</p> <p>4.95% Templeton Global Advisors Limited, Nassau, Bahamas</p> <p>4.99% Templeton Investment Counsel LLC, Wilmington, USA</p> <p>6.17% BlackRock, Inc., New York, U.S.A.</p> <p>9.57% Sun Life Financial Inc., Toronto, Canada (MFS Financial Services Group)</p>
B.17	Credit ratings of the Issuer or its debt securities	<p>Standard & Poor's Rating Services ("Standard & Poor's")¹ has assigned the long-term credit rating "A" (outlook negative) and Moody's Investors Service ("Moody's")² has assigned an "A3" rating (outlook: review for downgrade) to Merck.³</p> <p>The expected rating of the Notes is "BBB+"⁴ from Standard and Poor's and "Baa3"⁵ from Moody's.</p>

¹ Standard & Poor's is established in the European Community and is registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of September 16, 2009 on credit rating agencies, as amended (the "**CRA Regulation**"). The European Securities and Markets Authority publishes on its website (www.esma.europa.eu/page/list-registered-and-certified-CRAs) a list of credit rating agencies registered in accordance with the CRA Regulation. That list is

Section C – The Notes		
Element	Description of Element	Disclosure requirement
C.1	Type and class of securities being offered including any security identification number	<p>The Issuer issues two series of unsecured and subordinated notes. These series are the "NC6.5 Notes" and the "NC10 Notes" (the "Series", and each a "Series"). The notes of each Series are defined as the "Notes".</p> <p>The security identification numbers of the NC6.5 Notes are: ISIN: XS1152338072; Common Code: 115233807; and WKN: A13R96.</p> <p>The security identification numbers of the NC10 Notes are: ISIN: XS1152343668; Common Code: 115234366; and WKN: A13R97.</p>
C.2	Currency of the securities issue	The Notes are issued in Euro (" EUR ").
C.5	Restrictions on free transferability of the securities.	Not applicable. There are no restrictions on the free transferability of the Notes in the European Economic Area.

updated within five working days following the adoption of a decision under Article 16, 17 or 20 CRA Regulation. The European Commission shall publish that updated list in the Official Journal of the European Union within 30 days following such update.

² Moody's is established in the European Community and is registered under the CRA Regulation.

The European Securities and Markets Authority publishes on its website (www.esma.europa.eu/page/list-registered-and-certified-CRAs) a list of credit rating agencies registered in accordance with the CRA Regulation. That list is updated within five working days following the adoption of a decision under Article 16, 17 or 20 CRA Regulation. The European Commission shall publish that updated list in the Official Journal of the European Union within 30 days following such update.

³ Rating information is merely an aid for investors for the purposes of decision-making and cannot replace an individual judgment to be made by the investor and may not be taken as a recommendation to purchase or sell certain Notes. Ratings are merely intended as a support when making an investment decision and are only one of the factors relevant to an evaluation, which factor must be seen and weighted in the context of other factors. As ratings often are amended only after the creditworthiness of an issuer or guarantor has changed, investors have to make their own judgments although a rating may exist.

⁴ Standard & Poor's defines "BBB+" as follows: "An obligation rated 'BBB' exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitment on the obligation. The ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or (-) sign to show relative standing within the major rating categories." Holders should be aware that a credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

⁵ Moody's defines "Baa3" as follows: "Obligations rated Baa are judged to be medium-grade and subject to moderate credit risk and as such may possess certain speculative characteristics. Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification from Aa through Caa. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category."

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

<p>C.8</p>	<p>Rights attached to the Notes, ranking of the Notes, limitations of the rights attached to the Notes</p>	<p><i>Rights attached to the Notes:</i></p> <p>The Notes entitle Holders, in particular, to the interest payments described in Element C.9.</p> <p><i>Ranking of the Notes:</i></p> <p>Except as otherwise provided below, the obligations of the Issuer under the Notes constitute direct, unsecured and subordinated obligations of the Issuer and, in the event of the winding-up, dissolution or liquidation of the Issuer, rank (i) senior only to the claims of the Issuer's general partners (<i>persönlich haftende Gesellschafter</i>) and limited partnership shareholders (<i>Kommanditaktionäre</i>) arising out of their respective participation in the equity of the Issuer, (ii) <i>pari passu</i> among themselves and <i>pari passu</i> with any Parity Securities 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>In the case of (i) the winding-up, dissolution or liquidation of the Issuer, the obligations of the Issuer under the Notes, and (ii) the insolvency of the Issuer or composition or other proceedings for the avoidance of insolvency of the Issuer, the rights of the Holders towards the Issuer shall, pursuant to section 39 paragraph 2 of the German Insolvency Regulation (<i>Insolvenzordnung</i>), be subordinated to the claims of all unsubordinated and subordinated creditors of the Issuer (except as otherwise provided by mandatory provisions of law or as expressly otherwise provided for by the terms underlying the relevant claims) so that in any such case no amounts shall be payable in respect of the Notes until the claims of such unsubordinated and subordinated creditors of the Issuer shall have first been satisfied in full.</p> <p>"Parity Securities" means (i) any securities or other instruments issued by the Issuer and claims towards the Issuer which are expressed to rank <i>pari passu</i> with the Issuer's obligations under the Notes or (ii) securities or other instruments issued by a Subsidiary, where such securities or instruments have the benefit of a guarantee or keep well agreement by the Issuer, and the obligations under such guarantee or keep well agreement rank <i>pari passu</i> with the Issuer's obligations under the Notes.</p> <p>"Subsidiary" means any directly or indirectly majority-owned subsidiary of the Issuer.</p> <p><i>Limitation of the rights attached to the Notes:</i></p> <p>Except for the possibility of the Issuer to defer interest payments and the prohibition of set-off, there are no limitations to the rights attached to the Notes.</p>
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	<p><i>Prohibition of set-off:</i> No Holder may set-off any claims arising under the Notes against any claims that the Issuer may have against it. The Issuer may not set-off any claims it may have against any Holder against any of its obligations under the Notes.</p> <p><i>Redemption at the option of the Issuer:</i> The Issuer may elect but will not be obliged to redeem the NC6.5 Notes in whole but not in part at par on June 12, 2021 (the "NC6.5 First Call Date") and at five year intervals thereafter.</p> <p>The Issuer may elect but will not be obliged to redeem the NC10 Notes in whole but not in part at par on December 12, 2024 (the "NC10 First Call Date" and, together with the NC6.5 First Call Date, each a "First Call Date") and at five year intervals thereafter.</p> <p><i>Redemption at the option of the Issuer following certain events:</i> The Issuer may elect but will not be obliged to redeem the Notes in whole but not in part at any time upon the occurrence of the following redemption events: (i) a rating agency event, (ii) a gross-up event, (iii) a tax event, (iv) a change of control event, (v) an acquisition event with regard to the acquisition of Sigma-Aldrich, or (vi) if the Issuer has redeemed or purchased and cancelled at least 80% of the originally issued aggregate principal amount of the relevant Series of Notes all as defined and further specified in the terms and conditions of the Notes.</p> <p>In case the redemption event is (i) a rating agency event, (ii) a tax event, (iii) an acquisition event, or (iv) the redemption or purchase and cancellation of at least 80% of the originally issued aggregate principal amount of the relevant Series of Notes, the early redemption amount to be paid on all outstanding Notes of the relevant Series in case of an early redemption shall be (x) an amount equal to 101% of the specified denomination per Note if the date fixed for redemption falls prior to the relevant First Call Date, and (y) an amount equal to 100% of the specified denomination per Note if the redemption occurs on or after the relevant First Call Date, in each case plus any interest accrued and unpaid to but excluding the date of redemption and, for the avoidance of doubt, any deferred interest payments due and payable pursuant to the terms and conditions of the Notes.</p> <p>In case of a gross-up event or a change of control event, the early redemption amount to be paid on all outstanding Notes of the relevant Series in case of an early redemption shall be an amount equal to 100% of the specified denomination per Note plus interest accrued and unpaid to but excluding the date of redemption and, for the avoidance of doubt, any deferred interest payments due and payable pursuant to the terms and conditions of the Notes.</p>
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		<p><i>No Events of Default:</i> The terms and conditions of the Notes contain no express events of default entitling Holders to demand redemption of the Notes.</p> <p><i>Resolutions of Holders:</i> In accordance with the German Act on Debt Securities of 2009 (<i>Schuldverschreibungsgesetz</i> – "SchVG") the Notes contain provisions pursuant to which Holders of the relevant Series of Notes may agree by resolution to amend the terms and conditions of the relevant Series of Notes (with the consent of the Issuer) and to decide upon certain other matters regarding the relevant Series of Notes. Resolutions of Holders of the relevant Series of Notes properly adopted, are binding upon all Holders of the relevant Series of Notes. Resolutions providing for material amendments to the terms and conditions require a majority of not less than 75% of the votes cast in the relevant vote. Resolutions regarding other amendments are passed by a simple majority of the relevant votes cast.</p>
C.9	<p>Interest and Redemption Payments, Yield, Name of holders' representative</p>	<p>See C.8.</p> <p><i>Interest Rate:</i> The NC6.5 Notes, unless previously redeemed and subject to an optional interest deferral (see below), will bear interest from and including December 12, 2014 (the "Issue Date") to but excluding June 12, 2021 at a rate of [●]% <i>per annum</i> (the "NC6.5 Fixed Interest Rate"), payable annually in arrear on June 12 of each year, commencing on June 12, 2015 in respect of the period from and including the Issue Date to, but excluding June 12, 2015 (short first coupon).</p> <p>Thereafter, unless the NC6.5 Notes have been redeemed on or prior to the relevant Reset Date (as defined below) and subject to an optional interest deferral, the applicable rate of interest will be reset on each Reset Date on the basis of the then prevailing 5 year swap rate (as determined by the calculation agent in accordance with the terms and conditions of the Notes), in each case plus a margin (i) of [●] basis points <i>per annum</i> (the "NC6.5 Initial Margin") (not including a step-up) for any interest period from and including the NC6.5 First Call Date to but excluding June 12, 2026, (ii) [●] basis points <i>per annum</i> (being equal to the NC6.5 Initial Margin plus 25 basis points <i>per annum</i>) for any interest period commencing on or after June 12, 2026 to but excluding June 12, 2041 and (iii) [●] basis points <i>per annum</i> (being equal to the NC6.5 Initial Margin plus 100 basis points <i>per annum</i>) for any interest period commencing on or after June 12, 2041 to but excluding December 12, 2074 (including the last interest period from and including June 12, 2074 to, but excluding December 12, 2074 (short last coupon)). Unless stated otherwise, interest will be payable annually in arrear on June 12 of each year and for the last time on the day of redemption of the Notes.</p> <p>The NC10 Notes, unless previously redeemed and subject to an</p>

		<p>optional interest deferral (see below), will bear interest from and including the Issue Date to but excluding December 12, 2024 at a rate of [●]% <i>per annum</i> (the "NC10 Fixed Interest Rate" and together, with the NC6.5 Fixed Interest Rate, each a "Fixed Interest Rate"), payable annually in arrear on December 12 of each year, commencing on December 12, 2015.</p> <p>Thereafter, unless the NC10 Notes have been redeemed on or prior to the relevant Reset Date (as defined below) and subject to an optional interest deferral, the applicable rate of interest will be reset on each Reset Date on the basis of the then prevailing 5 year swap rate (as determined by the calculation agent in accordance with the terms and conditions of the Notes), in each case plus a margin of (i) [●] basis points <i>per annum</i> (being equal to the initial credit spread plus 25 basis points) for any interest period from and including the NC10 First Call Date to but excluding December 12, 2044 and (ii) [●] basis points <i>per annum</i> (being equal to the initial credit spread plus 100 basis points) for any interest period commencing on or after December 12, 2044 to but excluding December 12, 2074. Interest will be payable annually in arrear on December 12 of each year.</p> <p>"Reset Date" means the relevant First Call Date, and thereafter any fifth anniversary of the immediately preceding Reset Date.</p> <p>In addition, if a change of control event occurs and the Issuer does not redeem the relevant Series of Notes in whole, the rate applicable for calculating the interest for the relevant Series of Notes will be subject to an additional 500 basis points above the otherwise applicable interest rate.</p> <p><i>Optional interest deferral:</i></p> <p>The Issuer may elect to defer the payment of interest which will be due and payable (<i>fällig</i>) on an interest payment date, upon giving not less than 20 business days' prior notice to the Holders of the relevant Series of Notes.</p> <p>If the Issuer elects not to pay accrued interest on any interest payment date, then it will not have any obligation to pay interest on such interest payment date. Any such failure to pay interest will not constitute a default of the Issuer or any other breach of its obligations under the Notes or for any other purpose.</p> <p>Deferred interest payments will not bear interest.</p> <p><i>Optional payment of deferred interest payments:</i></p> <p>The Issuer may pay outstanding deferred interest payments (in whole but not in part) at any time upon giving of not less than 10 business days' notice (which notice shall be irrevocable and will oblige the Issuer to pay the relevant deferred interest payments on the payment date specified in such notice).</p>
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		<p><i>Mandatory payment of deferred interest payments:</i></p> <p>The Issuer shall be deemed to have declared outstanding deferred interest payments (in whole but not in part) due and payable at the earliest of any of the following events:</p> <ul style="list-style-type: none"> (i) the fifth business day following the occurrence of a Compulsory Payment Event (as defined below); or (ii) the due date for the redemption of the relevant Series of Notes; or (iii) the date on which the voluntary winding-up of the Issuer will be resolved or an order is made for the winding-up, dissolution or liquidation of the Issuer (in each case other than for the purposes of or pursuant to the restructuring or an insolvency plan procedure (<i>Insolvenzplanverfahren</i>) or an amalgamation or reorganisation while solvent, where the continuing entity assumes substantially all of the assets and obligations of the Issuer). <p>A "Compulsory Payment Event" shall be deemed to have occurred upon any of the following events:</p> <ul style="list-style-type: none"> (i) the date on which (x) the Issuer's annual general meeting or any other general meeting (<i>Hauptversammlung</i>) of the Issuer resolves on a dividend, other distribution or other payment in respect of any participation of the limited partnership shareholders (<i>Kommanditaktionäre</i>) in the equity of the Issuer (other than a dividend, distribution or payment which is made in the form of limited partnership shares (<i>Kommanditaktien</i>) of the Issuer) and/or (y) the date on which any distribution (<i>Entnahme</i>) to a general partner (<i>persönlich haftender Gesellschafter</i>) of the Issuer arising out of its participation in the equity of the Issuer is declared or made by the Issuer; or (ii) the Issuer repurchases any limited partnership shares (<i>Kommanditaktien</i>) of the Issuer or any equity interest (<i>Kapitalanteil</i>) of a general partner (<i>persönlich haftender Gesellschafter</i>) or any of its Subsidiaries repurchases or otherwise acquires any of the outstanding limited partnership shares (<i>Kommanditaktien</i>) of the Issuer or any equity interest (<i>Kapitalanteil</i>) of a general partner (<i>persönlich haftender Gesellschafter</i>) (other than (x) in connection with any employee benefit plan or similar arrangements with or for the benefit of employees, officers, directors or consultants, (y) as a result of the exchange or conversion of one class of shares for another class, or (z) in the case the Issuer receives any equity interest (<i>Kapitalanteil</i>) of a general partner (<i>persönlich haftender Gesellschafter</i>) or limited partnership shares (<i>Kommanditaktien</i>) of the Issuer as consideration for a sale of assets to third parties); or
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	<p>(iii) an interest payment date in relation to which the Issuer elects to pay a scheduled interest on the relevant Series of Notes; or</p> <p>(iv) the date on which the Issuer or any Subsidiary makes any payment or distribution in respect of any Parity Security; or</p> <p>(v) the date on which the Issuer or any Subsidiary redeems, repurchases or otherwise acquires (in each case directly or indirectly) any Parity Security or Notes.</p> <p>The cases (iv) and (v) above are subject to the provision that no Compulsory Payment Event occurs if:</p> <p>(x) the Issuer or the relevant Subsidiary is obliged under the terms and conditions of such Parity Security to make such payment, such redemption, such repurchase or such other acquisition; or</p> <p>(y) the Issuer or the relevant Subsidiary repurchases or otherwise acquires any Parity Security or Note in whole or in part in a public tender offer or public exchange offer at a consideration per Parity Security or, as applicable, per Note below its respective par value; or</p> <p>(z) the relevant payments on, or in respect of, any Parity Securities are payments made exclusively to the Issuer and/or one or more of its Subsidiaries.</p> <p><i>Maturity Date, Amortization, Repayment Procedures:</i> Unless previously redeemed in whole or in part or repurchased and cancelled, the Notes shall be redeemed at an amount equal to the specified denomination per Note together with interest accrued and unpaid to but excluding December 12, 2074 and, for the avoidance of doubt, any deferred interest payments due and payable pursuant to the terms and conditions of the Notes on December 12, 2074.</p> <p><i>Indication of yield:</i> The yield of the NC6.5 Notes to the NC6.5 First Call Date will be determined on the pricing date which is expected to be on or about December 8, 2014 (the "Pricing Date") and will be published in a pricing notice (the "Pricing Notice") on the website of the Luxembourg Stock Exchange (www.bourse.lu) on or after the Pricing Date and prior to the Issue Date of the Notes.</p> <p>The yield of the NC10 Notes to the NC10 First Call Date will be determined on the Pricing Date and will be published in the Pricing Notice on the website of the Luxembourg Stock Exchange (www.bourse.lu) on or after the Pricing Date and prior to the Issue Date of the Notes.</p> <p><i>Name of Holders' representative:</i></p>
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		Not applicable. No Holders' Representative has been designated in the terms and conditions of the Notes. In accordance with the SchVG, the terms and conditions of the Notes provide that the Holders of the relevant Series of Notes may by majority resolution appoint a representative for all Holders of the relevant Series of Notes (the " Holders' Representative "). The responsibilities and functions assigned to the Holders' Representative of the relevant Series of Notes appointed by a resolution are determined by the SchVG and by majority resolutions of the Holders of the relevant Series of Notes.
C.10	Derivative component in interest payment	See C.9. Not applicable. The Notes do not have a derivative component in the interest payment.
C.11	Admission to trading of securities on a regulated market	Application has been made for the Notes to be admitted to trading on the regulated market of the Luxembourg Stock Exchange.

Element	Section D — Risk specific to the Issuer
D.2	Key information on the key risks that are specific to the Issuer or its industry
	Risk factors relating to the Issuer comprise, <i>inter alia</i> , the following risks:
	<ul style="list-style-type: none"> • The possibilities of Merck to market pharmaceutical products are limited because the pharmaceutical business is strictly regulated by government authorities.
	<ul style="list-style-type: none"> • Due to the uncertainties associated with the process of developing new drugs, Merck might not be in the position to successfully develop new drugs and other pharmaceutical products and launch them in a timely manner.
	<ul style="list-style-type: none"> • If Merck were unable to arrange and maintain alliances and other cooperation agreements with third parties, this could impair Merck's ability to develop new drugs and other pharmaceutical products.
	<ul style="list-style-type: none"> • The business activities of Merck in the pharmaceutical sector are affected by rising pressure on healthcare costs worldwide.
	<ul style="list-style-type: none"> • The increasingly stringent regulatory environment for the specialty chemical industry could have a negative effect on Merck's production costs and the product portfolio in its chemical divisions.
	<ul style="list-style-type: none"> • The dependency on the development of customers including the general economic situation and cyclical nature of key customer industries can result in a decline in demand.
	<ul style="list-style-type: none"> • Increased competition in all divisions could have an adverse effect on Merck's sales and adversely affect its future growth potential.
	<ul style="list-style-type: none"> • Increased competition in the pharmaceutical industry resulting from biosimilars

Element	Section D — Risk specific to the Issuer
	could have an adverse effect on sales and growth potential of the Merck Serono division.
	<ul style="list-style-type: none"> • Due to the international nature of Merck's activities, Merck is confronted with various legal, regulatory, economic, social and political circumstances and environments that entail risks.
	<ul style="list-style-type: none"> • Rising raw materials prices and other production costs could adversely affect the profitability of Merck's business.
	<ul style="list-style-type: none"> • Merck could be subject to contractual claims and product liability claims from product defects that could lead to substantial expenses and liabilities.
	<ul style="list-style-type: none"> • It is possible that damage, losses or liability on the part of Merck will either not be sufficiently covered by existing insurance policies or not insured at all.
	<ul style="list-style-type: none"> • Merck might not be in the position to adapt to technological changes and to continue to develop and successfully launch innovative products.
	<ul style="list-style-type: none"> • Risk of a temporary ban on products/production facilities or of non-registration of products due to non-compliance with quality standards.
	<ul style="list-style-type: none"> • Merck Serono generates a significant part of its sales with three products.
	<ul style="list-style-type: none"> • No assurance can be given that Merck will be able to recruit or retain qualified employees in the future.
	<ul style="list-style-type: none"> • Merck is subject to risks arising from legal disputes.
	<ul style="list-style-type: none"> • It cannot be guaranteed that Merck will be successful in protecting its intellectual property and knowledge sufficiently. Moreover, it cannot be guaranteed that all of Merck's patents are valid or that Merck has sufficient legal protection against infringement and circumvention.
	<ul style="list-style-type: none"> • The possibility that Merck could infringe the intellectual property rights of third parties or has to rely on fee-based use of third-party intellectual property cannot be excluded.
	<ul style="list-style-type: none"> • The lack of availability of good quality materials or services that Merck requires for its business activities can adversely affect Merck's results.
	<ul style="list-style-type: none"> • Merck is exposed to risks relating to the proposed acquisition of Sigma-Aldrich Corporation and other future acquisitions and divestments.
	<ul style="list-style-type: none"> • Due to a complex group structure and the geographic reach of Merck's business activities, Merck could incur greater tax liabilities than expected and be affected by the levy of additional customs duties, contributions or other fees.
	<ul style="list-style-type: none"> • Changes in exchange rates and interest rates can adversely affect Merck's sales, profits and cash flows.
	<ul style="list-style-type: none"> • The ongoing financial crisis with high levels of sovereign debt can adversely

Element	Section D — Risk specific to the Issuer
	affect Merck's sales, profits and cash flows.
	<ul style="list-style-type: none"> • Default risks in particular financial counterparties and customers defaulting on their receivables can adversely affect Merck's sales, profits and cash flows.
	<ul style="list-style-type: none"> • Changes in fair values of tangible and intangible assets can adversely affect Merck's profits.
	<ul style="list-style-type: none"> • Possible confusion with Merck Sharp & Dohme by customers could adversely affect Merck's business.
	<ul style="list-style-type: none"> • Merck is subject to a variety of statutory environmental regulations and could therefore be exposed to the risk of liability due to non-compliance or past pollution.
	<ul style="list-style-type: none"> • Unforeseen business interruptions at individual production facilities can lead to production bottlenecks and revenue shortfalls at Merck.
	<ul style="list-style-type: none"> • Risks due to product-related crime and espionage.
	<ul style="list-style-type: none"> • Merck depends on efficient and secure operations and the further integration of IT and data processing systems.
	<ul style="list-style-type: none"> • Merck maintains a number of pension plans that, under certain circumstances, may not be covered by sufficient provisions or financed with sufficient assets in the future.
	<ul style="list-style-type: none"> • The interests of major shareholders of Merck may conflict with the interests of the Holders.

Element	Section D — Risk specific to the Notes
D.3	Key information on the key risks that are specific to the Notes
	Risk Factors relating to the Notes comprise, <i>inter alia</i> , the following risks:
	<ul style="list-style-type: none"> • The Notes may not be a suitable investment for all investors.
	<ul style="list-style-type: none"> • The Notes are long-term securities in which an investment constitutes a financial risk for a long period.
	<ul style="list-style-type: none"> • The Holders are exposed to risks relating to fixed interest rate notes.
	<ul style="list-style-type: none"> • The Holders are exposed to risks relating to the reset of interest rates linked to the 5 year Swap Rate.
	<ul style="list-style-type: none"> • Holders are subject to the risk of a partial or total failure of the Issuer to make interest and/or redemption payments.
	<ul style="list-style-type: none"> • Interest payments under the Notes may be deferred at the option of the Issuer.

Element	Section D — Risk specific to the Notes
	<ul style="list-style-type: none"> <li data-bbox="341 271 839 304">• The Holders have no voting rights.
	<ul style="list-style-type: none"> <li data-bbox="341 340 1406 407">• The Holders' only remedy against the Issuer is the institution of legal proceedings to enforce payment or to file an application for insolvency proceedings.
	<ul style="list-style-type: none"> <li data-bbox="341 443 1227 477">• The Holders have limited rights in German insolvency proceedings.
	<ul style="list-style-type: none"> <li data-bbox="341 512 1241 546">• The Notes do not include express events of default or a cross default.
	<ul style="list-style-type: none"> <li data-bbox="341 582 1406 649">• There is no limitation on issuing further debt ranking senior to, or pari passu with, the Notes.
	<ul style="list-style-type: none"> <li data-bbox="341 685 1406 822">• The Notes may be called and redeemed at the option of the Issuer on certain dates and at any time upon the occurrence of certain events. If the Notes are so redeemed, Holders of the Notes are exposed to the risk of a lower yield than expected.
	<ul style="list-style-type: none"> <li data-bbox="341 857 1370 891">• The Notes are subordinated to senior and subordinated obligations of the Issuer.
	<ul style="list-style-type: none"> <li data-bbox="341 927 1067 960">• There is no active public trading market for the Notes.
	<ul style="list-style-type: none"> <li data-bbox="341 996 1206 1030">• An investment in the Notes may be subject to the risk of inflation.
	<ul style="list-style-type: none"> <li data-bbox="341 1066 1406 1133">• There may be transaction costs and/or charges in connection with the purchase or sale of the Notes.
	<ul style="list-style-type: none"> <li data-bbox="341 1169 1067 1202">• The income under the Notes may be reduced by taxes.
	<ul style="list-style-type: none"> <li data-bbox="341 1238 804 1272">• Risk of change in market value.
	<ul style="list-style-type: none"> <li data-bbox="341 1308 719 1341">• Risk of change in rating.
	<ul style="list-style-type: none"> <li data-bbox="341 1377 1406 1444">• No assurance can be given as to the impact of any possible judicial decision or change of laws or administrative practices after the date of this Prospectus.
	<ul style="list-style-type: none"> <li data-bbox="341 1480 1406 1579">• A potential investor may not rely on the Issuer, the Joint Bookrunners or any of their respective affiliates in connection with its determination as to the legality of its acquisition of the Notes.
	<ul style="list-style-type: none"> <li data-bbox="341 1615 1406 1720">• 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.
	<ul style="list-style-type: none"> <li data-bbox="341 1756 1406 1928">• Certain rights of the Holders under the Terms and Conditions may be amended or reduced or even cancelled by Holders' resolutions and any such resolution will be binding for all Holders of the respective Series of Notes. Any such resolution may effectively be passed with the consent of less than a majority of the aggregate principal amount of the respective Series of Notes outstanding.
	<ul style="list-style-type: none"> <li data-bbox="341 1964 1406 2027">• If a Holders' representative will be appointed for the respective Series of Notes the Holders of the respective Series of Notes may be deprived of their individual right

Element	Section D — Risk specific to the Notes
	to pursue and enforce their rights under the respective Terms and Conditions against the Issuer.
	<ul style="list-style-type: none"> • Exchange rate risks and exchange controls.
	<ul style="list-style-type: none"> • Payments on the Notes may be subject to U.S. withholding under the Foreign Account Tax Compliance Act.
	<ul style="list-style-type: none"> • The Financial Transactions Tax could apply to certain dealings in the Notes.

Element	Section E - Offer of the Notes	
E.2b	Reasons for the offer and use of proceeds when different from making profit and/or hedging certain risks	The net proceeds will be used to partly finance the acquisition of Sigma-Aldrich. In the event that the aforementioned transaction is not consummated, the proceeds of the issuance of the Notes may be used for the Issuer's general corporate purposes, which may include the financing of other merger and acquisition activities.
E.3	A description of the terms and conditions of the offer	<p>The Notes will be offered in Austria, Germany, Luxembourg and The Netherlands during an offer period which will commence not earlier than December 9, 2014 and which will be open until the Issue Date subject to a shortening or extension of the offer period.</p> <p>The Issue Price, the aggregate principal amount of the Notes to be issued, the Fixed Interest Rate, several margins, the issue proceeds and the yield to the relevant First Call Date for each Series will be included in the Pricing Notice which will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu) on or after the Pricing Date and prior to the Issue Date of the Notes.</p> <p>There are no conditions to which the offer is subject. Investors may submit their offers to buy Notes, using the information system Bloomberg or any other commonly used information systems. Any investor who has submitted an order in relation to the Notes whose order is accepted will receive a confirmation by electronic mail, fax or through commonly used information systems relating to the respective allotment of Notes.</p> <p>Delivery and payment of the Notes will be made on December 12, 2014 and the confirmation of the allotment to investors will be made by electronic mail, fax or through commonly used information systems. The Notes will be delivered via book-entry through Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme (each a "Clearing System" and together, the "Clearing Systems") and their depositary banks against payment of the relevant Issue Price.</p>
E.4	Any interest that is material to the issue/offer	Following the determination of the pricing details, Banco Bilbao Vizcaya Argentaria, S.A., Barclays Bank PLC, Bayerische Landesbank, BNP Paribas, Citigroup Global Markets Limited,

	<p>including conflicting interests</p>	<p>Commerzbank Aktiengesellschaft, Deutsche Bank AG, London Branch, DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main, Goldman Sachs International, J.P. Morgan Securities plc, Landesbank Baden-Württemberg, Landesbank Hessen-Thüringen, Merrill Lynch International, Skandinaviska Enskilda Banken AB (publ), Société Générale, The Royal Bank of Scotland plc and UniCredit Bank AG (together, the "Joint Bookrunners") will, pursuant to a subscription agreement to be signed on or about December 10, 2014 (the "Subscription Agreement"), agree to subscribe the Notes. The Joint Bookrunners 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 Joint Bookrunners against certain liabilities in connection with the offer and sale of the Notes.</p> <p>The commission payable to the Joint Bookrunners in connection with the offering, placement and subscription of the Notes will be 0.66% of the aggregate principal amount of the Notes.</p> <p>The Joint Bookrunners 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 Joint Bookrunners or their affiliates have received or will receive customary fees and commissions.</p> <p>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.</p>
<p>E.7</p>	<p>Estimated expenses charged to the investor by the issuer or the offeror</p>	<p>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.</p>

GERMAN TRANSLATION OF THE SUMMARY

DEUTSCHE ÜBERSETZUNG DER ZUSAMMENFASSUNG

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

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

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

Punkt	Abschnitt A – Einleitung und Warnhinweise
A.1 Warnhinweise	<p>Die Zusammenfassung sollte als Einleitung zum Prospekt verstanden werden.</p> <p>Der Anleger sollte sich bei jeder Entscheidung, in die Schuldverschreibungen zu investieren, auf den Prospekt als Ganzes stützen.</p> <p>Ein Anleger, der wegen der in dem Prospekt enthaltenen Angaben Klage einreichen will, muss nach den nationalen Rechtsvorschriften seines Mitgliedstaats möglicherweise für die Übersetzung des Prospekts aufkommen, bevor das Verfahren eingeleitet werden kann.</p> <p>Zivilrechtlich haftet nur die Emittentin, die die Zusammenfassung samt etwaiger Übersetzungen vorgelegt und übermittelt hat, und dies auch nur für den Fall, dass die Zusammenfassung verglichen mit den anderen Teilen des Prospekts irreführend, unrichtig oder inkonsistent ist oder verglichen mit den anderen Teilen des Prospekts wesentliche Angaben, die in Bezug auf Anlagen in die betreffenden Wertpapiere für die Anleger eine Entscheidungshilfe darstellen, vermissen lassen.</p>
A.2 Zustimmung zur Verwendung des Prospektes	<p>Die Emittentin stimmt der Verwendung des Prospekts durch alle Finanzintermediäre zu (generelle Zustimmung) und übernimmt die Verantwortung für den Inhalt des Prospekts auch im Hinblick für die spätere Weiterveräußerung oder endgültige Platzierung der Schuldverschreibungen durch einen Finanzintermediär, der die Zustimmung zur Verwendung des Prospekts erhalten hat.</p> <p>Die spätere Weiterveräußerung oder endgültige Platzierung der Schuldverschreibungen durch Finanzintermediäre kann ab dem 9. Dezember 2014 bis jeweils zum 12. Dezember 2014 (dem Tag der Begebung der Schuldverschreibungen) erfolgen, vorausgesetzt, dass der Prospekt in Übereinstimmung mit Artikel 11 des Luxemburger Wertpapierprospektgesetzes in seiner jeweils gültigen Fassung (<i>Loi relative aux prospectus pour valeurs mobilières</i>), welches die Richtlinie 2003/71/EG des Europäischen Parlaments und des Rates vom</p>

4. November 2003 (geändert durch Richtlinie 2010/73/EU des Europäischen Parlaments und des Rates vom 24. November 2010) umgesetzt, noch gültig ist.

Finanzintermediäre können den Prospekt für die spätere Weiterveräußerung oder endgültige Platzierung der Schuldverschreibungen in Österreich, Deutschland, Luxemburg und den Niederlanden verwenden.

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.

Falls ein Angebot durch einen Finanzintermediär erfolgt, wird dieser Finanzintermediär den Anlegern Informationen über die Bedingungen des Angebots zum Zeitpunkt der Vorlage des Angebots zur Verfügung stellen.

Punkt	Abschnitt B – Merck KGaA als Emittentin	
B.1	Gesetzliche und kommerzielle Bezeichnung	Merck KGaA ist gleichzeitig die gesetzliche und die kommerzielle Bezeichnung der Emittentin (zusammen mit allen konsolidierten Tochtergesellschaften " Merck " oder die " Merck Gruppe ").
B.2	Sitz, Rechtsform, geltendes Recht, Land der Gründung	Merck KGaA ist eine in Deutschland nach deutschem Recht errichtete Kommanditgesellschaft auf Aktien (KGaA). Der Sitz von Merck befindet sich in der Frankfurter Str. 250, 64293 Darmstadt, Bundesrepublik Deutschland.
B.4b	Bereits bekannte Trends, die sich auf die Emittentin und die Branchen, in denen sie tätig ist, auswirken	<p>Merck ist in den Bereichen Pharma, Life Science Tools und Spezialchemie tätig. Durch ihre globale Tätigkeit und weltweite Marktpräsenz bedient Merck seine Kunden weltweit. Deswegen kann die Entwicklung der Weltwirtschaft einen negativen Einfluss auf Umsatz und Gewinne von Merck haben. Ferner werden die Branchen Pharma, Chemie und Life Science Tools von einem Kostendruck dominiert.</p> <p>Des Weiteren kann die anhaltend hohe Verschuldung einiger Staaten und die damit verbundene mögliche Senkung von Ausgaben im Gesundheitswesen bei einigen Produkten zu Umsatzeinbußen führen.</p> <p>Die Pharmabranche ist seit Jahren durch Rechtsstreitigkeiten geprägt, die Merck auch in der Vergangenheit belastet haben. Es ist nicht auszuschließen, dass dies auch in den kommenden Jahren der Fall sein wird.</p>
		Merck sieht für 2014 weder wesentliche

		Technologieneuerungen in seinem Chemiegeschäft noch große Produktneueinführungen in seinem Pharmageschäft.			
B.5	Beschreibung der Gruppe und der Stellung der Emittentin innerhalb dieser Gruppe	Merck KGaA ist die Obergesellschaft der Merck-Gruppe, die zum 30. September 2014 223 voll konsolidierte Tochtergesellschaften umfasst.			
B.9	Gewinnprognosen oder -schätzungen	Entfällt. Es liegen keine Gewinnprognosen oder -schätzungen vor.			
B.10	Art etwaiger Beschränkungen im Bestätigungsvermerk zu den historischen Finanzinformationen	Entfällt. Die Bestätigungsvermerke für die geprüften Konzernabschlüsse der Merck für die zum 31. Dezember 2012 bzw. 31. Dezember 2013 endenden Geschäftsjahre enthalten keine Einschränkungen.			
B.12	<p>Ausgewählte wesentliche historische Finanzinformationen über Merck</p> <p>In den nachstehenden Tabellen sind ausgewählte Finanzinformationen über Merck aufgeführt. Die Finanzinformationen wurden den geprüften Konzernabschlüssen der Emittentin für die zum 31. Dezember 2012 bzw. 31. Dezember 2013 endenden Geschäftsjahre bzw. dem ungeprüften verkürzten Konzernzwischenabschluss für die neun-Monatsperiode zum 30. September 2013 bzw. 30. September 2014 entnommen.</p> <p>Die geprüften Konzernabschlüsse für die zum 31. Dezember 2012 bzw. 31. Dezember 2013 endenden Geschäftsjahre und der ungeprüfte verkürzte Konzernzwischenabschluss für die neun-Monatsperiode zum 30. September 2013 bzw. 30. September 2014 sind gemäß den IFRS, wie sie von der Europäischen Union übernommen wurden, und den ergänzend nach § 315a Abs. 1 HGB anzuwendenden handelsrechtlichen Vorschriften erstellt worden.</p> <p>Sind Finanzinformationen in der nachstehenden Tabelle als "geprüft" gekennzeichnet, so bedeutet dies, dass sie den geprüften Konzernabschlüssen für die zum 31. Dezember 2012 bzw. 31. Dezember 2013 endenden Geschäftsjahre entnommen oder daraus abgeleitet wurden.</p>				
		Neun Monate zum 30. September		Geschäftsjahr zum 31. Dezember	
	in Mio. EUR	2014 (ungeprüft)	2013 (ungeprüft)	2013 (geprüft)	2012 (geprüft)
	Gesamterlöse	8.464,4	8.353,4	11.095,1	11.172,9
	Umsatzerlöse	8.315,0	8.063,8	10.700,1	10.740,8
	Operatives Ergebnis (EBIT) ¹	1.338,2	1.346,6	1.610,8	963,6
	Marge (in % der Umsatzerlöse)	16,1%	16,7%	15,1%	9,0%
	EBIT vor Abschreibungen und Wertminderungen (EBITDA) ²	2.318,7	2.343,4	3.069,2	2.360,2
	Marge (in % der Umsatzerlöse)	27,9%	29,1%	28,7%	22,0%
	EBITDA vor Sondereinflüssen	2.509,4	2.458,1	3.253,3	2.964,9
	Marge (in % der Umsatzerlöse)	30,2%	30,5%	30,4%	27,6%
	Ergebnis je Aktie ³ (in €)	2,02	2,12	5,53	2,61
	Mittelfluss aus betrieblicher Tätigkeit ..	1.564,2	1.785,1	2.225,5	2.472,2
	<p>¹ EBIT ist definiert als Kennzahl für den Gewinn vor Zinsen und Ertragsteuern. Entspricht dem operativen Ergebnis.</p> <p>² EBITDA ist definiert als Kennzahl für den Gewinn vor Zinsen, Ertragsteuern, Abschreibungen (auf Sachanlagen) und Abschreibungen (auf immaterielle Vermögensgegenstände). Zum EBIT werden Abschreibungen (auf Sachanlagen) und Abschreibungen (auf immaterielle Vermögensgegenstände) hinzuaddiert.</p> <p>³ Das Ergebnis je Aktie errechnet sich gemäß IAS 33 durch Division des Konzernergebnisses durch die gewichtete</p>				

	<p>durchschnittliche Anzahl der Aktien. Die Berechnung des auf eine Aktie zum 30. September 2014 entfallenden Ergebnisses basiert auf dem im Rahmen der Jahreshauptversammlung der Merck KGaA vom 9. Mai 2014 beschlossenen und am 30. Juni 2014 in Kraft getretenen Aktiensplit im Verhältnis 1:2. Unter Berücksichtigung des Aktiensplit wurde die Zahl für den Neun-Monatszeitraum zum 30. September 2013 entsprechend angepasst. Die rückwirkend angepassten ungeprüften Ergebnisse pro Aktie betragen zum 31. Dezember 2013 2,77 EUR und zum 31. Dezember 2012 1,30 EUR.</p>	
	<p>Trendinformation</p> <p>Die Aussichten von Merck haben sich seit dem 31. Dezember 2013 nicht wesentlich nachteilig verändert.</p> <p>Wesentliche Veränderungen in der Finanzlage und Handelsposition</p> <p>Entfällt. Seit dem 30. September 2014 hat es keine wesentlichen Veränderungen in der Finanzlage und Handelsposition der Merck gegeben.</p>	
B.13	Jüngste Entwicklungen	<p>Am 22. September 2014 hat Merck KGaA eine Vereinbarung zur Übernahme von Sigma-Aldrich Corporation ("Sigma-Aldrich") für 17,0 Mrd. US Dollar (13,1 Mrd. EUR) abgeschlossen.</p> <p>Merck KGaA beabsichtigt, alle ausstehenden Anteile an Sigma-Aldrich für 140 US Dollar je Aktie in bar erwerben. Der vereinbarte Preis entspricht einem Aufschlag von 37 % auf den letzten Schlusskurs der Aktie von 102,37 US Dollar am 19. September 2014 und einer Prämie von 36 % auf den durchschnittlichen Schlusskurs des vorhergehenden Monats.</p> <p>Merck KGaA hat sich eine Brückenfinanzierung für die Bartransaktion gesichert. Die endgültige Finanzierungsstruktur wird aus einer Kombination von bestehenden Barmitteln, Bankkrediten und Anleihen bestehen. Der Vollzug der Transaktion wird für die Jahresmitte 2015 erwartet und steht unter dem Vorbehalt der Zustimmung der relevanten Aufsichtsbehörden sowie üblicher weiterer Vollzugsbedingungen. Die Aktionäre von Sigma-Aldrich haben der Transaktion am 5. Dezember 2014 zugestimmt.</p> <p>Am 17. November 2014 hat Merck KGaA einen Vertrag mit Pfizer Inc. über eine weltweite Zusammenarbeit zur Entwicklung und Vermarktung von MSB0010718C geschlossen. Der Anti-PD-L1-Antikörper aus der Forschung von Merck ist zurzeit zur potenziellen Behandlung unterschiedlicher Tumorarten in der Entwicklung. Ziel der Allianz ist, die Präsenz beider Unternehmen in der Immunonkologie voranzutreiben. Laut Vereinbarung wird Merck eine Vorauszahlung in Höhe von 850 Mio. US Dollar (rund 680 Mio. EUR) und bei Erreichung bestimmter regulatorischer und kommerzieller Meilensteine weitere Zahlungen von bis zu 2,0 Mrd. US Dollar erhalten. Alle anfallenden Entwicklungs- und Markteinführungskosten sollen geteilt werden.</p>

B.14	Angabe zur Abhängigkeit von anderen Unternehmen innerhalb der Gruppe	<p><i>Siehe Punkt B.5 für Angaben zur Beschreibung der Gruppe.</i></p> <p>Entfällt. Merck KGaA ist die Obergesellschaft der Merck-Gruppe und es bestehen keine Abhängigkeiten von anderen Unternehmen der Merck-Gruppe.</p>
B.15	Haupttätigkeiten	<p>Merck KGaA ist die Obergesellschaft der Merck-Gruppe, deren Geschäftsaktivitäten pharmazeutische Produkte, Life-Science-Tools und Spezialchemikalien umfassen. Die operativen Tätigkeiten sind nach den vier folgenden Sparten untergliedert:</p> <p><i>Merck Serono:</i> Verschreibungspflichtige Medikamente aus sowohl chemischer als auch biotechnologischer Herstellung. Die wichtigsten Produkte dienen der therapeutischen Behandlung von neurodegenerativen Erkrankungen, Krebs, Unfruchtbarkeit, Endokrinologie sowie Herz-Kreislauf-Erkrankungen.</p> <p><i>Consumer Health:</i> Selbstmedikations-Sparte mit Schwerpunkt Europa und zunehmender Präsenz in Schwellenländern.</p> <p><i>Performance Materials:</i> Spezialmaterialien-Sparte mit starker Marktposition in den Geschäftsfelder Liquid Crystals ausbeutungserhöhende Prozesschemikalien für die Halbleiterproduktion und Pigments & Cosmetics.</p> <p><i>Merck Millipore:</i> Das Geschäft mit Life Science Tools umfasst Produkte für die Verwendung in der Laborforschung und die Herstellung von Biopharmaka.</p>
B.16	Hauptanteilseigner	<p>Die folgenden Anteilseigner haben Merck KGaA in Übereinstimmung mit §§ 21 ff. Wertpapierhandelsgesetz ("WpHG") mitgeteilt, dass mindestens 3% der Stimmrechte an Merck entweder unmittelbar von ihnen gehalten werden oder ihnen zugerechnet werden:</p> <p>4,95 % Templeton Global Advisors Limited, Nassau, Bahamas</p> <p>4,99 % Templeton Investment Counsel LLC, Wilmington, USA</p> <p>6,17% BlackRock, Inc., New York, U.S.A.</p> <p>9,57 % Sun Life Financial Inc., Toronto, Canada (MFS Financial Services Group)</p>

B.17	Kreditratings der Emittentin oder ihrer Schuldtitel	<p>Merck wurde von Standard & Poor's Rating Services Inc. ("Standard & Poor's")⁶ das langfristige Kreditrating "A" (Ausblick: negativ) und von Moody's Investors Service ("Moody's")⁷ ein "A3" Rating (Ausblick: Überprüfung auf Herabstufung) erteilt⁸.</p> <p>Das erwartete Rating der Schuldverschreibungen ist "BBB+"⁹ von Standard & Poor's und "Baa3"¹⁰ von Moody's.</p>
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Abschnitt C – Die Schuldverschreibungen		
Punkt	Beschreibung	Geforderte Angaben
C.1	Gattung und Art der Wertpapiere, einschließlich der Wertpapierkennnummer (WKN)	Die Emittentin begibt zwei Serien unbesicherter und nachrangiger Schuldverschreibungen. Diese Serien sind die " NC6,5 Schuldverschreibungen " und die " NC10 Schuldverschreibungen " (die " Serien " und jeweils eine " Serie "). Alle Schuldverschreibungen unter jeder Serie sind definiert als die " Schuldverschreibungen ".

⁶ Standard & Poor's hat seinen Sitz in der Europäischen Gemeinschaft und ist gemäß der Verordnung (EG) Nr. 1060/2009 des Europäischen Parlaments und des Rates vom 16. September 2009 über Ratingagenturen, in der jeweils geltenden Fassung (die "**Ratingverordnung**"), registriert. Die Europäische Wertpapier- und Marktaufsichtsbehörde veröffentlicht auf ihrer Internetseite (www.esma.europa.eu/page/list-registered-and-certified-CRAs) ein Verzeichnis der nach der Ratingverordnung registrierten Ratingagenturen. Dieses Verzeichnis wird innerhalb von fünf Werktagen nach Annahme eines Beschlusses gemäß Artikel 16, 17 oder 20 der Ratingverordnung aktualisiert. Die Europäische Kommission veröffentlicht das aktualisierte Verzeichnis im Amtsblatt der Europäischen Union innerhalb von 30 Tagen nach der Aktualisierung.

⁷ Moody's hat seinen Sitz in der Europäischen Gemeinschaft und ist gemäß der Ratingverordnung registriert. Die Europäische Wertpapier- und Marktaufsichtsbehörde veröffentlicht auf ihrer Internetseite (www.esma.europa.eu/page/list-registered-and-certified-CRAs) ein Verzeichnis der nach der Ratingverordnung registrierten Ratingagenturen. Dieses Verzeichnis wird innerhalb von fünf Werktagen nach Annahme eines Beschlusses gemäß Artikel 16, 17 oder 20 der Ratingverordnung aktualisiert. Die Europäische Kommission veröffentlicht das aktualisierte Verzeichnis im Amtsblatt der Europäischen Union innerhalb von 30 Tagen nach der Aktualisierung.

⁸ Ratinginformationen sind für den Anleger lediglich eine Entscheidungshilfe und ersetzen nicht seine eigene Urteilsbildung als Anleger und sind nicht als Kauf- oder Verkaufsempfehlung für bestimmte Schuldverschreibungen zu verstehen. Das Rating soll lediglich bei einer Anlageentscheidung unterstützen und ist nur ein Faktor in der Beurteilung, der neben anderen gesehen und gewichtet werden muss. Da das Rating oft erst dann geändert wird, wenn sich die Bonität einer Emittentin oder Garantin bereits verändert hat, müssen Anleger sich trotz vorhandenen Ratings ein eigenes Urteil bilden.

⁹ Standard & Poor's definiert "BBB+" wie folgt: "Verbindlichkeiten mit einem Standard & Poor's-Rating von BBB weisen angemessene Schutzparameter auf. Jedoch ist es eher wahrscheinlich, dass nachteilige wirtschaftliche Bedingungen oder Veränderungen der äußeren Umstände zu einer verminderten Fähigkeit des Schuldners führen, seine finanziellen Verpflichtungen bezüglich dieser Verbindlichkeit zu erfüllen. Die Ratings von AA bis CCC können durch Hinzufügen eines Plus- oder Minuszeichens modifiziert werden, um die relative Stellung innerhalb der Hauptbewertungskategorien zu verdeutlichen."

Investoren sollten beachten, dass ein Rating keine Empfehlung für den Kauf, den Verkauf oder das Halten von Wertpapieren ist und jederzeit durch die Ratingagentur geändert oder widerrufen werden kann.

¹⁰ Moody's definiert "Baa3" wie folgt: "Baa-geratete Verbindlichkeiten bergen ein moderates Kreditrisiko. Sie gelten als von mittlerer Qualität und weisen als solche mitunter gewisse spekulative Elemente auf. Moody's verwendet in den Ratingkategorien "Aa" bis "Caa" zusätzlich numerische Unterteilungen. Der Zusatz "1" bedeutet, dass eine entsprechend bewertete Verbindlichkeit in das obere Drittel der jeweiligen Ratingkategorie einzuordnen ist, während "2" und "3" das mittlere bzw. untere Drittel anzeigen."

Investoren sollten beachten, dass ein Rating keine Empfehlung für den Kauf, den Verkauf oder das Halten von Wertpapieren ist und jederzeit durch die Ratingagentur geändert oder widerrufen werden kann.

		<p>Die Wertpapierkennnummern der NC6,5 Schuldverschreibungen sind:</p> <p>ISIN: XS1152338072; Common Code: 115233807; und WKN: A13R96.</p> <p>Die Wertpapierkennnummern der NC10 Schuldverschreibungen sind:</p> <p>ISIN: XS1152343668; Common Code: 115234366; und WKN: A13R97.</p>
C.2	Währung der Wertpapieremission	Die Schuldverschreibungen werden in Euro ("EUR") begeben.
C.5	Beschränkungen für die freie Übertragbarkeit	Entfällt. Es gibt keine Beschränkungen für die freie Übertragbarkeit der Schuldverschreibungen im Europäischen Wirtschaftsraum.
C.8	Rechte, die mit den Schuldverschreibungen verbunden sind, Rangordnung, Beschränkung der Rechte	<p><i>Mit den Schuldverschreibungen verbundene Rechte:</i> Die Schuldverschreibungen berechtigen die Gläubiger insbesondere zu Zinszahlungen, wie in Element C.9 beschrieben.</p> <p><i>Rang der Schuldverschreibungen:</i> Soweit nachstehend nichts anderes bestimmt ist, begründen die Schuldverschreibungen direkte, nicht besicherte, nachrangige Verbindlichkeiten der Emittentin, die im Fall der Abwicklung, Auflösung oder Liquidation der Emittentin (i) nur den Ansprüchen der persönlich haftenden Gesellschafter und der Kommanditaktionäre aus deren jeweiliger Beteiligung am Eigenkapital der Emittentin im Rang vorgehen, (ii) untereinander und mit jedem Gleichrangigen Wertpapier im Rang gleich stehen 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>Im Fall (i) der Abwicklung, Auflösung oder Liquidation der Emittentin gehen die Verbindlichkeiten der Emittentin aus den Schuldverschreibungen, und im Fall (ii) der Insolvenz der Emittentin oder eines Vergleichs oder eines anderen der Abwendung der Insolvenz der Emittentin dienenden Verfahrens, gehen die Rechte der Gläubiger gegenüber der Emittentin gemäß § 39 Absatz 2 Insolvenzordnung im Rang den Ansprüchen aller nicht nachrangigen und nachrangigen Gläubiger nach (soweit nicht zwingende gesetzliche Vorschriften etwas anderes vorschreiben bzw. die Bedingungen, denen die betreffenden Ansprüche unterliegen, ausdrücklich etwas anderes vorsehen), so dass Zahlungen auf die Schuldverschreibungen solange nicht erfolgen, wie die Ansprüche dieser nicht nachrangigen und nachrangigen Gläubiger gegen die Emittentin nicht zuvor vollständig erfüllt sind.</p> <p>"Gleichrangige Wertpapiere" bezeichnet (i) jedes von der Emittentin begebene Wertpapier oder andere Instrument und gegen sie gerichtete Forderungen, die gleichrangig im Verhältnis zu den Verbindlichkeiten</p>

	<p>der Emittentin unter den Schuldverschreibungen sind, oder (ii) jedes von einer Tochtergesellschaft begebene Wertpapier oder andere Instrument, das durch die Emittentin garantiert wird oder von einer Patronatserklärung der Emittentin profitiert, bei dem die Verbindlichkeiten der Emittentin aus der maßgeblichen Garantie oder Patronatserklärung gleichrangig im Verhältnis zu den Verbindlichkeiten der Emittentin aus den Schuldverschreibungen sind.</p> <p>"Tochtergesellschaft" bezeichnet jede direkte oder mittelbare mehrheitliche Tochtergesellschaft der Emittentin.</p> <p><i>Beschränkung der Rechte aus den Schuldverschreibungen:</i> Abgesehen von der Möglichkeit der Emittentin Zinszahlungen aufzuschieben und des Aufrechnungsverbots, bestehen keine Beschränkungen der aus den Schuldverschreibungen resultierenden Rechte.</p> <p><i>Aufrechnungsverbot:</i> Die Gläubiger sind nicht berechtigt, Forderungen aus den Schuldverschreibungen gegen mögliche Forderungen der Emittentin aufzurechnen. Die Emittentin ist nicht berechtigt, Forderungen gegenüber einem Gläubiger gegen Verpflichtungen aus den Schuldverschreibungen aufzurechnen.</p> <p><i>Rückzahlung nach Wahl der Emittentin:</i> Die Emittentin kann nach ihrer Wahl, ohne dazu verpflichtet zu sein, die NC6,5 Schuldverschreibungen, insgesamt aber nicht nur teilweise, zu ihrem Nennbetrag am 12. Juni 2021 (der "NC6,5 Erste Rückzahlungstag") und danach jeweils in Zeitabständen von fünf Jahren zurückzahlen.</p> <p>Die Emittentin kann nach ihrer Wahl, ohne dazu verpflichtet zu sein, die NC10 Schuldverschreibungen, insgesamt aber nicht nur teilweise, zu ihrem Nennbetrag am 12. Dezember 2024 (der "NC10 Erste Rückzahlungstag") und, zusammen mit dem NC6,5 Ersten Rückzahlungstag, jeweils ein "Erster Rückzahlungstag") und danach jeweils in Zeitabständen von fünf Jahren zurückzahlen.</p> <p><i>Rückzahlung nach Wahl der Emittentin zu bestimmten Ereignissen:</i> Die Emittentin kann nach ihrer Wahl, ohne dazu verpflichtet zu sein, die Schuldverschreibungen, insgesamt aber nicht nur teilweise, bei Eintritt eines der folgenden Rückzahlungsereignisse zurückzahlen: (i) ein Ratingagenturereignis; (ii) ein Quellensteuer-Ereignis, (iii) ein Steuerereignis, (iv) ein Kontrollwechselereignis, (v) ein Akquisitionsereignis im Hinblick auf den Erwerb von Sigma-Aldrich oder (vi) falls die Emittentin Schuldverschreibungen im Volumen von 80 Prozent des ursprünglich begebenen Gesamtnennbetrages der jeweiligen Serie von Schuldverschreibungen erworben oder zurückgezahlt hat, alle wie näher in den Anleihebedingungen definiert und spezifiziert.</p> <p>Sofern das Rückzahlungsereignis (i) ein Ratingagenturereignis, (ii) ein Steuerereignis, (iii) ein Akquisitionsereignis ist, oder (iv) die Emittentin Schuldverschreibungen im Volumen von 80 Prozent des ursprünglich begebenen Gesamtnennbetrages der jeweiligen Serie von Schuldverschreibungen erworben oder zurückgezahlt hat, entspricht</p>
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		<p>der im Fall einer Kündigung in Bezug auf sämtliche ausstehenden Schuldverschreibungen zu zahlende vorzeitige Rückzahlungsbetrag (x) einem Betrag je Schuldverschreibung in Höhe von 101 Prozent der festgelegten Stückelung, sofern das Rückzahlungsdatum vor dem Ersten Rückzahlungstag liegt, und (y) einem Betrag je Schuldverschreibung in Höhe von 100 Prozent der festgelegten Stückelung, sofern die Rückzahlung an oder nach dem Ersten Rückzahlungstag stattfindet, jeweils zuzüglich der bis zum Rückzahlungstag (ausschließlich) aufgelaufenen, aber noch nicht bezahlten Zinsen sowie, zur Klarstellung, etwaiger gemäß der Anleihebedingungen fälliger Zinsrückstände.</p> <p>Im Fall eines Quellensteuer-Ereignisses oder eines Kontrollwechselereignisses entspricht der im Fall einer Kündigung in Bezug auf sämtliche ausstehenden Schuldverschreibungen zu zahlende vorzeitige Rückzahlungsbetrag einem Betrag je Schuldverschreibung in Höhe von 100 Prozent der festgelegten Stückelung, zuzüglich der bis zum Rückzahlungstag (ausschließlich) aufgelaufenen, aber noch nicht bezahlten Zinsen sowie, zur Klarstellung, etwaiger gemäß der Anleihebedingungen fälliger Zinsrückstände.</p> <p><i>Keine Kündigungsrechte der Anleihegläubiger:</i> Die Anleihebedingungen enthalten keine expliziten Kündigungsrechte der Anleihegläubiger.</p> <p><i>Gläubigerbeschlüsse:</i> In Übereinstimmung mit dem Gesetz über Schuldverschreibungen aus Gesamtemissionen von 2009 (<i>Schuldverschreibungsgesetz</i> – "SchVG") sehen die Schuldverschreibungen vor, dass die Gläubiger der jeweiligen Serie von Schuldverschreibungen durch Beschluss (mit Zustimmung der Emittentin) Änderungen der Anleihebedingungen der jeweiligen Serie von Schuldverschreibungen zustimmen und gewisse sonstige Maßnahmen in Bezug auf die jeweilige Serie von Schuldverschreibungen beschließen können. Ordnungsgemäß gefasste Beschlüsse der Gläubiger sind für alle Gläubiger der jeweiligen Serie von Schuldverschreibungen verbindlich. Beschlüsse der Gläubiger, durch welche der wesentliche Inhalt der Anleihebedingungen der jeweiligen Serie von Schuldverschreibungen geändert wird, bedürfen einer Mehrheit von mindestens 75% der an der jeweiligen Abstimmung teilnehmenden Stimmrechte. Sonstige Beschlüsse bedürfen der einfachen Mehrheit der jeweils teilnehmenden Stimmrechte.</p>
C.9	Zinssatz und Fälligkeits-termine, Rendite, Name des Gläubiger-vertreterers	<p>Siehe C.8</p> <p><i>Zinssatz:</i> Sofern sie nicht zuvor zurückgezahlt wurden und vorbehaltlich eines wahlweisen Zinsausschubs (siehe unten), werden die NC6,5 Schuldverschreibungen ab dem 12. Dezember 2014 (der "Ausgabetag") (einschließlich) bis zum 12. Juni 2021 (ausschließlich) zu einem Zinssatz von [●] Prozent <i>per annum</i> (der "NC6,5 Fest-Zinssatz") verzinst, zahlbar jährlich nachträglich am 12. Juni eines jeden Jahres, erstmals fällig am 12. Juni 2015 für den Zeitraum vom Ausgabetag (einschließlich) bis zum 12. Juni 2015 (ausschließlich) (kurze erste Zinsperiode).</p>

Anschließend, sofern die NC6,5 Schuldverschreibungen nicht am oder vor dem jeweiligen Reset Tag (wie unten definiert) zurückgezahlt wurden und vorbehaltlich eines wahlweisen Zinsaufschubs, wird der anwendbare Zinssatz an jedem Reset Tag auf Basis des dann maßgeblichen 5 Jahres Swapsatzes (wie von der Berechnungsstelle im Einklang mit den Anleihebedingungen bestimmt) neu festgesetzt, jeweils zuzüglich einer Marge (i) von [●] Basispunkten *per annum* (die "**NC6,5 Anfängliche Marge**") (ohne Step-up) für jede Zinsperiode ab dem NC6,5 Ersten Rückzahlungstag (einschließlich) bis 12. Juni 2026 (ausschließlich), (ii) von [●] Basispunkten *per annum* (dies entspricht der NC6,5 Anfänglichen Marge zuzüglich 25 Basispunkten) für jede Zinsperiode, die an oder nach dem 12. Juni 2026 beginnt bis 12. Juni 2041 (ausschließlich) und (iii) von [●] Basispunkten *per annum* (dies entspricht der NC6,5 Anfänglichen Marge zuzüglich 100 Basispunkten) für jede Zinsperiode, die an oder nach dem 12. Juni 2041 beginnt bis 12. Dezember 2074 (ausschließlich) (einschließlich der Zinsperiode vom 12. Juni 2074 (einschließlich) bis zum 12. Dezember 2074 (ausschließlich) (kurze letzte Zinsperiode)). Soweit nicht anders beschrieben, werden die Zinszahlungen jährlich nachträglich am 12. Juni eines Jahres und letztmalig am Tag der Rückzahlung der Schuldverschreibungen fällig.

Sofern sie nicht zuvor zurückgezahlt wurden und vorbehaltlich eines wahlweisen Zinsausschubs (siehe unten), werden die NC10 Schuldverschreibungen ab dem Ausgabetag (einschließlich) bis zum 12. Dezember 2024 (ausschließlich) zu einem Zinssatz von [●] Prozent *per annum* (der "**NC10 Fest-Zinssatz**" und zusammen mit dem NC6,5 Fest-Zinssatz, jeweils ein "**Fest-Zinssatz**"), zahlbar jährlich nachträglich am 12. Dezember eines Jahres, beginnend am 12. Dezember 2015 verzinst.

Anschließend, sofern die NC10 Schuldverschreibungen nicht am oder vor dem jeweiligen Reset Tag (wie unten definiert) zurückgezahlt wurden und vorbehaltlich eines wahlweisen Zinsaufschubs, wird der anwendbare Zinssatz an jedem Reset Tag auf Basis des dann maßgeblichen 5 Jahres Swapsatzes (wie von der Berechnungsstelle im Einklang mit den Anleihebedingungen bestimmt) neu festgesetzt, jeweils zuzüglich einer Marge (i) von [●] Basispunkten *per annum* (dies entspricht der ursprünglichen Kreditmarge zuzüglich 25 Basispunkte) für jede Zinsperiode ab dem 12. Dezember 2024 (einschließlich) bis 12. Dezember 2044 (ausschließlich) und (ii) von [●] Basispunkten *per annum* (dies entspricht der ursprünglichen Kreditmarge zuzüglich 100 Basispunkte) für jede Zinsperiode, die an oder nach dem 12. Dezember 2044 beginnt bis 12. Dezember 2074 (ausschließlich). Die Zinszahlungen werden jährlich nachträglich am 12. Dezember eines Jahres fällig.

"Reset Tag" bezeichnet den Ersten Rückzahlungstag und danach jeden fünften Jahrestag des jeweils unmittelbar vorangehenden Reset Tags.

Zudem erhöht sich der für die Berechnung der Zinsen ansonsten anzuwendende Zinssatz um zusätzliche 500 Basispunkte, wenn ein Kontrollwechselereignis eintritt und die Emittentin die relevante Serie von Schuldverschreibungen nicht insgesamt zurückzahlt.

		<p><i>Wahlweiser Zinsaufschub:</i> Die Emittentin kann sich für einen Aufschub der am Zinszahlungstag fälligen Zinszahlung entscheiden, sofern sie dies den Gläubigern der relevanten Serie von Schuldverschreibungen innerhalb einer Frist von nicht weniger als 20 Geschäftstagen bekanntmacht.</p> <p>Sofern sich die Emittentin an einem Zinszahlungstag zur Nichtzahlung aufgelaufener Zinsen entscheidet, ist sie nicht verpflichtet, Zinsen an dem betreffenden Zinszahlungstag zu zahlen. Eine Nichtzahlung aus diesem Grunde begründet keinen Verzug der Emittentin und keine anderweitige Verletzung ihrer Verpflichtungen aufgrund der Schuldverschreibung oder für sonstige Zwecke.</p> <p>Zinsrückstände aufgrund eines Zinsaufschubs werden nicht verzinst.</p> <p><i>Wahlweise Zahlung von Zinsrückständen:</i> Die Emittentin kann ausstehende Zinsrückstände jederzeit (insgesamt, jedoch nicht teilweise) nach Mitteilung unter Einhaltung einer Frist von mindestens 10 Geschäftstagen zahlen (wobei eine solche Mitteilung unwiderruflich ist und die Emittentin verpflichtet ist, die jeweiligen Zinsrückstände an dem in dieser Mitteilung genannten Zahlungstag zu zahlen).</p> <p><i>Verpflichtende Zahlung von Zinsrückständen:</i> Bei Eintritt des frühesten der nachfolgenden Ereignisse gelten die ausstehenden Zinsrückstände (insgesamt, jedoch nicht teilweise) durch die Emittentin als für fällig und zahlbar erklärt:</p> <ul style="list-style-type: none"> (i) der fünfte Geschäftstag nach Eintritt eines Obligatorischen Zahlungsereignisses (wie nachfolgend definiert); oder (ii) der Tag, an dem die relevante Serie der Schuldverschreibungen insgesamt zur Rückzahlung fällig ist; oder (iii) der Tag, an dem eine freiwillige Auflösung der Emittentin beschlossen wird oder an dem eine Verfügung zur Auflösung, Abwicklung oder Liquidation der Emittentin ergeht (sofern dies nicht für die Zwecke einer Sanierung oder eines Insolvenzplanverfahrens oder als Folge eines Zusammenschlusses oder einer Umstrukturierung geschieht, während die Emittentin noch zahlungsfähig ist und die fortführende Gesellschaft im Wesentlichen alle Vermögenswerte und Verpflichtungen der Emittentin übernimmt). <p>Ein "Obligatorisches Zahlungsereignis" gilt bei Eintritt eines der folgenden Ereignisse als eingetreten:</p> <ul style="list-style-type: none"> (i) der Tag, (x) an dem die Jahreshauptversammlung oder eine andere Hauptversammlung der Emittentin für eine Beteiligung der Kommanditaktionäre am Eigenkapital der Emittentin eine Dividende, bzw. eine andere Ausschüttung oder Zahlung beschließt (mit Ausnahme einer Dividende bzw. einer anderen Ausschüttung oder Zahlung, die in Form von Kommanditaktien der Emittentin vorgenommen wird) und/oder (y) der Tag an dem eine Entnahme aufgrund der Beteiligung eines persönlich
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		<p>haftenden Gesellschafters am Eigenkapital der Emittentin zu Gunsten eines persönlich haftenden Gesellschafters beschlossen wird oder die Emittentin eine solche Entnahme leistet; oder</p> <p>(ii) die Emittentin erwirbt Kommanditaktien der Emittentin zurück oder zahlt einen Kapitalanteil eines persönlich haftenden Gesellschafters zurück oder eine ihrer Tochtergesellschaften kauft ausstehende Kommanditaktien der Emittentin oder Kapitalanteile eines persönlich haftenden Gesellschafters zurück (ausgenommen (x) in Verbindung mit einem Mitarbeiterbeteiligungsprogramm oder einer ähnlichen Maßnahme zu Gunsten von Arbeitnehmern, leitenden Angestellten, Führungskräften oder Beratern, (y) als Ergebnis eines Umtauschs oder einer Wandlung einer Aktiengattung in eine andere oder (z) falls die Emittentin Kapitalanteile eines persönlich haftenden Gesellschafters oder Kommanditaktien der Emittentin als Entgelt für einen Verkauf von Vermögenswerten an Dritte erhält); oder</p> <p>(iii) ein Zinszahlungstag, in Bezug auf den die Emittentin entscheidet, die Zahlung vorgesehener Zinsen auf die jeweilige Serie von Schuldverschreibungen vorzunehmen; oder</p> <p>(iv) der Tag, an dem die Emittentin oder eine Tochtergesellschaft eine Zahlung oder Ausschüttung auf ein Gleichrangiges Wertpapier vornimmt; oder</p> <p>(v) der Tag, an dem die Emittentin oder eine Tochtergesellschaft (jeweils direkt oder indirekt) ein Gleichrangiges Wertpapier oder Schuldverschreibungen zurückzahlt, zurückkauft oder anderweitig erwirbt.</p> <p>In den vorgenannten Fällen (iv) und (v) tritt kein Obligatorisches Zahlungsereignis ein, wenn:</p> <p>(x) die Emittentin oder die betreffende Tochtergesellschaft gemäß den Anleihebedingungen des betreffenden Gleichrangigen Wertpapiers zu der Zahlung, zu der Rückzahlung, zu dem Rückkauf oder zu dem anderweitigen Erwerb verpflichtet ist; oder</p> <p>(y) die Emittentin oder die betreffende Tochtergesellschaft vollständig oder teilweise Gleichrangige Wertpapiere oder Schuldverschreibungen der jeweiligen Serie nach einem öffentlichen Rückkaufangebot oder öffentlichen Umtauschangebot mit einer unter dem jeweiligen Nennwert liegenden Gegenleistung je Gleichrangigem Wertpapier bzw. je Schuldverschreibung zurückkauft oder anderweitig erwirbt; oder</p> <p>(z) die betreffenden Zahlungen auf oder in Bezug auf Gleichrangige Wertpapiere Zahlungen sind, die ausschließlich an die Emittentin und/oder an eine oder mehrere ihrer Tochtergesellschaften erfolgen.</p> <p><i>Endfälligkeitstag, Tilgung einschließlich Rückzahlungsverfahren:</i> Soweit nicht zuvor bereits ganz oder teilweise zurückgezahlt oder</p>
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		<p>zurückgekauft und entwertet, werden die Schuldverschreibungen zu einem Betrag je Schuldverschreibung, der der festgelegten Stückelung entspricht, zuzüglich der bis zum 12. Dezember 2074 (ausschließlich) aufgelaufenen, aber noch nicht bezahlten Zinsen sowie, zur Klarstellung, etwaiger gemäß der Anleihebedingungen fälliger Zinsrückstände am 12. Dezember 2074 zurückgezahlt.</p> <p><i>Rendite:</i> Die Rendite der NC6,5 Schuldverschreibungen am NC6,5 Ersten Rückzahlungstag wird am Preisfindungstag, voraussichtlich am 8. Dezember 2014 (der "Preisfindungstag"), bestimmt und in einer Preismitteilung (die "Preismitteilung") auf der Internetseite der Luxemburger Wertpapierbörse (www.bourse.lu) am oder nach dem Preisfindungstag und vor dem Ausgabetag der Schuldverschreibungen veröffentlicht.</p> <p>Die Rendite der NC10 Schuldverschreibungen am NC10 Ersten Rückzahlungstag wird am Preisfindungstag bestimmt und in der Preismitteilung auf der Internetseite der Luxemburger Wertpapierbörse (www.bourse.lu) am oder nach dem Preisfindungstag und vor dem Ausgabetag der Schuldverschreibungen veröffentlicht.</p> <p><i>Name des Gläubigervertreeters:</i> Entfällt. In den Anleihebedingungen der Schuldverschreibungen wurde kein gemeinsamer Vertreter der Gläubiger bestellt. In Übereinstimmung mit dem SchVG sehen die jeweiligen Serien von Schuldverschreibungen vor, dass die Gläubiger durch Beschluss einen gemeinsamen Vertreter (der "gemeinsame Vertreter") für die jeweilige Serie von Schuldverschreibungen bestellen können. Die Aufgaben und Befugnisse des durch Beschluss bestellten gemeinsamen Vertreters bestimmen sich nach dem SchVG sowie den Mehrheitsbeschlüssen der Gläubiger.</p>
C.10	Erläuterung wie der Wert der Anlage beeinflusst wird, falls die Schuldverschreibungen eine derivative Komponente bei der Zinszahlung aufweisen	<p>Siehe C.9</p> <p>Entfällt. Die Schuldverschreibungen haben keine derivative Komponente bei der Zinszahlung.</p>
C.11	Einführung in einen regulierten Markt oder einem gleichwertigen Markt	<p>Die Zulassung zum Handel im regulierten Markt der Luxemburger Wertpapierbörse wurde beantragt.</p>

Punkt	Abschnitt D – Risiken, die der Emittentin eigen sind
D.2	Zentrale Angaben zu den zentralen Risiken, die der Emittentin oder ihrer Branche eigen sind
	Risiken, die der Emittentin oder ihrer Branche eigen sind, umfassen unter anderem die folgenden Risiken:
	<ul style="list-style-type: none"> • Die Möglichkeiten von Merck zur Vermarktung von Pharmaprodukten sind eingeschränkt, da das Arzneimittelgeschäft staatlich streng reguliert wird.
	<ul style="list-style-type: none"> • Aufgrund der Unvorhersehbarkeit, die mit dem Entwicklungsprozess neuer Medikamente einhergeht, könnte Merck nicht in der Lage sein, neue Medikamente und andere Pharmaprodukte erfolgreich und rechtzeitig zu entwickeln und auf dem Markt einzuführen.
	<ul style="list-style-type: none"> • Sollte es Merck nicht gelingen, Allianzen und andere Kooperationsvereinbarungen mit Dritten zu schließen und aufrechtzuerhalten, könnte dies die Fähigkeit von Merck beeinträchtigen, neue Medikamente und andere Pharmaprodukte zu entwickeln.
	<ul style="list-style-type: none"> • Die Geschäftstätigkeit von Merck im Pharmabereich wird durch den weltweit steigenden Kostendruck im Bereich des Gesundheitswesens beeinflusst.
	<ul style="list-style-type: none"> • Das zunehmend schärfere regulatorische Umfeld für die Spezialchemiebranche kann negative Auswirkungen auf die Produktionskosten und das Produktportfolio von Merck in seinem Chemiebereich haben.
	<ul style="list-style-type: none"> • Die Abhängigkeit von der Entwicklung bei den Kunden, einschließlich der allgemeinen Wirtschaftslage und der Zyklizität der wichtigsten Abnehmerbranchen können zu einem Nachfragerückgang führen.
	<ul style="list-style-type: none"> • Verstärkter Wettbewerb in allen Unternehmensbereichen könnte sich nachteilig auf die Umsätze von Merck auswirken und das weitere Wachstumspotential beeinträchtigen.
	<ul style="list-style-type: none"> • Verstärkter Wettbewerb in der Pharmabranche aufgrund von Biosimilars könnte sich nachteilig auf die Umsätze und das Wachstumspotential der Sparte Merck Serono auswirken.
	<ul style="list-style-type: none"> • Aufgrund der Internationalität der Geschäftstätigkeit von Merck ist die Merck-Gruppe mit unterschiedlichen rechtlichen, regulatorischen, wirtschaftlichen, sozialen und politischen Bedingungen und Gegebenheiten konfrontiert, die Risiken bergen.
	<ul style="list-style-type: none"> • Steigende Preise für Rohstoffe und steigende Produktionskosten könnten die Profitabilität des Geschäfts von Merck negativ beeinflussen.
	<ul style="list-style-type: none"> • Merck könnte vertraglichen Ansprüchen und Produkthaftungsansprüchen aufgrund von Produktmängeln ausgesetzt sein, die zu erheblichen Kosten und Verbindlichkeiten führen könnten.
	<ul style="list-style-type: none"> • Es ist möglich, dass Schäden, Verluste oder eine Haftung von Merck nicht ausreichend oder überhaupt nicht durch bestehende Versicherungsverträge

	abgedeckt werden.
	<ul style="list-style-type: none"> • Merck könnte nicht in der Lage sein, sich den technologischen Veränderungen anzupassen und weiterhin innovative Produkte zu entwickeln und erfolgreich einzuführen
	<ul style="list-style-type: none"> • Risiko einer temporären Sperre von Produkten/Produktionsstätten oder einer Nichtregistrierung von Produkten aufgrund der Nichteinhaltung von Qualitätsstandards.
	<ul style="list-style-type: none"> • Die Sparte Merck Serono erzielt einen bedeutenden Teil ihrer Umsätze mit drei Produkten.
	<ul style="list-style-type: none"> • Es ist nicht sicher, dass es Merck zukünftig gelingt, qualifizierte Mitarbeiter zu gewinnen oder zu halten.
	<ul style="list-style-type: none"> • Merck ist Risiken aus Rechtsstreitigkeiten ausgesetzt
	<ul style="list-style-type: none"> • Es besteht keine Gewähr, dass es Merck gelingt, ihr geistiges Eigentum und Know-how in ausreichendem Maße zu schützen. Zudem besteht keine Gewähr, dass alle Patente von Merck gültig sind und dass Merck über einen ausreichenden rechtlichen Schutz gegen Verletzungen und Umgehungen verfügt.
	<ul style="list-style-type: none"> • Es lässt sich nicht ausschließen, dass Merck geistiges Eigentum Dritter verletzt bzw. auf die kostenpflichtige Nutzung geistigen Eigentums Dritter angewiesen ist.
	<ul style="list-style-type: none"> • Die Nichtverfügbarkeit qualitativ guter Materialien oder Dienstleistungen, die Merck für die Geschäftstätigkeit benötigt, kann nachteilige Auswirkungen auf das Ergebnis von Merck haben.
	<ul style="list-style-type: none"> • Merck ist Risiken im Hinblick auf den geplanten Erwerb von Sigma-Aldrich Corporation und andere zukünftige Akquisitionen und Desinvestitionen ausgesetzt.
	<ul style="list-style-type: none"> • Aufgrund der komplexen Konzernstruktur und des geographischen Umfangs der Geschäftstätigkeit könnte Merck höheren Steuerverbindlichkeiten als erwartet ausgesetzt sowie von der Erhebung zusätzlicher Zölle, Abgaben oder sonstiger Gebühren betroffen sein.
	<ul style="list-style-type: none"> • Änderungen der Wechselkurse und der Zinssätze können nachteilige Auswirkungen auf die Umsätze, Gewinne und Cash Flows von Merck haben.
	<ul style="list-style-type: none"> • Die andauernde Finanzkrise und die hohe Verschuldung von Staaten können nachteilige Auswirkungen auf die Umsätze, Gewinne und Cash Flows von Merck haben.
	<ul style="list-style-type: none"> • Ausfallrisiken, insbesondere die Nichterfüllung von gegenüber finanziellen Gegenparteien oder Kunden bestehenden Forderungen, können nachteilige Auswirkungen auf die Umsätze, Gewinne und Cash Flows von Merck haben.
	<ul style="list-style-type: none"> • Veränderungen im Marktwert von materiellen und immateriellen Vermögenswerten können nachteilige Auswirkungen auf die Gewinne von Merck haben.
	<ul style="list-style-type: none"> • Mögliche Verwechslungen mit Merck Sharp & Dohme seitens der Kunden könnten das Geschäft von Merck nachteilig beeinflussen.

	<ul style="list-style-type: none"> • Merck unterliegt vielfältigen umweltrechtlichen Anforderungen und könnte einer Haftung für deren Nichteinhaltung oder für Altlasten ausgesetzt sein.
	<ul style="list-style-type: none"> • Unvorhergesehene Betriebsunterbrechungen in einzelnen Produktionsstätten können zu Produktionsengpässen und einem Umsatzrückgang bei Merck führen.
	<ul style="list-style-type: none"> • Risiken aufgrund von Produktkriminalität und Spionage.
	<ul style="list-style-type: none"> • Merck ist auf den effizienten und sicheren Betrieb sowie die weitere Integration der Computer- und Datenverarbeitungssysteme angewiesen.
	<ul style="list-style-type: none"> • Merck unterhält eine Reihe von Pensionsplänen, die unter Umständen zukünftig nicht durch ausreichende Rückstellungen bzw. durch ausreichende Vermögenswerte gedeckt sein könnten.
	<ul style="list-style-type: none"> • Die Interessen der Hauptanteilseigner von Merck können denen der Gläubiger der Schuldverschreibungen zuwiderlaufen.

D.3	Abschnitt D – Risiken, die den Schuldverschreibungen eigen sind
	Zentrale Angaben zu den zentralen Risiken, die den Schuldverschreibungen eigen sind
	Risikofaktoren in Bezug auf die Schuldverschreibungen umfassen unter anderem die folgenden Risiken:
	<ul style="list-style-type: none"> • Die Schuldverschreibungen sind möglicherweise nicht für alle Anleger eine geeignete Anlage.
	<ul style="list-style-type: none"> • Die Schuldverschreibungen sind langfristige Wertpapiere, und ein Investment darin begründet ein über einen langen Zeithorizont andauerndes finanzielles Risiko.
	<ul style="list-style-type: none"> • Die Gläubiger sind mit festverzinslichen Schuldverschreibungen verbundenen Risiken ausgesetzt.
	<ul style="list-style-type: none"> • Die Gläubiger sind Risiken ausgesetzt, die mit der Neufestsetzung von an den 5-Jahres-Swapsatz gekoppelten Zinssätzen verbunden sind.
	<ul style="list-style-type: none"> • Die Gläubiger sind dem Risiko ausgesetzt, dass die Emittentin Zins- bzw. Tilgungszahlungen auf die Wertpapiere teilweise oder insgesamt nicht leistet.
	<ul style="list-style-type: none"> • Zinszahlungen auf die Schuldverschreibungen können nach Wahl der Emittentin aufgeschoben werden.
	<ul style="list-style-type: none"> • Die Gläubiger haben keine Stimmrechte.
	<ul style="list-style-type: none"> • Zur Durchsetzung ihrer Zahlungsansprüche gegenüber der Emittentin können die Gläubiger lediglich Klage erheben oder Antrag auf Eröffnung eines Insolvenzverfahrens stellen.
	<ul style="list-style-type: none"> • Die Rechte der Gläubiger im Rahmen deutscher Insolvenzverfahren sind beschränkt.

	<ul style="list-style-type: none"> Die Schuldverschreibungen enthalten keine ausdrücklichen Bestimmungen zu Kündigungsgründen oder Drittverzug (<i>Cross Default</i>).
	<ul style="list-style-type: none"> Es bestehen keine Einschränkungen hinsichtlich der Begebung weiterer Schuldverschreibungen, die gegenüber den Schuldverschreibungen vorrangig oder mit diesen gleichrangig sind.
	<ul style="list-style-type: none"> Die Schuldverschreibungen können nach Wahl der Emittentin zu bestimmten Terminen sowie bei Eintritt bestimmter Ereignisse jederzeit gekündigt und zurückgezahlt werden. Im Falle einer solchen Rückzahlung besteht für die Gläubiger das Risiko, eine niedrigere Rendite als erwartet zu erzielen.
	<ul style="list-style-type: none"> Die Schuldverschreibungen sind gegenüber nicht nachrangigen und nachrangigen Verbindlichkeiten der Emittentin nachrangig.
	<ul style="list-style-type: none"> Es besteht kein aktiver Handelsmarkt für die Schuldverschreibungen.
	<ul style="list-style-type: none"> Eine Anlage in die Schuldverschreibungen kann einem Inflationsrisiko unterliegen.
	<ul style="list-style-type: none"> Möglicherweise fallen im Zusammenhang mit dem Kauf oder Verkauf der Schuldverschreibungen Transaktionskosten bzw. -gebühren an.
	<ul style="list-style-type: none"> Die aus den Schuldverschreibungen erzielten Einkünfte sind unter Umständen zu versteuern.
	<ul style="list-style-type: none"> Risiko einer Änderung des Marktwerts.
	<ul style="list-style-type: none"> Risiko einer Änderung des Ratings.
	<ul style="list-style-type: none"> Es kann keine Gewähr hinsichtlich der Auswirkungen möglicher Gerichtsentscheidungen oder einer Änderung gesetzlicher Vorschriften oder der Verwaltungspraxis nach dem Datum dieses Prospekts gegeben werden.
	<ul style="list-style-type: none"> Ein potenzieller Anleger kann sich im Zusammenhang mit der Beurteilung, ob ein Erwerb der Schuldverschreibungen für ihn rechtlich zulässig ist, nicht auf die Emittentin, die Konsortialführer oder deren jeweilige verbundene Unternehmen berufen.
	<ul style="list-style-type: none"> Da die Globalurkunden von oder für Euroclear und Clearstream, Luxemburg gehalten werden, müssen Anleger auf deren Verfahren zur Abwicklung von Übertragungen und Zahlungen und zur Kommunikation mit der Emittentin vertrauen.
	<ul style="list-style-type: none"> Bestimmte Rechte der Gläubiger aus den Emissionsbedingungen können durch Gläubigerbeschlüsse geändert oder eingeschränkt werden oder auch ganz entfallen, die für alle Gläubiger der betreffenden Serie von Schuldverschreibungen bindend sind. Derartige Beschlüsse können unter Umständen wirksam mit der Zustimmung von Gläubigern gefasst werden, die weniger als eine Mehrheit des ausstehenden Gesamtnennbetrags der betreffenden Serie von Schuldverschreibungen vertreten.
	<ul style="list-style-type: none"> Wird ein Vertreter der Gläubiger für die betreffende Serie von Schuldverschreibungen bestimmt, kann dies bedeuten, dass die Gläubiger dieser Serie ihr individuelles Recht auf Verfolgung und Durchsetzung ihrer Rechte aus den jeweiligen Emissionsbedingungen gegenüber der Emittentin verlieren.

	<ul style="list-style-type: none"> • Wechselkursrisiken und Devisenbeschränkungen.
	<ul style="list-style-type: none"> • Auf Zahlungen auf die Schuldverschreibungen wird unter Umständen in den Vereinigten Staaten ein Steuereinbehalt nach Maßgabe des US-amerikanischen Gesetzes zur Regelung des US-Steuer-Reportings ausländischer Finanzinstitute (<i>U.S. Foreign Account Tax Compliance Act</i>) erhoben.
	<ul style="list-style-type: none"> • Auf bestimmte Transaktionen mit Schuldverschreibungen könnte Finanztransaktionssteuer erhoben werden.

Punkt	Abschnitt E – Angebot der Schuldverschreibungen	
E.2b	Gründe für das Angebot und Zweckbestimmung der Erlöse, sofern diese nicht in der Gewinnerzielung und/oder der Absicherung bestimmter Risiken liegen	Die Nettoerlöse werden für die teilweise Finanzierung des Erwerbs von Sigma-Aldrich verwendet. Sollte die vorbezeichnete Transaktion nicht vollzogen werden, können die Nettoerlöse der Emission der Schuldverschreibungen für allgemeine Unternehmenszwecke der Emittentin verwendet werden, welche gegebenenfalls auch die Finanzierung anderer Akquisitionen umfassen kann.

<p>E.3</p>	<p>Beschreibung der Angebots-konditionen</p>	<p>Die Schuldverschreibungen werden in Österreich, Deutschland, Luxemburg und den Niederlanden innerhalb eines Angebotszeitraums angeboten, der nicht vor dem 9. Dezember 2014 beginnt und bis zum Ausgabetag dauern wird, vorausgesetzt, es findet keine Verkürzung oder Verlängerung des Angebotszeitraumes statt.</p> <p>Der Emissionspreis, der maximale Gesamtnennbetrag der zu begebenden Schuldverschreibungen, der Fest-Zinssatz, mehrere Margen, der Emissionserlös, die Rendite zum jeweiligen Ersten Rückzahlungstag für jede Serie werden in der Preismitteilung enthalten sein, die am oder nach dem Preisfindungstag und vor dem Ausgabetag der Schuldverschreibungen auf der Internetseite der Luxemburger Wertpapierbörse (www.bourse.lu) veröffentlicht wird.</p> <p>Das Angebot unterliegt keinen Bedingungen. Anleger können Angebote zum Kauf der Schuldverschreibungen durch Nutzung des Informationssystems Bloomberg oder eines anderen üblicherweise verwendeten Informationssystems übermitteln. Jeder Anleger, der ein Angebot bezüglich der Schuldverschreibungen abgegeben hat und dessen Angebot angenommen wurde, erhält bezüglich der Zuteilung der Schuldverschreibungen eine Bestätigung per E-Mail, Fax oder über ein anderes üblicherweise verwendetes Informationssystem.</p> <p>Lieferung und Zahlung der Schuldverschreibungen erfolgen am 12. Dezember 2014, und die Bestätigung der Zuteilung an die Anleger erfolgt per E-Mail, Fax oder über üblicherweise verwendete Informationssysteme. Die Lieferung der Schuldverschreibungen erfolgt durch buchmäßige Übertragung über Euroclear Bank S.A./N.V. und Clearstream Banking, société anonyme (jeweils ein "Clearingsystem" und zusammen die "Clearingsysteme"), und deren Depotbanken gegen Zahlung des Emissionspreises.</p>
<p>E.4</p>	<p>Beschreibung aller für die Emission/das Angebot wesentlichen, auch kollidierenden Interessen.</p>	<p>Nach Festsetzung der Preisdetails werden sich Banco Bilbao Vizcaya Argentaria, S.A., Barclays Bank PLC, Bayerische Landesbank, BNP Paribas, Citigroup Global Markets Limited, Commerzbank Aktiengesellschaft, Deutsche Bank AG, London Branch, DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main, Goldman Sachs International, J.P. Morgan Securities plc, Landesbank Baden-Württemberg, Landesbank Hessen-Thüringen, Merrill Lynch International, Skandinaviska Enskilda Banken AB (publ), Société Générale, The Royal Bank of Scotland plc und UniCredit Bank AG (zusammen die "Konsortialführer") nach Maßgabe eines Übernahmevertrags, der am oder um den 10. Dezember 2014 unterzeichnet wird (der "Übernahmevertrag"), verpflichtet, die Schuldverschreibungen zu übernehmen. 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.</p>

		<p>Die Provision, die im Zusammenhang mit dem Angebot, der Platzierung und der Zeichnung der Schuldverschreibungen an die Konsortialführer zu zahlen ist, beträgt 0,66% des Gesamtnennbetrags der Schuldverschreibungen.</p> <p>Die Konsortialführer sowie mit ihnen verbundene Unternehmen haben bisher Investment-Dienstleistungen gegenüber der Emittentin und den mit ihr verbundenen Unternehmen erbracht und werden dies auch in Zukunft tun. Für diese Dienstleistungen haben die Konsortialführer und ihre verbundenen Unternehmen bisher marktübliche Gebühren und Provisionen erhalten und werden diese auch weiterhin erhalten.</p> <p>Außer den Interessen der Emittentin bestehen keinerlei Interessen natürlicher oder juristischer Personen an der Begebung, auch nicht solche Interessen, die im Widerspruch zur Begebung stehen und für diese wesentlich sind.</p>
E.7	Schätzung der Ausgaben, die dem Anleger von der Emittentin oder dem Anbieter in Rechnung gestellt werden.	Entfällt. Die Emittentin wird den Anlegern in Verbindung mit den Schuldverschreibungen keine Kosten, Ausgaben oder Steuern unmittelbar in Rechnung stellen. Jeder Investor muss sich allerdings selbst über Steuern und Ausgaben informieren, die für ihn anfallen können, z.B. Gebühren für die Verwahrstelle.

RISK FACTORS

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

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

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

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

Risk factors relating to the Issuer

The possibilities of Merck to market pharmaceutical products are limited because the pharmaceutical business is strictly regulated by government authorities.

The development, manufacture, marketing, import and advertising of drugs are subject to extensive and restricting government regulation. In almost all jurisdictions in which Merck operates, the market launch of new drugs or new dosages of drugs requires regulatory approval. The development and approval process is very cost-intensive and time-consuming. Moreover, the result of the process cannot always be predicted because it depends on the outcome of scientific studies on the one hand and possible statutory and regulatory measures on the other. For example, Merck Serono's development work on cladribine tablets as a treatment for relapsing-remitting multiple sclerosis led to both a negative opinion from the Committee for Medicinal Products for Human Use (CHMP) of the European Medicines Agency (EMA) in September 2010 and a complete response letter from the U.S. Food and Drug Administration (FDA) in March 2011. Because the FDA requested Merck to provide further costly and time-consuming information regarding safety risks and the overall benefit-risk profile, Merck Serono decided to no longer pursue the global approval process for cladribine tablets. Moreover, it can sometimes take several years to determine whether a drug is approvable. If Merck is not successful in obtaining regulatory approval for the marketing of new drugs or existing drugs for new indications in time or at all, or if Merck were to encounter other regulatory hurdles, this could have a material adverse effect on Merck's future business. In addition, the required regulatory approvals for drugs may be delayed or denied or drugs may not be approved for all indications for which marketing authorization applications were submitted.

Even after approval, drugs are still the subject of regulatory action if new facts concerning their safety and efficacy come to light. For example, subsequent to the EMA's recommendation to suspend the marketing authorization for the psoriasis treatment Raptiva[®] (efalizumab) in the European Union (EU), Merck Serono deliberately withdrew this product from all markets in and outside of Europe in 2009. The decision to suspend and withdraw the marketing authorizations was made because of safety concerns, including the occurrence of virologically confirmed cases of progressive multifocal

leukoencephalopathy (PML) in patients. In addition, there is a risk that claims may be brought against Merck in connection with any suspension of a marketing authorization.

Regulatory measures can also relate to statutory requirements for product labeling. Changes in product labeling could influence decisions of doctors on whether or not to prescribe the relevant products. Moreover, regulatory action can have a considerable impact on the marketing of drugs by Merck or even force Merck to withdraw products from the market.

Due to the uncertainties associated with the process of developing new drugs, Merck might not be in the position to successfully develop new drugs and other pharmaceutical products and launch them in a timely manner.

Merck's success in the pharmaceutical sector in part relies on launching newly developed drugs in a timely manner. Whether a drug can be introduced to the market cannot be predicted in advance. Drugs that were considered very promising in Phase I studies might prove to be unsuitable for regulatory approval in Phase II and Phase III clinical trials. For example, in 2012 Merck Serono reported negative outcomes of the EXPAND trial and the PETACC-8 trial. Both Phase III trials related to a potential indication extension of Erbitux[®]. Reasons for negative trial outcomes can comprise ineffectiveness in certain indications, previously unknown side effects appearing in later phases, risk-benefit analyses that can produce a negative result, or changes in the competitive environment that can make continuing development commercially unreasonable. For example, in June 2014 Merck Serono reached a mutual agreement with Ono Pharmaceutical Co., Ltd., Osaka, Japan, to terminate the license agreement on ceralifimod (ONO-4641) because it did not meet Merck's threshold for continued investment.

Due to the uncertainties associated with the process of developing new drugs, no assurance can be given that Merck will be in a position to successfully develop and launch new drugs and other pharmaceutical products in a timely manner. The aforementioned factors also influence the development and approval process of new indications for drugs that have already been approved, the approval of drugs or drug delivery devices that have been approved in certain geographies in additional geographies that require regional-specific registration studies, as well as of biosimilar products.

If Merck were unable to arrange and maintain alliances and other cooperation agreements with third parties, this could impair Merck's ability to develop new drugs and other pharmaceutical products.

Merck is increasingly making use of the opportunity to outsource key activities in the pharmaceutical sector to third parties by way of partnerships, particularly by entering into cooperation agreements with other pharmaceutical and biotech companies. As a result, Merck depends on its partners to fulfill their contractual obligations and, for example, to maintain the underlying patents and fulfill their delivery and quality obligations. However, Merck's contractual partners may not be in a position to do so owing to limited financial resources or other reasons.

Merck could also be unable to enter into the required cooperation agreements at suitable terms and conditions, or at all, in the future. Against the backdrop of further consolidation in the biotech industry, it could become more difficult for Merck to find suitable partners for cooperation agreements in this field. In addition, there is a strong competition among pharmaceutical and biotech companies for the acquisition of licenses for technologies and active ingredients developed by third parties.

The business activities of Merck in the pharmaceutical sector are affected by rising pressure on healthcare costs worldwide.

The business activities of Merck in the pharmaceutical sector are strongly influenced by the structure of the public healthcare systems in the relevant countries and the resulting market structures. In particular, regulations that vary by country apply to the selection, price and dispensing of physician-

prescribed drugs and to the reimbursement or payment of the cost of such drugs by the relevant health insurance funds, country-specific social security institutions and public health services. Market structures are also shaped by the relevant national regulations on drug pricing. These market structures can force Merck to lower its prices for drugs to market them efficiently. Furthermore, in some markets, major customers of pharmaceutical products (government agencies, health insurance companies or certain healthcare providers) have such market power that they can exert substantial price pressure on pharmaceutical producers such as Merck. In many countries, healthcare regulations and regulatory mechanisms are subject to frequent changes, often at short notice. In some cases, new regulations can substantially change the marketing conditions for drugs. For example, in the United States there are continuing discussions to allow U.S. government agencies to establish prices for approved prescription drugs. Investments made relying on an existing market structure could prove to be worthless and existing market positions could be endangered. In general, any measure aimed at decreasing the costs of drug provision applicable to pharmaceutical manufacturers in the countries in which Merck operates may reduce its sales and profitability. Especially in Europe, certain countries serve as reference points for the determination of prices in other countries, increasingly also in other regions such as Latin America and Asia.

The increasingly stringent regulatory environment for the specialty chemical industry could have a negative effect on Merck's production costs and the product portfolio in its chemical divisions.

In its chemicals business, Merck must adhere to a multitude of regulatory specifications regarding the manufacture, testing and marketing of many of its products. More stringent regulations worldwide can have a negative impact on Merck's production costs and product portfolio. Specifically in the European Union, Merck is subject to the European chemicals regulation REACH, which is designed to ensure a high level of protection for people and the environment. It demands comprehensive tests for chemical products. Test procedures can be costly and time-intensive, and lead to a rise in production costs. Moreover, the use of chemicals in production could be restricted, which would make it impossible to continue manufacturing certain products. As Merck is constantly pursuing research and development in substance characterization, and in the possible substitution of critical substances, the occurrence of this risk is thought unlikely. Nevertheless, it could still have a negative impact on the net assets, financial position and results of operations.

The dependency on the development of customers including the general economic situation and cyclical nature of key customer industries can result in a decline in demand.

Merck's Performance Materials division is exposed to the various cycles and volatilities of the markets. In general, weak periods for Merck's customers in key markets result in weak sales of Merck's products. Such developments are often amplified by the fact that Merck and its competitors cannot easily reduce existing production capacity and the corresponding costs or otherwise adapt the production processes.

Merck Millipore products are used in manufacturing and research processes, making it important to become involved in customer manufacturing processes at an early stage of the manufacturing design process. Any decline in sales, economic difficulties or regulatory measures faced by a customer, or any voluntary or involuntary suspension or termination by a customer of its production of a product, could simultaneously affect the sales of Merck Millipore as it may curtail or stop delivery of its products to that customer. In respect of Merck Millipore's products used for the research and development of drugs, any reduction in private or public research and development budgets could negatively affect Merck Millipore. Academic research institutions such as universities, hospitals and stand-alone research institutes are a significant customer group of the life science sector. Public budget pressures can have a negative effect on public research spending, on which these customers rely. For many customers in the life science tools and specialty chemicals industries Merck is presently the single source supplier for one or several critical components used in their production lines. However, increasingly customers are seeking to implement a second source of products, which may result in existing customers becoming able to choose another supplier to supply components that are presently

supplied by Merck Millipore. This could result in a loss of future business opportunities or future revenues for Merck Millipore.

A weak economy is also intensifying cost pressure on national healthcare systems and in turn on the pharmaceutical industry in various countries, and, as a result, is also increasing the frequency and scope of regulatory and governmental interventions in market structures. Also, individual Merck products and product lines in the pharmaceutical sector are more sensitive to economic cycles because in most cases, consumers and patients themselves must bear the full costs of these products.

All of the abovementioned factors could have a material adverse effect on Merck's business activities and therefore its financial condition and results of operation.

Increased competition in all divisions could have an adverse effect on Merck's sales and adversely affect its future growth potential.

Merck must compete with numerous firms in each of the pharmaceutical, specialty chemicals and life science sectors. Some of these competitors have greater financial, marketing or research and development resources at their disposal. Growing competitive pressure could have a material adverse effect on sales and prices of Merck's products and services.

Merck Serono could be exposed in the future to increased competitive pressure from products that are currently in clinical development or that have recently been launched. Moreover, competitive pressures could further increase due to the market entry of new suppliers, mostly from emerging markets such as China, South Korea, Russia, Brazil and India or due to the expansion of activities by existing competitors, such as by shifting production to emerging markets and increasing emphasis on commercial investment in these regions.

Merck Millipore directly competes with two of its significant distributors. If those distributors stopped selling the products of Merck Millipore or materially changed the terms of the underlying distribution agreement, the sales and earnings of Merck Millipore could be adversely affected in the short term.

In the case of the Liquid Crystals business, which contributed more than 70% of Merck's Performance Materials division's sales in fiscal 2013, patent protection exists for several products and technologies. However, the protection of some key patents in liquid crystal technology expired in 2012. On the other hand patent protection level is re-inforced every year by a high number of granted patents. It is also possible that competitors will gain some of Merck's business as a result of developments within their own portfolio. Thus, it cannot be ruled out that such increasing competition will reduce the margins attainable in the Liquid Crystals business.

In the Performance Materials division, growing competition for high-volume commodity products for simpler applications has already led to increased price pressure, which will continue to grow in the future with respect to this division's other product ranges.

Increased competition, whether due to the aforementioned or other factors, could have a material adverse effect on the market position of Merck and therefore the volume of products it sells, as well as attainable prices and realizable margins.

Increased competition in the pharmaceutical industry resulting from biosimilars could have an adverse effect on sales and growth potential of the Merck Serono division.

Biological products from the Merck Serono division could come under greater competitive pressure from biosimilars. Specific regulatory directives apply to the development and approval of competing biosimilars that use the reference data of biological products already approved. Frameworks have been drawn up in both the EU and the United States to enable biosimilars to enter the markets as soon as the exclusive rights of the original products expire. The products Rebif[®], Erbitux[®] and Gonal-f[®] could be

affected in particular. The effects of corresponding risks are taken into account as far as possible in the plans for the countries and regions concerned.

Due to the international nature of Merck's activities, Merck is confronted with various legal, regulatory, economic, social and political circumstances and environments that entail risks.

Merck manufactures products in 21 countries and offers its products and services worldwide. In some of the countries in which Merck manufactures its products, to which Merck exports its products or in which Merck provides services, conditions are significantly different from those in Western Europe, and there is less stability in the economic, political and legal systems. This is particularly the case in a number of countries in Asia, Eastern Europe, South America and Africa that Merck has identified as growth markets for its products. In the past, these countries have repeatedly experienced political and economic crises. In 2013, Merck generated 36% of its sales in its Emerging Markets region, which comprises Latin America and Asia (except Japan). For this reason, Merck is exposed to a number of factors that it cannot influence. In addition to political, economic and social stability, these factors include exchange controls and capital transfer restrictions or taxation, import/export restrictions and duties, the possible erection of trade barriers and monetary policy changes and other regulatory restrictions. Each of these factors that Merck cannot influence could lead to declines in sales in certain countries and regions and adversely affect Merck's business and growth opportunities in the relevant countries.

Rising raw materials prices and other production costs could adversely affect the profitability of Merck's business.

In addition to general price increases, Merck's procurement and production operations in particular depend on the availability and purchase prices of raw materials. Raw materials prices are themselves subject to considerable cyclical fluctuations. There is a dependency on the market prices of precious metals and metal compounds, alcohols, sodium and potassium compounds, as well as to a certain degree on the price of crude oil. These price fluctuations primarily affect the Performance Materials and Merck Millipore divisions. Price fluctuations also have a secondary effect on the pharmaceutical sector in the form of changes in the cost of pharmaceutical active ingredients purchased. Merck is dependent on individual suppliers of precursor products for some of its main products. In the event that one of these suppliers curtails or discontinues production, or supply is disrupted, this would possibly have a critical impact on the Merck operations concerned. If goods that Merck requires for its business activities are not available or if Merck is not able to compensate for or pass on to customers increases in the price of such materials in the future, this could adversely affect the profitability of Merck's business.

Merck could be subject to contractual claims and product liability claims from product defects that could lead to substantial expenses and liabilities.

Companies in the chemical and pharmaceutical industries are subject in particular to the risk of lawsuits alleging negligence, product liability, violations of warranty obligations and other contractual or statutory claims relating to product defects. Such lawsuits may include claims based on personal injury or death allegedly caused by a product of Merck, in particular pharmaceutical products. The risks of products and product liability can lead to claims for substantial amounts of damages, including compensation for consequential damage and substantial costs for legal representation. In addition, chemical or pharmaceutical products (drugs and other healthcare products) may be the subject of recalls or patent infringement suits. For this reason, it cannot be guaranteed that extensive claims will not be asserted against Merck in the future or that large-scale product recall measures will not be necessary. As Merck's products, including Merck Millipore's products and services in particular, are further integrated into customer production processes, Merck may increasingly become exposed to contractual claims or product liability claims. Some countries in which Merck operates have a special legal framework for pharmaceutical products that could increase the risk of product liability claims being asserted.

The product portfolios of the Performance Materials and Merck Millipore divisions include some substances that are classified as hazardous to health and the environment. On January 20, 2009, the Globally Harmonised System of Classification and Labelling of Chemicals (GHS) entered into force. The labeling of substances according to the GHS is mandatory in the European Union since December 1, 2010, and will be mandatory for mixtures as of June 1, 2015. Merck has started immediately to implement GHS and provide GHS-labeled products. In addition to obvious changes regarding the labeling elements (e.g. new hazard pictograms and the signal word) GHS lowers some classification thresholds (e.g. for acute toxicity). As a consequence, the wording of the hazard communication under GHS already has and will change fundamentally. Although all chemical products in the Merck portfolio remain physically the same, their labels have and will display more often and more severe hazards under GHS. Such a classification leads to an increased perception by third parties that Merck's products are hazardous to health and the environment. However, even with an up-to-date hazard communication in place, the possibility that the environment, the health or even the life of humans is affected cannot be ruled out, particularly in case of improper use of a product, or due to unknown product characteristics. Such consequences can also occur due to contamination during the production process.

Merck could incur high expenses based on product liability claims, other violations of duties of care or contractual provisions, recall measures or penalties imposed for these reasons by public authorities. Such lawsuits can also adversely affect Merck's reputation and therefore reduce market acceptance of Merck's products.

It is possible that damage, losses or liability on the part of Merck will either not be sufficiently covered by existing insurance policies or not insured at all.

Merck has concluded a number of insurance policies to cover risks arising from its business activities. Most notably, those risks include the risk of operational failures due to force majeure – for example natural disasters such as floods or earthquakes – and product liability risk which can lead to considerable claims for damages and costs to avert damages. It is uncertain whether the insurance policies offer sufficient coverage in individual cases. Moreover, it is also uncertain whether Merck will be able to continue to obtain suitable insurance coverage for all business risks on economically acceptable terms in the future. For example, insurance coverage for product liability risks arising from drugs does not apply until a certain threshold has been reached, below which the insurance benefits do not apply, unless stipulated otherwise by law in the Federal Republic of Germany. This means that until a certain amount of damages is reached, no insurance coverage applies. In addition, various active ingredients used in the pharmaceutical industry are generally excluded from insurance coverage due to unilateral conditions imposed by the insurance industry.

Merck might not be in the position to adapt to technological changes and to continue to develop and successfully launch innovative products.

Merck operates in the pharmaceutical, specialty chemical and life science industries. All three are characterized by fierce competition and intense research and development activity as well as associated rapid technological change. As part of its strategy, Merck also focuses on products that require above-average research and development spending. Merck's success therefore depends on its continued ability to cost-effectively develop innovative products, launch these products on the market and therefore to address current technological developments in a timely manner. Merck competes with numerous companies, which include small niche suppliers as well as large international corporations. New developments and adaptations may cause technical problems or delays in their implementation, can fail entirely or be rejected by the market.

If competitors were to develop their current products and technologies more quickly than Merck or launch alternative products or technologies that are more cost-effective, of higher quality or are for other reasons more attractive than Merck's products, this could adversely affect demand for Merck's products.

Risk of a temporary ban on products/production facilities or of non-registration of products due to non-compliance with quality standards.

Merck is required to comply with the highest standards of quality in the manufacture of pharmaceutical products (Good Manufacturing Practice). In this regard Merck is subject to the supervision of the regulatory authorities. Conditions imposed by national regulatory authorities could result in a temporary ban on products/ production facilities, and possibly affect new registrations with the respective authority. Despite of existing quality assurance processes, the occurrence of such a risk cannot be wholly ruled out. Depending on the product concerned and the severity of the objection, this could have a critical negative impact on the net assets, financial position and results of operations of Merck.

Merck Serono generates a significant part of its sales with three products.

In the fiscal year 2013, Merck Serono generated about 56% of its sales from the sale of three products. Rebif[®] accounted for about 31%, Erbitux[®] for around 15% and Gonal-f[®] for about 10% of Merck Serono's sales in this period.

Due to this concentration, the successful marketing or launch of comparable products by competitors or the results of clinical comparative efficacy trials involving competing products already approved could have a material adverse effect on Merck Serono's sales and earnings and therefore Merck's financial condition. For example, in 2014, Merck Serono will face tougher competition as a result of significant changes in the market environment for multiple sclerosis products in the EU. Several new competitors to Rebif[®] have already or are expected to enter the market. Strategies for defending market share have been launched and their impact as well as the development of the market, are being monitored on an ongoing basis.

Furthermore, it is possible that Rebif[®] is not sufficiently protected. Apart from a formulation patent expiring in 2022 in the U.S., Rebif[®] is currently protected by a covenant not to sue in the United States. This covenant not to sue instead of a true licensing agreement covers the "Sugano" patents in the United States. The last of the currently granted Sugano patents expired in the U.S. in May 2013. However, another patent application from this family is pending and may grant with a term of 17 years from grant. These U.S. patents are the most important property rights relating to beta interferon, which is the active ingredient of Rebif[®]. In the event of infringement of these U.S. patents, for example by biosimilars manufacturers, Merck itself, through its subsidiary Merck Serono S.A., does not have the enforcement right to take court action against such infringement due to this agreement. This means that Merck Serono S.A. has no control to directly prevent the manufacture of products using a different formulation and competing directly with Rebif[®]. In Europe, data exclusivity in respect of Rebif[®] has expired. The only protection still available in Europe is directed to the registered Rebif[®] new formulation (Rebif-HSA-free) through a formulation patent which was recently granted and extends protection until 2024 and another granted patent which has been in-licensed from a third party.

No assurance can be given that Merck will be able to recruit or retain qualified employees in the future.

Merck is to a great extent dependent on highly qualified executives and technical experts, in particular in the area of research and development. In past years, there has been intense competition in Merck's markets for employees with scientific, technical or industry-specific knowledge. Merck's success has depended and will continue to depend on recruiting and retaining highly qualified employees. In the event that Merck experiences high rates of employee turnover in critical positions or if specialist teams are poached by Merck's competitors, it will require time and additional costs to quickly refill the open positions from the labor market. Merck is therefore continuously investing in internal talent development as well as tailored retention measurements to limit this organizational impact. The loss of qualified employees or ongoing difficulties in the hiring of suitable employees could adversely impact the implementation of Merck's business strategy.

Merck is subject to risks arising from legal disputes.

Merck's business can be adversely affected by the detrimental outcome of legal disputes and investigations by government agencies, the outcome of which is not certain. Litigation risks include in particular risks in the areas of product liability, competition and antitrust law, pharmaceutical law, patent law, tax law, and environmental protection.

Pending legal disputes and investigations, which could adversely affect Merck's business and many of which are related to activities of the former company Serono S.A., now Merck Serono S.A., and its subsidiaries include, but are not limited to, the following.

Certain risks exist with respect to patent rights and the related licenses and agreements. Since 1993, lawsuits have been pending in Israel between Israel Bio-Engineering Project Limited Partnership ("**IBEP**") and various subsidiaries of Serono S.A. IBEP is claiming ownership rights and payment of license fees and royalties. The lawsuits filed by IBEP relate to the financing of the development of Rebif[®] and other products and related intellectual property rights in the first half of the 1980s. In August 2014, Merck reached a verbal agreement with IBEP to settle the legal disputes by paying a sum of money. The verbal agreement is expected to be confirmed in writing in the fourth quarter of 2014. In the United States EMD Serono, Inc., a U.S. subsidiary of Merck Serono S.A., is involved in patent litigation with Biogen IDEC Inc. (Massachusetts, USA) ("**Biogen**"). Biogen claims that the sales of Rebif[®] by EMD Serono, Inc. infringe upon the claims of one of Biogen's U.S. patents. These cases could have a considerable impact on Merck's financial and earnings position.

In the UK, Merck is involved in competition law investigations concerning the generic version of paroxetine. The UK Office of Fair Trading (in the meantime the Competition & Markets Authority) ("**OFT**") alleges that Merck was involved in and is liable for the negotiation of a patent settlement agreement concluded in March 2002 between Generics Ltd., then a subsidiary company of Merck, and GlaxoSmithKline. According to the OFT, the settlement agreement violates UK and EU competition law. The investigation is ongoing and no decision is expected before 2015. On June 19, 2013 the European Commission announced its final decision in the Lundbeck case. Merck has been fined EUR 21.4 million for violation of competition law in relation to certain dealings of its former subsidiary Generics (UK) Ltd. with the Danish company Lundbeck in connection with Lundbeck's patented product citalopram. Generics (UK) Ltd. is jointly liable with Merck for EUR 7.8 million of the EUR 21.4 million. Merck has filed an appeal against the decision with the European Court of Justice in Luxembourg. It cannot be excluded that subsequent to the decisions by the antitrust authorities, Merck will be sued for damages by health insurance companies or other private parties.

In December 2011, the Brazilian federal state of São Paulo sued Merck for damages concerning the product raptiva because of alleged collusion between various pharmaceutical companies and an association of patients suffering from psoriasis and vitiligo. The collusion is alleged to have aimed at an increase in the sales of the involved companies' drugs to the detriment of patients and state coffers. Moreover, in connection with the product raptiva, patients have filed suit to receive compensatory damages. Risks in excess of this with a substantial negative effect on the net assets, financial position and results of operations cannot be ruled out.

Merck also continues to bear the risks from certain proceedings against companies of the Generics group that was sold to Mylan, Inc. (United States) in 2007. In this connection, Merck continues to be responsible for risks arising from cases concerning drug pricing in the United States. Merck is not aware of any pending lawsuits concerning the respective companies in this connection.

In connection with the "Volcker Report" published in October 2005 by the Independent Inquiry Committee into the United Nations Oil for Food Program, two proceedings are pending against, among others, an affiliate of Merck. The Republic of Iraq seeks damages in relation to the facts alleged in the Volcker Report and has initiated legal proceedings before the U.S. District Court of Southern District of New York. Furthermore, oil companies based in Texas, which are being sued

before the U.S. District Court for the Southern District of Texas by U.S. citizens injured in terrorist attacks in Israel in 2001, have initiated a Third Party Complaint against Merck's affiliate.

Merck has set up provisions for risks arising from several of the aforementioned legal disputes in an amount deemed appropriate by Merck. It cannot, however, be excluded that the amount of these provisions will not be sufficient to cover all damages or costs and expenses arising from these legal disputes or that Merck is found liable for damages in cases for which no provisions have been booked.

It cannot be guaranteed that Merck will be successful in protecting its intellectual property and knowledge sufficiently. Moreover, it cannot be guaranteed that all of Merck's patents are valid or that Merck has sufficient legal protection against infringement and circumvention.

Merck has a large number of patents and other intellectual property rights at its disposal that are important for the business success of Merck. The patent application process including maintenance and enforcement is time-consuming and expensive. It cannot be guaranteed that Merck will be granted the necessary patents based on currently pending and future application processes. Even if patents raise a presumption of their validity under law, their approval alone does not necessarily ensure that they are valid or that any patent claims can be asserted successfully in the required or desired scope.

Merck could find it necessary to enforce and protect patents, licenses and other intellectual property rights by taking legal action. Such processes can be time-consuming and expensive. Moreover, it cannot be guaranteed that all of Merck's patents are valid or that Merck has sufficient legal protection against infringement and circumvention. In this case, Merck could lose such legal disputes, which could limit, prevent or at least substantially delay the further marketing or launch of products.

Merck also depends on the existence and protection of its trademark rights, which comprise the names of many of its key products and are registered in the countries in which Merck sells the majority of its products. A trademark is the exclusive right to use a registered mark and prevent third parties using such trademark by appropriate means including court actions. Effective trademark protection, therefore, requires extensive controls and subsequent research. If Merck does not identify the illegal use of its trademarks early enough or at all, or if Merck is unsuccessful in taking court action to protect its trademark rights, this could adversely affect the reputation and image of Merck at the customer level or could adversely affect its ability to effectively protect its trademarks.

The possibility that Merck could infringe the intellectual property rights of third parties or has to rely on fee-based use of third-party intellectual property cannot be excluded.

The possibility that Merck is infringing on third-party patents or other industrial property rights cannot be excluded because Merck's competitors apply for patents and receive patent protection for a significant number of inventions, as also does Merck. If this were to occur, Merck could be prevented from using the relevant technologies in the countries in which the industrial property rights were granted. This holds true regardless of whether Merck had used these technologies before in other countries in a permitted way and itself had not applied for a patent, possibly due to reasons of confidentiality.

In all of these cases, Merck could possibly be denied the opportunity to manufacture or market products, and Merck would then be forced, if applicable, to acquire licenses or change manufacturing processes. Moreover, Merck could be subject to the obligation to pay damages for patent infringement or infringement of other intellectual property. In addition, Merck's competitors could prohibit Merck from producing or selling such products in countries in which the respective competitor holds higher priority patent protection. Merck could also be forced to rely on obtaining access to third-party technologies by acquiring licenses, which would result in corresponding expenses. However, it cannot be guaranteed that Merck will be able to obtain the number of licenses required for the success of its business at reasonable terms and conditions in the future. In addition, it cannot be guaranteed that licenses acquired were granted in the required scope.

The lack of availability of good quality materials or services that Merck requires for its business activities can adversely affect Merck's results.

Merck depends on the availability of certain materials and services for its production processes. In addition, Merck also partly uses external contract manufacturers to manufacture products. In both cases, Merck places considerable demands on suppliers and contract manufacturers with regard to the quality of the materials supplied and services performed. If such suppliers and contract manufacturers were unavailable temporarily or permanently, or were no longer able or willing to supply or manufacture products for other reasons, Merck could be unable to replace these shortfalls at short notice. This could then lead to a situation in which Merck could no longer manufacture individual products, at least temporarily, or the amount needed, which in turn could adversely affect Merck's financial condition and results of operations.

Merck is exposed to risks relating to the proposed acquisition of Sigma-Aldrich Corporation and other future acquisitions and divestments.

Acquisitions, business alliances and in-licensing have been and will be an important opportunity to diversify into new product areas and markets or to complement Merck's existing portfolio. Carrying out acquisitions, also involves risks. For instance, any acquisition carries the risk that the strategic price paid is considered too high by the market, that the acquisition proves to be less successful than anticipated, that the acquired company or business does not develop as expected by the market, and that sales and earnings goals pursued by way of the acquisition are not met. In addition, any acquisition is subject to the risk that Merck will not be able to integrate the acquired company into Merck as planned or only at a higher cost than originally planned, and/or that any intended synergy effects cannot be realized to the extent planned or cannot be realized at all. Furthermore, acquisitions may involve the risk that liabilities related to the acquired business or company are assumed which may not be recoverable from the respective seller.

The aforementioned applies especially to the proposed transaction on September 22, 2014 in which Merck entered into a definitive agreement under which it will acquire Sigma-Aldrich Corporation ("**Sigma-Aldrich**") for US\$17.0 billion (EUR13.1 billion). Merck intends to acquire all of the outstanding shares of Sigma-Aldrich for US\$140 per share in cash. The agreed price represents a 37% premium to the latest closing price of US\$102.37 on September 19, 2014, and a 36% premium to the one-month average closing price. Bridge financing has been secured for the all-cash transaction, and Merck expects the final financing structure will comprise a combination of cash on Merck's balance sheet, bank loans and bonds. Closing is expected mid-year 2015, subject to regulatory approvals and other customary closing conditions. If the closing of the proposed transaction fails, Merck may be obliged to pay termination fees subject to certain conditions as detailed in documents filed by Sigma-Aldrich with the U.S. Securities and Exchange Commission.

Carrying out the acquisition of Sigma-Aldrich, as any other acquisition, also involves risks. For instance, the acquisition of Sigma-Aldrich, as any other acquisition, carries the risk that the strategic price paid is considered too high by the market, that the acquisition proves to be less successful than anticipated, that Sigma-Aldrich does not develop as expected by the market, and that sales and earnings goals pursued by way of the acquisition are not met. In addition, the acquisition of Sigma-Aldrich, as any other acquisition, is subject to the risk that Merck will not be able to integrate the acquired company into the Merck Group as planned or only at a higher cost than originally planned, and/or that any intended synergy effects cannot be realized to the extent planned or cannot be realized at all.

In addition, the acquisition and integration of Sigma-Aldrich may expose Merck or increase Merck's exposure to the following risks: uncertainties as to the timing of the transaction; the risk that regulatory or other approvals required for the transaction are not obtained or are obtained subject to conditions that are not anticipated; competitive responses to the transaction; litigation relating to the transaction; uncertainty of the expected financial performance of the combined company following completion of the proposed transaction; the ability of Merck to achieve the cost-savings and synergies contemplated

by the proposed transaction within the expected time frame; the ability of Merck to promptly and effectively integrate the businesses of Sigma-Aldrich and Merck; the effects of the business combination of Merck and Sigma-Aldrich, including the combined company's future financial condition, operating results, strategy and plans; the implications of the proposed transaction on certain employee benefit plans of Merck and Sigma-Aldrich; and disruption from the proposed transaction making it more difficult to maintain relationships with customers, employees or suppliers; the risks of more restrictive regulatory requirements regarding drug pricing, reimbursement and approval; the risk of stricter regulations for the manufacture, testing and marketing of products; the risk of destabilization of political systems and the establishment of trade barriers; the risk of a changing marketing environment for multiple sclerosis products in the European Union; the risk of greater competitive pressure due to biosimilars; the risks of research and development; the risks of discontinuing development projects and regulatory approval of developed medicines; the risk of a temporary ban on products/production facilities or of non-registration of products due to non-compliance with quality standards; the risk of an import ban on products to the United States due to an FDA warning letter; the risks of dependency on suppliers; risks due to product-related crime and espionage; risks in relation to the use of financial instruments; liquidity risks; counterparty risks; market risks; risks of impairment on balance sheet items; risks from pension obligations; risks from product-related and patent law disputes; risks from antitrust law proceedings; risks from drug pricing by the divested Generics Group; risks in human resources; risks from e-crime and cyber attacks; risks due to failure of business-critical information technology applications or to failure of data center capacity; environmental and safety risks; unanticipated contract or regulatory issues; a potential downgrade in the rating of the indebtedness of Merck or Sigma-Aldrich; downward pressure on the common stock price of Merck or Sigma-Aldrich and its impact on goodwill impairment evaluations; the impact of future regulatory or legislative actions; and the risks and uncertainties detailed by Sigma-Aldrich with respect to its business as described in its reports and documents filed with the U.S. Securities and Exchange Commission.

In addition to the acquisition of Sigma-Aldrich, Merck continues to examine possibilities to expand its business through acquisitions and/or in-licensing in the pharmaceutical, specialty chemical and life science sectors. Merck could thus grow further through additional acquisitions or in-licensing. No guarantee can be given that additional suitable acquisition targets or license partners can be found or that further acquisitions that are identified as strategically important can be realized. If such further acquisitions should fail to materialize, this could adversely affect Merck's financial condition and results of operations; on the other hand, the consummation of such further acquisitions may involve risks similar to those described above.

Divestments bear risks arising from the sale contract with the purchaser and that the achieved selling price is too low in the market's view. If any of the aforementioned risks materialize, this could adversely affect Merck's financial condition and results of operations.

Due to a complex group structure and the geographic reach of Merck's business activities, Merck could incur greater tax liabilities than expected and be affected by the levy of additional customs duties, contributions or other fees.

The companies of Merck operate in many countries that have complex tax systems. Due to the nature of operating activities performed by Merck, the tax issues Merck faces are complex. In the future, this could lead to disputes with tax authorities and could further lead to an increase in tax liabilities for Merck, even for past periods. In addition, the introduction of new customs duties, levies or other fees or increases in existing ones could adversely affect Merck's results.

Changes in exchange rates and interest rates can adversely affect Merck's sales, profits and cash flows.

Merck operates worldwide and therefore also generates a substantial portion of its revenues, earnings and expenses in currencies other than the euro. The foreign currencies involved include the U.S. dollar, the Swiss franc, the Japanese yen and the Taiwan dollar in particular. Changes in the exchange

rates of the relevant currencies versus the euro can have two different effects. First, because income and expenses in the relevant currencies seldom match up in the same period, unfavourable developments in exchange rates of these foreign currencies versus the euro can lead to a difference between the actual value of the product or service provided and the consideration received (transaction effect) due to cross-border deliveries of goods and performance of services. A negative difference has a direct effect on Merck's financial position and results of operations. Second, Merck's financial position and results of operations are affected by the translation of the financial statements of the consolidated subsidiaries prepared in the respective local currencies into euro, Merck's reporting currency in the course of consolidation of financial information (translation effect).

Furthermore, Merck Financial Services GmbH ("**Merck FS**") as the central financing entity for Merck, provides intercompany deposits, loans and in-house bank accounts in more than 30 currencies to Merck subsidiaries. Any change in currency exchange rates versus the euro, Merck FS's reporting currency, has a direct effect on Merck's profits. However, as almost all currency exposure arising from these activities is hedged by Merck FS, the effects are rather small.

Merck is also exposed to interest rate changes. Financing costs of future financing activities such as bond issues or loans are directly correlated with the interest rate levels. Rising interest rates before refinancing would reduce profits.

As bonds are issued at fixed interest rates and funds are reinvested internally or on the capital markets with shorter maturities, Merck's profits can also be adversely affected by declining interest rates.

The ongoing financial crisis with high levels of sovereign debt can adversely affect Merck's sales, profits and cash flows.

Merck's customers include, primarily in the Merck Serono division, sovereign countries and state-owned entities such as hospitals or public health services. Due to the ongoing international financial crisis, some countries are experiencing severe economic problems and are burdened by a high level of sovereign debt. Due to this situation, such countries could reduce orders and/or order volumes with Merck. Furthermore, such countries might partially or totally cease payments to Merck for goods and services delivered in order to balance their budgets or to avoid even higher levels of sovereign debt. Such reduced orders and a cessation of payment can adversely affect Merck's sales, profits and cash flows.

Default risks in particular financial counterparties and customers defaulting on their receivables can adversely affect Merck's sales, profits and cash flows.

Default risks arise in connection with financial investments as well as receivables in operating business. Merck's counterparties may not be able to meet their contractual obligations. Defaults may adversely affect Merck's sales, profits and cash flows. Due to the impact of the financial crisis in the eurozone, an increased default risk continues to exist.

Changes in fair values of tangible and intangible assets can adversely affect Merck's profits.

The values of individual items in the balance sheet are exposed to the risk of changing market and business circumstances and thus also to changes in fair values. This applies in particular to the high level of intangible assets including goodwill, which have become significantly more important in the consolidated financial statements due to the acquisitions of Serono in 2007, Millipore in 2010 and AZ Electronic Materials in 2014, as well as the related purchase price allocations. A need for write-downs in the future could significantly impact profit and could have a material effect on Merck's financial condition and results of operations.

Possible confusion with MSD by customers could adversely affect Merck's business.

One of Merck's competitors, U.S.-based MSD (Merck Sharp & Dohme), operates under a similar name in North America. Yet there is no affiliation between the two companies. However, the use of Merck as a name and trademark is regulated by an agreement between Merck and MSD. In North America, MSD holds the rights to use Merck as a name and trademark, while Merck operates under the name and trademark EMD (Emanuel Merck Darmstadt). Merck holds the rights to its name and trademark in the rest of the world, including key sales markets in Europe and Asia. Despite these regional distinctions, there is a danger that customers may confuse the two brands and therefore attribute products, and possible quality problems at MSD to Merck. Moreover, negative press about MSD could, for example, damage the reputation of Merck.

Merck is subject to a variety of statutory environmental regulations and could therefore be exposed to the risk of liability due to non-compliance or past pollution.

All of Merck's businesses worldwide are subject to a number of continually changing, developing and increasingly complex environmental and health protection requirements and regulations with regard to the handling of chemicals and hazardous substances. These regulations relate to the emission of pollutants, waste water and garbage disposal, and the investigation and elimination of soil and groundwater pollution. In the past, these requirements have resulted in the need to invest in equipping and retrofitting Merck's plants. Merck assumes that investments will be required for this purpose in the future as well. This would apply in particular if the regulations to be observed by Merck were to be considerably tightened. Merck can neither influence this risk, nor predict its effects. Any increase in the expenses required to meet such obligations would affect the financial position and results of operations of Merck.

As of September 30, 2014, Merck operates 69 production facilities in 21 countries. Some of these locations have been used for industrial purposes for a long time. It cannot be guaranteed that substances hazardous to the environment have not leaked into the air, groundwater or soil of the production facilities or neighbouring properties in the past or that these substances do not otherwise pose a hazard to the environment and that Merck will not be held responsible for remediation. This applies regardless of whether Merck caused the pollution and also applies, depending on local laws, in principle to properties formerly owned by Merck that have been sold. Despite a contractual exclusion or limitation of liability in respect of the buyer, it cannot be guaranteed that Merck will not be held responsible under public and/or private law as the former owner or user for environmental pollution that may become known in the future. Merck has provisions in place for the remediation of already identified soil and groundwater contamination for its properties located inside and outside of Germany. Even if Merck has defined standards for environment friendly operations and checks compliance on a regular basis, it cannot be guaranteed for the future that Merck will not release substances in the course of its business activities that pollute the environment and that a company of the Merck Group will not be held responsible for remediation. The costs of the remediation of pollution that Merck would be liable for could adversely affect Merck's financial condition and results of operations. In addition, there is a danger associated with these risks that Merck's public image or Merck's relationships with customers could suffer.

Unforeseen business interruptions at individual production facilities can lead to production bottlenecks and revenue shortfalls at Merck.

Although Merck applies stringent technology and safety standards to the construction, operation and maintenance of its production plants, and chemical processes are performed in multi-purpose plants, as is common in the industry, the risk of business disruptions and interruptions cannot be ruled out. These may occur due to external factors that cannot be influenced by Merck (e.g. natural catastrophe or terrorism) or for other reasons, such as fire, explosions or the release of poisonous substances or substances hazardous to health. For example, in 2011, volumes of Xirallic[®] pigments declined significantly as a result of supply bottlenecks due to the temporary shut-down of the business unit's site in Onahama (Japan) caused by one of the strongest earthquakes Japan had ever experienced. To raise

its future supply reliability, the business unit commissioned a second production site for Xirallic[®] pigments in Germany in early 2012, which helped the business to regain market share lost in this segment in 2011. In addition, in all of these cases there is a risk that people, third-party property and/or the environment could be harmed, which could lead to a substantial financial burden for Merck. Merck has purchased insurance policies to cover such risks in amounts it has deemed appropriate (e.g. property damage, third-party liability and business interruption insurance). However, no assurance can be given that this insurance coverage is sufficient. Any business interruption that is not compensated for by corresponding insurance benefits would result in a loss of revenue.

Risks due to product-related crime and espionage.

As a manufacturer and supplier of high-quality pharmaceuticals and chemicals, Merck – like other companies in the chemical and pharmaceutical industries – faces certain risks due to crime. These include, among others, theft, misuse and counterfeiting of products (including attempts at these crimes). This often goes hand in hand with an infringement of trademark rights. The professionalism and complexity of product-related crime has increased significantly in recent years. In the relevant cases, Merck works closely and trustfully with the competent prosecution authorities in the countries concerned. To combat product-related crime, several years ago Merck established an internal coordination network covering all functions and divisions ("Merck Anti-Counterfeiting Operational Network"), which provides a reliable interface to authorities, associations and partner companies. Particularly with regard to the unknown number of cases in the area of product-related crime, the material damage to Merck cannot be estimated. Its influence on business activities depends on the individual case in question as well as factors specific to regions and products.

At Merck, the undesirable loss of information by any possible form of offence is subsumed under the risk category "espionage". Above all, particular importance is attached in this regard to the protection of sensitive business information, data protection and the protection of tangible and intangible expertise. On the one hand this intersects with risks resulting from digital data processing and communication, but it also covers threats that are not IT-based. With the aim of preventing unwanted diversion of information, a high-ranking "Intellectual Property Management Committee" (IPMC) was established in one division at Merck as a pilot scheme. It applies a holistic protection concept that, in addition to technical IT security, information and data protection measures, also comprises further targeted security measures. Nevertheless, the risk of a loss of information due to espionage is classified as possible despite the measures taken and could significantly impact the net assets, financial position and result of operations.

Merck depends on efficient and secure operations and the further integration of IT and data processing systems.

The ability of Merck to keep its business running depends on the efficient and secure operation of its IT systems in all divisions. IT risks having an impact on business results could occur when information is not available in time, or is erroneous or unintentionally disclosed, or when the mapped processes have been implemented in IT systems in a way that is too inflexible, too complex or even illegal. Security vulnerabilities in IT solutions and insufficient contingency planning measures can quickly become incidents that affect the entire Merck Group. The growing connectivity of IT landscapes and the increasing dependency on IT make it necessary for companies to invest heavily in maintenance and enhancement. In conjunction with constantly new legal requirements, data processing represents an increasingly time-consuming and costly activity. Moreover, data protection violations owing to incorrect authorizations or incorrect processing can create a negative external impression. Merck's IT systems are continuously extended, upgraded and decommissioned. Acquisitions such as that of Serono S.A. (now Merck Serono S.A.) and Millipore Corporation (now EMD Millipore Corporation) and AZ Electronic Materials S.A. have also required or with respect to Sigma-Aldrich will require, respectively, the integration of different IT systems and software applications. Because the individual components are produced by various manufacturers, entered into operation at various times or are based on different versions of the same software, the interaction and interdependencies between various components can in some cases make the systems more susceptible to disruptions than in cases

where entire systems were purchased from a single vendor and brought into service at the same time. The integration and improvement of systems requires additional efforts, particularly by efficient monitoring. Moreover, the outsourcing of IT systems and the increased utilization of SaaS-solutions (Software as a Service-solutions) entails a higher risk of loss of availability, integrity and confidentiality. Notwithstanding this, IT systems are generally susceptible to disruptions, damage, power outages, malicious attacks, computer viruses, fire and similar events. The disruption or interruption of the operation of these systems or the loss of important data, for example due to e-crime or during transition of data to an outsourced provider cannot be ruled out. The disruption or interruption of the operation of the IT systems used by Merck can affect the ability of Merck to efficiently run its production and development processes, and therefore adversely affect its financial condition and results of operations, particularly due to its complex production and development processes. To ensure that all IT risks are identified, assessed and that appropriate measures to reduce the risk to an appropriate level are taken, Merck is running an Information Security Management Framework according to ISO 27001. Regular audits and re-certification by independent bodies provides evidence that this framework contributes to appropriate risk mitigation.

Merck maintains a number of pension plans that, under certain circumstances, may not be covered by sufficient provisions or financed with sufficient assets in the future.

Merck offers access to certain pension plans to its employees in various countries, the structure of which depends on the legal, business and financial circumstances in the respective countries. Merck's pension obligations comprise both defined benefit and defined contribution plans and include both liabilities arising from current pensions, as well as entitlements to pensions to be paid in the future. The amount of the liabilities is based on certain actuarial assumptions, which include among others discount factors, life expectancy, projected pension increases, future developments of wages and salaries, and the expected return on plan assets. If actual developments, particularly with regard to discount rates, differ from these assumptions, this could lead to a substantial increase in pension liabilities on the balance sheet and therefore to higher additions to provisions for pensions. If pension assets do not perform as expected, Merck will have to increase the amount of these provisions.

The interests of major shareholders of Merck may conflict with the interests of the Holders.

In the event that circumstances arise in which the interests of the major shareholders of Merck or of E. Merck KG, the general partner holding an equity interest of approximately 70% of the total capital of Merck KGaA, conflict with the interests of the Holders, the Holders may be disadvantaged by the ability of the major shareholders of Merck KGaA or of E. Merck KG to veto or otherwise block actions of Merck KGaA or any other company of the Merck Group that may be in the interest of the Holders.

Risk factors relating to the Notes

The Notes may not be a suitable investment for all investors

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

An investment in the Notes is only suitable for investors who

- possess the required knowledge and experience in financial and business matters to evaluate the chances and risks of an investment in the Notes and the information contained or incorporated by reference into the Prospectus or any supplement thereto;
- have access to, and knowledge of, appropriate analytical tools to evaluate such chances and risks in the context of the potential investor's particular financial situation and to evaluate the impact the Notes will have on their overall investment portfolio;

- understand thoroughly the terms of the Notes and are familiar with the behaviour of the financial markets;
- are capable of bearing the economic risk of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor's currency;
- know that it may not be possible to dispose of the Notes for a substantial period of time, if at all; and
- are able to evaluate (either alone or with the help of a financial advisor) possible scenarios for economic, interest rate and other factors that may affect its investment and ability to bear the applicable risks.

The Notes are long-term securities in which an investment constitutes a financial risk for a long period.

The Notes will be redeemed on December 12, 2074, unless they have been previously redeemed or repurchased and cancelled. The Issuer is under no obligation to redeem the Notes at any time before this date. The Holders have no right to call for their redemption. Certain market expectations may exist among investors in the Notes with regard to the Issuer making use of a right to call the Notes for redemption prior to their scheduled maturity. Should the Issuer's actions diverge from such expectations, the market value of the Notes could be adversely affected and the liquidity of the Notes could be reduced.

Prospective investors should be aware that they may be required to bear the financial risks of an investment in the Notes for a long period and may not recover their investment before the end of this period.

The Holders are exposed to risks relating to fixed interest rate notes.

Until the respective First Call Date of the Notes, the Notes bear interest at a fixed rate for the initial fixed rate period. A Holder of a fixed interest rate Note carries the risk that the prices of the Notes can fall as a result of changes in the interest rate on the market. While the nominal interest rate of the Notes is fixed for the entire initial fixed rate period of the Notes and thereafter will be reset every five years to the Reference Rate plus the relevant margin specified in the relevant Terms and Conditions, the current interest rate on the capital market ("**market interest rate**") typically changes on a daily basis. As the market interest rate changes, the price of a Note with a fixed interest rate also changes – but in the opposite direction. If the market interest rate increases, the price of a Note with a fixed interest rate typically falls until the yield of such a Note approximately equals the market interest rate. If the market interest rate decreases, the price of a fixed interest rate Note typically increases, until the yield of such Note is approximately equal to the market interest rate. Holders 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 Holders if they sell their Notes.

In addition, the credit spread of the Issuer, on which the initial fixed interest rate and the margins applicable with regard to the determination of the fixed interest rate for each Reset Period, may change. A credit spread is the margin payable by the Issuer to the Holders 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 collateralisation 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.

The Holders are exposed to risks relating to the reset of interest rates linked to the 5 year Swap Rate.

Starting with the end of the initial fixed interest rate period, the Notes bear interest at a rate which will be determined on each Reset Date at the 5 year Swap Rate for the relevant Reset Period plus a margin.

Investors should be aware that the performance of the 5 year Swap Rate 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.

Investors in the Notes should bear in mind that neither the current nor the historical level of the 5 year Swap Rate is an indication of the future development of such 5 year Swap Rate.

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 market interest rate, as the market interest rate fluctuates. During each of these periods, the investor is exposed to the risk as described under "*— The Holders are exposed to risks relating to fixed interest rate notes*".

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

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

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

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

Holders 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 Deferred Interest Payments 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. Holders will not receive any additional interest or compensation for the deferral of payment. In particular, the resulting Deferred Interest Payments will not bear interest.

Any deferral of interest payments will likely have an adverse effect on the market price of the Notes. In addition, as a result of the interest deferral provision of the Notes, the market price of the Notes may be more volatile than the market prices of other debt securities on which interest accrues that are not subject to such deferrals and may be more sensitive generally to adverse changes in the Issuer's financial condition.

The Holders have no voting rights.

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

The Holders' 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 Holders 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.

The Holders have limited rights in German insolvency proceedings.

In an insolvency over the assets of the Issuer, claims against the Issuer under the Notes would be treated as deeply subordinated insolvency claims (*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 Holders would not participate in any creditors' committee (*Gläubigerausschuss*) pursuant to German Insolvency Code and would have very limited rights within the creditors' assembly (*Gläubigerversammlung*) pursuant to German Insolvency Code. 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 Holders generally would have no voting right on the adoption of an insolvency plan presented by the Issuer, 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 do not include express events of default or a cross default.

The Holders 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.

There is no limitation on issuing further debt ranking senior to, 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. Holders 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 Holders.

The Notes may be called and redeemed at the option of the Issuer on certain dates and at any time upon the occurrence of certain events. If the Notes are so redeemed, Holders of the Notes are exposed to the risk of a lower yield than expected.

The Issuer may redeem all outstanding Notes of each Series (i) on the relevant First Call Date or any Reset Date thereafter, or (ii) for reason of minimal outstanding amount, or (iii) if the Issuer is obligated to pay Additional Amounts in respect to the Notes due to withholding or deduction for, or on account of, any current or future taxes or any other dues imposed, levied, collected, or withheld by or on behalf of Germany, or for its account or from or for the account of an area municipality authorised to raise taxes or an agency in Germany, or (iv) if interest payable in respect of the Notes is no longer fully income tax deductible in Germany, or (v) S&P or any other rating agency eligible under the Terms and Conditions determines to no longer grant the same or higher category of "equity credit" to the Notes as a result of an amendment, clarification or change to the equity credit criteria of such rating agency, or (vi) upon the occurrence of a Change of Control Event (as defined in § 5(7) of the Terms and Conditions), or (vii) upon occurrence of an Acquisition Event (as defined in § 5(3) of the Terms and Conditions).

If the Notes are redeemed prior to their scheduled maturity Holders of the Notes are exposed to the risk that due to such redemption their investment will have a lower than expected yield. In such circumstances, the investor might not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the Notes.

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

The Issuer's obligations under the Notes are unsecured deeply subordinated obligations of the Issuer ranking junior to all unsubordinated obligations and to all subordinated obligations within the meaning of section 39 paragraph 1 of the German Insolvency Code (*Insolvenzordnung*) and at least *pari passu* amongst themselves and with all present unsecured obligations of the Issuer which rank junior 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 or as expressly provided for by the terms of the relevant instrument. The obligations of the Issuer under the Notes are senior only to the claims of the Issuer's general partners (*persönlich haftende Gesellschafter*) and limited partnership shareholders (*Kommanditaktionäre*) arising out of their respective participation in the equity of the Issuer.

In the event of winding-up, dissolution, liquidation of the Issuer the obligations of the Issuer under the Notes, and in case of the insolvency of the Issuer or composition or other proceedings for the avoidance of insolvency of the Issuer, the rights of the Holders towards the Issuer under the Notes 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 case payments in respect of the Notes will not be made until all claims against the Issuer under obligations which rank senior to obligations of the Issuer under the Notes have been satisfied in full (i.e. not only with a quota).

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 the Holders.

There is no active public trading market for the Notes.

There is currently no secondary market for the Notes. Application has been made to the Luxembourg Stock Exchange for the Notes to be admitted to trading on the Regulated Market of the Luxembourg Stock Exchange, which is a regulated market for the purposes of Directive 2004/39/EC on Markets in

Financial Instruments, and to be listed on the Official List of the Luxembourg Stock Exchange. There can, however, be no assurance regarding the future development of a liquid secondary market for the Notes or the ability of Holders to sell their Notes or the price at which Holders may be able to sell their Notes. If such a market were to develop, the Notes could trade at prices that may be higher or lower than the initial offering price depending on many factors, including prevailing interest rates, Merck's operating results, the market for similar securities and other factors, including general economic conditions, performance and prospects, as well as recommendations of securities analysts. The liquidity of, and the trading market for, the Notes may also be adversely affected by declines in the market for debt securities generally. Such a decline may affect any liquidity and trading of the Notes independent of Merck's financial performance and prospects. In an illiquid market, an investor might not be able to sell the Notes at any time at fair market prices. The possibility to sell the Notes might additionally be restricted by country specific reasons. A buyer of a Note must therefore be prepared to retain the Notes until final redemption.

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

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

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

When the Notes are purchased or sold, several types of incidental costs (including transaction fees and commissions) are incurred in addition to the purchase or sale price of the 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, Holders may also be charged for the brokerage fees, commissions and other fees and expenses of such parties (third party costs). These incidental costs may significantly reduce or eliminate any profit from holding the Notes.

The income under the Notes may be reduced by taxes.

Potential purchasers and sellers of the Notes should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Notes are transferred or other jurisdictions. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for financial instruments such as the Notes. Potential investors are advised not to rely on the tax summary 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 advisors are in a position to duly consider the specific situation of the potential investor.

Risk of change in market value.

The market value of the Notes is influenced by a change in the creditworthiness (or the perception thereof) of the Issuer and by the credit rating of the Issuer and a number of other factors including, but not limited to, market interest and rate of return and certain market expectations with regard to the Issuer making use of a right to call the Notes for redemption on the relevant First Call Date or a certain Reset Date thereafter.

The value of the Notes depends on a number of interacting factors, including, but not limited to, economic and political events in Germany or elsewhere, factors affecting the capital markets in general and the stock exchanges on which the Notes are traded. The price at which a Holder can sell the Notes might be considerably below the issue price or the purchase price paid by such Holder.

Risk of change in rating.

Ratings assigned to the Issuer by certain independent rating agencies are an indicator of the Issuer's ability to meet its obligations in a timely manner. The lower the assigned rating is on the respective scale the higher the respective rating agency assesses the risk that obligations will not be met at all or not be met in a timely manner. The market value of the Notes from time to time is likely to depend upon the level of credit rating assigned to the long-term debt of the Issuer. Rating agencies may change, suspend or withdraw their ratings at short notice; in particular the proposed acquisition of Sigma-Aldrich (see "*Risk factors relating to the Issuer*" – "*Merck is exposed to risks relating to the proposed acquisition of Sigma-Aldrich Corporation and other future acquisitions and divestments.*" above) may result in the lowering of the rating agencies' assessment of the credit worthiness of the Issuer which may result in a downgrade of the Issuer's credit rating and a downgrade of the rating assigned to the Notes. A rating's change, suspension or withdrawal may affect the price and the market value of the outstanding Notes. An investor may thus incur financial disadvantages as he may not be able to sell the Notes at a fair price. The Notes are expected to be assigned a credit rating by Moody's and S&P. The ratings may not reflect the potential impact of all risks related to the structure, market and additional factors discussed herein, and other factors that may affect the value of the Notes. In addition, Moody's, S&P or any other rating agency may change its methodologies for rating securities with features similar to the Notes in the future. This may include the relationship between ratings assigned to an issuer's senior securities and ratings assigned to securities with features similar to the Notes, sometimes called "notching". 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.

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

The Terms and Conditions of the Notes are based on German law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to German law or administrative practice or the official application or interpretation of German law after the date of this Prospectus.

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

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

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

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

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 the 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.

Certain rights of the Holders under the Terms and Conditions may be amended or reduced or even cancelled by Holders' resolutions and any such resolution will be binding for all Holders of the respective Series of Notes. Any such resolution may effectively be passed with the consent of less than a majority of the aggregate principal amount of the respective Series of Notes outstanding.

Since the Terms and Conditions of each Series of Notes provide for meetings of Holders of the respective Series of Notes or the taking of votes without a meeting, the Terms and Conditions of such Series of Notes may be amended by majority resolution of the Holders of such Series of Notes and a Holder is subject to the risk of being outvoted by a majority resolution of the Holders of the respective Series of Notes. The rules pertaining to resolutions of Holders are set out in the German Act on Debt Securities of 2009 (*Schuldverschreibungsgesetz* – "**SchVG**") and are largely mandatory. According to the SchVG the relevant majority for Holders' resolutions is generally based on votes cast, rather than on the aggregate principal amount of the relevant Series of Notes outstanding, therefore, any such resolution may effectively be passed with the consent of less than a majority of the aggregate principal amount of the respective Series of Notes outstanding. As such majority resolution is binding on all Holders of the respective Series of Notes, certain rights of a Holder against the Issuer under the Terms and Conditions of such Series of Notes may be amended or reduced or even cancelled.

If a Holders' representative will be appointed for the respective Series of Notes the Holders of the respective Series of Notes may be deprived of their individual right to pursue and enforce their rights under the respective Terms and Conditions against the Issuer.

Since the Terms and Conditions of each Series of Notes provide that the Holders of the respective Series of Notes are entitled to appoint a Holders' Representative by a majority resolution of such Holders, it is possible that a Holder may be deprived of its individual right to pursue and enforce its rights under the Terms and Conditions of such Series of Notes against the Issuer, such right passing to the Holders' Representative who is then exclusively responsible to claim and enforce the rights of all the Holders of the relevant Series of Notes.

Exchange rate risks and exchange controls.

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

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

Payments on the Notes may be subject to U.S. withholding under the Foreign Account Tax Compliance Act.

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 ("**Foreign Account Tax Compliance Act**" or "**FATCA**") imposes a new reporting regime and, potentially, a 30% withholding tax with respect to (i) certain payments from sources within the United States, (ii) "foreign passthru payments" made to certain non-U.S. financial institutions that do not comply with this new reporting regime, and (iii) payments to certain investors that do not provide identification information with respect to interests issued by a participating non-U.S. financial institution. The Issuer may be classified as a financial institution for these purposes. If an amount in respect of such withholding tax were to be deducted or withheld from interest, principal or other payments made in respect of the Notes, neither the Issuer nor any paying agent nor any other person would, pursuant to the conditions of the Notes, be required to pay additional amounts as a result of the deduction or withholding. As a result, investors may receive less interest or principal than expected. Prospective investors should refer with respect to FATCA to the section "Taxation – Foreign Account Tax Compliance Act".

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

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 Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the **participating Member States**).

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 and to persons both within and outside of the participating Member States.

Under the Commission's Proposal 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.

A joint statement issued in May 2014 by ten of the eleven participating Member States indicates an intention to implement the FTT progressively, such that it would initially apply to shares and certain derivatives, with this initial implementation occurring by January 1, 2016. Therefore, it is currently uncertain when the proposed FTT will be enacted by the participating Member States and when the FTT will enter into force with regard to dealings with the Notes. Furthermore, the FTT proposal remains subject to negotiation between the participating Member States. It may therefore be altered prior to any implementation. Additional Member States may decide to participate. Moreover, once the proposed Directive has been adopted, it will need to be implemented into the respective domestic laws of the participating Member States and the domestic provisions implementing the FTT might deviate from the Directive itself.

As a result, investors may be burdened with additional costs for the execution of transactions with the Notes. **Prospective investors should consult their own tax advisers in relation to the consequences of the FTT associated with subscribing for, purchasing, holding and disposing of the Notes.**

RESPONSIBILITY STATEMENT

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

TERMS AND CONDITIONS OF THE NC6.5 NOTES

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 der Information.

§ 1

DEFINITIONEN UND AUSLEGUNG

Soweit aus dem Zusammenhang nicht etwas anderes hervorgeht, haben die nachfolgenden Begriffe in diesen Anleihebedingungen die folgende Bedeutung:

"5 Jahres Swapsatz" hat die in § 4(2)(e) festgelegte Bedeutung.

"5 Jahres Swapsatz-Quotierungen" hat die in § 4(2)(e) festgelegte Bedeutung.

"Akquisitionsergebnis" hat die in § 5(3) festgelegte Bedeutung.

"Anfängliche Eigenkapitalanrechnungskategorie" hat die in § 5(3) festgelegte Bedeutung.

"Anfängliche Marge" hat die in § 4(2)(b) festgelegte Bedeutung.

"Anwendbarer Zinssatz" hat die in § 4(1) festgelegte Bedeutung.

"Ausgabetag" bedeutet 12. Dezember 2014.

"Austauschtag" hat die in § 2(2)(b) festgelegte Bedeutung.

"Berechnungsstelle" hat die in § 7(2) festgelegte Bedeutung.

"CBL" hat die in § 2(3) festgelegte Bedeutung

"Clearingsystem" hat die in § 2(3) festgelegte Bedeutung.

"Code" hat die in § 8(d) festgelegte Bedeutung.

"Dauerglobalurkunde" hat die in § 2(2)(a) festgelegte Bedeutung.

"Depotbank" hat die in § 14(3) festgelegte Bedeutung.

"Emittentin" hat die in § 2(1) festgelegte Bedeutung.

"Endfälligkeitstag" hat die in § 5(1) festgelegte

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

DEFINITIONS AND INTERPRETATION

Unless the context otherwise requires, the following terms shall have the following meanings in these Terms and Conditions:

"5 year Swap Rate" has the meaning specified in § 4(2)(e).

"5 year Swap Rate Quotations" has the meaning specified in § 4(2)(e).

"Acquisition Event" has the meaning specified in § 5(3).

"Initial category of equity credit" has the meaning specified in § 5(3).

"Initial Margin" has the meaning specified in § 4(2)(b).

"Prevailing Interest Rate" has the meaning specified in § 4(1).

"Issue Date" means December 12, 2014.

"Exchange Date" has the meaning specified in § 2(2)(b).

"Calculation Agent" has the meaning specified in § 7(2).

"CBL" has the meaning specified in § 2(3).

"Clearing System" has the meaning specified in § 2(3).

"Code" has the meaning specified in § 8(d).

"Permanent Global Note" has the meaning specified in § 2(2)(a).

"Custodian" has the meaning specified in § 14(3).

"Issuer" has the meaning specified in § 2(1).

"Maturity Date" has the meaning specified in § 5(1).

Bedeutung.

"**Ersetzungs-Garantie**" hat die in § 10(1)(c) festgelegte Bedeutung.

"**Erste Step-Up Marge**" hat die in § 4(2)(c) festgelegte Bedeutung.

"**Erster Rückzahlungstag**" hat die in § 4(2)(a) festgelegte Bedeutung.

"**Erster Step-Up Tag**" hat die in § 4(2)(b) festgelegte Bedeutung.

"**EUR**" hat die in § 2(1) festgelegte Bedeutung.

"**Euroclear**" hat die in § 2(3) festgelegte Bedeutung.

"**Festgelegte Stückelung**" hat die in § 2(1) festgelegte Bedeutung.

"**Feststellungsperiode**" hat die in § 4(6) festgelegte Bedeutung.

"**Feststellungstermin**" hat die in § 4(6) festgelegte Bedeutung.

"**Gemeinsamer Vertreter**" hat die in § 11(7) festgelegte Bedeutung.

"**Gesamtnennbetrag**" hat die in § 2(1) festgelegte Bedeutung.

"**Geschäftstag**" bezeichnet einen Tag (außer einem Samstag oder Sonntag), an dem das Clearingsystem sowie alle betroffenen Bereiche des Trans-European Automated Real-time Gross Settlement Express Transfer System (TARGET2) betriebsbereit sind, um die betreffenden Zahlungen weiterzuleiten.

"**Gläubiger**" hat die in § 2(4) festgelegte Bedeutung.

"**Gleichrangige Wertpapiere**" hat die in § 3(1) festgelegte Bedeutung.

"**Globalurkunden**" hat die in § 2(2)(a) festgelegte Bedeutung.

"**Hauptzahlstelle**" hat die in § 7(1) festgelegte Bedeutung.

"**ICSD**" und "**ICSDs**" hat jeweils die in § 2(3) festgelegte Bedeutung.

"**International Central Securities Depository**" hat die in § 2(3) festgelegte Bedeutung.

"**Kontrollwechsel**" hat die in § 5(7)(c) festgelegte Bedeutung.

"**Substitution Guarantee**" has the meaning specified in § 10(1)(c).

"**First Step-Up Margin**" has the meaning specified in § 4(2)(c).

"**First Call Date**" has the meaning specified in § 4(2)(a).

"**First Step-Up Date**" has the meaning specified in § 4(2)(b).

"**EUR**" has the meaning specified in § 2(1).

"**Euroclear**" has the meaning specified in § 2(3).

"**Specified Denomination**" has the meaning specified in § 2(1).

"**Determination Period**" has the meaning specified in § 4(6).

"**Determination Date**" has the meaning specified in § 4(6).

"**Holders' Representative**" has the meaning specified in § 11(7).

"**Aggregate Principal Amount**" has the meaning specified in § 2(1).

"**Business Day**" means a day (other than a Saturday or a Sunday) on which the Clearing System as well as all relevant parts of the Trans-European Automated Real-time Gross settlement Express Transfer system (TARGET2) are operational to forward the relevant payments.

"**Holder**" has the meaning specified in § 2(4).

"**Parity Securities**" has the meaning specified in § 3(1).

"**Global Notes**" has the meaning specified in § 2(2)(a).

"**Principal Paying Agent**" has the meaning specified in § 7(1).

"**ICSD**" and "**ICSDs**", respectively, has the meaning specified in § 2(3).

"**International Central Securities Depository**" has the meaning specified in § 2(3).

"**Change of Control**" has the meaning specified in § 5(7)(c).

"**Kontrollwechselereignis**" hat die in § 5(7)(c) festgelegte Bedeutung.

"**Kontrollwechsel-Mitteilung**" hat die in § 5(7)(a) festgelegte Bedeutung.

"**Kontrollwechsel-Stichtag**" hat die in § 5(7)(c) festgelegte Bedeutung.

"**Konzerninterne Zahlungen**" hat die in § 4(8)(c) festgelegte Bedeutung.

"**Moody's**" hat die in § 5(7)(c) festgelegte Bedeutung.

"**Nachfolgeschuldnerin**" hat die in § 10(1) festgelegte Bedeutung.

"**Obligatorisches Zahlungsereignis**" hat die in § 4(8)(c) festgelegte Bedeutung.

"**Qualifizierte Mehrheit**" hat die in § 11(2) festgelegte Bedeutung.

"**Quellensteuer-Ereignis**" hat die in § 5(3) festgelegte Bedeutung.

"**Rating Agentur**" hat die in § 5(7)(c) festgelegte Bedeutung.

"**Ratingagenturereignis**" hat die in § 5(3) festgelegte Bedeutung.

"**Rechtsstreitigkeiten**" hat die in § 14(2) festgelegte Bedeutung.

"**Referenz Reset Tag**" hat die in § 4(2)(e) festgelegte Bedeutung.

"**Referenzsatz**" hat die in § 4(2)(e) festgelegte Bedeutung.

"**Relevante Ratingagentur**" hat die in § 5(3) festgelegte Bedeutung.

"**Reset-Bildschirmseite**" hat die in § 4(2)(e) festgelegte Bedeutung.

"**Reset-Referenzbanken**" hat die in § 4(2)(e) festgelegte Bedeutung.

"**Reset-Referenzbankensatz**" hat die in § 4(2)(e) festgelegte Bedeutung.

"**Reset Tag**" hat die in § 4(2)(e) festgelegte Bedeutung.

"**Reset-Zinssatz**" hat die in § 4(2)(f) festgelegte Bedeutung.

"**Reset Zeitraum**" hat die in § 4(2)(e) festgelegte Bedeutung.

"**Change of Control Event**" has the meaning specified in § 5(7)(c).

"**Change of Control Notice**" has the meaning specified in § 5(7)(a).

"**Change of Control Effective Date**" has the meaning specified in § 5(7)(c).

"**Intra-Group Payments**" has the meaning specified in § 4(8)(c).

"**Moody's**" has the meaning specified in § 5(7)(c).

"**Substitute Debtor**" has the meaning specified in § 10(1).

"**Compulsory Payment Event**" has the meaning specified in § 4(8)(c).

"**Qualified Majority**" has the meaning specified in § 11(2).

"**Gross-up Event**" has the meaning specified in § 5(3).

"**Rating Agency**" has the meaning specified in § 5(7)(c).

"**Rating Agency Event**" has the meaning specified in § 5(3).

"**Proceedings**" has the meaning specified in § 14(2).

"**Reference Reset Date**" has the meaning specified in § 4(2)(e).

"**Reference Rate**" has the meaning specified in § 4(2)(e).

"**Relevant Rating Agency**" has the meaning specified in § 5(3).

"**Reset Screen Page**" has the meaning specified in § 4(2)(e).

"**Reset Reference Banks**" has the meaning specified in § 4(2)(e).

"**Reset Reference Bank Rate**" has the meaning specified in § 4(2)(e).

"**Reset Date**" has the meaning specified in § 4(2)(e).

"**Reset Interest Rate**" has the meaning specified in § 4(2)(f).

"**Reset Period**" has the meaning specified in § 4(2)(e).

"**Rückzahlungstag**" bezeichnet den Tag, an dem die Schuldverschreibungen nach Maßgabe dieser Anleihebedingungen zur Rückzahlung fällig werden.

"**Schuldverschreibungen**" hat die in § 2(1) festgelegte Bedeutung.

"**SchVG**" hat die in § 11(1) festgelegte Bedeutung.

"**S&P**" hat die in § 5(7)(c) festgelegte Bedeutung.

"**Steuerereignis**" hat die in § 5(3) festgelegte Bedeutung.

"**Steuerhoheitsgebiet**" hat die in § 8 festgelegte Bedeutung.

"**Tochtergesellschaft**" hat die in § 3(1) festgelegte Bedeutung.

"**Verbundenes Finanzierungsunternehmen**" hat die in § 10(1) festgelegte Bedeutung.

"**Vereinigte Staaten**" hat die in § 2(2)(b) festgelegte Bedeutung.

"**Vorläufige Globalurkunde**" hat die in § 2(2)(a) festgelegte Bedeutung.

"**Zinsberechnungszeitraum**" hat die in § 4(6) festgelegte Bedeutung.

"**Zinsen**" hat die in § 4(3) festgelegte Bedeutung.

"**Zinsrückstände**" hat die in § 4(7) festgelegte Bedeutung.

"**Zinstagequotient**" hat die in § 4(6) festgelegte Bedeutung.

"**Zinszahlungstag**" hat die in § 4(1) festgelegte Bedeutung.

"**Zinszeitraum**" hat die in § 4(1) festgelegte Bedeutung.

"**Zusätzliche Beträge**" hat die in § 8 festgelegte Bedeutung.

"**Zweite Step-Up Marge**" hat die in § 4(2)(d) festgelegte Bedeutung.

"**Zweiter Step-Up Tag**" hat die in § 4(2)(c) festgelegte Bedeutung.

"**Redemption Date**" means the day on which the Notes become due for redemption in accordance with these Terms and Conditions.

"**Notes**" has the meaning specified in § 2(1).

"**SchVG**" has the meaning specified in § 11(1).

"**S&P**" has the meaning specified in § 5(7)(c).

"**Tax Event**" has the meaning specified in § 5(3).

"**Taxing Jurisdiction**" has the meaning specified in § 8.

"**Subsidiary**" has the meaning specified in § 3(1).

"**Financing Affiliate**" has the meaning specified in § 10(1).

"**United States**" has the meaning specified in § 2(2)(b).

"**Temporary Global Note**" has the meaning specified in § 2(2)(a).

"**Calculation Period**" has the meaning specified in § 4(6).

"**Interest**" has the meaning specified in § 4(3).

"**Deferred Interest Payments**" has the meaning specified in § 4(7).

"**Day Count Fraction**" has the meaning specified in § 4(6).

"**Interest Payment Date**" has the meaning specified in § 4(1).

"**Interest Period**" has the meaning specified in § 4(1).

"**Additional Amounts**" has the meaning specified in § 8.

"**Second Step-Up Margin**" has the meaning specified in § 4(2)(d).

"**Second Step-Up Date**" has the meaning specified in § 4(2)(c).

§ 2

**GESAMTNENNBETRAG, FESTGELEGTE
STÜCKELUNG, FORM, CLEARINGSYSTEM**

- (1) *Gesamtnennbetrag, Form, Festgelegte Stückelung.* Die Emission der an den Inhaber zahlbaren nachrangigen Schuldverschreibungen (die "**Schuldverschreibungen**") der Merck KGaA, Darmstadt (die "**Emittentin**") werden in Euro ("**EUR**") im Gesamtnennbetrag von EUR [*Gesamtnennbetrag der NC6,5 Schuldverschreibungen einfügen*] (der "**Gesamtnennbetrag**") in Stückelungen je Schuldverschreibung von EUR 1.000 (die "**Festgelegte Stückelung**") begeben.
- (2) *Vorläufige Globalurkunde, Dauerglobalurkunde, Austausch.*
- (a) Die Schuldverschreibungen sind anfänglich durch eine vorläufige Globalurkunde (die "**Vorläufige Globalurkunde**") ohne Zinsscheine verbrieft. Die Vorläufige Globalurkunde wird gegen eine Dauerglobalurkunde (die "**Dauerglobalurkunde**"; die Vorläufige Globalurkunde und die Dauerglobalurkunde zusammen die "**Globalurkunden**") ohne Zinsscheine ausgetauscht. Die Globalurkunden tragen jeweils die Unterschriften ordnungsgemäß bevollmächtigter Vertreter der Emittentin und sind jeweils von der Hauptzahlstelle oder in deren Namen mit einer Kontrollunterschrift versehen. Einzelurkunden und Zinsscheine werden nicht ausgegeben.
- (b) Die Vorläufige Globalurkunde wird frühestens an einem Tag (der "**Austauschtag**") gegen die Dauerglobalurkunde austauschbar, der 40 Tage nach dem Ausgabetag der durch die Vorläufige Globalurkunde verbrieften Schuldverschreibungen liegt. Ein solcher Austausch darf nur nach Vorlage von Bescheinigungen gemäß U.S. Steuerrecht erfolgen, wonach der oder die wirtschaftlichen Eigentümer der durch die Vorläufige Globalurkunde verbrieften Schuldverschreibungen keine U.S. Personen sind (ausgenommen bestimmte Finanzinstitute oder bestimmte Personen, die Schuldverschreibungen über solche

§ 2

**AGGREGATE PRINCIPAL AMOUNT,
SPECIFIED DENOMINATION, FORM,
CLEARING SYSTEM**

- (1) *Aggregate Principal Amount, Form, Specified Denomination.* This issue of subordinated notes payable to the bearer (the "**Notes**") of Merck KGaA, Darmstadt (the "**Issuer**") is being issued in euro ("**EUR**") in the aggregate principal amount of EUR [*insert Aggregate Principal Amount of the NC6.5 Notes*] (the "**Aggregate Principal Amount**") in a denomination of EUR 1,000 each (the "**Specified Denomination**").
- (2) *Temporary Global Note, Permanent Global Note, Exchange.*
- (a) The Notes are initially represented by one temporary global note (the "**Temporary Global Note**") without interest coupons. The Temporary Global Note shall be exchangeable for a permanent global note (the "**Permanent Global Note**"; the Permanent Global Note and the Temporary Global Note together the "**Global Notes**") without interest coupons. The Global Notes shall each be signed by authorised signatories of the Issuer and shall each be authenticated by or on behalf of the Principal Paying Agent. Definitive notes and interest coupons shall not be issued.
- (b) The Temporary Global Note shall be exchangeable for the Permanent Global Note (the "**Exchange Date**") from a date 40 days after the Issue Date of the Notes represented by the Temporary Global Note. Such exchange shall only be made upon delivery of certifications to the effect that the beneficial owner or owners of the Notes represented by the Temporary Global Note is not a U.S. person (other than certain financial institutions or certain persons holding Notes through such financial institutions) as required by U.S. tax law. Payment of Interest and Deferred Interest Payments, if any, on Notes represented by a Temporary Global Note will be made only after

Finanzinstitute halten). Falls Zinsen oder Zinsrückstände auf durch eine Vorläufige Globalurkunde verbriefte Schuldverschreibungen bevorstehen, erfolgen sie erst nach Vorlage solcher Bescheinigungen. Eine gesonderte Bescheinigung ist für jede solche Zahlung von Zinsen oder Zinsrückständen erforderlich. Jede Bescheinigung, die am oder nach dem 40. Tag nach dem Ausgabetag der durch die Vorläufige Globalurkunde verbrieften Schuldverschreibungen eingeht, wird als ein Ersuchen behandelt werden, diese Vorläufige Globalurkunde gemäß diesem Absatz (2)(b) auszutauschen. Schuldverschreibungen, die im Austausch für die Vorläufige Globalurkunde geliefert werden, dürfen nur außerhalb der Vereinigten Staaten (wie unten definiert) geliefert werden.

"**Vereinigte Staaten**" bezeichnet die Vereinigten Staaten von Amerika (einschließlich deren Bundesstaaten und des Districts of Columbia) sowie deren Territorien (einschließlich Puerto Ricos, der U.S. Virgin Islands, Guam, American Samoa, Wake Island und der Northern Mariana Islands).

- (3) *Clearingsystem.* Die Dauerglobalurkunde wird solange von einem oder im Namen eines Clearingsystems verwahrt, bis sämtliche Verbindlichkeiten der Emittentin aus den Schuldverschreibungen erfüllt sind. "**Clearingsystem**" bedeutet jeweils folgendes: Clearstream Banking, société anonyme, Luxemburg ("**CBL**") und Euroclear Bank S.A./N.V. Brüssel, als Betreiberin des Euroclear Systems ("**Euroclear**") sowie jeder Funktionsnachfolger. "**International Central Securities Depository**" oder "**ICSD**" bezeichnet jeweils CBL und Euroclear (zusammen die "**ICSDs**").

Die Schuldverschreibungen werden in Form einer Classical Global Note ausgegeben und von einer gemeinsamen Verwahrstelle im Namen beider ICSDs verwahrt.

- (4) *Gläubiger, Übertragbarkeit.* "**Gläubiger**" bedeutet jeder Inhaber eines Miteigentumsanteils oder anderen vergleichbaren Rechts an den

delivery of such certifications. A separate certification shall be required in respect of each such payment of Interest or Deferred Interest Payments. Any such certification received on or after the 40th day after the Issue Date of the Notes represented by the Temporary Global Note will be treated as a request to exchange such Temporary Global Note pursuant to this subparagraph (2)(b). Any Notes delivered in exchange for the Temporary Global Note shall be delivered only outside of the United States (as defined below).

"**United States**" means the United States of America (including the States thereof and the District of Columbia) and its possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and Northern Mariana Islands).

- (3) *Clearing System.* The Permanent Global Note will be kept in custody by or on behalf of the Clearing System until all obligations of the Issuer under the Notes have been satisfied. "**Clearing System**" means each of the following: Clearstream Banking, société anonyme Luxembourg ("**CBL**") and Euroclear Bank S.A./N.V. Brussels as operator of the Euroclear System ("**Euroclear**") and any successor in such capacity. "**International Central Securities Depository**" or "**ICSD**" means each of CBL and Euroclear (together, the "**ICSDs**").

The Notes are issued in classical global note form and are kept in custody by a common depositary on behalf of both ICSDs.

- (4) *Holder, Transferability.* "**Holder**" means any holder of a proportionate co-ownership or other beneficial interest or right in the Notes, which are transferable in accordance with applicable

Schuldverschreibungen, der oder die nach Maßgabe des anwendbaren Rechts und der jeweils geltenden Regelwerke des Clearingsystems übertragen werden können.

§ 3

STATUS DER SCHULDVERSCHREIBUNGEN, AUFRECHNUNGSVERBOT

- (1) *Status der Schuldverschreibungen.* Soweit nachstehend nichts anderes bestimmt ist, begründen die Schuldverschreibungen direkte, nicht besicherte, nachrangige Verbindlichkeiten der Emittentin, die im Fall der Abwicklung, Auflösung oder Liquidation der Emittentin (i) nur den Ansprüchen der persönlich haftenden Gesellschafter und der Kommanditaktionäre aus deren jeweiliger Beteiligung am Eigenkapital der Emittentin im Rang vorgehen, (ii) untereinander und mit jedem Gleichrangigen Wertpapier im Rang gleich stehen 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.

Die Rechte der Gläubiger aus den Schuldverschreibungen gegenüber der Emittentin begründen direkte, nicht besicherte und nachrangige Rechte gegenüber der Emittentin im Sinne von § 39 Absatz 2 Insolvenzordnung, die im Fall der Insolvenz der Emittentin, eines Vergleichs oder eines anderen der Abwendung der Insolvenz der Emittentin dienenden Verfahrens (i) nur den Ansprüchen der persönlich haftenden Gesellschafter und der Kommanditaktionäre aus deren jeweiliger Beteiligung am Eigenkapital der Emittentin im Rang vorgehen, (ii) untereinander und mit jedem Gleichrangigen Wertpapier im Rang gleich stehen und (iii) allen anderen bestehenden und zukünftigen Verbindlichkeiten der Emittentin, ob nachrangig oder nicht nachrangig, im Rang nachgehen, soweit nicht zwingende gesetzliche Vorschriften etwas anderes vorschreiben bzw. die Bedingungen des betreffenden Instruments ausdrücklich etwas anderes vorsehen.

law and applicable rules of the Clearing System.

§ 3

STATUS OF THE NOTES, PROHIBITION OF SET-OFF

- (1) *Status of the Notes.* Except as otherwise provided below, the obligations of the Issuer under the Notes constitute direct, unsecured and subordinated obligations of the Issuer and, in the event of the winding-up, dissolution or liquidation of the Issuer, rank (i) senior only to the claims of the Issuer's general partners (*persönlich haftende Gesellschafter*) and limited partnership shareholders (*Kommanditaktionäre*) arising out of their respective participation in the equity of the Issuer, (ii) *pari passu* among themselves and *pari passu* with any Parity Securities 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.

The rights of the Holders towards the Issuer under the Notes constitute direct, unsecured and subordinated rights in the meaning of section 39 paragraph 2 of the German Insolvency Regulation (*Insolvenzordnung*) and, in the event of the insolvency of the Issuer, composition or other proceedings for the avoidance of insolvency of the Issuer, rank (i) senior only to the claims of the Issuer's general partners (*persönlich haftende Gesellschafter*) and limited partnership shareholders (*Kommanditaktionäre*) arising out of their respective participation in the equity of the Issuer, (ii) *pari passu* among themselves and *pari passu* with any Parity Securities 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 otherwise provided for by the terms of the relevant instrument.

Im Fall (i) der Abwicklung, Auflösung oder Liquidation der Emittentin gehen die Verbindlichkeiten der Emittentin aus den Schuldverschreibungen, und im Fall (ii) der Insolvenz der Emittentin oder eines Vergleichs oder eines anderen der Abwendung der Insolvenz der Emittentin dienenden Verfahrens, gehen die Rechte der Gläubiger gegenüber der Emittentin gemäß § 39 Absatz 2 Insolvenzordnung im Rang den Ansprüchen aller nicht nachrangigen und nachrangigen Gläubiger nach (soweit nicht zwingende gesetzliche Vorschriften etwas anderes vorschreiben bzw. die Bedingungen, denen die betreffenden Ansprüche unterliegen, ausdrücklich etwas anderes vorsehen), so dass Zahlungen auf die Schuldverschreibungen solange nicht erfolgen, wie die Ansprüche dieser nicht nachrangigen und nachrangigen Gläubiger gegen die Emittentin nicht zuvor vollständig erfüllt sind.

Für die Rechte der Gläubiger aus den Schuldverschreibungen ist diesen keine Sicherheit durch die Emittentin oder durch Dritte gestellt; eine solche Sicherheit wird auch zu keinem Zeitpunkt gestellt werden.

"Gleichrangige Wertpapiere" bezeichnet (i) jedes von der Emittentin begebene Wertpapier oder andere Instrument und gegen sie gerichtete Forderungen, die gleichrangig im Verhältnis zu den Verbindlichkeiten der Emittentin unter den Schuldverschreibungen sind, oder (ii) jedes von einer Tochtergesellschaft begebene Wertpapier oder andere Instrument, das durch die Emittentin garantiert wird oder von einer Patronatserklärung der Emittentin profitiert, bei dem die Verbindlichkeiten der Emittentin aus der maßgeblichen Garantie oder Patronatserklärung gleichrangig im Verhältnis zu den Verbindlichkeiten der Emittentin aus den Schuldverschreibungen sind.

"Tochtergesellschaft" bezeichnet jede direkte oder mittelbare mehrheitliche Tochtergesellschaft der Emittentin.

- (2) *Aufrechnungsverbot.* Die Gläubiger sind nicht berechtigt, Forderungen aus den Schuldverschreibungen gegen mögliche Forderungen der Emittentin aufzurechnen. Die

In the case of (i) the winding-up, dissolution or liquidation of the Issuer, the obligations of the Issuer under the Notes, and (ii) the insolvency of the Issuer or composition or other proceedings for the avoidance of insolvency of the Issuer, the rights of the Holders towards the Issuer shall, pursuant to section 39 paragraph 2 of the German Insolvency Regulation (*Insolvenzordnung*), be subordinated to the claims of all unsubordinated and subordinated creditors of the Issuer (except as otherwise provided by mandatory provisions of law or as expressly otherwise provided for by the terms underlying the relevant claims) so that in any such case no amounts shall be payable in respect of the Notes until the claims of such unsubordinated and subordinated creditors of the Issuer shall have first been satisfied in full.

No security is, or shall at any time be, granted by the Issuer or any other person securing rights of the Holders under the Notes.

"Parity Securities" means (i) any securities or other instruments issued by the Issuer and claims towards the Issuer which are expressed to rank *pari passu* with the Issuer's obligations under the Notes or (ii) securities or other instruments issued by a Subsidiary, where such securities or instruments have the benefit of a guarantee or keep well agreement by the Issuer, and the obligations under such guarantee or keep well agreement rank *pari passu* with the Issuer's obligations under the Notes.

"Subsidiary" means any directly or indirectly majority-owned subsidiary of the Issuer.

- (2) *Prohibition of Set-off.* No Holder may set-off any claims arising under the Notes against any claims that the Issuer may have against it. The Issuer may not set-off any claims it may have

Emittentin ist nicht berechtigt, Forderungen gegenüber einem Gläubiger gegen Verpflichtungen aus den Schuldverschreibungen aufzurechnen.

§ 4

ZINSEN, ZINSAUFSCHUB

- (1) *Zinslauf, Zinszahlungstage und Zinszeiträume.* Vorbehaltlich der weiteren Bestimmungen dieses § 4 (insbesondere § 4(7)) berechtigen die Schuldverschreibungen die Gläubiger für jeden Zinszeitraum (wie nachstehend definiert) vom Ausgabetag (einschließlich) bis zu dem in § 4(9) vorgesehenen Zeitpunkt zu Zinsen in Höhe des für den jeweiligen Zinszeitraum gemäß § 4(2) anwendbaren Zinssatzes (der "**Anwendbare Zinssatz**") auf die festgelegte Stückelung je Schuldverschreibung. Die Zinsen sind jährlich nachträglich am 12. Juni eines jeden Jahres, erstmals fällig am 12. Juni 2015 für den Zeitraum vom Ausgabetag (einschließlich) bis zum 12. Juni 2015 (ausschließlich) (kurze erste Zinsperiode) und, sofern nicht bereits zuvor zurückgezahlt oder zurückgekauft, letztmals fällig am Tag der Rückzahlung der Schuldverschreibungen für den Zeitraum vom 12. Juni 2074 (einschließlich) bis zum 12. Dezember 2074 (ausschließlich) (kurze letzte Zinsperiode) (jeweils ein "**Zinszahlungstag**").

"**Zinszeitraum**" bezeichnet (i) den Zeitraum vom Ausgabetag (einschließlich) bis zum ersten Zinszahlungstag (ausschließlich) und (ii) den Zeitraum von einem Zinszahlungstag (einschließlich) bis zum unmittelbar folgenden Zinszahlungstag (ausschließlich).

- (2) *Anwendbarer Zinssatz.*
- (a) *Anfänglicher Festzinszeitraum.* Für jeden Zinszeitraum, der in den Zeitraum vom Ausgabetag (einschließlich) bis zum 12. Juni 2021 (der "**Erste Rückzahlungstag**") (ausschließlich) fällt, entspricht der Anwendbare Zinssatz [**Fest-Zinssatz der NC6,5 Schuldverschreibungen einfügen**]% per annum.
- (b) *Erster Reset Zeitraum.* Für jeden Zinszeitraum, der in den Reset Zeitraum vom Ersten Rückzahlungstag (einschließlich) bis zum

against any Holder against any of its obligations under the Notes.

§ 4

INTEREST, INTEREST DEFERRAL

- (1) *Interest Accrual Period, Interest Payment Dates and Interest Periods.* Subject to the further provisions of this § 4 (in particular, but not limited to § 4(7)) the Notes entitle the Holders to Interest for each Interest Period (as defined below) from and including the Issue Date to the date specified in § 4(9) at the prevailing interest rate according to § 4(2) (the "**Prevailing Interest Rate**") on the Specified Denomination per Note. Such Interest shall be payable annually in arrear on June 12 of each year, commencing on June 12, 2015 in respect of the period from and including the Issue Date to, but excluding June 12, 2015 (short first coupon) and, unless previously redeemed or repurchased, for the last time on the day of redemption of the Notes in respect of the period from and including June 12, 2074 to, but excluding December 12, 2074 (short last coupon) (each a "**Interest Payment Date**").

"**Interest Period**" means (i) the period from and including the Issue Date to, but excluding, the first Interest Payment Date and (ii) the period from and including any Interest Payment Date to, but excluding, the immediately following Interest Payment Date.

- (2) *Prevailing Interest Rate.*
- (a) *Initial Fixed Rate Period.* For any Interest Period falling in the period from and including the Issue Date to, but excluding June 12, 2021 (the "**First Call Date**"), the Prevailing Interest Rate shall be equal to a rate of [**insert NC6.5 Fixed Interest Rate**] per cent. per annum.
- (b) *First Reset Period.* For any Interest Period falling in the Reset Period from and including the First Call Date to, but excluding, June 12,

12. Juni 2026 ("**Erster Step-Up Tag**") (ausschließlich) fällt, entspricht der Anwendbare Zinssatz dem Referenzsatz für diesen Reset Zeitraum zuzüglich [**Anfängliche Marge der NC6,5 Schuldverschreibungen einfügen**] Basispunkte per annum (die "**Anfängliche Marge**").

- (c) *Zweiter Reset Zeitraum.* Für jeden Zinszeitraum, der in den Reset Zeitraum vom Ersten Step-Up Tag (einschließlich) bis zum 12. Juni 2041 (der "**Zweite Step-Up Tag**") (ausschließlich) fällt, entspricht der Anwendbare Zinssatz dem Referenzsatz für diesen Reset Zeitraum zuzüglich der Ersten Step-Up Marge (wie nachfolgend definiert).

"**Erste Step-Up Marge**" bezeichnet die Anfängliche Marge zuzüglich 25 Basispunkten per annum.

- (d) *Reset Zeiträume nach dem zweiten Reset Zeitraum.* Für jeden Zinszeitraum, der in einen Reset Zeitraum fällt, der an oder nach dem Zweiten Step-Up Tag beginnt, entspricht der Anwendbare Zinssatz dem Referenzsatz für den betreffenden Reset Zeitraum zuzüglich der Zweiten Step-Up Marge (wie nachstehend definiert).

"**Zweite Step-Up Marge**" bezeichnet die Anfängliche Marge zuzüglich 100 Basispunkten per annum.

- (e) *Definitionen.*

"**Referenzsatz**" für einen Reset Zeitraum bezeichnet den 5 Jahres Swapsatz (der "**5 Jahres Swapsatz**") wie er, wie unten beschrieben, vor dem Reset Tag, an dem der jeweilige Reset Zeitraum beginnt (der "**Referenz Reset Tag**"), festgelegt wird. Der Referenzsatz für einen Reset Zeitraum wird von der Berechnungsstelle festgelegt und ist das rechnerische Mittel der Geld- und Briefkurse für den jährlichen Festzinszahlungsstrom (berechnet auf einer 30/360 Tageberechnungsbasis) einer fixed-for-floating Euro Zinsswap-Transaktion, (x) die eine 5-jährige Laufzeit hat und am Referenz Reset Tag beginnt, (y) auf einen Betrag lautet, der dem einer repräsentativen einzelnen Transaktion in dem relevanten Markt zur relevanten Zeit eines

2026 (the "**First Step-Up Date**"), the Prevailing Interest Rate shall be equal to the Reference Rate for such Reset Period plus [**insert NC6.5 Initial Margin**] basis points per annum (the "**Initial Margin**").

- (c) *Second Reset Period.* For any Interest Period falling in the Reset Period from and including the First Step-Up Date to but excluding June 12, 2041 (the "**Second Step-Up Date**"), the Prevailing Interest Rate shall be equal to the Reference Rate for such Reset Period plus the First Step-Up Margin (as defined below).

"**First Step-Up Margin**" means the Initial Margin plus 25 basis points per annum.

- (d) *Reset Periods following the second Reset Period.* For any Interest Period falling in any Reset Period commencing on or after the Second Step-Up Date, the Prevailing Interest Rate shall be equal to the Reference Rate for the relevant Reset Period plus the Second Step-Up Margin (as defined below).

"**Second Step-Up Margin**" means the Initial Margin plus 100 basis points per annum.

- (e) *Definitions.*

"**Reference Rate**" for any Reset Period means the 5 year swap rate (the "**5 year Swap Rate**") determined, as described below, prior to the Reset Date on which the relevant Reset Period begins (the "**Reference Reset Date**"). The Reference Rate for a Reset Period will be determined by the Calculation Agent and will be 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 which (x) has a term of 5 years commencing on the Reference Reset Date, (y) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market, and (z) has a floating leg based on the

anerkannten Händlers mit guter Bonität im Swap-Markt entspricht, und (z) deren variabler Zahlungsstrom auf dem 6-Monats EURIBOR Satz beruht (berechnet auf einer Actual/360 Tage-Berechnungsbasis), wie es am zweiten Geschäftstag vor dem Referenz Reset Tag um 11:00 Uhr (Frankfurter Zeit) auf dem Reuters Bildschirm "ISDAFIX2" unter der Überschrift "EURIBOR BASIS" und dem Untertitel "11:00 AM Frankfurt time" (auf dem solche Überschriften und Untertitel von Zeit zur Zeit erscheinen) (die "**Reset-Bildschirmseite**") angezeigt wird.

"**Reset Tag**" bezeichnet den Ersten Rückzahlungstag und danach jeden fünften Jahrestag des jeweils unmittelbar vorangehenden Reset Tages.

"**Reset Zeitraum**" bezeichnet jeden Zeitraum ab dem Ersten Rückzahlungstag (einschließlich) bis zum nächstfolgenden Reset Tag (ausschließlich) und nachfolgend ab jedem Reset Tag (einschließlich) bis zu dem jeweils nächstfolgenden Reset Tag (ausschließlich).

Für den Fall, dass der 5 Jahres Swapsatz am zweiten Geschäftstag vor dem Referenz Reset Tag nicht auf der Reset-Bildschirmseite erscheint, ist der 5 Jahres Swapsatz der Reset-Referenzbankensatz an diesem Tag. Der "**Reset-Referenzbankensatz**" ist der Prozentsatz, der am zweiten Geschäftstag vor dem Referenz Reset Tag auf Basis der 5 Jahres Swapsatz-Quotierungen festgelegt wird, die der Berechnungsstelle ungefähr um 11:00 Uhr (Frankfurter Ortszeit) von fünf führenden Swap-Händlern im Interbankenhandel (die "**Reset-Referenzbanken**") gestellt werden.

Wenn mindestens drei Quotierungen genannt werden, wird der 5 Jahres Swapsatz das rechnerische Mittel der Quotierungen unter Ausschluss der höchsten Quotierung (bzw., für den Fall von gleich hohen Quotierungen, einer der höchsten Quotierungen) und der niedrigsten Quotierung (bzw., für den Fall von gleich hohen Quotierungen, einer der niedrigsten Quotierungen) sein. Kann der Reset-Referenzbankensatz nicht gemäß der vorhergehenden Bestimmungen dieses Absatzes bestimmt werden, entspricht der

6-months EURIBOR rate (calculated on an Actual/360 day count basis), as such arithmetic mean appears on the Reuters screen "ISDAFIX2" under the heading "EURIBOR BASIS" and the caption "11:00 AM Frankfurt time" (as such headings and captions may appear from time to time) as of 11.00 a.m. (Frankfurt time) (the "**Reset Screen Page**") on the second Business Day prior to the Reference Reset Date.

"**Reset Date**" means the First Call Date, and thereafter any fifth anniversary of the immediately preceding Reset 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.

In the event that the 5 year Swap Rate does not appear on the Reset Screen Page on the second Business Day prior to the Reference Reset Date, the 5 year Swap Rate will be the Reset Reference Bank Rate on such date. "**Reset Reference Bank Rate**" means the percentage rate determined on the basis of the 5 year Swap Rate Quotations provided by five leading swap dealers in the interbank market (the "**Reset Reference Banks**") to the Calculation Agent at approximately 11.00 a.m., Frankfurt time), on the second Business Day prior to the Reference Reset Date.

If at least three quotations are provided, the 5 year Swap Rate will be the arithmetic mean 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). If the Reset Reference Bank Rate cannot be determined pursuant to the foregoing provisions of this paragraph, the relevant Reset Reference Bank Rate shall be equal to the last 5 year Swap Rate available on the Reset Screen

jeweilige Reset-Referenzbankensatz dem durch die Berechnungsstelle festgelegten 5 Jahres Swapsatz, welcher zuletzt auf der Reset-Bildschirmseite verfügbar war.

Hierbei bedeuten die "**5 Jahres Swapsatz-Quotierungen**" das rechnerische Mittel der Geld- und Briefkurse für den jährlichen Festzinssatzstrom (berechnet auf einer 30/360 Tagesberechnungsbasis) einer fixed-for-floating Euro Zinsswap-Transaktion, (i) die eine 5 jährige Laufzeit hat und am Referenz Reset Tag beginnt, (ii) auf einen Betrag lautet, der dem einer repräsentativen einzelnen Transaktion in dem relevanten Markt zur relevanten Zeit eines anerkannten Händlers mit guter Bonität im Swap Markt entspricht, und (iii) deren variabler Zahlungsstrom auf dem 6-Monats EURIBOR Satz beruht (berechnet auf einer Actual/360 Tageberechnungsbasis).

- (f) Unverzüglich nach Bestimmung des Referenzsatzes wird die Berechnungsstelle den Anwendbaren Zinssatz für jeden Reset Zeitraum (jeweils ein "**Reset-Zinssatz**") bestimmen und die Zinsen berechnen.
 - (g) Die Berechnungsstelle wird veranlassen, dass der Reset-Zinssatz und die je Schuldverschreibung zahlbaren Zinsen 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 Gläubigern gemäß § 13 unverzüglich, aber keinesfalls später als am achten auf dessen Feststellung folgenden Geschäftstag mitgeteilt wird.
- (3) *Berechnung der Zinsen.* Die an dem jeweiligen Zinszahlungstag zu zahlenden Zinsen je Schuldverschreibung (die "**Zinsen**") ergeben sich aus der Multiplikation des jeweiligen Anwendbaren Zinssatzes mit der Festgelegten Stückelung je Schuldverschreibung, wobei der daraus resultierende Betrag auf den nächsten Eurocent auf oder abgerundet wird, und 0,5 oder mehr eines Eurocents aufgerundet werden. Zinsen, die für einen Zeitraum von weniger als einem Jahr zu berechnen sind, werden nach Maßgabe des § 4(5) berechnet.

Page as determined by the Calculation Agent.

The "**5 year Swap Rate Quotations**" mean 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 which transaction (i) has a term of 5 years commencing on the Reference Reset Date, (ii) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market, and (iii) has a floating leg based on the 6- months EURIBOR rate (calculated on an Actual/360 day count basis).

- (f) Promptly after the determination of the Reference Rate, the Calculation Agent shall determine the Prevailing Interest Rate for each Reset Period (each a "**Reset Interest Rate**") and calculate the Interest.
 - (g) The Calculation Agent will cause the Reset Interest Rate and the Interest payable per Note 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 listed from time to time, to such stock exchange, and to the Holders in accordance with § 13 without undue delay, but, in any case, not later than on the eighth Business Day after its determination.
- (3) *Calculation of Interest.* Interest payable per Note on the respective Interest Payment Date (the "**Interest**") shall be calculated by multiplying the Prevailing Interest Rate by the Specified Denomination per Note and rounding the resulting figure to the nearest eurocent with 0.5 or more of a eurocent being rounded upwards. If Interest is to be calculated for a period of less than one year, it shall be calculated pursuant to § 4(5).

- (4) *Zinsen nach Eintritt eines Kontrollwechselereignisses.* Wenn ein Kontrollwechselereignis (wie in § 5(7) definiert) eintritt und die Emittentin die Schuldverschreibungen nicht insgesamt gemäß § 5(7) zurückzahlt, erhöht sich der für die Berechnung der Zinsen ansonsten anzuwendende Anwendbare Zinssatz ab dem Kontrollwechsel-Stichtag (wie in § 5(7) definiert) um zusätzliche 500 Basispunkte per annum. Für den Fall, dass in dem Zeitraum zwischen dem Eintritt des ersten Kontrollwechsels und dem Tag, an dem die Kontrollwechsel-Mitteilung (wie in § 5(7) definiert) in Bezug auf diesen ersten Kontrollwechsel veröffentlicht wird, mehr als ein Kontrollwechsel eintritt, erhöht sich der für die Berechnung der Zinsen ansonsten anzuwendende Anwendbare Zinssatz jedoch nur einmal.
- (4) *Interest following the occurrence of a Change of Control Event.* If a Change of Control Event (as defined in § 5(7)) occurs and the Issuer does not redeem the Notes in whole in accordance with § 5(7), the rate applicable for calculating the Interest will be subject to an additional 500 basis points per annum above the otherwise applicable Prevailing Interest Rate from the Change of Control Effective Date (as defined in § 5(7)), provided however that, in case more than one Change of Control will have occurred in the period from the occurrence of the first Change of Control to (and including) the day on which the Change of Control Notice (as defined in § 5(7)) with regard to such first Change of Control is published, the otherwise applicable Prevailing Interest Rate will only be increased once.
- (5) *Berechnung der Zinsen für Zeiträume von weniger als einem Jahr.* Sofern Zinsen für einen Zeitraum von weniger als einem vollen Jahr zu berechnen sind, erfolgt die Berechnung auf der Grundlage des Zinstagequotienten (wie nachfolgend definiert). Die Anzahl der Feststellungstermine (wie in § 4(6) definiert) je Kalenderjahr beträgt 1.
- (5) *Calculation of Interest for Periods of less than one Year.* If Interest is to be calculated for a period of less than a full year, it shall be calculated on the basis of the Day Count Fraction (as defined below). The number of Determination Dates (as defined in § 4(6)) per calendar year is 1.
- (6) *Zinstagequotient. "Zinstagequotient"* bezeichnet in Bezug auf die Berechnung von Zinsen auf die Schuldverschreibungen für einen beliebigen Zeitraum (der "**Zinsberechnungszeitraum**"): (der "**Day Count Fraction**". "**Day Count Fraction**" means, in respect of the calculation of Interest on any Note for any period of time (the "**Calculation Period**")):
- (a) wenn der Zinsberechnungszeitraum (einschließlich des ersten aber ausschließlich des letzten Tages dieses Zeitraums) kürzer ist als die Feststellungsperiode, in die das Ende des Zinsberechnungszeitraumes fällt oder ihr entspricht, die Anzahl der Tage in dem betreffenden Zinsberechnungszeitraum (einschließlich des ersten aber ausschließlich des letzten Tages dieses Zeitraums) geteilt durch das Produkt aus (1) der Anzahl der Tage in der Feststellungsperiode und (2) der Anzahl der Feststellungstermine in einem Kalenderjahr; oder (a) if the Calculation Period (from and including the first day of such period but excluding the last) is equal to or shorter than the Determination Period during which the Calculation Period ends, the number of days in such Calculation Period (from and including the first day of such period but excluding the last) divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates that would occur in one calendar year; or
- (b) wenn der Zinsberechnungszeitraum (einschließlich des ersten aber ausschließlich
- (b) if the Calculation Period (from and including the first day of such period but excluding the

des letzten Tages dieses Zeitraums) länger ist als die Feststellungsperiode, in die das Ende des Zinsberechnungszeitraumes fällt, die Summe aus (A) der Anzahl der Tage in dem Zinsberechnungszeitraum, die in die Feststellungsperiode fallen, in welcher der Zinsberechnungszeitraum beginnt, geteilt durch das Produkt aus (1) der Anzahl der Tage in dieser Feststellungsperiode und (2) der Anzahl der Feststellungstermine in einem Kalenderjahr und (B) der Anzahl der Tage in dem Zinsberechnungszeitraum, die in die nächste Feststellungsperiode fallen, geteilt durch das Produkt aus (1) der Anzahl der Tage in dieser Feststellungsperiode und (2) der Anzahl der Feststellungstermine in einem Kalenderjahr.

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

"**Feststellungstermin**" bezeichnet jeden 12. Juni.

- (7) *Zinsaufschub.* Zinsen sind an dem jeweiligen Zinszahlungstag fällig und zahlbar, sofern sich die Emittentin nicht entscheidet, die Zinsen aufzuschieben. Eine solche Nichtzahlung, die jedoch in Bezug auf die jeweiligen Zinsen nur insgesamt erfolgen kann, begründet keinen Verzug der Emittentin und keine anderweitige Verletzung ihrer Verpflichtungen aufgrund dieser Schuldverschreibungen oder für sonstige Zwecke. Soweit sich die Emittentin entscheidet, an einem Zinszahlungstag die Zinsen nicht zu zahlen, hat sie dies den Gläubigern gemäß § 13 unter Einhaltung einer Frist von mindestens 20 Geschäftstagen vor dem jeweiligen Zinszahlungstag bekannt zu machen.

Die aufgrund einer derartigen Entscheidung der Emittentin nicht gezahlten Zinsen stellen "**Zinsrückstände**" dar. Zinsrückstände werden nicht verzinst.

- (8) *Nachzahlung von Zinsrückständen.*
- (a) Die Emittentin kann ausstehende Zinsrückstände jederzeit (insgesamt, jedoch nicht teilweise) nach Mitteilung gemäß § 13

last) is longer than the Determination Period during which the Calculation Period ends, the sum of: (A) the number of days in such Calculation Period falling in the Determination Period in which the Calculation Period begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates that would occur in one calendar year and (B) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates that would occur in one calendar year.

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

"**Determination Date**" means each June 12.

- (7) *Interest Deferral.* Interest shall be due and payable on the respective Interest Payment Date unless the Issuer elects to defer such Interest. An election not to pay Interest, which can only be made regarding the whole respective Interest, shall not constitute a default of the Issuer or any other breach of obligations under the Notes or for any other purpose. If the Issuer decides to not pay the Interest on an Interest Payment Date, the Issuer shall notify the Holders in accordance with § 13 not less than 20 Business Days prior to the relevant Interest Payment Date.

Any Interest not paid due to such an election of the Issuer shall constitute "**Deferred Interest Payments**". Deferred Interest Payments shall not bear interest themselves.

- (8) *Payment of Deferred Interest Payments.*
- (a) The Issuer may pay outstanding Deferred Interest Payments (in whole but not in part) at any time upon giving of not less than

- unter Einhaltung einer Frist von mindestens 10 Geschäftstagen zahlen (wobei eine solche Mitteilung unwiderruflich ist und die Emittentin verpflichtet ist, die jeweiligen Zinsrückstände an dem in dieser Mitteilung genannten Zahlungstag zu zahlen).
- (b) Bei Eintritt des frühesten der nachfolgenden Ereignisse gelten die ausstehenden Zinsrückstände (insgesamt, jedoch nicht teilweise) durch die Emittentin als für fällig und zahlbar erklärt:
- (i) der fünfte Geschäftstag nach Eintritt eines Obligatorischen Zahlungsereignisses (wie nachfolgend definiert); oder
- (ii) der Tag, an dem die Schuldverschreibungen insgesamt zur Rückzahlung fällig sind; oder
- (iii) der Tag, an dem eine freiwillige Auflösung der Emittentin beschlossen wird oder an dem eine Verfügung zur Auflösung, Abwicklung oder Liquidation der Emittentin ergeht (sofern dies nicht für die Zwecke einer Sanierung oder eines Insolvenzplanverfahrens oder als Folge eines Zusammenschlusses oder einer Umstrukturierung geschieht, während die Emittentin noch zahlungsfähig ist und die fortführende Gesellschaft im Wesentlichen alle Vermögenswerte und Verpflichtungen der Emittentin übernimmt).
- (c) Ein "**Obligatorisches Zahlungsereignis**" gilt bei Eintritt eines der folgenden Ereignisse als eingetreten:
- (i) der Tag, (x) an dem die Jahreshauptversammlung oder eine andere Hauptversammlung der Emittentin für eine Beteiligung der Kommanditaktionäre am Eigenkapital der Emittentin eine Dividende, bzw. eine andere Ausschüttung oder Zahlung beschließt (mit Ausnahme einer Dividende bzw. einer anderen Ausschüttung oder Zahlung, die in Form von Kommanditaktien der Emittentin vorgenommen wird) und/oder (y) der Tag an dem eine Entnahme aufgrund der Beteiligung eines persönlich haftenden Gesellschafters am Eigenkapital der Emittentin zu Gunsten eines persönlich haftenden Gesellschafters beschlossen wird oder die
- 10 Business Days' notice in accordance with § 13 (which notice shall be irrevocable and will oblige the Issuer to pay the relevant Deferred Interest Payments on the payment date specified in such notice).
- (b) The Issuer shall be deemed to have declared outstanding Deferred Interest Payments (in whole but not in part) due and payable at the earliest of any of the following events:
- (i) the fifth Business Day following the occurrence of a Compulsory Payment Event (as defined below); or
- (ii) the due date for the redemption of the Notes; or
- (iii) the date on which the voluntary winding-up of the Issuer will be resolved or an order is made for the winding-up, dissolution or liquidation of the Issuer (in each case other than for the purposes of or pursuant to the restructuring or an insolvency plan procedure (*Insolvenzplanverfahren*) or an amalgamation or reorganisation while solvent, where the continuing entity assumes substantially all of the assets and obligations of the Issuer).
- (c) A "**Compulsory Payment Event**" shall be deemed to have occurred upon any of the following events:
- (i) the date on which (x) the Issuer's annual general meeting or any other general meeting (*Hauptversammlung*) of the Issuer resolves on a dividend, other distribution or other payment in respect of any participation of the limited partnership shareholders (*Kommanditaktionäre*) in the equity of the Issuer (other than a dividend, distribution or payment which is made in the form of limited partnership shares (*Kommanditaktien*) of the Issuer) and/or (y) the date on which any distribution to a general partner (*persönlich haftender Gesellschafter*) of the Issuer arising out of its participation in the equity of the Issuer is declared or made by the Issuer; or

Emittentin eine solche Entnahme leistet; oder

- | | |
|--|---|
| (ii) die Emittentin erwirbt Kommanditaktien der Emittentin zurück oder zahlt einen Kapitalanteil eines persönlich haftenden Gesellschafters zurück oder eine ihrer Tochtergesellschaften kauft ausstehende Kommanditaktien der Emittentin oder Kapitalanteile eines persönlich haftenden Gesellschafters zurück (ausgenommen (x) in Verbindung mit einem Mitarbeiterbeteiligungsprogramm oder einer ähnlichen Maßnahme zu Gunsten von Arbeitnehmern, leitenden Angestellten, Führungskräften oder Beratern, (y) als Ergebnis eines Umtauschs oder einer Wandlung einer Aktiegattung in eine andere oder (z) falls die Emittentin Kapitalanteile eines persönlich haftenden Gesellschafters oder Kommanditaktien der Emittentin als Entgelt für einen Verkauf von Vermögenswerten an Dritte erhält); oder | (ii) the Issuer repurchases any limited partnership shares (<i>Kommanditaktien</i>) of the Issuer or any equity interest (<i>Kapitalanteil</i>) of a general partner (<i>persönlich haftender Gesellschafter</i>) or any of its Subsidiaries repurchases or otherwise acquires any of the outstanding limited partnership shares (<i>Kommanditaktien</i>) of the Issuer or any equity interest (<i>Kapitalanteil</i>) of a general partner (<i>persönlich haftender Gesellschafter</i>) (other than (x) in connection with any employee benefit plan or similar arrangements with or for the benefit of employees, officers, directors or consultants, (y) as a result of the exchange or conversion of one class of shares for another class, or (z) in the case the Issuer receives any equity interest (<i>Kapitalanteil</i>) of a general partner (<i>persönlich haftender Gesellschafter</i>) or limited partnership shares (<i>Kommanditaktien</i>) of the Issuer as consideration for a sale of assets to third parties); or |
| (iii) ein Zinszahlungstag, in Bezug auf den die Emittentin entscheidet, die Zahlung vorgesehener Zinsen auf die Schuldverschreibungen vorzunehmen; oder | (iii) an Interest Payment Date in relation to which the Issuer elects to pay a scheduled Interest on the Notes; or |
| (iv) der Tag, an dem die Emittentin oder eine Tochtergesellschaft eine Zahlung oder Ausschüttung auf ein Gleichrangiges Wertpapier vornimmt; oder | (iv) the date on which the Issuer or any Subsidiary makes any payment or distribution in respect of any Parity Security; or |
| (v) der Tag, an dem die Emittentin oder eine Tochtergesellschaft (jeweils direkt oder indirekt) ein Gleichrangiges Wertpapier oder Schuldverschreibungen zurückzahlt, zurückkauft oder anderweitig erwirbt. | (v) the date on which the Issuer or any Subsidiary redeems, repurchases or otherwise acquires (in each case directly or indirectly) any Parity Security or Notes. |

In den vorgenannten Fällen (iv) und (v) tritt kein Obligatorisches Zahlungsereignis ein, wenn

- (x) die Emittentin oder die betreffende Tochtergesellschaft gemäß den Anleihebedingungen des betreffenden Gleichrangigen Wertpapiers zu der Zahlung, zu der Rückzahlung, zu dem Rückkauf oder zu dem anderweitigen Erwerb verpflichtet ist; oder
- (y) die Emittentin oder die betreffende Tochtergesellschaft vollständig oder

The cases (iv) and (v) above are subject to the provision that no Compulsory Payment Event occurs if

- (x) the Issuer or the relevant Subsidiary is obliged under the terms and conditions of such Parity Security to make such payment, such redemption, such repurchase or such other acquisition; or
- (y) the Issuer or the relevant Subsidiary repurchases or otherwise acquires any

teilweise Gleichrangige Wertpapiere oder Schuldverschreibungen nach einem öffentlichen Rückkaufangebot oder öffentlichen Umtauschangebot mit einer unter dem jeweiligen Nennwert liegenden Gegenleistung je Gleichrangigem Wertpapier bzw. je Schuldverschreibung zurückkauft oder anderweitig erwirbt; oder

- (z) die betreffenden Zahlungen auf oder in Bezug auf Gleichrangige Wertpapiere Konzerninterne Zahlungen sind.

"**Konzerninterne Zahlungen**" sind Zahlungen, die ausschließlich an die Emittentin und/oder an eine oder mehrere ihrer Tochtergesellschaften erfolgen.

- (9) *Ende der Verzinsung.* Die Verzinsung der Schuldverschreibungen endet mit Beginn des Tages, an dem die Schuldverschreibungen zur Rückzahlung fällig werden. Sollte die Emittentin die Schuldverschreibungen bei Fälligkeit nicht einlösen, endet die Verpflichtung zur Zahlung von Zinsen auf die festgelegte Stückelung je ausstehender Schuldverschreibung zu dem dann anwendbaren Zinssatz nicht am Tag der Fälligkeit, sondern erst mit dem Beginn des Tages der tatsächlichen Rückzahlung der Schuldverschreibungen.

§ 5

RÜCKZAHLUNG UND RÜCKKAUF

- (1) *Endfälligkeit.* Sofern nicht bereits zuvor zurückgezahlt oder zurückgekauft und entwertet, wird die Emittentin den Gesamtnennbetrag der ausstehenden Schuldverschreibungen am 12. Dezember 2074 (der "**Endfälligkeitstag**") zurückzahlen.
- (2) *Kündigungsrecht der Emittentin bei einem Quellensteuer-Ereignis, einem Steuerereignis, einem Ratingagenturereignis oder einem Akquisitionsergebnis.*
- (a) Bei Eintritt eines Quellensteuer-Ereignisses, eines Steuerereignisses, eines Ratingagenturereignisses oder eines Akquisitionsergebnisses ist die Emittentin berechtigt, die Schuldverschreibungen jederzeit

Parity Security or Note in whole or in part in a public tender offer or public exchange offer at a consideration per Parity Security or, as applicable, per Note below its respective par value; or

- (z) the relevant payments on, or in respect of, any Parity Securities are Intra-Group Payments.

"**Intra-Group Payments**" means payments made exclusively to the Issuer and/or one or more of its Subsidiaries.

- (9) *Cessation of Interest Payments.* The Notes shall cease to bear Interest from the beginning of the day on which they are due for redemption. If the Issuer shall fail to redeem the Notes when due, the obligation to pay Interest shall continue to accrue at the then Prevailing Interest Rate on the Specified Denomination per Note outstanding beyond the due date to the beginning of the day of actual redemption of the Notes.

§ 5

REDEMPTION AND PURCHASE

- (1) *Maturity Date.* Unless previously redeemed or repurchased and cancelled, Issuer will repay the aggregate principal amount of the Notes outstanding on December 12, 2074 (the "**Maturity Date**").
- (2) *Issuer Call Right due to a Gross-up Event, a Tax Event, a Rating Agency Event or an Acquisition Event.*
- (a) If either a Gross-up Event, a Tax Event, a Rating Agency Event or an Acquisition Event occurs, the Issuer may call and redeem the Notes (in whole but not in part) at any time by giving of not less than 10 Business Days'

(insgesamt, jedoch nicht teilweise) durch eine unwiderrufliche Mitteilung gemäß § 13 unter Einhaltung einer Frist von mindestens 10 Geschäftstagen zu kündigen.

Erfolgt die Kündigung aufgrund eines Quellensteuer-Ereignisses, hat die Emittentin sämtliche ausstehenden Schuldverschreibungen zu einem Betrag je Schuldverschreibung in Höhe der Festgelegten Stückelung zuzüglich der bis zum Rückzahlungstag (ausschließlich) aufgelaufenen, aber noch nicht bezahlten Zinsen sowie, zur Klarstellung, etwaiger gemäß § 4(8)(b) fälliger Zinsrückstände zurückzuzahlen.

Erfolgt die Kündigung aufgrund eines Steuerereignisses, eines Ratingagenturereignisses oder eines Akquisitionereignisses hat die Emittentin sämtliche ausstehenden Schuldverschreibungen (i) zu einem Betrag je Schuldverschreibung in Höhe von 101% der Festgelegten Stückelung zuzüglich der bis zum Rückzahlungstag (ausschließlich) aufgelaufenen, aber noch nicht bezahlten Zinsen sowie, zur Klarstellung, etwaiger gemäß § 4(8)(b) fälliger Zinsrückstände zurückzuzahlen, soweit eine solche Rückzahlung vor dem Ersten Rückzahlungstag erfolgt, oder (ii) zu einem Betrag je Schuldverschreibung in Höhe der Festgelegten Stückelung zuzüglich der bis zum Rückzahlungstag (ausschließlich) aufgelaufenen, aber noch nicht bezahlten Zinsen sowie, zur Klarstellung, etwaiger gemäß § 4(8)(b) fälliger Zinsrückstände zurückzuzahlen, soweit eine solche Rückzahlung an oder nach dem Ersten Rückzahlungstag erfolgt.

- (b) Im Fall eines Quellensteuer-Ereignisses kann eine Kündigungsmittteilung nicht früher als 90 Tage vor dem ersten Tag gemacht werden, an dem die Emittentin erstmals verpflichtet wäre, die jeweiligen Zusätzlichen Beträge (wie in § 8 beschrieben) in Ansehung fälliger Beträge auf die Schuldverschreibungen zu zahlen.

Im Fall eines der in diesem § 5(2) bezeichneten Ereignisse kann eine Kündigungsmittteilung nur zeitgleich mit oder nach einer Mitteilung der Emittentin über den Eintritt eines dieser Ereignisse nach Maßgabe von § 13 gemacht

irrevocable notice in accordance with § 13.

If the Notes are called by the Issuer upon the occurrence of a Gross-up Event, all outstanding Notes will be redeemed at an amount per Note equal to the Specified Denomination plus any Interest accrued and unpaid to but excluding the Redemption Date and, for the avoidance of doubt, any Deferred Interest Payments due and payable pursuant to § 4(8)(b).

If the Notes are called upon the occurrence of a Tax Event, a Rating Agency Event or an Acquisition Event the Issuer will redeem all outstanding Notes (i) at an amount equal to 101 per cent. of the Specified Denomination per Note plus any Interest accrued and unpaid to but excluding the Redemption Date and, for the avoidance of doubt, any Deferred Interest Payments due and payable pursuant to § 4(8)(b) if such redemption occurs prior to the First Call Date, or (ii) at an amount equal to the Specified Denomination per Note plus any Interest accrued and unpaid to but excluding the Redemption Date and, for the avoidance of doubt, any Deferred Interest Payments due and payable pursuant to § 4(8)(b) if such redemption occurs on or after the First Call Date.

- (b) In the case of a Gross-up Event no notice of redemption may be given earlier than 90 days prior to the earliest day on which the Issuer would be for the first time obliged to pay the Additional Amounts (as described in § 8) in question on payments due in respect of the Notes.

In the case of any event specified in this § 5(2) a notice of redemption may only be given simultaneously with or after a notification by the Issuer in accordance with § 13 that such an

werden.

Die Emittentin hat der Hauptzahlstelle vor Abgabe einer Kündigungsmittelung aus einem der in § 5(2) genannten Gründe folgende Dokumente zu übermitteln bzw. deren Übermittlung zu veranlassen:

- (i) eine von zwei ordnungsgemäß bevollmächtigten Vertretern der Emittentin unterzeichnete Bescheinigung, die bestätigt, dass die Emittentin berechtigt ist, die maßgebliche Rückzahlung vorzunehmen, und aus der die Tatsachen hervorgehen, auf deren Grundlage die Voraussetzungen für das Rückzahlungsrecht der Emittentin eingetreten sind; sowie
 - (ii) für den Fall eines Quellensteuer-Ereignisses, ein Gutachten eines angesehenen externen Rechtsberaters, aus dem hervorgeht, dass die Emittentin verpflichtet ist oder verpflichtet sein wird, die betreffenden zusätzlichen Beträge als Folge eines Quellensteuer-Ereignisses zu zahlen.
- (3) *Definitionen.*

Ein "**Quellensteuer-Ereignis**" liegt vor, falls die Emittentin verpflichtet ist oder verpflichtet sein wird, Zusätzliche Beträge (wie in § 8 beschrieben) als Folge einer Änderung oder Ergänzung von Gesetzen oder Vorschriften der Bundesrepublik Deutschland oder einer ihrer Gebietskörperschaften oder Steuerbehörden oder als Folge einer Änderung oder Ergänzung der offiziellen Auslegung oder Anwendung dieser Gesetze oder Vorschriften durch eine gesetzgebende Körperschaft, ein Gericht, eine Steuerbehörde, eine Aufsichtsbehörde oder eine sonstige Behörde (einschließlich des Erlasses von Gesetzen sowie der Bekanntmachung gerichtlicher oder aufsichtsrechtlicher Entscheidungen) zu zahlen, allerdings nur soweit die betreffende Änderung, Ergänzung oder Durchführung an oder nach dem Ausgabebetrag wirksam wird und die Emittentin die Zahlungsverpflichtung nicht durch das Ergreifen von Maßnahmen vermeiden kann, die sie nach Treu und Glauben für angemessen hält.

Ein "**Steuerereignis**" liegt vor, wenn

event has occurred.

Prior to the giving of any notice of redemption resulting from any event specified in § 5(2), the Issuer shall deliver or procure that there is delivered to the Principal Paying Agent:

- (i) a certificate signed by any two duly authorized representatives of the Issuer stating that the Issuer is entitled to effect such redemption and setting out a statement of facts showing that the conditions precedent to the exercise of the right of the Issuer to redeem have been satisfied; and
 - (ii) in the case of a Gross-up Event, an opinion of an external legal adviser of recognised standing to the effect that the Issuer has or will become obliged to pay the additional amounts in question as a result of a Gross-up Event.
- (3) *Definitions.*

A "**Gross-up Event**" has occurred if the Issuer has or will become obliged to pay Additional Amounts (as set out in § 8) as a result of any change in, or amendment to, the laws or regulations of the Federal Republic of Germany or any political subdivision or taxing authority thereof, or therein, or as a result of any amendment to, or any change in, any official interpretation or application of any such laws or regulations by any legislative body, court, or taxing authority, governmental agency or regulatory authority (including the enactment of any legislation and the publication of any judicial decision or regulatory determination), provided that the relevant amendment, change or execution becomes effective on or after the Issue Date and provided further that the payment obligation cannot be avoided by the Issuer taking such reasonable measures it (acting in good faith) deems appropriate.

A "**Tax Event**" shall have occurred if

(a) der Hauptzahlstelle ein Gutachten eines anerkannten unabhängigen Steuerberaters übergeben worden ist, aus dem hervorgeht, dass an oder nach dem Ausgabetag als Folge:

(i) einer Änderung oder Ergänzung der Gesetze (oder von aufgrund dieser Gesetze erlassenen Bestimmungen oder Vorschriften) der Bundesrepublik Deutschland oder einer ihrer Gebietskörperschaften oder Steuerbehörden, die an oder nach dem Ausgabetag erlassen, verkündet oder anderweitig wirksam wird; oder

(ii) einer Änderung oder Ergänzung der bindenden offiziellen Auslegung solcher Gesetze, Bestimmungen oder Vorschriften durch eine gesetzgebende Körperschaft, ein Gericht, eine Regierungsstelle oder eine Aufsichtsbehörde (einschließlich des Erlasses von Gesetzen sowie der Bekanntmachung gerichtlicher oder aufsichtsrechtlicher Entscheidungen), die an oder nach dem Ausgabetag erlassen, verkündet oder anderweitig wirksam wird; oder

(iii) einer allgemein anwendbaren offiziellen Auslegung oder Verkündung, die an oder nach dem Ausgabetag erlassen oder verkündet wird und nach der die Rechtslage im Hinblick auf diese Gesetze oder Vorschriften von der früheren allgemein anerkannten Rechtslage abweicht;

Zahlungen, die von der Emittentin in Bezug auf die Schuldverschreibungen zahlbar sind, von der Emittentin nicht mehr für die Zwecke der deutschen Körperschaftsteuer voll abzugsfähig sind, bzw. innerhalb von 90 Tagen nach dem Datum dieses Gutachtens nicht mehr voll abzugsfähig sein werden; und

(b) die Emittentin dieses Risiko nicht durch das Ergreifen zumutbarer Maßnahmen vermeiden kann.

Ein "**Ratingagenturereignis**" liegt vor, wenn die Emittentin von einer der Ratingagenturen,

(a) an opinion of a recognised independent tax counsel has been delivered to the Principal Paying Agent, stating that on or after the Issue Date, as a result of:

(i) any amendment to, or change in, the laws (or any rules or regulations thereunder) of the Federal Republic of Germany or any political subdivision or any taxing authority thereof or therein which is enacted, promulgated, issued or becomes effective otherwise on or after the Issue Date; or

(ii) any amendment to, or change in, an official and binding interpretation of any such laws, rules or regulations by any legislative body, court, governmental agency or regulatory authority (including the enactment of any legislation and the publication of any judicial decision or regulatory determination) which is enacted, promulgated, issued or becomes effective otherwise on or after the Issue Date; or

(iii) any generally applicable official interpretation or pronouncement that provides for a position with respect to such laws or regulations that differs from the previous generally accepted position which is issued or announced on or after the Issue Date;

payments by the Issuer on the Notes are no longer, or within 90 days of the date of that opinion will no longer be, fully deductible by the Issuer for German corporate income tax purposes; and

(b) such risk cannot be avoided by the Issuer taking reasonable measures available to it.

A "**Rating Agency Event**" has occurred if the Issuer has received written confirmation from

von denen die Emittentin ein sponsored rating erhält (wobei sich sponsored rating auf solche Ratings bezieht, die von einer Ratingagentur erteilt werden, mit der die Emittentin in einem Vertragsverhältnis steht, im Rahmen dessen die Ratingagentur eine Eigenkapitalanrechnung der Schuldverschreibungen festlegt) (jeweils eine "**Relevante Ratingagentur**"), schriftlich benachrichtigt wurde oder die Relevante Ratingagentur veröffentlicht, dass die Schuldverschreibungen aufgrund (i) einer Änderung der Hybrid Rating Methodologie oder deren Auslegung oder (ii) der Anwendung einer anderen Hybrid Rating Methodologie oder anderer Kriterien durch die Relevante Ratingagentur (in Folge von, unter anderem, einer Änderung des der Emittentin erteilten Ratings) nicht mehr der anfänglichen Eigenkapitalanrechnungskategorie (wie nachstehend definiert) und auch nicht einer höheren Eigenkapitalanrechnungskategorie (oder einer anderen Klassifikation durch diese Relevante Ratingagentur, die beschreibt, in welchem Umfang der Bedingungen eines Finanzierungsinstruments die Fähigkeit der Emittentin zur Bedienung ihrer vorrangigen Verbindlichkeiten stützt) zuzuordnen sind.

"**Anfängliche Eigenkapitalanrechnungskategorie**" bezeichnet die Eigenkapitalanrechnungskategorie, der die Schuldverschreibungen mit Wirkung ab dem Tag, ab dem in Bezug auf die Schuldverschreibungen kein Akquisitionereignis mehr eintreten kann, zugeordnet sein werden, wie anfänglich am oder um den Tag ihrer Begebung durch die Relevante Ratingagentur gegenüber der Emittentin bestätigt.

Ein "**Akquisitionereignis**" liegt vor, wenn (x) die Emittentin oder eine Tochtergesellschaft den Erwerb der Sigma-Aldrich Corporation nicht abgeschlossen und vollzogen hat und (y) öffentlich erklärt hat, dass sie nicht länger beabsichtigt, den Erwerb zu verfolgen und die Emittentin gemäß § 13 den Gläubigern dieses Akquisitionereignis am oder vor dem 23. Dezember 2015 bekanntgemacht hat bevor sie die Erklärung nach § 5(2)(a) abgegeben hat. Die Emittentin kann auf ihr Recht zur

any rating agency from whom the Issuer is assigned a sponsored rating, whereby sponsored rating shall refer to a rating assigned by a rating agency with whom the Issuer has a contractual relationship under which the Notes are assigned an equity credit, (each a "**Relevant Rating Agency**") or the Relevant Rating Agency publishes that the Notes due to (i) a change in hybrid rating methodology or the interpretation thereof or (ii) the application of a different hybrid rating methodology or set of criteria by the Relevant Rating Agency (due to, including but not limited to, a change in the rating previously assigned to the Issuer), will no longer be eligible for the initial category of equity credit (as defined below) or a higher category of equity credit (or such similar nomenclature as being used by that Relevant Rating Agency from time to time to describe the degree to which the terms of an instrument are supportive of the Issuer's senior obligations).

"**Initial category of equity credit**" means the category of equity credit to be attributed to the Notes with effect from the date on which the Notes will no longer be subject to an Acquisition Event, as first confirmed by the Relevant Rating Agency to the Issuer at or around the date of issuance.

An "**Acquisition Event**" shall occur if (x) the Issuer or any Subsidiary has not completed and closed the acquisition of Sigma-Aldrich Corporation, and (y) has publicly stated that it no longer intends to pursue such acquisition; and the Issuer has given notice to the Holders in accordance with § 13 on or prior to December 23, 2015 of such Acquisition Event prior to giving the notice in accordance with § 5(2)(a). The Issuer may waive its right to call the Notes for redemption based on an

- Rückzahlung wegen eines Akquisitionseignisses verzichten, indem sie dies nach § 13 bekannt macht.
- (4) *Kündigungsrecht der Emittentin am Ersten Rückzahlungstag oder an jedem danach folgenden Reset Tag.*
- Die Emittentin kann die Schuldverschreibungen (insgesamt, jedoch nicht teilweise) mit Wirkung zum Ersten Rückzahlungstag oder zu jedem danach folgenden Reset Tag nach unwiderruflicher Kündigungsmitteilung an die Gläubiger gemäß § 13 unter Einhaltung einer Frist von mindestens 20 Geschäftstagen kündigen.
- Eine solche Kündigungsmitteilung verpflichtet die Emittentin, sämtliche ausstehenden Schuldverschreibungen zu einem Betrag je Schuldverschreibung in Höhe der Festgelegten Stückelung zuzüglich der bis zum Rückzahlungstag (ausschließlich) aufgelaufenen, aber noch nicht bezahlten Zinsen sowie, zur Klarstellung, etwaiger gemäß § 4(8)(b) fälliger Zinsrückstände zurückzuzahlen.
- (5) *Rückkauf von Schuldverschreibungen.* Die Emittentin oder Tochtergesellschaften können unter Einhaltung der einschlägigen gesetzlichen Vorschriften jederzeit Schuldverschreibungen im Markt oder anderweitig zu jedem beliebigen Preis kaufen. Derartig erworbene Schuldverschreibungen können entwertet, gehalten oder wieder veräußert werden.
- (6) *Kündigungsrecht der Emittentin bei geringem ausstehenden Gesamtnennbetrag.* Falls die Emittentin und/oder eine Tochtergesellschaft allein oder gemeinsam Schuldverschreibungen im Volumen von 80% oder mehr des ursprünglich begebenen Gesamtnennbetrages der Schuldverschreibungen erworben hat, kann die Emittentin die verbleibenden Schuldverschreibungen (insgesamt, jedoch nicht teilweise) nach unwiderruflicher Kündigungsmitteilung an die Gläubiger gemäß § 13 unter Einhaltung einer Frist von mindestens 20 und höchstens 40 Geschäftstagen kündigen und (i) zu einem Betrag je Schuldverschreibung in Höhe von
- Acquisition Event by giving notice pursuant to § 13.
- (4) *Issuer Call Right on the First Call Date or on any Reset Date thereafter.*
- The Issuer may call and redeem the Notes (in whole but not in part) on the First Call Date or on any Reset Date thereafter upon giving not less than 20 Business Days' irrevocable notice of redemption to the Holders in accordance with § 13.
- Such notice of redemption shall oblige the Issuer to redeem all outstanding Notes at an amount per Note equal to the Specified Denomination plus any Interest accrued and unpaid to but excluding the Redemption Date and, for the avoidance of doubt, any Deferred Interest Payments due and payable pursuant to § 4(8)(b).
- (5) *Purchase of Notes.* The Issuer or any Subsidiary may, in compliance with applicable laws, at any time purchase Notes in the open market or otherwise and at any price. Such acquired Notes may be cancelled, held or resold.
- (6) *Issuer Call Right in the case of Minimal Outstanding Aggregate Principal Amount.* In the event that the Issuer and/or any Subsidiary has, severally or jointly, purchased Notes equal to or in excess of 80 per cent. of the Aggregate Principal Amount of the Notes initially issued, the Issuer may call and redeem the remaining Notes (in whole but not in part) upon giving not less than 20 and not more than 40 Business Days' irrevocable notice of redemption to the Holders in accordance with § 13 (i) at an amount equal to 101 per cent. of the Specified Denomination per Note plus any Interest accrued and unpaid to but excluding the Redemption Date and, for the avoidance of

101% der Festgelegten Stückelung zuzüglich der bis zum Rückzahlungstag (ausschließlich) aufgelaufenen, aber noch nicht bezahlten Zinsen sowie, zur Klarstellung, etwaiger gemäß § 4(8)(b) fälliger Zinsrückstände zurückzahlen, soweit eine solche Rückzahlung vor dem Ersten Rückzahlungstag erfolgt, oder (ii) zu einem Betrag je Schuldverschreibung in Höhe der Festgelegten Stückelung zuzüglich der bis zum Rückzahlungstag (ausschließlich) aufgelaufenen, aber noch nicht bezahlten Zinsen sowie, zur Klarstellung, etwaiger gemäß § 4(8)(b) fälliger Zinsrückstände zurückzahlen, soweit eine solche Rückzahlung an oder nach dem Ersten Rückzahlungstag erfolgt.

(7) *Kündigungsrecht der Emittentin nach Eintritt eines Kontrollwechselereignisses.*

(a) Wenn ein Kontrollwechselereignis (wie in § 5(7)(c) definiert) eintritt, hat die Emittentin binnen 20 Geschäftstagen den Kontrollwechsel-Stichtag (wie in § 5(7)(c) definiert) zu bestimmen und das Kontrollwechselereignis und den Kontrollwechsel-Stichtag gemäß § 13 anzuzeigen (die "**Kontrollwechsel-Mitteilung**").

(b) Wenn ein Kontrollwechselereignis eintritt, ist die Emittentin berechtigt, die Schuldverschreibungen (insgesamt, jedoch nicht teilweise) durch Erklärung gemäß dem nachstehenden Absatz mit Wirkung zu dem Kontrollwechsel-Stichtag zu kündigen. Im Falle einer solchen Kündigung hat die Emittentin jede ausstehende Schuldverschreibung am Kontrollwechsel-Stichtag zu einem Betrag je Schuldverschreibung in Höhe der Festgelegten Stückelung zuzüglich der bis zum Kontrollwechsel-Stichtag (ausschließlich) aufgelaufenen, aber noch nicht bezahlten Zinsen sowie, zur Klarstellung, etwaiger gemäß § 4(8)(b) fälliger Zinsrückstände, zurückzuzahlen.

Die Emittentin kann ihr Recht zur Rückzahlung gemäß diesem § 5(7) durch eine Bekanntmachung an die Gläubiger gemäß § 13 unter Einhaltung einer Frist von nicht mehr als 5 Geschäftstagen nach Bekanntmachung der Kontrollwechsel-Mitteilung ausüben. Diese Bekanntmachung kann auch zeitgleich mit der

doubt, any Deferred Interest Payments due and payable pursuant to § 4(8)(b) if such redemption occurs prior to the First Call Date, or (ii) at an amount equal to the Specified Denomination per Note plus any Interest accrued and unpaid to but excluding the Redemption Date and, for the avoidance of doubt, any Deferred Interest Payments due and payable pursuant to § 4(8)(b) if such redemption occurs on or after the First Call Date.

(7) *Issuer Call Right following a Change of Control Event.*

(a) If a Change of Control Event (as defined in § 5(7)(c)) occurs, the Issuer will fix the Change of Control Effective Date (as defined in § 5(7)(c)) and give notice in accordance with § 13 of the Change of Control and the Change of Control Effective Date within 20 Business Days (the "**Change of Control Notice**").

(b) If a Change of Control Event occurs, the Issuer may call the Notes for redemption (in whole but not in part) with effect as of the Change of Control Effective Date upon giving notice in accordance with the following paragraph. In the case such call notice is given, the Issuer shall redeem each Note outstanding at an amount per Note equal to the Specified Denomination plus any Interest accrued and unpaid to but excluding the Change of Control Effective Date and, for the avoidance of doubt, any Deferred Interest Payments due and payable pursuant to § 4(8)(b).

The Issuer may give not more than 5 Business Days' notice to the Holders after publication of the Change of Control Notice in accordance with § 13 of an early redemption pursuant to this § 5(7). Such notice may be given simultaneously with the Change of Control Notice.

Kontrollwechsel-Mitteilung erfolgen

(c) In diesem § 5(7) gilt:

Ein "**Kontrollwechselereignis**" gilt jedes Mal in einem der folgenden Fälle als eingetreten, wenn (i) E. Merck KG, Darmstadt das Recht verliert, die Mehrheit der persönlich haftenden Gesellschafter ohne Kapitalanteil der Merck KGaA, Darmstadt mit Zustimmung der einfachen Mehrheit der anderen persönlich haftenden Gesellschafter zu bestellen, und (ii) eine Person oder mehrere Personen, die abgestimmt handeln, oder einer oder mehrere Dritte, die im Auftrag einer solchen Person oder solcher Personen handeln, zu irgendeiner Zeit mittelbar oder unmittelbar (unabhängig davon, ob die persönlich haftenden Gesellschafter oder der Aufsichtsrat der Merck KGaA, Darmstadt ihre bzw. seine Zustimmung erteilt hat bzw. haben) mehr als 50% des Grundkapitals der Merck KGaA, Darmstadt erwirbt (erwerben) (ein "**Kontrollwechsel**"); und die Merck KGaA, Darmstadt bei Eintritt des Kontrollwechsels über ein (mit Zustimmung der Merck KGaA, Darmstadt erteiltes) Rating von Moody's Investors Services Limited ("**Moody's**") oder Standard & Poor's Rating Services ein Unternehmen der The McGraw-Hill Companies Inc. ("**S&P**") oder einer jeweiligen Nachfolgesellschaft (jeweils eine "**Rating Agentur**") verfügt, entsprechend: (x) einem Investment Grade Rating (Baa3/BBB- oder gleichwertig oder besser) und dieses Rating von einer Rating Agentur innerhalb von 120 Tagen nach dem Kontrollwechsel zu einem non-investment Grade Rating (Ba1/BB+ oder gleichwertig oder schlechter) herabgestuft oder das Rating zurückgezogen wurde und nicht innerhalb dieser 120-Tagesperiode anschließend (im Falle einer Herabstufung) durch diese Rating Agentur wieder auf ein Investment Grade Rating heraufgestuft oder (im Falle einer Zurückziehung) durch das Investment Grade Rating einer anderen Rating Agentur ersetzt wurde; oder (y) einem non-investment Grade Rating (Ba1/BB+ oder gleichwertig oder schlechter) und dieses Rating durch eine Rating Agentur innerhalb von 120 Tagen nach Kontrollwechsel um eine oder

(c) In this § 5(7):

A "**Change of Control Event**" shall be deemed to have occurred at each time if (i) E. Merck KG, Darmstadt loses the right to appoint, subject to the consent of the simple majority of the other partners liable on an unlimited basis (*persönlich haftende Gesellschafter*) of Merck KGaA, Darmstadt, the majority of the personally liable partners not contributing capital (*persönlich haftende Gesellschafter ohne Kapitalanteil*) of Merck KGaA, Darmstadt, and (ii) any person or persons acting in concert or any person or persons acting on behalf of any such person(s), at any time directly or indirectly acquire(s) (whether or not approved by the partners liable on an unlimited basis (*persönlich haftende Gesellschafter*) or the supervisory board (*Aufsichtsrat*) of Merck KGaA, Darmstadt more than 50% of the share capital (*Grundkapital*) of Merck KGaA, Darmstadt (a "**Change of Control**"); and at the time of the occurrence of a Change of Control, Merck KGaA, Darmstadt carries (with the agreement of Merck KGaA, Darmstadt) from any of Moody's Investors Services Limited ("**Moody's**") or Standard & Poor's Rating Services, a division of The McGraw-Hill Companies Inc. ("**S&P**"), or any of their respective successors (each, a "**Rating Agency**"): (x) an investment grade credit rating (Baa3/BBB-, or equivalent, or better), and such rating from any Rating Agency is within 120 days of such time either downgraded to a non-investment grade credit rating (Ba1/BB+, or equivalent, or worse) or withdrawn and is not within such 120-day period subsequently (in the case of a downgrade) upgraded to an investment grade credit rating by such Rating Agency or (in the case of withdrawal) replaced by an investment grade credit rating from any other Rating Agency; or (y) a non-investment grade credit rating (Ba1/BB+, or equivalent, or worse), and such rating from any Rating Agency is within 120 days of such time downgraded by one or more notches (for illustration, Ba1 to Ba2 being one notch) and is not within such 120-day period subsequently

mehrere Stufen (zur Erläuterung: Ba1 nach Ba2 entspricht einer Stufe) herabgestuft und nicht innerhalb dieser 120-Tagesperiode anschließend wieder auf das ursprüngliche oder ein besseres Rating durch diese Rating Agentur heraufgestuft wurde, wobei falls die Merck KGaA, Darmstadt zum Zeitpunkt des Eintritts des Kontrollwechsels über ein Rating von mehr als einer Rating Agentur verfügt, von denen mindestens eines ein Investment Grade Rating ist, die Regelung unter (x) Anwendung findet; und im Zusammenhang mit einer der oben genannten Entscheidungen die betreffende Rating Agentur öffentlich bekannt macht oder gegenüber der Merck KGaA, Darmstadt schriftlich bestätigt, dass diese Entscheidung ganz oder teilweise auf den Kontrollwechsel zurückzuführen ist.

Falls sich die von Moody's oder S&P verwendeten Rating Kategorien gegenüber denen, die in vorangegangenen Absatz angegeben wurden, ändern sollten, wird die Emittentin diejenigen Rating Kategorien von Moody's oder S&P bestimmen, die den früheren Rating Kategorien von Moody's oder S&P möglichst nahe kommen; der vorangegangene Absatz ist dann entsprechend auszulegen.

"Kontrollwechsel-Stichtag" bezeichnet den von der Emittentin in der Kontrollwechsel-Mitteilung festgelegten Tag, der (i) falls zum betreffenden Zeitpunkt nicht nachrangige Fremdkapitalwertpapiere der Merck KGaA, Darmstadt ausstehen, der fünfte Geschäftstag nach dem Tag sein muss, an dem solche Wertpapiere aufgrund einer Kündigung der Gläubiger dieser Wertpapiere wegen des gleichen Kontrollwechsel-Ereignisses (oder eines vergleichbaren Konzepts) fällig werden können; und (ii) falls zum betreffenden Zeitpunkt keine nicht nachrangigen Fremdkapitalwertpapiere der Merck KGaA, Darmstadt ausstehen ein Geschäftstag sein muss, der nicht mehr als 40 Tage nach Bekanntmachung der Kontrollwechsel-Mitteilung liegen darf.

upgraded to its earlier credit rating or better by such Rating Agency, provided that if at the time of the occurrence of the Change of Control Merck KGaA, Darmstadt carries a rating from more than one Rating Agency, at least one of which is investment grade, then sub-paragraph (x) will apply; and in making the relevant decision(s) referred to above, the relevant Rating Agency announces publicly or confirms in writing to Merck KGaA, Darmstadt that such decision(s) resulted, in whole or in part, from the occurrence of the Change of Control.

If the rating designations employed by any of Moody's or S&P are changed from those which are described in the paragraph above, the Issuer shall determine the rating designations of Moody's or S&P (as appropriate) as are most equivalent to the prior rating designations of Moody's or S&P and the paragraph above shall be read accordingly.

"Change of Control Effective Date" means the date fixed by the Issuer in the Change of Control Notice, which (i) must, if at the relevant time any senior debt securities of Merck KGaA, Darmstadt are outstanding, be the fifth Business Day following the date on which such securities may become payable due to put notices of the holders of such securities in respect of the same Change of Control Event (or a similar concept); and (iii) must, if at the relevant time no senior debt securities of Merck KGaA, Darmstadt are outstanding, be a Business Day which falls not more than 40 days after publication of the Change of Control Notice.

§ 6
ZAHLUNGEN

- (1) *Zahlung von Kapital und Zinsen.* Die Emittentin verpflichtet sich, Kapital und Zinsen auf die Schuldverschreibungen sowie alle sonstigen auf die Schuldverschreibungen zahlbaren Beträge bei Fälligkeit in Euro zu zahlen. Die Zahlung von Kapital und Zinsen sowie allen sonstigen auf die Schuldverschreibungen zahlbaren Beträge erfolgt an die Hauptzahlstelle zur Weiterleitung an das Clearingsystem oder an dessen Order zur Gutschrift für die jeweiligen Kontoinhaber und im Fall von Zinsen und Zinsrückständen auf Schuldverschreibungen, die durch die Vorläufige Globalurkunde verbrieft sind, nach ordnungsgemäßer Bescheinigung gemäß § 2(2)(b). Die Zahlung an das Clearingsystem oder an dessen Order, vorausgesetzt, die Schuldverschreibungen werden noch durch das Clearingsystem gehalten, befreit die Emittentin in Höhe der geleisteten Zahlung von ihren entsprechenden Verbindlichkeiten aus den Schuldverschreibungen.
- (2) *Fälligkeitstag kein Geschäftstag.* Falls ein Fälligkeitstag für die Zahlung von Kapital und/oder Zinsen und/oder Zinsrückständen kein Geschäftstag ist, erfolgt die Zahlung, erst am nächstfolgenden Geschäftstag; Gläubiger sind nicht berechtigt, Zinsen oder eine andere Entschädigung wegen eines solchen Zahlungsaufschubs zu verlangen.
- (3) *Lieferung und Zahlungen nur außerhalb der Vereinigten Staaten.* Unbeschadet der übrigen Bestimmungen in diesen Anleihebedingungen erfolgen die Lieferung oder Kapitalrückzahlungen oder Zinszahlungen bezüglich der Schuldverschreibungen, sei es in bar oder in anderer Form, ausschließlich außerhalb der Vereinigten Staaten.

§ 7
ZAHLSTELLEN UND BERECHNUNGSSTELLE

- (1) *Hauptzahlstelle.* Die Hauptzahlstelle (die "**Hauptzahlstelle**") ist:

Deutsche Bank Aktiengesellschaft
Trust & Securities Services

§ 6
PAYMENTS

- (1) *Payment of Principal and Interest.* The Issuer undertakes to pay, as and when due, principal and Interest as well as all other amounts payable on the Notes in euro. Payment of principal and Interest as well as all other amounts due and payable on the Notes shall be made to the Principal Paying Agent for on-payment to the Clearing System or to its order for credit to the respective accountholders and, in the case of payments of Interest and Deferred Interest Payments on Notes represented by the Temporary Global Note, upon due certification as provided in § 2(2)(b). Payments to the Clearing System or to its order shall, to the extent of amounts so paid and provided the Notes are still held on behalf of the Clearing System, constitute the discharge of the Issuer from its corresponding obligations under the Notes.
- (2) *Due Date not a Business.* If the due date for any payment of principal and/or Interest and/or Deferred Interest Payments is not a Business Day, payment shall be effected only on the next Business Day; a Holder shall have no right to claim payment of any interest or other indemnity in respect of such delay in payment.
- (3) *No Delivery or Payment Except outside United States.* Notwithstanding any other provision of these Terms and Conditions, no delivery or payment of principal or Interest in respect of the Notes, whether in cash or otherwise, shall be made unless such payment is made outside the United States.

§ 7
PAYING AGENTS AND CALCULATION AGENT

- (1) *Principal Paying Agent.* Principal paying agent (the "**Principal Paying Agent**") shall be:

Deutsche Bank Aktiengesellschaft
Trust & Securities Services

Taunusanlage 12
60325 Frankfurt am Main
Bundesrepublik Deutschland

- (2) *Berechnungsstelle.* Die Berechnungsstelle (die "**Berechnungsstelle**") ist:

Deutsche Bank Aktiengesellschaft
Trust & Securities Services
Taunusanlage 12
60325 Frankfurt am Main
Bundesrepublik Deutschland

- (3) *Ortswechsel.* Die Hauptzahlstelle und die Berechnungsstelle behalten sich das Recht vor, jederzeit ihre jeweiligen bezeichneten Geschäftsstellen durch eine andere bezeichnete Geschäftsstelle in derselben Stadt zu ersetzen.

- (4) *Berechnungen der Berechnungsstelle.* Sämtliche Bescheinigungen, Mitteilungen, Gutachten, Festsetzungen, Berechnungen, Quotierungen und Entscheidungen, die von der Berechnungsstelle für die Zwecke dieser Anleihebedingungen gemacht, abgegeben, getroffen oder eingeholt werden, sind (sofern nicht vorsätzliches Fehlverhalten oder ein offensichtlicher Irrtum vorliegt) für die Emittentin, die Gläubiger und die Zahlstellen bindend.

- (5) *Änderung der Bestellung oder Abberufung.* Die Emittentin behält sich das Recht vor, jederzeit die Bestellung der Hauptzahlstelle oder der Berechnungsstelle zu ändern oder zu beenden und eine andere Hauptzahlstelle oder zusätzliche oder andere Zahlstellen oder eine andere Berechnungsstelle zu bestellen. Die Emittentin wird zu jedem Zeitpunkt eine Hauptzahlstelle und eine Berechnungsstelle unterhalten. Eine Änderung, Abberufung, Bestellung oder ein sonstiger Wechsel wird nur wirksam (außer im Insolvenzfall, in dem eine solche Änderung sofort wirksam wird), sofern die Gläubiger hierüber gemäß § 13 vorab unter Einhaltung einer Frist von mindestens 30 und nicht mehr als 45 Tagen informiert wurden.

- (6) *Erfüllungsgehilfe(n) der Emittentin.* Die Hauptzahlstelle und die Berechnungsstelle handeln ausschließlich als Beauftragte der Emittentin und übernehmen keine Verpflichtungen gegenüber den Gläubigern; es

Taunusanlage 12
60325 Frankfurt am Main
Bundesrepublik Deutschland

- (2) *Calculation Agent.* Calculation agent (the "**Calculation Agent**") shall be:

Deutsche Bank Aktiengesellschaft
Trust & Securities Services
Taunusanlage 12
60325 Frankfurt am Main
Bundesrepublik Deutschland

- (3) *Change of Office.* Each of the Principal Paying Agent and the Calculation Agent reserves the right at any time to change its specified office to some other specified office in the same city.

- (4) *Calculations made by the Calculation Agent.* 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 Calculation Agent shall (in the absence of wilful misconduct or manifest error) be binding upon the Issuer, the Holders and the paying agents.

- (5) *Variation or Termination of Appointment.* The Issuer reserves the right at any time to vary or terminate the appointment of the Principal Paying Agent or the Calculation Agent and to appoint another Principal Paying Agent or additional or other Paying Agents or another Calculation Agent. The Issuer shall at all times maintain a Principal Paying Agent and a Calculation Agent. Any variation, termination, appointment or other change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Holders in accordance with § 13.

- (6) *Agent of the Issuer.* The Principal Paying Agent and the Calculation Agent act solely as agents of the Issuer and do not assume any obligations towards or relationship of contract, agency or

wird kein Vertrags-, Auftrags- oder Treuhandverhältnis zwischen ihnen und den Gläubigern begründet.

§ 8 BESTEUERUNG

Alle in Bezug auf die Schuldverschreibungen von der Emittentin an die Gläubiger zahlbaren Kapitalbeträge, Zinsen und Zinsrückstände werden ohne Einbehalt oder Abzug von gegenwärtigen oder zukünftigen Steuern oder Abgaben gleich welcher Art gezahlt, die von oder im Namen der Bundesrepublik Deutschland, ihrer Bundesländer oder einer ihrer anderen steuererhebungsberechtigten Gebietskörperschaften (das "**Steuerhoheitsgebiet**") im Wege des Abzugs oder Einbehalts auferlegt oder erhoben werden, es sei denn, ein solcher Abzug oder Einbehalt ist gesetzlich vorgeschrieben. In diesem Fall wird die Emittentin diejenigen zusätzlichen Beträge ("**Zusätzliche Beträge**") zahlen, die erforderlich sind, damit die den Gläubigern zufließenden Beträge jeweils den Beträgen entsprechen, die diese ohne einen solchen Einbehalt oder Abzug erhalten hätten. Die Verpflichtung zur Zahlung solcher Zusätzlichen Beträge besteht jedoch nicht in Bezug auf Folgendes:

- (a) Deutsche Kapitalertragsteuer (inklusive der sog. Abgeltungsteuer), die nach dem deutschen Einkommensteuergesetz abgezogen oder einbehalten wird, auch wenn der Abzug oder Einbehalt durch die Emittentin oder ihren Vertreter vorzunehmen ist, und den deutschen Solidaritätszuschlag und die deutsche Kirchensteuer oder jede andere Steuer, welche die deutsche Kapitalertragsteuer bzw. den Solidaritätszuschlag bzw. die Kirchensteuer ersetzen sollte, und Einbehalte jeder Art, die von der Emittentin oder einem ihrer Vertreter für Rechnung des Inhabers der Schuldverschreibungen auf die von diesem geschuldete Vermögensteuer vorzunehmen sind, für den Fall, dass eine entsprechende Steuer von dem deutschen Gesetzgeber eingeführt wird; oder
- (b) Zahlungen an einen Gläubiger oder an einen Dritten für einen Gläubiger, falls dieser Gläubiger (oder ein Treuhänder, Treugeber, Begünstigter, Mitglied oder Gesellschafter eines solchen Gläubigers, sofern es sich bei dem Gläubiger um eine Vermögensmasse, ein

trust for or with any of the Holders.

§ 8 TAXATION

All payments of principal, Interest and Deferred Interest Payments made by the Issuer in respect of the Notes to the Holders shall be made free and clear of, and without withholding or deduction for, any present or future taxes or duties of whatever nature imposed or levied by way of deduction or withholding by or on behalf of the Federal Republic of Germany, its federal states (*Bundesländer*) or any authority therein or thereof having power to tax (the "**Taxing Jurisdiction**"), unless such deduction or withholding is required by law. In that event the Issuer shall pay such additional amounts (the "**Additional Amounts**") as shall result in receipt by the Holders of such amounts as would have been received by them had no such withholding or deduction been required, except that no Additional Amounts shall be payable with respect to:

- (a) German *Kapitalertragsteuer* (including *Abgeltungsteuer*) to be deducted or withheld pursuant to the German Income Tax Act (*Einkommensteuergesetz*), even if the deduction or withholding has to be made by the Issuer or its representative, and the German Solidarity Surcharge (*Solidaritätszuschlag*) and the German Church Tax (*Kirchensteuer*) or any other tax which may substitute the German *Kapitalertragsteuer* or *Solidaritätszuschlag* or *Kirchensteuer*, as the case may be, and withholdings of any kind to be made by the Issuer or one of its representatives on behalf of a Holder, where such Holder is subject to German net asset tax (*Vermögensteuer*), in case such a tax will be enacted by the German legislative authorities; or
- (b) payments to, or to a third party on behalf of, a Holder where such Holder (or a fiduciary, trustor, beneficiary, member or interest holder of such Holder, if such Holder is an estate, a trust, a partnership or a corporation) is liable to such withholding or deduction by reason of

Treuhandvermögen, eine Personengesellschaft oder eine Kapitalgesellschaft handelt) aufgrund einer früheren oder gegenwärtigen Verbindung zu Deutschland, einschließlich eines solchen Gläubigers (bzw. Treuhänders, Treugebers, Begünstigten, Mitglieds oder Gesellschafters), der Staatsbürger oder Einwohner dieses Landes war oder ist oder in diesem Land ein Gewerbe, ein Geschäft oder eine Repräsentanz betrieben hat oder betreibt oder eine Betriebsstätte hatte oder hat, einem solchen Einbehalt oder Abzug unterliegt und sich diese Verbindung nicht nur darauf beschränkt, dass er die Schuldverschreibung hält oder die unter dieser jeweils zu leistenden Zahlungen erhält; oder

- (c) Zahlungen an einen Gläubiger oder an einen Dritten für einen Gläubiger, falls kein Einbehalt oder Abzug hätte erfolgen müssen, wenn die Schuldverschreibung zum Zeitpunkt der fraglichen Zahlung in einem Depotkonto bei einem nicht in Deutschland ansässigen Kreditinstitut Finanzdienstleistungsinstitut, Wertpapierhandelsunternehmen oder einer nicht in Deutschland ansässigen Wertpapierhandelsbank verwahrt gewesen wären; oder
- (d) Zahlungen, falls der Einbehalt oder Abzug bei Zahlung durch (i) die Richtlinie des Rates der Europäischen Union 2003/48/EG vom 3. Juni 2003 oder durch eine andere die Beschlüsse des ECOFIN Ratstreffens vom 26. bis 27. November 2000 zur Zinsbesteuerung umsetzende Richtlinie oder durch ein diese Richtlinie umsetzendes oder sie befolgendes oder zu ihrer Befolgung erlassenes Gesetz begründet wird, oder (ii) eine Richtlinie oder Verordnung der Europäischen Union betreffend die Besteuerung von Zinserträgen, welche an eine natürliche Person oder an bestimmte juristische Personen, die als sonstige Einrichtungen bezeichnet werden, ausgezahlt werden, oder (iii) eine zwischenstaatliche Vereinbarung über die Besteuerung solcher Zinserträge, an der Deutschland oder die Europäische Union beteiligt ist, oder (iv) eine gesetzliche Vorschrift, die eine solche Richtlinie, Verordnung oder Vereinbarung umsetzt oder befolgt, oder (v) das

having some present or former connection with Germany, including, without limitation, such Holder (or such fiduciary, trustor, beneficiary, member or interest holder) being or having been a citizen or resident thereof or being or having been engaged in a trade or business present therein or having, or having had, a permanent establishment therein, other than by reason only of the holding of such Note or the receipt of the relevant payment in respect thereof; or

- (c) payments to, or to a third party on behalf of, a Holder where no such withholding or deduction would have been required to be made if the Notes were credited at the time of payment to a securities deposit account with a bank, financial services institution, securities trading business or securities trading bank, in each case outside Germany; or
- (d) payments where such withholding or deduction is imposed pursuant to (i) European Council Directive 2003/48/EC dated June 3, 2003 or any other Directive implementing the conclusions of the ECOFIN Council meeting of November 26 - 27, 2000 on taxation of savings income or any law implementing or complying with, or introduced in order to conform to such Directive, or (ii) any European Directive or regulation concerning the taxation of interest income paid to an individual and certain types of entities called "residual entities", or (iii) any international treaty or understanding relating to such taxation and to which Germany or the European Union is a party, or (iv) any provision of law implementing, or complying with, or introduced to conform with, such Directive, regulation, treaty or understanding, or (v) the Luxembourg law of December 23, 2005, as amended by the law of July 17, 2008, with respect to Luxembourg resident individuals; or (vi) are imposed pursuant to an agreement

luxemburgische Gesetz vom 23. Dezember 2005, geändert durch das Gesetz vom 17. Juli 2008, bezüglich natürlicher Personen, die in Luxemburg ansässig sind, oder (vi) einen Vertrag gemäß Abschnitt 1471(b) des U.S. Internal Revenue Code von 1986 (der "Code") oder andere Regelungen gemäß den Abschnitten 1471 bis 1474 des Codes sowie sämtliche darunter erlassene Vorschriften, amtliche Auslegungen und Umsetzungsakte, die auf zwischenstaatlichen Vereinbarungen beruhen, begründet wird; oder

- (e) Zahlungen, soweit der Einbehalt oder Abzug von einem Gläubiger oder von einem Dritten für einen Gläubiger vorzunehmen ist, der einen solchen Einbehalt oder Abzug dadurch rechtmäßig hätte vermeiden können (aber nicht vermieden hat), dass er gesetzliche Vorschriften beachtet, oder dafür sorgt, dass Dritte dieses tun, oder dadurch, dass er eine Nichtansässigkeitserklärung oder einen vergleichbaren Antrag auf Steuerbefreiung gegenüber der am Zahlungsort zuständigen Steuerbehörde abgibt oder dafür sorgt, dass dies durch einen Dritten erfolgt, oder
- (f) Zahlungen, soweit der Einbehalt oder Abzug von einem Gläubiger oder von einem Dritten für einen Gläubiger vorzunehmen ist, der einen solchen Einbehalt oder Abzug durch die Bewirkung einer Zahlung über eine andere Zahlstelle in einem Mitgliedstaat der Europäischen Union, welche nicht zu einem solchen Einbehalt oder Abzug verpflichtet ist, hätte vermeiden können; oder
- (g) Zahlungen, soweit der Einbehalt oder Abzug vorzunehmen ist, weil der Gläubiger eine Schuldverschreibung mehr als 30 Tage nach dem Tag zur Zahlung vorlegt, an dem diese Zahlung erfüllbar und fällig wurde bzw., soweit dies später eintritt, nach dem Tag, an dem die fällige Zahlung ordnungsgemäß bereitgestellt wurde; oder
- (h) jegliche Kombination der Absätze (a)-(g).

Zudem werden keine Zusätzlichen Beträge im Hinblick auf Zahlungen auf die Schuldverschreibungen an einen Gläubiger gezahlt, welcher die Zahlung als Treuhänder oder Personengesellschaft

described in section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "Code") or otherwise imposed pursuant to sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto; or

- (e) payments to the extent such withholding or deduction is payable by or on behalf of a Holder who could lawfully avoid (but has not so avoided) such withholding or deduction by complying or procuring that any third party complies with any statutory requirements or by making or procuring that a third party makes a declaration of non-residence or other similar claim for exemption to any tax authority in the place where the payment is effected; or
- (f) payments to the extent such withholding or deduction is payable by or on behalf of a Holder who would have been able to avoid such withholding or deduction by effecting a payment via another Paying Agent in a Member State of the European Union, not obliged to withhold or deduct tax; or
- (g) payments to the extent such withholding or deduction is for or on account of the presentation by the Holder of any Note for payment on a date more than 30 days after the date on which such payment became due and payable or the date on which payment thereof is duly provided for, whichever occurs later; or
- (h) any combination of items (a)-(g);

nor shall any Additional Amounts be paid with respect to any payment on a Note to a Holder who is a fiduciary or partnership or who is other than the sole beneficial owner of such payment to the extent such

oder als sonstiger nicht alleiniger wirtschaftlicher Eigentümer erhält, soweit nach den Gesetzen des Steuerhoheitsgebiets eine solche Zahlung für Steuerzwecke dem Einkommen eines Begünstigten bzw. Treugebers bezüglich einer solchen Treuhand oder eines Gesellschafters der Personengesellschaft oder eines wirtschaftlichen Eigentümers zugerechnet würde, der jeweils selbst nicht zum Erhalt von Zusätzlichen Beträgen berechtigt wäre, wenn er selbst Gläubiger der Schuldverschreibung(en) wäre.

§ 9
VORLEGUNGSFRIST

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

§ 10
ERSETZUNG

(1) *Ersetzung.* Die Emittentin (wobei eine Bezugnahme auf die Emittentin auch alle früheren Nachfolgeschuldnerinnen (wie nachfolgend definiert) umfasst) ist jederzeit berechtigt, wenn kein Zahlungsverzug hinsichtlich Kapital oder Zinsen oder Zinsrückstände auf die Schuldverschreibungen vorliegt, ohne weitere Zustimmung der Gläubiger ein Verbundenes Finanzierungsunternehmen an ihrer Stelle als Hauptschuldnerin (ein solches Unternehmen ist die "**Nachfolgeschuldnerin**") für alle Verpflichtungen aus und im Zusammenhang mit den Schuldverschreibungen einzusetzen, vorausgesetzt, dass:

(a) die Nachfolgeschuldnerin alle Verpflichtungen der Emittentin im Zusammenhang mit den Schuldverschreibungen rechtswirksam übernimmt und sie sämtliche sich aus oder im Zusammenhang mit den Schuldverschreibungen ergebenden Zahlungsverpflichtungen in Euro ohne die Notwendigkeit einer Einbehaltung an der Quelle oder des Abzugs irgendwelcher Steuern oder Abgaben in dem Land oder Hoheitsgebiet, in dem die Nachfolgeschuldnerin ihren Sitz hat (mit Ausnahme von Steuern, die auch angefallen wären, wäre die Ersetzung nicht erfolgt), erfüllen sowie die hierzu

payment would be required by the laws of the Taxing Jurisdiction to be included in the income, for tax purposes, of a beneficiary or trustor with respect to such fiduciary or a member of such partnership or a beneficial owner who would not have been entitled to such Additional Amounts had such beneficiary, trustor, member or beneficial owner been the Holder of the Note(s).

§ 9
PRESENTATION PERIOD

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

§ 10
SUBSTITUTION

(1) *Substitution.* The Issuer (reference to which shall always include any previous Substitute Debtor (as defined below)) may, at any time, if no payment of principal or interest or Deferred Interest Payments on any of the Notes is in default, without the consent of the Holders, substitute for the Issuer any Financing Affiliate (as defined below) as the principal debtor in respect to the Notes (any such company, the "**Substitute Debtor**"), provided that:

(a) the Substitute Debtor assumes all obligations of the Issuer in respect of the Notes and is in a position to fulfil all payment obligations arising from or in connection with the Notes in euro without the necessity of any taxes or duties levied by the country or jurisdiction in which the Substitute Debtor is domiciled (other than taxes which would also be levied in the absence of such substitution) to be withheld or deducted at source and to transfer all amounts which are required therefore to the Principal Paying Agent without any restrictions, and that in particular all necessary authorizations to this effect by any competent authority have been obtained, and, to

- erforderlichen Beträge ohne Beschränkungen an die Hauptzahlstelle transferieren kann und sie insbesondere jede hierfür notwendige Genehmigung der Behörden ihres Landes erhalten hat, und, sofern eine Zustellung an die Nachfolgeschuldnerin außerhalb von Deutschland erfolgen müsste, ein Zustellungsbevollmächtigter in Deutschland bestellt wird;
- (b) kein in § 5 genanntes Kündigungsrecht in Folge der Ersetzung der Emittentin durch die Nachfolgeschuldnerin eintritt;
- (c) die Emittentin unwiderruflich und unbedingt gegenüber den Gläubigern die Zahlung aller von der Nachfolgeschuldnerin auf die Schuldverschreibungen zahlbaren Beträge zu Bedingungen garantiert, die sicherstellen, dass jeder Gläubiger wirtschaftlich mindestens so gestellt wird, wie er ohne die Ersetzung stehen würde (die "**Ersetzungs-Garantie**");
- (d) die Nachfolgeschuldnerin und die Emittentin alle für die Ersetzung und die Emittentin alle für die Abgabe der Ersetzungs-Garantie notwendigen Genehmigungen und Zustimmungen von Regierungsstellen und Aufsichtsbehörden erhalten haben, die Nachfolgeschuldnerin alle für die Erfüllung ihrer Verpflichtungen aus den Schuldverschreibungen notwendigen Genehmigungen und Zustimmungen von Regierungsstellen und Aufsichtsbehörden erhalten hat und weiterhin sämtliche dieser Genehmigungen und Zustimmungen in vollem Umfang gültig und wirksam sind und zudem die Verpflichtungen der Nachfolgeschuldnerin und die von der Emittentin begebene Ersetzungs-Garantie jeweils gemäß ihren Bestimmungen wirksam und rechtsverbindlich und durch jeden Gläubiger durchsetzbar sind;
- (e) die Nachfolgeschuldnerin sich verpflichtet, jedem Gläubiger alle Steuern, Gebühren oder Abgaben zu erstatten, die ihm im Zusammenhang mit Zahlungen auf die Schuldverschreibungen oder unter der Ersetzungs-Garantie (einschließlich Steuern und Abgaben, die an der Quelle abgeführt oder einbehalten wurden), durch den Schuldnerwechsel oder in anderer Weise
- the extent service of process must be effected to the Substitute Debtor outside of Germany, a service of process agent in Germany is appointed;
- (b) none of the issuer call rights specified in § 5 occurs as a consequence of the substitution of the Issuer by the Substitute Debtor;
- (c) the Issuer irrevocably and unconditionally guarantees in favour of each Holder the payment of all sums payable by the Substitute Debtor in respect of the Notes on terms which ensure that each Holder will be put in an economic position that is at least as favourable as that which would have existed if the substitution had not taken place (the "**Substitution Guarantee**");
- (d) the Substitute Debtor and the Issuer have obtained all necessary governmental and regulatory approvals and consents for such substitution and for the giving by the Issuer of the Substitution Guarantee in respect of the obligations of the Substitute Debtor, that the Substitute Debtor has obtained all necessary governmental and regulatory approvals and consents for the performance by the Substitute Debtor of its obligations under the Notes, and that all such approvals and consents are in full force and effect and that the obligations assumed by the Substitute Debtor and the Substitution Guarantee given by the Issuer are each valid and binding in accordance with their respective terms and enforceable by each Holder;
- (e) the Substitute Debtor undertakes to reimburse any Holder for such taxes, fees or duties which may be imposed upon such Holder in connection with any payments on the Notes or under the Substitution Guarantee (including taxes or duties being deducted or withheld at source), upon conversion or otherwise, as a consequence of the assumption of the Issuer's obligations by the Substitute Debtor, provided

infolge der Schuldübernahme durch die Nachfolgeschuldnerin auferlegt werden, vorausgesetzt, dass sich die Verpflichtung auf Beträge beschränkt, die der Gläubiger ohne die Ersetzung der Emittentin nicht hätte tragen müssen; und

- (f) der Hauptzahlstelle jeweils ein Rechtsgutachten bezüglich der betroffenen Rechtsordnungen von anerkannten Rechtsanwälten vorgelegt wurden, die bestätigen, dass die Bestimmungen in den vorstehenden Unterabsätzen (a) bis (e) erfüllt wurden.

Für Zwecke dieses § 10 bedeutet "**Verbundenes Finanzierungsunternehmen**" jedes verbundene Unternehmen im Sinne des § 15 AktG der Emittentin, dessen Geschäftszweck in der Aufnahme von Mitteln für die Refinanzierung von verbundenen Unternehmen besteht und die keine wesentlichen operativen Vermögenswerte oder Anteile an operativen Gesellschaften der Emittentin oder deren Tochtergesellschaften hält.

- (2) *Schuldbefreiung. Bezugnahmen.* Nach einer Ersetzung gemäß diesem § 10 gilt die Nachfolgeschuldnerin als in den Schuldverschreibungen an Stelle der Emittentin als Hauptschuldnerin bestimmt und die Schuldverschreibungen gelten als dementsprechend ergänzt, um der Ersetzung zur Durchsetzung zu verhelfen, und als das relevante Steuerhoheitsgebiet in Bezug auf § 8, ein Quellensteuer-Ereignis und ein Steuerereignis gilt sowohl die Jurisdiktion, in der die Nachfolgeschuldnerin steuerlich ansässig ist, als auch die Bundesrepublik Deutschland.

§ 3(1) gilt als insoweit angepasst, dass der Rang der Ansprüche aus den Schuldverschreibungen gleich bleibt.

Zudem sollen sich die Bezugnahmen auf Emittentin in § 4(8)(c)(i) und § 4(8)(c)(ii), in der Definition von Ratingagenturereignis und Akquisitionereignis weiterhin nur auf die Merck KGaA beziehen.

Die Bezugnahmen auf die Emittentin in § 4(8)(b)(iii), § 4(8)(c)(iv), § 4(8)(c)(v) und

that such undertaking shall be limited to amounts that would not have been imposed upon the Holder had such substitution not occurred; and

- (f) there shall have been delivered to the Principal Paying Agent one opinion for each jurisdiction affected of lawyers of recognized standing to the effect that subparagraphs (a) through (e) above have been satisfied.

For purposes of this § 10, "**Financing Affiliate**" shall mean any affiliated company (*verbundenes Unternehmen*) within the meaning of § 15 German Stock Corporation Act (*Aktiengesetz*) of the Issuer, which has the corporate function of raising financing and passing it on to affiliates and which holds no significant operating assets or has any ownership in the operating companies of the Issuer or its Subsidiaries.

- (2) *Discharge from Obligations. References.* Upon a substitution in accordance with this § 10, the Substitute Debtor shall be deemed to be named in the Notes as the principal debtor in place of the Issuer as issuer and the Notes shall thereupon be deemed to be amended to give effect to the substitution including that the relevant Taxing Jurisdiction in relation to the Issuer in § 8, a Gross-up Event and Tax Event shall be the Substitute Debtor's country of domicile for tax purposes as well as the Federal Republic of Germany.

§ 3(1) is deemed to be amended insofar that the ranking of the Notes stays the same.

In addition, the references to the Issuer in § 4(8)(c)(i) and § 4(8)(c)(ii), in the definition of Rating Agency Event and Acquisition Event shall continue to refer only to Merck KGaA.

The references to the Issuer in § 4(8)(b)(iii), § 4(8)(c)(iv), § 4(8)(c)(v) and § 5(5) shall refer

§ 5(5) beziehen sich sowohl auf die Nachfolgeschuldnerin als auch auf die Merck KGaA.

Jede Ersetzung zusammen mit der Mitteilung gemäß Absatz (3) dieser Bestimmung befreit, im Fall der Einsetzung einer anderen Gesellschaft als Hauptschuldnerin, die Emittentin von allen Verbindlichkeiten, die sie als Hauptschuldnerin unter den Schuldverschreibungen hatte.

- (3) *Benachrichtigung der Gläubiger.* Spätestens 15 Geschäftstage nach Durchführung der Ersetzung wird die Nachfolgeschuldnerin dies den Gläubigern und, sollten die Schuldverschreibungen an einer Börse notiert sein, dieser Börse gemäß § 13 mitteilen und jede andere Person oder Stelle, gemäß den anwendbaren Gesetzen und Regelungen informieren.

§ 11

BESCHLÜSSE DER GLÄUBIGER, ÄNDERUNG DER ANLEIHEBEDINGUNGEN, GEMEINSAMER VERTRETER

- (1) *Beschlüsse durch die Gläubiger.* Die Gläubiger können mit Zustimmung der Emittentin (soweit erforderlich) aufgrund Mehrheitsbeschlusses nach Maßgabe der §§ 5 ff. des Gesetzes über Schuldverschreibungen aus Gesamtemissionen ("**SchVG**") in seiner jeweils gültigen Fassung die Anleihebedingungen ändern oder sonstige Maßnahmen gemäß dem SchVG beschließen. Die Gläubiger können insbesondere einer Änderung wesentlicher Inhalte der Anleihebedingungen, einschließlich der in § 5 Absatz 3 SchVG vorgesehenen Maßnahmen durch Beschlüsse mit den in dem nachstehenden Absatz (2) genannten Mehrheiten zustimmen. Ein ordnungsgemäß gefasster Mehrheitsbeschluss ist für alle Gläubiger verbindlich.
- (2) *Mehrheit.* Vorbehaltlich des nachstehenden Satzes und der Erreichung der erforderlichen Beschlussfähigkeit, beschließen die Gläubiger mit der einfachen Mehrheit der an der Abstimmung teilnehmenden Stimmrechte. Beschlüsse, durch welche der wesentliche

to the Substitute Debtor and Merck KGaA.

Any such substitution, together with the notice referred to in subparagraph (3) below, shall, in the case of the substitution of any other company as principal debtor, operate to release the Issuer as issuer from all of its obligations as principal debtor in respect of the Notes.

- (3) *Notification to Holders.* Not later than 15 Business Days after effecting the substitution, the Substitute Debtor shall give notice thereof to the Holders and, if any Notes are listed on any stock exchange, to such stock exchange in accordance with § 13 and to any other person or authority as required by applicable laws or regulations.

§ 11

RESOLUTIONS OF HOLDERS, AMENDMENT OF THE TERMS AND CONDITIONS, HOLDERS' REPRESENTATIVE

- (1) *Resolutions of Holders.* The Holders may with consent of the Issuer (if required) by a majority resolution pursuant to section 5 et seqq. of the German Act on Issues of Debt Securities (*Gesetz über Schuldverschreibungen aus Gesamtemissionen*) (the "**SchVG**"), as amended from time to time, agree to amendments of the Terms and Conditions or resolve any other matters provided for by the SchVG. In particular, the Holders may consent to amendments which materially change the substance of the Terms and Conditions, including such measures as provided for under section 5 paragraph 3 SchVG by resolutions passed by such majority of the votes of the Holders as stated under paragraph (2) below. A duly passed majority resolution shall be binding upon all Holders.
- (2) *Majority.* Except as provided by the following sentence and provided that the quorum requirements are being met, the Holders may pass resolutions by simple majority of the voting rights participating in the vote. Resolutions which materially change the

Inhalt der Anleihebedingungen, insbesondere in den Fällen des § 5 Absatz 3 Nummern 1 bis 9 SchVG, geändert wird, bedürfen zu ihrer Wirksamkeit einer Mehrheit von mindestens 75% der an der Abstimmung teilnehmenden Stimmrechte (eine "**Qualifizierte Mehrheit**").

- (3) *Beschlussfassung.* Die Gläubiger können Beschlüsse in einer Gläubigerversammlung gemäß §§ 5 ff. SchVG oder im Wege einer Abstimmung ohne Versammlung gemäß § 18 und § 5 ff. SchVG fassen.
- (4) *Gläubigerversammlung.* Falls Beschlüsse der Gläubiger in einer Gläubigerversammlung gefasst werden, enthält die Bekanntmachung der Einberufung nähere Angaben zu den Beschlüssen und zu den Abstimmungsmodalitäten. Die Gegenstände und Vorschläge zur Beschlussfassung werden den Gläubigern mit der Bekanntmachung der Einberufung bekannt gemacht. Die Teilnahme an der Gläubigerversammlung und die Ausübung der Stimmrechte ist von einer vorherigen Anmeldung der Gläubiger abhängig. Die Anmeldung muss unter der in der Bekanntmachung der Einberufung mitgeteilten Adresse spätestens am dritten Tag vor der Gläubigerversammlung zugehen. Mit der Anmeldung müssen die Gläubiger ihre Berechtigung zur Teilnahme an der Abstimmung durch einen in Textform erstellten besonderen Nachweis der Depotbank gemäß § 14(3)(i)(a) und (b) und durch Vorlage eines Sperrvermerks der Depotbank, aus dem hervorgeht, dass die betreffenden Schuldverschreibungen ab dem Tag der Absendung der Anmeldung (einschließlich) bis zum angegebenen Ende der Gläubigerversammlung (einschließlich) nicht übertragbar sind, nachweisen.
- (5) *Abstimmung ohne Versammlung.* Falls Beschlüsse der Gläubiger im Wege einer Abstimmung ohne Versammlung gefasst werden, enthält die Aufforderung zur Stimmabgabe durch den Abstimmungsleiter die weiteren Einzelheiten zu den Beschlüssen und
- substance of the Terms and Conditions, in particular in the cases of section 5 paragraph 3 numbers 1 through 9 SchVG, or relating to material other matters may only be passed by a majority of at least 75% of the voting rights participating in the vote (a "**Qualified Majority**").
- (3) *Passing of resolutions.* The Holders can pass resolutions in a meeting (*Gläubigerversammlung*) in accordance with section 5 et seqq. of the SchVG or by means of a vote without a meeting (*Abstimmung ohne Versammlung*) in accordance with section 18 and section 5 et seqq. of the SchVG.
- (4) *Meeting.* If resolutions of the Holders shall be made by means of a meeting the convening notice (*Einberufung*) will provide for further details relating to the resolutions and the voting procedure. The subject matter of the vote as well as the proposed resolutions shall be notified to the Holders together with the convening notice. Attendance at the meeting and exercise of voting rights is subject to the Holders' registration. The registration must be received at the address stated in the convening notice no later than the third day preceding the meeting. As part of the registration, Holders must demonstrate their eligibility to participate in the vote by means of a special confirmation of the Custodian in accordance with § 14(3)(i)(a) and (b) hereof in text form and by submission of a blocking instruction by the Custodian stating that the relevant Notes are not transferable from and including the day such registration has been sent until and including the stated end of the meeting.
- (5) *Vote without a meeting.* If resolutions of the Holders shall be made by means of a vote without a meeting (*Abstimmung ohne Versammlung*) the request for voting (*Aufforderung zur Stimmabgabe*) as submitted by the chairman (*Abstimmungsleiter*) will

dem Abstimmungsverfahren. Die Gegenstände und Vorschläge zur Beschlussfassung werden den Gläubigern mit der Aufforderung zur Stimmabgabe bekannt gemacht. Die Ausübung der Stimmrechte ist von einer vorherigen Anmeldung der Gläubiger abhängig. Die Anmeldung muss unter der in der Aufforderung zur Stimmabgabe mitgeteilten Adresse spätestens am dritten Tag vor Beginn des Abstimmungszeitraums zugehen. Mit der Anmeldung müssen die Gläubiger ihre Berechtigung zur Teilnahme an der Abstimmung durch einen in Textform erstellten besonderen Nachweis der Depotbank gemäß § 14(3)(i)(a) und (b) und durch Vorlage eines Sperrvermerks der Depotbank, aus dem hervorgeht, dass die betreffenden Schuldverschreibungen ab dem Tag der Absendung der Anmeldung (einschließlich) bis zum letzten Tag des Abstimmungszeitraums (einschließlich) nicht übertragbar sind, nachweisen.

- (6) *Zweite Versammlung.* Wird für die Gläubigerversammlung gemäß Absatz (4) oder die Abstimmung ohne Versammlung gemäß Absatz (5) die mangelnde Beschlussfähigkeit festgestellt, kann – im Fall der Gläubigerversammlung – der Vorsitzende eine zweite Versammlung im Sinne von § 15 Absatz 3 Satz 2 SchVG und – im Fall der Abstimmung ohne Versammlung – der Abstimmungsleiter eine zweite Versammlung im Sinne von § 15 Absatz 3 Satz 3 SchVG einberufen. Die Teilnahme an der zweiten Versammlung und die Ausübung der Stimmrechte sind von einer vorherigen Anmeldung der Gläubiger abhängig. Die Anmeldung muss unter der in der Bekanntmachung der Einberufung mitgeteilten Adresse spätestens am dritten Tag vor der zweiten Versammlung zugehen. Mit der Anmeldung müssen die Gläubiger ihre Berechtigung zur Teilnahme an der Abstimmung durch einen in Textform erstellten besonderen Nachweis der Depotbank gemäß § 14(3)(i)(a) und (b) und durch Vorlage eines Sperrvermerks der Depotbank, aus dem hervorgeht, dass die betreffenden Schuldverschreibungen ab dem Tag der

provide the further details relating to the resolutions and the voting procedure. The subject matter of the vote as well as the proposed resolutions shall be notified to Holders together with the request for voting. The exercise of voting rights is subject to the Holders' registration. The registration must be received at the address stated in the request for voting no later than the third day preceding the beginning of the voting period. As part of the registration, Holders must demonstrate their eligibility to participate in the vote by means of a special confirmation of the Custodian in accordance with § 14(3)(i)(a) and (b) hereof in text form and by submission of a blocking instruction by the Custodian stating that the relevant Notes are not transferable from and including the day such registration has been sent until and including the day the voting period ends.

- (6) *Second meeting.* If it is ascertained that no quorum exists for the meeting pursuant to paragraph (4) or the vote without a meeting pursuant to paragraph (5), in case of a meeting the chairman (*Vorsitzender*) may convene a second meeting in accordance with section 15 paragraph 3 sentence 2 of the SchVG or in case of a vote without a meeting the scrutineer (*Abstimmungsleiter*) may convene a second meeting within the meaning of section 15 paragraph 3 sentence 3 of the SchVG. Attendance at the second meeting and exercise of voting rights is subject to the Holders' registration. The registration must be received at the address stated in the convening notice no later than the third day preceding the second meeting. As part of the registration, Holders must demonstrate their eligibility to participate in the vote by means of a special confirmation of the Custodian in accordance with § 14(3)(i)(a) and (b) hereof in text form and by submission of a blocking instruction by the Custodian stating that the relevant Notes are not transferable from and including the day such registration has been sent until and including the stated end of the meeting.

Absendung der Anmeldung (einschließlich) bis zum angegebenen Ende der Versammlung (einschließlich) nicht übertragbar sind, nachweisen.

- (7) *Gemeinsamer Vertreter.* Die Gläubiger können durch Mehrheitsbeschluss die Bestellung oder Abberufung eines gemeinsamen Vertreters (der "**Gemeinsame Vertreter**"), die Aufgaben und Befugnisse des Gemeinsamen Vertreters, die Übertragung von Rechten der Gläubiger auf den Gemeinsamen Vertreter und eine Beschränkung der Haftung des Gemeinsamen Vertreters bestimmen. Die Bestellung eines Gemeinsamen Vertreters bedarf einer Qualifizierten Mehrheit, wenn er ermächtigt werden soll, Änderungen des wesentlichen Inhalts der Anleihebedingungen oder sonstigen wesentlichen Maßnahmen gemäß Absatz (2) zuzustimmen.
- (8) *Veröffentlichung.* Bekanntmachungen betreffend diesen § 11 erfolgen ausschließlich gemäß den Bestimmungen des SchVG.
- (9) *Änderung einer Ersetzungs-Garantie.* Die oben aufgeführten auf die Schuldverschreibungen anwendbaren Bestimmungen gelten entsprechend für die Bestimmungen einer etwaigen Ersetzungs-Garantie.
- (7) *Holder's representative.* The Holders may by majority resolution provide for the appointment or dismissal of a holders' representative (the "**Holder's Representative**"), the duties and responsibilities and the powers of such Holder's Representative, the transfer of the rights of the Holders to the Holder's Representative and a limitation of liability of the Holder's Representative. Appointment of a Holder's Representative may only be passed by a Qualified Majority if such Holder's Representative is to be authorised to consent, in accordance with paragraph (2) hereof, to a material change in the substance of the Terms and Conditions or other material matters.
- (8) *Publication.* Any notices concerning this § 11 shall be made exclusively pursuant to the provisions of the SchVG.
- (9) *Amendments to a Substitution Guarantee.* The provisions set out above applicable to the Notes shall apply *mutatis mutandis* to the Substitution Guarantee, if any.

§ 12

BEGEBUNG WEITERER SCHULDVERSCHREIBUNGEN, ENTWERTUNG

- (1) *Begebung weiterer Schuldverschreibungen.* Die Emittentin ist berechtigt, jederzeit ohne Zustimmung der Gläubiger weitere Schuldverschreibungen mit gleicher Ausstattung (gegebenenfalls mit Ausnahme des Tags der Begebung, des Beginns des Zinslaufs und/oder des Ausgabepreises) in der Weise zu begeben, dass sie mit diesen Schuldverschreibungen eine einheitliche Serie (Gesamtemission) bilden.
- (2) *Entwertung.* Sämtliche vollständig zurückgezahlten Schuldverschreibungen sind unverzüglich zu entwerten und können nicht wiederbegeben oder wiederverkauft werden.
- (1) *Further Issues.* The Issuer may from time to time, without the consent of the Holders, issue further Notes having the same terms and conditions as the Notes in all respects (or in all respects except for the issue date, commencement of the interest accrual period and/or issue price) so as to form a single series (*Gesamtemission*) with the Notes.
- (2) *Cancellation.* All Notes redeemed in full shall be cancelled forthwith and may not be reissued or resold.

§ 12

FURTHER ISSUES, CANCELLATION

§ 13
MITTEILUNGEN

- (1) *Bekanntmachung.* Alle die Schuldverschreibungen betreffenden Mitteilungen, außer wie in § 11(8) vorgesehen, sind auf der Internetseite der Luxemburger Börse (www.bourse.lu) elektronisch zu veröffentlichen. Jede derartige Mitteilung gilt mit dem dritten Tag nach dem Tag der Veröffentlichung (oder bei mehrfacher Veröffentlichungen mit dem dritten Tag nach dem Tag der ersten solchen Veröffentlichung) als wirksam erfolgt.
- (2) *Mitteilungen an das Clearingsystem.* Solange Schuldverschreibungen an der Luxemburger Börse notiert sind, sind alle die Schuldverschreibungen betreffenden Mitteilungen gemäß Absatz (1) bekanntzumachen. Soweit die Mitteilung den Zinssatz betrifft, oder die Regeln der Luxemburger Börse dies sonst zulassen, kann die Emittentin eine Veröffentlichung nach Absatz (1) durch eine Mitteilung an das Clearingsystem zur Weiterleitung an die Gläubiger ersetzen; jede derartige Mitteilung gilt am siebten Tag nach dem Tag der Mitteilung an das Clearingsystem als den Gläubigern mitgeteilt.

§ 14
**ANWENDBARES RECHT, GERICHTSSTAND
UND GERICHTLICHE GELTENDMACHUNG**

- (1) *Anwendbares Recht.* Form und Inhalt der Schuldverschreibungen sowie die Rechte und Pflichten der Gläubiger und der Emittentin bestimmen sich in jeder Hinsicht nach deutschem Recht.
- (2) *Gerichtsstand.* Nicht ausschließlich zuständig für sämtliche im Zusammenhang mit den Schuldverschreibungen entstehenden Klagen oder sonstige Verfahren ("**Rechtsstreitigkeiten**") ist das Landgericht Frankfurt am Main.
- (3) *Gerichtliche Geltendmachung.* Jeder Gläubiger von Schuldverschreibungen ist berechtigt, in jedem Rechtsstreit gegen die Emittentin oder in jedem Rechtsstreit, in dem der Gläubiger und die Emittentin Partei sind, seine Rechte aus

§ 13
NOTICES

- (1) *Publication.* All notices concerning the Notes, except as stipulated in § 11(8), will be made by means of electronic publication on the internet website of the Luxembourg Stock Exchange (www.bourse.lu). Any notice will be deemed to have been validly given on the third day following the date of such publication (or, if published more than once, on the third day following the date of the first such publication).
- (2) *Notification to Clearing System.* So long as any Notes are listed on the Luxembourg Stock Exchange, subparagraph (1) shall apply. In the case of notices regarding the rate of interest or, if the rules of the Luxembourg Stock Exchange otherwise so permit, the Issuer may deliver the relevant notice to the Clearing System for communication by the Clearing System to the Holders, in lieu of publication as set forth in subparagraph (1) above; any such notice shall be deemed to have been given on the seventh day after the day on which the said notice was given to the Clearing System.

§ 14
**APPLICABLE LAW, PLACE OF
JURISDICTION AND ENFORCEMENT**

- (1) *Applicable Law.* The Notes, as to form and content, and all rights and obligations of the Holders and the Issuer, shall be governed by German law.
- (2) *Submission to Jurisdiction.* The District Court (Landgericht) in Frankfurt am Main shall have non-exclusive jurisdiction for any action or other legal proceedings ("**Proceedings**") arising out of or in connection with the Notes.
- (3) *Enforcement.* Any Holder of Notes may in any proceedings against the Issuer, or to which such Holder and the Issuer are parties, protect and enforce in his own name his rights arising under such Notes on the basis of (i) a statement issued

diesen Schuldverschreibungen im eigenen Namen auf der folgenden Grundlage zu schützen und geltend zu machen: (i) er bringt eine Bescheinigung der Depotbank bei, bei der er für die Schuldverschreibungen ein Wertpapierdepot unterhält, welche (a) den vollständigen Namen und die vollständige Adresse des Gläubigers enthält, (b) den Gesamtnennbetrag der Schuldverschreibungen bezeichnet, die zu dem Datum der Bescheinigung auf dem Wertpapierdepot verbucht sind und (c) bestätigt, dass die Depotbank gegenüber dem Clearingsystem eine schriftliche Erklärung abgegeben hat, die die vorstehend unter (a) und (b) bezeichneten Informationen enthält und von dem Clearingsystem bestätigt wurde; (ii) er legt eine Kopie der die betreffenden Schuldverschreibungen verbriefenden Globalurkunde vor, deren Übereinstimmung mit dem Original eine vertretungsberechtigte Person des Clearingsystems oder des Verwahrers des Clearingsystems bestätigt hat, ohne dass eine Vorlage der Originalbelege oder der die Schuldverschreibungen verbriefenden Globalurkunde in einem solchen Verfahren erforderlich wäre oder (iii) auf jede andere Weise, die im Lande der Geltendmachung prozessual zulässig ist. Für die Zwecke des Vorstehenden bezeichnet "**Depotbank**" jede Bank oder ein sonstiges anerkanntes Finanzinstitut, das berechtigt ist, das Wertpapierverwahrungsgeschäft zu betreiben und bei der/dem der Gläubiger ein Wertpapierdepot für die Schuldverschreibungen unterhält und die/das ein Konto beim Clearingsystem unterhält, einschließlich des Clearingsystems.

§ 15 SPRACHE

Diese Anleihebedingungen sind in deutscher Sprache abgefasst. Eine Übersetzung in die englische Sprache ist beigelegt. Der deutsche Text ist bindend und maßgeblich. Die Übersetzung in die englische Sprache ist unverbindlich.

by the Custodian with whom such Holder maintains a securities account in respect of the Notes (a) stating the full name and address of the Holder, (b) specifying the aggregate principal amount of Notes credited to such securities account on the date of such statement and (c) confirming that the Custodian has given written notice to the Clearing System containing the information pursuant to (a) and (b) which has been confirmed by the Clearing System; (ii) a copy of the Note in global form certified as being a true copy by a duly authorized officer of the Clearing System or a depositary of the Clearing System, without the need for production in such proceedings of the actual records or the global note representing the Notes or (iii) any other means of proof permitted in legal proceedings in the country of enforcement. For purposes of the foregoing, "**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 which maintains an account with the Clearing System, and includes the Clearing System.

§ 15 LANGUAGE

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

Die folgenden Absätze in Kursivschrift sind nicht Bestandteil der Anleihebedingungen.

Beschränkungen bezüglich der Rückzahlung und des Rückkaufs der Schuldverschreibungen

Sofern nicht das der Merck KGaA durch Standard & Poor's erteilte Rating mindestens "A" (oder eine solche von Standard & Poor's dann verwendete gleichartige Klassifikation) beträgt und die Merck KGaA sich sicher ist, dass ein solches Rating infolge der Rückzahlung oder des Rückkaufs nicht unter diesen Wert fallen würde, beabsichtigt die Merck KGaA (ohne dadurch eine Rechtspflicht zu übernehmen) während des Zeitraums vom Ausgabetag der Schuldverschreibungen (einschließlich) bis zum Zweiten Step-Up Tag (ausschließlich), im Fall (i) einer vorzeitigen Rückzahlung der Schuldverschreibungen (ausgenommen eine vorzeitige Rückzahlung nach Wahl der Merck KGaA nach Eintritt eines Quellensteuer-Ereignisses, eines Steuerereignisses, eines Akquisitionsereignisses oder eines Ratingagenturereignisses (soweit es durch eine Änderung der Standard & Poor's Methodologie verursacht wurde) oder eines Kontrollwechselereignisses), oder (ii) eines Rückkaufs von Schuldverschreibungen in Höhe von mehr 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, sofern die Schuldverschreibungen eine Eigenkapitalanrechnung (equity credit) von Standard & Poor's zum Zeitpunkt einer solchen Rückzahlung oder eines solchen Rückkaufs aufweisen, die Schuldverschreibungen nur zurückzahlen oder zurückzukaufen, soweit nicht die Höhe der Eigenkapitalanrechnung (equity credit), welche Standard & Poor's dem Gesamtnennbetrag der zurückzahlenden oder zurückzukaufenden Schuldverschreibungen zum Zeitpunkt ihrer Ausgabe erteilt hat, die Höhe der Eigenkapitalanrechnung (equity credit), welche Standard & Poor's den Nettoerlösen, die die Merck KGaA oder eine Tochtergesellschaft während einer Frist von 360 Tagen vor dem Tag der Rückzahlung oder des Rückkaufs aus dem Verkauf oder der Ausgabe von Schuldverschreibungen durch die Merck KGaA oder

The following paragraph in italics does not form part of the Terms and Conditions.

Restrictions regarding redemption and repurchase of the Notes

Unless the rating assigned by Standard & Poor's to Merck KGaA is at least "A" (or such similar nomenclature then used by Standard & Poor's) and Merck KGaA is comfortable that such rating would not fall below this level as a result of such redemption or repurchase Merck KGaA intends (without thereby assuming a legal obligation), during the period from and including the Issue Date of the Notes to but excluding the Second Step-Up Date, in the event of (i) an early redemption of the Notes (except for an early redemption at the option of Merck KGaA upon the occurrence of a Gross-up Event, a Tax Event, an Acquisition Event or a Rating Agency Event (to the extent it is triggered by a change of methodology at Standard & Poor's) or a Change of Control Event), or (ii) a repurchase of the Notes of more 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, if the Notes are assigned an "equity credit" by Standard & Poor's at the time of such redemption or repurchase, that it will redeem or repurchase the Notes only to the extent the amount of "equity credit" which was assigned by Standard & Poor's to the Aggregate Principal Amount of the Notes to be redeemed or repurchased at the time of their issuance does not exceed the "equity credit" assigned by Standard & Poor's to the net proceeds received by Merck KGaA or any Subsidiary during the 360-day period prior to the date of such redemption or repurchase from the sale or issuance of securities by Merck KGaA or such Subsidiary to third party purchasers (other than group entities of Merck KGaA) (but in each case taking into account any changes in hybrid capital methodology or another relevant methodology or the interpretation thereof since the issuance of the Notes).

jener Tochtergesellschaft an Dritte (ausgenommen Konzerngesellschaften der Merck KGaA) erhält, erteilt hat, übersteigt (wobei in jedem dieser Fälle Änderungen der Hybrid Rating Methodologie oder einer anderen relevanten Methodologie oder deren Auslegung seit Ausgabe der Schuldverschreibungen berücksichtigt werden).

Verwendete Begriffe, die im vorstehenden Satz nicht definiert wurden, haben dieselbe Bedeutung wie in den Anleihebedingungen.

Terms used but not defined in the preceding sentence shall have the meaning set out in the Terms and Conditions.

TERMS AND CONDITIONS OF THE NC10 NOTES

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 der Information.

§ 1

DEFINITIONEN UND AUSLEGUNG

Soweit aus dem Zusammenhang nicht etwas anderes hervorgeht, haben die nachfolgenden Begriffe in diesen Anleihebedingungen die folgende Bedeutung:

"**5 Jahres Swapsatz**" hat die in § 4(2)(d) festgelegte Bedeutung.

"**5 Jahres Swapsatz-Quotierungen**" hat die in § 4(2)(d) festgelegte Bedeutung.

"**Akquisitionsereignis**" hat die in § 5(3) festgelegte Bedeutung.

"**Anfängliche Eigenkapitalanrechnungskategorie**" hat die in § 5(3) festgelegte Bedeutung.

"**Anwendbarer Zinssatz**" hat die in § 4(1) festgelegte Bedeutung.

"**Ausgabetag**" bedeutet 12. Dezember 2014.

"**Austauschtag**" hat die in § 2(2)(b) festgelegte Bedeutung.

"**Berechnungsstelle**" hat die in § 7(2) festgelegte Bedeutung.

"**CBL**" hat die in § 2(3) festgelegte Bedeutung

"**Clearingsystem**" hat die in § 2(3) festgelegte Bedeutung.

"**Code**" hat die in § 8(d) festgelegte Bedeutung.

"**Dauerglobalurkunde**" hat die in § 2(2)(a) festgelegte Bedeutung.

"**Depotbank**" hat die in § 14(3) festgelegte Bedeutung.

"**Emittentin**" hat die in § 2(1) festgelegte Bedeutung.

"**Endfälligkeitstag**" hat die in § 5(1) festgelegte Bedeutung.

"**Ersetzungs-Garantie**" hat die in § 10(1)(c)

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

DEFINITIONS AND INTERPRETATION

Unless the context otherwise requires, the following terms shall have the following meanings in these Terms and Conditions:

"**5 year Swap Rate**" has the meaning specified in § 4(2)(d).

"**5 year Swap Rate Quotations**" has the meaning specified in § 4(2)(d).

"**Acquisition Event**" has the meaning specified in § 5(3).

"**Initial category of equity credit**" has the meaning specified in § 5(3).

"**Prevailing Interest Rate**" has the meaning specified in § 4(1).

"**Issue Date**" means December 12, 2014.

"**Exchange Date**" has the meaning specified in § 2(2)(b).

"**Calculation Agent**" has the meaning specified in § 7(2).

"**CBL**" has the meaning specified in § 2(3).

"**Clearing System**" has the meaning specified in § 2(3).

"**Code**" has the meaning specified in § 8(d).

"**Permanent Global Note**" has the meaning specified in § 2(2)(a).

"**Custodian**" has the meaning specified in § 14(3).

"**Issuer**" has the meaning specified in § 2(1).

"**Maturity Date**" has the meaning specified in § 5(1).

"**Substitution Guarantee**" has the meaning specified

festgelegte Bedeutung.

"**Erste Step-Up Marge**" hat die in § 4(2)(b) festgelegte Bedeutung.

"**Erster Rückzahlungstag**" hat die in § 4(2)(a) festgelegte Bedeutung.

"**EUR**" hat die in § 2(1) festgelegte Bedeutung.

"**Euroclear**" hat die in § 2(3) festgelegte Bedeutung.

"**Festgelegte Stückelung**" hat die in § 2(1) festgelegte Bedeutung.

"**Feststellungsperiode**" hat die in § 4(6) festgelegte Bedeutung.

"**Feststellungstermin**" hat die in § 4(6) festgelegte Bedeutung.

"**Gemeinsamer Vertreter**" hat die in § 11(7) festgelegte Bedeutung.

"**Gesamtnennbetrag**" hat die in § 2(1) festgelegte Bedeutung.

"**Geschäftstag**" bezeichnet einen Tag (außer einem Samstag oder Sonntag), an dem das Clearingsystem sowie alle betroffenen Bereiche des Trans-European Automated Real-time Gross Settlement Express Transfer System (TARGET2) betriebsbereit sind, um die betreffenden Zahlungen weiterzuleiten.

"**Gläubiger**" hat die in § 2(4) festgelegte Bedeutung.

"**Gleichrangige Wertpapiere**" hat die in § 3(1) festgelegte Bedeutung.

"**Globalurkunden**" hat die in § 2(2)(a) festgelegte Bedeutung.

"**Hauptzahlstelle**" hat die in § 7(1) festgelegte Bedeutung.

"**ICSD**" und "**ICSDs**" hat jeweils die in § 2(3) festgelegte Bedeutung.

"**International Central Securities Depository**" hat die in § 2(3) festgelegte Bedeutung.

"**Kontrollwechsel**" hat die in § 5(7)(c) festgelegte Bedeutung.

"**Kontrollwechselereignis**" hat die in § 5(7)(c) festgelegte Bedeutung.

"**Kontrollwechsel-Mitteilung**" hat die in § 5(7)(a) festgelegte Bedeutung.

in § 10(1)(c).

"**First Step-Up Margin**" has the meaning specified in § 4(2)(b).

"**First Call Date**" has the meaning specified in § 4(2)(a).

"**EUR**" has the meaning specified in § 2(1).

"**Euroclear**" has the meaning specified in § 2(3).

"**Specified Denomination**" has the meaning specified in § 2(1).

"**Determination Period**" has the meaning specified in § 4(6).

"**Determination Date**" has the meaning specified in § 4(6).

"**Holder's Representative**" has the meaning specified in § 11(7).

"**Aggregate Principal Amount**" has the meaning specified in § 2(1).

"**Business Day**" means a day (other than a Saturday or a Sunday) on which the Clearing System as well as all relevant parts of the Trans-European Automated Real-time Gross settlement Express Transfer system (TARGET2) are operational to forward the relevant payments.

"**Holder**" has the meaning specified in § 2(4).

"**Parity Securities**" has the meaning specified in § 3(1).

"**Global Notes**" has the meaning specified in § 2(2)(a).

"**Principal Paying Agent**" has the meaning specified in § 7(1).

"**ICSD**" and "**ICSDs**", respectively, has the meaning specified in § 2(3).

"**International Central Securities Depository**" has the meaning specified in § 2(3).

"**Change of Control**" has the meaning specified in § 5(7)(c).

"**Change of Control Event**" has the meaning specified in § 5(7)(c).

"**Change of Control Notice**" has the meaning specified in § 5(7)(a).

"**Kontrollwechsel-Stichtag**" hat die in § 5(7)(c) festgelegte Bedeutung.

"**Konzerninterne Zahlungen**" hat die in § 4(8)(c) festgelegte Bedeutung.

"**Moody's**" hat die in § 5(7)(c) festgelegte Bedeutung.

"**Nachfolgeschuldnerin**" hat die in § 10(1) festgelegte Bedeutung.

"**Obligatorisches Zahlungereignis**" hat die in § 4(8)(c) festgelegte Bedeutung.

"**Qualifizierte Mehrheit**" hat die in § 11(2) festgelegte Bedeutung.

"**Quellensteuer-Ereignis**" hat die in § 5(3) festgelegte Bedeutung.

"**Rating Agentur**" hat die in § 5(7)(c) festgelegte Bedeutung.

"**Ratingagenturereignis**" hat die in § 5(3) festgelegte Bedeutung.

"**Rechtsstreitigkeiten**" hat die in § 14(2) festgelegte Bedeutung.

"**Referenz Reset Tag**" hat die in § 4(2)(d) festgelegte Bedeutung.

"**Referenzsatz**" hat die in § 4(2)(d) festgelegte Bedeutung.

"**Relevante Ratingagentur**" hat die in § 5(3) festgelegte Bedeutung.

"**Reset-Bildschirmseite**" hat die in § 4(2)(d) festgelegte Bedeutung.

"**Reset-Referenzbanken**" hat die in § 4(2)(d) festgelegte Bedeutung.

"**Reset-Referenzbankensatz**" hat die in § 4(2)(d) festgelegte Bedeutung.

"**Reset Tag**" hat die in § 4(2)(d) festgelegte Bedeutung.

"**Reset-Zinssatz**" hat die in § 4(2)(e) festgelegte Bedeutung.

"**Reset Zeitraum**" hat die in § 4(2)(d) festgelegte Bedeutung.

"**Rückzahlungstag**" bezeichnet den Tag, an dem die Schuldverschreibungen nach Maßgabe dieser Anleihebedingungen zur Rückzahlung fällig werden.

"**Change of Control Effective Date**" has the meaning specified in § 5(7)(c).

"**Intra-Group Payments**" has the meaning specified in § 4(8)(c).

"**Moody's**" has the meaning specified in § 5(7)(c).

"**Substitute Debtor**" has the meaning specified in § 10(1).

"**Compulsory Payment Event**" has the meaning specified in § 4(8)(c).

"**Qualified Majority**" has the meaning specified in § 11(2).

"**Gross-up Event**" has the meaning specified in § 5(3).

"**Rating Agency**" has the meaning specified in § 5(7)(c).

"**Rating Agency Event**" has the meaning specified in § 5(3).

"**Proceedings**" has the meaning specified in § 14(2).

"**Reference Reset Date**" has the meaning specified in § 4(2)(d).

"**Reference Rate**" has the meaning specified in § 4(2)(d).

"**Relevant Rating Agency**" has the meaning specified in § 5(3).

"**Reset Screen Page**" has the meaning specified in § 4(2)(d).

"**Reset Reference Banks**" has the meaning specified in § 4(2)(d).

"**Reset Reference Bank Rate**" has the meaning specified in § 4(2)(d).

"**Reset Date**" has the meaning specified in § 4(2)(d).

"**Reset Interest Rate**" has the meaning specified in § 4(2)(e).

"**Reset Period**" has the meaning specified in § 4(2)(d).

"**Redemption Date**" means the day on which the Notes become due for redemption in accordance with these Terms and Conditions.

"**Schuldverschreibungen**" hat die in § 2(1) festgelegte Bedeutung.

"**SchVG**" hat die in § 11(1) festgelegte Bedeutung.

"**S&P**" hat die in § 5(7)(c) festgelegte Bedeutung

"**Steuerereignis**" hat die in § 5(3) festgelegte Bedeutung.

"**Steuerhoheitsgebiet**" hat die in § 8 festgelegte Bedeutung.

"**Tochtergesellschaft**" hat die in § 3(1) festgelegte Bedeutung.

"**Verbundenes Finanzierungsunternehmen**" hat die in § 10(1) festgelegte Bedeutung.

"**Vereinigte Staaten**" hat die in § 2(2)(b) festgelegte Bedeutung.

"**Vorläufige Globalurkunde**" hat die in § 2(2)(a) festgelegte Bedeutung.

"**Zinsberechnungszeitraum**" hat die in § 4(6) festgelegte Bedeutung.

"**Zinsen**" hat die in § 4(3) festgelegte Bedeutung.

"**Zinsrückstände**" hat die in § 4(7) festgelegte Bedeutung.

"**Zinstagequotient**" hat die in § 4(6) festgelegte Bedeutung.

"**Zinszahlungstag**" hat die in § 4(1) festgelegte Bedeutung.

"**Zinszeitraum**" hat die in § 4(1) festgelegte Bedeutung.

„**Zusätzliche Beträge**" hat die in § 8 festgelegte Bedeutung.

"**Zweite Step-Up Marge**" hat die in § 4(2)(c) festgelegte Bedeutung.

"**Zweiter Step-Up Tag**" hat die in § 4(2)(b) festgelegte Bedeutung.

"**Notes**" has the meaning specified in § 2(1).

"**SchVG**" has the meaning specified in § 11(1).

"**S&P**" has the meaning specified in § 5(7)(c).

"**Tax Event**" has the meaning specified in § 5(3).

"**Taxing Jurisdiction**" has the meaning specified in § 8.

"**Subsidiary**" has the meaning specified in § 3(1).

"**Financing Affiliate**" has the meaning specified in § 10(1).

"**United States**" has the meaning specified in § 2(2)(b).

"**Temporary Global Note**" has the meaning specified in § 2(2)(a).

"**Calculation Period**" has the meaning specified in § 4(6).

"**Interest**" has the meaning specified in § 4(3).

"**Deferred Interest Payments**" has the meaning specified in § 4(7).

"**Day Count Fraction**" has the meaning specified in § 4(6).

"**Interest Payment Date**" has the meaning specified in § 4(1).

"**Interest Period**" has the meaning specified in § 4(1).

"**Additional Amounts**" has the meaning specified in § 8.

"**Second Step-Up Margin**" has the meaning specified in § 4(2)(c).

"**Second Step-Up Date**" has the meaning specified in § 4(2)(b).

§ 2

GESAMTNENNBETRAG, FESTGELEGTE STÜCKELUNG, FORM, CLEARINGSYSTEM

- (1) *Gesamtnennbetrag, Form, Festgelegte Stückelung.* Die Emission der an den Inhaber zahlbaren nachrangigen Schuldverschreibungen (die "**Schuldverschreibungen**") der Merck

§ 2

AGGREGATE PRINCIPAL AMOUNT, SPECIFIED DENOMINATION, FORM, CLEARING SYSTEM

- (1) *Aggregate Principal Amount, Form, Specified Denomination.* This issue of subordinated notes payable to the bearer (the "**Notes**") of Merck KGaA, Darmstadt (the "**Issuer**") is being issued

KGaA, Darmstadt (die "**Emittentin**") werden in Euro ("**EUR**") im Gesamtnennbetrag von EUR [*Gesamtnennbetrag der NC10 Schuldverschreibungen einfügen*] (der "**Gesamtnennbetrag**") in Stückelungen je Schuldverschreibung von EUR 1.000 (die "**Festgelegte Stückelung**") begeben.

(2) *Vorläufige Globalurkunde, Dauerglobalurkunde, Austausch.*

(a) Die Schuldverschreibungen sind anfänglich durch eine vorläufige Globalurkunde (die "**Vorläufige Globalurkunde**") ohne Zinsscheine verbrieft. Die Vorläufige Globalurkunde wird gegen eine Dauerglobalurkunde (die "**Dauerglobalurkunde**"; die Vorläufige Globalurkunde und die Dauerglobalurkunde zusammen die "**Globalurkunden**") ohne Zinsscheine ausgetauscht. Die Globalurkunden tragen jeweils die Unterschriften ordnungsgemäß bevollmächtigter Vertreter der Emittentin und sind jeweils von der Hauptzahlstelle oder in deren Namen mit einer Kontrollunterschrift versehen. Einzelurkunden und Zinsscheine werden nicht ausgegeben.

(b) Die Vorläufige Globalurkunde wird frühestens an einem Tag (der "**Austauschtag**") gegen die Dauerglobalurkunde austauschbar, der 40 Tage nach dem Ausgabetag der durch die Vorläufige Globalurkunde verbrieften Schuldverschreibungen liegt. Ein solcher Austausch darf nur nach Vorlage von Bescheinigungen gemäß U.S. Steuerrecht erfolgen, wonach der oder die wirtschaftlichen Eigentümer der durch die Vorläufige Globalurkunde verbrieften Schuldverschreibungen keine U.S. Personen sind (ausgenommen bestimmte Finanzinstitute oder bestimmte Personen, die Schuldverschreibungen über solche Finanzinstitute halten). Falls Zinsen oder Zinsrückstände auf durch eine Vorläufige Globalurkunde verbrieft Schuldverschreibungen bevorstehen, erfolgen sie erst nach Vorlage solcher Bescheinigungen. Eine gesonderte Bescheinigung ist für jede solche Zahlung von Zinsen oder Zinsrückständen erforderlich. Jede

in euro ("**EUR**") in the aggregate principal amount of EUR [*insert Aggregate Principal Amount of the NC10 Notes*] (the "**Aggregate Principal Amount**") in a denomination of EUR 1,000 each (the "**Specified Denomination**").

(2) *Temporary Global Note, Permanent Global Note, Exchange.*

(a) The Notes are initially represented by one temporary global note (the "**Temporary Global Note**") without interest coupons. The Temporary Global Note shall be exchangeable for a permanent global note (the "**Permanent Global Note**"; the Permanent Global Note and the Temporary Global Note together the "**Global Notes**") without interest coupons. The Global Notes shall each be signed by authorised signatories of the Issuer and shall each be authenticated by or on behalf of the Principal Paying Agent. Definitive notes and interest coupons shall not be issued.

(b) The Temporary Global Note shall be exchangeable for the Permanent Global Note (the "**Exchange Date**") from a date 40 days after the Issue Date of the Notes represented by the Temporary Global Note. Such exchange shall only be made upon delivery of certifications to the effect that the beneficial owner or owners of the Notes represented by the Temporary Global Note is not a U.S. person (other than certain financial institutions or certain persons holding Notes through such financial institutions) as required by U.S. tax law. Payment of Interest and Deferred Interest Payments, if any, on Notes represented by a Temporary Global Note will be made only after delivery of such certifications. A separate certification shall be required in respect of each such payment of Interest or Deferred Interest Payments. Any such certification received on or after the 40th day after the Issue Date of the Notes represented by the Temporary Global Note will be treated as a request to exchange such Temporary Global Note pursuant to this

Bescheinigung, die am oder nach dem 40. Tag nach dem Ausgabetag der durch die Vorläufige Globalurkunde verbrieften Schuldverschreibungen eingeht, wird als ein Ersuchen behandelt werden, diese Vorläufige Globalurkunde gemäß diesem Absatz (2)(b) auszutauschen. Schuldverschreibungen, die im Austausch für die Vorläufige Globalurkunde geliefert werden, dürfen nur außerhalb der Vereinigten Staaten (wie unten definiert) geliefert werden.

"Vereinigte Staaten" bezeichnet die Vereinigten Staaten von Amerika (einschließlich deren Bundesstaaten und des Districts of Columbia) sowie deren Territorien (einschließlich Puerto Ricos, der U.S. Virgin Islands, Guam, American Samoa, Wake Island und der Northern Mariana Islands).

- (3) *Clearingsystem.* Die Dauerglobalurkunde wird solange von einem oder im Namen eines Clearingsystems verwahrt, bis sämtliche Verbindlichkeiten der Emittentin aus den Schuldverschreibungen erfüllt sind. **"Clearingsystem"** bedeutet jeweils folgendes: Clearstream Banking, société anonyme, Luxemburg ("**CBL**") und Euroclear Bank S.A./N.V. Brüssel, als Betreiberin des Euroclear Systems ("**Euroclear**") sowie jeder Funktionsnachfolger. **"International Central Securities Depository"** oder "**ICSD**" bezeichnet jeweils CBL und Euroclear (zusammen die "**ICSDs**").

Die Schuldverschreibungen werden in Form einer Classical Global Note ausgegeben und von einer gemeinsamen Verwahrstelle im Namen beider ICSDs verwahrt.

- (4) *Gläubiger, Übertragbarkeit.* **"Gläubiger"** bedeutet jeder Inhaber eines Miteigentumsanteils oder anderen vergleichbaren Rechts an den Schuldverschreibungen, der oder die nach Maßgabe des anwendbaren Rechts und der jeweils geltenden Regelwerke des Clearingsystems übertragen werden können.

subparagraph (2)(b). Any Notes delivered in exchange for the Temporary Global Note shall be delivered only outside of the United States (as defined below).

"United States" means the United States of America (including the States thereof and the District of Columbia) and its possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and Northern Mariana Islands).

- (3) *Clearing System.* The Permanent Global Note will be kept in custody by or on behalf of the Clearing System until all obligations of the Issuer under the Notes have been satisfied. **"Clearing System"** means each of the following: Clearstream Banking, société anonyme Luxembourg ("**CBL**") and Euroclear Bank S.A./N.V. Brussels as operator of the Euroclear System ("**Euroclear**") and any successor in such capacity. **"International Central Securities Depository"** or "**ICSD**" means each of CBL and Euroclear (together, the "**ICSDs**").

The Notes are issued in classical global note form and are kept in custody by a common depositary on behalf of both ICSDs.

- (4) *Holder, Transferability.* **"Holder"** means any holder of a proportionate co-ownership or other beneficial interest or right in the Notes, which are transferable in accordance with applicable law and applicable rules of the Clearing System.

§ 3

STATUS DER SCHULDVERSCHREIBUNGEN, AUFRECHNUNGSVERBOT

- (1) *Status der Schuldverschreibungen.* Soweit nachstehend nichts anderes bestimmt ist, begründen die Schuldverschreibungen direkte, nicht besicherte, nachrangige Verbindlichkeiten der Emittentin, die im Fall der Abwicklung, Auflösung oder Liquidation der Emittentin (i) nur den Ansprüchen der persönlich haftenden Gesellschafter und der Kommanditaktionäre aus deren jeweiliger Beteiligung am Eigenkapital der Emittentin im Rang vorgehen, (ii) untereinander und mit jedem Gleichrangigen Wertpapier im Rang gleich stehen 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.

Die Rechte der Gläubiger aus den Schuldverschreibungen gegenüber der Emittentin begründen direkte, nicht besicherte und nachrangige Rechte gegenüber der Emittentin im Sinne von § 39 Absatz 2 Insolvenzordnung, die im Fall der Insolvenz der Emittentin, eines Vergleichs oder eines anderen der Abwendung der Insolvenz der Emittentin dienenden Verfahrens (i) nur den Ansprüchen der persönlich haftenden Gesellschafter und der Kommanditaktionäre aus deren jeweiliger Beteiligung am Eigenkapital der Emittentin im Rang vorgehen, (ii) untereinander und mit jedem Gleichrangigen Wertpapier im Rang gleich stehen und (iii) allen anderen bestehenden und zukünftigen Verbindlichkeiten der Emittentin, ob nachrangig oder nicht nachrangig, im Rang nachgehen, soweit nicht zwingende gesetzliche Vorschriften etwas anderes vorschreiben bzw. die Bedingungen des betreffenden Instruments ausdrücklich etwas anderes vorsehen.

Im Fall (i) der Abwicklung, Auflösung oder Liquidation der Emittentin gehen die Verbindlichkeiten der Emittentin aus den Schuldverschreibungen, und im Fall (ii) der

§ 3

STATUS OF THE NOTES, PROHIBITION OF SET-OFF

- (1) *Status of the Notes.* Except as otherwise provided below, the obligations of the Issuer under the Notes constitute direct, unsecured and subordinated obligations of the Issuer and, in the event of the winding-up, dissolution or liquidation of the Issuer, rank (i) senior only to the claims of the Issuer's general partners (*persönlich haftende Gesellschafter*) and limited partnership shareholders (*Kommanditaktionäre*) arising out of their respective participation in the equity of the Issuer, (ii) *pari passu* among themselves and *pari passu* with any Parity Securities 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.

The rights of the Holders towards the Issuer under the Notes constitute direct, unsecured and subordinated rights in the meaning of section 39 paragraph 2 of the German Insolvency Regulation (*Insolvenzordnung*) and, in the event of the insolvency of the Issuer, composition or other proceedings for the avoidance of insolvency of the Issuer, rank (i) senior only to the claims of the Issuer's general partners (*persönlich haftende Gesellschafter*) and limited partnership shareholders (*Kommanditaktionäre*) arising out of their respective participation in the equity of the Issuer, (ii) *pari passu* among themselves and *pari passu* with any Parity Securities 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 otherwise provided for by the terms of the relevant instrument.

In the case of (i) the winding-up, dissolution or liquidation of the Issuer, the obligations of the Issuer under the Notes, and (ii) the insolvency of the Issuer or composition or other

Insolvenz der Emittentin oder eines Vergleichs oder eines anderen der Abwendung der Insolvenz der Emittentin dienenden Verfahrens, gehen die Rechte der Gläubiger gegenüber der Emittentin gemäß § 39 Absatz 2 Insolvenzordnung im Rang den Ansprüchen aller nicht nachrangigen und nachrangigen Gläubiger nach (soweit nicht zwingende gesetzliche Vorschriften etwas anderes vorschreiben bzw. die Bedingungen, denen die betreffenden Ansprüche unterliegen, ausdrücklich etwas anderes vorsehen), so dass Zahlungen auf die Schuldverschreibungen solange nicht erfolgen, wie die Ansprüche dieser nicht nachrangigen und nachrangigen Gläubiger gegen die Emittentin nicht zuvor vollständig erfüllt sind.

Für die Rechte der Gläubiger aus den Schuldverschreibungen ist diesen keine Sicherheit durch die Emittentin oder durch Dritte gestellt; eine solche Sicherheit wird auch zu keinem Zeitpunkt gestellt werden.

"Gleichrangige Wertpapiere" bezeichnet (i) jedes von der Emittentin begebene Wertpapier oder andere Instrument und gegen sie gerichtete Forderungen, die gleichrangig im Verhältnis zu den Verbindlichkeiten der Emittentin unter den Schuldverschreibungen sind, oder (ii) jedes von einer Tochtergesellschaft begebene Wertpapier oder andere Instrument, das durch die Emittentin garantiert wird oder von einer Patronatserklärung der Emittentin profitiert, bei dem die Verbindlichkeiten der Emittentin aus der maßgeblichen Garantie oder Patronatserklärung gleichrangig im Verhältnis zu den Verbindlichkeiten der Emittentin aus den Schuldverschreibungen sind.

"Tochtergesellschaft" bezeichnet jede direkte oder mittelbare mehrheitliche Tochtergesellschaft der Emittentin.

- (2) *Aufrechnungsverbot.* Die Gläubiger sind nicht berechtigt, Forderungen aus den Schuldverschreibungen gegen mögliche Forderungen der Emittentin aufzurechnen. Die Emittentin ist nicht berechtigt, Forderungen gegenüber einem Gläubiger gegen Verpflichtungen aus den

proceedings for the avoidance of insolvency of the Issuer, the rights of the Holders towards the Issuer shall, pursuant to section 39 paragraph 2 of the German Insolvency Regulation (*Insolvenzordnung*), be subordinated to the claims of all unsubordinated and subordinated creditors of the Issuer (except as otherwise provided by mandatory provisions of law or as expressly otherwise provided for by the terms underlying the relevant claims) so that in any such case no amounts shall be payable in respect of the Notes until the claims of such unsubordinated and subordinated creditors of the Issuer shall have first been satisfied in full.

No security is, or shall at any time be, granted by the Issuer or any other person securing rights of the Holders under the Notes.

"Parity Securities" means (i) any securities or other instruments issued by the Issuer and claims towards the Issuer which are expressed to rank *pari passu* with the Issuer's obligations under the Notes or (ii) securities or other instruments issued by a Subsidiary, where such securities or instruments have the benefit of a guarantee or keep well agreement by the Issuer, and the obligations under such guarantee or keep well agreement rank *pari passu* with the Issuer's obligations under the Notes.

"Subsidiary" means any directly or indirectly majority-owned subsidiary of the Issuer.

- (2) *Prohibition of Set-off.* No Holder may set-off any claims arising under the Notes against any claims that the Issuer may have against it. The Issuer may not set-off any claims it may have against any Holder against any of its obligations under the Notes.

Schuldverschreibungen aufzurechnen.

§ 4

ZINSEN, ZINSAUFSCHUB

- (1) *Zinslauf, Zinszahlungstage und Zinszeiträume.* Vorbehaltlich der weiteren Bestimmungen dieses § 4 (insbesondere § 4(7)) berechtigen die Schuldverschreibungen die Gläubiger für jeden Zinszeitraum (wie nachstehend definiert) vom Ausgabetag (einschließlich) bis zu dem in § 4(9) vorgesehenen Zeitpunkt zu Zinsen in Höhe des für den jeweiligen Zinszeitraum gemäß § 4(2) anwendbaren Zinssatzes (der "**Anwendbare Zinssatz**") auf die Festgelegte Stückelung je Schuldverschreibung. Die Zinsen sind jährlich nachträglich am 12. Dezember eines jeden Jahres, erstmals am 12. Dezember 2015 und letztmals am Tag der Rückzahlung der Schuldverschreibungen fällig (jeweils ein "**Zinszahlungstag**").

"**Zinszeitraum**" bezeichnet (i) den Zeitraum vom Ausgabetag (einschließlich) bis zum ersten Zinszahlungstag (ausschließlich) und (ii) den Zeitraum von einem Zinszahlungstag (einschließlich) bis zum unmittelbar folgenden Zinszahlungstag (ausschließlich).

- (2) *Anwendbarer Zinssatz.*
- (a) *Anfänglicher Festzinszeitraum.* Für jeden Zinszeitraum, der in den Zeitraum vom Ausgabetag (einschließlich) bis zum 12. Dezember 2024 (der "**Erste Rückzahlungstag**") (ausschließlich) fällt, entspricht der Anwendbare Zinssatz [**Fest-Zinssatz der NC10 Schuldverschreibungen einfügen**]% per annum.
- (b) *Erster Reset Zeitraum.* Für jeden Zinszeitraum, der in den Reset Zeitraum vom Ersten Rückzahlungstag (einschließlich) bis zum 12. Dezember 2044 ("**Zweiter Step-Up Tag**") (ausschließlich) fällt, entspricht der Anwendbare Zinssatz dem Referenzsatz für diesen Reset Zeitraum zuzüglich [**NC10 Erste Step-Up Marge einfügen**]¹¹ Basispunkte per annum (die "**Erste Step-Up Marge**").
- (c) *Reset Zeiträume nach dem ersten Reset*

§ 4

INTEREST, INTEREST DEFERRAL

- (1) *Interest Accrual Period, Interest Payment Dates and Interest Periods.* Subject to the further provisions of this § 4 (in particular, but not limited to § 4(7)) the Notes entitle the Holders to Interest for each Interest Period (as defined below) from and including the Issue Date to the date specified in § 4(9) at the prevailing interest rate according to § 4(2) (the "**Prevailing Interest Rate**") on the Specified Denomination per Note. Such Interest shall be payable annually in arrear on December 12 of each year, commencing on December 12, 2015 and for the last time on the day of redemption of the Notes (each a "**Interest Payment Date**").

"**Interest Period**" means (i) the period from and including the Issue Date to, but excluding, the first Interest Payment Date and (ii) the period from and including any Interest Payment Date to, but excluding, the immediately following Interest Payment Date.

- (2) *Prevailing Interest Rate.*
- (a) *Initial Fixed Rate Period.* For any Interest Period falling in the period from and including the Issue Date to, but excluding December 12, 2024 (the "**First Call Date**"), the Prevailing Interest Rate shall be equal to a rate of [**insert NC10 Fixed Interest Rate**] per cent. per annum.
- (b) *First Reset Period.* For any Interest Period falling in the Reset Period from and including the First Call Date to, but excluding, December 12, 2044 (the "**Second Step-Up Date**"), the Prevailing Interest Rate shall be equal to the Reference Rate for such Reset Period plus [**insert NC10 First Step-Up Margin**]¹¹ basis points per annum (the "**First Step-Up Margin**").
- (c) *Reset Periods following the first Reset Period.*

¹¹ Entspricht der ursprünglichen Kreditmarge zuzüglich 25 Basispunkte.

¹¹ Being equal to the initial credit spread plus 25 basispoints.

Zeitraum. Für jeden Zinszeitraum, der in einen Reset Zeitraum fällt, der an oder nach dem Zweiten Step-Up Tag beginnt, entspricht der Anwendbare Zinssatz dem Referenzsatz für den betreffenden Reset Zeitraum zuzüglich [NC10 *Zweite Step-Up Marge einfügen*]¹² Basispunkte per annum (die "**Zweite Step-Up Marge**").

(d) *Definitionen*.

"**Referenzsatz**" für einen Reset Zeitraum bezeichnet den 5 Jahres Swapsatz (der "**5 Jahres Swapsatz**") wie er, wie unten beschrieben, vor dem Reset Tag, an dem der jeweilige Reset Zeitraum beginnt (der "**Referenz Reset Tag**"), festgelegt wird. Der Referenzsatz für einen Reset Zeitraum wird von der Berechnungsstelle festgelegt und ist das rechnerische Mittel der Geld- und Briefkurse für den jährlichen Festzinszahlungsstrom (berechnet auf einer 30/360 Tageberechnungsbasis) einer fixed-for-floating Euro Zinsswap-Transaktion, (x) die eine 5-jährige Laufzeit hat und am Referenz Reset Tag beginnt, (y) auf einen Betrag lautet, der dem einer repräsentativen einzelnen Transaktion in dem relevanten Markt zur relevanten Zeit eines anerkannten Händlers mit guter Bonität im Swap-Markt entspricht, und (z) deren variabler Zahlungsstrom auf dem 6-Monats EURIBOR Satz beruht (berechnet auf einer Actual/360 Tage-Berechnungsbasis), wie es am zweiten Geschäftstag vor dem Referenz Reset Tag um 11:00 Uhr (Frankfurter Zeit) auf dem Reuters Bildschirm "ISDAFIX2" unter der Überschrift "EURIBOR BASIS" und dem Untertitel "11:00 AM Frankfurt time" (auf dem solche Überschriften und Untertitel von Zeit zur Zeit erscheinen) (die "**Reset-Bildschirmseite**") angezeigt wird.

"**Reset Tag**" bezeichnet den Ersten Rückzahlungstag und danach jeden fünften Jahrestag des jeweils unmittelbar vorangehenden Reset Tages.

"**Reset Zeitraum**" bezeichnet jeden Zeitraum ab dem Ersten Rückzahlungstag

For any Interest Period falling in any Reset Period commencing on or after the Second Step-Up Date, the Prevailing Interest Rate shall be equal to the Reference Rate for the relevant Reset Period plus [*insert NC10 Second Step-Up Margin*]¹² basis points per annum (the "**Second Step-Up Margin**").

(d) *Definitions*.

"**Reference Rate**" for any Reset Period means the 5 year swap rate (the "**5 year Swap Rate**") determined, as described below, prior to the Reset Date on which the relevant Reset Period begins (the "**Reference Reset Date**"). The Reference Rate for a Reset Period will be determined by the Calculation Agent and will be 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 which (x) has a term of 5 years commencing on the Reference Reset Date, (y) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market, and (z) has a floating leg based on the 6-months EURIBOR rate (calculated on an Actual/360 day count basis), as such arithmetic mean appears on the Reuters screen "ISDAFIX2" under the heading "EURIBOR BASIS" and the caption "11:00 AM Frankfurt time" (as such headings and captions may appear from time to time) as of 11.00 a.m. (Frankfurt time) (the "**Reset Screen Page**") on the second Business Day prior to the Reference Reset Date.

"**Reset Date**" means the First Call Date, and thereafter any fifth anniversary of the immediately preceding Reset Date.

"**Reset Period**" means each period from and including the First Call Date to but excluding

¹² Entspricht der ursprünglichen Kreditmarge zuzüglich 100 Basispunkte.

¹² Being equal to the initial credit spread plus 100 basispoints.

(einschließlich) bis zum nächstfolgenden Reset Tag (ausschließlich) und nachfolgend ab jedem Reset Tag (einschließlich) bis zu dem jeweils nächstfolgenden Reset Tag (ausschließlich).

Für den Fall, dass der 5 Jahres Swapsatz am zweiten Geschäftstag vor dem Referenz Reset Tag nicht auf der Reset-Bildschirmseite erscheint, ist der 5 Jahres Swapsatz der Reset-Referenzbankensatz an diesem Tag. Der "**Reset-Referenzbankensatz**" ist der Prozentsatz, der am zweiten Geschäftstag vor dem Referenz Reset Tag auf Basis der 5 Jahres Swapsatz-Quotierungen festgelegt wird, die der Berechnungsstelle ungefähr um 11:00 Uhr (Frankfurter Ortszeit) von fünf führenden Swap-Händlern im Interbankenhandel (die "**Reset-Referenzbanken**") gestellt werden.

Wenn mindestens drei Quotierungen genannt werden, wird der 5 Jahres Swapsatz das rechnerische Mittel der Quotierungen unter Ausschluss der höchsten Quotierung (bzw., für den Fall von gleich hohen Quotierungen, einer der höchsten Quotierungen) und der niedrigsten Quotierung (bzw., für den Fall von gleich hohen Quotierungen, einer der niedrigsten Quotierungen) sein. Kann der Reset-Referenzbankensatz nicht gemäß der vorhergehenden Bestimmungen dieses Absatzes bestimmt werden, entspricht der jeweilige Reset-Referenzbankensatz dem durch die Berechnungsstelle festgelegten 5 Jahres Swapsatz, welcher zuletzt auf der Reset-Bildschirmseite verfügbar war.

Hierbei bedeuten die "**5 Jahres Swapsatz-Quotierungen**" das rechnerische Mittel der Geld- und Briefkurse für den jährlichen Festzinszahlungsstrom (berechnet auf einer 30/360 Tagesberechnungsbasis) einer fixed-for-floating Euro Zinsswap-Transaktion, (i) die eine 5 jährige Laufzeit hat und am Referenz Reset Tag beginnt, (ii) auf einen Betrag lautet, der dem einer repräsentativen einzelnen Transaktion in dem relevanten Markt zur relevanten Zeit eines anerkannten Händlers mit guter Bonität im Swap Markt entspricht, und (iii) deren variabler Zahlungsstrom auf dem 6-Monats EURIBOR Satz beruht (berechnet auf einer Actual/360 Tageberechnungsbasis).

the next following Reset Date and thereafter from and including each Reset Date to but excluding the next following Reset Date.

In the event that the 5 year Swap Rate does not appear on the Reset Screen Page on the second Business Day prior to the Reference Reset Date, the 5 year Swap Rate will be the Reset Reference Bank Rate on such date. "**Reset Reference Bank Rate**" means the percentage rate determined on the basis of the 5 year Swap Rate Quotations provided by five leading swap dealers in the interbank market (the "**Reset Reference Banks**") to the Calculation Agent at approximately 11.00 a.m., Frankfurt time), on the second Business Day prior to the Reference Reset Date.

If at least three quotations are provided, the 5 year Swap Rate will be the arithmetic mean 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). If the Reset Reference Bank Rate cannot be determined pursuant to the foregoing provisions of this paragraph, the relevant Reset Reference Bank Rate shall be equal to the last 5 year Swap Rate available on the Reset Screen Page as determined by the Calculation Agent.

The "**5 year Swap Rate Quotations**" mean 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 which transaction (i) has a term of 5 years commencing on the Reference Reset Date, (ii) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market, and (iii) has a floating leg based on the 6- months EURIBOR rate (calculated on an Actual/360 day count basis).

- (e) Unverzüglich nach Bestimmung des Referenzsatzes wird die Berechnungsstelle den Anwendbaren Zinssatz für jeden Reset Zeitraum (jeweils ein "**Reset-Zinssatz**") bestimmen und die Zinsen berechnen.
- (f) Die Berechnungsstelle wird veranlassen, dass der Reset-Zinssatz und die je Schuldverschreibung zahlbaren Zinsen 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 Gläubigern gemäß § 13 unverzüglich, aber keinesfalls später als am achten auf dessen Feststellung folgenden Geschäftstag mitgeteilt wird.
- (3) *Berechnung der Zinsen.* Die an dem jeweiligen Zinszahlungstag zu zahlenden Zinsen je Schuldverschreibung (die "**Zinsen**") ergeben sich aus der Multiplikation des jeweiligen Anwendbaren Zinssatzes mit der Festgelegten Stückelung je Schuldverschreibung, wobei der daraus resultierende Betrag auf den nächsten Eurocent auf oder abgerundet wird, und 0,5 oder mehr eines Eurocents aufgerundet werden. Zinsen, die für einen Zeitraum von weniger als einem Jahr zu berechnen sind, werden nach Maßgabe des § 4(5) berechnet.
- (4) *Zinsen nach Eintritt eines Kontrollwechselereignisses.* Wenn ein Kontrollwechselereignis (wie in § 5(7) definiert) eintritt und die Emittentin die Schuldverschreibungen nicht insgesamt gemäß § 5(7) zurückzahlt, erhöht sich der für die Berechnung der Zinsen ansonsten anzuwendende Anwendbare Zinssatz ab dem Kontrollwechsel-Stichtag (wie in § 5(7) definiert) um zusätzliche 500 Basispunkte per annum. Für den Fall, dass in dem Zeitraum zwischen dem Eintritt des ersten Kontrollwechsels und dem Tag, an dem die Kontrollwechsel-Mitteilung (wie in § 5(7) definiert) in Bezug auf diesen ersten Kontrollwechsel veröffentlicht wird, mehr als ein Kontrollwechsel eintritt, erhöht sich der für die Berechnung der Zinsen ansonsten anzuwendende Anwendbare Zinssatz jedoch nur einmal.
- (e) Promptly after the determination of the Reference Rate, the Calculation Agent shall determine the Prevailing Interest Rate for each Reset Period (each a "**Reset Interest Rate**") and calculate the Interest.
- (f) The Calculation Agent will cause the Reset Interest Rate and the Interest payable per Note 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 listed from time to time, to such stock exchange, and to the Holders in accordance with § 13 without undue delay, but, in any case, not later than on the eighth Business Day after its determination.
- (3) *Calculation of Interest.* Interest payable per Note on the respective Interest Payment Date (the "**Interest**") shall be calculated by multiplying the Prevailing Interest Rate by the Specified Denomination per Note and rounding the resulting figure to the nearest eurocent with 0.5 or more of a eurocent being rounded upwards. If Interest is to be calculated for a period of less than one year, it shall be calculated pursuant to § 4(5).
- (4) *Interest following the occurrence of a Change of Control Event.* If a Change of Control Event (as defined in § 5(7)) occurs and the Issuer does not redeem the Notes in whole in accordance with § 5(7), the rate applicable for calculating the Interest will be subject to an additional 500 basis points per annum above the otherwise applicable Prevailing Interest Rate from the Change of Control Effective Date (as defined in § 5(7)), provided however that, in case more than one Change of Control will have occurred in the period from the occurrence of the first Change of Control to (and including) the day on which the Change of Control Notice (as defined in § 5(7)) with regard to such first Change of Control is published, the otherwise applicable Prevailing Interest Rate will only be increased once.

- (5) *Berechnung der Zinsen für Zeiträume von weniger als einem Jahr.* Sofern Zinsen für einen Zeitraum von weniger als einem vollen Jahr zu berechnen sind, erfolgt die Berechnung auf der Grundlage des Zinstagequotienten (wie nachfolgend definiert). Die Anzahl der Feststellungstermine (wie in § 4(6) definiert) je Kalenderjahr beträgt 1.
- (6) *Zinstagequotient.* "**Zinstagequotient**" bezeichnet in Bezug auf die Berechnung von Zinsen auf die Schuldverschreibungen für einen beliebigen Zeitraum (der "**Zinsberechnungszeitraum**"):
 - wenn der Zinsberechnungszeitraum (einschließlich des ersten aber ausschließlich des letzten Tages dieses Zeitraums) kürzer ist als die Feststellungsperiode, in die das Ende des Zinsberechnungszeitraumes fällt oder ihr entspricht, die Anzahl der Tage in dem betreffenden Zinsberechnungszeitraum (einschließlich des ersten aber ausschließlich des letzten Tages dieses Zeitraums) geteilt durch das Produkt aus (1) der Anzahl der Tage in der Feststellungsperiode und (2) der Anzahl der Feststellungstermine in einem Kalenderjahr; oder
 - wenn der Zinsberechnungszeitraum (einschließlich des ersten aber ausschließlich des letzten Tages dieses Zeitraums) länger ist als die Feststellungsperiode, in die das Ende des Zinsberechnungszeitraumes fällt, die Summe aus (A) der Anzahl der Tage in dem Zinsberechnungszeitraum, die in die Feststellungsperiode fallen, in welcher der Zinsberechnungszeitraum beginnt, geteilt durch das Produkt aus (1) der Anzahl der Tage in dieser Feststellungsperiode und (2) der Anzahl der Feststellungstermine in einem Kalenderjahr und (B) der Anzahl der Tage in dem Zinsberechnungszeitraum, die in die nächste Feststellungsperiode fallen, geteilt durch das Produkt aus (1) der Anzahl der Tage in dieser Feststellungsperiode und (2) der Anzahl der Feststellungstermine in einem Kalenderjahr.

"**Feststellungsperiode**" ist der Zeitraum ab einem Feststellungstermin (einschließlich desselben) (oder, im Fall der ersten Feststellungsperiode, vom Ausgabetag

(5) *Calculation of Interest for Periods of less than one Year.* If Interest is to be calculated for a period of less than a full year, it shall be calculated on the basis of the Day Count Fraction (as defined below). The number of Determination Dates (as defined in § 4(6)) per calendar year is 1.

(6) *Day Count Fraction.* "**Day Count Fraction**" means, in respect of the calculation of Interest on any Note for any period of time (the "**Calculation Period**"):

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

"**Determination Period**" means the period from (and including) a Determination Date (or, in the case of the first Determination Period, from (and including) the Issue Date) to, (but

(einschließlich)) bis zum nächsten Feststellungstermin (ausschließlich).

"**Feststellungstermin**" bezeichnet jeden 12. Dezember.

- (7) *Zinsaufschub.* Zinsen sind an dem jeweiligen Zinszahlungstag fällig und zahlbar, sofern sich die Emittentin nicht entscheidet, die Zinsen aufzuschieben. Eine solche Nichtzahlung, die jedoch in Bezug auf die jeweiligen Zinsen nur insgesamt erfolgen kann, begründet keinen Verzug der Emittentin und keine anderweitige Verletzung ihrer Verpflichtungen aufgrund dieser Schuldverschreibungen oder für sonstige Zwecke. Soweit sich die Emittentin entscheidet, an einem Zinszahlungstag die Zinsen nicht zu zahlen, hat sie dies den Gläubigern gemäß § 13 unter Einhaltung einer Frist von mindestens 20 Geschäftstagen vor dem jeweiligen Zinszahlungstag bekannt zu machen.

Die aufgrund einer derartigen Entscheidung der Emittentin nicht gezahlten Zinsen stellen "**Zinsrückstände**" dar. Zinsrückstände werden nicht verzinst.

- (8) *Nachzahlung von Zinsrückständen.*
- (a) Die Emittentin kann ausstehende Zinsrückstände jederzeit (insgesamt, jedoch nicht teilweise) nach Mitteilung gemäß § 13 unter Einhaltung einer Frist von mindestens 10 Geschäftstagen zahlen (wobei eine solche Mitteilung unwiderruflich ist und die Emittentin verpflichtet ist, die jeweiligen Zinsrückstände an dem in dieser Mitteilung genannten Zahlungstag zu zahlen).
- (b) Bei Eintritt des frühesten der nachfolgenden Ereignisse gelten die ausstehenden Zinsrückstände (insgesamt, jedoch nicht teilweise) durch die Emittentin als für fällig und zahlbar erklärt:
- (i) der fünfte Geschäftstag nach Eintritt eines Obligatorischen Zahlungereignisses (wie nachfolgend definiert); oder
- (ii) der Tag, an dem die Schuldverschreibungen insgesamt zur Rückzahlung fällig sind; oder
- (iii) der Tag, an dem eine freiwillige Auflösung der Emittentin beschlossen wird oder an dem eine

excluding) the next Determination Date.

"**Determination Date**" means each December 12.

- (7) *Interest Deferral.* Interest shall be due and payable on the respective Interest Payment Date unless the Issuer elects to defer such Interest. An election not to pay Interest, which can only be made regarding the whole respective Interest, shall not constitute a default of the Issuer or any other breach of obligations under the Notes or for any other purpose. If the Issuer decides to not pay the Interest on an Interest Payment Date, the Issuer shall notify the Holders in accordance with § 13 not less than 20 Business Days prior to the relevant Interest Payment Date.

Any Interest not paid due to such an election of the Issuer shall constitute "**Deferred Interest Payments**". Deferred Interest Payments shall not bear interest themselves.

- (8) *Payment of Deferred Interest Payments.*
- (a) The Issuer may pay outstanding Deferred Interest Payments (in whole but not in part) at any time upon giving of not less than 10 Business Days' notice in accordance with § 13 (which notice shall be irrevocable and will oblige the Issuer to pay the relevant Deferred Interest Payments on the payment date specified in such notice).
- (b) The Issuer shall be deemed to have declared outstanding Deferred Interest Payments (in whole but not in part) due and payable at the earliest of any of the following events:
- (i) the fifth Business Day following the occurrence of a Compulsory Payment Event (as defined below); or
- (ii) the due date for the redemption of the Notes; or
- (iii) the date on which the voluntary winding-up of the Issuer will be resolved or an order is made

Verfügung zur Auflösung, Abwicklung oder Liquidation der Emittentin ergeht (sofern dies nicht für die Zwecke einer Sanierung oder eines Insolvenzplanverfahrens oder als Folge eines Zusammenschlusses oder einer Umstrukturierung geschieht, während die Emittentin noch zahlungsfähig ist und die fortführende Gesellschaft im Wesentlichen alle Vermögenswerte und Verpflichtungen der Emittentin übernimmt).

- (c) Ein "**Obligatorisches Zahlungsereignis**" gilt bei Eintritt eines der folgenden Ereignisse als eingetreten:
- (i) der Tag, (x) an dem die Jahreshauptversammlung oder eine andere Hauptversammlung der Emittentin für eine Beteiligung der Kommanditaktionäre am Eigenkapital der Emittentin eine Dividende, bzw. eine andere Ausschüttung oder Zahlung beschließt (mit Ausnahme einer Dividende bzw. einer anderen Ausschüttung oder Zahlung, die in Form von Kommanditaktien der Emittentin vorgenommen wird) und/oder (y) der Tag an dem eine Entnahme aufgrund der Beteiligung eines persönlich haftenden Gesellschafters am Eigenkapital der Emittentin zu Gunsten eines persönlich haftenden Gesellschafters beschlossen wird oder die Emittentin eine solche Entnahme leistet; oder
 - (ii) die Emittentin erwirbt Kommanditaktien der Emittentin zurück oder zahlt einen Kapitalanteil eines persönlich haftenden Gesellschafters zurück oder eine ihrer Tochtergesellschaften kauft ausstehende Kommanditaktien der Emittentin oder Kapitalanteile eines persönlich haftenden Gesellschafters zurück (ausgenommen (x) in Verbindung mit einem Mitarbeiterbeteiligungsprogramm oder einer ähnlichen Maßnahme zu Gunsten von Arbeitnehmern, leitenden Angestellten, Führungskräften oder Beratern, (y) als Ergebnis eines Umtauschs oder einer Wandlung einer Aktiegattung in eine andere oder (z) falls die Emittentin Kapitalanteile eines persönlich haftenden Gesellschafters oder Kommanditaktien der Emittentin als Entgelt für einen Verkauf von Vermögenswerten an Dritte erhält); oder

for the winding-up, dissolution or liquidation of the Issuer (in each case other than for the purposes of or pursuant to the restructuring or an insolvency plan procedure (*Insolvenzplanverfahren*) or an amalgamation or reorganisation while solvent, where the continuing entity assumes substantially all of the assets and obligations of the Issuer).

- (c) A "**Compulsory Payment Event**" shall be deemed to have occurred upon any of the following events:
- (i) the date on which (x) the Issuer's annual general meeting or any other general meeting (*Hauptversammlung*) of the Issuer resolves on a dividend, other distribution or other payment in respect of any participation of the limited partnership shareholders (*Kommanditaktionäre*) in the equity of the Issuer (other than a dividend, distribution or payment which is made in the form of limited partnership shares (*Kommanditaktien*) of the Issuer) and/or (y) the date on which any distribution to a general partner (*persönlich haftender Gesellschafter*) of the Issuer arising out of its participation in the equity of the Issuer is declared or made by the Issuer; or
 - (ii) the Issuer repurchases any limited partnership shares (*Kommanditaktien*) of the Issuer or any equity interest (*Kapitalanteil*) of a general partner (*persönlich haftender Gesellschafter*) or any of its Subsidiaries repurchases or otherwise acquires any of the outstanding limited partnership shares (*Kommanditaktien*) of the Issuer or any equity interest (*Kapitalanteil*) of a general partner (*persönlich haftender Gesellschafter*) (other than (x) in connection with any employee benefit plan or similar arrangements with or for the benefit of employees, officers, directors or consultants, (y) as a result of the exchange or conversion of one class of shares for another class, or (z) in the case the Issuer receives any equity interest (*Kapitalanteil*) of a general partner (*persönlich haftender Gesellschafter*) or limited partnership shares (*Kommanditaktien*) of the Issuer as

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| <p>(iii) ein Zinszahlungstag, in Bezug auf den die Emittentin entscheidet, die Zahlung vorgesehener Zinsen auf die Schuldverschreibungen vorzunehmen; oder</p> <p>(iv) der Tag, an dem die Emittentin oder eine Tochtergesellschaft eine Zahlung oder Ausschüttung auf ein Gleichrangiges Wertpapier vornimmt; oder</p> <p>(v) der Tag, an dem die Emittentin oder eine Tochtergesellschaft (jeweils direkt oder indirekt) ein Gleichrangiges Wertpapier oder Schuldverschreibungen zurückzahlt, zurückkauft oder anderweitig erwirbt.</p> | <p>consideration for a sale of assets to third parties); or</p> <p>(iii) an Interest Payment Date in relation to which the Issuer elects to pay a scheduled Interest on the Notes; or</p> <p>(iv) the date on which the Issuer or any Subsidiary makes any payment or distribution in respect of any Parity Security; or</p> <p>(v) the date on which the Issuer or any Subsidiary redeems, repurchases or otherwise acquires (in each case directly or indirectly) any Parity Security or Notes.</p> |
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In den vorgenannten Fällen (iv) und (v) tritt kein Obligatorisches Zahlungsereignis ein, wenn

- (x) die Emittentin oder die betreffende Tochtergesellschaft gemäß den Anleihebedingungen des betreffenden Gleichrangigen Wertpapiers zu der Zahlung, zu der Rückzahlung, zu dem Rückkauf oder zu dem anderweitigen Erwerb verpflichtet ist; oder
- (y) die Emittentin oder die betreffende Tochtergesellschaft vollständig oder teilweise Gleichrangige Wertpapiere oder Schuldverschreibungen nach einem öffentlichen Rückkaufangebot oder öffentlichen Umtauschangebot mit einer unter dem jeweiligen Nennwert liegenden Gegenleistung je Gleichrangigem Wertpapier bzw. je Schuldverschreibung zurückkauft oder anderweitig erwirbt; oder
- (z) die betreffenden Zahlungen auf oder in Bezug auf Gleichrangige Wertpapiere Konzerninterne Zahlungen sind.

"Konzerninterne Zahlungen" sind Zahlungen, die ausschließlich an die Emittentin und/oder an eine oder mehrere ihrer Tochtergesellschaften erfolgen.

- (9) *Ende der Verzinsung.* Die Verzinsung der Schuldverschreibungen endet mit Beginn des Tages, an dem die Schuldverschreibungen zur

The cases (iv) and (v) above are subject to the provision that no Compulsory Payment Event occurs if

- (x) the Issuer or the relevant Subsidiary is obliged under the terms and conditions of such Parity Security to make such payment, such redemption, such repurchase or such other acquisition; or
- (y) the Issuer or the relevant Subsidiary repurchases or otherwise acquires any Parity Security or Note in whole or in part in a public tender offer or public exchange offer at a consideration per Parity Security or, as applicable, per Note below its respective par value; or
- (z) the relevant payments on, or in respect of, any Parity Securities are Intra-Group Payments.

"Intra-Group Payments" means payments made exclusively to the Issuer and/or one or more of its Subsidiaries.

- (9) *Cessation of Interest Payments.* The Notes shall cease to bear Interest from the beginning of the day on which they are due for redemption. If

Rückzahlung fällig werden. Sollte die Emittentin die Schuldverschreibungen bei Fälligkeit nicht einlösen, endet die Verpflichtung zur Zahlung von Zinsen auf die festgelegte Stückelung je ausstehender Schuldverschreibung zu dem dann anwendbaren Zinssatz nicht am Tag der Fälligkeit, sondern erst mit dem Beginn des Tages der tatsächlichen Rückzahlung der Schuldverschreibungen.

§ 5

RÜCKZAHLUNG UND RÜCKKAUF

- (1) *Endfälligkeit.* Sofern nicht bereits zuvor zurückgezahlt oder zurückgekauft und entwertet, wird die Emittentin den Gesamtnennbetrag der ausstehenden Schuldverschreibungen am 12. Dezember 2074 (der "**Endfälligkeitstag**") zurückzahlen.
- (2) *Kündigungsrecht der Emittentin bei einem Quellensteuer-Ereignis, einem Steuerereignis, einem Ratingagenturereignis oder einem Akquisitionereignis.*
 - (a) Bei Eintritt eines Quellensteuer-Ereignisses, eines Steuerereignisses, eines Ratingagenturereignisses oder eines Akquisitionereignisses ist die Emittentin berechtigt, die Schuldverschreibungen jederzeit (insgesamt, jedoch nicht teilweise) durch eine unwiderrufliche Mitteilung gemäß § 13 unter Einhaltung einer Frist von mindestens 10 Geschäftstagen zu kündigen.

Erfolgt die Kündigung aufgrund eines Quellensteuer-Ereignisses, hat die Emittentin sämtliche ausstehenden Schuldverschreibungen zu einem Betrag je Schuldverschreibung in Höhe der festgelegten Stückelung zuzüglich der bis zum Rückzahlungstag (ausschließlich) aufgelaufenen, aber noch nicht bezahlten Zinsen sowie, zur Klarstellung, etwaiger gemäß § 4(8)(b) fälliger Zinsrückstände zurückzuzahlen.

Erfolgt die Kündigung aufgrund eines Steuerereignisses, eines Ratingagenturereignisses oder eines Akquisitionereignisses hat die Emittentin sämtliche ausstehenden Schuldverschreibungen (i) zu einem Betrag je Schuldverschreibung in Höhe von 101% der festgelegten Stückelung

the Issuer shall fail to redeem the Notes when due, the obligation to pay Interest shall continue to accrue at the then Prevailing Interest Rate on the Specified Denomination per Note outstanding beyond the due date to the beginning of the day of actual redemption of the Notes.

§ 5

REDEMPTION AND PURCHASE

- (1) *Maturity Date.* Unless previously redeemed or repurchased and cancelled, Issuer will repay the aggregate principal amount of the Notes outstanding on December 12, 2074 (the "**Maturity Date**").
- (2) *Issuer Call Right due to a Gross-up Event, a Tax Event, a Rating Agency Event or an Acquisition Event.*
 - (a) If either a Gross-up Event, a Tax Event, a Rating Agency Event or an Acquisition Event occurs, the Issuer may call and redeem the Notes (in whole but not in part) at any time by giving of not less than 10 Business Days' irrevocable notice in accordance with § 13.

If the Notes are called by the Issuer upon the occurrence of a Gross-up Event, all outstanding Notes will be redeemed at an amount per Note equal to the Specified Denomination plus any Interest accrued and unpaid to but excluding the Redemption Date and, for the avoidance of doubt, any Deferred Interest Payments due and payable pursuant to § 4(8)(b).

If the Notes are called upon the occurrence of a Tax Event, a Rating Agency Event or an Acquisition Event the Issuer will redeem all outstanding Notes (i) at an amount equal to 101 per cent. of the Specified Denomination per Note plus any Interest accrued and unpaid to

zuzüglich der bis zum Rückzahlungstag (ausschließlich) aufgelaufenen, aber noch nicht bezahlten Zinsen sowie, zur Klarstellung, etwaiger gemäß § 4(8)(b) fälliger Zinsrückstände zurückzuzahlen, soweit eine solche Rückzahlung vor dem Ersten Rückzahlungstag erfolgt, oder (ii) zu einem Betrag je Schuldverschreibung in Höhe der Festgelegten Stückelung zuzüglich der bis zum Rückzahlungstag (ausschließlich) aufgelaufenen, aber noch nicht bezahlten Zinsen sowie, zur Klarstellung, etwaiger gemäß § 4(8)(b) fälliger Zinsrückstände zurückzuzahlen, soweit eine solche Rückzahlung an oder nach dem Ersten Rückzahlungstag erfolgt.

- (b) Im Fall eines Quellensteuer-Ereignisses kann eine Kündigungsmittelung nicht früher als 90 Tage vor dem ersten Tag gemacht werden, an dem die Emittentin erstmals verpflichtet wäre, die jeweiligen Zusätzlichen Beträge (wie in § 8 beschrieben) in Ansehung fälliger Beträge auf die Schuldverschreibungen zu zahlen.

Im Fall eines der in diesem § 5(2) bezeichneten Ereignisse kann eine Kündigungsmittelung nur zeitgleich mit oder nach einer Mittelung der Emittentin über den Eintritt eines dieser Ereignisse nach Maßgabe von § 13 gemacht werden.

Die Emittentin hat der Hauptzahlstelle vor Abgabe einer Kündigungsmittelung aus einem der in § 5(2) genannten Gründe folgende Dokumente zu übermitteln bzw. deren Übermittlung zu veranlassen:

- (i) eine von zwei ordnungsgemäß bevollmächtigten Vertretern der Emittentin unterzeichnete Bescheinigung, die bestätigt, dass die Emittentin berechtigt ist, die maßgebliche Rückzahlung vorzunehmen, und aus der die Tatsachen hervorgehen, auf deren Grundlage die Voraussetzungen für das Rückzahlungsrecht der Emittentin eingetreten sind; sowie
- (ii) für den Fall eines Quellensteuer-Ereignisses, ein Gutachten eines angesehenen externen Rechtsberaters, aus dem hervorgeht, dass die Emittentin verpflichtet ist oder verpflichtet sein wird, die betreffenden zusätzlichen Beträge als

but excluding the Redemption Date and, for the avoidance of doubt, any Deferred Interest Payments due and payable pursuant to § 4(8)(b) if such redemption occurs prior to the First Call Date, or (ii) at an amount equal to the Specified Denomination per Note plus any Interest accrued and unpaid to but excluding the Redemption Date and, for the avoidance of doubt, any Deferred Interest Payments due and payable pursuant to § 4(8)(b) if such redemption occurs on or after the First Call Date.

- (b) In the case of a Gross-up Event no notice of redemption may be given earlier than 90 days prior to the earliest day on which the Issuer would be for the first time obliged to pay the Additional Amounts (as described in § 8) in question on payments due in respect of the Notes.

In the case of any event specified in this § 5(2) a notice of redemption may only be given simultaneously with or after a notification by the Issuer in accordance with § 13 that such an event has occurred.

Prior to the giving of any notice of redemption resulting from any event specified in § 5(2), the Issuer shall deliver or procure that there is delivered to the Principal Paying Agent:

- (i) a certificate signed by any two duly authorized representatives of the Issuer stating that the Issuer is entitled to effect such redemption and setting out a statement of facts showing that the conditions precedent to the exercise of the right of the Issuer to redeem have been satisfied; and
- (ii) in the case of a Gross-up Event, an opinion of an external legal adviser of recognised standing to the effect that the Issuer has or will become obliged to pay the additional amounts in

Folge eines Quellensteuer-Ereignisses zu zahlen.

(3) *Definitionen.*

Ein "**Quellensteuer-Ereignis**" liegt vor, falls die Emittentin verpflichtet ist oder verpflichtet sein wird, Zusätzliche Beträge (wie in § 8 beschrieben) als Folge einer Änderung oder Ergänzung von Gesetzen oder Vorschriften der Bundesrepublik Deutschland oder einer ihrer Gebietskörperschaften oder Steuerbehörden oder als Folge einer Änderung oder Ergänzung der offiziellen Auslegung oder Anwendung dieser Gesetze oder Vorschriften durch eine gesetzgebende Körperschaft, ein Gericht, eine Steuerbehörde, eine Aufsichtsbehörde oder eine sonstige Behörde (einschließlich des Erlasses von Gesetzen sowie der Bekanntmachung gerichtlicher oder aufsichtsrechtlicher Entscheidungen) zu zahlen, allerdings nur soweit die betreffende Änderung, Ergänzung oder Durchführung an oder nach dem Ausgabetag wirksam wird und die Emittentin die Zahlungsverpflichtung nicht durch das Ergreifen von Maßnahmen vermeiden kann, die sie nach Treu und Glauben für angemessen hält.

Ein "**Steuerereignis**" liegt vor, wenn

(a) der Hauptzahlstelle ein Gutachten eines anerkannten unabhängigen Steuerberaters übergeben worden ist, aus dem hervorgeht, dass an oder nach dem Ausgabetag als Folge:

(i) einer Änderung oder Ergänzung der Gesetze (oder von aufgrund dieser Gesetze erlassenen Bestimmungen oder Vorschriften) der Bundesrepublik Deutschland oder einer ihrer Gebietskörperschaften oder Steuerbehörden, die an oder nach dem Ausgabetag erlassen, verkündet oder anderweitig wirksam wird; oder

(ii) einer Änderung oder Ergänzung der bindenden offiziellen Auslegung solcher Gesetze, Bestimmungen oder Vorschriften durch eine gesetzgebende Körperschaft, ein Gericht, eine Regierungsstelle oder eine Aufsichtsbehörde (einschließlich des

question as a result of a Gross-up Event.

(3) *Definitions.*

A "**Gross-up Event**" has occurred if the Issuer has or will become obliged to pay Additional Amounts (as set out in § 8) as a result of any change in, or amendment to, the laws or regulations of the Federal Republic of Germany or any political subdivision or taxing authority thereof, or therein, or as a result of any amendment to, or any change in, any official interpretation or application of any such laws or regulations by any legislative body, court, or taxing authority, governmental agency or regulatory authority (including the enactment of any legislation and the publication of any judicial decision or regulatory determination), provided that the relevant amendment, change or execution becomes effective on or after the Issue Date and provided further that the payment obligation cannot be avoided by the Issuer taking such reasonable measures it (acting in good faith) deems appropriate.

A "**Tax Event**" shall have occurred if

(a) an opinion of a recognised independent tax counsel has been delivered to the Principal Paying Agent, stating that on or after the Issue Date, as a result of:

(i) any amendment to, or change in, the laws (or any rules or regulations thereunder) of the Federal Republic of Germany or any political subdivision or any taxing authority thereof or therein which is enacted, promulgated, issued or becomes effective otherwise on or after the Issue Date; or

(ii) any amendment to, or change in, an official and binding interpretation of any such laws, rules or regulations by any legislative body, court, governmental agency or regulatory authority (including the enactment of any legislation and the publication of any

Erlasses von Gesetzen sowie der Bekanntmachung gerichtlicher oder aufsichtsrechtlicher Entscheidungen), die an oder nach dem Ausgabetag erlassen, verkündet oder anderweitig wirksam wird; oder

- (iii) einer allgemein anwendbaren offiziellen Auslegung oder Verkündung, die an oder nach dem Ausgabetag erlassen oder verkündet wird und nach der die Rechtslage im Hinblick auf diese Gesetze oder Vorschriften von der früheren allgemein anerkannten Rechtslage abweicht;

Zahlungen, die von der Emittentin in Bezug auf die Schuldverschreibungen zahlbar sind, von der Emittentin nicht mehr für die Zwecke der deutschen Körperschaftsteuer voll abzugsfähig sind, bzw. innerhalb von 90 Tagen nach dem Datum dieses Gutachtens nicht mehr voll abzugsfähig sein werden; und

- (b) die Emittentin dieses Risiko nicht durch das Ergreifen zumutbarer Maßnahmen vermeiden kann.

Ein "**Ratingagenturereignis**" liegt vor, wenn die Emittentin von einer der Ratingagenturen, von denen die Emittentin ein sponsored rating erhält (wobei sich sponsored rating auf solche Ratings bezieht, die von einer Ratingagentur erteilt werden, mit der die Emittentin in einem Vertragsverhältnis steht, im Rahmen dessen die Ratingagentur eine Eigenkapitalanrechnung der Schuldverschreibungen festlegt) (jeweils eine "**Relevante Ratingagentur**"), schriftlich benachrichtigt wurde oder die Relevante Ratingagentur veröffentlicht, dass die Schuldverschreibungen aufgrund (i) einer Änderung der Hybrid Rating Methodologie oder deren Auslegung oder (ii) der Anwendung einer anderen Hybrid Rating Methodologie oder anderer Kriterien durch die Relevante Ratingagentur (in Folge von, unter anderem, einer Änderung des der Emittentin erteilten Ratings) nicht mehr der anfänglichen Eigenkapitalanrechnungskategorie (wie nachstehend definiert) und auch nicht einer höheren Eigenkapitalanrechnungskategorie

judicial decision or regulatory determination) which is enacted, promulgated, issued or becomes effective otherwise on or after the Issue Date; or

- (iii) any generally applicable official interpretation or pronouncement that provides for a position with respect to such laws or regulations that differs from the previous generally accepted position which is issued or announced on or after the Issue Date;

payments by the Issuer on the Notes are no longer, or within 90 days of the date of that opinion will no longer be, fully deductible by the Issuer for German corporate income tax purposes; and

- (b) such risk cannot be avoided by the Issuer taking reasonable measures available to it.

A "**Rating Agency Event**" has occurred if the Issuer has received written confirmation from any rating agency from whom the Issuer is assigned a sponsored rating, whereby sponsored rating shall refer to a rating assigned by a rating agency with whom the Issuer has a contractual relationship under which the Notes are assigned an equity credit, (each a "**Relevant Rating Agency**") or the Relevant Rating Agency publishes that the Notes due to (i) a change in hybrid rating methodology or the interpretation thereof or (ii) the application of a different hybrid rating methodology or set of criteria by the Relevant Rating Agency (due to, including but not limited to, a change in the rating previously assigned to the Issuer), will no longer be eligible for the initial category of equity credit (as defined below) or a higher category of equity credit (or such similar nomenclature as being used by that Relevant Rating Agency from time to time to describe the degree to which the terms of an instrument are supportive of the Issuer's senior

(oder einer anderen Klassifikation durch diese Relevante Ratingagentur, die beschreibt, in welchem Umfang der Bedingungen eines Finanzierungsinstruments die Fähigkeit der Emittentin zur Bedienung ihrer vorrangigen Verbindlichkeiten stützt) zuzuordnen sind.

"Anfängliche Eigenkapitalanrechnungskategorie" bezeichnet die Eigenkapitalanrechnungskategorie, der die Schuldverschreibungen mit Wirkung ab dem Tag, ab dem in Bezug auf die Schuldverschreibungen kein Akquisitionsereignis mehr eintreten kann, zugeordnet sein werden, wie anfänglich am oder um den Tag ihrer Begebung durch die Relevante Ratingagentur gegenüber der Emittentin bestätigt.

Ein **"Akquisitionsereignis"** liegt vor, wenn (x) die Emittentin oder eine Tochtergesellschaft den Erwerb der Sigma-Aldrich Corporation nicht abgeschlossen und vollzogen hat und (y) öffentlich erklärt hat, dass sie nicht länger beabsichtigt, den Erwerb zu verfolgen und die Emittentin gemäß § 13 den Gläubigern dieses Akquisitionsereignis am oder vor dem 23. Dezember 2015 bekanntgemacht hat bevor sie die Erklärung nach § 5(2)(a) abgegeben hat. Die Emittentin kann auf ihr Recht zur Rückzahlung wegen eines Akquisitionseignisses verzichten, indem sie dies nach § 13 bekannt macht.

- (4) *Kündigungsrecht der Emittentin am Ersten Rückzahlungstag oder an jedem danach folgenden Reset Tag.*

Die Emittentin kann die Schuldverschreibungen (insgesamt, jedoch nicht teilweise) mit Wirkung zum Ersten Rückzahlungstag oder zu jedem danach folgenden Reset Tag nach unwiderruflicher Kündigungsmitteilung an die Gläubiger gemäß § 13 unter Einhaltung einer Frist von mindestens 20 Geschäftstagen kündigen.

Eine solche Kündigungsmitteilung verpflichtet die Emittentin, sämtliche ausstehenden Schuldverschreibungen zu einem Betrag je Schuldverschreibung in Höhe der Festgelegten Stückelung zuzüglich der bis zum Rückzahlungstag (ausschließlich)

obligations).

"Initial category of equity credit" means the category of equity credit to be attributed to the Notes with effect from the date on which the Notes will no longer be subject to an Acquisition Event, as first confirmed by the Relevant Rating Agency to the Issuer at or around the date of issuance.

An **"Acquisition Event"** shall occur if (x) the Issuer or any Subsidiary has not completed and closed the acquisition of Sigma-Aldrich Corporation, and (y) has publicly stated that it no longer intends to pursue such acquisition; and the Issuer has given notice to the Holders in accordance with § 13 on or prior to December 23, 2015 of such Acquisition Event prior to giving the notice in accordance with § 5(2)(a). The Issuer may waive its right to call the Notes for redemption based on an Acquisition Event by giving notice pursuant to § 13.

- (4) *Issuer Call Right on the First Call Date or on any Reset Date thereafter.*

The Issuer may call and redeem the Notes (in whole but not in part) on the First Call Date or on any Reset Date thereafter upon giving not less than 20 Business Days' irrevocable notice of redemption to the Holders in accordance with § 13.

Such notice of redemption shall oblige the Issuer to redeem all outstanding Notes at an amount per Note equal to the Specified Denomination plus any Interest accrued and unpaid to but excluding the Redemption Date and, for the avoidance of doubt, any Deferred

- aufgelaufenen, aber noch nicht bezahlten Zinsen sowie, zur Klarstellung, etwaiger gemäß § 4(8)(b) fälliger Zinsrückstände zurückzuzahlen.
- (5) *Rückkauf von Schuldverschreibungen.* Die Emittentin oder Tochtergesellschaften können unter Einhaltung der einschlägigen gesetzlichen Vorschriften jederzeit Schuldverschreibungen im Markt oder anderweitig zu jedem beliebigen Preis kaufen. Derartig erworbene Schuldverschreibungen können entwertet, gehalten oder wieder veräußert werden.
- (6) *Kündigungsrecht der Emittentin bei geringem ausstehenden Gesamtnennbetrag.* Falls die Emittentin und/oder eine Tochtergesellschaft allein oder gemeinsam Schuldverschreibungen im Volumen von 80% oder mehr des ursprünglich begebenen Gesamtnennbetrages der Schuldverschreibungen erworben hat, kann die Emittentin die verbleibenden Schuldverschreibungen (insgesamt, jedoch nicht teilweise) nach unwiderruflicher Kündigungsmitteilung an die Gläubiger gemäß § 13 unter Einhaltung einer Frist von mindestens 20 und höchstens 40 Geschäftstagen kündigen und (i) zu einem Betrag je Schuldverschreibung in Höhe von 101% der Festgelegten Stückelung zuzüglich der bis zum Rückzahlungstag (ausschließlich) aufgelaufenen, aber noch nicht bezahlten Zinsen sowie, zur Klarstellung, etwaiger gemäß § 4(8)(b) fälliger Zinsrückstände zurückzahlen, soweit eine solche Rückzahlung vor dem Ersten Rückzahlungstag erfolgt, oder (ii) zu einem Betrag je Schuldverschreibung in Höhe der Festgelegten Stückelung zuzüglich der bis zum Rückzahlungstag (ausschließlich) aufgelaufenen, aber noch nicht bezahlten Zinsen sowie, zur Klarstellung, etwaiger gemäß § 4(8)(b) fälliger Zinsrückstände zurückzahlen, soweit eine solche Rückzahlung an oder nach dem Ersten Rückzahlungstag erfolgt.
- (7) *Kündigungsrecht der Emittentin nach Eintritt eines Kontrollwechselereignisses.*
- (a) Wenn ein Kontrollwechselereignis (wie in § 5(7)(c) definiert) eintritt, hat die Emittentin binnen 20 Geschäftstagen den Kontrollwechselstichtag (wie in § 5(7)(c) definiert) zu
- Interest Payments due and payable pursuant to § 4(8)(b).
- (5) *Purchase of Notes.* The Issuer or any Subsidiary may, in compliance with applicable laws, at any time purchase Notes in the open market or otherwise and at any price. Such acquired Notes may be cancelled, held or resold.
- (6) *Issuer Call Right in the case of Minimal Outstanding Aggregate Principal Amount.* In the event that the Issuer and/or any Subsidiary has, severally or jointly, purchased Notes equal to or in excess of 80 per cent. of the Aggregate Principal Amount of the Notes initially issued, the Issuer may call and redeem the remaining Notes (in whole but not in part) upon giving not less than 20 and not more than 40 Business Days' irrevocable notice of redemption to the Holders in accordance with § 13 (i) at an amount equal to 101 per cent. of the Specified Denomination per Note plus any Interest accrued and unpaid to but excluding the Redemption Date and, for the avoidance of doubt, any Deferred Interest Payments due and payable pursuant to § 4(8)(b) if such redemption occurs prior to the First Call Date, or (ii) at an amount equal to the Specified Denomination per Note plus any Interest accrued and unpaid to but excluding the Redemption Date and, for the avoidance of doubt, any Deferred Interest Payments due and payable pursuant to § 4(8)(b) if such redemption occurs on or after the First Call Date.
- (7) *Issuer Call Right following a Change of Control Event.*
- (a) If a Change of Control Event (as defined in § 5(7)(c)) occurs, the Issuer will fix the Change of Control Effective Date (as defined in § 5(7)(c)) and give notice in accordance with

bestimmen und das Kontrollwechselereignis und den Kontrollwechsel-Stichtag gemäß § 13 anzuzeigen (die "**Kontrollwechsel-Mitteilung**").

- (b) Wenn ein Kontrollwechselereignis eintritt, ist die Emittentin berechtigt, die Schuldverschreibungen (insgesamt, jedoch nicht teilweise) durch Erklärung gemäß dem nachstehenden Absatz mit Wirkung zu dem Kontrollwechsel-Stichtag zu kündigen. Im Falle einer solchen Kündigung hat die Emittentin jede ausstehende Schuldverschreibung am Kontrollwechsel-Stichtag zu einem Betrag je Schuldverschreibung in Höhe der festgelegten Stückelung zuzüglich der bis zum Kontrollwechsel-Stichtag (ausschließlich) aufgelaufenen, aber noch nicht bezahlten Zinsen sowie, zur Klarstellung, etwaiger gemäß § 4(8)(b) fälliger Zinsrückstände, zurückzuzahlen.

Die Emittentin kann ihr Recht zur Rückzahlung gemäß diesem § 5(7) durch eine Bekanntmachung an die Gläubiger gemäß § 13 unter Einhaltung einer Frist von nicht mehr als 5 Geschäftstagen nach Bekanntmachung der Kontrollwechsel-Mitteilung ausüben. Diese Bekanntmachung kann auch zeitgleich mit der Kontrollwechsel-Mitteilung erfolgen

- (c) In diesem § 5(7) gilt:

Ein "**Kontrollwechselereignis**" gilt jedes Mal in einem der folgenden Fälle als eingetreten, wenn (i) E. Merck KG, Darmstadt das Recht verliert, die Mehrheit der persönlich haftenden Gesellschafter ohne Kapitalanteil der Merck KGaA, Darmstadt mit Zustimmung der einfachen Mehrheit der anderen persönlich haftenden Gesellschafter zu bestellen, und (ii) eine Person oder mehrere Personen, die abgestimmt handeln, oder einer oder mehrere Dritte, die im Auftrag einer solchen Person oder solcher Personen handeln, zu irgendeiner Zeit mittelbar oder unmittelbar (unabhängig davon, ob die persönlich haftenden Gesellschafter oder der Aufsichtsrat der Merck KGaA, Darmstadt ihre bzw. seine Zustimmung erteilt hat bzw. haben) mehr als 50% des Grundkapitals der Merck KGaA, Darmstadt erwirbt (erwerben) (ein "**Kontrollwechsel**"); und die Merck

§ 13 of the Change of Control and the Change of Control Effective Date within 20 Business Days (the "**Change of Control Notice**").

- (b) If a Change of Control Event occurs, the Issuer may call the Notes for redemption (in whole but not in part) with effect as of the Change of Control Effective Date upon giving notice in accordance with the following paragraph. In the case such call notice is given, the Issuer shall redeem each Note outstanding at an amount per Note equal to the Specified Denomination plus any Interest accrued and unpaid to but excluding the Change of Control Effective Date and, for the avoidance of doubt, any Deferred Interest Payments due and payable pursuant to § 4(8)(b).

The Issuer may give not more than 5 Business Days' notice to the Holders after publication of the Change of Control Notice in accordance with § 13 of an early redemption pursuant to this § 5(7). Such notice may be given simultaneously with the Change of Control Notice.

- (c) In this § 5(7):

A "**Change of Control Event**" shall be deemed to have occurred at each time if (i) E. Merck KG, Darmstadt loses the right to appoint, subject to the consent of the simple majority of the other partners liable on an unlimited basis (*persönlich haftende Gesellschafter*) of Merck KGaA, Darmstadt, the majority of the personally liable partners not contributing capital (*persönlich haftende Gesellschafter ohne Kapitalanteil*) of Merck KGaA, Darmstadt, and (ii) any person or persons acting in concert or any person or persons acting on behalf of any such person(s), at any time directly or indirectly acquire(s) (whether or not approved by the partners liable on an unlimited basis (*persönlich haftende Gesellschafter*) or the supervisory board (*Aufsichtsrat*) of Merck KGaA, Darmstadt more than 50% of the share capital (*Grundkapital*) of Merck KGaA,

KGaA, Darmstadt bei Eintritt des Kontrollwechsels über ein (mit Zustimmung der Merck KGaA, Darmstadt erteiltes) Rating von Moody's Investors Services Limited ("**Moody's**") oder Standard & Poor's Rating Services ein Unternehmen der The McGraw-Hill Companies Inc. ("**S&P**") oder einer jeweiligen Nachfolgesellschaft (jeweils eine "**Rating Agentur**") verfügt, entsprechend: (x) einem Investment Grade Rating (Baa3/BBB- oder gleichwertig oder besser) und dieses Rating von einer Rating Agentur innerhalb von 120 Tagen nach dem Kontrollwechsel zu einem non-investment Grade Rating (Ba1/BB+ oder gleichwertig oder schlechter) herabgestuft oder das Rating zurückgezogen wurde und nicht innerhalb dieser 120-Tagesperiode anschließend (im Falle einer Herabstufung) durch diese Rating Agentur wieder auf ein Investment Grade Rating heraufgestuft oder (im Falle einer Zurückziehung) durch das Investment Grade Rating einer anderen Rating Agentur ersetzt wurde; oder (y) einem non-investment Grade Rating (Ba1/BB+ oder gleichwertig oder schlechter) und dieses Rating durch eine Rating Agentur innerhalb von 120 Tagen nach Kontrollwechsel um eine oder mehrere Stufen (zur Erläuterung: Ba1 nach Ba2 entspricht einer Stufe) herabgestuft und nicht innerhalb dieser 120-Tagesperiode anschließend wieder auf das ursprüngliche oder ein besseres Rating durch diese Rating Agentur heraufgestuft wurde, wobei falls die Merck KGaA, Darmstadt zum Zeitpunkt des Eintritts des Kontrollwechsels über ein Rating von mehr als einer Rating Agentur verfügt, von denen mindestens eines ein Investment Grade Rating ist, die Regelung unter (x) Anwendung findet; und im Zusammenhang mit einer der oben genannten Entscheidungen die betreffende Rating Agentur öffentlich bekannt macht oder gegenüber der Merck KGaA, Darmstadt schriftlich bestätigt, dass diese Entscheidung ganz oder teilweise auf den Kontrollwechsel zurückzuführen ist.

Falls sich die von Moody's oder S&P verwendeten Rating Kategorien gegenüber denen, die in vorangegangenen Absatz angegeben wurden, ändern sollten, wird die

Darmstadt (a "**Change of Control**"); and at the time of the occurrence of a Change of Control, Merck KGaA, Darmstadt carries (with the agreement of Merck KGaA, Darmstadt) from any of Moody's Investors Services Limited ("**Moody's**") or Standard & Poor's Rating Services, a division of The McGraw-Hill Companies Inc. ("**S&P**"), or any of their respective successors (each, a "**Rating Agency**"): (x) an investment grade credit rating (Baa3/BBB-, or equivalent, or better), and such rating from any Rating Agency is within 120 days of such time either downgraded to a non-investment grade credit rating (Ba1/BB+, or equivalent, or worse) or withdrawn and is not within such 120-day period subsequently (in the case of a downgrade) upgraded to an investment grade credit rating by such Rating Agency or (in the case of withdrawal) replaced by an investment grade credit rating from any other Rating Agency; or (y) a non-investment grade credit rating (Ba1/BB+, or equivalent, or worse), and such rating from any Rating Agency is within 120 days of such time downgraded by one or more notches (for illustration, Ba1 to Ba2 being one notch) and is not within such 120-day period subsequently upgraded to its earlier credit rating or better by such Rating Agency, provided that if at the time of the occurrence of the Change of Control Merck KGaA, Darmstadt carries a rating from more than one Rating Agency, at least one of which is investment grade, then sub-paragraph (x) will apply; and in making the relevant decision(s) referred to above, the relevant Rating Agency announces publicly or confirms in writing to Merck KGaA, Darmstadt that such decision(s) resulted, in whole or in part, from the occurrence of the Change of Control.

If the rating designations employed by any of Moody's or S&P are changed from those which are described in the paragraph above, the Issuer shall determine the rating designations of

Emittentin diejenigen Rating Kategorien von Moody's oder S&P bestimmen, die den früheren Rating Kategorien von Moody's oder S&P möglichst nahe kommen; der vorangegangene Absatz ist dann entsprechend auszulegen.

"Kontrollwechsel-Stichtag" bezeichnet den von der Emittentin in der Kontrollwechsel-Mitteilung festgelegten Tag, der (i) falls zum betreffenden Zeitpunkt nicht nachrangige Fremdkapitalwertpapiere der Merck KGaA, Darmstadt ausstehen, der fünfte Geschäftstag nach dem Tag sein muss, an dem solche Wertpapiere aufgrund einer Kündigung der Gläubiger dieser Wertpapiere wegen des gleichen Kontrollwechsel-Ereignisses (oder eines vergleichbaren Konzepts) fällig werden können; und (ii) falls zum betreffenden Zeitpunkt keine nicht nachrangigen Fremdkapitalwertpapiere der Merck KGaA, Darmstadt ausstehen ein Geschäftstag sein muss, der nicht mehr als 40 Tage nach Bekanntmachung der Kontrollwechsel-Mitteilung liegen darf.

§ 6 ZAHLUNGEN

- (1) *Zahlung von Kapital und Zinsen.* Die Emittentin verpflichtet sich, Kapital und Zinsen auf die Schuldverschreibungen sowie alle sonstigen auf die Schuldverschreibungen zahlbaren Beträge bei Fälligkeit in Euro zu zahlen. Die Zahlung von Kapital und Zinsen sowie allen sonstigen auf die Schuldverschreibungen zahlbaren Beträge erfolgt an die Hauptzahlstelle zur Weiterleitung an das Clearingsystem oder an dessen Order zur Gutschrift für die jeweiligen Kontoinhaber und im Fall von Zinsen und Zinsrückständen auf Schuldverschreibungen, die durch die Vorläufige Globalurkunde verbrieft sind, nach ordnungsgemäßer Bescheinigung gemäß § 2(2)(b). Die Zahlung an das Clearingsystem oder an dessen Order, vorausgesetzt, die Schuldverschreibungen werden noch durch das Clearingsystem gehalten, befreit die Emittentin in Höhe der geleisteten Zahlung von ihren entsprechenden Verbindlichkeiten aus den

Moody's or S&P (as appropriate) as are most equivalent to the prior rating designations of Moody's or S&P and the paragraph above shall be read accordingly.

"Change of Control Effective Date" means the date fixed by the Issuer in the Change of Control Notice, which (i) must, if at the relevant time any senior debt securities of Merck KGaA, Darmstadt are outstanding, be the fifth Business Day following the date on which such securities may become payable due to put notices of the holders of such securities in respect of the same Change of Control Event (or a similar concept); and (iii) must, if at the relevant time no senior debt securities of Merck KGaA, Darmstadt are outstanding, be a Business Day which falls not more than 40 days after publication of the Change of Control Notice.

§ 6 PAYMENTS

- (1) *Payment of Principal and Interest.* The Issuer undertakes to pay, as and when due, principal and Interest as well as all other amounts payable on the Notes in euro. Payment of principal and Interest as well as all other amounts due and payable on the Notes shall be made to the Principal Paying Agent for on-payment to the Clearing System or to its order for credit to the respective accountholders and, in the case of payments of Interest and Deferred Interest Payments on Notes represented by the Temporary Global Note, upon due certification as provided in § 2(2)(b). Payments to the Clearing System or to its order shall, to the extent of amounts so paid and provided the Notes are still held on behalf of the Clearing System, constitute the discharge of the Issuer from its corresponding obligations under the Notes.

Schuldverschreibungen.

- (2) *Fälligkeitstag kein Geschäftstag.* Falls ein Fälligkeitstag für die Zahlung von Kapital und/oder Zinsen und/oder Zinsrückständen kein Geschäftstag ist, erfolgt die Zahlung, erst am nächstfolgenden Geschäftstag; Gläubiger sind nicht berechtigt, Zinsen oder eine andere Entschädigung wegen eines solchen Zahlungsaufschubs zu verlangen.
- (3) *Lieferung und Zahlungen nur außerhalb der Vereinigten Staaten.* Unbeschadet der übrigen Bestimmungen in diesen Anleihebedingungen erfolgen die Lieferung oder Kapitalrückzahlungen oder Zinszahlungen bezüglich der Schuldverschreibungen, sei es in bar oder in anderer Form, ausschließlich außerhalb der Vereinigten Staaten.
- (2) *Due Date not a Business.* If the due date for any payment of principal and/or Interest and/or Deferred Interest Payments is not a Business Day, payment shall be effected only on the next Business Day; a Holder shall have no right to claim payment of any interest or other indemnity in respect of such delay in payment.
- (3) *No Delivery or Payment Except outside United States.* Notwithstanding any other provision of these Terms and Conditions, no delivery or payment of principal or Interest in respect of the Notes, whether in cash or otherwise, shall be made unless such payment is made outside the United States.

§ 7

ZAHLSTELLEN UND BERECHNUNGSSTELLE

- (1) *Hauptzahlstelle.* Die Hauptzahlstelle (die "**Hauptzahlstelle**") ist:
- Deutsche Bank Aktiengesellschaft
Trust & Securities Services
Taunusanlage 12
60325 Frankfurt am Main
Bundesrepublik Deutschland
- (2) *Berechnungsstelle.* Die Berechnungsstelle (die "**Berechnungsstelle**") ist:
- Deutsche Bank Aktiengesellschaft
Trust & Securities Services
Taunusanlage 12
60325 Frankfurt am Main
Bundesrepublik Deutschland
- (3) *Ortswechsel.* Die Hauptzahlstelle und die Berechnungsstelle behalten sich das Recht vor, jederzeit ihre jeweiligen bezeichneten Geschäftsstellen durch eine andere bezeichnete Geschäftsstelle in derselben Stadt zu ersetzen.
- (4) *Berechnungen der Berechnungsstelle.* Sämtliche Bescheinigungen, Mitteilungen, Gutachten, Festsetzungen, Berechnungen, Quotierungen und Entscheidungen, die von der Berechnungsstelle für die Zwecke dieser Anleihebedingungen gemacht, abgegeben,

§ 7

PAYING AGENTS AND CALCULATION AGENT

- (1) *Principal Paying Agent.* Principal paying agent (the "**Principal Paying Agent**") shall be:
- Deutsche Bank Aktiengesellschaft
Trust & Securities Services
Taunusanlage 12
60325 Frankfurt am Main
Bundesrepublik Deutschland
- (2) *Calculation Agent.* Calculation agent (the "**Calculation Agent**") shall be:
- Deutsche Bank Aktiengesellschaft
Trust & Securities Services
Taunusanlage 12
60325 Frankfurt am Main
Bundesrepublik Deutschland
- (3) *Change of Office.* Each of the Principal Paying Agent and the Calculation Agent reserves the right at any time to change its specified office to some other specified office in the same city.
- (4) *Calculations made by the Calculation Agent.* 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 Calculation Agent

getroffen oder eingeholt werden, sind (sofern nicht vorsätzliches Fehlverhalten oder ein offensichtlicher Irrtum vorliegt) für die Emittentin, die Gläubiger und die Zahlstellen bindend.

- (5) *Änderung der Bestellung oder Abberufung.* Die Emittentin behält sich das Recht vor, jederzeit die Bestellung der Hauptzahlstelle oder der Berechnungsstelle zu ändern oder zu beenden und eine andere Hauptzahlstelle oder zusätzliche oder andere Zahlstellen oder eine andere Berechnungsstelle zu bestellen. Die Emittentin wird zu jedem Zeitpunkt eine Hauptzahlstelle und eine Berechnungsstelle unterhalten. Eine Änderung, Abberufung, Bestellung oder ein sonstiger Wechsel wird nur wirksam (außer im Insolvenzfall, in dem eine solche Änderung sofort wirksam wird), sofern die Gläubiger hierüber gemäß § 13 vorab unter Einhaltung einer Frist von mindestens 30 und nicht mehr als 45 Tagen informiert wurden.
- (6) *Erfüllungsgehilfe(n) der Emittentin.* Die Hauptzahlstelle und die Berechnungsstelle handeln ausschließlich als Beauftragte der Emittentin und übernehmen keine Verpflichtungen gegenüber den Gläubigern; es wird kein Vertrags-, Auftrags- oder Treuhandverhältnis zwischen ihnen und den Gläubigern begründet.

§ 8 BESTEUERUNG

Alle in Bezug auf die Schuldverschreibungen von der Emittentin an die Gläubiger zahlbaren Kapitalbeträge, Zinsen und Zinsrückstände werden ohne Einbehalt oder Abzug von gegenwärtigen oder zukünftigen Steuern oder Abgaben gleich welcher Art gezahlt, die von oder im Namen der Bundesrepublik Deutschland, ihrer Bundesländer oder einer ihrer anderen steuererhebungsberechtigten Gebietskörperschaften (das "**Steuerhoheitsgebiet**") im Wege des Abzugs oder Einhalts auferlegt oder erhoben werden, es sei denn, ein solcher Abzug oder Einbehalt ist gesetzlich vorgeschrieben. In diesem Fall wird die Emittentin diejenigen zusätzlichen Beträge ("**Zusätzliche Beträge**") zahlen, die erforderlich sind, damit die den Gläubigern zufließenden Beträge jeweils den Beträgen entsprechen, die diese ohne einen solchen Einbehalt oder Abzug erhalten hätten. Die Verpflichtung zur

shall (in the absence of wilful misconduct or manifest error) be binding upon the Issuer, the Holders and the paying agents.

- (5) *Variation or Termination of Appointment.* The Issuer reserves the right at any time to vary or terminate the appointment of the Principal Paying Agent or the Calculation Agent and to appoint another Principal Paying Agent or additional or other Paying Agents or another Calculation Agent. The Issuer shall at all times maintain a Principal Paying Agent and a Calculation Agent. Any variation, termination, appointment or other change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Holders in accordance with § 13.
- (6) *Agent of the Issuer.* The Principal Paying Agent 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 Holders.

§ 8 TAXATION

All payments of principal, Interest and Deferred Interest Payments made by the Issuer in respect of the Notes to the Holders shall be made free and clear of, and without withholding or deduction for, any present or future taxes or duties of whatever nature imposed or levied by way of deduction or withholding by or on behalf of the Federal Republic of Germany, its federal states (*Bundesländer*) or any authority therein or thereof having power to tax (the "**Taxing Jurisdiction**"), unless such deduction or withholding is required by law. In that event the Issuer shall pay such additional amounts (the "**Additional Amounts**") as shall result in receipt by the Holders of such amounts as would have been received by them had no such withholding or deduction been required, except that no Additional Amounts shall be payable with

Zahlung solcher Zusätzlichen Beträge besteht jedoch nicht in Bezug auf Folgendes:

- (a) Deutsche Kapitalertragsteuer (inklusive der sog. Abgeltungsteuer), die nach dem deutschen Einkommensteuergesetz abgezogen oder einbehalten wird, auch wenn der Abzug oder Einbehalt durch die Emittentin oder ihren Vertreter vorzunehmen ist, und den deutschen Solidaritätszuschlag und die deutsche Kirchensteuer oder jede andere Steuer, welche die deutsche Kapitalertragsteuer bzw. den Solidaritätszuschlag bzw. die Kirchensteuer ersetzen sollte, und Einbehalte jeder Art, die von der Emittentin oder einem ihrer Vertreter für Rechnung des Inhabers der Schuldverschreibungen auf die von diesem geschuldete Vermögensteuer vorzunehmen sind, für den Fall, dass eine entsprechende Steuer von dem deutschen Gesetzgeber eingeführt wird; oder
- (b) Zahlungen an einen Gläubiger oder an einen Dritten für einen Gläubiger, falls dieser Gläubiger (oder ein Treuhänder, Treugeber, Begünstigter, Mitglied oder Gesellschafter eines solchen Gläubigers, sofern es sich bei dem Gläubiger um eine Vermögensmasse, ein Treuhandvermögen, eine Personengesellschaft oder eine Kapitalgesellschaft handelt) aufgrund einer früheren oder gegenwärtigen Verbindung zu Deutschland, einschließlich eines solchen Gläubigers (bzw. Treuhänders, Treugebers, Begünstigten, Mitglieds oder Gesellschafters), der Staatsbürger oder Einwohner dieses Landes war oder ist oder in diesem Land ein Gewerbe, ein Geschäft oder eine Repräsentanz betrieben hat oder betreibt oder eine Betriebsstätte hatte oder hat, einem solchen Einbehalt oder Abzug unterliegt und sich diese Verbindung nicht nur darauf beschränkt, dass er die Schuldverschreibung hält oder die unter dieser jeweils zu leistenden Zahlungen erhält; oder
- (c) Zahlungen an einen Gläubiger oder an einen Dritten für einen Gläubiger, falls kein Einbehalt oder Abzug hätte erfolgen müssen, wenn die Schuldverschreibung zum Zeitpunkt der fraglichen Zahlung in einem Depotkonto bei einem nicht in Deutschland ansässigen Kreditinstitut Finanzdienstleistungsinstitut,

respect to:

- (a) German *Kapitalertragsteuer* (including *Abgeltungsteuer*) to be deducted or withheld pursuant to the German Income Tax Act (*Einkommensteuergesetz*), even if the deduction or withholding has to be made by the Issuer or its representative, and the German Solidarity Surcharge (*Solidaritatszuschlag*) and the German Church Tax (*Kirchensteuer*) or any other tax which may substitute the German *Kapitalertragsteuer* or *Solidaritatszuschlag* or *Kirchensteuer*, as the case may be, and withholdings of any kind to be made by the Issuer or one of its representatives on behalf of a Holder, where such Holder is subject to German net asset tax (*Vermogensteuer*), in case such a tax will be enacted by the German legislative authorities; or
- (b) payments to, or to a third party on behalf of, a Holder where such Holder (or a fiduciary, trustor, beneficiary, member or interest holder of such Holder, if such Holder is an estate, a trust, a partnership or a corporation) is liable to such withholding or deduction by reason of having some present or former connection with Germany, including, without limitation, such Holder (or such fiduciary, trustor, beneficiary, member or interest holder) being or having been a citizen or resident thereof or being or having been engaged in a trade or business present therein or having, or having had, a permanent establishment therein, other than by reason only of the holding of such Note or the receipt of the relevant payment in respect thereof; or
- (c) payments to, or to a third party on behalf of, a Holder where no such withholding or deduction would have been required to be made if the Notes were credited at the time of payment to a securities deposit account with a bank, financial services institution, securities trading business or securities trading bank, in each case outside

Wertpapierhandelsunternehmen oder einer nicht in Deutschland ansässigen Wertpapierhandelsbank verwahrt gewesen wären; oder

- (d) Zahlungen, falls der Einbehalt oder Abzug bei Zahlung durch (i) die Richtlinie des Rates der Europäischen Union 2003/48/EG vom 3. Juni 2003 oder durch eine andere die Beschlüsse des ECOFIN Ratstreffens vom 26. bis 27. November 2000 zur Zinsbesteuerung umsetzende Richtlinie oder durch ein diese Richtlinie umsetzendes oder sie befolgendes oder zu ihrer Befolgung erlassenes Gesetz begründet wird, oder (ii) eine Richtlinie oder Verordnung der Europäischen Union betreffend die Besteuerung von Zinserträgen, welche an eine natürliche Person oder an bestimmte juristische Personen, die als sonstige Einrichtungen bezeichnet werden, ausgezahlt werden, oder (iii) eine zwischenstaatliche Vereinbarung über die Besteuerung solcher Zinserträge, an der Deutschland oder die Europäische Union beteiligt ist, oder (iv) eine gesetzliche Vorschrift, die eine solche Richtlinie, Verordnung oder Vereinbarung umsetzt oder befolgt, oder (v) das luxemburgische Gesetz vom 23. Dezember 2005, geändert durch das Gesetz vom 17. Juli 2008, bezüglich natürlicher Personen, die in Luxemburg ansässig sind, oder (vi) einen Vertrag gemäß Abschnitt 1471(b) des U.S. Internal Revenue Code von 1986 (der "Code") oder andere Regelungen gemäß den Abschnitten 1471 bis 1474 des Codes sowie sämtliche darunter erlassene Vorschriften, amtliche Auslegungen und Umsetzungsakte, die auf zwischenstaatlichen Vereinbarungen beruhen, begründet wird; oder
- (e) Zahlungen, soweit der Einbehalt oder Abzug von einem Gläubiger oder von einem Dritten für einen Gläubiger vorzunehmen ist, der einen solchen Einbehalt oder Abzug dadurch rechtmäßig hätte vermeiden können (aber nicht vermieden hat), dass er gesetzliche Vorschriften beachtet, oder dafür sorgt, dass Dritte dieses tun, oder dadurch, dass er eine Nichtansässigkeitserklärung oder einen vergleichbaren Antrag auf Steuerbefreiung

Germany; or

- (d) payments where such withholding or deduction is imposed pursuant to (i) European Council Directive 2003/48/EC dated June 3, 2003 or any other Directive implementing the conclusions of the ECOFIN Council meeting of November 26 - 27, 2000 on taxation of savings income or any law implementing or complying with, or introduced in order to conform to such Directive, or (ii) any European Directive or regulation concerning the taxation of interest income paid to an individual and certain types of entities called "residual entities", or (iii) any international treaty or understanding relating to such taxation and to which Germany or the European Union is a party, or (iv) any provision of law implementing, or complying with, or introduced to conform with, such Directive, regulation, treaty or understanding, or (v) the Luxembourg law of December 23, 2005, as amended by the law of July 17, 2008, with respect to Luxembourg resident individuals; or (vi) are imposed pursuant to an agreement described in section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "Code") or otherwise imposed pursuant to sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto; or
- (e) payments to the extent such withholding or deduction is payable by or on behalf of a Holder who could lawfully avoid (but has not so avoided) such withholding or deduction by complying or procuring that any third party complies with any statutory requirements or by making or procuring that a third party makes a declaration of non-residence or other similar claim for exemption to any tax authority in the place where the payment is effected; or

gegenüber der am Zahlungsort zuständigen Steuerbehörde abgibt oder dafür sorgt, dass dies durch einen Dritten erfolgt, oder

- (f) Zahlungen, soweit der Einbehalt oder Abzug von einem Gläubiger oder von einem Dritten für einen Gläubiger vorzunehmen ist, der einen solchen Einbehalt oder Abzug durch die Bewirkung einer Zahlung über eine andere Zahlstelle in einem Mitgliedstaat der Europäischen Union, welche nicht zu einem solchen Einbehalt oder Abzug verpflichtet ist, hätte vermeiden können; oder
- (g) Zahlungen, soweit der Einbehalt oder Abzug vorzunehmen ist, weil der Gläubiger eine Schuldverschreibung mehr als 30 Tage nach dem Tag zur Zahlung vorlegt, an dem diese Zahlung erfüllbar und fällig wurde bzw., soweit dies später eintritt, nach dem Tag, an dem die fällige Zahlung ordnungsgemäß bereitgestellt wurde; oder
- (h) jegliche Kombination der Absätze (a)-(g).

Zudem werden keine Zusätzlichen Beträge im Hinblick auf Zahlungen auf die Schuldverschreibungen an einen Gläubiger gezahlt, welcher die Zahlung als Treuhänder oder Personengesellschaft oder als sonstiger nicht alleiniger wirtschaftlicher Eigentümer erhält, soweit nach den Gesetzen des Steuerhoheitsgebiets eine solche Zahlung für Steuerzwecke dem Einkommen eines Begünstigten bzw. Treugebers bezüglich einer solchen Treuhand oder eines Gesellschafters der Personengesellschaft oder eines wirtschaftlichen Eigentümers zugerechnet würde, der jeweils selbst nicht zum Erhalt von Zusätzlichen Beträgen berechtigt wäre, wenn er selbst Gläubiger der Schuldverschreibung(en) wäre.

§ 9

VORLEGUNGSFRIST

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

§ 10

ERSETZUNG

- (1) *Ersetzung.* Die Emittentin (wobei eine Bezugnahme auf die Emittentin auch alle früheren Nachfolgeschuldnerinnen (wie

(f) payments to the extent such withholding or deduction is payable by or on behalf of a Holder who would have been able to avoid such withholding or deduction by effecting a payment via another Paying Agent in a Member State of the European Union, not obliged to withhold or deduct tax; or

(g) payments to the extent such withholding or deduction is for or on account of the presentation by the Holder of any Note for payment on a date more than 30 days after the date on which such payment became due and payable or the date on which payment thereof is duly provided for, whichever occurs later; or

(h) any combination of items (a)-(g);

nor shall any Additional Amounts be paid with respect to any payment on a Note to a Holder who is a fiduciary or partnership or who is other than the sole beneficial owner of such payment to the extent such payment would be required by the laws of the Taxing Jurisdiction to be included in the income, for tax purposes, of a beneficiary or trustor with respect to such fiduciary or a member of such partnership or a beneficial owner who would not have been entitled to such Additional Amounts had such beneficiary, trustor, member or beneficial owner been the Holder of the Note(s).

§ 9

PRESENTATION PERIOD

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

§ 10

SUBSTITUTION

- (1) *Substitution.* The Issuer (reference to which shall always include any previous Substitute Debtor (as defined below)) may, at any time, if

nachfolgend definiert) umfasst) ist jederzeit berechtigt, wenn kein Zahlungsverzug hinsichtlich Kapital oder Zinsen oder Zinsrückstände auf die Schuldverschreibungen vorliegt, ohne weitere Zustimmung der Gläubiger ein Verbundenes Finanzierungsunternehmen an ihrer Stelle als Hauptschuldnerin (ein solches Unternehmen ist die "**Nachfolgeschuldnerin**") für alle Verpflichtungen aus und im Zusammenhang mit den Schuldverschreibungen einzusetzen, vorausgesetzt, dass:

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| <p>(a) die Nachfolgeschuldnerin alle Verpflichtungen der Emittentin im Zusammenhang mit den Schuldverschreibungen rechtswirksam übernimmt und sie sämtliche sich aus oder im Zusammenhang mit den Schuldverschreibungen ergebenden Zahlungsverpflichtungen in Euro ohne die Notwendigkeit einer Einbehaltung an der Quelle oder des Abzugs irgendwelcher Steuern oder Abgaben in dem Land oder Hoheitsgebiet, in dem die Nachfolgeschuldnerin ihren Sitz hat (mit Ausnahme von Steuern, die auch angefallen wären, wäre die Ersetzung nicht erfolgt), erfüllen sowie die hierzu erforderlichen Beträge ohne Beschränkungen an die Hauptzahlstelle transferieren kann und sie insbesondere jede hierfür notwendige Genehmigung der Behörden ihres Landes erhalten hat, und, sofern eine Zustellung an die Nachfolgeschuldnerin außerhalb von Deutschland erfolgen müsste, ein Zustellungsbevollmächtigter in Deutschland bestellt wird;</p> <p>(b) kein in § 5 genanntes Kündigungsrecht in Folge der Ersetzung der Emittentin durch die Nachfolgeschuldnerin eintritt;</p> <p>(c) die Emittentin unwiderruflich und unbedingt gegenüber den Gläubigern die Zahlung aller von der Nachfolgeschuldnerin auf die Schuldverschreibungen zahlbaren Beträge zu Bedingungen garantiert, die sicherstellen, dass jeder Gläubiger wirtschaftlich mindestens so gestellt wird, wie er ohne die Ersetzung stehen würde (die "Ersetzungs-Garantie");</p> <p>(d) die Nachfolgeschuldnerin und die Emittentin alle für die Ersetzung und die Emittentin alle</p> | <p>(a) the Substitute Debtor assumes all obligations of the Issuer in respect of the Notes and is in a position to fulfil all payment obligations arising from or in connection with the Notes in euro without the necessity of any taxes or duties levied by the country or jurisdiction in which the Substitute Debtor is domiciled (other than taxes which would also be levied in the absence of such substitution) to be withheld or deducted at source and to transfer all amounts which are required therefore to the Principal Paying Agent without any restrictions, and that in particular all necessary authorizations to this effect by any competent authority have been obtained, and, to the extent service of process must be effected to the Substitute Debtor outside of Germany, a service of process agent in Germany is appointed;</p> <p>(b) none of the issuer call rights specified in § 5 occurs as a consequence of the substitution of the Issuer by the Substitute Debtor;</p> <p>(c) the Issuer irrevocably and unconditionally guarantees in favour of each Holder the payment of all sums payable by the Substitute Debtor in respect of the Notes on terms which ensure that each Holder will be put in an economic position that is at least as favourable as that which would have existed if the substitution had not taken place (the "Substitution Guarantee");</p> <p>(d) the Substitute Debtor and the Issuer have obtained all necessary governmental and</p> |
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für die Abgabe der Ersetzungs-Garantie notwendigen Genehmigungen und Zustimmungen von Regierungsstellen und Aufsichtsbehörden erhalten haben, die Nachfolgeschuldnerin alle für die Erfüllung ihrer Verpflichtungen aus den Schuldverschreibungen notwendigen Genehmigungen und Zustimmungen von Regierungsstellen und Aufsichtsbehörden erhalten hat und weiterhin sämtliche dieser Genehmigungen und Zustimmungen in vollem Umfang gültig und wirksam sind und zudem die Verpflichtungen der Nachfolgeschuldnerin und die von der Emittentin begebene Ersetzungs-Garantie jeweils gemäß ihren Bestimmungen wirksam und rechtsverbindlich und durch jeden Gläubiger durchsetzbar sind;

- (e) die Nachfolgeschuldnerin sich verpflichtet, jedem Gläubiger alle Steuern, Gebühren oder Abgaben zu erstatten, die ihm im Zusammenhang mit Zahlungen auf die Schuldverschreibungen oder unter der Ersetzungs-Garantie (einschließlich Steuern und Abgaben, die an der Quelle abgeführt oder einbehalten wurden), durch den Schuldnerwechsel oder in anderer Weise infolge der Schuldübernahme durch die Nachfolgeschuldnerin auferlegt werden, vorausgesetzt, dass sich die Verpflichtung auf Beträge beschränkt, die der Gläubiger ohne die Ersetzung der Emittentin nicht hätte tragen müssen; und
- (f) der Hauptzahlstelle jeweils ein Rechtsgutachten bezüglich der betroffenen Rechtsordnungen von anerkannten Rechtsanwälten vorgelegt wurden, die bestätigen, dass die Bestimmungen in den vorstehenden Unterabsätzen (a) bis (e) erfüllt wurden.

Für Zwecke dieses § 10 bedeutet "**Verbundenes Finanzierungsunternehmen**" jedes verbundene Unternehmen im Sinne des § 15 AktG der Emittentin, dessen Geschäftszweck in der Aufnahme von Mitteln für die Refinanzierung von verbundenen Unternehmen besteht und die keine wesentlichen operativen Vermögenswerte oder Anteile an operativen Gesellschaften der Emittentin oder deren Tochtergesellschaften hält.

regulatory approvals and consents for such substitution and for the giving by the Issuer of the Substitution Guarantee in respect of the obligations of the Substitute Debtor, that the Substitute Debtor has obtained all necessary governmental and regulatory approvals and consents for the performance by the Substitute Debtor of its obligations under the Notes, and that all such approvals and consents are in full force and effect and that the obligations assumed by the Substitute Debtor and the Substitution Guarantee given by the Issuer are each valid and binding in accordance with their respective terms and enforceable by each Holder;

- (e) the Substitute Debtor undertakes to reimburse any Holder for such taxes, fees or duties which may be imposed upon such Holder in connection with any payments on the Notes or under the Substitution Guarantee (including taxes or duties being deducted or withheld at source), upon conversion or otherwise, as a consequence of the assumption of the Issuer's obligations by the Substitute Debtor, provided that such undertaking shall be limited to amounts that would not have been imposed upon the Holder had such substitution not occurred; and
- (f) there shall have been delivered to the Principal Paying Agent one opinion for each jurisdiction affected of lawyers of recognized standing to the effect that subparagraphs (a) through (e) above have been satisfied.

For purposes of this § 10, "**Financing Affiliate**" shall mean any affiliated company (*verbundenes Unternehmen*) within the meaning of § 15 German Stock Corporation Act (*Aktiengesetz*) of the Issuer, which has the corporate function of raising financing and passing it on to affiliates and which holds no significant operating assets or has any ownership in the operating companies of the Issuer or its Subsidiaries.

- (2) *Schuldbefreiung. Bezugnahmen.* Nach einer Ersetzung gemäß diesem § 10 gilt die Nachfolgeschuldnerin als in den Schuldverschreibungen an Stelle der Emittentin als Hauptschuldnerin bestimmt und die Schuldverschreibungen gelten als dementsprechend ergänzt, um der Ersetzung zur Durchsetzung zu verhelfen, und als das relevante Steuerhoheitsgebiet in Bezug auf § 8, ein Quellensteuer-Ereignis und ein Steuerereignis gilt sowohl die Jurisdiktion, in der die Nachfolgeschuldnerin steuerlich ansässig ist, als auch die Bundesrepublik Deutschland.
- § 3(1) gilt als insoweit angepasst, dass der Rang der Ansprüche aus den Schuldverschreibungen gleich bleibt.
- Zudem sollen sich die Bezugnahmen auf Emittentin in § 4(8)(c)(i) und § 4(8)(c)(ii), in der Definition von Ratingagenturereignis und Akquisitionereignis weiterhin nur auf die Merck KGaA beziehen.
- Die Bezugnahmen auf die Emittentin in § 4(8)(b)(iii), § 4(8)(c)(iv), § 4(8)(c)(v) und § 5(5) beziehen sich sowohl auf die Nachfolgeschuldnerin als auch auf die Merck KGaA.
- Jede Ersetzung zusammen mit der Mitteilung gemäß Absatz (3) dieser Bestimmung befreit, im Fall der Einsetzung einer anderen Gesellschaft als Hauptschuldnerin, die Emittentin von allen Verbindlichkeiten, die sie als Hauptschuldnerin unter den Schuldverschreibungen hatte.
- (3) *Benachrichtigung der Gläubiger.* Spätestens 15 Geschäftstage nach Durchführung der Ersetzung wird die Nachfolgeschuldnerin dies den Gläubigern und, sollten die Schuldverschreibungen an einer Börse notiert sein, dieser Börse gemäß § 13 mitteilen und jede andere Person oder Stelle, gemäß den anwendbaren Gesetzen und Regelungen informieren.
- (2) *Discharge from Obligations. References.* Upon a substitution in accordance with this § 10, the Substitute Debtor shall be deemed to be named in the Notes as the principal debtor in place of the Issuer as issuer and the Notes shall thereupon be deemed to be amended to give effect to the substitution including that the relevant Taxing Jurisdiction in relation to the Issuer in § 8, a Gross-up Event and Tax Event shall be the Substitute Debtor's country of domicile for tax purposes as well as the Federal Republic of Germany.
- § 3(1) is deemed to be amended insofar that the ranking of the Notes stays the same.
- In addition, the references to the Issuer in § 4(8)(c)(i) and § 4(8)(c)(ii), in the definition of Rating Agency Event and Acquisition Event shall continue to refer only to Merck KGaA.
- The references to the Issuer in § 4(8)(b)(iii), § 4(8)(c)(iv), § 4(8)(c)(v) and § 5(5) shall refer to the Substitute Debtor and Merck KGaA.
- Any such substitution, together with the notice referred to in subparagraph (3) below, shall, in the case of the substitution of any other company as principal debtor, operate to release the Issuer as issuer from all of its obligations as principal debtor in respect of the Notes.
- (3) *Notification to Holders.* Not later than 15 Business Days after effecting the substitution, the Substitute Debtor shall give notice thereof to the Holders and, if any Notes are listed on any stock exchange, to such stock exchange in accordance with § 13 and to any other person or authority as required by applicable laws or regulations.

§ 11

BESCHLÜSSE DER GLÄUBIGER, ÄNDERUNG DER ANLEIHEBEDINGUNGEN, GEMEINSAMER VERTRETER

- (1) *Beschlüsse durch die Gläubiger.* Die Gläubiger können mit Zustimmung der Emittentin (soweit erforderlich) aufgrund Mehrheitsbeschlusses nach Maßgabe der §§ 5 ff. des Gesetzes über Schuldverschreibungen aus Gesamtemissionen ("**SchVG**") in seiner jeweils gültigen Fassung die Anleihebedingungen ändern oder sonstige Maßnahmen gemäß dem SchVG beschließen. Die Gläubiger können insbesondere einer Änderung wesentlicher Inhalte der Anleihebedingungen, einschließlich der in § 5 Absatz 3 SchVG vorgesehenen Maßnahmen durch Beschlüsse mit den in dem nachstehenden Absatz (2) genannten Mehrheiten zustimmen. Ein ordnungsgemäß gefasster Mehrheitsbeschluss ist für alle Gläubiger verbindlich.
- (2) *Mehrheit.* Vorbehaltlich des nachstehenden Satzes und der Erreichung der erforderlichen Beschlussfähigkeit, beschließen die Gläubiger mit der einfachen Mehrheit der an der Abstimmung teilnehmenden Stimmrechte. Beschlüsse, durch welche der wesentliche Inhalt der Anleihebedingungen, insbesondere in den Fällen des § 5 Absatz 3 Nummern 1 bis 9 SchVG, geändert wird, bedürfen zu ihrer Wirksamkeit einer Mehrheit von mindestens 75% der an der Abstimmung teilnehmenden Stimmrechte (eine "**Qualifizierte Mehrheit**").
- (3) *Beschlussfassung.* Die Gläubiger können Beschlüsse in einer Gläubigerversammlung gemäß §§ 5 ff. SchVG oder im Wege einer Abstimmung ohne Versammlung gemäß § 18 und § 5 ff. SchVG fassen.
- (4) *Gläubigerversammlung.* Falls Beschlüsse der Gläubiger in einer Gläubigerversammlung gefasst werden, enthält die Bekanntmachung der Einberufung nähere Angaben zu den Beschlüssen und zu den Abstimmungsmodalitäten. Die Gegenstände

§ 11

RESOLUTIONS OF HOLDERS, AMENDMENT OF THE TERMS AND CONDITIONS, HOLDERS' REPRESENTATIVE

- (1) *Resolutions of Holders.* The Holders may with consent of the Issuer (if required) by a majority resolution pursuant to section 5 et seqq. of the German Act on Issues of Debt Securities (*Gesetz über Schuldverschreibungen aus Gesamtemissionen*) (the "**SchVG**"), as amended from time to time, agree to amendments of the Terms and Conditions or resolve any other matters provided for by the SchVG. In particular, the Holders may consent to amendments which materially change the substance of the Terms and Conditions, including such measures as provided for under section 5 paragraph 3 SchVG by resolutions passed by such majority of the votes of the Holders as stated under paragraph (2) below. A duly passed majority resolution shall be binding upon all Holders.
- (2) *Majority.* Except as provided by the following sentence and provided that the quorum requirements are being met, the Holders may pass resolutions by simple majority of the voting rights participating in the vote. Resolutions which materially change the substance of the Terms and Conditions, in particular in the cases of section 5 paragraph 3 numbers 1 through 9 SchVG, or relating to material other matters may only be passed by a majority of at least 75% of the voting rights participating in the vote (a "**Qualified Majority**").
- (3) *Passing of resolutions.* The Holders can pass resolutions in a meeting (*Gläubigerversammlung*) in accordance with section 5 et seqq. of the SchVG or by means of a vote without a meeting (*Abstimmung ohne Versammlung*) in accordance with section 18 and section 5 et seqq. of the SchVG.
- (4) *Meeting.* If resolutions of the Holders shall be made by means of a meeting the convening notice (*Einberufung*) will provide for further details relating to the resolutions and the voting procedure. The subject matter of the vote as well as the proposed resolutions shall be

und Vorschläge zur Beschlussfassung werden den Gläubigern mit der Bekanntmachung der Einberufung bekannt gemacht. Die Teilnahme an der Gläubigerversammlung und die Ausübung der Stimmrechte ist von einer vorherigen Anmeldung der Gläubiger abhängig. Die Anmeldung muss unter der in der Bekanntmachung der Einberufung mitgeteilten Adresse spätestens am dritten Tag vor der Gläubigerversammlung zugehen. Mit der Anmeldung müssen die Gläubiger ihre Berechtigung zur Teilnahme an der Abstimmung durch einen in Textform erstellten besonderen Nachweis der Depotbank gemäß § 14(3)(i)(a) und (b) und durch Vorlage eines Sperrvermerks der Depotbank, aus dem hervorgeht, dass die betreffenden Schuldverschreibungen ab dem Tag der Absendung der Anmeldung (einschließlich) bis zum angegebenen Ende der Gläubigerversammlung (einschließlich) nicht übertragbar sind, nachweisen.

- (5) *Abstimmung ohne Versammlung.* Falls Beschlüsse der Gläubiger im Wege einer Abstimmung ohne Versammlung gefasst werden, enthält die Aufforderung zur Stimmabgabe durch den Abstimmungsleiter die weiteren Einzelheiten zu den Beschlüssen und dem Abstimmungsverfahren. Die Gegenstände und Vorschläge zur Beschlussfassung werden den Gläubigern mit der Aufforderung zur Stimmabgabe bekannt gemacht. Die Ausübung der Stimmrechte ist von einer vorherigen Anmeldung der Gläubiger abhängig. Die Anmeldung muss unter der in der Aufforderung zur Stimmabgabe mitgeteilten Adresse spätestens am dritten Tag vor Beginn des Abstimmungszeitraums zugehen. Mit der Anmeldung müssen die Gläubiger ihre Berechtigung zur Teilnahme an der Abstimmung durch einen in Textform erstellten besonderen Nachweis der Depotbank gemäß § 14(3)(i)(a) und (b) und durch Vorlage eines Sperrvermerks der Depotbank, aus dem hervorgeht, dass die betreffenden Schuldverschreibungen ab dem Tag der Absendung der Anmeldung (einschließlich) bis zum letzten Tag des Abstimmungszeitraums (einschließlich) nicht übertragbar sind,

notified to the Holders together with the convening notice. Attendance at the meeting and exercise of voting rights is subject to the Holders' registration. The registration must be received at the address stated in the convening notice no later than the third day preceding the meeting. As part of the registration, Holders must demonstrate their eligibility to participate in the vote by means of a special confirmation of the Custodian in accordance with § 14(3)(i)(a) and (b) hereof in text form and by submission of a blocking instruction by the Custodian stating that the relevant Notes are not transferable from and including the day such registration has been sent until and including the stated end of the meeting.

- (5) *Vote without a meeting.* If resolutions of the Holders shall be made by means of a vote without a meeting (*Abstimmung ohne Versammlung*) the request for voting (*Aufforderung zur Stimmabgabe*) 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 shall be notified to Holders together with the request for voting. The exercise of voting rights is subject to the Holders' registration. The registration must be received at the address stated in the request for voting no later than the third day preceding the beginning of the voting period. As part of the registration, Holders must demonstrate their eligibility to participate in the vote by means of a special confirmation of the Custodian in accordance with § 14(3)(i)(a) and (b) hereof in text form and by submission of a blocking instruction by the Custodian stating that the relevant Notes are not transferable from and including the day such registration has been sent until and including the day the voting period ends.

nachweisen.

- (6) *Zweite Versammlung.* Wird für die Gläubigerversammlung gemäß Absatz (4) oder die Abstimmung ohne Versammlung gemäß Absatz (5) die mangelnde Beschlussfähigkeit festgestellt, kann – im Fall der Gläubigerversammlung – der Vorsitzende eine zweite Versammlung im Sinne von § 15 Absatz 3 Satz 2 SchVG und – im Fall der Abstimmung ohne Versammlung – der Abstimmungsleiter eine zweite Versammlung im Sinne von § 15 Absatz 3 Satz 3 SchVG einberufen. Die Teilnahme an der zweiten Versammlung und die Ausübung der Stimmrechte sind von einer vorherigen Anmeldung der Gläubiger abhängig. Die Anmeldung muss unter der in der Bekanntmachung der Einberufung mitgeteilten Adresse spätestens am dritten Tag vor der zweiten Versammlung zugehen. Mit der Anmeldung müssen die Gläubiger ihre Berechtigung zur Teilnahme an der Abstimmung durch einen in Textform erstellten besonderen Nachweis der Depotbank gemäß § 14(3)(i)(a) und (b) und durch Vorlage eines Sperrvermerks der Depotbank, aus dem hervorgeht, dass die betreffenden Schuldverschreibungen ab dem Tag der Absendung der Anmeldung (einschließlich) bis zum angegebenen Ende der Versammlung (einschließlich) nicht übertragbar sind, nachweisen.
- (7) *Gemeinsamer Vertreter.* Die Gläubiger können durch Mehrheitsbeschluss die Bestellung oder Abberufung eines gemeinsamen Vertreters (der "**Gemeinsame Vertreter**"), die Aufgaben und Befugnisse des Gemeinsamen Vertreters, die Übertragung von Rechten der Gläubiger auf den Gemeinsamen Vertreter und eine Beschränkung der Haftung des Gemeinsamen Vertreters bestimmen. Die Bestellung eines Gemeinsamen Vertreters bedarf einer Qualifizierten Mehrheit, wenn er ermächtigt werden soll, Änderungen des wesentlichen Inhalts der Anleihebedingungen oder sonstigen wesentlichen Maßnahmen gemäß Absatz (2) zuzustimmen.
- (6) *Second meeting.* If it is ascertained that no quorum exists for the meeting pursuant to paragraph (4) or the vote without a meeting pursuant to paragraph (5), in case of a meeting the chairman (*Vorsitzender*) may convene a second meeting in accordance with section 15 paragraph 3 sentence 2 of the SchVG or in case of a vote without a meeting the scrutineer (*Abstimmungsleiter*) may convene a second meeting within the meaning of section 15 paragraph 3 sentence 3 of the SchVG. Attendance at the second meeting and exercise of voting rights is subject to the Holders' registration. The registration must be received at the address stated in the convening notice no later than the third day preceding the second meeting. As part of the registration, Holders must demonstrate their eligibility to participate in the vote by means of a special confirmation of the Custodian in accordance with § 14(3)(i)(a) and (b) hereof in text form and by submission of a blocking instruction by the Custodian stating that the relevant Notes are not transferable from and including the day such registration has been sent until and including the stated end of the meeting.
- (7) *Holders' representative.* The Holders may by majority resolution provide for the appointment or dismissal of a holders' representative (the "**Holders' Representative**"), the duties and responsibilities and the powers of such Holders' Representative, the transfer of the rights of the Holders to the Holders' Representative and a limitation of liability of the Holders' Representative. Appointment of a Holders' Representative may only be passed by a Qualified Majority if such Holders' Representative is to be authorised to consent, in accordance with paragraph (2) hereof, to a material change in the substance of the Terms and Conditions or other material matters.

- (8) *Veröffentlichung.* Bekanntmachungen betreffend diesen § 11 erfolgen ausschließlich gemäß den Bestimmungen des SchVG.
- (9) *Änderung einer Ersetzungs-Garantie.* Die oben aufgeführten auf die Schuldverschreibungen anwendbaren Bestimmungen gelten entsprechend für die Bestimmungen einer etwaigen Ersetzungs-Garantie.

§ 12

BEGEBUNG WEITERER SCHULDVERSCHREIBUNGEN, ENTWERTUNG

- (1) *Begebung weiterer Schuldverschreibungen.* Die Emittentin ist berechtigt, jederzeit ohne Zustimmung der Gläubiger weitere Schuldverschreibungen mit gleicher Ausstattung (gegebenenfalls mit Ausnahme des Tags der Begebung, des Beginns des Zinslaufs und/oder des Ausgabepreises) in der Weise zu begeben, dass sie mit diesen Schuldverschreibungen eine einheitliche Serie (Gesamtemission) bilden.
- (2) *Entwertung.* Sämtliche vollständig zurückgezahlten Schuldverschreibungen sind unverzüglich zu entwerten und können nicht wiederbegeben oder wiederverkauft werden.

§ 13

MITTEILUNGEN

- (1) *Bekanntmachung.* Alle die Schuldverschreibungen betreffenden Mitteilungen, außer wie in § 11(8) vorgesehen, sind auf der Internetseite der Luxemburger Börse (www.bourse.lu) elektronisch zu veröffentlichen. Jede derartige Mitteilung gilt mit dem dritten Tag nach dem Tag der Veröffentlichung (oder bei mehrfacher Veröffentlichungen mit dem dritten Tag nach dem Tag der ersten solchen Veröffentlichung) als wirksam erfolgt.
- (2) *Mitteilungen an das Clearingsystem.* Solange Schuldverschreibungen an der Luxemburger Börse notiert sind, sind alle die Schuldverschreibungen betreffenden Mitteilungen gemäß Absatz (1) bekanntzumachen. Soweit die Mitteilung den Zinssatz betrifft, oder die Regeln der

- (8) *Publication.* Any notices concerning this § 11 shall be made exclusively pursuant to the provisions of the SchVG.

- (9) *Amendments to a Substitution Guarantee.* The provisions set out above applicable to the Notes shall apply *mutatis mutandis* to the Substitution Guarantee, if any.

§ 12

FURTHER ISSUES, CANCELLATION

- (1) *Further Issues.* The Issuer may from time to time, without the consent of the Holders, issue further Notes having the same terms and conditions as the Notes in all respects (or in all respects except for the issue date, commencement of the interest accrual period and/or issue price) so as to form a single series (*Gesamtemission*) with the Notes.
- (2) *Cancellation.* All Notes redeemed in full shall be cancelled forthwith and may not be reissued or resold.

§ 13

NOTICES

- (1) *Publication.* All notices concerning the Notes, except as stipulated in § 11(8), will be made by means of electronic publication on the internet website of the Luxembourg Stock Exchange (www.bourse.lu). Any notice will be deemed to have been validly given on the third day following the date of such publication (or, if published more than once, on the third day following the date of the first such publication).
- (2) *Notification to Clearing System.* So long as any Notes are listed on the Luxembourg Stock Exchange, subparagraph (1) shall apply. In the case of notices regarding the rate of interest or, if the rules of the Luxembourg Stock Exchange otherwise so permit, the Issuer may deliver the relevant notice to the Clearing System for

Luxemburger Börse dies sonst zulassen, kann die Emittentin eine Veröffentlichung nach Absatz (1) durch eine Mitteilung an das Clearingsystem zur Weiterleitung an die Gläubiger ersetzen; jede derartige Mitteilung gilt am siebten Tag nach dem Tag der Mitteilung an das Clearingsystem als den Gläubigern mitgeteilt.

§ 14

ANWENDBARES RECHT, GERICHTSSTAND UND GERICHTLICHE GELTENDMACHUNG

- (1) *Anwendbares Recht.* Form und Inhalt der Schuldverschreibungen sowie die Rechte und Pflichten der Gläubiger und der Emittentin bestimmen sich in jeder Hinsicht nach deutschem Recht.
- (2) *Gerichtsstand.* Nicht ausschließlich zuständig für sämtliche im Zusammenhang mit den Schuldverschreibungen entstehenden Klagen oder sonstige Verfahren ("**Rechtsstreitigkeiten**") ist das Landgericht Frankfurt am Main.
- (3) *Gerichtliche Geltendmachung.* Jeder Gläubiger von Schuldverschreibungen ist berechtigt, in jedem Rechtsstreit gegen die Emittentin oder in jedem Rechtsstreit, in dem der Gläubiger und die Emittentin Partei sind, seine Rechte aus diesen Schuldverschreibungen im eigenen Namen auf der folgenden Grundlage zu schützen und geltend zu machen: (i) er bringt eine Bescheinigung der Depotbank bei, bei der er für die Schuldverschreibungen ein Wertpapierdepot unterhält, welche (a) den vollständigen Namen und die vollständige Adresse des Gläubigers enthält, (b) den Gesamtnennbetrag der Schuldverschreibungen bezeichnet, die zu dem Datum der Bescheinigung auf dem Wertpapierdepot verbucht sind und (c) bestätigt, dass die Depotbank gegenüber dem Clearingsystem eine schriftliche Erklärung abgegeben hat, die die vorstehend unter (a) und (b) bezeichneten Informationen enthält und von dem Clearingsystem bestätigt wurde; (ii) er legt eine Kopie der die betreffenden Schuldverschreibungen verbriefenden Globalurkunde vor, deren Übereinstimmung mit dem Original eine vertretungsberechtigte

communication by the Clearing System to the Holders, in lieu of publication as set forth in subparagraph (1) above; any such notice shall be deemed to have been given on the seventh day after the day on which the said notice was given to the Clearing System.

§ 14

APPLICABLE LAW, PLACE OF JURISDICTION AND ENFORCEMENT

- (1) *Applicable Law.* The Notes, as to form and content, and all rights and obligations of the Holders and the Issuer, shall be governed by German law.
- (2) *Submission to Jurisdiction.* The District Court (Landgericht) in Frankfurt am Main shall have non-exclusive jurisdiction for any action or other legal proceedings ("**Proceedings**") arising out of or in connection with the Notes.
- (3) *Enforcement.* Any Holder of Notes may in any proceedings against the Issuer, or to which such Holder and the Issuer are parties, protect and enforce in his own name his rights arising under such Notes on the basis of (i) a statement issued by the Custodian with whom such Holder maintains a securities account in respect of the Notes (a) stating the full name and address of the Holder, (b) specifying the aggregate principal amount of Notes credited to such securities account on the date of such statement and (c) confirming that the Custodian has given written notice to the Clearing System containing the information pursuant to (a) and (b) which has been confirmed by the Clearing System; (ii) a copy of the Note in global form certified as being a true copy by a duly authorized officer of the Clearing System or a depository of the Clearing System, without the need for production in such proceedings of the actual records or the global note representing the Notes or (iii) any other means of proof permitted in legal proceedings in the country of enforcement. For purposes of the foregoing, "**Custodian**" means any bank or other financial institution of recognized standing authorized to

Person des Clearingsystems oder des Verwahrers des Clearingsystems bestätigt hat, ohne dass eine Vorlage der Originalbelege oder der die Schuldverschreibungen verbriefenden Globalurkunde in einem solchen Verfahren erforderlich wäre oder (iii) auf jede andere Weise, die im Lande der Geltendmachung prozessual zulässig ist. Für die Zwecke des Vorstehenden bezeichnet "**Depotbank**" jede Bank oder ein sonstiges anerkanntes Finanzinstitut, das berechtigt ist, das Wertpapierverwahrungsgeschäft zu betreiben und bei der/dem der Gläubiger ein Wertpapierdepot für die Schuldverschreibungen unterhält und die/das ein Konto beim Clearingsystem unterhält, einschließlich des Clearingsystems.

§ 15 SPRACHE

Diese Anleihebedingungen sind in deutscher Sprache abgefasst. Eine Übersetzung in die englische Sprache ist beigelegt. Der deutsche Text ist bindend und maßgeblich. Die Übersetzung in die englische Sprache ist unverbindlich.

Die folgenden Absätze in Kursivschrift sind nicht Bestandteil der Anleihebedingungen.

Beschränkungen bezüglich der Rückzahlung und des Rückkaufs der Schuldverschreibungen

Sofern nicht das der Merck KGaA durch Standard & Poor's erteilte Rating mindestens "A" (oder eine solche von Standard & Poor's dann verwendete gleichartige Klassifikation) beträgt und die Merck KGaA sich sicher ist, dass ein solches Rating infolge der Rückzahlung oder des Rückkaufs nicht unter diesen Wert fallen würde, beabsichtigt die Merck KGaA (ohne dadurch eine Rechtspflicht zu übernehmen) während des Zeitraums vom Ausgabetag der Schuldverschreibungen (einschließlich) bis zum Zweiten Step-Up Tag (ausschließlich), im Fall (i) einer vorzeitigen Rückzahlung der Schuldverschreibungen (ausgenommen eine vorzeitige Rückzahlung nach Wahl der Merck KGaA nach Eintritt eines Quellensteuer-Ereignisses, eines Steuerereignisses, eines Akquisitionsereignisses oder eines Ratingagenturereignisses (soweit es durch eine Änderung der Standard & Poor's Methodologie

engage in securities custody business with which the Holder maintains a securities account in respect of the Notes and which maintains an account with the Clearing System, and includes the Clearing System.

§ 15 LANGUAGE

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

The following paragraph in italics does not form part of the Terms and Conditions.

Restrictions regarding redemption and repurchase of the Notes

Unless the rating assigned by Standard & Poor's to Merck KGaA is at least "A" (or such similar nomenclature then used by Standard & Poor's) and Merck KGaA is comfortable that such rating would not fall below this level as a result of such redemption or repurchase Merck KGaA intends (without thereby assuming a legal obligation), during the period from and including the Issue Date of the Notes to but excluding the Second Step-Up Date, in the event of (i) an early redemption of the Notes (except for an early redemption at the option of Merck KGaA upon the occurrence of a Gross-up Event, a Tax Event, an Acquisition Event or a Rating Agency Event (to the extent it is triggered by a change of methodology at Standard & Poor's) or a Change of Control Event), or (ii) a repurchase of the Notes of more than (x) 10 per cent. of the Aggregate Principal Amount of the Notes originally issued in any period of 12 consecutive

verursacht wurde) oder eines Kontrollwechselereignisses), oder (ii) eines Rückkaufs von Schuldverschreibungen in Höhe von mehr 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, sofern die Schuldverschreibungen eine Eigenkapitalanrechnung (equity credit) von Standard & Poor's zum Zeitpunkt einer solchen Rückzahlung oder eines solchen Rückkaufs aufweisen, die Schuldverschreibungen nur zurückzahlen oder zurückzukaufen, soweit nicht die Höhe der Eigenkapitalanrechnung (equity credit), welche Standard & Poor's dem Gesamtnennbetrag der zurückzahlenden oder zurückzukaufenden Schuldverschreibungen zum Zeitpunkt ihrer Ausgabe erteilt hat, die Höhe der Eigenkapitalanrechnung (equity credit), welche Standard & Poor's den Nettoerlösen, die die Merck KGaA oder eine Tochtergesellschaft während einer Frist von 360 Tagen vor dem Tag der Rückzahlung oder des Rückkaufs aus dem Verkauf oder der Ausgabe von Schuldverschreibungen durch die Merck KGaA oder jener Tochtergesellschaft an Dritte (ausgenommen Konzerngesellschaften der Merck KGaA) erhält, erteilt hat, übersteigt (wobei in jedem dieser Fälle Änderungen der Hybrid Rating Methodologie oder einer anderen relevanten Methodologie oder deren Auslegung seit Ausgabe der Schuldverschreibungen berücksichtigt werden).

Verwendete Begriffe, die im vorstehenden Satz nicht definiert wurden, haben dieselbe Bedeutung wie in den Anleihebedingungen.

months or (y) 25 per cent. of the Aggregate Principal Amount of the Notes originally issued in any period of 10 consecutive years, if the Notes are assigned an "equity credit" by Standard & Poor's at the time of such redemption or repurchase, that it will redeem or repurchase the Notes only to the extent the amount of "equity credit" which was assigned by Standard & Poor's to the Aggregate Principal Amount of the Notes to be redeemed or repurchased at the time of their issuance does not exceed the "equity credit" assigned by Standard & Poor's to the net proceeds received by Merck KGaA or any Subsidiary during the 360-day period prior to the date of such redemption or repurchase from the sale or issuance of securities by Merck KGaA or such Subsidiary to third party purchasers (other than group entities of Merck KGaA) (but in each case taking into account any changes in hybrid capital methodology or another relevant methodology or the interpretation thereof since the issuance of the Notes).

Terms used but not defined in the preceding sentence shall have the meaning set out in the Terms and Conditions.

DESCRIPTION OF RULES REGARDING RESOLUTIONS OF HOLDERS

The Terms and Conditions of the Notes provide that Holders may, in accordance with the German Act on Issues of Debt Securities of August 5, 2009, as amended (*Gesetz über Schuldverschreibungen aus Gesamtemissionen*; "SchVG"), agree to amendments of the terms and conditions or, with the consent of the Issuer (where required), resolve on other matters concerning the debt securities by way of majority resolutions. A majority resolution in accordance with the SchVG is binding for all holders of one series of Notes.

The following sections provide an overview of the statutory provisions of the SchVG with respect to the Notes.

Overview of the SchVG

Under the SchVG and in accordance with the Terms and Conditions of the Notes, it is possible to extensively change and therefore restructure the Terms and Conditions of the Notes and to adopt further measures concerning the Notes (where required) with the Issuer's consent. Any such amendments or measures are only binding in respect of the relevant series of Notes and do not apply to any other issue of debt securities of the Issuer.

The Terms and Conditions of the Notes also provide for the appointment of a noteholders' representative for the Holders of the relevant series of Notes.

Individual subjects of resolutions

As provided for by the SchVG, the Notes do not provide for an exclusive list of admissible amendments to the Terms and Conditions or other measures on which the Holders may take a resolution. In accordance with Section 5 paragraph 3 sentence 1 numbers 1-10 SchVG, the individual subjects for resolutions may include (but are not limited to):

- (a) amendments to the principal claim (due date, amount, currency, rank, debtors, object of performance);
- (b) amendments to or removal of ancillary conditions of the Notes;
- (c) modification or waiver of a right of termination and removal of the effect of the collective right of termination;
- (d) substitution and release of security;
- (e) amendments to legal transactions with joint obligors; and
- (f) amendments to ancillary claims (due date, amount, exclusion, currency, rank, debtors, object of performance);

In addition, resolutions not affecting the contents of the Terms and Conditions may be passed on the subjects below:

- (a) exchange of the Notes for other debt securities or shares; and
- (b) appointment, duties and removal of a noteholders' representative.

Relevant Majorities of the SchVG

The Terms and Conditions provide for the majorities applicable pursuant to the SchVG. Hence, any resolutions which materially alter the terms and conditions or adopt material other measures, in particular in the cases as listed in Section 5 paragraph 3 sentence 1 numbers 1-9 SchVG, require a majority of at least 75% of the votes participating in the vote (a *Qualified Majority*). All other resolutions may generally be passed with a simple majority of 50% of the participating votes.

Procedures for taking Holder Resolutions

(a) General

Resolutions of the Holders with respect to the Notes can be passed in a meeting (*Gläubigerversammlung*) in accordance with Sections 5 ff. SchVG or by way of a vote without a meeting pursuant to Section 18 and Sections 9 ff. SchVG (*Abstimmung ohne Versammlung*).

The Issuer or a noteholders' representative may convene and Holders who together hold 5% of the outstanding nominal amount of the Notes for specified reasons permitted by the SchVG may demand in writing to convene (i) a meeting (*Gläubigerversammlung*) or (ii) a vote without a meeting, as the case may be.

The Issuer bears the costs of the vote and/or the meeting and, if a court has convened a meeting, also the costs of such proceedings.

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.

If a resolution constitutes a breach of the SchVG or the Terms and Conditions, Holders who have filed a complaint within 14 days after publication of the resolution 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.

(b) Resolution by physical meeting

The meeting will be convened by way of a notice given to the Holders not later than 14 calendar days prior to the meeting. Attendance and exercise of voting rights at the meeting may be made subject to prior registration of Holders. The convening notice will provide what proof will be required for attendance and voting at the meeting. Each Holder may be represented in the meeting by proxy.

A resolution in the meeting can only be passed if a quorum of at least 50% of the outstanding aggregate principal amount of the Notes is represented in the meeting. The chairman shall ascertain each Holder's entitlement to cast a vote based on evidence provided by such Holder and shall prepare a list of the Holders present or represented by proxy in the meeting.

(c) Resolution without a physical meeting

The voting will be conducted by a scrutineer (*Abstimmungsleiter*). Such scrutineer shall be (i) a notary public appointed by the Issuer, (ii) the noteholders' representative, if the vote was solicited by it, or (iii) a person appointed by the competent court.

The vote without a meeting will be convened by way of a notice given to the Holders to solicit their votes (*Aufforderung zur Stimmabgabe*) not later than 14 calendar days prior to the commencement of the vote. The solicitation notice shall set out the period within which votes may be cast (at least 72 hours), the agenda and the subject matter of the vote and the details of the conditions to be met for the votes to be valid. During the applicable voting period, the Holders may cast their votes to the scrutineer. Each Holder may be represented by proxy.

A resolution by way of the vote without a meeting can only be passed if a quorum of at least 50% of the outstanding Notes by value participates in the vote during the voting period. The scrutineer shall ascertain each Holder's entitlement to cast a vote based on evidence provided by such Holder and shall prepare a list of the Holders entitled to vote.

(d) Resolution by (second) physical meeting

If the quorum of 50% of the outstanding aggregate principal amount of the Notes is not met, the scrutineer or the chairman, as the case may be, may convene a (second) physical meeting of the Holders at which no quorum will be required, provided, however, that where a resolution may only be adopted by a Qualified Majority, a quorum of at least 25%, of the outstanding aggregate principal amount of the Notes is required. For such (second) physical meeting the provisions set out under (b) apply *mutandis mutatis*.

Noteholders' Representative (*gemeinsamer Vertreter*)

A noteholders' representative may be appointed by way of a majority resolution passed by the Holders. If at the same time rights are assigned to the noteholders' representative, thereby enabling it to consent to material amendments to the Terms and Conditions on behalf of the Holders, the appointment requires a Qualified Majority.

The Holders may at any time and without reason terminate the appointment of the noteholders' representative by resolution with a simple majority. The noteholders' representative is bound by the Holders' instructions (which are based on the relevant majority resolutions).

Any individual or competent legal entity may be appointed as noteholders' representative, provided that, for the avoidance of conflicts of interest, certain disclosure requirements are to be met.

The duties and rights of the noteholders' representative are determined by the SchVG and any resolutions of the Holders. To the extent that the exercise of the Holders' rights has been transferred to the noteholders' representative, the Holders themselves may not assert these rights, unless the majority resolution of the Holders provides otherwise. The noteholders' representative's liability may be restricted in accordance with the SchVG.

DESCRIPTION OF MERCK AND THE MERCK GROUP

Business description

Overview

Merck KGaA is the parent company of the Merck Group with businesses in the pharmaceutical, life science tools and specialty chemicals industries. With global operations and a worldwide market presence, Merck serves its customers with innovative products. Its operating activities are organized into the following four divisions:

Merck Serono: prescription drugs business which markets drugs of both chemical and biotechnological origin. Key products are from the therapeutic areas of Neurodegenerative diseases, Oncology, Fertility, Endocrinology and Cardiovascular diseases.

Consumer Health: over-the-counter pharmaceutical business primarily focused on Europe with a growing presence in Emerging Markets.

Performance Materials: specialty materials business with strong market positions in liquid crystals, process chemicals for integrated circuit production and pearlescent effect pigments.

Merck Millipore: life science tools business with products for use in laboratory research and the production of biopharmaceuticals.

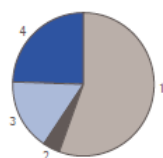
Merck focuses on research and development as well as profitable, high-margin specialties for high-growth markets. 223 fully consolidated subsidiaries operate as part of the Merck Group in more than 66 countries with 39,355 employees in the areas of research and development, manufacturing, distribution and administration (as of September 30, 2014).

Merck's research and development activities are mainly concentrated in Darmstadt (Germany), Boston (USA), Beijing (China) and Tokyo (Japan).

In 2013, Sales (total revenues less royalty, license and commission income) saw solid organic growth of 4.2%, but the increase was outweighed by foreign exchange effects of -4.7%. Overall, sales decreased slightly by EUR 41 million to EUR 10,700 million in 2013 (2012: EUR 10,741 million). EBITDA pre one-time items, the key financial indicator used to steer operating business, grew 9.7% to EUR 3,253 million (2012: EUR 2,965 million). The resulting EBITDA pre margin thus increased from 27.6% to 30.4%. In 2013, 56% of Sales and 57% of EBITDA pre of the operating businesses were attributable to the Merck Serono division. In 2013, Sales were distributed by division and region as follows:

Merck Group | Sales by division – 2013

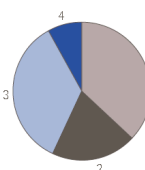
€ million/change in %



1 Merck Serono	5,953.6	56%
2 Consumer Health	476.9	4%
3 Performance Materials	1,642.1	15%
4 Merck Millipore	2,627.5	25%

Merck Group | Sales by region* – 2013

€ million/% of sales



1 Europe	3,984.6	37%
2 North America	2,078.0	19%
3 Emerging Markets	3,795.6	36%
4 Rest of World	841.9	8%

* by customer location

The total sales in the nine-months period ended September 30, 2014 compared on a year-on-year basis increased by 3.1%. Merck Serono showed 0.4% sales growth rate (prior year comparable figures

restated for the product transfer to Consumer Health). Consumer Health sales increased by 1.3% (prior year comparable figures restated for the product transfer from Merck Serono). The Performance Materials division and Merck Millipore grew by 17.9% and 0.1% respectively. The sales increase of Performance Materials was largely driven by the acquisition of AZ Electronic Materials.

In terms of regional split by customer location, in the third quarter 2014 Merck generated sales of EUR 1,142 million in the Emerging Markets comprising Latin America and Asia without Japan (third quarter 2013: EUR 971 million; +17.6%). Sales in North America amounted to EUR 553 million (third quarter 2013: EUR 525 million), which represents a year-on-year increase of 5.2%. In Europe, sales grew by 2.5% to EUR 983 million (third quarter 2013: EUR 959 million). The Rest of World region, i.e. Japan, Africa and Australia/Oceania, generated EUR 227 million (third quarter 2013: EUR 204 million; +11.6%).

Merck is in the midst of a transformation process, which started in the second half of 2011 with an overhaul of its organizational structures. The subsequent and first-ever company-wide efficiency program aimed at putting Merck in a position to focus more on growth in the coming years. The program was initiated ensuring a cost structure that is competitive with that of Merck's peers. Next to the efficiency measures, the program also encompasses the establishment of more productive structures and processes within the company and the strategic expansion of its portfolio. The organizational changes have been already implemented, and the overall program is progressing well. In fact, by the end of 2013 Merck had already achieved around EUR 325 million of the targeted EUR 385 million savings announced in May 2012 within the scope of the "Fit for 2018" program. With the successful implementation of the efficiency measures, Merck is now shifting the focus towards longer-term growth of the company. This includes organic and inorganic measures. The acquisition of AZ Electronic Materials is a strategically important step for Merck's Performance Materials division. The recently proposed transaction with Sigma-Aldrich Corporation ("**Sigma-Aldrich**") (please see "*Description of Merck and the Merck Group — Recent Developments*") is a strategically important step for Merck's life science business.

Transformational journey since 2007



In North America, Merck has been operating under the name EMD since 2001 to distinguish itself from and avoid confusion with Merck & Co., an independent company that is based in New Jersey, U.S.A.

Principal Markets

Merck aspires to be a successful player in the biopharmaceutical, life science tools and specialty chemicals industries with leading positions in attractive segments of these sectors. To achieve this, Merck is building on established brands in all of its four divisions. Current and future investments are targeted to benefit from future volume growth in Emerging Markets. The following focus areas are targeted by the divisions:

Merck Serono: markets innovative prescription drugs to treat cancer, multiple sclerosis ("MS"), infertility, growth disorders, and selected cardiovascular and metabolic diseases. Its products are primarily prescribed by specialists and many of them are manufactured using biotechnology.

Consumer Health: offers over-the-counter pharmaceuticals and focuses on a range of established brands that primarily address health themes such as mobility, women's and children's health, cough and cold, as well as everyday health protection.

Performance Materials: provides high-tech performance chemicals for applications in the fields of consumer electronics, integrated circuits, lighting, coatings, printing, plastics, and cosmetics. Merck has been – according to its own estimates – the market leader in liquid crystals mixtures for many years.

Merck Millipore: is a supplier of products and services for the life science industry which are used by customers working in research and analytical laboratories as well as in pharmaceutical manufacturing.

Description of Merck Serono

Merck Serono discovers, develops, manufactures and markets innovative prescription drugs to treat cancer, MS, infertility, and growth disorders, as well as certain cardiovascular and metabolic diseases and allergies. In 2013, as Merck's largest division, Merck Serono generated 56% of Group sales and 57% of EBITDA pre of the operating businesses. The Merck Serono division was formed in 2007 with the acquisition of the Swiss biopharmaceutical company Serono SA, which was integrated stepwise into Merck's traditional business with prescription drugs. The integration process progressed steadily in recent years and was completed after divesting the former Serono headquarters in Geneva, Switzerland in 2013 and fully transferring divisional headquarters to Darmstadt. In 2013, the two products Rebif[®] and Erbitux[®] generated almost half of the division's sales.

Main Products

Merck Serono's products are primarily prescribed by specialists and sales are dominated by drugs manufactured using biotechnology.

Oncology: The targeted cancer drug Erbitux[®], a monoclonal antibody targeting the epidermal growth factor receptor ("EGFR"), is approved for the treatment of metastatic colorectal cancer ("mCRC") in certain markets. This monoclonal antibody is also a standard in the treatment of squamous cell carcinoma of the head and neck ("SCCHN"). In 2013, Erbitux[®] delivered organic growth in all three regions in which it holds the marketing rights. In Europe, the top-selling region for Erbitux[®], sales in 2013 were flat mainly due to increasing pricing pressure driven by public budget constraints. Across the Emerging Markets region, sales grew organically, as market shares have increased over the past years. In the Rest of World region Erbitux generated the strongest organic growth for this oncology drug. In particular, the approval of Erbitux[®] in head and neck cancer in Japan as well as higher market shares in other Erbitux[®] indications were the main drivers of the increase in organic sales. Merck licensed the right to market Erbitux[®] outside the United States and Canada from ImClone LLC ("ImClone"), a wholly-owned subsidiary of Eli Lilly and Company, in 1998. In Japan, ImClone, Bristol-Myers Squibb Company and Merck jointly develop and commercialize Erbitux[®].

Neurodegenerative Diseases: Rebif[®] (interferon beta-1a) is a drug for the treatment of relapsing MS, where relapses and recovery episodes alternate. The human serum albumin-free formulation of Rebif[®] providing improved injection tolerability has been available outside the United States since 2007. In 2013, Rebif[®] achieves stable full-year organic growth despite increasing competition. Rebif[®] is marketed by Merck Serono worldwide. In 2002, Serono entered into a co-promotion agreement with Pfizer Inc. ("**Pfizer**") for Rebif[®] in the United States. The term of the agreement ends on December 31, 2015.

Fertility: The fertility franchise, a complete portfolio of recombinant gonadotropins, is an important growth contributor based on current trends of couples postponing childbearing until later in life. Additionally, increasing ability to pay for and access health care has spurred the growth of Merck Serono's infertility treatments in Emerging Markets. The complete portfolio of gonadotropins consists of recombinant hormones for injection used at different stages from follicular development to early pregnancy. Gonal-f[®] (follitropin alfa) inducing ovarian follicular growth and maturation, continued to perform organically in all regions. The division continued the worldwide rollout of the pre-filled pen injectors for Gonal-f[®] as well as Ovidrel[®] and Luveris[®] (family of pens) designed to facilitate easy daily administration during fertility treatment.

Endocrinology: The portfolio, comprising a range of products to treat endocrine and metabolic disorders, grew organically with contributions coming from all regions (e.g. Saizen[®] (somatropin for injection) indicated for the treatment of growth hormone deficiency). Supported by the Merck Serono injection devices, Saizen[®] maintained its average market share despite broad-based competition. Particular growth drivers included higher volumes in Emerging Markets. Kuvan[®] (sapropterin dihydrochloride) is indicated for the treatment of hyperphenylalaninemia or a deficiency of tetrahydrobiopterin.

General Medicine: This unit comprises branded products to treat diabetes, cardiovascular diseases, thyroid disorders, as well as other globally and regionally marketed products and generated in 2013 organic sales growth of 6.5%. Including negative foreign exchange effects, sales amounted to EUR 2,005 million (2012: EUR 1,998 million). Globally, around 366 million people have diabetes, and the prevalence of this disease is rising. Glucophage[®] (metformin) remains the drug of choice for first-line treatment of type 2 diabetes. Sales of the branded Concor[®] products such as Concor[®] COR and Lodoz[®], which contain the active ingredient bisoprolol, increased organically in 2013 which was primarily the result of good demand from the Emerging Markets. Merck Serono is an established supplier of drugs to treat thyroid disorders. Globally, more than 300 million people suffer from hypothyroidism. Sales of products to treat thyroid disorders, including Euthyrox[®], grew strongly driven primarily by higher volumes in Emerging Markets and Europe. These drugs are no longer patent protected, yet as is the case for Glucophage[®] (metformin) in diabetes, they remain recognized standard treatments. Over the past years, sales of this portfolio have been growing in the Emerging Markets especially due to increasing wealth and changing lifestyles. In September 2014, Merck announced the establishment of a long-term strategic partnership with Lupin. Lupin will support Merck in the implementation of its General Medicines portfolio expansion initiative in emerging markets, addressing the local needs for affordable high-quality medicines. The agreement builds on an established working relationship between the two companies, and could add up to 20 new products to the current portfolio. The first launches are expected in 2016.

Merck Serono has years of experience in developing novel injection devices that are easy to use, especially in therapeutic areas of MS, Fertility and Endocrinology. They offer patients the benefit of less painful and often more reliable injections than using a prefilled syringe. From the health care professional's perspective, these devices can enhance patient compliance with treatment. Successful adoption of devices has proven to be a significant differentiator even with the advent of generic competition, for example in the field of growth hormone deficiency.

Merck is also active in the field of allergology. Subsequent to the acquisition of the remaining shares in Allergopharma in December 2012, Merck intends to further expand its product range for the global allergy market. The Allergopharma unit is specialized in developing high-dose hypoallergenic products for specific immunotherapy and diagnosis of type 1 allergies (such as hay fever or allergic asthma). In 2013 Merck broke ground on a new production facility for this unit in Hamburg, Germany in order to serve new markets, such as China, with these products.

Merck has set up a biosimilars unit including R&D activities. With its investments in the evolving biosimilars market, the company expects to benefit from rising demand for biotechnology solutions to address unmet medical and access needs in many parts of the world. In addition to the already disclosed investment plan of EUR 100 million for 2014, the unit plans to invest EUR 130 million to EUR 150 million in 2015, depending on the outcome of ongoing Phase I studies. Existing partnerships with India's Dr. Reddy's and Brazil's Bionovis will be expanded by another in-licensing agreement for a late-stage biosimilar, initially for smaller emerging markets. Between 2015 and 2016, Merck plans to initiate between two and five Phase III clinical trials.

Research

In 2013, Merck Serono invested around EUR 1.2 billion in research and development ("**R&D**") focused on the core therapeutic areas of Oncology, Immuno-Oncology, Immunology and Neurology. With four global hubs located in Europe, North America and Asia, in Merck's view Merck Serono is well placed to access local science and talent as well as to conduct global clinical trials. In addition to in-house research, Merck Serono is committed to building long-term relationships with external partner companies, academic institutions and collaborative groups in order to enhance the productivity of its drug discovery activities, providing access to innovative and emerging technologies. The division is also seeking to strengthen its franchises by in-licensing clinical stage compounds.

Oncology is one of the key pillars of Merck Serono's research strategy, focusing on differentiated molecules in selected clusters both in solid tumors and hematological malignancies. The division also aims to leverage novel-novel drug combinations and it will continue with its biomarker strategy in order to drive personalized health care solutions. Immuno-Oncology has the potential to strengthen the existing oncology pillar by adding innovative treatment approaches such as therapeutic cancer vaccines and immunomodulation. A medical consortium made up of world-class centers offering access to state-of-the-art clinical development in this field has been established. MS remains an important focus area in which Merck Serono has extensive development expertise; however, other neurological disorders are also being investigated depending on the unmet medical need they represent and their strategic fit. Merck Serono aims to continue to use innovative ideas whether internally or externally generated, through collaborations such as Fast Forward™ (founded by the National Multiple Sclerosis Society, U.S.A.) with smaller biotech companies, as well as the recently announced Grant for MS Innovation with academia. Given its in-house expertise in the field of immunology and perceived scientific opportunities Merck Serono plans to establish the study of immune-mediated diseases as a significant new pillar of its research strategy.

In June 2012, Merck and Dr. Reddy's Laboratories announced that the two companies will collaborate to jointly develop and globally market follow-on biologics, with a primary focus on monoclonal antibodies. The strategic rationale of this collaboration is to leverage Merck Serono's biopharma strengths with Dr. Reddy's strong expertise in biosimilars. In November 2013 Merck additionally initiated a partnership with Bionovis - a joint venture that brings together laboratories Aché, EMS, Hypermarcas and União Química - to manufacture biologic drugs for the Brazilian market. This potential partnership would aim to strengthen the ability of Merck and Bionovis to provide access to quality biologics to more patients in Brazil. Biosimilars aim to be similar to marketed biological drugs. In contrast to classic generic drugs, which are made from relatively easily duplicated chemical-based active ingredients, biosimilars are much more complex molecular structures and usually differing slightly from the original. As a result their development, manufacturing and approval

processes are much more demanding and complex. Merck aims to participate in this growing market, by taking advantage of its biopharmaceutical expertise in the areas of development, regulatory and manufacturing.

In May 2013, Merck Serono and Quintiles announced a new, five-year clinical development agreement. This collaboration is a novel approach to clinical development that is founded on a shared commitment to cost-disciplined science and particularly follows Merck Serono's strategy to variabilize costs in research and development as part of its efficiency program. Under this agreement, Merck Serono will shape and lead the strategy of its clinical development programs, with Quintiles directing clinical trial planning and execution.

In May 2013, Merck Serono announced that it would increase its commitment to its strategic corporate venture capital fund Merck Serono Ventures (MSV) to EUR 100 million. MSV was originally established in March 2009 with a EUR 40 million commitment to invest in emerging biotechnology companies.

In September 2014, Merck and Sutro Biopharma announced a collaboration and license agreement to develop antibody drug conjugates ("ADCs"). ADCs are composed of an antibody linked to a cytotoxic drug. The antibody is thought to specifically target and deliver the cytotoxic drug to the cancer cells. The collaboration will allow Merck to take advantage of Sutro's technology platforms in its oncology programs to develop ADCs for multiple undisclosed targets. Both companies believe that ADCs have the potential for directly targeting cancer cells while safeguarding healthy tissue, and will combine Merck's knowledge about target biology with Sutro's technological and discovery capabilities to jointly develop ADCs. By following a strategic approach of creating partnerships, Merck and Sutro aim to develop drug candidates that may ultimately address the unmet needs of patients. Merck Serono will make an upfront payment to Sutro and will fund certain R&D activities. Sutro is also eligible to receive payments on completion of certain research, development and regulatory milestones potentially totaling approximately EUR 230 million as well as royalties on product sales.

Pipeline Update

Oncology

In February 2012, Merck Serono announced a global agreement with Threshold Pharmaceuticals, Inc. to license and co-develop TH-302, an investigational hypoxia-activated prodrug designed to be activated under severe tumor hypoxic conditions. At the time of in-licensing, TH-302 was already being investigated in a Phase III trial in patients with locally advanced unresectable or metastatic soft tissue sarcoma ("STS") in combination with doxorubicin versus doxorubicin alone. The primary outcome is overall survival. In a pre-planned interim efficacy and safety analysis in September 2014 the Independent Data Monitoring Committee (IDMC) conducting the analysis recommended that the study should continue as planned to its natural conclusion. Current projections foresee that the required number of events for final analysis should be reached in the latter half of 2015, with the primary analysis of OS expected to be conducted in 2016.

Following the positive outcome in a Phase IIb trial in patients with advanced pancreatic cancer ("PaCa"), presented at the Association for Cancer Research meeting in April 2012, the decision was made to proceed to Phase III. In January 2013, the initiation of the global Phase III MAESTRO study was announced, assessing the efficacy and safety of TH-302 in combination with gemcitabine, in patients with previously untreated, locally advanced unresectable or metastatic pancreatic adenocarcinoma. MAESTRO is a randomized, placebo-controlled, international, multi-center, double-blind Phase III trial of TH-302 plus gemcitabine compared with placebo plus gemcitabine and the primary outcome measure is overall survival. In November 2014, the MAESTRO study has completed the target enrolment of 660 patients. In addition to these pivotal trials, TH-302 is also

being explored melanoma and multiple myeloma in currently running Phase II trials. Other areas in the field of oncology, including glioblastoma are currently explored through investigator-sponsored trials.

Both Phase 3 trials are being conducted under Special Protocol Assessment ("**SPA**") agreements with the U.S. Food and Drug Administration Agency ("**FDA**"). The FDA and the European Commission have granted TH-302 Orphan Drug Designation for the treatment of STS and pancreatic cancer. TH-302 is also being investigated in a Phase II study in patients with non-squamous non-small cell lung cancer ("**NSCLC**") as well as earlier-stage clinical trials of other solid tumors and hematological malignancies.

Pimasertib, Merck Serono's MEK inhibitor, is an investigational small molecule inhibitor of MEK1/2, which is part of the MAPK signaling pathway. This pathway is up-regulated in various types of cancer.

At the 2014 American Society of Clinical Oncology ("**ASCO**"), data were presented from a Phase II study exploring the clinical utility of abituzumab (also known as D117E6), an anti-integrin monoclonal antibody in prostate cancer. No significant improvement in the primary outcome was shown and development in this indication was discontinued. Data from a Phase II study testing abituzumab in advanced mCRC were presented at the 2014 World Congress of Gastrointestinal Cancers ("**WCGC**"). The data showed no improvement in the primary outcome assessing the overall study population. Potential efficacy was identified in a specific subgroup, which is currently further analyzed.

In late 2012, approval was obtained in Japan from the Ministry of Health, Labor and Welfare for the use of Erbitux[®] in adult patients with head and neck cancer. The Merck Serono division also announced the decision to voluntarily withdraw the marketing authorization application to the European Medicines Agency ("**EMA**") of a label extension for Erbitux[®] in combination with standard first-line platinum-based chemotherapy in patients with advanced or metastatic non-small cell lung cancer ("**NSCLC**") with high epidermal growth factor receptor ("**EGFR**") expression. The decision to withdraw the application was based on feedback from the EMA, indicating that further clinical data would be required. Merck Serono reported a negative outcome of the EXPAND trial, which assessed Erbitux[®] as a first-line treatment for patients with advanced gastric cancer, and the PETACC-8 trial, assessing Erbitux[®] for the adjuvant treatment of stage III colon cancer. Merck will not pursue further development of Erbitux[®] in the lung, gastric or adjuvant colon indications. These results do not alter the current utility of Erbitux[®] in patients with KRAS wild-type mCRC and in patients with locally advanced or recurrent and/or metastatic SCCHN in those markets where Erbitux[®] is currently registered in these indications. In December 2013 the European Commission approved an amendment to the Erbitux[®] (cetuximab) product information, updating the indication for Erbitux[®] to the treatment of patients with RAS wild-type mCRC. The European Commission approval is based on the totality of data emerging on the role of mCRC RAS tumor status in the benefit–risk profile of anti-EGFR monoclonal antibodies.

At the 2014 ASCO meeting, a retrospective analysis of the pivotal Erbitux[®] Phase III study (CRYSTAL), which assessed RAS tumor status, was presented. A significant clinical benefit in terms of overall survival was observed in mCRC patients with RAS wild-type tumors receiving Erbitux plus chemotherapy, compared with chemotherapy alone. Also presented were data from the CALGB - 80405 trial, a head-to-head comparison of Erbitux[®] plus chemotherapy versus bevacizumab plus chemotherapy in patients with KRAS wild-type mCRC. This trial is being performed by an independent study group. In this case, a similar overall survival was observed using either Erbitux[®] or bevacizumab. A review of the full results and additional analyses, including analyses in patients with all RAS wild-type tumors is still outstanding.

At the ASCO 2013 meeting, results of the FIRE-3 study, another head-to-head trial comparing Erbitux[®] and bevacizumab on top of standard chemotherapy in patients with KRAS wild type mCRC, were presented. Also this trial is performed by an independent investigator group. The study did not achieve the primary endpoint as the objective response rate (ORR) was not significantly different for the two treatment arms. A subsequent mutations analysis revealed that overall survival was markedly superior ($\Delta = 7.5$ months, HR 0.70) in RAS wild-type patients receiving with Erbitux[®] (presented at ASCO-GI 2014)

In the second quarter of 2014, the Chinese Food and Drug Administration (SFDA) issued a negative opinion concerning the registration of Erbitux[®] in squamous cell carcinoma of the head and neck (SCCHN), since it considered that the bridging study performed in Chinese patients was inadequate to warrant approval in that country. Merck Serono is therefore considering the possibility of performing a randomized, controlled study in China in SCCHN.

In February 2013, Merck announced that its Phase III CENTRIC study of the investigational integrin inhibitor cilengitide did not reach its primary endpoint of significantly increasing overall survival when added to the current standard chemoradiotherapy (temozolomide and radiotherapy). The CENTRIC study included patients with newly diagnosed glioblastoma and methylated O(6)-methylguanine-DNA methyltransferase (MGMT) gene promoter status. In view of the outcome of this study it was decided to discontinue the overall development program for cilengitide, including the Phase II CERTO study in NSCLC.

In May 2013, a global licensing, co-development, and commercialization agreement was entered into regarding BeiGene-283, a second-generation BRAF inhibitor for the treatment of cancer. The compound has entered clinical development in early 2014. Under the terms of the collaboration, BeiGene Co., Ltd. will be responsible for the development and commercialization of BeiGene-283 in China and Merck Serono will be responsible for the development and commercialization for the rest of the world.

On October 7, 2014 Merck Serono, the Institute of Cancer Research (ICR), and the Wellcome Trust, London, entered into a co-development and license agreement building on two independent research programs at both the ICR and Merck Serono to identify inhibitors of tankyrase, an enzyme of the poly (ADP-ribose) polymerase family. Under the terms of the agreement, Merck Serono will make milestone payments based on achieving regulatory and sales goals plus royalty payments on net sales of future products discovered or developed under the agreement.

Immuno-Oncology

In June 2013 Merck Serono announced its commitment to the field of cancer immunotherapy by creating a fully dedicated immuno-oncology translational innovation platform (or TIP) integrating research, early development and biomarker strategies. In addition to the division's existing oncology platform, this new immune-oncology platform is focusing on developing therapies that leverage the immune system's natural ability to fight tumors, and work in combination with existing and future therapies.

In September 2014, Merck announced that it will discontinue the clinical development program of its investigational MUC1 antigen-specific cancer immunotherapy tecemotide (also known as L-BLP25) as a monotherapy in Stage III non-small cell lung cancer (NSCLC). Tecemotide has been investigated in Phase III trials (START2 and INSPIRE) in patients with inoperable locally advanced NSCLC.

In July 2014, Merck announced the initiation of an international Phase II study designed to assess the efficacy and safety of MSB0010718C, an investigational fully human IgG1 monoclonal antibody that binds to programmed death-ligand 1 (PD-L1). This multicenter, single-arm, open-label study is being conducted in patients with metastatic Merkel cell carcinoma (mMCC) which is an aggressive form of

skin cancer which is rare but increasing in frequency, and currently has limited treatment options. In addition to this new study in mMCC, MSB0010718C is currently being explored in a Phase I clinical trial for the treatment of solid tumors. The study aims to recruit 590 patients and has enrolled 422 patients as per end of July 2014. On June 1, 2014, Merck Serono presented initial data from this dose escalation study in solid tumors at the annual American Society of Clinical Oncology (ASCO) meeting in Chicago. This study is currently recruiting patients into expansion cohorts in seven cancer types: castrate-resistant prostate cancer, colorectal cancer, gastric/gastroesophageal cancer, melanoma, metastatic breast cancer, non-small cell lung cancer and ovarian cancer. For this anti-PD-L1 compound, Merck has entered into a global agreement with Pfizer Inc. to co-develop and co-commercialize (please see "*Description of Merck and the Merck Group — Recent Developments*").

Merck and MorphoSys entered into a strategic immuno-oncology collaboration to discover and develop therapeutic antibodies against undisclosed immune checkpoints. Under the terms of the agreement, the two companies will join forces to develop therapies that modulate the immune system's natural ability to fight tumors. MorphoSys, a leader in fully human antibody technologies, will apply its proprietary Ylantha[®] antibody phage library and technology platform to identify antibodies against the targets of interest. Merck Serono with its strong portfolio and capabilities in the field of immuno-oncology and clinical development will be fully responsible for execution of development from Phase I onwards.

Neurodegenerative Diseases

Merck announced in June 2014 that it had reached a mutual agreement with Ono Pharmaceutical to terminate the license agreement on ceralifimod (ONO-4641) because it did not meet Merck's threshold for continued investment. Merck Serono obtained worldwide exclusive license rights from Ono Pharmaceutical for the development and commercialization of ceralifimod in MS outside of Japan, Korea and Taiwan in October 2011. ONO-4641, a sphingosine-1-phosphate receptor modulator, showed positive results in the Phase II DreaMS study in patients with relapsing MS, and these were presented at the American Academy of Neurology (AAN) annual meeting in 2012. In 2013 further studies, were performed and provided more information on efficacy, safety and the potential for differentiation of this agent. The decision to terminate the agreement was not related to any new safety and efficacy findings.

In early 2013, the FDA approved the Rebif[®] Rebidose injector for patients with relapsing forms of MS. The device was evaluated in a 12-week Phase IIIb multicenter, open-label, single-arm study for the self-administration of Rebif[®] with respect to ease of use, patient satisfaction and acceptability, and functional reliability.

In February 2013, Merck announced that it had been granted an option by Opexa Therapeutics, Inc. for the development and commercialization of Tcelna[™] (imilecleucel-T), a potential first-in-class personalized T-cell therapy for patients suffering from MS. Tcelna[™] is being developed by Opexa and currently is in a Phase IIb clinical trial in patients with Secondary Progressive MS (SPMS). During Q2 2014 the study completed recruitment. Tcelna[™] is being developed as a personalized therapy specifically tailored to each patient's individual disease profile. It has received Fast Track Designation from the FDA as a potential treatment for SPMS.

In the third quarter 2014, Merck decided not to pursue further development of plovamer acetate, an investigational second-generation copolymer for relapsing-remitting multiple sclerosis (MS). As a consequence, the ongoing Phase II study is being terminated early.

Immunology

In March 2013, Merck Serono announced a strategic alliance with Nordic Bioscience Clinical Development A/S on Merck's investigational drug sprifermin (recombinant human FGF-18) in

osteoarthritis ("OA") of the knee. Sprifermin is a protein thought to induce chondrocyte stimulation leading to matrix synthesis and chondrocyte renewal, and is delivered by intra-articular injection. Under the terms of the agreement, Nordic Bioscience will provide clinical development services to Merck Serono on a shared-risk basis in exchange for a payment structure that includes service fees and potential milestone and royalty payments on the program. Merck retains full responsibility for the development and commercialization of the investigational drug. The alliance will conduct a multinational Phase IIb trial (FORWARD) to further evaluate sprifermin for inhibition of the progression of structural damage, reduction of pain and improvement of physical function in patients with OA of the knee. During Q2 2014 the study completed recruitment.

Atacicept, an anti-BlyS/anti-APRIL fusion protein, is investigated for the treatment of systemic lupus erythematosus (SLE). Results from the APRIL SLE Phase II study of atacicept were presented at the Annual Meeting of the European League Against Rheumatism (EULAR) in June 2013. While no statistically significant difference was observed in the number of patients experiencing a disease flare between atacicept 75 mg and placebo during the 52 week treatment period (primary endpoint), post hoc analyses suggested that treatment with the 150-mg dose of atacicept was associated with a reduced number of patients experiencing SLE flares versus placebo. Based on the totality of data from the APRIL SLE study Merck decided to proceed to a new Phase II study: ADDRESS II. This study will assess the efficacy and safety of atacicept in reducing SLE disease activity in patients receiving standard-of-care therapy. The primary endpoint of the study will investigate the effect of atacicept in reducing disease activity.

Fertility

In the field of Fertility, a Phase III trial of Pergoveris[®] (ESPART) was initiated in the first quarter of 2014. The study is designed to assess the efficacy and safety of Pergoveris[®] (follitropin alfa and lutropin alfa) versus Gonal-f[®] (follitropin alfa) as part of an Assisted Reproductive Technology (ART) treatment cycle in women who are classified as poor ovarian responders (POR) to previous ART. Generally, in such patients, a low number of follicles develop during treatment and as a consequence, a small number of oocytes are retrieved through ART. Pergoveris[®] is already available in certain countries where it is indicated for the stimulation of follicular development in women with severe luteinizing hormone (LH) and follicle stimulating hormone (FSH) deficiency. The study completed enrolment in the third quarter 2014 following the inclusion of 946 patients.

Endocrinology

In the field of Endocrinology, Merck Serono announced in April that the Phase IIIb study of Kuvan[®] (SPARK), met its primary endpoint. The study demonstrated that the addition of Kuvan[®] to a phenylalanine (Phe) restricted diet in children under four years of age who have phenylketonuria (PKU) significantly increases tolerance to Phe compared with a Phe-restricted diet alone. The study was conducted under a Pediatric Investigational Plan and Merck has submitted an application for the EMA label extension in the third quarter of 2014. SPARK was requested by the EMA as a Post-Authorisation Measures study at the time of approval of Kuvan[®].

Description of Consumer Health

The Consumer Health division manufactures and markets prescription-free drugs that primarily address health themes such as mobility, women's and children's health, cough and cold as well as everyday health protection. The division focuses on a number of established brands ranking among the leading products in their respective markets. It has a strong base in Europe and is quickly growing in Emerging Markets.

In 2012 and 2013, the Consumer Health division undertook steps to strategically realign the internal organization while sharpening its focus on core brands and particularly attractive key markets. As of

2014, Consumer Health intends to push ahead with its growth agenda, particularly in the emerging markets of Latin America and Southeast Asia. To this end, the division is pursuing a clear strategy: The aim is for Consumer Health to achieve a market share of at least 3% by 2021 in each of the division's top 20 markets (including France, Mexico, Brazil, Germany and the United Kingdom), with at least three brands in leading positions. An important milestone within the framework of this strategy is the transfer of the Neurobion[®] and Floratil[®] brands from the Merck Serono to the Consumer Health division at the beginning of 2014. Neurobion[®] is a leading global brand in the vitamin B segment and Floratil[®] is a leading brand in the probiotic antidiarrheal segment in Brazil. Their transfer to Consumer Health will allow a stronger focus on consumer needs. As a consequence, the emerging markets exposure of Consumer Health will increase in 2014 compared to 28% exposure in 2013, and Consumer Health will also increase the market share of the division in key markets such as Brazil, Mexico, India and Indonesia. The product shift helped to raise Consumer Health's contribution to Group sales to 7% and to Group EBITDA pre one-time items to 5% in the first nine months of 2014.

The Seven Seas plant in Hull (United Kingdom) is being shut down given the continued low capacity utilization, high investments required to upgrade equipment, and the relatively high cost of operations. In preparation of this, and in order to remediate several registration dossiers, the division stopped shipment of several products from the Seven Seas plant.

Main Products

Mobility: Products to strengthen the joints, including the brand Kytta[®].

Everyday health protection: Vitamins and mineral substances sold under international brand names such as Neurobion[®], Cebion[®], Sangobion[®] and the probiotic multivitamin product Bion3[®].

Women's and children's health: Femibion[®], a multivitamin product with folic acid for pregnant and nursing women.

Cough and cold: Nasal decongestant Nasivin[®] and Sedalmerck[®].

Description of Performance Material

Performance Materials is a specialty chemicals business that offers high-tech performance chemicals for applications in fields such as consumer electronics, lighting, coatings, printing, plastics, and cosmetics. The division comprises the two business units Liquid Crystals and Pigments & Cosmetics. In 2013, Performance Materials contributed 15% to Group sales and 23% to EBITDA pre of the operating businesses, indicating the division's healthy and sustainable profitability. According to its own estimates, Merck considers Performance Materials to be the leading producer for display materials. In particular, the Liquid Crystals business unit currently holds, according to Merck's own estimates, a leading position for liquid crystal mixtures used in liquid crystal displays ("LCDs"). The Liquid Crystals business unit supplies all seven major LCD panel manufacturers that serve television manufacturers or other consumer electronics companies. Pigments & Cosmetics develops and markets a comprehensive product line of effect and functional pigments, spanning a variety of colours and functionalities. The pigments are primarily used for automotive and industrial coatings, plastics, printing, cosmetics, and counterfeit prevention applications. The product portfolio also includes high-quality cosmetic active ingredients including UV filters for use in skin, hair and oral care consumer products.

By providing innovative R&D and creating profitable new businesses, the Advanced Technologies business unit bolsters the growth of the Performance Materials.

In December 2013 Merck reached an agreement with the Board of Directors of AZ Electronic Materials S.A. ("**AZ**") concerning a cash offer amounting to around EUR 1.9 billion (approximately GBP 1.6 billion). On May 2, 2014, Merck announced the completion of the acquisition of AZ Electronic Materials. On July 2, 2014 Merck announced that all remaining shares of AZ have been transferred to Merck.

Merck will quickly proceed with the integration of AZ and its workforce of approximately 1,150 employees worldwide. All important integration activities are expected to be completed by the end of 2014. With annual sales of around US\$ 730 million in 2013, AZ is a leading supplier of high-tech materials with a production focus in Asia, where the company achieves nearly 80% of its sales. AZ generates more than 80% of its sales with leading products in their respective sectors. Products from AZ are essential components of integrated circuits, flat-panel displays and light-emitting diodes. AZ is thus a key partner to leading global manufacturers of electronics since the chemical technologies AZ provides enable them to improve existing process and to develop innovative new products.

Main Products

Liquid Crystals: with one of the broadest offerings in the industry, the business unit's product portfolio comprises liquid crystals tailored to match the individual requirements of the full range of LCDs, from small displays in smartphones to ultra-large televisions. The portfolio includes liquid crystals based on polymer stabilized vertical alignment ("**PS-VA**") technologies, primarily used in mid- and large-sized televisions, as well as liquid crystals based on in-plane switching ("**IPS**") technology, which are also used in televisions as well as increasingly in mobile devices such as tablet PCs and smartphones. Merck also developed a new LC switching mode UB-FFS technology (Ultra-Brightness Fringe Field Switching) for new generation mobile devices. The business unit also offers materials for organic light-emitting diodes ("**OLED**") used for new lighting applications and display technologies. Increasing sales of televisions and especially growing screen sizes have led to high demand for liquid crystals materials with VA, PS-VA and IPS technologies.

Pigments & Cosmetics: develops and markets a comprehensive product line of decorative and functional pigments, spanning a variety of colours and shimmer effects. These pigments are primarily processed into automotive and industrial coatings, plastics, cosmetic products and security paints. The portfolio also includes high-quality cosmetic products especially for use in skin care, oral care and hair care products, including UV filters.

AZ Electronic Materials: produces essential process chemicals for the production of integrated circuits, flat-panel displays and light-emitting diodes.

Research

To secure and strengthen its position as one of the innovation leaders in its respective fields, ongoing investments in R&D, particularly in Liquid Crystals, are a cornerstone of the Performance Material division's business strategy. In 2013, EUR 143 million were invested in R&D activities.

Description of Merck Millipore

Merck Millipore offers solutions to two key customer groups: firstly research and analytical laboratories in the pharmaceutical/biotechnology industry or in academic institutions and secondly production customers manufacturing large and small molecule drugs. Formed in 2010 through the acquisition of the Millipore Corporation, the division has developed into one of the largest suppliers of tools to the life science industry. According to its own estimates, Merck considers Merck Millipore to be among the 3 leading producers for life science tools. The division has a broad product line with scale and geographic reach and conducts smaller bolt-on acquisitions to make effective use of its global sales channels. Bolt on acquisitions of the past years included the microbiology business of

Biotest AG, Amnis Corporation and Biochrome AG, as well as Heipha Hycon for the Lab Solutions franchise. These acquisitions allow the Merck Millipore division to further complement its product line in attractive growth segments. Based on its diversified group of customers and its focus on consumables, the division has generated recurring sales streams that have led to stable cash flows with a low risk profile. In 2013, the division contributed 25% to Group sales and 19% to Group EBITDA pre one-time items (excluding Corporate and Other).

On September 22, 2014, Merck announced the proposed acquisition of Sigma-Aldrich who manufactures and distributes more than 230,000 chemicals, biochemicals and other essential products to more than 1.4 million customers globally in research and applied labs as well as in industrial and commercial markets. After completion of the proposed acquisition, the combined company would be able to serve life science customers around the world with a set of established brands and a supply chain that can support the delivery of more than 300,000 products. Please see "*Description of Merck and the Merck Group — Recent Developments*" for details.

Main Products

Bioscience: The Bioscience business unit is focused on the needs of researchers to understand complete biological systems and identify new therapeutic targets. The life science research sector is highly innovative and Bioscience hence historically generated a significant portion of annual sales based on new product launches. The product portfolio aims to simplify the work flow for researchers, offering consolidated and validated solutions. Main product groups on offer include devices and consumables for filtration and sample preparation, reagents and kits for cell biology experiments, and small instruments and consumables for cell analysis. Newly launched products include Muse™, a closed system of instrument and consumables providing quantitative information on cell health, cell death and cell cycle at the individual cell level and Direct Detect™ system that increases the simplicity and reliability of quantitative protein and peptide analysis.

Lab Solutions: The Lab Solutions business unit supplies products such as laboratory water equipment and consumables to laboratories that help to identify and eliminate impurities and contaminants. Lab water purity is critical to the success of research experiment. The unit also develops and markets test solutions that help identify microbial contamination i.e. in pharmaceuticals, food or tap water.

Process Solutions: The Process Solutions business unit supplies products used by pharmaceutical and biotechnology companies to manufacture large and small molecule drugs safely and efficiently. It is offering more than 400 chemicals used for synthesis of active pharmaceutical ingredients in addition to products that convert drugs into their final forms, e.g. pills or injection solutions. The range for biotech production includes products that support cell growth and gene expression, a wide range of filtration devices as well as salts and sugars that ensure the stability and biological activity of the final drug. Single-use solutions offer increased operational flexibility and versatility to biopharmaceutical customers since they eliminate time and cost of cleaning, are easily adaptable to different products and therefore require lower capital investment.

Research

Success of new product launches is critical to the growth and profitability of all three business units. In 2013, EUR 160 million were spent on R&D activities. A significant portion thereof was directed to Process Solutions, reflecting the division's expectation that increasing volumes of biopharmaceuticals will remain an attractive growth opportunity.

Investments

The following tables give an overview of Merck's major investment projects that have been approved in 2013 and in the first nine months of 2014.

Region	Country	Project	Timeframe	Amount in EUR million	Area
Europe	France	Production capacity expansion	2013-2017	11	Merck Millipore
Europe	Spain	Production plant	2013-2015	11	Merck Millipore
Europe	Ireland	Production re-organization	2013-2015	12	Merck Millipore
Europe	Germany	Modular Innovation Center / Guest Casino	2014-2015	16	Headquarters
Europe	Germany	Production re-organization and transfer	2013-2015	29	Headquarters
Europe	Ireland	Production transfer to Ireland	2013-2016	33	Merck Millipore
Europe	Germany	Laboratory building	2013-2017	66	Merck Serono
Asia	China	China Manufacturing Plant	2013-2016	79	Merck Serono
Europe	Germany	One Global Headquarters i.a. Long-term Innovation Center with adjacent employee restaurant	2014-2018	116	Headquarters

Financing of the Investments

Merck uses credit facilities within the scope of its ordinary business activities. However, none of these loans serves exclusively or specifically to finance the investments described above. Investments are usually financed from the cash readily available.

Risk Management

Risk management within the Merck Group is described for all risk owners in detailed guidelines. These define the principles of risk management, outline roles and responsibilities, and help those responsible to implement the legal and operational requirements. Specific terminology and standard risk reports harmonize the risk management process worldwide. Regular risk reports are submitted to the Executive Board on a bi-annual basis. Furthermore, significant changes in the assessment of the risks already known and new significant risks can be reported at any time and are communicated to the corporate bodies on an ad hoc basis. The internal auditing department reviews the risk management system on a regular basis.

Material Contracts

Multicurrency Revolving Credit Facility

Merck is party of a EUR 2.0 billion multicurrency revolving credit facility (established in March 2013). The credit facility is used for general corporate purposes and has a tenor of five years with extension options for a total tenor of seven years. The first extension option was exercised in March 2014.

Notes outstanding under the Debt Issuance Program

In 2010 Merck Financial Services GmbH, a subsidiary of the Issuer, ("**Merck FS**") issued notes under its debt issuance program (the "**Debt Issuance Program**") with a principal amount of EUR 3.2 billion (of which EUR 0.5 billion have already been repaid) on the Eurobond market. Merck guarantees these notes which are listed on the Luxembourg Stock Exchange.

Notes issued under the Debt Issuance Program

Issuer	Merck FS	Merck FS
Initial Maturity	5 years	10 years
Settlement	24.03.2010	24.03.2010
Maturity	24.03.2015	24.03.2020
Notional (in EUR)	1.35 billion	1.35 billion
Fix/Floating	Fix	Fix
Coupon	3.375%	4.500%
WKN	A1C982	A1C983
ISIN	XS0497185511	XS0497186758

In addition, Merck FS distributed the following three tranches of notes under the Debt Issuance Program in a total amount of EUR 230 million by way of private placements in 2009. All tranches are guaranteed by Merck.

Private Placements

Issuer	Merck FS	Merck FS	Merck FS
Initial Maturity	7 years	10 years	6 years
Settlement	17.11.2009	10.12.2009	18.12.2009
Maturity	17.11.2016	10.12.2019	18.12.2015
Notional (EURm)	60	70	100
Fix/Floating	Fix	Fix	Floating
Coupon	4.000%	4.250%	3M-EURIBOR + 0.77%

Commercial Paper Program

In order to meet short-term capital requirements, Merck established in 2011 a standard German commercial paper program with a volume of up to EUR 2.0 billion (or its equivalent in other currencies). Notes may be issued in euro, U.S. dollar, British pound sterling, Swiss franc, Japanese yen, or other currencies as agreed. The notes issued on the basis of this commercial paper program have a maturity of at least one day and a maximum of 364 days. The notes are issued in series of at least EUR 2.5 million; the principal amount of each individual note is at least EUR 500,000 or such other conventionally or legally accepted principal amount(s) for commercial paper in the relevant currency (e.g., USD 500,000, GBP 100,000, JPY 100,000,000, CHF 500,000). The notes are not admitted to trading on any stock exchange.

Syndicated Dual-Currency Term Loan Facilities Agreement to finance the acquisition of all shares in Sigma-Aldrich

On September 22, 2014 Merck entered into a USD 15.6 billion dual-currency term loan facilities agreement with a syndicate of banks comprising two tranches one of them (US\$ 11.6 billion) incorporated as bridge financing which is envisaged to be replaced by other financing sources (such as cash, bonds and loans) until closing of the acquisition of Sigma-Aldrich and a term loan facility (US\$ 4.0 billion). The term loan facilities serve primarily to finance the acquisition of Sigma-Aldrich, including (i) refinancing or repurchasing of financial liabilities incurred by Sigma-Aldrich or any of its subsidiaries and (ii) financing appraisal rights of dissenting shareholders of Sigma-Aldrich. Subject to the absence of a major default and the correctness of major representations made by Merck, the lenders are obliged to provide the committed financing for the acquisition of the shares in Sigma-Aldrich until the closing of the acquisition of Sigma-Aldrich. The term loan facilities agreement contains market-standard undertakings and restrictions that may influence the flexibility of Merck.

Legal and Arbitration Proceedings

Save as described in the following, there are currently no, and Merck KGaA or any of its subsidiaries has or have not been involved in any, governmental, legal or arbitration proceedings during the period of the last twelve months, against or affecting Merck KGaA or any of its subsidiaries, nor is Merck aware of any pending or threatened proceedings, which (in either case) may have or have had in the recent past significant effects on the financial condition or results of operations of Merck KGaA or the Merck Group. Merck has set up provisions for legal disputes in an amount that it considers appropriate.

Patent Litigation Proceedings

Since 1993, lawsuits have been pending in Israel between Israel Bio-Engineering Project Limited Partnership ("**IBEP**") and various subsidiaries of Merck Serono S.A. IBEP is claiming ownership rights and payment of license fees and royalties. The lawsuits filed by IBEP relate to the financing of the development of Rebif[®] and other products in the first half of the 1980s. In August 2014, Merck reached a verbal agreement with IBEP to settle the legal disputes by paying a sum of money. The verbal agreement is expected to be confirmed in writing in the fourth quarter of 2014.

In addition, since 2010, lawsuits have been pending between Biogen IDEC, Inc. (Massachusetts, USA) ("**Biogen**") and EMD Serono, Inc., a U.S. subsidiary of Merck Serono S.A. Biogen sued EMD Serono, Inc. for infringing a Biogen patent by selling Rebif[®] to treat multiple sclerosis in the United States. The respective Biogen patent was granted in 2009.

These cases could have a considerable impact on the financial condition and results of operations.

In April 2012 AbbVie Biotechnology Ltd. (Bermuda) and Abbott GmbH & Co. KG (Germany) (collectively "**AbbVie**") notified Inter-Lab Ltd. (Israel) - a subsidiary of Merck Serono S.A. - and Merck Serono S.A. that AbbVie is allegedly not obliged to pay royalties with regard to a U.S. patent licensed under a non-exclusive worldwide license agreement concluded in 2000 related to the active ingredient adalimumab. All other patents licensed under that agreement have already expired and are not affected by AbbVie's claim. AbbVie claims that the respective U.S. patent is invalid under U.S. law and therefore AbbVie's obligation to pay royalties pursuant to the license agreement is allegedly ineffective. In July 2012 AbbVie initiated arbitration proceedings against Inter-Lab Ltd. and Merck Serono S.A. On January 9, 2014 a settlement agreement was reached with AbbVie and the arbitration proceedings were cancelled. Under the terms of the settlement, AbbVie's royalty obligation has been modified.

Competition Law Investigations re. Generics

In April 2013 the UK Office of Fair Trading (in the meantime Competition & Markets Authority) ("**OFT**") issued a Statement of Objections to Merck concerning the generic version of paroxetine. The OFT alleges that Merck was directly involved in the negotiation of a patent settlement agreement concluded in March 2002 between Generics (UK) Ltd., then subsidiary company of Merck, and GlaxoSmithKline. According to the OFT the settlement agreement had the effect of Generics (UK) Ltd. refraining from the launch of its generic version of paroxetine against a value transfer from GlaxoSmithKline to Generics (UK) Ltd. and, therefore, allegedly violates UK and EU competition law. An investigation against Generics (UK) Ltd. in this case commenced in 2011 without the knowledge of Merck. The investigation is ongoing and no decision is expected before 2015. In addition there is a certain risk that Merck gets sued for damages by the NHS or other private parties if found guilty.

On June 19, 2013 the European Commission announced its final decision in the Lundbeck case which relates to certain dealings of Merck's former subsidiary Generics (UK) Ltd. with the Danish company Lundbeck. All concerned dealings were in connection with Lundbeck's patented product citalopram, and the arrangements Generics (UK) Ltd. and Lundbeck made when Lundbeck's patents seemed to expire in 2002 and 2003. Merck has been fined EUR 21.4 million. Generics (UK) Ltd. is jointly liable with Merck for EUR 7.8 million of the EUR 21.4 million. Merck has filed an appeal against the decision with the European Court of Justice in Luxembourg. It cannot be excluded that subsequent to the decisions by the competition authorities, Merck is sued for damages by health insurances or other private parties.

Other Competition Law Proceeding

In December 2011, the Brazilian federal state of São Paulo sued Merck for damages concerning the product Raptiva[®] because of alleged collusion between various pharmaceutical companies and an association of patients suffering from psoriasis and vitiligo. The collusion is alleged to have aimed at an increase in the sales of the involved companies' drugs to the detriment of patients and state coffers. Moreover, in connection with the product Raptiva[®], patients have filed suits to receive compensatory damages. Risks in excess of this with a substantial negative effect on the net assets, financial position and results of operations cannot be ruled out.

Proceedings in connection with the United Nations Oil for Food Program

Merck Serono International S.A. and its Swiss affiliate Serono Pharma International, a division of Ares Trading S.A., were listed in the report published in October 2005 by the Independent Inquiry Committee into the United Nations Oil for Food Program, known as the "Volcker Report". The Volcker Report sets forth the results of the Independent Inquiry Committee's investigation on the manner in which the Republic of Iraq handled the Oil for Food Program. The Republic of Iraq is seeking damages in relation to the facts alleged in the Volcker Report and initiated legal proceedings

before the U.S. District Court of Southern District of New York in June 2008 against a series of companies, including Serono Pharma International, a division of Ares Trading S.A., now an affiliate of Merck. Furthermore, U.S. citizens injured in terrorist attacks in Israel in 2001 sued oil companies based in Texas before the U.S. District Court for the Southern District of Texas, Houston Division New York, in January 2009. The plaintiffs allege that the oil companies purchased oil from Iraq with payments that included illegal kickbacks to a secret bank account controlled by Saddam Hussein, in violation of the Oil for Food Program, and that funds from such bank account were used by Saddam Hussein to finance terrorist attacks. In October 2012, such oil companies initiated a Third Party Complaint against Serono Pharma International, a division of Ares Trading S.A. and the other companies that are defendants in the aforementioned Oil for Food case in New York. Both cases are at a very early stage and as a result a risk assessment is currently not possible.

Recent Developments¹³

On September 22, 2014, Merck and Sigma-Aldrich entered into a definitive agreement under which Merck will acquire Sigma-Aldrich for US\$ 17.0 billion (EUR 13.1 billion).

Merck intends to acquire all of the outstanding shares of Sigma-Aldrich for US\$ 140 per share in cash. The agreed price represents a 37% premium to the latest closing price of US\$ 102.37 on September 19, 2014, and a 36% premium to the one-month average closing price.

The transaction has been unanimously approved by Sigma-Aldrich's Board of Directors. The shareholders of Sigma-Aldrich approved the transaction on December 5, 2014. The transaction has the full support of Merck's Executive Board and E. Merck KG including its Board of Partners, and a Merck shareholder vote will not be required.

Bridge financing has been secured for the all-cash transaction, and Merck expects the final financing structure will comprise a combination of cash on Merck's balance sheet, bank loans and bonds. Closing is expected mid-year 2015, subject to regulatory approvals and other customary closing conditions.

Sigma-Aldrich manufactures and distributes more than 230,000 chemicals, biochemicals and other essential products to more than 1.4 million customers globally in research and applied labs as well as in industrial and commercial markets. Sigma-Aldrich operates in approximately 40 countries worldwide with its headquarters in St. Louis, U.S.A., and is active in three business segments: Research (52% of sales in the financial year 2013), SAFC Commercial (25% of sales in the financial year 2013) and Applied (23% of sales in the financial year 2013). In the financial year 2013, Sigma-Aldrich reported sales of US\$2,704 million and EBITDA of US\$821 million (margin of 30%). According to Sigma-Aldrich's annual report 2013 around 43% of sales were made in the Americas, 38% in Europe / Middle East and Africa and 19% in Asia Pacific.

After completion of the proposed acquisition, the combined company would be able to serve life science customers around the world with a set of established brands and a supply chain that can support the delivery of more than 300,000 products. In the Laboratory & Academia business, the combined company would offer its customers a complementary range of products across laboratory chemicals, biologics and reagents. In pharma and biopharma production, Sigma-Aldrich would complement Merck's existing products and capabilities with additions along the entire value chain of drug production and validation including an e-commerce platform. Merck plans to maintain a presence in St. Louis and in Billerica (both U.S.A.), following completion of the transaction, as well as in important Merck Millipore sites such as Darmstadt, Germany and Molsheim, France.

¹³ The information relating to Sigma-Aldrich is based on publicly available documents on the website of Sigma-Aldrich under www.sigmaaldrich.com.

Merck has successfully integrated a number of life science businesses in recent years, evaluating each company and combining the strongest operations, most efficient processes and most innovative programs that best support the future growth of the combined company. Merck intends to apply the same principles to the acquisition of Sigma-Aldrich in order to ensure a seamless integration. An integration team, which would include representatives from both companies, will be established to oversee and facilitate the integration process. Based on its current expectations, Merck is of the opinion that the cash flows of the combined company will enable it to deleverage quickly following completion of the transaction.

On November 17, 2014, Merck KGaA entered into a global agreement with Pfizer Inc. to co-develop and co-commercialize MSB0010718C, an investigational anti-PD-L1 antibody currently in development by Merck KGaA as a potential treatment for multiple tumor types to accelerate the two companies' presence in immuno-oncology. Under the terms of the agreement, Merck KGaA will receive an upfront payment of US\$ 850 million (around EUR 680 million) and is eligible to receive regulatory and commercial milestone payments up to US\$ 2.0 billion. Both companies will jointly fund all development and commercialization costs.

Trend Information and Significant Changes

There has been no material adverse change in the prospects of Merck since December 31, 2013 and no significant change in the financial or trading position of Merck since September 30, 2014.

Generally, global economic developments can adversely affect Merck's sales and profits. In addition, risk for Merck could also arise from the cost pressure which dominates the pharmaceutical, chemical and life science industries. Ongoing high levels of national debt in some countries and the associated potential reductions in health care spending could lead to declines in sales of some products. Moreover, litigation has been widespread in the pharmaceutical industry for years and this has also impacted Merck in the past. Merck cannot rule out the possibility of this also being the case in the coming years. Merck assumes neither any major technology shifts in its chemical businesses nor any major new product launches in the pharmaceutical businesses until 2014.

General Information About Merck

History, Formation, Company Name, Registered Office and Fiscal Year of Merck

Merck KGaA was established in 1995 as a corporation with general partners (*Kommanditgesellschaft auf Aktien - KGaA*) by transferring to it by way of spin-off a predominant part of the assets of E. Merck, whereby E. Merck became one of the general partners of Merck. At the time of the transfer, E. Merck was operating as a general partnership under German law (*offene Handelsgesellschaft – OHG*). On April 4, 2009, E. Merck was transformed into a limited partnership under German law (*Kommanditgesellschaft – KG*) ("**E. Merck**") with its registered office in Darmstadt, Germany. The incorporation of Merck for an indefinite term became effective with the registration of this spin-off and new formation in the commercial register on July 18, 1995. A certain part of the assets of E. Merck were excluded from the transfer, in particular, a minority limited partnership share in the subsidiary Merck & Cie. KG, Altdorf, Switzerland, having an equity interest of CHF 1,890,000, whereas the majority limited partnership share of CHF 90,810,000 was transferred to Merck.

Merck is recorded in the commercial register of the local court of Darmstadt, Germany, (docket number HRB: 6164) under its company name "MERCK Kommanditgesellschaft auf Aktien".

Merck has had its registered office in Darmstadt, Germany since its formation. The business address is: Merck KGaA, Frankfurter Strasse 250, 64293 Darmstadt, Germany. Merck can be reached by telephone on +49 6151 72-0.

Merck's fiscal year is the calendar year. Merck and its subsidiaries operate under the trade name "Merck". In the United States and Canada the Merck Group operates under the trade name "EMD". Pursuant to an agreement with Merck & Co., a company not linked to Merck, Merck & Co. has the right to use the name Merck in the United States and Canada, whereas Merck has the right to use this name in the rest of the world.

Legal Structure

Merck is a corporation with general partners (*Kommanditgesellschaft auf Aktien - KGaA*) organized under German law. A corporation with general partners is a company with its own legal personality, having two types of stakeholders. One group comprises one or more partners having unlimited liability for the company's creditors (general partner - *persönlich haftende Gesellschafter*). The second group are the shareholders, holding an interest in the share capital, divided into shares, without any personal liability for the company's debts (limited liability shareholders) (section 278 (1) German Stock Corporation Act (*Aktiengesetz*, "**AktG**")). As a corporation with general partners (*Kommanditgesellschaft auf Aktien - KGaA*), Merck is predominantly governed by German stock corporation (*Aktiengesellschaft*) law, subject to a number of distinctive differences, including the presence of general partners, who essentially also manage the company's business activities, the absence of a management board, and the restriction of rights and obligations of the supervisory board. This legal form also involves special features with regard to the General Meeting. For example, many of the resolutions made require the consent of the general partners (section 285 (2) AktG), including the adoption of the annual financial statements (section 286 (1) AktG).

Corporate Purpose

The corporate purpose of Merck is defined by Article 2 of its articles of association (*Satzung*) ("**Articles of Association**"):

- (a) the manufacture and distribution of chemical and biotechnological products, particularly pharmaceuticals, basic substances for medicinal products, specialty chemicals, industrial chemicals, pigments and cosmetic substances,
- (b) the manufacture, distribution and trade in laboratory preparations and equipment, particularly reagents and diagnostic agents, and
- (c) the development, acquisition and exploitation of chemical processes and facilities.

Merck is entitled to enter into all transactions and take all actions that appear suited to achieve the object of the company. For this purpose, Merck may, in particular, provide services, acquire, manage and sell properties, set up, acquire or invest in other companies, and manage such companies or limit itself to the management of its investments.

Merck is also entitled to conduct its business activities through subsidiaries, associated companies and joint ventures. It may spin off or transfer its operations to affiliated companies, either in full or in part.

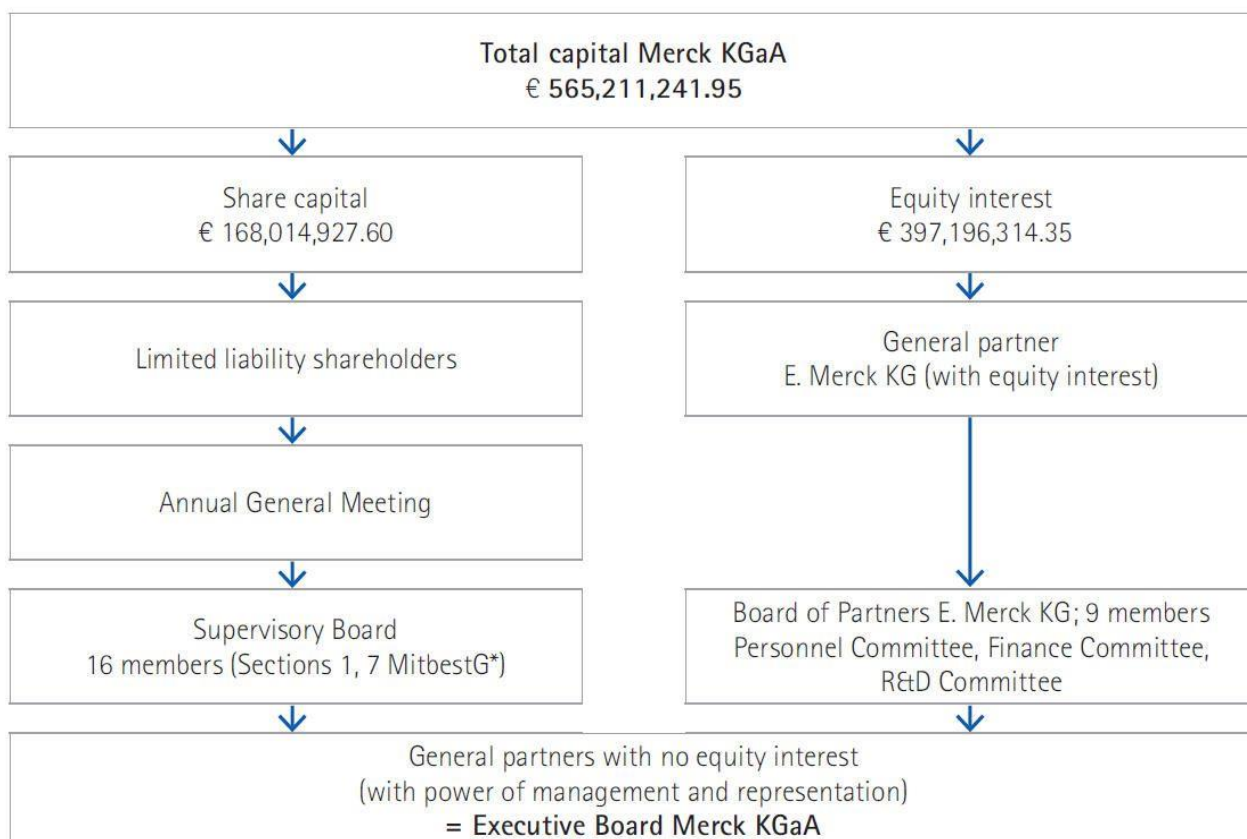
Share Capital

The total capital (*Gesamtkapital*) of Merck is EUR 565,211,241.95 and consists of the share capital (*Grundkapital*) of EUR 168,014,927.60 divided into 129,242,252 shares (including 129,242,251 non-par value bearer shares and one registered share) and the equity interest (*Kapitalanteil*) of EUR 397,196,314.35 held by the general partner E. Merck.

Thus the general partner E. Merck holds approximately a 70% interest in the total capital of Merck. E. Merck's equity interest in Merck is not certificated by shares and does not carry any voting rights. The total capital is fully paid up.

The shares of Merck are no-par value shares. One share is a registered share (share number 1); the remaining shares are bearer shares. The holder of the registered share is E. Merck Beteiligungen KG. The transfer of the registered share requires Merck's approval. The approval is granted at the sole discretion of the personally liable general partner with an equity interest, namely E. Merck.

The following chart illustrates the shareholder and owner structure of Merck as described above:



*German Co-Determination Act

Organizational Structure

Merck KGaA manages the operations of the Merck Group as parent company. Including Merck KGaA, 223 German and foreign companies were fully consolidated in the interim financial statements of the Merck Group as at September 30, 2014.

The following companies are the major subsidiaries of Merck KGaA:

Country	Company Name	City	direct or indirect equity interest (%)

Brazil	Merck S.A.	Rio de Janeiro	100.00
France	Merck S.A.	Lyon	99.83
France	Merck Santé S.A.S.	Lyon	100.00
France	Merck Serono S.A.S.	Lyon	100.00
France	Millipore S.A.S.	Molsheim	100.00
Germany	AB Allgemeine Pensions GmbH & Co. KG	Zossen	100.00
Germany	Chemitra GmbH	Darmstadt	100.00
Germany	Merck 15. Allgemeine Beteiligungs-GmbH	Darmstadt	100.00
Germany	Merck Export GmbH	Darmstadt	100.00
Germany	Merck Financial Services GmbH	Darmstadt	100.00
Germany	Merck Financial Trading GmbH	Gernsheim	100.00
Germany	Merck Holding GmbH	Gernsheim	100.00
Germany	Merck International GmbH	Darmstadt	100.00
Germany	Merck Internationale Beteiligungen GmbH	Darmstadt	100.00
Germany	Merck Serono GmbH	Darmstadt	100.00
Germany	Merck Vierte Allgemeine Beteiligungsgesellschaft mbH	Gernsheim	100.00
Ireland	Merck Millipore Ltd.	Carrigtwohill	100.00
Italy	Merck Serono S.p.A.	Rome	99.74
Japan	Merck Ltd.	Tokyo	100.00
Luxembourg	AZ Electronic Materials Group S.a.r.l.	Luxembourg	100.00
Luxembourg	AZ Electronic Materials S.A.	Luxembourg	99.84
Luxembourg	AZ Electronic Materials TopCo S.a.r.l.	Luxembourg	100.00
Luxembourg	Merck Chemicals Holding S.a.r.l.	Luxembourg	100.00
Luxembourg	Merck Finance S.a.r.l.	Luxembourg	100.00
Luxembourg	Merck Holding S.a.r.l.	Luxembourg	100.00
Luxembourg	Millilux S.a.r.l.	Luxembourg	100.00
Luxembourg	Millipore International Holdings, S.a.r.l.	Luxembourg	100.00
Luxembourg	Ridgefield Acquisition S.a.r.l.	Luxembourg	100.00
Luxembourg	Ridgefield Holdco S.a.r.l.	Luxembourg	100.00
Malta	Merck Capital Holding Ltd.	Pietà	100.00
Malta	Merck Capital Ltd.	Pietà	100.00
Netherlands	Merck B.V.	Schiphol-Rijk	100.00
Netherlands	Merck Chemicals B.V.	Amsterdam Zuidoost	100.00
South Korea	Merck Advanced Technologies Ltd.	Pyungtaek-shi	100.00
Switzerland	Ares Trading SA	Aubonne	100.00
Switzerland	Merck Serono SA	Coinsins	100.00
Switzerland	SeroMer Holding SA	Chésereux	100.00
Taiwan	Merck Display Technologies Ltd.	Taipei	100.00
United Kingdom	Merck Holding Ltd.	Feltham	100.00
USA	EMD Holding Corp.	Rockland	100.00
USA	EMD Millipore Corp.	Billerica	100.00
USA	EMD Serono Holding Inc.	Rockland	100.00
USA	EMD Serono, Inc.	Rockland	100.00
USA	Mario Finance Corp.	Wilmington	100.00

Shareholders and Owner Structure

According to the notifications received under Section 21 of the German Securities Trading Act (*Wertpapierhandelsgesetz*) shareholders holding at least 3% of the voting rights in Merck KGaA are the following companies (including, where relevant, their affiliates and subsidiaries):

4.95%	Templeton Global Advisors Limited, Nassau, Bahamas
4.99%	Templeton Investment Counsel LLC, Wilmington, USA
6.17%	BlackRock, Inc., New York, U.S.A.
9.57%	Sun Life Financial Inc., Toronto, Canada (MFS Financial Services Group)

A change in the shareholder structure is possible in certain cases. For example, E. Merck may use its right under the Articles of Association to convert its equity interest in whole or in part into share capital. No arrangements are known to Merck which may at a subsequent date result in a change in control over Merck.

Corporate Bodies

In accordance with German law, Merck has three corporate bodies:

- the general partners (*persönlich haftende Gesellschafter*),
- the supervisory board (*Aufsichtsrat*) (the "**Supervisory Board**"), and
- the general meeting (*Hauptversammlung*) (the "**General Meeting**").

According to the Articles of Association, the general partners not holding an equity interest (*persönlich haftenden Gesellschafter ohne Kapitalanteil*) are responsible for the management of Merck and thus form the executive board (*Geschäftsleitung*) (the "**Executive Board**"). The administrative bodies consist of the Executive Board and the Supervisory Board. They are separate corporate bodies; no individual can be a member of both bodies.

The group of general partners (*persönlich haftende Gesellschafter*) currently comprises six partners: five members of the Executive Board and E. Merck. Only general partners of E. Merck may be general partners not holding an equity interest in Merck.

E. Merck is generally excluded from managing and representing Merck. However, on account of its substantial capital investment and unlimited personal liability, E. Merck advises and supervises the Executive Board in addition to the expertise and activities of the Supervisory Board. Furthermore, under the Articles of Association, E. Merck has extensive consultation, decision-making and veto rights with respect to the business of Merck.

Executive Board (General Partners not holding an Equity Interest)

The list provides an overview of the current members of the Executive Board and their current activities outside of Merck or other companies of the Merck Group.

Name	Position	Responsibilities	Other current activities outside of Merck or the Merck Group
Karl-Ludwig Kley	Chairman	Group Functions: Group Strategy, Group Communications, Group Legal & Compliance, Group Internal Auditing	Member of the Supervisory Board Bertelsmann SE & Co. KGaA, Gütersloh, Germany Member of the Supervisory Board Bertelsmann Management SE, Gütersloh, Germany Vice Chairman of the Supervisory Board BMW AG, Munich, Germany Member of the Supervisory Board Deutsche Lufthansa AG, Köln, Germany
Kai Beckmann	Member	Head of Group Human Resources, Chief Administration Officer Group Functions: Group Human Resources, Group Information Services, Site Operations, Inhouse Consulting, Group Procurement	No positions on external boards
Marcus Kuhnert	Member	Chief Financial Officer Group Functions: Group Accounting & Subsidiaries, Group Controlling & Risk Management, Group Treasury, Mergers & Acquisitions, Group Tax, Group Insurance, Investor Relations	No positions on external boards
Stefan Oschmann	Member	Responsible for the Merck Serono and Consumer Health divisions as well as the business units Allergopharma and Biosimilars Group Functions: Patents & Scientific Services	No positions on external boards
Bernd Reckmann	Member	Responsible for the Performance Materials and Merck Millipore divisions Group Functions: Environment, Health, Safety, Security, Quality	No positions on external boards

The members of the Executive Board can be contacted at the business address of Merck, at Frankfurter Strasse 250, 64293 Darmstadt, Germany.

On September 18, 2014, Merck announced that the Board of Partners has promoted Stefan Oschmann (57) to the position of Deputy CEO and Vice Chairman of the Executive Board. Concurrently, Belén Garijo (54) was appointed to the Executive Board to take over leadership for the Pharma business. The management changes will become effective as of January 1, 2015.

The following potential conflict of interest exists:

According to the Articles of Association, members of the Executive Board are appointed by E. Merck, together with a simple majority vote of the other general partners. Each general partner of Merck must at the same time be a general partner of E. Merck. Thus, E. Merck de facto appoints the members of the Executive Board. The legal relationships between Merck and the general partners not holding an equity interest, i.e. the members of the Executive Board, are governed by separate agreements between E. Merck and the general partner in question. E. Merck is entitled to terminate this agreement for good cause.

There are no other conflicts of interest between the duties of the Executive Board members and their respective personal interests and/or other duties.

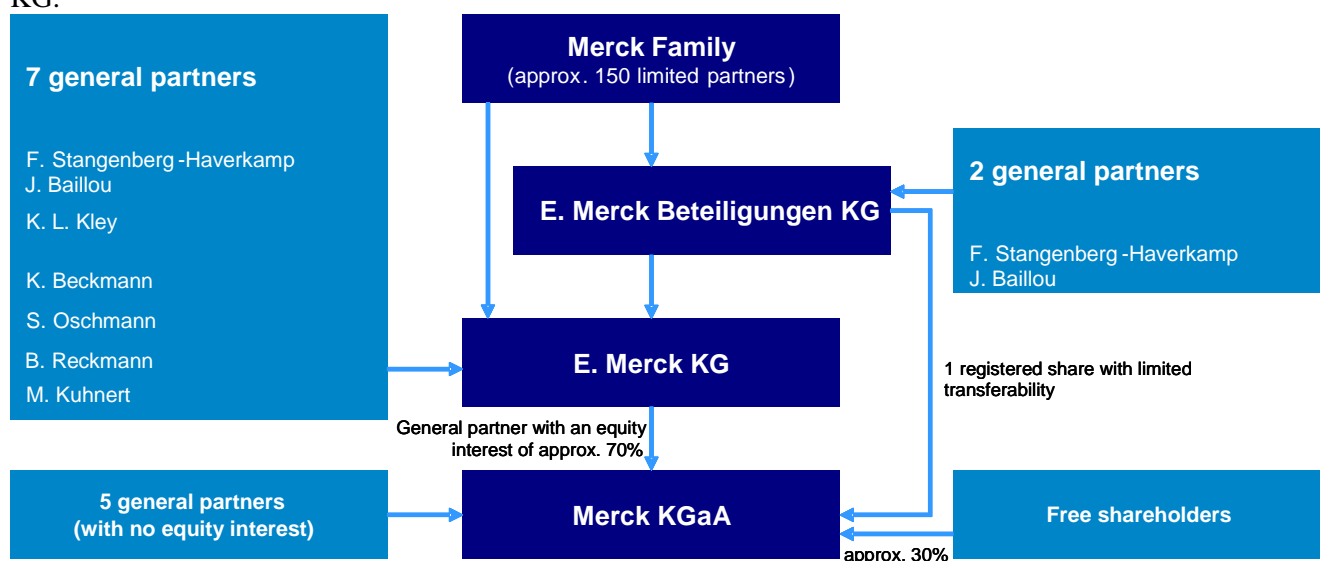
E. Merck (General Partner holding an Equity Interest)

E. Merck currently holds approximately 70% of the total capital of Merck and does not have any operating activities itself. Under the Articles of Association, E. Merck has extensive consultation, decision-making and veto rights with respect to the business of Merck KGaA.

E. Merck and its general partners appoint the members of the Executive Board with the approval of a simple majority of the other general partners of Merck. The only persons who can be members of the Executive Board are those who are also general partners of E. Merck. This creates a close relationship between the Executive Board and E. Merck. Other individuals may only become members of the Executive Board if they are nominated by E. Merck and receive the approval of all general partners with no equity interest.

Moreover, the Executive Board requires the consent of E. Merck for all transactions that are beyond the scope of the ordinary business of Merck.

The following chart shows the relationship between Merck, E. Merck and E. Merck Beteiligungen KG:



Supervisory Board

The Supervisory Board of Merck currently consists of sixteen members. Eight members are elected by the employees pursuant to the provisions of the German Co-determination Act (*Mitbestimmungsgesetz*). Of the eight members elected by the shareholders, six are elected by the shareholders at the General Meeting in accordance with the German Stock Corporation Act (*Aktiengesetz*). Two members are appointed by the holder of the registered share (currently E. Merck Beteiligungen KG) provided that a general partner is not the holder of the registered share. If a general partner holds the registered share, these two members are elected by the General Meeting.

The following table shows the current members of the Supervisory Board, the year of their initial election to the Supervisory Board, and their main occupation as well as all current activities outside of the Merck Group.

Name	Position	Year of initial election	Profession/ occupation	Other current activities outside of the Merck or the Merck Group*
Wolfgang Büchele	Chairman	2009	Chief Executive Officer of Linde AG, Munich	(a) Kemira Oyi, Helsinki, Finland (b) E. Merck KG, Darmstadt, Germany ⁽¹⁾
Michael Fletterich ⁽²⁾	Member	1997 (election as deputy; member since 1998)	Chairman of the Works Council of the Darmstadt/Gernsheim site of Merck KGaA	No positions on external boards
Crocifissa Attardo ⁽²⁾	Member	2009	Full-time Member of the works council of the Darmstadt /Gernsheim site of Merck KGaA	(b) BKK Merck
Mechthild Auge ⁽²⁾	Member	2009	Full-time Member of the works council of the Darmstadt /Gernsheim site of Merck KGaA	No positions on external boards
Gabriele Eismann ⁽²⁾	Member	2014	Senior Product Manager Merck Millipore Lab Solutions	No positions on external boards
Edeltraud Glänzer ⁽²⁾	Member	2008	Member of the Managing Board of Industriegewerkschaft Bergbau, Chemie, Energie (IG BCE)	(a) B. Braun Melsungen AG, Melsungen, Germany - Solvay Deutschland GmbH, Hannover, Germany (Vice Chairman)
Michaela Freifrau von Glenck	Member	2008	Teacher	No positions on external boards

Name	Position	Year of initial election	Profession/ occupation	Other current activities outside of the Merck or the Merck Group*
Siegfried Karjetta	Appointed Member	2014	Physician	(b) E. Merck KG, Darmstadt, Germany ⁽¹⁾
Albrecht Merck	Member	2005	Commercial Director of the Castel Peter winery, Bad Dürkheim, Germany	(b) E. Merck KG, Darmstadt, Germany ⁽¹⁾
Dietmar Oeter ⁽²⁾	Member	2014	Vice President Corporate Quality Assurance	No positions on external boards
Alexander Putz ⁽²⁾	Member	2014	Full-time Member of the works council of the Darmstadt /Gernsheim site of Merck KGaA	No positions on external boards
Helga Rübsamen-Schaeff	Member	2014	Managing Director of AiCuris GmbH & Co. KG, Wuppertal, Germany	(b) E. Merck KG, Darmstadt, Germany ⁽¹⁾
Karl-Heinz Scheider ⁽²⁾	Member	2009	Director Merck Millipore Operations Strategy	No positions on external boards
Gregor Schulz	Member	2014	Chairman of the Board of Biotest AG, Dreieich, Germany	(b) E. Merck KG, Darmstadt, Germany ⁽¹⁾ - Biotest US Corporation, Boca Raton, Florida//USA (President) - Biotest Pharmaceuticals Corporation, Boca Raton, Florida/USA - Biotest (UK) Ltd., Solihull/UK - Biotest Seralc NV, Evere/Belgium
Theo Siegert	Member	2006	Managing Partner of de Haen Carstanjen & Söhne, Düsseldorf, Germany	(a) E.ON SE, Düsseldorf, Germany - Henkel AG & Co. KGaA, Düsseldorf, Germany (b) E. Merck KG, Darmstadt, Germany ⁽¹⁾ - Board of Directors of DKSH Holding Ltd., Zurich, Switzerland

Name	Position	Year of initial election	Profession/ occupation	Other current activities outside of the Merck or the Merck Group*
Tobias Thelen	Appointed Member	2014	Managing partner of Altmann Analytik GmbH & Co. KG, Munich, Germany	(b) E. Merck KG, Darmstadt, Germany ⁽¹⁾

- (1) Internal board position
(2) Employee representatives
* Organized by membership of
(a) Other statutory supervisory boards
(b) Comparable German and foreign supervisory bodies of corporations.

The members of the Supervisory Board can be contacted at the business address of Merck, at Frankfurter Strasse 250, 64293 Darmstadt, Germany.

There are no possible conflicts of interest between the duties of the Supervisory Board members and/or their respective private interests or other duties.

There are no permanent committees such as an audit committee or a compensation committee due to the restrictions of rights and obligations of the supervisory board of a KGaA. In particular, the Supervisory Board is not responsible for appointing the general partners who form the Executive Board, or for regulating the terms and conditions of their contracts. However, the board of partners (*Gesellschafterrat*) of E. Merck (the "**Board of Partners**"), the entity responsible for the appointment and dismissal of the members of the Executive Board, has set up committees, namely a Personal Committee, a Finance Committee and a Research & Development Committee.

Corporate Governance

The German Corporate Governance Code (the "**German Corporate Governance Code**") is geared exclusively towards the conditions found in a German stock corporation (*Aktiengesellschaft*) and not towards a corporation with general partners (*Kommanditgesellschaft auf Aktien*) such as Merck KGaA. Merck has resolved to apply the German Corporate Governance Code logically to serve the interests of its shareholders. Merck issued on February 28, 2014 the following statement of compliance:

"Declaration of the Executive Board and the Supervisory Board of Merck KGaA on the recommendations of the Government Commission German Corporate Governance Code pursuant to section 161 AktG.

Since the last statement of compliance on March 6, 2013, the Merck Group has complied with the recommendations of the Government Commission of the German Corporate Governance Code in the version dated May 15, 2012 and published in the official section of the German Federal Gazette during its period of validity with the following exception:

Contrary to section 5.4.1 sentence 2 of the German Corporate Governance Code, an age limit is not taken into account when proposing candidates for election to the Supervisory Board pursuant to the published objectives of the Supervisory Board. The age of Supervisory Board members is not a criterion for their qualifications and competence. Moreover, we do not wish to forego the many years of experience of Supervisory Board members.

Contrary to section 5.3.1 of the German Corporate Governance Code, the Supervisory Board has not established an audit committee. However, an audit committee does exist in the form of the Finance Committee of the Board of Partners of E. Merck KG, which to a large extent exercises the duties

described in section 5.3.2 of the Code. Due to the relatively limited authority of the supervisory board of a KGaA in comparison with that of an AG, this therefore satisfies the requirements of the German Corporate Governance Code.

Since the announcement of the amendment of 5.4.6 (2) of the German Corporate Governance Code on June 15, 2012, up until April 26, 2013 the compensation of the Supervisory Board of the company did not correspond to the current recommendations to the extent that, apart from reimbursement for expenses and fixed compensation, performance-related compensation was granted based on the dividend of the current fiscal year. With the version of the German Corporate Governance Code dated May 15, 2012, the recommendation was introduced that performance-related compensation should be oriented toward the sustainable development of the company. The 2013 Annual General Meeting passed a resolution on a new compensation system that, since April 27, 2013, has stipulated exclusively fixed compensation in line with the recommendations of the German Corporate Governance Code in force since June 15, 2012.

During the period from June 10, 2013 until the issuance of this Statement of Compliance, the recommendations of the Government Commission of the German Corporate Governance Code in the version dated May 13, 2013 and announced by the German Federal Ministry of Justice on June 10, 2013 in the official section of the German Federal Gazette were complied with apart from the aforementioned exceptions to 5.4.1 sentence 2 and 5.3.1.

In view of future compliance with the current recommendations of the Government Commission of the German Corporate Governance Code, the Executive Board and the Supervisory Board declare the following: With the exception of the aforementioned deviations from section 5.4.1 sentence 2 (age limit) and section 5.3.1 (audit committee), the company will comply with the recommendations of the Code in the version dated May 13, 2013."

Stock Exchange Listing

The shares of Merck have been admitted to the regulated market (*regulierter Markt*) and to the listing segment with additional transparency requirements (Prime Standard) of the Frankfurt Stock Exchange.

On June 18, 2007 Merck became part of the DAX 30 Index. The DAX 30 Index is the German stock index that tracks the price developments of the 30 largest and most actively traded German equities.

Auditors

The auditor of Merck's annual and consolidated financial statements for the 2012 and 2013 fiscal years is KPMG AG Wirtschaftsprüfungsgesellschaft, Klingelhöferstrasse 18, 10785 Berlin, ("KPMG"). The annual financial statements according to HGB, as well as the consolidated financial statements of Merck KGaA according to IFRS for the 2012 and 2013 fiscal years, were audited by KPMG and each provided with an unqualified auditor's opinion. KPMG is a member of the German Chamber of Auditors (*Wirtschaftsprüferkammer*).

Business Overview, Investments, Legal and Arbitration Proceedings, Material Contracts, Recent Developments, Trend Information and significant changes

Please refer to the section "*Description of Merck and the Merck Group*" and the respective subsections "*Description of Merck and the Merck Group – Investments*"/ – *Legal and Arbitration Proceedings*"/ – *Material Contracts*"/ – *Recent Developments*"/ – *Trend Information and Significant Changes*".

Selected Consolidated Financial Information for Merck KGaA

The following selected historical financial information for the Merck Group is based on the audited consolidated financial statements of Merck KGaA for the fiscal years ended December 31, 2012 and 2013 ("**Consolidated Annual Financial Statements**") and the unaudited condensed consolidated interim financial statements for the nine-month period ended September 30, 2013 and 2014 ("**Consolidated Interim Financial Statements**") all of which are reproduced elsewhere or incorporated by reference in this Prospectus, and should be read together with them. The Consolidated Annual Financial Statements and the Consolidated Interim Financial Statements were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted in the European Union. The Consolidated Annual Financial Statements were audited by KPMG AG Wirtschaftsprüfungsgesellschaft and issued in each case with an unqualified auditor's opinion. The Consolidated Annual Financial Statements were prepared using the cost of sales method, that is expenses are classified according to their function (production, marketing and sales, administration and research and development) and the costs directly incurred to generate the sales for the reporting period are presented as cost of sales.

	Nine months ended September 30,		Fiscal Year ended December 31,	
	2014 (unaudited)	2013 (unaudited)	2013 (audited)	2012 (audited)
in EUR million				
Total revenues	8,464.4	8,353.4	11,095.1	11,172.9
Sales.....	8,315.0	8,063.8	10,700.1	10,740.8
Earnings before interest and tax (EBIT) ¹	1,338.2	1,346.6	1,610.8	963.6
Margin (% of sales).....	16.1%	16.7%	15.1%	9.0%
EBIT before depreciation and amortization (EBITDA) ²	2,318.7	2,343.4	3,069.2	2,360.2
Margin (% of sales).....	27.9%	29.1%	28.7%	22.0%
EBITDA pre one-time items	2,509.4	2,458.1	3,253.3	2,964.9
Margin (% of sales).....	30.2%	30.5%	30.4%	27.6%
Earnings per share ³ (in €)	2.02	2.12	5.53	2.61
Operating cash flow	1,564.2	1,785.1	2,225.5	2,472.2

¹ EBIT is defined as a key figure for earnings before interest and taxes on income. Equals the operating result.

² EBITDA is defined as a key figure for earnings before interest, taxes on income, depreciation and amortization: depreciation and amortization are added back to EBIT.

³ Earnings per share, calculated as specified in IAS 33 by dividing the Group profit by the weighted average number of shares. The calculation of the earnings per share as of September 30, 2014 is based on the fact that the annual general meeting of Merck KGaA approved on May 9, 2014 a share split in a ratio of 1:2 effective as of June 30, 2014. Taking into account the share split, the figure for the nine month period ended September 30, 2013 has been adjusted accordingly. The retrospectively unaudited adjusted earnings per share amounts to EUR 2.77 as of December 31, 2013 and EUR 1.30 as of December 31, 2012.

TAXATION

The following discussion of the tax consequences of an investment in the Notes is based on the laws in force on the date of this Prospectus. We emphasize that the tax implications can be subject to alteration due to future changes in law, possibly with retroactive or retrospective effect.

Although this discussion reflects the opinion of the Issuer, it should not be misunderstood as a guarantee in an area of law which is not free from doubt. Further, this discussion is not intended as the sole basis for an investment in the Notes as the individual tax position of the Holder needs to be investigated. Therefore, this statement is confined to a general discussion of certain Luxembourg tax, Austrian tax, Netherlands tax and German tax consequences of an investment in the Notes.

Prospective Holders are recommended to consult their own tax advisors as to the tax consequences to them of the investment.

Responsibility of the Issuer for the withholding of taxes at source

The Issuer does not assume any responsibility for the withholding of taxes at source.

Taxation in the Grand Duchy of Luxembourg

The following information is of a general nature only and is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. The information contained within this section is limited to Luxembourg to certain tax issues and prospective investors in the Notes should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a withholding tax or a tax of a similar nature, or to any other concepts, refers to Luxembourg tax law and/or concepts only.

Withholding Tax

(i) Non-resident Holders of Notes

Under Luxembourg general tax laws currently in force and subject to the laws of June 21, 2005, as amended (the "**Laws**"), there is no withholding tax on payments of principal, premium or interest made to non-resident Holders, 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 Holders.

Under the Laws implementing the European Council Directive 2003/48/EC of June 3, 2003 on taxation of savings income in the form of interest payments (the "**EU Savings Directive**") and ratifying the treaties entered into by Luxembourg and certain dependent and associated territories of 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 (within the meaning of the Laws), which is resident of, or established in, an 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 competent Luxembourg fiscal authority in order for such information to be communicated to the competent tax authorities of the beneficiary's country of residence or establishment, or, in the case of an individual beneficial owner, has provided a

tax certificate issued by the fiscal authorities of his/her country of residence in the required format to the relevant paying agent. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Notes coming within the scope of the Laws will be subject to a withholding tax at a rate of 35%.

In April 2013, the Luxembourg Government announced its intention to abolish the withholding system with effect from January 1, 2015, in favour of automatic information exchange under the EU Savings Directive.

(ii) Resident Holders of Notes

Under Luxembourg general tax laws currently in force and subject to the law of December 23, 2005, as amended (the "**Law**"), there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident Holders, 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 Holders.

Under the Law, payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to an individual beneficial owner who is resident of Luxembourg or to a residual entity (within the meaning of the Laws) established in an Member State (other than Luxembourg) or one of the Territories and securing such payments for the benefit of such individual beneficial owner 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 private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Notes coming within the scope of the Law will be subject to a withholding tax at a rate of 10%.

Inheritance and Gift Tax

Where a Holder of Notes is a resident of Luxembourg for tax purposes at the time of his/her death, the Notes are included in his/her taxable estate for inheritance tax assessment purposes.

Gift tax may be due on a gift or donation of Notes if embodied in a Luxembourg deed passed in front of a Luxembourg notary or recorded in Luxembourg.

Other Taxes

In principle, neither the issuance nor the transfer, repurchase or redemption of Notes will give rise to any Luxembourg registration tax or similar taxes.

However, a fixed or ad valorem registration duty may be due upon the registration of the Notes in Luxembourg in the case of legal proceedings before Luxembourg courts or in the case where the Notes are referred to in public deed or in case the Notes must be produced before an official Luxembourg authority, or in the case of a registration of the Notes on a voluntary basis.

Taxation in the Federal Republic of Germany

The following is a general discussion of certain German tax consequences of the acquisition, holding and disposal of the Notes. It does not purport to be a comprehensive description of all German tax considerations that may be relevant to a decision to purchase Notes, and, in particular, does not consider any specific facts or circumstances that may apply to a particular purchaser. This summary is based on the tax laws of Germany currently in force and as applied on the date of this Prospectus, which are subject to change, possibly with retroactive or retrospective effect.

Tax resident Holders of the Notes

The section "Tax resident Holders of the Notes" refers to persons who are tax residents of Germany (i.e. persons whose residence, habitual abode, statutory seat, or place of effective management and control is located in Germany).

Withholding tax on ongoing payments and capital gains

Ongoing payments received by an individual Holder of the Notes will be subject to German withholding tax if the Notes are kept or administrated in a custodial account with a German branch of a German or non-German credit institution or financial services institution, a German securities trading company or a German securities trading bank (each a "**Disbursing Agent**", *auszahlende Stelle*). The tax rate is 25% (plus 5.5% solidarity surcharge thereon, the total withholding being 26.375%). Individuals subject to church tax may apply in writing for church tax to be levied by way of withholding. Absent such application, individuals subject to church tax have to include their investment income in their income tax return and will then be assessed to church tax. After December 31, 2014 an electronic information system for withholding of church tax will apply in relation to investment income, with the effect that church tax will be collected by the Disbursing Agent by way of withholding unless the Holder of Notes has filed a blocking notice (*Sperrvermerk*) with the German Federal Central Tax Office (*Bundeszentralamt für Steuern*) in which case the Holder of Notes will be assessed to church tax.

The same treatment applies to capital gains (i.e. the difference between the proceeds from the disposal, redemption, repayment or assignment after deduction of expenses directly related to the disposal, redemption, repayment or assignment and the cost of acquisition plus interest accrued on the Notes ("**Accrued Interest**", *Stückzinsen*), if any) derived by an individual Holder provided the Notes have been held in a custodial account with the same Disbursing Agent since the time of their acquisition. If Notes held or administrated in the same custodial account have been acquired at different points in time, the Notes first acquired will be deemed to have been sold first for the purposes of determining the capital gains. Where Notes are acquired and/or sold or redeemed in a currency other than Euro, the sales/redemption price and the acquisition costs have to be converted into Euro on the basis of the foreign exchange rates prevailing on the sale or redemption date and the acquisition date respectively with the result that any currency gains or losses are part of the capital gain or loss. If interest claims are disposed of separately (i.e. without the Notes), the proceeds from the disposal are subject to withholding tax. The same applies to proceeds from the payment of interest claims if the Notes have been disposed of separately.

To the extent the Notes have not been kept in a custodial account with the same Disbursing Agent since the time of their acquisition, upon the disposal, redemption, repayment or assignment withholding tax applies at a rate of 26.375% (including solidarity surcharge, plus church tax, if applicable) on 30% of the disposal proceeds (plus Accrued Interest, if any), unless the current Disbursing Agent has been notified of the actual acquisition costs of the Notes by the previous Disbursing Agent or by a statement of a bank or financial services institution within the European Union, the European Economic Area, Switzerland, Liechtenstein, San Marino, Monaco or Andorra in accordance with Art. 17 para. 2 lit. (i) of the European Council Directive 2003/48/EC on the taxation of savings income (the "**EU Savings Directive**").

Pursuant to a tax decree issued by the German Federal Ministry of Finance dated October 9, 2012 a bad debt-loss (*Forderungsausfall*) and a waiver of a receivable (*Forderungsverzicht*), to the extent the waiver does not qualify as a hidden capital contribution, shall not qualify as a disposal. Accordingly, losses suffered upon such bad debt-loss or waiver shall not be tax-deductible. Further, losses resulting from a sale where the sale proceeds do not exceed the transaction costs are treated as non-deductible for German tax purposes.

In computing any German tax to be withheld, the Disbursing Agent may generally deduct from the basis of the withholding tax negative investment income realised by the individual Holder of the Notes via the Disbursing Agent (e.g. losses from the sale of other securities with the exception of shares). The Disbursing Agent may also deduct Accrued Interest on the Notes or other securities paid separately upon the acquisition of the respective security via the Disbursing Agent. In addition, subject to certain requirements and restrictions the Disbursing Agent may credit foreign withholding taxes levied on investment income in a given year regarding securities held by the individual Holder in the custodial account with the Disbursing Agent.

Individual Holders may be entitled to an annual allowance (*Sparer-Pauschbetrag*) of EUR 801 (EUR 1,602 for married couples and registered partners filing jointly) for all investment income received in a given year. Upon the individual Holder filing an exemption certificate (*Freistellungsauftrag*) with the Disbursing Agent, the Disbursing Agent will take the allowance into account when computing the amount of tax to be withheld. No withholding tax will be deducted if the Holder of the Notes has submitted to the Disbursing Agent a certificate of non-assessment (*Nichtveranlagungsbescheinigung*) issued by the competent local tax office.

German withholding tax will not apply to gains from the disposal, redemption, repayment or assignment of Notes held by a corporation as Holder while ongoing payments, such as interest payments, are subject to withholding tax (irrespective of any deductions of foreign tax and capital losses incurred). The same may apply where the Notes form part of a trade or business, subject to further requirements being met.

The Issuer, unless it qualifies as Disbursing Agent, is not obliged under German law to withhold any withholding tax (*Kapitalertragsteuer*) on interest payments and on the sale or redemption proceeds of the Notes.

Taxation of current income and capital gains

The personal income tax liability of an individual Holder deriving income from capital investments under the Notes is, in principle, settled by the tax withheld. To the extent withholding tax has not been levied, such as in the case of Notes kept in custody abroad or if no Disbursing Agent is involved in the payment process, the individual Holder must report his or her income and capital gains derived from the Notes on his or her tax return and then will also be taxed at a rate of 25% (plus solidarity surcharge and church tax thereon, where applicable). If the withholding tax on a disposal, redemption, repayment or assignment has been calculated from 30% of the disposal proceeds (rather than from the actual gain), an individual Holder may and in case the actual gain is higher than 30% of the disposal proceeds must also apply for an assessment on the basis of his or her actual acquisition costs. Further, an individual Holder may request that all investment income of a given year is taxed at his or her lower individual tax rate based upon an assessment to tax with any amounts over withheld being refunded. In each case, the deduction of expenses (other than transaction costs) on an itemized basis is not permitted.

Losses incurred with respect to the Notes can only be off-set against investment income of the individual Holder realised in the same or the following years.

Where Notes form part of a trade or business the withholding tax, if any, will not settle the personal or corporate income tax liability. Where Notes form part of a trade or business, interest (accrued) must be taken into account as income. The respective Holder will have to report income and related (business) expenses on the tax return and the balance will be taxed at the Holder's applicable tax rate. Withholding tax levied, if any, will be credited against the personal or corporate income tax of the Holder. Where Notes form part of a German trade or business the current income and gains from the disposal, redemption, repayment or assignment of the Notes may also be subject to German trade tax.

Non-resident Holders of the Notes

Interest, including Accrued Interest, and capital gains are not subject to German taxation, unless (i) the Notes form part of the business property of a permanent establishment, including a permanent representative, or a fixed base maintained in Germany by the Holder or (ii) the income otherwise constitutes German-source income. In cases (i) and (ii) a tax regime similar to that explained above under "Tax resident Holders of the Notes" applies.

Non-residents of Germany are, in general, exempt from German withholding tax on interest and the solidarity surcharge thereon. However, where the interest is subject to German taxation as set forth in the preceding paragraph and the Notes are held in a custodial account with a Disbursing Agent, withholding tax may be levied under certain circumstances. The withholding tax may be refunded based on an assessment to tax or under an applicable tax treaty.

Substitution of the Issuer

If the Issuer exercises its right to substitute the debtor of the Notes, the substitution might, for German tax purposes, be treated as an exchange of the Notes for new notes issued by the Substitute Debtor and subject to similar taxation rules like the Notes. In particular, such a substitution could result in the recognition of a taxable gain or loss for any Holder of a Note.

Inheritance and gift tax

No inheritance or gift taxes with respect to any Notes will arise under the laws of Germany, if, in the case of inheritance tax, neither the deceased nor the beneficiary, or, in the case of gift tax, neither the donor nor the donee, is a resident of Germany and such Note is not attributable to a German trade or business for which a permanent establishment is maintained, or a permanent representative has been appointed, in Germany. Exceptions from this rule apply to certain German expatriates.

Other taxes

No stamp, issue or registration taxes or such duties will be payable in Germany in connection with the issuance, delivery or execution of the Notes. Currently, net assets tax is not levied in Germany.

The European Commission and certain Member States (including Germany) are currently intending to introduce a financial transaction tax (the "FTT") (presumably on secondary market transactions involving at least one financial intermediary). It is currently uncertain when the proposed FTT will be enacted by the participating Member States and when the FTT will enter into force with regard to dealings in the Notes.

EU Savings Directive

By legislative regulations dated January 26, 2004 the German Federal Government enacted provisions implementing the EU Savings Directive into German law. These provisions apply from July 1, 2005.

Taxation in Austria

Income tax

The general remarks above the caption *Taxation in the Federal Republic of Germany* also apply to this caption *Taxation in Austria*. The following only addresses Austrian tax residents, unless explicitly stated otherwise. Individuals having a domicile or their habitual abode in Austria or corporations having their corporate seat or their place of management in Austria are considered residents for Austrian income and corporate income tax law purposes, respectively.

Private Individual Investors

Generally income arising with respect to the Notes in the form of either interest payments (*Zinserträge*) or realized capital gains (*Einkünfte aus realisierten Wertsteigerungen*), qualifies as 'investment income' (*Einkünfte aus Kapitalvermögen*) and, as such, is taxed under a special regime at a flat 25 % rate.

Realized capital gains are the difference between (a) the amount realized (e.g., the sale proceeds, the redemption or other pay-off amount, or the fair market value in case of a deemed realization) and (b) the acquisition costs; in both cases (amount realized and acquisition costs) including accrued interest, if any.

For Notes held as private assets, the acquisition costs do not include ancillary acquisition costs (*Anschaffungsnebenkosten*). An average price is determined regarding Notes not acquired at the same time, but held in the same securities account with the same securities identification number. Expenses and costs (*Aufwendungen und Ausgaben*) that are directly connected with investment income are not tax effective.

Capital gains are not only taxed upon an actual disposition or redemption of the Notes, but also upon a deemed realization, particularly upon losing the residency status in Austria (i.e. move abroad) or a donation to a person not resident in Austria, or upon withdrawals (*Entnahmen*) and other transfers of Notes from one securities account to another one. Exemptions are in place, in particular in the case of moving to another EU Member State or, upon the transfer to another deposit account, under the following conditions: Exempt from such "deemed realization" is the transfer of the Notes to a securities account held by the same taxpayer (i) with the same Austrian bank or (ii) with another Austrian bank, if the account holder instructs the transferring bank to disclose the acquisition costs to the receiving bank, or (iii) with a non-Austrian bank, if the account holder instructs the transferring bank to transmit specific information to the competent tax authority, or (iv) with a non-Austrian bank, if the Notes are transferred from a non-Austrian bank and the account holder notifies the competent Austrian tax authority within one month; exempt is further the gratuitous transfer of the Notes to a securities account held by another taxpayer, if the gratuitous transfer is evidenced to the custodian agent or the agent is instructed to notify the Austrian tax authority of the relevant data or, in case the Notes are gratuitously transferred from a non-Austrian bank, the taxpayer notifies the competent Austrian tax authority within one month.

If an Austrian custodian (*inländische depotführende Stelle*, also referred to as 'securities account keeping agent') or an Austrian paying agent (*auszahlende Stelle*) is involved in paying investment income (interest or capital gains), 25 % withholding taxation is imposed. The 25 % withholding tax generally results in a final income taxation; certain exceptions apply (in particular for investors whose regular personal income tax rate is lower than 25 %). If no withholding tax is imposed (e.g., because the Notes are held through a foreign paying agent), the investment income arising from the Notes generally has to be included into the income tax return in accordance with the law, but nevertheless subject to the 25 % flat rate.

Losses from Notes held as private assets may only offset investment income (excluding, *inter alia*, interest income from bank deposits and other claims against banks) and must not offset any other income. Mandatory loss-offsetting rules to be handled by Austrian custodians apply. A carry-forward of losses is not possible in this context.

Notes held as Business Assets by Individuals

Generally, the same rules as described in the previous heading (*Income Tax – Private Individual Investors*) apply regarding Notes that are held as business assets by tax residents who are individuals. The most important differences are the following:

- Realized capital gains, contrary to interest income, have to be included in the tax return, since despite a 25 % withholding taxation that is also imposed in the context of Notes held as business assets if an Austrian custodian is involved, no final income taxation applies.
- Writedowns and realized losses regarding the Notes held as business assets are offset with positive income from realized capital gains that are investment income in the first place; 50 % of the remaining losses may be offset or carried forward against any other income.
- The acquisition costs of Notes held as business assets may also include ancillary costs incurred upon the acquisition.
- No loss-offsetting may be made by an Austrian custodian.

It is noted that expenses and costs (*Aufwendungen und Ausgaben*) directly connected with investment income are also not tax effective in case the Notes held as business assets.

Notes held as business assets by corporations

Corporate investors deriving business income from the Notes may avoid the application of withholding tax by filing a declaration of exemption (*Befreiungserklärung*) with the Austrian withholding tax agent. Income derived from the Notes by corporate investors (including any capital gains) is subject to corporate income tax at the general corporate income tax rate of 25 %.

A special tax regime applies for private foundations (*Privatstiftungen*).

No Withholding by Issuer

As the Issuer does not use a branch or permanent establishment in Austria for the payment of interest under the Notes, the Issuer will not have any liability to withhold and remit Austrian withholding tax on payments in connection with the Notes as outlined above.

Taxpayers Not Resident in Austria

Individuals who have neither a domicile nor their habitual abode in Austria or corporate investors who have neither their corporate seat nor their place of management in Austria ("non-residents") are not taxable in Austria provided the income is not attributable to a permanent establishment in Austria and the income from the Notes is not secured by Austrian assets. If non-residents receive income from the Notes through an Austrian permanent establishment, they are to a large extent subject to the same tax treatment as resident investors.

Payments of interest under the Notes could, as of 1 January 2015, be subject to limited tax liability in Austria if paid to (a) non-resident investors who are individuals residing outside the EU or (b) non-resident investors that are corporations. This new limited taxation only applies if the Issuer paid the interest on the Notes through Austria. Since, and as long as, the Issuer does not have its registered seat or place of management in Austria and does not pay the interest on the Notes through an Austrian branch, the new taxation does not apply.

Non-resident investors who are resident individuals of an EU Member States and who hold the Notes through an Austrian paying agent have to consider the regime implemented in Austria based on the EU Council Directive 2003/48/EC dated 3 June 2003 on the taxation of savings income in the form of interest payments (the "**EU Savings Tax Directive**"). Based on this regime withholding taxation at a rate of 35 % might be imposed, unless an exchange of information procedure is fulfilled. For more details see below ("*EU Savings Tax Directive*").

EU Savings Directive

The European Council Directive 2003/48/EC on taxation of savings income in the form of interest payments ("EU Savings Directive") provides for an exchange of information between the authorities of Member States regarding interest payments made in one Member State to beneficial owners who are individuals and resident for tax purposes in another Member State. Austria has implemented the EU Savings Directive by way of the EU Withholding Tax Act (EU-Quellensteuergesetz) which provides for a withholding tax as an alternative to an exchange of information if the individual Holder decides to remain anonymous. Such EU Withholding tax is generally levied on interest payments within the meaning of the EU Withholding Tax Act from a paying agent located in Austria to an individual resident for tax purposes in another Member State of the European Union or certain dependent associated territories, unless specific information is disclosed (see below). The EU Withholding Tax rate amounts to 35%.

Withholding tax is due on actual or deemed interest payments as well as on accrued interest upon transfer, settlement or redemption of debt claims. Further, withholding tax will be deducted - on a pro rata temporis basis - in case of changes of the individual's tax status such as his country of residence or transfer of his securities to a non-Austrian account. The scope of the definition of interest payments for EU Withholding Tax purposes may differ from the scope of interest payments for Austrian income and withholding tax purposes. The interest derived from any form of debt claims (including bonds and debentures) is generally covered.

The EU Withholding Tax does however not apply if the Holder submits a certificate issued by the competent tax authority of his Member State of residence to the paying agent disclosing specific personal data, such as the beneficial owner's name, address and tax or other identification number or, failing such, his date and place of birth, further the name and address of the paying agent, and the account number of the beneficial owner or, where there is none, the identification of the Notes; such certificate shall be valid for a period not exceeding three years.

Gift tax notification requirements

The Austrian inheritance and gift tax (*Erbschafts- und Schenkungssteuer*) was abolished in 2008. However, certain gift notification requirements might apply.

Other Taxes

No stamp, issue, registration or similar direct or indirect taxes or duties will be payable in Austria in connection with the issuance, delivery or execution of the Notes. Currently, net assets tax (*Vermögensteuer*) is not levied in Austria.

The European Commission and certain EU Member States (including Austria) are intending to introduce a financial transaction tax ("FTT"). The actual scope of application of the FTT is not yet finally clear as the discussions among the involved EU Member States are still ongoing. It is conceivable that the FTT may apply to certain transactions relating to the Notes. Prospective Holders are therefore strongly advised to seek their own tax advice with respect to the FTT.

The Netherlands

The following discussion outlines the principal Netherlands tax consequences of the acquisition, holding, settlement, redemption and disposal of the Notes, but does not purport to be a comprehensive description of all Netherlands tax considerations in relation thereto. This discussion is intended as general information only for Holders of Notes who are residents or deemed residents of The Netherlands for Netherlands tax purposes. Each prospective investor should consult a professional tax adviser with respect to the tax consequences of an investment in the Notes.

This discussion is based on tax legislation, published case law, treaties, regulations and published policy, in each case as in force as of the date of this Prospectus, and does not take into account any developments or amendments thereof after that date whether or not such developments or amendments have retroactive effect.

This discussion does not address The Netherlands tax consequences for:

- (i) investment institutions (*fiscale beleggingsinstellingen*);
- (ii) pension funds, exempt investment institutions (*vrijgestelde beleggingsinstellingen*) or other entities that are exempt from Netherlands corporate income tax;
- (iii) Holders of Notes holding a substantial interest (*aanmerkelijk belang*) or deemed substantial interest (*fictief aanmerkelijk belang*) in the Issuer and Holders of Notes of whom a certain related person holds a substantial interest in the Issuer. Generally speaking, a substantial interest in the Issuer arises if a person, alone or, where such person is an individual, together with his or her partner (statutory defined term), directly or indirectly, holds or is deemed to hold (i) an interest of 5% or more of the total issued capital of the Issuer or of 5% or more of the issued capital of a certain class of shares of the Issuer, (ii) rights to acquire, directly or indirectly, such interest or (iii) certain profit sharing rights in the Issuer;
- (iv) persons to whom the Notes and the income from the Notes are attributed based on the separated private assets (*afgezonderd particulier vermogen*) provisions of The Netherlands Income Tax Act 2001 (*Wet inkomstenbelasting 2001*) and the Netherlands Gift and Inheritance Tax Act 1956 (*Successiewet 1956*);
- (v) entities which are a resident of Aruba, Curacao or Sint Maarten that have an enterprise which is carried on through a permanent establishment or a permanent representative on Bonaire, Sint Eustatius or Saba, to which permanent establishment or permanent representative the Notes are attributable; and
- (vi) Holders of Notes which are not considered the beneficial owner (*uiteindelijk gerechtigde*) of these Notes or of the benefits derived from or realized in respect of these Notes.

For the purpose of the Netherlands tax consequences described herein, it is assumed that the Issuer is neither a resident nor deemed to be a resident of The Netherlands for Netherlands tax purposes.

Where this section refers to The Netherlands, such reference is restricted to the part of the Kingdom of The Netherlands that is situated in Europe and the legislation applicable in that part of the Kingdom.

Netherlands Withholding Tax

All payments made by the Issuer under the Notes may be made free of withholding or deduction for any taxes of whatsoever nature imposed, levied, withheld or assessed by The Netherlands or any political subdivision or taxing authority thereof or therein.

Netherlands Corporate and Individual Income Tax

If a Holder is a resident or deemed to be a resident of The Netherlands for Netherlands tax purposes and is fully subject to Netherlands corporate income tax or is only subject to Netherlands corporate income tax in respect of an enterprise to which the Notes are attributable, income derived from the Notes and gains realized upon the redemption, settlement or disposal of the Notes are generally taxable in The Netherlands (at up to a maximum rate of 25%).

If a Holder is a resident or deemed to be a resident of The Netherlands for Netherlands tax purposes (including an individual who has opted to be taxed as a resident of The Netherlands), income derived from the Notes and gains realized upon the redemption, settlement or disposal of the Notes are taxable at the progressive rates (at up to a maximum rate of 52%) under the Netherlands Income Tax Act 2001 (*Wet inkomstenbelasting 2001*), if:

- (i) the individual is an entrepreneur (*ondernemer*) and has an enterprise to which the Notes are attributable or the individual has, other than as a shareholder, a co-entitlement to the net worth of an enterprise (*medegerechtigde*), to which enterprise the Notes are attributable; or
- (ii) such income or gains qualify as income from miscellaneous activities (*resultaat uit overige werkzaamheden*), which include the performance by the individual of activities with respect to the Notes that exceed regular, active portfolio management (*normaal, actief vermogensbeheer*).

If neither condition (i) nor condition (ii) applies, an individual that holds the Notes, must determine taxable income with regard to the Notes on the basis of a deemed return on income from savings and investments (*sparen en beleggen*), rather than on the basis of income actually received or gains actually realized. This deemed return on income from savings and investments is fixed at a rate of 4% of the individual's yield basis (*rendementsgrondslag*) at the beginning of the calendar year (January 1), insofar as the individual's yield basis exceeds a certain threshold (*heffingvrij vermogen*). The individual's yield basis is determined as the fair market value of certain qualifying assets held by the individual less the fair market value of certain qualifying liabilities on 1 January. The fair market value of the Notes will be included as an asset in the individual's yield basis. The 4% deemed return on income from savings and investments is taxed at a rate of 30%

Netherlands Gift and Inheritance Tax

Netherlands gift or inheritance taxes will not be levied on the occasion of the transfer of a Note by way of gift by, or on the death of, a Holder of a Note, unless:

- (i) the Holder of a Note is, or is deemed to be, resident in The Netherlands for the purpose of the relevant provisions; or
- (ii) the transfer is construed as an inheritance or gift made by, or on behalf of, a person who, at the time of the gift or death, is or is deemed to be resident in The Netherlands for the purpose of the relevant provisions.

Other Netherlands Taxes and Duties

In general, no value added tax will arise in respect of payments in consideration for the issue of the Notes or in respect of a cash payment made under the Notes, or in respect of a transfer of Notes and no registration tax, customs duty, transfer tax, stamp duty or any other similar documentary tax or duty will be payable in The Netherlands by a Holder in respect of or in connection with the subscription, issue, placement, allotment, delivery or transfer of the Notes.

EU Savings Directive

Under the European Council Directive 2003/48/EC on the taxation of savings income (the "**EU Savings Directive**"), Member States are required to provide to the tax authorities of other Member States details of certain payments of interest or similar income paid or secured by a person resident in a Member State to or for the benefit of an individual resident in another Member State or certain limited types of entities established in another Member State.

On March 24, 2014, the Council of the European Union adopted a Council Directive amending and broadening the scope of the requirements described above. Member States are required to apply these new requirements from January 1, 2017. The changes will expand the range of payments covered by the EU Savings Directive, in particular to include additional types of income payable on securities. The Directive will also expand the circumstances in which payments that indirectly benefit an individual resident in a Member State must be reported. This approach will apply to payments made to, or secured for, persons, entities or legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union.

For a transitional period, Luxembourg and Austria are required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments. The changes referred to above will broaden the types of payments subject to withholding in those Member States which still operate a withholding system when they are implemented. In April 2013, the Luxembourg Government announced its intention to abolish the withholding system with effect from January 1, 2015, in favour of automatic information exchange under the EU Savings Directive.

The end of the transitional period is dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries. A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

Foreign Account Tax Compliance Act

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 ("**FATCA**") impose a new reporting regime and potentially a 30% withholding tax with respect to certain payments to (i) any non-U.S. financial institution (a "foreign financial institution", or "**FFI**" (as defined by FATCA)) that does not become a "**Participating FFI**" by entering into an agreement with the U.S. Internal Revenue Service ("**IRS**") to provide the IRS with certain information in respect of its account holders and investors or is not otherwise exempt from or in deemed compliance with FATCA and (ii) any investor (unless otherwise exempt from FATCA) that does not provide information sufficient to determine whether the investor is a U.S. person or should otherwise be treated as holding a "United States account" of the Issuer (a "**Recalcitrant Holder**"). The Issuer may be classified as FFIs.

The new withholding regime was phased in beginning July 1, 2014 for payments from sources within the United States and will apply to "**foreign passthru payments**" (a term not yet defined) no earlier than January 1, 2017. This withholding would potentially apply to payments in respect of (i) any Notes characterized as debt (or which are not otherwise characterized as equity and have a fixed term) for U.S. federal tax purposes that are issued after the "**grandfathering date**", which is the date that is six months after the date on which final U.S. Treasury regulations defining the term foreign passthru payment are filed with the Federal Register, or which are materially modified after the grandfathering date and (ii) any Notes characterized as equity or which do not have a fixed term for U.S. federal tax purposes, whenever issued. If Notes are issued on or before the grandfathering date, and additional Notes of the same series are issued after that date, the additional Notes may not be treated as grandfathered, which may have negative consequences for the existing Notes, including a negative impact on market price.

The United States and a number of other jurisdictions have announced their intention to negotiate intergovernmental agreements to facilitate the implementation of FATCA (each, an "**IGA**"). Pursuant to FATCA and the "Model 1" and "Model 2" IGAs released by the United States, an FFI in an IGA signatory country could be treated as a "**Reporting FI**" not subject to withholding under FATCA on any payments it receives. Further, an FFI in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA (or any law implementing an IGA) (any such withholding being "**FATCA Withholding**") from payments it makes. Under each Model IGA, a Reporting FI would still be required to report certain information in respect of its account holders and investors to its home

government or to the IRS. The United States and Germany have entered into an agreement (the "**U.S.-Germany IGA**") based largely on the Model 1 IGA.

If the Issuer are treated as Reporting FIs pursuant to the U.S.-Germany IGA they do not anticipate that they will be obliged to deduct any FATCA Withholding on payments they make. There can be no assurance, however, that the Issuer will be treated as Reporting FIs, or that they would in the future not be required to deduct FATCA Withholding from payments they make. Accordingly, the Issuer and financial institutions through which payments on the Notes are made may be required to withhold FATCA Withholding if (i) any FFI through or to which payment on such Notes is made is not a Participating FFI, a Reporting FI, or otherwise exempt from or in deemed compliance with FATCA or (ii) an investor is a Recalcitrant Holder.

While the Notes are in global form and held within Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme (together, the "**ICSDs**") and Clearstream Banking AG, Frankfurt am Main (together with the ICSDs, the "**Clearing Systems**"), it is expected that FATCA will not affect the amount of any payments made under, or in respect of, the Notes by the Issuer, any paying agent and the common depositary or common safekeeper, given that each of the entities in the payment chain between the Issuer and the participants in the Clearing Systems is a major financial institution whose business is dependent on compliance with FATCA and that any alternative approach introduced under an IGA will be unlikely to affect the Notes.

FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on regulations, official guidance and model IGAs, all of which are subject to change or may be implemented in a materially different form. Prospective investors should consult their tax advisers on how these rules may apply to payments they may receive in connection with the Notes.

The proposed financial transactions tax (FTT).

On February 14, 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common financial transactions tax (the "**FTT**") in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**").

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.

A joint statement issued in May 2014 by ten of the eleven participating Member States indicates an intention to implement the FTT progressively, such that it would initially apply to shares and certain derivatives only, with this initial implementation occurring by January 1, 2016. The FTT, as initially implemented on this basis, may not apply to dealings in the Notes.

The FTT proposal remains subject to negotiation between the participating Member States. It may therefore be altered prior to any implementation. Additional Member States may decide to participate. Prospective Holders of the Notes are advised to seek their own professional advice in relation to the FTT.

OFFER, SUBSCRIPTION AND SALE

Offer of the Notes

Offer period and determination of Pricing Details

The Notes will be offered to investors by Banco Bilbao Vizcaya Argentaria, S.A., Barclays Bank PLC, Bayerische Landesbank, BNP Paribas, Citigroup Global Markets Limited, Commerzbank Aktiengesellschaft, Deutsche Bank AG, London Branch, DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main, Goldman Sachs International, J.P. Morgan Securities plc, Landesbank Baden-Württemberg, Landesbank Hessen-Thüringen, Merrill Lynch International, Skandinaviska Enskilda Banken AB (publ), Société Générale, The Royal Bank of Scotland plc and UniCredit Bank AG (together, the "**Joint Bookrunners**") during an offer period which will commence on December 9, 2014 and will be open until December 12, 2014 subject to a shortening or extension agreed by the Issuer and the Joint Bookrunners. Should the Issuer and the Joint Bookrunners 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).

The Notes will be offered to institutional investors and retail investors in compliance with applicable public offer restrictions. The Notes will be offered to the public in each of Luxembourg, Austria, Germany and the Netherlands during the Offer Period provided however, that the Prospectus is still valid in accordance with Article 11 of the Luxembourg Prospectus Law.

The Issue Price, the aggregate principal amount of Notes to be issued, the Fixed Interest Rate, several margins, the issue proceeds and the yield of the issue to the First Call Date for each Series (together, the "**Pricing Details**") will be determined as described in "Method of determination of the Pricing Details" below on the pricing date which is expected to be on or about December 8, 2014 (the "**Pricing Date**"). Upon determination, the Pricing Details will be set out in a notice (the "**Pricing Notice**") which will be filed with the CSSF and published on the website of the Luxembourg Stock Exchange (www.bourse.lu) on or after the Pricing Date and prior to the Issue Date.

Conditions and details of the offer

There are no conditions to which the offer is subject. In particular, there is no minimum or maximum amount of Notes required to be purchased. Investors may place offers to purchase Notes in any amount.

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.

Any offer of Notes to investors will be made through the information system Bloomberg or any other commonly used information systems.

Offers to purchase Notes by the investors

During the offer period (including prior to the Pricing Date) investors may submit offers to purchase Notes to the Joint Bookrunners using the information system Bloomberg or any other commonly used information systems or banking institutions which are connected to Clearstream or Euroclear. In the case of an order prior to the determination of the Pricing Details, the investors shall specify at which price they would be prepared to purchase which amount of Notes. Following determination and notification of the Pricing Details, any order placed by investors with respect to the Notes will be

deemed to have been made at the relevant Issue Price and the relevant Fixed Interest Rate and the relevant margins determined.

Method of determination of the Pricing Details

The Issue Price, the aggregate principal amount of Notes to be issued, the Fixed Interest Rate, the relevant margins and the yield of the issue for each Series will be determined by the Issuer and the Joint Bookrunners on the basis of the price indications and orders received by the Joint Bookrunners from the investors by the time of pricing.

The relevant Issue Price for, and the relevant interest rate of, the Notes will be fixed on the basis of a yield which is determined by adding a credit spread ("**Pricing Credit Spread**") to the level of the Midswaps at the time of pricing. The level of the Midswaps will be determined as the average yield of the bid and ask prices of Interest-Swap Transactions ("**Midswaps**") with a maturity corresponding to the relevant First Call Date of the Notes shown on the Reuters page ICAPEURO or on any other screen page which is conventionally used to price Eurobond transactions at the time of pricing. The Pricing Credit Spread will be fixed on the basis of the orders received and confirmed by the Joint Bookrunners.

The resulting yield will be used to determine the relevant Issue Price (which is expected to be less than par) and the rate of interest (which is expected to be a percentage figure which can be evenly divided by 1/8 of a full per cent. and which will be correspondingly higher if a higher relevant Issue Price is determined and which will be correspondingly lower if a lower relevant Issue Price is determined), all to correspond to the yield which reflects the level of the Midswaps and the Pricing Credit Spread. In the event that the figures for the relevant Midswaps will not be shown as set out above, the yield, the relevant Issue Price and the relevant Fixed Rate Interest will be determined in a manner which banks and other institutional market participants apply at that time.

Subscription and allotment of the Notes

Subscription by the Joint Bookrunners

Following the determination of the Pricing Details, the Joint Bookrunners will, pursuant to a subscription agreement to be signed on or about December 10, 2014 (the "**Subscription Agreement**"), agree to subscribe for the Notes. The Joint Bookrunners will be entitled, under certain circumstances, to terminate the agreement reached with the Issuer. In such event, no Notes will be delivered to investors. Furthermore, the Issuer will agree to indemnify the Joint Bookrunners against certain liabilities in connection with the offer and sale of the Notes.

The commission payable to the Joint Bookrunners in connection with the offering, placement and subscription of the Notes will be up to 0.66% of the aggregate principal amount of the Notes.

The Joint Bookrunners 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 Joint Bookrunners or their affiliates have received or will receive customary fees and commissions. In addition, the Joint Bookrunners or their affiliates are involved in financing initiatives relating to the Issuer including the provision of an, as yet, undrawn credit facility.

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.

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 Joint Bookrunners 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 Joint Bookrunners that its offer to purchase Notes has been accepted, the investor may reduce or withdraw its purchase order.

Delivery of the Notes to investors

Following the determination of the Pricing Details and confirmation which orders have been accepted and which amounts have been allotted to particular investors, delivery and payment of the Notes will be made within five Business Days after the date of pricing of the Notes and the confirmation of the allotment to investors. The Notes so purchased will be delivered via book-entry through the Clearing Systems (see "*General Information – Clearing Systems and Security Codes*") and their depository banks against payment of the relevant 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

The Joint Bookrunners have agreed to observe all applicable laws and regulations in each jurisdiction in or from which it may acquire, offer, sell or deliver Notes or have in its possession or distribute this Prospectus or any other offering material relating to the Notes. No action has been, or will be, taken in any country or jurisdiction that would, to the best of the Joint Bookrunners' knowledge, permit a public offering of the Notes, or the possession or distribution of this Prospectus or any other offering material relating to the Notes, in any country or jurisdiction where action for that purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Prospectus nor any circular, prospectus, form of application, advertisement or other offering material relating to the Notes may be distributed in or from, or published in, any country or jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations and all offers and sales of Notes by it will be made on the same terms.

European Economic Area – Public Offer Selling Restriction under the Prospectus Directive

In relation to each Member State of the European Economic Area (the EU plus Iceland, Norway and Liechtenstein) which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each Joint Bookrunner 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 which are the subject of the offering contemplated by this Prospectus to the public in that Relevant Member State other than the offers contemplated in the Prospectus in Luxembourg, Austria, Germany and The Netherlands from the time the Prospectus has been approved by the competent authority in Luxembourg and published and notified to the relevant competent authorities in accordance with the Prospectus Directive as implemented in Luxembourg, Austria, Germany and The Netherlands until the Issue

Date, and provided that the Issuer has consented in writing to the use of the Prospectus for any such offers, except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (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 Joint Bookrunner; 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 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,

- (i) 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 Member State by any measure implementing the Prospectus Directive in that Member State,
- (ii) the expression "**Prospectus Directive**" means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU) and includes any relevant implementing measure in each Relevant Member State.

United States of America

The Notes have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

Each Joint Bookrunner has represented, warranted and undertaken that it has not offered or sold, and will not offer or sell, the Notes constituting part of its allotment within the United States except in accordance with Rule 903 of Regulation S under the Securities Act. Accordingly, each Joint Bookrunner has further represented, warranted and undertaken that neither it, 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. Terms used in this paragraph shall have the same meanings given to them by Regulation S.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code of 1986, as amended, and regulations thereunder.

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.

United Kingdom of Great Britain and Northern Ireland ("United Kingdom")

Each Joint Bookrunner has represented and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000, as amended (the "FSMA")) received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer, 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.

GENERAL INFORMATION

Application has been made to the CSSF, which is the Luxembourg competent authority for the purpose of the Prospectus Directive for its approval of this Prospectus. By approving a prospectus, the CSSF shall give no undertaking as to the economic and financial soundness of the operation or the quality or solvency of the Issuer.

Interest of Natural and Legal Persons involved in the Issue/Offer

Certain of the Joint Bookrunners and their affiliates may be customers of, borrowers from or creditors of Merck KGaA and/or its affiliates. In addition, certain Joint Bookrunners and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for Merck KGaA and/or its affiliates in the ordinary course of business.

Authorization

The issue of the Notes was authorized by the Executive Board of Merck KGaA on November 25, 2014 and the Board of Partners of E. Merck KG, dated September 22, 2014.

Use of Proceeds/Expenses of the Issue

The net proceeds from the issuance of the Notes, estimated by the Issuer to be approximately EUR [●], will be used to partly finance the acquisition of Sigma-Aldrich. In the event that the aforementioned transaction is not consummated, the proceeds of the issuance of the Notes may be used for the Issuer's general corporate purposes, which may include the financing of other merger and acquisition activities. The expenses related to the issue of the Notes are expected to amount to approximately EUR 980,000 plus the fees of 0.66 per cent of the aggregate principal amount of the Notes to be paid in connection with the offer of the Notes to the Joint Bookrunners.

Listing and admission to trading of the Notes

Application has been made to the Luxembourg Stock Exchange for the Notes to be admitted to trading on the Regulated Market of the Luxembourg Stock Exchange (which is a regulated market for the purposes of Directive 2004/39/EC on Markets in Financial Instruments) and to be listed on the Official List of the Luxembourg Stock Exchange on or around the Issue Date.

Clearing Systems and Security Codes

The Notes have been accepted for clearance through:

Clearstream Banking, société anonyme
42 Avenue JF Kennedy
1855 Luxembourg
The Grand Duchy of Luxembourg

and

Euroclear Bank S.A./N.V.
1 Boulevard du Roi Albert II
1210 Brussels
Kingdom of Belgium

The Notes have the following securities codes:

NC6.5 Notes:

International Securities Identification Number (ISIN)	XS1152338072
Common Code	115233807
German Securities Identification Number (<i>Wertpapierkennnummer</i> , WKN)	A13R96

NC10 Notes:

International Securities Identification Number (ISIN)	XS1152343668
Common Code	115234366
German Securities Identification Number (<i>Wertpapierkennnummer</i> , WKN)	A13R97

Ratings of the Issuer and the Notes¹⁴

The following table shows the credit ratings of Merck:

Rating Agency	Long-term Rating	Outlook	Short-term Rating
Standard & Poor's Ratings Services ("Standard & Poor's")	A ¹⁵	negative	A-1 ¹⁶
Moody's Investors Service ("Moody's")	A3 ¹⁷	review for downgrade	P-2 ¹⁸

The Notes are expected to be rated "BBB+"¹⁹ by Standard & Poor's and "Baa3"²⁰ by Moody's.

¹⁴ Rating information is merely an aid for investors for the purposes of decision-making and cannot replace an individual judgment to be made by the investor and may not be taken as a recommendation to purchase or sell certain Notes. Ratings are merely intended as a support when making an investment decision and are only one of the factors relevant to an evaluation, which factor must be seen and weighted in the context of other factors. As ratings often are amended only after the creditworthiness of an issuer or guarantor has changed, investors have to make their own judgments although a rating may exist.

¹⁵ Standard & Poor's defines "A" as follows: "An obligor rated 'A' has strong capacity to meet its financial commitments but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligors in higher-rated categories. The ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or (-) sign to show relative standing within the major rating categories."
 Holders should be aware that a credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

¹⁶ Standard & Poor's defines "A-1" as follows: "An obligor rated 'A-1' has strong capacity to meet its financial commitments. It is rated in the highest category by Standard & Poor's. Within this category, certain obligors are designated with a plus sign (+). This indicates that the obligor's capacity to meet its financial commitments is extremely strong. The ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or (-) sign to show relative standing within the major rating categories."
 Holders should be aware that a credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

¹⁷ Moody's defines "A3" as follow: "Obligations rated 'A' are judged to be upper-medium grade and are subject to low credit risk. Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification from Aa through Caa. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category."
 Holders should be aware that a credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

¹⁸ Moody's defines defines "P-2" as follows: "Issuers (or supporting institutions) rated Prime-2 have a strong ability to repay short-term debt obligations."
 Holders should be aware that a credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

¹⁹ Standard & Poor's defines "BBB+" as follows: "An obligation rated 'BBB' exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity

Each of these rating agencies has a registered domicile in the European Union and has been declared to be registered in accordance with Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of September 16, 2009 on rating agencies by the ESMA (source: ESMA, Press release of October 31, 2011, ESMA, List of registered and Certified Credit Rating Agencies, <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>).

Indication of Yield

The yield in respect of the NC6.5 Notes from the Issue Date to the NC6.5 First Call Date is [●]% *per annum*, calculated on the basis of the NC6.5 Issue Price. Such yield is calculated in accordance with the ICMA (*International Capital Markets Association*) Method.

The yield in respect of the NC10 Notes from the Issue Date to the NC10 First Call Date is [●]% *per annum*, calculated on the basis of the NC10 Issue Price. Such yield is calculated in accordance with the ICMA (*International Capital Markets Association*) Method.

Third Party Information

With respect to any information included herein and specified to be sourced from a third party (i) the Issuer confirms that any such information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from information available to it from such third party, no facts have been omitted the omission of which would render the reproduced information inaccurate or misleading and (ii) the Issuer has not independently verified any such information and accepts no responsibility for the accuracy thereof.

Consent to the use of the Prospectus

The Issuer has consented in writing to the use of this Prospectus during the offer period which will commence on December 9, 2014 and will be open until December 12, 2014 (the "**Offer Period**") by the Joint Bookrunners and by all financial intermediaries (general consent) for the offers in compliance with the Selling Restrictions (see "*Selling Restrictions*") 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. Financial intermediaries may use the Prospectus for subsequent resale or final placement of the Notes into Austria, Germany, Luxembourg and The Netherlands. The subsequent resale or final placement of Notes by financial intermediaries can be made from December 9, 2014 until December 12, 2014 (being the date of issuance of the Notes) provided however, that the Prospectus is still valid in accordance with Article 11 of the Luxembourg Prospectus Law.

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.

of the obligor to meet its financial commitment on the obligation. The ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or (-) sign to show relative standing within the major rating categories."

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

²⁰ Moody's defines "Baa3" as follows: "Obligations rated Baa are judged to be medium-grade and subject to moderate credit risk and as such may possess certain speculative characteristics. Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification from Aa through Caa. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category."

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

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.

Documents available

So long as the Notes are outstanding, copies of the following documents will be available from the registered office of the Issuer and from the specified office of the Principal Paying Agent:

- (a) the articles of association (with an English translation where applicable) of the Issuer;
- (b) a copy of this Prospectus;
- (c) the documents incorporated herein by reference; and
- (d) any future information memoranda and supplements to this Prospectus and any other documents incorporated herein or therein by reference.

This Prospectus, any supplements thereto as well as the documents incorporated by reference in this Prospectus are available on the website of the Luxembourg Stock Exchange (www.bourse.lu).

DOCUMENTS INCORPORATED BY REFERENCE

The pages set out in the "Table of documents incorporated by reference" below which are extracted from the following documents shall be deemed to be incorporated in, and to form part of, this Prospectus: (a) the consolidated annual report 2012 and the annual report 2013 of Merck, including the audited consolidated financial statements of Merck for the fiscal years ending December 31, 2012 and December 31, 2013, in each case including the respective auditor's report opinion (German and English language version); and (b) the unaudited condensed consolidated interim financial statements of Merck for the nine-month period ended September 30, 2014 (German and English language version).

Any information not incorporated by reference into this Prospectus but contained in one of the documents mentioned as source documents in the cross reference list below is either not relevant for the investor or covered in another part of this Prospectus.

The Issuer will provide, without charge, upon written or oral request, a copy of any or all of the documents incorporated herein by reference. Requests for such documents should be directed to the Issuer at its registered office set out at the end of this Prospectus.

Table of documents incorporated by reference:

- (1) Audited consolidated financial statements for the fiscal year ending December 31, 2012 (IFRS) (Extracted from the English language Merck KGaA 2012 Annual Report (German language version is controlling and binding))

Consolidated Income Statement	page 128
Consolidated Statement of Comprehensive Income	page 129
Consolidated Balance Sheet.....	page 130
Consolidated Cash Flow Statement	page 131
Consolidated Statement of Changes in Equity.....	pages 132 - 133
Notes to the Group accounts	pages 134 - 206
Unaudited Responsibility Statement.....	page 207
Auditor's Report.....	page 208

- (2) Audited consolidated financial statements for the fiscal year ending December 31, 2013 (IFRS) (Extracted from the English language Merck KGaA 2013 Annual Report (German language version is controlling and binding))

Consolidated Income Statement	page 180
Consolidated Statement of Comprehensive Income	page 181
Consolidated Balance Sheet.....	page 182
Consolidated Cash Flow Statement	page 183
Consolidated Statement of Changes in Equity.....	pages 184 - 185
Notes to the Group accounts	pages 186 - 269
Unaudited Responsibility Statement.....	page 270
Auditor's Report.....	page 271

- (3) Unaudited condensed consolidated interim report for the nine-month period ended September 30, 2014 (IFRS) (Extracted from the English language Merck KGaA nine-month period interim report 2014 (German language version is controlling and binding))

Consolidated Income Statement	page 47
Consolidated Statement of Comprehensive Income	page 48
Consolidated Balance Sheet.....	page 49
Consolidated Cash Flow Statement	page 50
Consolidated Statement of Changes in Equity.....	page 51
Notes to the Interim Consolidated Financial Statements	pages 52 - 72

- (4) Audited consolidated financial statements for the fiscal year ending December 31, 2012 (IFRS) (Extracted from the German language Merck KGaA 2012 Annual Report)

Konzern-Gewinn und Verlustrechnung	page 128
Konzerngesamtergebnisrechnung	page 129
Konzernbilanz.....	page 130
Konzernkapitalflussrechnung	page 131
Konzern Eigenkapitalveränderungsrechnung.....	pages 132 - 133
Konzernanhang	pages 134 - 206
Ungeprüfte Versicherung der gesetzlichen Vertreter	page 207
Bestätigungsvermerk des Abschlussprüfers	page 208

(5) Audited consolidated financial statements for the fiscal year ending December 31, 2013 (IFRS) (Extracted from the German language Merck KGaA 2013 Annual Report)

Konzern-Gewinn und Verlustrechnung	page 180
Konzerngesamtergebnisrechnung	page 181
Konzernbilanz	page 182
Konzernkapitalflussrechnung	page 183
Konzerneigenkapitalveränderungsrechnung	pages 184 - 185
Konzernanhang	pages 186 - 269
Ungeprüfte Versicherung der gesetzlichen Vertreter	page 270
Bestätigungsvermerk des Abschlussprüfers	page 271

(6) Unaudited condensed consolidated interim report for the nine-month period ended September 30, 2014 (IFRS) (Extracted from the German language Merck KGaA nine-month period interim report 2014)

Konzern-Gewinn und Verlustrechnung	page 47
Konzerngesamtergebnisrechnung	page 48
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Konzernkapitalflussrechnung	page 50
Konzerneigenkapitalveränderungsrechnung	page 51
Erläuterungen zum Konzernzwischenabschluss	pages 52 - 72

NAMES AND ADDRESSES

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