



SAF-HOLLAND S.A.

(a public limited liability company (société anonyme), incorporated under the laws of the Grand Duchy of Luxembourg, having its registered office at 68-70, boulevard de la Pétrusse, 2320 Luxembourg, Grand Duchy of Luxembourg and registered with the Luxembourg trade and companies register (Registre de commerce et des sociétés) under number B 113.090)

**Up to €75,000,000 7.000% Notes due 2018
unconditionally and irrevocably guaranteed by
SAF-HOLLAND GmbH and SAF-HOLLAND USA, Inc.**

(limited liability companies incorporated under the laws of the Federal Republic of Germany and the State of Michigan, United States of America, respectively)

Issue Price: 100%

SAF-HOLLAND S.A. (the “**Issuer**” or the “**Company**”), incorporated under the laws of the Grand Duchy of Luxembourg (“**Luxembourg**”), will issue on or about October 31, 2012 (the “**Issue Date**”) up to €75,000,000 7.000% notes due 2018 (the “**Notes**”). The Notes will bear interest from and including October 31, 2012 to, but excluding, April 26, 2018 at a rate of 7.000% per annum, payable annually in arrear on April 26, in each year, commencing on April 26, 2013.

The Notes have the benefit of unconditional and irrevocable guarantees of SAF-HOLLAND GmbH and SAF-HOLLAND USA, Inc. (each a “**Guarantee**”, and together the “**Guarantees**”). The obligations under the Notes will constitute unsubordinated and, except for the Guarantees, unsecured obligations of the Issuer, ranking *pari passu* among themselves and *pari passu* with all other unsubordinated and unsecured obligations of the Issuer, unless such obligations are accorded priority under mandatory provisions of statutory law.

The Notes will mature on April 26, 2018. The Issuer may redeem all (but not only some) of the Notes at their principal amount together with interest accrued to the date of such redemption, in the event of certain tax changes as described under “*Conditions of Issue – Redemption – Early Redemption for Reasons of Taxation*”. In addition, upon the occurrence of a Change of Control the holder of each Note will have the right to require the Issuer to redeem such Note at its principal amount together with accrued interest to (but excluding) the Optional Redemption Date as described below in “*Conditions of Issue – Redemption – Early Redemption at the Option of the Holders following a Change of Control Event*”.

This prospectus (the “**Prospectus**”) constitutes a prospectus within the meaning of Article 5 para. 3 of Directive 2003/71/EC of the European Parliament and the Council of November 4, 2003 (as amended, *inter alia*, by Directive 2010/73/EU) (the “**Prospectus Directive**”). This Prospectus will be published in electronic form together with all documents incorporated by reference on the website of the Luxembourg Stock Exchange (www.bourse.lu). This Prospectus has been approved by the *Commission de Surveillance du Secteur Financier* of the Grand Duchy of Luxembourg (the “**CSSF**”) in its capacity as competent authority under the Luxembourg law of 10 July 2005 on prospectuses for securities, as amended (*Loi relative aux prospectus pour valeurs mobilières telle que modifiée*, the “**Luxembourg Prospectus Law**”), which implements the Prospectus Directive into Luxembourg law. The Issuer has requested the CSSF to provide the competent authority in the Federal Republic of Germany (“**Germany**”) and the Republic of Austria (“**Austria**”) with a certificate of approval attesting that this Prospectus has been prepared in accordance with the Luxembourg Prospectus Law (the “**Notification**”). The CSSF assumes no responsibility with regard to the economic and financial soundness of the transaction and the quality and solvency of the Issuer. The CSSF gives no undertaking as to the economic and financial soundness of the transaction and the quality or solvency of the Issuer in line with the provisions of article 7(7) of the Luxembourg Prospectus Law.

Application has been made to admit the Notes to trading on the Regulated Market (*regulierter Markt*) of the Frankfurt Stock Exchange, a market appearing on the list of regulated markets issued by the European Commission pursuant to Directive 2004/39/EC of April 21, 2004 on markets in financial instruments, and to include the Notes in the Prime Standard for corporate bonds segment of Deutsche Börse AG.

The Notes are issued in bearer form with a denomination of €1,000 each.

The Notes have been assigned the following securities codes: ISIN DE000A1HA979, WKN A1HA97.

Lead Manager

IKB Deutsche Industriebank

The date of this Prospectus is October 17, 2012.

RESPONSIBILITY STATEMENT

Each of the Issuer, SAF-HOLLAND GmbH and SAF-HOLLAND USA, Inc. (SAF-HOLLAND GmbH and SAF-HOLLAND USA, Inc. each a “**Guarantor**” and together the “**Guarantors**”) accepts responsibility for the information contained in this Prospectus and hereby declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

Each of the Issuer and the Guarantors further confirms that (i) this Prospectus contains all information with respect to the Issuer and the Guarantors as well as to the Issuer’s subsidiaries and affiliates taken as a whole (the “**SAF-HOLLAND Group**” or the “**Group**”) and to the Notes and the Guarantees which is material in the context of the issue and offering of the Notes and the Guarantees, including all information which, according to the particular nature of the Issuer and the Guarantors and of the Notes and the Guarantees is necessary to enable investors and their investment advisers to make an informed assessment of the assets and liabilities, financial position, profits and losses, and prospects of the Issuer, the Guarantors and the Group and of the rights attached to the Notes and the Guarantees; (ii) the statements contained in this Prospectus relating to the Issuer, the Guarantors, the Group, the Notes and the Guarantees are in every material particular true and accurate and not misleading; (iii) there are no other facts in relation to the Issuer, the Guarantors, the Group, the Notes or the Guarantees the omission of which would, in the context of the issue and offering of the Notes, make any statement in the Prospectus misleading in any material respect; and (iv) reasonable enquiries have been made by the Issuer and the Guarantors to ascertain such facts and to verify the accuracy of all such information and statements.

CONSENT

The Issuer consents to the use of the prospectus for subsequent resale or final placement of the Notes by **all financial intermediaries**, subject to the following conditions: (i) The use of the Prospectus is strictly limited to the offer period specified in Section E (Offer) below; (ii) All offering and/or resale activities (including, but not limited to, all related information, marketing and distribution activities) (“**Resale Activities**”) taken by the relevant financial intermediary must comply with: (x) all applicable laws (including all laws applicable to Resale Activities in the jurisdictions where the respective investors and/or potential investors are located or resident when they are approached by, or have access to, Resale Activities) and (y) all requirements and selling restrictions described in this Prospectus; (iii) the use of the Prospectus is limited to the following jurisdictions: **Luxembourg, Germany and Austria**; and (iv) all Resale Activities must be accompanied by the direct hand-over of the Prospectus in its up-to-date form, including all amendments, supplements, additional information, as available at the website of the Luxembourg Stock Exchange (www.bourse.lu) (the “**Up-to-date Prospectus**”). The Issuer accepts the responsibility for the content of the prospectus also with respect to subsequent resale or final placement of securities by any financial intermediary which was given this consent to use the prospectus. **At the time of the offer made by any financial intermediary investors must be provided with the Up-to-date Prospectus (including the terms and conditions of the offer) by any financial intermediary. Further, all financial intermediaries using the Prospectus must state on their website that each of them uses the Prospectus in accordance with the consent and the conditions attached thereto.**

NOTICE

No person is authorised to give any information or to make any representations other than those contained in this Prospectus and, if given or made, such information or representations must not be relied upon as having been authorised by or on behalf of the Issuer, the Guarantors or the Lead Manager (as defined in “*Subscription, Sale and Offer of the Notes*”). Neither the delivery of this Prospectus nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or the Guarantors or any of their affiliates since the date of this Prospectus, or that the information herein is correct at any time since its date.

Neither the Lead Manager nor any other person mentioned in this Prospectus, except for the Issuer and the Guarantors, is responsible for the information contained in this Prospectus or any other document incorporated herein by reference, and accordingly, and to the extent permitted by the laws of any relevant jurisdiction, none of these persons accepts any responsibility for the accuracy and completeness of the information contained in any of these documents. The Lead Manager has not independently verified any such information and accepts no responsibility for the accuracy thereof.

Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness of the Issuer and the Guarantors. This Prospectus does not constitute an offer of Notes or an invitation by or on behalf of the Issuer, the Guarantors or the Lead Manager to purchase any Notes. Neither this Prospectus nor any other information supplied in connection with the Notes should

be considered as a recommendation by the Issuer, the Guarantors or the Lead Manager to a recipient hereof and thereof that such recipient should purchase any Notes.

This Prospectus does not constitute, and may not be used for the purposes 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 offer or solicitation.

The offer, sale and delivery of the Notes and the distribution of this Prospectus in certain jurisdictions is restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer, the Guarantor and the Lead Manager to inform themselves about and to observe any such restrictions. In particular, the Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) and are subject to U.S. tax law requirements. Subject to certain limited exceptions, the Notes may not be offered, sold or delivered within the United States of America or to U.S. persons.

This Prospectus contains certain forward-looking statements. A forward-looking statement is a statement that does not relate to historical facts and events. They are based on analyses or forecasts of future results and estimates of amounts not yet determinable or foreseeable. These forward-looking statements are identified by the use of terms and phrases such as “*anticipate*”, “*believe*”, “*could*”, “*estimate*”, “*expect*”, “*intend*”, “*may*”, “*plan*”, “*predict*”, “*project*”, “*will*” and similar terms and phrases, including references and assumptions. This applies, in particular, to statements in this Prospectus containing information on future earning capacity, plans and expectations regarding the 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 the 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. The 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*”, “*Risk Factors*”, “*General Information on the Issuer and the Group*”, “*General Information on SAF-HOLLAND GmbH as Guarantor*”, “*General Information on SAF-HOLLAND USA, Inc. as Guarantor*”. These sections include more detailed descriptions of factors that might have an impact on the 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 Lead Manager assumes 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.

Where information in this Prospectus has been specifically identified as having been extracted from third party documents, each of the Issuer and the Guarantors confirms that this information has been accurately reproduced and that as far as the Issuer and the Guarantors are aware and are able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. In particular, the Issuer hired L.E.K. Consulting GmbH, Germany (“**L.E.K.**”), to research and provide certain market data for use in this Prospectus, including certain information under “*General Information on the Issuer and the Group – Market*”. Except where otherwise noted, all historical and projected market share data provided herein has been based on calculations made by L.E.K. and, in each case, such market data is based upon unit volumes. The Issuer has made these statements on the basis of information from L.E.K. that it believes is reliable. Although the Issuer has no reason to believe that any of this information is inaccurate in any material respect, the Issuer has not independently verified the competitive position, market share, market size, market growth or other data provided by third parties or by industry or other publications. Neither the Issuer nor the Guarantors nor the Lead Manager make any representation as to the accuracy of such information.

The language of the Prospectus is English. Any part of this Prospectus in the German language constitutes a translation. The German text of the Conditions of Issue and the Guarantees is controlling and binding.

The Prospectus and the documents incorporated by reference therein can be found on the website of the Luxembourg Stock Exchange (www.bourse.lu), the website of the Frankfurt Stock Exchange (www.boerse-frankfurt.de) and on the website of the Issuer (<http://corporate.safholland.com/de/investoren/anleihe>) and are obtainable in printed form free of charge at the address of the Paying Agent (as defined in “Conditions of Issue”).

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

TABLE OF CONTENTS

SUMMARY	5
GERMAN TRANSLATION OF THE SUMMARY	17
RISK FACTORS	29
REASONS FOR THE OFFERING AND USE OF PROCEEDS	40
GENERAL INFORMATION ON THE ISSUER AND THE GROUP	41
GENERAL INFORMATION ON SAF-HOLLAND GMBH AS GUARANTOR.....	62
GENERAL INFORMATION ON SAF-HOLLAND USA, INC. AS GUARANTOR.....	65
CONDITIONS OF ISSUE	67
GUARANTEES	92
TAXATION	107
SUBSCRIPTION, SALE AND OFFER OF THE NOTES	112
GENERAL INFORMATION.....	116
INCORPORATION BY REFERENCE	117
GLOSSARY	119
NAMES AND ADDRESSES.....	121

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 contains all elements required to be included in a summary for this type of securities and issuer. Because some elements are not required to be addressed, there may be gaps in the numbering sequence of the elements.

Even though an element may be required to be inserted in the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the element. In this case a short description of the element is included in the summary with the mention of “not applicable”.

Section A – Introduction and Warnings

A.1 *Warning*

- This summary (the “**Summary**”) should be read as introduction to the Prospectus;
- Any decision to invest in the Notes should be based on consideration of the Prospectus as a whole by the investor;
- Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the Prospectus before the legal proceedings are initiated.
- Civil liability attaches only to those persons who have tabled the Summary including any translation thereof, but only if the Summary is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus or it does not provide, when read together with other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the Notes.

A.2 *Consent*

The Issuer consents to the use of the prospectus for subsequent resale or final placement of the Notes **by all financial intermediaries**, subject to the following conditions:

- The use of the Prospectus is strictly limited to the offer period which will commence not earlier than October 18, 2012 and will be open until October 26, 2012 subject to a shortening or extension of the offer period;
- All offering and/or resale activities (including, but not limited to, all related information, marketing and distribution activities) (“**Resale Activities**”) taken by the relevant financial intermediary must comply with: (i) all applicable laws (including all laws applicable to Resale Activities in the jurisdictions where the respective investors and/or potential investors are located or resident when they are approached by, or have access to, Resale Activities) and (ii) all requirements and selling restrictions described in this Prospectus;
- The use of the Prospectus is limited to the following jurisdictions: Luxembourg, Germany and Austria; and
- All Resale Activities must be accompanied by the direct hand-over of the Prospectus in its up-to-date form, including all amendments, supplements, additional information, as available at the website of the Luxembourg Stock Exchange (www.bourse.lu) (the “**Up-to-date Prospectus**”).

At the time of the offer made by any financial intermediary investors must be provided with the Up-to-date Prospectus (including the terms and conditions of the offer) by the financial intermediary, as the case may be. Further, all financial intermediaries must state on their website that each of them uses the Prospectus in accordance with the consent and the conditions attached thereto.

Section B – Issuer

B.1 Legal and commercial name of the Issuer

SAF-HOLLAND S.A. (the “**Issuer**” or the “**Company**” and together with its subsidiaries the “**SAF-HOLLAND Group**” or the “**Group**”) operates under its commercial name SAF-HOLLAND.

B.2 Domicile and legal form of the Issuer, the legislation under which the Issuer operates and its country of incorporation

The Issuer was incorporated in Luxembourg as a public limited liability company (*société anonyme*) under Luxembourg laws for an unlimited duration on December 21, 2005 under the name Pamplona PE Holdco 3 S.A. The Issuer’s name was changed to SAF-HOLLAND S.A. on April 19, 2007. The Issuer is registered with the Luxembourg Trade and Companies Register (*Registre de commerce et des sociétés*) under number B 113.090. The Issuer operates under the legislation of Luxembourg. Its address, registered office, place of general administration and principal place of business is at 68-70, boulevard de la Pétrusse, 2320 Luxembourg, Grand Duchy of Luxembourg.

B.4b Description of any known trends affecting the Issuer and the industries in which it operates

The truck production industry continues to recover after the global economic and financial crisis. In particular, investments in fleet modernisation result in further growth. In addition, the increasing trade flows, together with significantly increased investment in transportation infrastructure, in particular in the BRIC countries and other emerging markets have a positive effect on the Group’s sales and earnings development.

B.5 Description of the Group and the Issuer’s position within the Group

SAF-HOLLAND S.A. is the parent company of the Group.

B.9 Profit forecast and estimations

Not applicable. No profit forecast and estimation is made.

B.10 Description of the nature of qualifications in the audit report on the historical financial information

Not applicable. Ernst & Young S.A., Luxembourg, audited the consolidated financial statements of the Issuer prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union as at, and for the years ended December 31, 2010 and 2011 and rendered an unqualified opinion in each case.

B.12 Selected historical key financial information

The following table shows selected financial information of the Group as at and for the years ended December 31, 2010 and 2011 and as at and for the six-month period ended June 30, 2011 and 2012:

	<i>As at and for the year ended December 31,</i>		<i>As at and for the six-month period ended June 30,</i>	
	<i>2010</i>	<i>2011</i>	<i>2011</i>	<i>2012</i>
	<i>(€'000)</i>	<i>(€'000)</i>	<i>(€'000)</i>	<i>(€'000)</i>
	<i>audited</i>	<i>audited</i>	<i>unaudited</i>	<i>unaudited</i>
Non-current assets	317,864	327,788	312,214	329,423
Current assets.....	166,056	208,699	207,435	234,382
Non-current assets classified as held for sale.....	738	-	-	-
Total assets	484,658	536,487	519,649	563,805
Equity attributable to equity holders of the parent.....	24,927	192,232	175,493	207,711
Non-current liabilities	362,410	219,869	210,348	224,538
Current liabilities	97,321	124,386	133,808	131,556
Total equity and liabilities	484,658	536,487	519,649	563,805
Net cash flow from operating activities	39,438	41,098	21,172	18,959
Net cash flow from investing activities	-7,177	-12,109	-3,854	-8,070
Net cash flow from financing activities	-45,312	-22,344	-13,519	-5,318
Sales.....	631,053	831,317	417,906	440,321
Result for the Period	-8,310	26,802	14,366	11,687
Adjusted EBIT ⁽¹⁾⁽²⁾	37,130	57,318	30,045	28,911
Adjusted EBITDA ⁽²⁾⁽³⁾ (unaudited).....	52,767	71,301	37,085	36,123
Adjusted result before taxes ⁽²⁾ (unaudited)	4,079	39,469	17,095	22,483
Adjusted result for the period ⁽²⁾ (unaudited).....	2,823	27,313	11,830	15,558
Total Debt ⁽⁶⁾ (unaudited)	310,675	175,034	172,275	179,215
Net Debt ⁽⁷⁾ (unaudited)	302,129	159,689	160,350	157,866

- (1) Non-IFRS-financial measures. "Adjusted EBIT" is defined as EBIT plus additional depreciation and amortisation resulting from purchase price allocation (PPA) under IFRS minus the reversal of impairment of intangible assets and plus certain exceptional restructuring and integration costs. Under the purchase price allocation process, the fair value is assigned to major assets and liabilities of an acquired enterprise following a business combination. The following table shows the reconciliation from operating result to "Adjusted EBIT":

	<i>Year ended December 31,</i>		<i>Period from January 1, to June 30,</i>	
	<i>2010</i>	<i>2011</i>	<i>2011</i>	<i>2012</i>
	<i>(€'000)</i>	<i>(€'000)</i>	<i>(€'000)</i>	<i>(€'000)</i>
	<i>(audited)</i>	<i>(audited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
Operating result.....	30,904	49,970	26,452	24,815
Share of net profit of investments accounted for using the equity method	453	639	208	409
EBIT	31,357	50,609	26,660	25,224
Additional depreciation and amortisation from PPA ⁽⁴⁾	6,654	6,447	3,218	3,186
Reversal of impairment of intangible assets	-5,171	-1,530	-	-
Restructuring and integration costs ⁽⁵⁾	4,290	1,792	167	501
Adjusted EBIT⁽²⁾	37,130	57,318	30,045	28,911

- (2) The Company presents "Adjusted EBIT", "Adjusted EBITDA", "Adjusted result before taxes", and "Adjusted result for the period" to enhance the understanding of the operating results. None of these measures are measures of financial performance under generally accepted accounting principles, including IFRS. Items excluded from these measures are significant components in understanding and assessing financial performance. The Company provides these measures because it believes that investors and securities analysts will find them to be useful measures for evaluating the operating performance and for comparing the operating performance with that of similar companies that have a different capital structure. None of these measures should be considered in isolation or as an alternative to result for the period or other data presented in the financial statements as indicators of financial performance. Because these measures are not determined in accordance with generally accepted accounting principles and are thus susceptible to varying calculations, the measures the Company presents may not be comparable to other similarly titled measures of performance of other companies.
- (3) Non-IFRS-financial measures. "Adjusted EBITDA" is defined as EBITDA plus the effect due to certain exceptional restructuring and integration costs. EBITDA is defined as result for the period minus/plus income tax income/expenses plus finance expenses minus finance income plus depreciation and amortisation minus the reversal of impairment of intangible assets.
- (4) Purchase price allocation (PPA) resulting from the merger of the SAF Group and the Holland Group in 2006 as well as the acquisition of the landing gear product line of Austin-Westran and of SAF-HOLLAND Verkehrstechnik GmbH (formerly Georg Fischer Verkehrstechnik GmbH) in 2008.
- (5) Includes expenses from the merger of locations, the reorganisation of the Group's activities in Eastern Europe, restructuring and consultancy fees, redundancy payments and other expenses.
- (6) "Total Debt" is defined as current and non-current interest bearing loans and borrowings.
- (7) "Net Debt" is defined as current and non-current interest bearing loans and borrowings less cash and cash equivalents.

There has been no material adverse change in the prospects of the Issuer since December 31, 2011, the date of the last published audited financial statements. There have been no significant changes in the financial or trading position of the Issuer since June 30, 2012, the last date covered by the historical financial information.

B.13 Recent events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer's solvency

On October 5, 2012 the Issuer, SAF-HOLLAND GmbH, SAF-HOLLAND USA, Inc. and certain members of the Group as borrowers and guarantors, and Bayerische Landesbank, Commerzbank Aktiengesellschaft, IKB Deutsche Industriebank AG and UniCredit Bank AG as mandated lead arrangers and bookrunners, and Bayerische Landesbank, Commerzbank Aktiengesellschaft, IKB Deutsche Industriebank AG, UniCredit Luxembourg S.A, Fifth Third Bank, Norddeutsche Landesbank Luxembourg S.A., Landesbank Baden-Württemberg and Crédit Mutuel – Banque Européenne du Crédit Mutuel, German branch as original lenders and UniCredit Luxembourg S.A. as facility agent and security agent entered into a credit facilities agreement (the “**New Facilities Agreement**”). The New Facilities Agreement comprises a multicurrency term and revolving credit facility in an amount of €220 million and U.S.\$50 million consisting of two term loan facilities (over €120 million and €20 million) and two multicurrency revolving credit facilities (€80 million and U.S.\$50 million). Except for the guarantees issued by certain members of the Group including the Issuer, SAF-HOLLAND GmbH and SAF-HOLLAND USA, Inc. the amounts made available under the New Facilities Agreement are currently unsecured. However, under certain circumstances, the Issuer and certain members of the Group are under the obligation to provide *in rem* collateral such as global security assignments, land charges, assignments with respect to intellectual property rights and share pledges over certain Group companies for the benefit of the lenders under the New Facilities Agreement.

The New Facilities Agreement has a regular maturity until the day falling five years after the date of the New Facilities Agreement. Disbursements under the New Facilities Agreement are subject to customary conditions. The New Facilities Agreement provides for a repayment of the term loan facilities in semi-annual installments of €3.89 million each with a balloon payment of all outstanding amounts on the termination date of the New Facilities Agreement. The first installment will become due on March 1, 2013.

B.14 Dependence on other entities within the Group

Not applicable. See Element B5: The Issuer is the parent company of the Group and is not dependent on other entities within the Group.

B.15 Principal Activities of the Issuer

The Issuer acts as a holding company of the SAF-HOLLAND Group and has no business operations of its own.

Also, see Element **B.19 B.15**.

B.16 Direct and indirect control of the Issuer

Not applicable. According to the knowledge of the Issuer, it is not directly or indirectly controlled by a third party.

B.17 Rating of the Issuer

The Issuer is rated by Euler Hermes Rating Deutschland GmbH (“**Euler Hermes**”). As at the date of this Prospectus, the rating assigned to the Issuer was BBB-. A rating is not a recommendation to buy, sell or hold Notes and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. A suspension, reduction or withdrawal of the rating assigned to the Issuer may adversely affect the market price of the issued Notes.

Euler Hermes defines BBB- as follows: Entities with a rating of BBB are attributed an appropriate (*angemessen*) quality regarding the guaranteed future. In contrast to entities which have a rating of A, it is more likely that an adverse development of the general economic condition impairs its capacity to comply with financial obligations. The addition of PLUS (+) or MINUS (-) indicates the comparative position within the rating category.

Euler Hermes is established in the European Community and registered since November 16, 2010 under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended, (the “**CRA Regulation**”). Euler Hermes is included in the “List of registered and certified CRA’s” published by the European Securities and Markets Authority on its website (<http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the CRA Regulation.

B.18 A Description of the nature and scope of the Guarantees

Each of the Guarantors assumes (subject to certain limitations described in the conditions of the guarantees) towards

each holder of Notes, an unconditional and irrevocable guarantee for the due and punctual payment of any amounts payable by the Issuer in respect of the Notes pursuant to the Conditions of Issue. Each Guarantee constitutes an independent obligation of the respective Guarantor, which is independent from the legal relationship between the Issuer and the Holders, and which is in particular independent from the validity or the enforceability of the claims against the Issuer under the Notes. Each Guarantee constitutes direct, unconditional and unsubordinated obligations of each Guarantor ranking at least *pari passu* with all other unsubordinated present and future obligations of that Guarantor, save for such obligations which may have priority by applicable law.

B.19 Section B information about the Guarantors

B.19 B.1 Legal and commercial name of the Guarantors

The legal names of the Guarantors are SAF-HOLLAND GmbH and SAF-HOLLAND USA, Inc. Both companies operate under the commercial name SAF-HOLLAND.

B.19 B.2 Domicile and legal form of the Guarantors, the legislation under which the Guarantors operate and their country of incorporation

SAF-HOLLAND GmbH is a limited liability company (*Gesellschaft mit beschränkter Haftung*) established and incorporated under the laws of Germany and registered with the commercial register of the local court (*Amtsgericht*) of Aschaffenburg. SAF-HOLLAND GmbH operates under the legislation of Germany. The address and registered office of SAF-HOLLAND GmbH is at Hauptstraße 26, 63856 Bessenbach, Germany.

SAF-HOLLAND USA, Inc. was incorporated and registered in the State of Michigan, United States of America under the laws of the state of Michigan. SAF-HOLLAND USA, Inc. operates under the legislation of the United States of America. The address and registered office of SAF-HOLLAND USA, Inc. is at 467 Ottawa-Avenue, Holland, MI 49423, United States of America.

B.19 B.4b Description of any known trends affecting the Guarantors and the industries in which they operate

The truck production industry continues to recover after the global economic and financial crisis. In particular, investments in fleet modernization result in further growth. In addition, the increasing trade flows, together with significantly increased investment in transportation infrastructure, in particular in the BRIC countries and other emerging markets have a positive effect on the Group's sales and earnings development.

B.19 B.5 Description of the group and the Guarantor's position within the group

SAF-HOLLAND GmbH is a wholly owned direct subsidiary of the Issuer. SAF-HOLLAND USA, Inc. is wholly owned by SAF-HOLLAND, Inc., which is a wholly owned subsidiary of SAF-HOLLAND GmbH, which in turn is directly owned by the Issuer.

B.19 B.9 Profit forecast and estimations

Not applicable. Neither of the Guarantors has included a profit forecast nor an estimation.

B.19 B.10 Description of the nature of qualifications in the audit report on the historical financial information

Not applicable. Individual financial information for SAF-HOLLAND USA, Inc. and SAF-HOLLAND GmbH for the financial years 2010 and 2011 is not included in this Prospectus or incorporated herein by reference as SAF-HOLLAND USA, Inc. does not prepare complete financial statements on an individual basis and SAF-HOLLAND GmbH has not yet published any financial information. The consolidated financial statements, however, contain financial information for the Group which includes the SAF-HOLLAND USA, Inc. and SAF-HOLLAND GmbH as the main operating subsidiaries of the Group.

B.19 B.12 Selected historical key financial information

Not applicable. See Element B.19 B.10.

B.19 B.13 Recent events particular to the Guarantors which are to a material extent relevant to the evaluation of the Guarantor's solvency

See above Element B.13 which applies vice versa to the Guarantors.

B.19 B.14 Dependence on other entities within the Group

The Guarantors are members of the SAF-HOLLAND Group and wholly-owned subsidiaries of the Issuer.

B.19 B.15 Principal Activities of the Guarantors

Within SAF-HOLLAND Group, SAF-HOLLAND GmbH carries out the business activities in the European and certain other markets, in particular, in the emerging markets of Brazil and Russia.

Within SAF-HOLLAND Group, SAF-HOLLAND USA, Inc. carries out the business activities in the North American market.

Principal Activities of SAF-HOLLAND Group, including the Issuer and the Guarantors: The SAF-HOLLAND Group is a global producer and supplier of key systems and components for the trailer, truck, bus, and recreational vehicle industries. The product range of the Group includes trailer axle systems, truck and trailer suspensions, fifth wheels, kingpins, couplers, landing gears and liftgates. The Group is one of a few global manufacturers that offer a comprehensive range of products for both trailer and powered vehicle systems. The Group sells its products on six continents to original equipment manufacturers (“OEMs”) in the first-fit market, and in the aftermarket to the OEMs’ original equipment services and through a global distribution and service network. This network resells to end users and service centres. The Group operates 15 manufacturing facilities on five continents, six of which include research and development. During the first six months of 2012, the Group had in average 3,167 full-time employees in 23 countries.

B.19 B.16 Direct and indirect control of the Guarantors

SAF-HOLLAND GmbH is directly and SAF-HOLLAND USA, Inc. is indirectly controlled by the Issuer.

B.19 B.17 Ratings of the Guarantors

Not applicable. There are no credit ratings assigned to any of the Guarantors or their debt securities.

Section C – Securities

C.1 Description of the type and the class of securities offered including security identification number	Type and class of the securities: The securities are unsecured bonds. The Notes have been assigned the following securities codes: ISIN DE000A1HA979, WKN A1HA97
C.2 Currency of the Notes issued	The currency of the Notes is Euro.
C.5 Restrictions on the free transferability of the Notes	Not applicable. The Notes are freely transferable, subject to the applicable laws and selling restrictions. The Notes will be sold to institutional investors and retail investors in compliance with the public offer restrictions in all countries in the European Economic Area. A public offer will be made in Luxembourg following the approval of the Prospectus by the CSSF and a public offer will be made in Germany and Austria following the notification of the Prospectus by the CSSF according to Article 18 of the Prospectus Directive.
C.8 Rights attached to the Notes, including ranking and limitations to those rights	Status of the Notes (ranking): The obligations of the Issuer under the Notes constitute unsecured (except for the Guarantees) and unsubordinated obligations of the Issuer ranking <i>pari passu</i> among themselves and <i>pari passu</i> with all other existing and future unsecured and unsubordinated obligations of the Issuer, unless such obligations are accorded priority under mandatory provisions of statutory law.

Status of the Guarantees:

Each of the Guarantors has given its unconditional and irrevocable guarantee for the due and punctual payment of principal of, and interest on, and any other amounts payable under the Notes. The Guarantee constitutes direct, unconditional and unsubordinated obligations of each Guarantor ranking at least *pari passu* with all other unsubordinated obligations of the respective Guarantor, present and future, save for such obligations which may be preferred by applicable law and save that the Guarantees may be limited or unavailable by applicable laws or be subject to certain limitations or defenses.

Early Redemption for Taxation Reasons:

Early redemption of the Notes for reasons of taxation will be permitted, if as a result of any change in, or amendment to, the laws or regulations (including any amendment to, or change in, an official interpretation or application of such laws or regulations) of Germany, Luxembourg or the United States of America or any political subdivision or taxing authority thereto or therein affecting taxation or the obligation to pay duties of any kind, the Issuer will become obligated to pay additional amounts on the Notes, all as more fully set out in the Conditions of Issue.

Negative Pledge:

The Conditions of Issue contain negative pledge provisions of the Issuer, and the Guarantees contain negative pledge provisions of the Guarantors, with regard to Capital Market Indebtedness (as defined in “Conditions of Issue”), all as more fully set out in the Conditions of Issue and the Guarantees.

Change of Control:

The Conditions of Issue provide that in the case of a Change of Control (as defined in “Conditions of Issue”) each Holder will have the option to declare all or some only of its Notes due, all as more fully set out in the Conditions of Issue.

Call Right in the event of low outstanding principal amount:

If 85% or more of the aggregate principal amount of the Notes initially issued have been redeemed or repurchased and cancelled, the Issuer may call, at its option, the remaining Notes (in whole but not in part), all as more fully set out in the Conditions of Issue.

Events of Default:

The Conditions of Issue provide for events of default, *inter alia*, in the case of non-payment, breach of other obligation, cessation of payment, insolvency, liquidation or disposal of assets (if and to the extent that the proceeds of such disposal of assets are not re-invested or otherwise kept within the SAF-HOLLAND Group) entitling Holders to demand immediate redemption of the Notes, all as more fully set out in the Conditions of Issue.

Cross Default:

The Conditions of Issue contain a cross default clause in relation to non-payment of due Financial Indebtedness (as defined in “Conditions of Issue”) in excess of €20,000,000, all as more fully

set out in the Conditions of Issue.

Resolutions of Holders:

In accordance with the Act on Issues of Debt Securities (Gesetz über Schuldverschreibungen aus Gesamtemissionen (“**SchVG**”)), the Notes contain provisions pursuant to which Holders may consent to amend the Conditions of Issue (with the consent of the Issuer) and to decide upon certain other matters regarding the Notes. Resolutions of Holders properly adopted, either in a meeting of Holders or by vote taken without a meeting in accordance with the Conditions of Issue, are binding upon all Holders. Resolutions providing for material amendments to the Conditions of Issue require a majority of not less than 75 per cent of the votes cast. Resolutions regarding other amendments are passed by a simple majority of the votes cast.

Holders’ Representative:

In accordance with the SchVG, the Notes provide that the Holders may by majority resolution appoint a representative for all Holders (the “ **Holders’ Representative**”). The responsibilities and functions assigned to the Holders’ Representative appointed by a resolution are determined by the SchVG and by majority resolutions of the Holders.

C.9 *Rights attached to the Notes, including ranking and limitations to those rights (C.8), the nominal interest rate, the date from which interest becomes payable and the due dates for interest, where the rate is not fixed, description of the underlying on which it is based, maturity date and arrangements for the amortisation of the loan, including the repayment procedures, an indication of yield, name of representative of debt security holders*

See Element C.8 above.

The Notes will bear interest from and including October 31, 2012 to, but excluding, April 26, 2018 at a rate of 7.000% per annum, payable annually in arrears on April 26, in each year, commencing on April 26, 2013 (first short coupon), and ending on April 26, 2018 (the “**Maturity Date**”), subject to any early redemption. The yield of the Notes is 7.000% per annum.

C.10 *Derivative component in the interest payment*

Not applicable. The interest payments do not have a derivative component.

C.11 *Admission to trading*

Application has been made to admit the Notes to trading on the Regulated Market (*regulierter Markt*) of the Frankfurt Stock Exchange, a market appearing on the list of regulated markets issued by the European Commission pursuant to Directive 2004/39/EC of April 21, 2004 on markets in financial instruments, and to list the Notes on the Prime Standard for corporate bonds segment of Deutsche Börse AG.

Section D - Risks

D.2 Risks specific to the Issuer and the Guarantors

The Issuer

SAF-HOLLAND S.A. is the parent company of the SAF-HOLLAND Group and has no operational business of its own. The ability to fulfil its payment obligations under the Notes depends on its financial position and results of operations as well as the distribution of profits generated by its subsidiaries.

The SAF-HOLLAND Group is exposed to various risks due to its global and extensive business activities. Existing risks can be summarised as follows:

Risks relating to the Industry

- The worldwide economic downturn in the recent past has impaired and might continue to impair the business and results of operations of the Group.
- Market developments and government actions regarding the sovereign debt crisis in Europe could adversely affect the business, financial condition and results of operations of the Group.
- The Group operates in highly competitive markets.
- The Group is exposed to the volatile and cyclical nature of regional truck and trailer markets.
- Rising prices for energy, raw materials and other goods could have an adverse effect on the results of operations.

Risks relating to the Business Operations

- Significant cash flows are needed to cover the Group's debt service expenditure.
- The Group depends on large OEM customers.
- A loss of suppliers or interruptions in the delivery of raw materials, parts, sub-assemblies, or components as well as quality defects in the materials provided by the Group's suppliers or errors in the production could have an adverse effect on the business of the Group.
- The Group may be subject to product liability claims that could damage its reputation and that could require the Group to make significant payments.
- Warranties on the Group's products may be longer than the suppliers' warranties on the constituent components and the Group may not be able to recover from suppliers of certain components.
- The production plants and products of the Group are exposed to operational and accident risks.
- The Group may be unable to anticipate, respond to, or utilise changing technologies.
- The Group is subject to a large number of environmental, health, safety, tax and other laws and regulations.
- The Group is exposed to general business, economic, legal and political risks, especially in emerging market countries, in which the Group has significant operations and interests.
- The Group depends on the services of key management personnel and highly skilled employees.
- The Group's pension and similar obligations are partly funded by designated pension assets that are only to some extent controlled by the Group and are subject to fluctuations in market conditions.
- The Group may be adversely impacted by work stoppages and other labour matters.
- The Group depends on the steady, reliable and uninterrupted operation of its information and communication technology.
- The Group may not succeed in adequately protecting its intellectual property and technical expertise.
- The Group may inadvertently infringe on the intellectual property rights of third parties and/or become dependent on licensing intellectual property from third parties.

- Consolidation of the Group's competitors may cause the loss of customers.
- The Group's insurance coverage may not be sufficient.
- Fluctuations in currency exchange rates, interest rates and related risks may adversely affect the results of operations of the Group.
- The Issuer may have to recognise an impairment loss on goodwill and certain intangible assets.
- The Issuer may incur tax liabilities arising from potential tax audits.
- The tax burden of the Group and the Holders could increase if the Issuer maintains its place of central administration and management in any country other than Luxembourg.
- Compliance controls and procedures may not be sufficient to prevent or to discover violations of the law and other risk management and control procedures within the Group may be inadequate or not be adhered to.
- The Group is subject to risks that future acquisitions and participation in joint ventures as well as other investment decisions may not be successful.

The Guarantors

As the Guarantors are part of the Group, the risks listed above with respect to the Group apply also to the Guarantors as with regard to their respective business.

Individual financial information for SAF-HOLLAND USA, Inc. for the financial years 2010 and 2011 is not included in this Prospectus or incorporated herein by reference as SAF-HOLLAND USA, Inc. does not prepare complete financial statements on an individual basis. However, the consolidated financial statements of the Issuer contain financial information for the Group which includes SAF-HOLLAND USA, Inc. as one of the main operating subsidiaries of the Group.

Individual financial information for SAF-HOLLAND GmbH for the financial year 2011 is not included in this Prospectus or incorporated herein by reference as SAF-HOLLAND GmbH has not yet published such financial statements in accordance with the German Commercial Code (*Handelsgesetzbuch, HGB*) as of the date of this Prospectus. Financial statements on an individual or consolidated basis of SAF-HOLLAND GmbH for the financial year 2010 is not included in this Prospectus or incorporated by reference as SAF-HOLLAND GmbH in 2010 was under its former name SAF-HOLLAND GROUP GmbH a direct wholly owned subsidiary of the Issuer without any business activities and Group internal holding functions only. Therefore, these financial statements do not contain further relevant information compared with the consolidated financial statements of the Issuer for the financial year 2010. However, the consolidated financial statements of the Issuer contain financial information for the Group which includes SAF-HOLLAND GmbH as one of the main operating subsidiaries of the Group.

D.3 Risks specific to the Notes and the Guarantees

The Notes

An investment in the Notes involves certain risks associated with the characteristics, the specification and the type of the Notes which could lead to substantial or, possibly, total losses that Holders would have to bear in the case of selling their Notes or with regard to receiving interest payments and repayment of principal. Risks regarding the Notes comprise, *inter alia*, the following risks: The risk, that under certain circumstances the lenders under the New Facilities Agreement have access to collateral of the Group. As a result, the Holders will have only limited or no access to assets of the Group in the event of the Issuer's or the Guarantors' insolvency. In addition, the risk that the Notes do not have a separate rating and that the rating of the Issuer might not take into consideration all relevant risks related to the issuance of the Notes. In addition, there is no limitation regarding the amount of the Issuer's or Guarantors' indebtedness or the issuance of further notes. Moreover, the investment in the Notes results in the following risks: the Notes may not be a suitable investment for a particular investor, liquidity risks, risk of early redemption, market price risk, risk that the market value of the Notes could decrease if the creditworthiness of the Group worsens, currency risk and the risk that the price of the Notes decreases as a result of changes in the market interest rate, risks in relation to resolutions of Holders that may be passed by a majority of the Holders thus outvoting certain Holders and the appointment of a Holders' Representative by a majority resolution of the Holders who would then be exclusively responsible to claim and enforce the rights of all Holders.

The Guarantees

Holders should be aware of certain risks associated with the Guarantees when investing in the Notes, *e.g.* further liabilities of the Guarantors together with the liabilities under the Guarantees may exceed the Guarantors' assets. The Guarantees may be limited or unavailable by applicable law or be subject to certain limitations or defenses.

Section E – Offer

E.2b Reasons for the offer and use of proceeds

The Issuer intends to use a significant portion of the net proceeds to repay indebtedness under the New Facilities Agreement. The remaining portion shall be used for general corporate purposes.

E.3 Terms and conditions of the offer

Principal Amount: Up to €75,000,000.

Issue Price: 100%

Issue Date: October 31, 2012

Denomination: The Notes will be issued in a denomination of €1,000 each.

Public Offer of the Notes:

The Notes will be offered to the public during an offer period which will commence not earlier than October 18, 2012 and will be open until October 26, 2012 subject to a shortening or extension of the offer period. The Notes will be offered to professional investors and retail investors in compliance with applicable public offer restrictions. The Notes will be offered to the public in Germany and in Austria following the effectiveness of the notification of the approval of the Prospectus by the CSSF to the *Bundesanstalt für Finanzdienstleistungsaufsicht* and to the *Finanzmarkt-aufsichtsbehörde* in accordance with Article 18 of the Prospectus Directive.

There are no conditions to which the offer is subject. Investors may submit their offers through banking institutions in Luxembourg, Germany or Austria. 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. In addition, investors may place offers via the subscription system provided by the Frankfurt Stock Exchange within the XETRA subscription functionality (the “**Subscription Functionality**”). If the Notes offered are over-subscribed, the Subscription Functionality may cease to be available as described above and trading with respect to the Notes (when-issued trading) is envisaged on the open market (*Freiverkehr*) (Quotation Board) of the Frankfurt Stock Exchange until the business day immediately preceding the Issue Date.

The number of Notes to be issued will be determined on the basis of the orders received during the offer period.

Delivery and payment of the Notes will be made on or about October 31, 2012. The Notes will be delivered via book-entry through the Clearing System and its account holding banks against payment of the Issue Price.

Selling Restrictions:

The offer and the sale of the Notes and the distribution of offering materials are subject to specific restrictions. The relevant restrictions namely apply in accordance with the applicable laws in the European Economic Area, the United States of America and the United Kingdom of Great Britain and Northern Ireland and Switzerland.

- E.4 Interests of natural an legal person involved in the offering*** There are no interests of natural and legal persons other than the Issuer or the Guarantors involved in the issue, including conflicting ones that are material to the issue. The Lead Manager is lender, bookrunner, and mandated lead arranger under the New Facilities Agreement. In addition, the Lead Manager may from time to time enter into business relations with the Group and provide services for it in the ordinary course of business.
- E.7 Estimated expenses charged to the investor by the issuer or the offeror*** Not applicable; the expenses for the issuance of the Notes shall be borne by the Issuer. Neither the Issuer nor the Lead Manager will charge any costs, expenses and taxes directly to any investor.

GERMAN TRANSLATION OF THE SUMMARY

ZUSAMMENFASSUNG

Die Zusammenfassung setzt sich aus Offenlegungspflichten zusammen, die als „Elemente“ bezeichnet werden. Diese Elemente sind in den Abschnitten A – E nummeriert (A.1 – E.7).

Diese Zusammenfassung enthält alle diejenigen Elemente, welche für eine Zusammenfassung für diese Art von Wertpapieren und Emittent erforderlich sind. Da einige Elemente nicht genannt werden müssen, können Lücken in der Nummerierung der Abfolge der Elemente auftreten.

Auch dann, wenn ein Element in die Zusammenfassung aufgrund der Art der Wertpapiere und des Emittenten enthalten ist, ist es möglich, dass keine relevanten Informationen zu dem Element zur Verfügung gestellt werden können. In einem solchen Fall ist in die Zusammenfassung eine kurze Beschreibung des Elements mit dem Hinweis „Entfällt“ eingefügt.

Abschnitt A – Einleitung und Warnhinweise

A.1 Warnhinweis

- Diese Zusammenfassung (die **“Zusammenfassung”**) sollte als Einleitung zum Prospekt verstanden werden;
- Bei jeder Entscheidung, in die Schuldverschreibungen zu investieren, sollte sich der Anleger auf den Prospekt als Ganzes stützen;
- Ein Anleger, der wegen der in dem Prospekt enthaltenen Angaben Klage einreichen will, muss nach den nationalen Rechtsvorschriften seines Mitgliedstaats möglicherweise für die Übersetzung des Prospekts aufkommen, bevor das Verfahren eingeleitet werden kann.
- Zivilrechtlich haften nur diejenigen Personen, die die Zusammenfassung samt etwaiger Übersetzungen vorgelegt und übermittelt haben, und dies auch nur für den Fall, dass die Zusammenfassung verglichen mit den anderen Teilen des Prospekts irreführend, unrichtig oder inkohärent ist oder verglichen mit den anderen Teilen des Prospekts wesentliche Angaben, die in Bezug auf Anlagen in die betreffenden Wertpapiere für die Anleger eine Entscheidungshilfe darstellen, vermissen lassen.

A.2 Zustimmung

Die Emittentin stimmt der Verwendung des Prospektes für die spätere Weiterveräußerung oder endgültige Platzierung der Schuldverschreibungen **durch alle Finanzintermediäre** und unter Einhaltung folgender Bedingungen zu:

- Die Verwendung des Prospekts findet ausschließlich während der Angebotsperiode statt, die nicht vor dem 18. Oktober 2012 beginnt und bis zum 26. Oktober 2012 dauern wird, es sei denn, dass die Angebotsperiode verkürzt oder verlängert wird;
- sämtliche Aktivitäten, die der betreffende Finanzintermediär im Zusammenhang mit dem Angebot sowie der Weiterveräußerung wahrnimmt (einschließlich Marketing- und Vertriebsaktivität sowie das Ermöglichen des Zugangs zu betreffenden Informationen) (**„Weiterveräußerungsaktivitäten“**), müssen (i) in Übereinstimmung mit allen anwendbaren gesetzlichen Regelungen (einschließlich der Regelungen, die in dem Land Anwendung finden, in dem die betreffenden (potentiellen) Investoren, zum Zeitpunkt, in dem die Weiterveräußerungsaktivitäten ihnen gegenüber ausgeübt werden, ihren Aufenthalts- bzw. Wohnsitz haben) erfolgen; und (ii) allen im Prospekt beschriebenen Anforderungen und Verkaufsbeschränkungen entsprechen;
- die Verwendung des Prospekts ist ausschließlich in folgenden Ländern zulässig: Luxemburg, Deutschland und Österreich; und
- im Rahmen sämtlicher Weiterveräußerungsaktivitäten muss der Prospekt in seiner aktuellen Fassung, einschließlich sämtlicher etwaiger Änderungen, Nachträge und zusätzlichen Informationen, die auf der Internetseite der Luxemburger Wertpapierbörse (www.bourse.lu) (**„Aktueller Prospekt“**) abrufbar sind, unmittelbar zur Verfügung gestellt werden.

Zum Zeitpunkt der Durchführung des Angebots durch jegliche Finanzintermediäre sind dem jeweiligen Anleger der Aktuelle Prospekt (einschließlich der Angebotsbedingungen) durch den jeweiligen Finanzintermediär zur

Verfügung stellen. Zudem hat jeder den Prospekt verwendende Finanzintermediär auf seiner jeweiligen Internetseite anzugeben, dass er den Prospekt mit Zustimmung und gemäß den Bedingungen verwendet, an die die Zustimmung gebunden ist.

Abschnitt B – Emittent

B.1 Gesetzliche und kommerzielle Bezeichnung der Emittentin

SAF-HOLLAND S.A. (die „**Emittentin**“ oder die „**Gesellschaft**“ und zusammen mit ihren Tochtergesellschaften die „**SAF-HOLLAND Gruppe**“ oder die „**Gruppe**“) tritt im Geschäftsverkehr unter dem Namen SAF-HOLLAND auf.

B.2 Sitz und Rechtsform der Emittentin, das für die Emittentin geltende Recht und Land der Gründung der Gesellschaft

Die Emittentin wurde am 21. Dezember 2005 als Aktiengesellschaft (*société anonyme*) nach luxemburgischem Recht für unbestimmte Dauer unter dem Namen Pamplona PE Holdco 3 S.A. gegründet. Der Name der Emittentin wurde am 19. April 2007 in SAF-HOLLAND S.A. geändert. Die Emittentin ist im luxemburgischen Handels- und Gesellschaftsregister (*Registre de commerce et des sociétés*) unter der Nummer B 113.090 eingetragen. Die Emittentin ist unter luxemburgischen Recht tätig. Die Adresse, die registrierte Geschäftsanschrift, der Verwaltungssitz und der Geschäftssitz der Emittentin ist in 68-70, boulevard de la Pétrusse, 2320 Luxemburg, Großherzogtum Luxemburg.

B.4b Alle bereits bekannten Trends, die sich auf die Emittentin und die Branchen, in denen sie tätig ist, auswirken

Die Industrie zur Herstellung von LKWs ist weiterhin dabei, sich nach der globalen Wirtschafts- und Finanzkrise wieder zu erholen. Insbesondere steigen die Investitionen in die Modernisierung der Fahrzeugflotten an. Außerdem haben ein Anstieg des Handelsverkehrs sowie steigende Investitionen in die Transportinfrastruktur, insbesondere in den BRIC Staaten und anderen Schwellenländern, einen positiven Effekt auf die Geschäfts- und Gewinnentwicklung der Gruppe.

B.5 Beschreibung der Gruppe und der Stellung der Emittentin innerhalb dieser Gruppe

SAF-HOLLAND S.A. ist die Muttergesellschaft der Gruppe.

B.9 Gewinnprognosen und -schätzungen

Entfällt. Die Emittentin hat keine Gewinnprognose oder -schätzung abgegeben.

B.10 Beschreibung der Art der Beschränkungen im Bestätigungsvermerk zu den historischen Finanzinformationen

Entfällt. Ernst & Young S.A., Luxemburg, hat die Konzernabschlüsse der Emittentin für die am 31. Dezember 2010 und 2011 endenden Geschäftsjahre, welche gemäß den International Financial Reporting Standards, wie sie in der Europäischen Union anzuwenden sind, (im Folgenden „**IFRS**“) erstellt wurden, geprüft und jeweils mit einem uneingeschränkten Bestätigungsvermerk versehen.

B.12 Ausgewählte wesentliche historische Finanzinformationen

Die folgende Tabelle zeigt ausgewählte Finanzinformationen der Gruppe für die jeweils zum 31. Dezember endenden Geschäftsjahre 2010 und 2011 und für den jeweils am 30. Juni 2011 und 2012 endenden Sechsmonatszeitraum:

	Geschäftsjahr zum 31. Dezember,		Der zum 30. Juni endende Sechsmonatszeitraum,	
	2010 (€'000) geprüft	2011 (€'000) geprüft	2011 (€'000) ungeprüft	2012 (€'000) ungeprüft
Langfristige Vermögenswerte.....	317.864	327.788	312.214	329.423
Kurzfristige Vermögenswerte.....	166.056	208.699	207.435	234.382
Zur Veräußerung gehaltene langfristige Vermögenswerte	738	-	-	-
Summe Aktiva	484.658	536.487	519.649	563.805
Eigenkapital auf die Anteilseigner des Mutterunternehmens entfallend	24.927	192.232	175.493	207.711
Langfristige Schulden.....	362.410	219.869	210.348	224.538
Kurzfristige Schulden.....	97.321	124.386	133.808	131.556
Summe Passiva	484.658	536.487	519.649	563.805
Netto-Cashflow aus betrieblicher Tätigkeit.....	39.438	41.089	21.172	18.959
Netto-Cashflow aus Investitionstätigkeit.....	-7.177	-12.109	-3.854	-8.070
Netto-Cashflow aus Finanzierungstätigkeit.....	-45.312	-22.344	-13.519	-5.318
Umsatzerlöse	631.053	831.317	417.906	440.321
Periodenergebnis	-8.310	26.802	14.366	11.687
Bereinigtes EBIT ⁽¹⁾⁽²⁾	37.130	57.318	30.045	28.911
Bereinigtes EBITDA ⁽²⁾⁽³⁾ (ungeprüft)	52.767	71.301	37.085	36.123
Bereinigtes Ergebnis vor Steuern ⁽²⁾ (ungeprüft).....	4.079	39.469	17.095	22.483
Bereinigtes Periodenergebnis ⁽²⁾ (ungeprüft).....	2.823	27.313	11.830	15.558
Gesamtverschuldung ⁽⁶⁾ (ungeprüft)	310,675	175,034	172,275	179,215
Nettoverschuldung ⁽⁷⁾ (ungeprüft)	302,129	159,689	160,350	157,866

(1) Keine IFRS-Kennzahlen. „Bereinigtes EBIT“ ist definiert als EBIT vor zusätzlichen Abschreibungen auf Sachanlagen und immaterielle Vermögenswerte im Zusammenhang mit der Kaufpreisallokation (PPA) nach IFRS minus Wertaufholungen von immateriellen Vermögenswerten und plus bestimmte außerordentliche Restrukturierungs- und Integrationskosten. Im Zuge der Kaufpreisallokation wird der beizulegende Zeitwert den wesentlichen Vermögenswerten und Schulden eines durch Unternehmenszusammenschluss erworbenen Unternehmens zugeordnet. Die nachfolgende Tabelle stellt die Überleitung vom betrieblichen Ergebnis zum „Bereinigten EBIT“ dar:

	Geschäftsjahr zum 31. Dezember		Zeitraum vom 1. Januar bis zum 30. Juni	
	2010 (€'000) (geprüft)	2011 (€'000) (geprüft)	2011 (€'000) (ungeprüft)	2012 (€'000) (ungeprüft)
Betriebliches Ergebnis	30.904	49.970	26.452	24.815
Ergebnis aus nach der Equity-Methode bilanzierten Unternehmen.....	453	639	208	409
EBIT	31.357	50.609	26.660	25.224
Zusätzliche Abschreibungen auf Sachanlagevermögen und immaterielle Vermögenswerte aus PPA ⁽⁴⁾	6.654	6.447	3.218	3.186
Wertaufholungen von immateriellen Vermögenswerten	-5.171	-1.530	-	-
Restrukturierungs- und Integrationskosten ⁽⁵⁾	4.290	1.792	167	501
Bereinigtes EBIT⁽²⁾	37.130	57.318	30,045	28,911

(2) Die Gesellschaft gibt ihr „Bereinigtes EBIT“, „Bereinigtes EBITDA“, „Bereinigtes Ergebnis vor Steuern“ und „Bereinigtes Periodenergebnis“ an, um ein umfassenderes Bild des Betriebsergebnisses vermitteln zu können. Keine dieser Finanzkennzahlen ist eine anerkannte Finanzkennzahl nach allgemeinen Rechnungslegungsstandards, einschließlich IFRS. Bestimmte Posten, die in diesen Kennzahlen nicht berücksichtigt sind, sind von maßgeblicher Bedeutung für das Verständnis und die Bewertung der finanziellen Entwicklung von Unternehmen. Die Gesellschaft gibt diese Kennzahlen an, weil sie der Ansicht ist, dass Anleger und Analysten diese für ihre Bewertung der betrieblichen Entwicklung sowie für Vergleiche mit der betrieblichen Entwicklung ähnlicher Unternehmen mit abweichender Kapitalausstattung als hilfreich ansehen werden. Keine dieser Kennzahlen sollte isoliert oder in Bezug auf die finanzielle Entwicklung als Alternative zum Periodenergebnis für den Berichtszeitraum oder zu sonstigen Angaben in den Abschlüssen betrachtet werden. Da diese Kennzahlen sich nicht an den allgemein anerkannten Rechnungslegungsstandards orientieren und somit Abweichungen bei ihrer Berechnung auftreten können, sind die zur Verfügung gestellten Kennzahlen möglicherweise nicht mit ähnlich bezeichneten Kennzahlen anderer Unternehmen vergleichbar.

(3) Keine IFRS-Kennzahlen. „Bereinigtes EBITDA“ ist definiert als EBITDA zuzüglich Effekte aus bestimmten außerordentlichen Restrukturierungs- und Integrationskosten. EBITDA ist definiert als Periodenergebnis abzüglich/zuzüglich Ertragsteuern zuzüglich Finanzaufwendungen abzüglich Finanzerträge zuzüglich Abschreibungen und minus Effekte aus Wertaufholungen von immateriellen Vermögenswerten.

(4) Kaufpreisallokation (PPA) resultierend aus dem Zusammenschluss der SAF-Gruppe und der Holland-Gruppe in 2006 sowie dem Erwerb der Austin-Westran Machinery Co. Ltd. und der SAF-HOLLAND Verkehrstechnik GmbH (vormals Georg Fischer Verkehrstechnik GmbH) in 2008.

(5) Beinhaltet Kosten aus der Verschmelzung von Standorten, der Reorganisation von Tätigkeiten in Osteuropa, Restrukturierungs- und Beratungskosten, Abfindungskosten und sonstige Aufwendungen.

(6) „Gesamtverschuldung“ ist definiert als kurzfristige und langfristige verzinsliche Darlehen und Ausleihungen.

(7) „Nettoverschuldung“ ist definiert als kurzfristige und langfristige verzinsliche Darlehen und Ausleihungen abzüglich Zahlungsmittel und Zahlungsmitteläquivalente.

Seit dem letzten geprüften Konzernabschluss zum 31. Dezember 2011 hat es keine wesentlichen nachteiligen Veränderungen in den Aussichten der Emittentin gegeben. Seit dem 30. Juni 2012, dem letzten von den historischen Finanzinformationen abgedeckten Datum, ist keine wesentliche Verschlechterung in der Finanzlage oder Handelsposition der Emittentin eingetreten.

B.13 Ereignisse aus der jüngsten Zeit der Geschäftstätigkeit der Emittentin, die für die Bewertung ihrer Zahlungsfähigkeit in hohem Maße interessant sind

Am 5. Oktober 2012 haben die Emittenten, die SAF-HOLLAND GmbH, die SAF-HOLLAND USA, Inc. sowie bestimmte weitere Gesellschaften der Gruppe als Darlehensnehmer und Garantiegeber mit der Bayerischen Landesbank, Commerzbank Aktiengesellschaft, IKB Deutsche Industriebank AG und UniCredit Bank AG als Mandated Lead Arranger und Konsortialführer sowie der Bayerischen Landesbank, Commerzbank Aktiengesellschaft, IKB Deutsche Industriebank AG, UniCredit Luxembourg S.A., Fifth Third Bank, Norddeutsche Landesbank Luxembourg S.A., Landesbank Baden-Württemberg und Crédit Mutuel - Banque Européenne du Crédit Mutuel, Zweigniederlassung Deutschland als ursprüngliche Darlehensgeber sowie der UniCredit Luxembourg S.A. als Facility Agent und Sicherheitentreuhänder einen Kreditvertrag (der „**Neue Kreditvertrag**“) abgeschlossen. Der Neue Kreditvertrag besteht aus zwei Tranchen von Tilgungsdarlehen (in Höhe von jeweils €120 Millionen und €0 Millionen) sowie zwei revolvingierenden Betriebsmittelkrediten (in Höhe von jeweils €80 Millionen und US\$50 Millionen) in verschiedenen Währungen in Höhe von insgesamt €220 Millionen und US\$50 Millionen. Mit Ausnahme von Garantien, die von bestimmten Gesellschaften der Gruppe, einschließlich der Emittentin, der SAF-HOLLAND GmbH und der SAF-HOLLAND USA, Inc., abgegeben wurden, sind die Darlehensmittel unter dem Neuen Kreditvertrag derzeit nicht besichert. Unter bestimmten Umständen sind der Emittent und bestimmte Gesellschaften der Gruppe verpflichtet, dingliche Sicherheiten wie Globalzessionen, Grundschulden, Abtretungen von Rechten aus geistigem Eigentum sowie Anteilspfandrechte an bestimmten Gesellschaften der Gruppe zugunsten der Darlehensgeber unter dem Neuen Kreditvertrag zu bestellen.

Der Neue Kreditvertrag hat eine Regellaufzeit bis zu dem Zeitpunkt, der auf den Tag fünf Jahre nach Abschluss des Neuen Kreditvertrages fällt. Auszahlungen unter dem Neuen Kreditvertrag stehen unter den üblichen Bedingungen. Der Neue Kreditvertrag sieht Rückzahlungen der Tilgungsdarlehen in halbjährlichen Raten in Höhe von €3,89 Millionen sowie eine Schlusszahlung aller ausstehenden Beträge am Ende der Laufzeit des Neuen Kreditvertrages vor. Die erste Tilgungsrate wird am 1. März 2013 fällig.

B.14 Abhängigkeit von anderen Unternehmen der Gruppe

Entfällt. Siehe Element B.5: Die Emittentin ist die Muttergesellschaft der Gruppe und nicht von anderen Unternehmen der Gruppe abhängig.

B.15 Haupttätigkeiten der Emittentin

Die Emittentin ist eine Holdinggesellschaft der SAF-HOLLAND Group, die selbst keine Geschäftstätigkeit ausübt.

Siehe auch Element B.19 B.15

B.16 Unmittelbare oder mittelbare Kontrolle der Emittentin

Entfällt. Nach der Aussage der Emittentin besteht keine unmittelbare oder mittelbare Kontrolle der Emittentin durch Dritte.

B.17 Rating der Emittentin

Die Emittentin wurde durch die Euler Hermes Rating Deutschland GmbH („**Euler Hermes**“) geratet. Zum Datum dieses Prospekts wurde die Emittentin mit dem Rating BBB- bewertet. Ein Rating ist keine Empfehlung zum Kaufen, Verkaufen oder Halten der Schuldverschreibungen. Es kann jederzeit durch die erteilende Ratingagentur aufgehoben, abgesenkt oder entzogen werden. Eine Aufhebung, Absenkung oder Entziehung des der Emittentin erteilten Ratings kann den Marktpreis der begebenen Schuldverschreibungen nachteilig beeinflussen.

Euler Hermes definiert BBB- wie folgt: Einem mit dem Rating BBB versehenen Unternehmen wird eine angemessene Qualität hinsichtlich der Zukunftssicherheit beigemessen. Es ist jedoch gegenüber einem mit dem Rating A versehenen Unternehmen eher wahrscheinlich, dass Verschlechterungen von wirtschaftlichen Rahmenbedingungen die Fähigkeit, finanzielle Verpflichtungen zu erfüllen, schwächen können. Das Zufügen von Plus (+) oder Minus (-) zeigt die relative Position innerhalb der betreffenden Ratingkategorie an.

Euler Hermes ist eine in der Europäischen Union gegründete und seit dem 16. November 2010 gemäß der EU-Verordnung Nr. 1060/2009 des Europäischen Parlaments und des Rates vom 16. September 2009 über Ratingagenturen, wie jeweils geändert, (die „**CRA Verordnung**“) registrierte Ratingagentur. Euler Hermes ist in der „Liste der registrierten und zertifizierten CRA’s“ enthalten, die durch die European Securities and Markets Authority auf deren

Internetseite (<http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in Übereinstimmung mit der CRA Verordnung veröffentlicht ist.

B.18 Beschreibung von Art und Umfang der Garantie

Jede der Garantinnen hat (abgesehen von einigen in den Garantien beschriebenen Beschränkungen) gegenüber den Inhabern der Schuldverschreibungen die unbedingte und unwiderrufliche Garantie für die ordnungsgemäße und pünktliche Zahlung von jeglichen nach den Anleihebedingungen durch die Emittentin in Bezug auf die Schuldverschreibungen zu zahlenden Beträgen übernommen. Jede Garantie begründet eine unabhängige Verpflichtung der jeweiligen Garantin, die unabhängig von anderen Rechtsbeziehungen zwischen der Emittentin und den Inhabern ist und die insbesondere unabhängig von der Wirksamkeit und Durchsetzbarkeit von Ansprüchen gegen die Emittentin unter den Schuldverschreibungen ist. Jede Garantie begründet unmittelbare, unbedingte und nicht nachrangige Verbindlichkeiten jeder Garantin, die mindestens im gleichen Rang mit allen anderen gegenwärtigen und zukünftigen nicht nachrangigen und nicht besicherten Verbindlichkeiten der jeweiligen Garantin stehen mit Ausnahme von Verbindlichkeiten, die nach geltenden Rechtsvorschriften vorrangig sind.

B.19 Abschnitt B – Informationen über die Garantinnen

B.19 B.1 Gesetzliche und kommerzielle Bezeichnung der Garantinnen

Die SAF-HOLLAND GmbH und die SAF-HOLLAND USA, Inc. sind beide unter der Geschäftsbezeichnung SAF-HOLLAND tätig.

B.19 B.2 Sitz und Rechtsform der Garantinnen, das für die Garantinnen geltende Recht und Land der Gründung der Gesellschaft

Die SAF-HOLLAND GmbH ist eine nach deutschem Recht gegründete Gesellschaft mit beschränkter Haftung, die im Handelsregister des Amtsgerichts Aschaffenburg eingetragen ist. Die SAF-HOLLAND GmbH ist unter deutschem Recht tätig. Die Geschäftsadresse und der eingetragene Sitz der SAF-HOLLAND GmbH ist Hauptstraße 26, 63856 Bessenbach, Deutschland.

Die SAF-HOLLAND USA, Inc. wurde nach dem Recht des Bundesstaats Michigan, Vereinigte Staaten von Amerika, gegründet und registriert. Die SAF-HOLLAND USA, Inc. unterliegt US-amerikanischem Recht. Die Geschäftsanschrift und der eingetragene Sitz der SAF-HOLLAND USA, Inc. ist 467 Ottawa-Avenue, Holland, MI 49423, Vereinigte Staaten von Amerika.

B.19 B.4b Alle bereits bekannten Trends, die sich auf die Garantinnen und die Branchen, in denen sie tätig sind, auswirken

Die Industrie zur Herstellung von LKWs ist weiterhin dabei, sich nach der globalen Wirtschafts- und Finanzkrise wieder zu erholen. Insbesondere steigen die Investitionen in die Modernisierung der Fahrzeugflotten an. Außerdem haben ein Anstieg des Handelsverkehrs sowie steigende Investitionen in die Transportinfrastruktur, insbesondere in den BRIC Staaten und anderen Schwellenländern, einen positiven Effekt auf die Geschäfts- und Gewinnentwicklung der Gruppe.

B.19 B.5 Beschreibung der Gruppe und der Stellung der Garantinnen innerhalb dieser Gruppe

Die SAF-HOLLAND GmbH ist eine direkte hundertprozentige Tochtergesellschaft der Emittentin. Die SAF-HOLLAND USA, Inc. ist eine hundertprozentige Tochtergesellschaft der SAF-HOLLAND, Inc., die eine hundertprozentige Tochtergesellschaft der SAF-HOLLAND GmbH ist, die wiederum direkt von der Emittentin gehalten wird.

B.19 B.9 Gewinnprognosen und -schätzungen

Entfällt. Keine der Garantinnen hat eine Gewinnprognose oder -schätzung abgegeben.

B.19 B.10 Beschreibung der Art der Beschränkungen im Bestätigungsvermerk zu den historischen Finanzinformationen

Entfällt. Einzelabschlüsse der SAF-HOLLAND USA, Inc. und der SAF-HOLLAND GmbH für die Geschäftsjahre 2010 und 2011 sind nicht im Prospekt enthalten oder per Verweis in den Prospekt einbezogen, da die SAF-HOLLAND USA, Inc. keine vollständigen Einzelabschlüsse erstellt und die SAF-HOLLAND GmbH derartige Finanzinformationen noch nicht veröffentlicht hat. Die Konzernabschlüsse der Gesellschaft beinhalten allerdings Finanzinformationen für die

Gruppe, die auch die SAF-HOLLAND USA, Inc. und die SAF-HOLLAND GmbH als wesentliche operative Tochtergesellschaften der Gruppe einbeziehen.

B.19 B.12 Ausgewählte wesentliche historische Finanzinformationen

Entfällt. Siehe Ausführungen unter B.19 B.10.

B.19 B.13 Ereignisse aus der jüngsten Zeit der Geschäftstätigkeit der Garantinnen, die für die Bewertung ihrer Zahlungsfähigkeit in hohem Maße interessant sind

Siehe Element B.13., das entsprechend auch für Garantinnen gilt.

B.19 B.14 Abhängigkeit von anderen Unternehmen der Gruppe

Die Garantinnen sind Gesellschaften der SAF-HOLLAND Gruppe und hundertprozentige Tochtergesellschaften der Emittentin.

B.19 B.15 Haupttätigkeiten der Garantinnen

Innerhalb der SAF-HOLLAND Gruppe übt die SAF-HOLLAND GmbH die Geschäftstätigkeit im europäischen Markt sowie in bestimmten anderen Märkten aus, insbesondere in den Schwellenländern Brasilien und Russland.

Innerhalb der SAF-HOLLAND Gruppe übt die SAF-HOLLAND USA, Inc. die Geschäftstätigkeit im nordamerikanischen Markt aus.

Zu den Haupttätigkeiten der SAF-Holland Gruppe: Die SAF-HOLLAND Gruppe ist ein global tätiger Hersteller und Anbieter von wesentlichen Systemen und Komponenten für die Trailer-, LKW-, Bus- und Campingfahrzeugindustrie. Das Produktangebot der Gruppe umfasst Trailerachssysteme, Federungen für LKWs und Trailer, Sattelkupplungen, Königszapfen, Kupplungen, Stützwinden und Ladebordwände. Die Gruppe gehört zu den wenigen globalen Herstellern mit einem umfassenden Produktangebot sowohl für Trailer als auch für Nutzkraftfahrzeuge. Die Gruppe verkauft ihre Produkte auf sechs Kontinenten an Originalhersteller („OEMs“) im Erstausrüstungsmarkt sowie im Ersatzteilmarkt bzw. Aftermarket an die Originalherstellerservicenetze der OEMs sowie über ein globales Vertriebs- und Servicenetz. Über dieses Netzwerk werden die Produkte weiter an Endverbraucher und Servicezentren verkauft. Die Gruppe betreibt 15 Produktionsstätten auf fünf Kontinenten, von denen sechs über eigene Forschungs- und Entwicklungs- sowie Testabteilungen verfügen. Im ersten Halbjahr 2012 hatte die Gruppe 3.167 Vollzeitangestellte in 23 Ländern.

B.19 B.16 Unmittelbare oder mittelbare Beteiligungen an den Garantinnen

Die SAF-HOLLAND GmbH wird unmittelbar und die SAF-HOLLAND USA, Inc. mittelbar von der Emittentin kontrolliert.

B.19 B.17 Rating der Garantinnen

Entfällt. Es sind keine Ratings für die Kreditwürdigkeit oder Forderungen der Garantinnen erteilt worden.

Abschnitt C – Wertpapiere

C.1 Beschreibung von Art und Gattung der angebotenen und/oder zum Handel zuzulassenden Wertpapiere, einschließlich der Wertpapierkennung

Art und Gattung der Schuldverschreibungen:

Die Wertpapiere sind unbesicherte Schuldverschreibungen.

Wertpapierkennung:

Den Schuldverschreibungen wurden folgende Wertpapierkennungen zugewiesen: ISIN DE000A1HA979, WKN A1HA97.

C.2 Währung der Wertpapieremission

Die Währung der Schuldverschreibung ist Euro.

C.5 Beschränkungen für die freie Übertragbarkeit der Wertpapiere

Entfällt. Die Schuldverschreibungen sind unter den geltenden Gesetzen und Verkaufsbeschränkungen frei übertragbar. Die Schuldverschreibungen werden an institutionelle Investoren (*professional investors*) und Privatanleger (*retail investors*) in Übereinstimmung mit den Verkaufsbeschränkungen für

öffentliche Angebote in allen Ländern des Europäischen Wirtschaftsraums verkauft. Ein öffentliches Angebot wird in Luxemburg nach Billigung des Prospekts durch die CSSF, und ein öffentliches Angebot wird in Deutschland und Österreich nach der Notifizierung der Billigung des Prospekts durch die CSSF gemäß Artikel 18 der Prospekttrichtlinie erfolgen.

C.8 *Mit den Wertpapieren verbundene Rechte einschließlich der Rangordnung und Beschränkung dieser Rechte*

Status der Schuldverschreibungen (Rang):

Die Schuldverschreibungen begründen (mit der Ausnahme der Garantien) nicht besicherte und nicht nachrangige Verbindlichkeiten der Emittentin, die untereinander und mit allen anderen gegenwärtigen und zukünftigen nicht besicherten und nicht nachrangigen Verbindlichkeiten der Emittentin gleichrangig sind, soweit diesen Verbindlichkeiten nicht durch zwingende gesetzliche Bestimmungen ein Vorrang eingeräumt wird.

Status der Garantien:

Jede der Garantinnen hat die unbedingte und unwiderrufliche Garantie für die ordnungsgemäße und pünktliche Zahlung von Kapital und Zinsen und sonstiger auf die Schuldverschreibungen zahlbarer Beträge übernommen. Diese Garantie begründet unmittelbare, unbedingte und nicht nachrangige Verbindlichkeiten jeder Garantin, die mindestens im gleichen Rang mit allen anderen gegenwärtigen und zukünftigen nicht nachrangigen und nicht besicherten Verbindlichkeiten der jeweiligen Garantin stehen mit Ausnahme von solchen Verbindlichkeiten, die nach geltendem Recht vorrangig sind und mit Ausnahme von Beschränkungen, die für die Garantien nach anwendbarem Recht gelten und die dazu führen, dass die Garantien eingeschränkt oder gar nicht durchsetzbar sind oder bestimmten Beschränkungen oder Einreden unterliegen.

Vorzeitige Rückzahlung aus steuerlichen Gründen:

Die vorzeitige Rückzahlung der Schuldverschreibungen aus steuerlichen Gründen ist zulässig, falls als Folge einer Änderung oder Ergänzung der Steuer- oder Abgabengesetze oder Vorschriften (einschließlich jeder Änderung oder Ergänzung der Anwendung oder der offiziellen Auslegung dieser Gesetze oder Vorschriften) der Bundesrepublik Deutschland, Luxemburg oder der Vereinigten Staaten von Amerika oder deren politischen Untergliederungen oder Steuerbehörden, die Emittentin zur Zahlung zusätzlicher Beträge auf die Schuldverschreibungen verpflichtet ist, wie im Einzelnen in den Anleihebedingungen beschrieben.

Negativverpflichtung:

Die Anleihebedingungen enthalten Negativverpflichtungen der Emittentin und die Garantie enthält Negativverpflichtungen der Garantinnen in Bezug auf Kapitalmarktverbindlichkeiten, wie im Einzelnen in den Anleihebedingungen und den Garantien beschrieben.

Kontrollwechsel:

Die Anleihebedingungen sehen bei einem Kontrollwechsel (wie in den Anleihebedingungen definiert) vor, dass jeder Gläubiger das Recht hat, sämtliche oder einzelne seiner

Schuldverschreibungen fällig zu stellen (wie im Detail in den Anleihebedingungen beschrieben).

Kündigungsrecht bei geringem ausstehenden Nennbetrag:

Die Emittentin ist berechtigt, wenn 85% oder mehr des Gesamtnennbetrags der ursprünglich begebenen Schuldverschreibungen zurückgezahlt oder zurückgekauft und entwertet wurde, die verbleibenden Schuldverschreibungen (ganz, jedoch nicht teilweise) zu kündigen, wie im Einzelnen in den Anleihebedingungen beschrieben.

Kündigungsgründe:

Die Anleihebedingungen sehen Kündigungsgründe vor, die die Gläubiger berechtigen, z.B. bei Nichtzahlung, Verletzung einer sonstigen Verpflichtung, Zahlungseinstellung, Insolvenz, Liquidation oder der Veräußerung von Aktiva (sofern die Erlöse aus solch einer Verfügung nicht innerhalb der SAF-HOLLAND Gruppe reinvestiert werden oder anderweitig innerhalb der SAF-HOLLAND Gruppe verbleiben) die unverzügliche Rückzahlung der Schuldverschreibungen zu verlangen, wie im Einzelnen in den Anleihebedingungen beschrieben.

Cross Default:

Die Anleihebedingungen enthalten eine Cross-Default-Klausel (Drittverzugsklausel) für den Fall, dass fällige Finanzverbindlichkeiten von mehr als €20.000.000 nicht gezahlt werden; wie im Einzelnen in den Anleihebedingungen beschrieben.

Gläubigerbeschlüsse:

In Übereinstimmung mit dem Gesetz über Schuldverschreibungen aus Gesamtemissionen („SchVG“) sehen die Schuldverschreibungen vor, dass die Gläubiger Änderungen der Anleihebedingungen zustimmen (mit Zustimmung der Emittentin) und gewisse sonstige Maßnahmen in Bezug auf die Schuldverschreibungen beschließen können. Beschlüsse der Gläubiger können nach Maßgabe der Anleihebedingungen entweder in einer Gläubigerversammlung oder im Wege der Abstimmung ohne Versammlung gefasst werden und sind für alle Gläubiger verbindlich. Beschlüsse der Gläubiger, durch welche der wesentliche Inhalt der Anleihebedingungen geändert wird, bedürfen einer Mehrheit von mindestens 75% der an der Abstimmung teilnehmenden Stimmrechte. Sonstige Beschlüsse bedürfen der einfachen Mehrheit der abgegebenen Stimmen.

Gemeinsame Vertreter:

In Übereinstimmung mit dem SchVG sehen die Schuldverschreibungen vor, dass die Gläubiger durch Mehrheitsbeschluss einen gemeinsamen Vertreter (der „Gemeinsame Vertreter“) bestellen können. Die Aufgaben und Befugnisse des durch Beschluss bestellten Gemeinsamen Vertreters bestimmen sich nach dem SchVG sowie den Mehrheitsbeschlüssen der Gläubiger.

C.9 Mit den Schuldverschreibungen verbundene Rechte einschließlich der Rangordnung und Beschränkung dieser

Siehe Element C.8 oben.

Die Schuldverschreibungen werden ab dem 31. Oktober 2012 (einschließlich) bis zum 26. April 2018 (ausschließlich) verzinst.

Rechte (C.8), nominaler Zinssatz, Datum, ab dem Zinsen zahlbar werden und Zinsfälligkeitstermine, sofern der Zinssatz nicht festgelegt ist, Beschreibung des Basiswerts, auf den sich der Zinssatz stützt, Fälligkeitstermine und Vereinbarungen für die Darlehenstilgung, einschließlich der Rückzahlungsverfahren, Angabe der Rendite, Name des Vertreters der Schuldtitelinhaber

Der Zinssatz beträgt 7,000% per annum. Zinsen sind jährlich in Bezug auf die vorherige Zinsperiode zahlbar, beginnend am 26. April 2013 (erster kurzer Kupon) und endend am 26. April 2018 („Fälligkeitstag“), vorbehaltlich vorzeitiger Rückzahlung. Die Rendite der Schuldverschreibungen beträgt 7,000% per annum.

C.10 *Derivative Komponenten bei der Zinszahlung*

Entfällt. Die Zinszahlungen erfolgen nicht auf Basis derivative Komponenten.

C.11 *Börsenzulassung*

Für die Schuldverschreibungen wurde die Zulassung zum Handel im regulierten Markt der Frankfurter Wertpapierbörse, einem Markt der in der von der Europäischen Kommission gemäß der Richtlinie 2004/39/EG vom 21. April 2004 über Märkte für Finanzinstrumente veröffentlichten Liste enthalten ist sowie die Einbeziehung in den Prime Standard für Unternehmensanleihen der Deutsche Börse AG beantragt.

Abschnitt D – Risiken

D.2 Zentrale Risiken, die der Emittentin eigen sind

Die Emittentin

SAF-HOLLAND S.A. ist die Muttergesellschaft der SAF-HOLLAND Gruppe und übt selbst keine operativen Tätigkeiten aus. Die Fähigkeit, ihre Zahlungsverpflichtungen zu erfüllen, die im Zusammenhang mit der Anleihe entstehen, hängt von der finanziellen Lage, den Geschäftsergebnissen und den Gewinnen ihrer Konzerngesellschaften ab.

Aufgrund der weltweiten und umfangreichen Geschäftstätigkeit ist die SAF-HOLLAND Gruppe zahlreichen Risiken ausgesetzt. Die bestehenden Risiken können wie folgt zusammengefasst werden:

Branchenbezogene Risiken

- Die jüngste weltweite Wirtschaftsflaute hat die Geschäftstätigkeit und die Ertragslage der Gruppe beeinträchtigt; dies könnte auch weiterhin der Fall sein.
- Marktentwicklungen und staatliche Maßnahmen in Bezug auf die staatliche Schuldenkrise in Europa könnten sich nachteilig auf die Vermögens-, Finanz- und Ertragslage der Gruppe auswirken.
- Die Gruppe ist in Märkten tätig, die einem starken Wettbewerb unterliegen.
- Die Gruppe ist der Volatilität und Zyklizität der regionalen LKW- und Trailermärkte ausgesetzt.
- Steigende Preise für Energie, Rohstoffe und sonstige Waren könnten sich nachteilig auf die Geschäftsergebnisse auswirken.

Unternehmensbezogene Risiken

- Es sind erhebliche Cashflows notwendig, um die Ausgaben für den Schuldendienst der Gruppe zu decken.
- Die Gruppe ist von großen OEM-Kunden abhängig.
- Der Verlust von Zulieferern oder Unterbrechungen bei der Lieferung von Rohstoffen, Bauteilen, Montageteilen oder Komponenten oder Qualitätsmängel bei Teilen, die von den Zulieferern der Gruppe zur Verfügung gestellt werden, oder Produktionsfehler könnten sich nachteilig auf das Geschäft der Gruppe auswirken.
- Es könnten Produkthaftungsansprüche gegen die Gruppe geltend gemacht werden, die zu Reputationsverlusten führen könnten und aufgrund derer die Gruppe zu erheblichen Zahlungen verpflichtet werden könnte.

- Gewährleistungen auf die Produkte der Gruppe könnten eine längere Laufzeit haben als die der Zulieferer entsprechender Komponenten, und die Gruppe ist möglicherweise nicht in der Lage, entsprechende Ansprüche gegenüber den Zulieferern bestimmter Komponenten durchzusetzen.
- Die Produktionsstätten und Produkte der Gruppe sind Betriebs- und Unfallrisiken ausgesetzt.
- Die Gruppe könnte nicht in der Lage sein, technologische Veränderungen zu antizipieren oder auf diese zu reagieren bzw. diese zu nutzen.
- Die Gruppe unterliegt einer Vielzahl gesetzlicher und anderer Vorschriften insbesondere in den Bereichen Umweltschutz, Gesundheit, Sicherheit, Steuern sowie in weiteren Bereichen.
- Die Gruppe ist allgemeinen unternehmerischen, wirtschaftlichen, rechtlichen und politischen Risiken ausgesetzt, besonders in Schwellenländern,, in denen die Gruppe erhebliche Geschäftstätigkeiten und Interessen hat.
- Die Gruppe ist auf die Leistungen von Führungskräften und hochqualifizierten Mitarbeitern angewiesen.
- Die Pensions- und vergleichbaren Verpflichtungen der Gruppe werden zum Teil durch zweckgebundene Pensionsvermögen finanziert, die nur zum Teil von der Gruppe kontrolliert werden können und schwankenden Marktbedingungen unterliegen.
- Das Geschäft der Gruppe kann durch Streiks und andere Arbeitskämpfmaßnahmen negativ beeinflusst werden.
- Die Gruppe ist vom dauerhaften, zuverlässigen und reibungslosen Funktionieren ihrer Informations- und Kommunikationstechnologie abhängig.
- Der Gruppe könnte es möglicherweise nicht gelingen, ihr geistiges Eigentum und technisches Fachwissen angemessen zu schützen.
- Die Gruppe könnte unabsichtlich geistige Eigentumsrechte Dritter verletzen und/oder auf von Dritten zu lizenzierendes geistiges Eigentum angewiesen sein.
- Zusammenschlüsse von Wettbewerbern der Gruppe könnten einen Kundenverlust zur Folge haben.
- Der Versicherungsschutz der Gruppe könnte unzureichend sein.
- Wechselkurs- und Zinsschwankungen oder ähnliche Risiken könnten sich negativ auf das Geschäftsergebnis der Gruppe auswirken.
- Die Gesellschaft könnte eine Abwertung des Firmenwertes und sonstiger immaterieller Vermögenswerte zu verbuchen haben.
- Im Rahmen von möglichen Steuerprüfungen könnte die Gesellschaft zu Steuernachzahlungen verpflichtet werden.
- Die Steuerlast könnte sich erhöhen, wenn die Emittentin den Schwerpunkt ihrer zentralen Verwaltung und geschäftlichen Leitung in einem anderen Land als Luxemburg haben würde.
- Die Compliance-Kontrollen und -Verfahren könnten nicht ausreichen, um Rechtsverletzungen zu verhindern oder aufzudecken, und die Risikomanagement- und Kontrollverfahren innerhalb Gruppe könnten unzureichend sein oder nicht eingehalten werden.
- Die Gruppe ist dem Risiko ausgesetzt, dass künftige Akquisitionen und die Beteiligung an Joint Ventures sowie andere Investitionsentscheidungen nicht den gewünschten Erfolg bringen.

Die Garantinnen

Da die Garantinnen Teil der Gruppe sind, gelten die oben aufgeführten Risiken in Bezug auf die Gruppe auch hinsichtlich ihres jeweiligen Geschäfts für die Garantinnen.

Einzelabschlüsse der SAF-HOLLAND USA, Inc. für die Geschäftsjahre 2010 und 2011 sind nicht im Prospekt enthalten oder per Verweis in den Prospekt einbezogen, da die SAF-HOLLAND USA, Inc. keine vollständigen Einzelabschlüsse erstellt. Die Konzernabschlüsse der Emittentin beinhalten allerdings Finanzinformationen für die Gruppe, die auch die SAF-HOLLAND USA, Inc. als eine der wesentlichen operativen Tochtergesellschaften der Gruppe einbeziehen.

Ein Einzelabschluss der SAF-HOLLAND GmbH für das Geschäftsjahr 2011 ist nicht im Prospekt enthalten oder per Verweis in den Prospekt einbezogen, da ein derartiger Einzelabschluss der SAF-HOLLAND GmbH zum Datum des Prospekts noch nicht in Übereinstimmung mit den Regelungen des Handelsgesetzbuches (HGB) veröffentlicht wurde.

Ein Einzelabschluss oder ein Konzernabschluss der SAF-HOLLAND GmbH für das Geschäftsjahr 2010 ist nicht im Prospekt enthalten oder per Verweis in den Prospekt einbezogen, da die SAF-HOLLAND GmbH im Jahr 2010 unter ihrer damaligen Firma SAF-HOLLAND GROUP GmbH eine hundertprozentige Tochtergesellschaft der Emittentin war, die lediglich Holdingfunktionen und damit selbst keine Geschäftstätigkeit ausgeübt hat. Daher haben diese Finanzinformationen im Vergleich zu dem Konzernabschluss der Emittentin für das Geschäftsjahr 2010 keinen weitergehenden relevanten Informationsgehalt. Die Konzernabschlüsse der Emittentin enthalten jedoch Finanzinformationen für die Gruppe, die auch die SAF-HOLLAND GmbH als eine der wesentlichen operativen Tochtergesellschaften der Gruppe einbeziehen.

D.3 Zentrale Risiken, die den Schuldverschreibungen und den Garantien eigen sind

Die Schuldverschreibungen

Die Anlage in Schuldverschreibungen ist mit bestimmten Risiken verbunden, die in Zusammenhang mit den Eigenschaften, den Spezifikationen und der Art der Schuldverschreibungen stehen. Diese Risiken können zu substanziellen Verlusten oder möglicherweise zum Totalverlust führen, welche der Gläubiger beim Verkauf der Schuldverschreibungen oder im Hinblick auf den Erhalt von Zinszahlungen und auf die Rückzahlung des Kapitals zu tragen hat. Die Risiken bezüglich der Schuldverschreibungen beinhalten unter anderem die folgenden Risiken: Das Risiko, dass unter bestimmten Umständen die Garantiegeber unter dem Neuen Kreditvertrag Zugriff auf Sicherheiten der Gruppe haben. Folglich haben die Inhaber nur eingeschränkten oder überhaupt keinen Zugang zu den Vermögenswerten der Gruppe, sollten die Emittentin oder die Garantinnen insolvent werden. Außerdem besteht das Risiko, dass die Schuldverschreibungen kein gesondertes Rating aufweisen und dass das Rating der Emittentin möglicherweise nicht alle für die Begebung der Schuldverschreibungen relevanten Risiken berücksichtigt. Zudem besteht keine Beschränkung hinsichtlich der Höhe der Verschuldung der Emittentin und der Garantinnen oder der zukünftigen Begebung von Schuldverschreibungen. Darüber hinaus bestehen die folgenden Risiken: die Schuldverschreibungen sind für bestimmte Investoren nicht als Investment geeignet; Liquiditätsrisiken; Risiko der vorzeitigen Rückzahlung; Marktpreisrisiko; Risiko, dass der Marktwert der Schuldverschreibungen sinken kann, wenn sich die Kreditwürdigkeit der Gruppe verschlechtert; Währungsrisiko und das Risiko, dass der Wert der Schuldverschreibungen als Folge der Änderung des Marktzinssatzes sinkt; Risiken in Bezug auf Beschlüsse der Inhaber, die mit einer Mehrheit der Inhaber gefasst werden und bestimmte Inhaber daher überstimmt werden und dass ein Gemeinsamer Vertreter durch eine Mehrheit der Inhaber bestellt wird, der dann ausschließlich für die Durchsetzung der Ansprüche aller Inhaber zuständig ist.

Die Garantien

Mit den Garantien sind bestimmte Risiken verbunden, derer sich die Gläubiger bewusst sein sollten, wenn sie in die Schuldverschreibungen investieren. Zum Beispiel könnten weitere Verbindlichkeiten der Garantinnen zusammen mit den Verbindlichkeiten unter den Garantien das Vermögen der Garantinnen übersteigen. Außerdem können die Garantien nach geltendem Recht beschränkt oder nicht verfügbar sein oder bestimmten Einschränkungen oder Einreden unterliegen.

Abschnitt E – Angebot

E.2b Gründe für das Angebot und Zweckbestimmung der Erlöse Die Emittentin beabsichtigt, einen großen Teil des Nettoemissionserlöses zur Rückzahlung von Verbindlichkeiten aus dem Neuen Kreditvertrag zu verwenden. Der verbleibende Teil soll für allgemeine Unternehmenszwecke verwendet werden.

E.3 Angebotskonditionen

Gesamtnennbetrag: Bis zu €75.000.000.

Ausgabepreis: 100%

Tag der Begebung: 31. Oktober 2012

Stückelung: Die Schuldverschreibungen werden im Nennbetrag von je €1.000 begeben.

Öffentliches Angebot der Schuldverschreibungen:

Die Schuldverschreibungen werden öffentlich innerhalb einer Angebotsperiode angeboten, die nicht vor dem 18. Oktober 2012 beginnt und bis zum 26. Oktober 2012 dauern wird, es sei denn, dass die Angebotsperiode verkürzt oder verlängert wird. Die Schuldverschreibungen werden institutionellen Investoren (*professional investors*) sowie Privatkunden (*retail investors*) im Einklang mit den anwendbaren Beschränkungen für öffentliche Angebote angeboten. Die Schuldverschreibungen werden in

Deutschland sowie in Österreich angeboten, nachdem die CSSF die Billigung des Prospekts an die *Bundesanstalt für Finanzdienstleistungsaufsicht* und die *Finanzmarktaufsichtsbehörde* gemäß § 18 der Prospektrichtlinie notifiziert hat.

Besondere Angebotskonditionen bestehen nicht. Investoren können ihre Zeichnungsangebote in Bezug auf die Schuldverschreibungen über Banken in Luxemburg, Deutschland oder Österreich tätigen. Jeder Investor, der eine Order bezüglich der Schuldverschreibungen abgeben hat, erhält bei Annahme der Order eine elektronische Bestätigung über die Zuteilung der Schuldverschreibungen per Post, Fax oder über die üblichen Informationssysteme. Zudem können Investoren Angebote über das Zeichnungssystem der Frankfurter Wertpapierbörse, XETRA-Zeichnungsfunktionalität, (die „**Zeichnungsfunktionalität**“) abgeben. Für den Fall, dass die angebotenen Schuldverschreibungen überzeichnet sind, wird die Zeichnungsfunktionalität voraussichtlich nicht länger zur Verfügung stehen. In diesem Fall ist ein Handel in Bezug auf die Schuldverschreibungen per Erscheinen im Freiverkehr (*Quotation Board*) an der Frankfurter Wertpapierbörse bis zum unmittelbar dem Ausgabebetag vorangehenden Geschäftstag beabsichtigt.

Die Anzahl der zu emittierenden Schuldverschreibungen wird auf Basis der während des Angebotszeitraums erhaltenen Order ermittelt.

Lieferung und Zahlung der Schuldverschreibungen erfolgt am oder um den 31. Oktober 2012. Die Schuldverschreibungen werden durch Eintrag (*Book-entry*) über das Clearingsystem und die über Konten angeschlossenen Banken gegen Zahlung des Ausgabepreises geliefert.

Verkaufsbeschränkungen:

Das Angebot sowie der Verkauf der Schuldverschreibungen sowie die Ausgabe von Angebotsmaterial unterliegen spezifischen Beschränkungen. Die maßgeblichen Beschränkungen richten sich in erster Linie nach den anwendbaren gesetzlichen Regelungen im Europäischen Wirtschaftsraum, in den Vereinigten Staaten von Amerika, im Vereinigten Königreich Großbritannien, Nordirland und der Schweiz.

E.4 Für die Emission/das Angebot wesentliche oder auch kollidierende Beteiligungen

Mit Ausnahme der Emittentin und der Garantinnen bestehen keine (auch keine kollidierenden oder wesentlichen) Beteiligungen natürlicher oder juristischer Personen, die an der Emission mitwirken. Der Lead Manager ist Darlehensgeber, Bookrunner und beauftragter Lead Arranger in Bezug auf den Neuen Kreditvertrag. Zudem kann der Lead Manager jederzeit in Geschäftsbeziehungen mit der Gruppe stehen und für diese Dienstleistungen im Rahmen des ordentlichen Geschäftsbetriebs erbringen.

E.7 Schätzung der Ausgaben, die dem Anleger vom Emittenten oder Anbieter in Rechnung gestellt werden

Entfällt. Die Kosten für die Emission der Schuldverschreibungen trägt die Emittentin. Weder die Emittentin noch der Lead Manager werden Kosten, Ausgaben oder Steuern direkt gegenüber Investoren erheben bzw. geltend machen.

RISK FACTORS

Potential investors should carefully read and consider the risk factors described below and the other information contained in this Prospectus and consult with their own professional advisers (including their financial, accounting, legal and tax advisers) if they consider it necessary before they make a decision about acquiring the Notes. The realisation of one or more of these risks could individually or together with other circumstances adversely affect the business activities and have material adverse effects on the financial condition and results of operations of SAF-HOLLAND or the SAF-HOLLAND Group. The market price of the Notes could decline as the result of any of these risks, and investors could lose all or part of their investments. The risks described below may not be the only risks to which SAF-HOLLAND or the Group is exposed. Additional risks which are presently not known to the Issuer or the Group or which currently are considered immaterial could also adversely affect the business operations of the Issuer or the Group and have material adverse effects on the Group's business activities, financial condition and results of operations. The sequence in which the risk factors are presented below is not indicative of their likelihood of occurrence, the scope of their financial consequences or the importance of the risk factors mentioned below. In addition, investors should be aware that the risks described might combine and thus intensify one another.

Risks relating to the Issuer

SAF-HOLLAND S.A. is the parent company of the SAF-HOLLAND Group and has no operational business of its own. The ability to fulfil its payment obligations under the Notes depends on its financial position and results of operations as well as the distribution of profits generated by its subsidiaries.

The SAF-HOLLAND Group is exposed to various risks due to its global and extensive business activities. Existing risks can be summarised as follows:

Risks relating to the Industry

The worldwide economic downturn in the recent past has impaired and might continue to impair the business and results of operations of the Group.

Beginning in the second half of 2007 and continuing throughout the years 2008 and 2009, global economies have been experiencing a considerable downturn. This downturn has also seriously affected the truck and trailer manufacturing industry with ongoing declines in business activity which intensified in line with the worsening of the economic and financial crisis during these years. As a global supplier of systems and components, the Group directly depends on the development of the truck and trailer manufacturing industry and, thus, was affected to the same extent.

Despite indications of stabilisation and an economic upturn in 2010 and 2011, which were accompanied by aggressive measures taken by governments and central banks, there remains a significant risk that the global economic and financial crisis may persist and that it could result in a deeper and longer lasting recession. Should the economic and financial crisis persist or worsen further, it could negatively affect the Group's ability to generate cash flows, to obtain further financing on reasonable terms, or to pay or refinance existing debt when due. These factors could materially adversely affect the business, financial condition and results of operations of the Group. In addition, the Group may again be confronted with the need for restructuring.

Market developments and government actions regarding the sovereign debt crisis in Europe could adversely affect the business, financial condition and results of operations of the Group.

Global markets and economic conditions recently have been negatively impacted by concerns regarding the ability of certain European Union member states and other countries to serve their sovereign debt obligations. If the fiscal obligations of these countries continue to exceed their fiscal revenue, taking into account the reactions of the credit and swap markets, the ability of such countries to service their debt in a cost efficient manner could be impaired. The continued uncertainty over the outcome of various international financial support programmes and the possibility that other countries may experience similar financial pressures could further disrupt global markets. However, continued adverse conditions in these countries for an extended period of time could adversely affect future business development in these countries, which in turn could adversely affect the business, financial condition and results of operations of the Group.

The Group operates in highly competitive markets.

The Group faces strong competition in the major markets in which it operates. Although in Europe, according to L.E.K. Consulting GmbH ("L.E.K."), the Group is one of two market leaders in the trailer axle market based on units produced, there are four other key competitors with significant market shares and, in some cases, greater financial resources than the Group. In North America, the Group enjoys a strong position and market recognition in many product areas, such as kingpins, landing gears and fifth wheels, but in others must contend with competitors whose

products have a strong reputation for innovation and quality or are aggressively priced. In the emerging markets of Asia, Central and South America, and Eastern Europe, numerous local and global competitors are, like the Group, active and generating significant competition. In addition, the Group faces competition from original equipment manufacturers (“OEMs”) to the extent that they may in-source their component requirements.

Any failure to succeed in meeting the competitive challenges could have material adverse effects on the business, financial condition and results of operations of the Group.

The Group is exposed to the volatile and cyclical nature of regional truck and trailer markets.

The Group is exposed to the economic cycles and volatilities of the industries the Group’s Business units serve and supply. For example, there is a reasonable correlation between gross domestic product and heavy-duty truck and trailer production. Both the heavy-duty truck and trailer industries experience short-term cycles of approximately four to eight years. In addition, the industry is particularly exposed to regulatory volatility. As a result of new regulatory measures, there is often a significant pre-buy from truck buyers in the period before new regulations take effect and a corresponding sharp reduction in orders after the new regulations take effect. The resulting impact of such cyclical and regulatory volatility on the Group’s business can vary considerably. A downturn affecting the truck and trailer manufacturing industry generally leads to weaker sales and falling prices for the types of products the Group sells to those industries. Thus, a downturn in the North American or European heavy-duty truck market could have a material adverse effect on the business, financial position, and results of operations of the Group.

Furthermore, a cyclical weakness of the Group’s industry, in particular a significant decrease in demand or an increase of capacity may lead to overcapacity and therefore to reduced utilisation of the Group’s production sites. Therefore, it is important to balance production capacity and long-term demand. To a certain extent, the Group is able to compensate for demand up- and downturns. However, overcapacity and underutilisation of the production sites may result in reduced sales volumes and/or a pressure on prices, which could have a negative impact on the profitability. Any failure to fully use the production capacity or to reduce overcapacity at reasonable costs could lead to extraordinary depreciation of production equipment and have negative consequences for the Group’s results due to the relatively high level of fixed costs.

The realisation of one or more of these risks could thus have material adverse effects on business, financial condition and results of operations of the Group.

Rising prices for energy, raw materials and other goods could have an adverse effect on the results of operations.

The production activities of the Group depend on a large number of raw materials and components from third-party providers. In addition, the Group uses energy from various sources. Except during the economic and financial crisis, raw material and energy prices have risen considerably in recent years and are sometimes subject to substantial cyclical fluctuations. Continuing rises in the costs for raw materials, energy, and other materials could have material adverse effects on the business, financial condition and results of operations of the Group.

Risks relating to the Business Operations

Significant cash flows are needed to cover the Group’s debt service expenditure.

SAF-HOLLAND has substantial annual financing costs. The Group’s finance expenses, which include interest expenses due to interest bearing loans and borrowings, amortisation of transaction costs, finance expenses due to pensions and similar benefits, finance expenses due to derivatives and other finance expenses, amounted to €29.0 million in the year ended December 31, 2011.

On October 5, 2012 the Issuer, SAF-HOLLAND GmbH, SAF-HOLLAND USA, Inc. and certain members of the Group as borrowers and guarantors, and Bayerische Landesbank, Commerzbank Aktiengesellschaft, IKB Deutsche Industriebank AG and UniCredit Bank AG as mandated lead arrangers and bookrunners, and Bayerische Landesbank, Commerzbank Aktiengesellschaft, IKB Deutsche Industriebank AG, UniCredit Luxembourg S.A., Fifth Third Bank, Norddeutsche Landesbank Luxembourg S.A., Landesbank Baden-Württemberg and Crédit Mutuel – Banque Européenne du Crédit Mutuel, German branch as original lenders and UniCredit Luxembourg S.A. as facility agent and security agent entered into a credit facilities agreement (the “**New Facilities Agreement**”). The New Facilities Agreement comprises a multicurrency term and revolving credit facility in an amount of €220 million and U.S.\$50 million consisting of two term loan facilities (over €120 million and €20 million) and two multicurrency revolving credit facilities (€80 million and U.S.\$50 million).

Disbursements under the New Facilities Agreement are subject to customary conditions. Further details see “*Business – Material Contracts – Financing Contracts*”.

The New Facilities Agreement provides for certain restrictions with respect to the Group's operational flexibility. In particular, the Group is obliged to adhere to certain financial ratios (financial covenants) and general undertakings, which entitle the lenders to claim immediate repayment of the outstanding loans if such covenants or undertakings are not satisfied. There is a potential risk that these requirements, in particular in connection with the financial covenants, may not be met in the future. If the Group will not be able to comply with these requirements, the lenders might have the right to accelerate the New Facilities Agreement, and upon such acceleration the commitments could be cancelled and loans drawn thereunder could become immediately due and payable.

In addition, the persisting indebtedness and the maturity profile as well as the lack of international credit ratings may make the implementation of refinancing measures more difficult. There is a risk that the Group may not be able to obtain financing in the future or that financing may be obtained only at considerable costs. A possible deterioration in the business results and financial condition could lead to a negative assessment by lenders as to the Issuer's financial standing and thereby to higher financing costs. Increases in the financing costs and potential difficulties in obtaining financing in the future could have material adverse effects on the business, financial condition and results of operations of the Group.

The Group depends on large OEM customers.

Many of the Group's customers are large OEMs with substantial bargaining power, in particular, with respect to price and other commercial terms. In the financial year 2011, approximately 23% of the sales related to top five customers and approximately 38% of the sales related to the Group's top ten customers. The loss of all or a substantial portion of sales to any of the Group's large OEM customers or continued reduction of prices charged to these customers could have material adverse effects on the business, financial condition and results of operations of the Group.

The timing and amount of sales to the Group's OEM customers ultimately depend on sales levels and shipping schedules for the OEM products into which the Group's products are incorporated. The Group has no control over the volume of products shipped by the OEM customers or shipping dates and the Group cannot be certain that the OEM customers will continue to ship products that incorporate the Group's products at current levels or at all. Failure of the OEM customers to achieve significant sales of products incorporating the Group's products and fluctuations in the timing and volume of such sales could be harmful to the Group's business. In addition, failure of the OEM customers to inform the Group of changes to their production needs in a timely manner could also hinder the Group's ability to effectively manage the business.

The Group is dependent upon co-operation and service agreements with OEMs, in particular, for the further development of the Group's Aftermarket Business Unit.

The realisation of one or all of these risks could have material adverse effects on the business, financial condition and results of operations of the Group.

A loss of suppliers or interruptions in the delivery of raw materials, parts, sub-assemblies, or components as well as quality defects in the materials provided by the Group's suppliers or errors in the production could have an adverse effect on the business of the Group.

The Group uses a large number of suppliers to procure raw materials, parts, sub-assemblies, and components that are needed for production. Long-term contracts for more than one year exist only with some of the third-party suppliers. Certain of the materials the Group requires are obtained from a limited number of sources and in a few cases, only from a single supplier. The Group may not be able to substitute suppliers in every case and may require significant time and resources to develop, test, and assure component quality in order to replace such a supplier, which could have a material adverse effect on the business, financial condition and results of operations of the Group.

Late deliveries of essential materials may cause delays in the completion of certain parts or products. This may cause delays in the completion and delivery of the products and may result in the Group having to purchase materials, components, or services from third parties at higher costs. Operational interruptions or prolonged loss of production at individual sites can significantly affect the delivery capacity of the Group and lead to underutilisation of production sites. Any delay in delivery or increase in price may result in order cancellations by the respective customers or even claims for damages, and may harm the long-term relationships with those customers.

Due to the fact that the Group has been able to increase its production capacity over the last twelve months and due to increased demand in the industry and for the Group's products, it becomes increasingly important for the Group to secure an uninterrupted supply chain to further increase the production capacity. Should any of the suppliers experience inventory or capacity shortages in connection with such rising demand, such supply bottlenecks could cause delays in the Group's production process and the delivery of products to customers.

The Group may be subject to product liability claims that could damage its reputation and that could require the Group to make significant payments.

The Group has been, and in the future could be, exposed to product liability claims in the event that the use or maintenance of or exposure to its products results, or is alleged to result, in bodily injury and/or property damage. The Group cannot exclude the possibility that it will experience any material product liability losses in the future or that the Group will incur significant costs to defend such claims. A successful claim brought against the Group in excess of its available insurance coverage or a requirement to participate in a product recall, especially in the event of a publicly announced recall, may negatively affect the reputation, resulting in a loss of customers, and may have material adverse effects on the business, financial condition and results of operations of the Group.

Warranties on the Group's products may be longer than the suppliers' warranties on the constituent components and the Group may not be able to recover from suppliers of certain components.

The Group's primary materials include raw materials, components, sub-assemblies, and parts, which are incorporated into the Group's systems and sold as packaged systems on to the Group's customers. While the Group attempts to source primary materials from suppliers who offer warranty protection for their constituent components on par with the warranties the Group offers to its customers, the Group is not always successful in finding suppliers willing to match its warranty periods. The aggregate effect of a significant component failure among those components no longer covered by the Group's suppliers' warranties but prior to the expiration of the system warranty could have material adverse effects on the business, financial condition and results of operations of the Group.

The production plants and products of the Group are exposed to operational and accident risks.

As with any manufacturing or warehousing operation, the Group cannot eliminate the risk of operational disruptions or mishaps. Operational disruptions may result from external factors beyond the Group's control, such as power or other technical failures, natural disasters, terrorism, or other third-party interference. Accidents or other mistakes can occur in the operating process due to faulty construction, operator error, or the mishandling of hazardous materials. There is a risk of injury to persons, the property of others, or the environment in these events, which may lead to considerable financial costs. The occurrence of such operational interruptions or accidents can also adversely affect the market reputation of the Group, or lead to a reduction in orders and, therefore, to lower sales. Any breakdown or stoppage of production could have material adverse effects on the business, financial condition and results of operations of the Group.

The Group may be unable to anticipate, respond to, or utilise changing technologies.

The Group's future operating results will be influenced by the ability to continue to introduce new products and applications that offer distinct value for the Group's customers. Many of the Group's products could be affected by technological change and new product introductions and enhancements.

If the Group is not successful in maintaining its market position, this may limit the growth prospects and could adversely impact the sales and operating income, which could have material adverse effects on the business, financial condition and results of operations of the Group.

The Group is subject to a large number of environmental, health, safety, tax and other laws and regulations.

The Group is subject to laws and regulations relating to the protection of the environment and human health and safety and must incur capital and other expenditures to comply with these requirements. Failure to comply with any of such laws and regulations could result in the assessment of damages or imposition of fines or penalties, restriction or suspension of production, or a cessation of operations at one or more of the Group's facilities or a requirement to upgrade equipment or processes. The Group can give no assurance that these requirements, in particular as they change in the future, will not have material adverse effects on its business, financial condition and results of operations.

Some environmental laws and regulations impose liability and responsibility on present and former owners, operators or users of facilities and sites for contamination at or arising from such facilities and sites without regard to causation or knowledge of contamination. Therefore, the Group regularly evaluates the environmental conditions of its locations and considers alternatives with respect to identified issues, including possible remediation, disposition or closure. These and other investigations may lead to discoveries of contamination that must be remedied, and closures of facilities may trigger compliance requirements that are otherwise not applicable to operating facilities. For these and other reasons, the Group cannot give any assurance that existing or future circumstances or developments with respect to contamination will not require significant expenditures by the Group, which could have material adverse effects on the business, financial condition and results of operations the Group.

The Group is exposed to general business, economic, legal and political risks, especially in emerging market countries, in which the Group has significant operations and interests.

The Group manufactures its products in many countries and markets its products worldwide. The Group is actively operating and expanding its operations in many emerging markets, including Brazil, Russia, India and China. The Group is considerably dependent upon the socioeconomic conditions in the markets in which it produces and distributes its products and in which it intends to broaden its international business activities and customer base. Such international activities involve countries or regions in various stages of development and thus entail difficulties and risks. In addition, start-up costs generally include the expenses involved in certifying the Issuer's products or obtaining other permits necessary for the operation of the business, all of which may be substantial. The Group faces risks related to general political, economic, legal and taxation conditions in the emerging market countries, unexpected changes in regulatory requirements or tariffs and customs duties, the reduction in or termination of government subsidies, compliance with a large number of foreign laws and regulations, inflation, social and political instability and unrest, riots and armed conflicts, corruption, import or export restrictions, restrictions in currency transfer and, occasionally, expropriation. All of these risks could have material adverse effects on the business, financial condition and results of operations of the Group.

The Group depends on the services of key management personnel and highly skilled employees.

The Group's ability to compete successfully and to implement its business strategy significantly depends on the senior management personnel. The Group also depends on its ability to attract and retain a highly-skilled workforce. Competition for such highly-skilled workforce has increased in recent years, particularly in the field of engineering. The loss of services of key management, or the inability to hire and retain other qualified employees, could have material adverse effects on the business, financial condition and results of operations of the Group.

The Group's pension and similar obligations are partly funded by designated pension assets that are only to some extent controlled by the Group and are subject to fluctuations in market conditions.

The Group has various defined benefit pensions for its employees and deferred and current retirees. As of December 31, 2011, the net unfunded pension and similar obligations amounted to approximately €33.5 million. The Group's pension obligations are only partly funded by designated pension assets, which are mostly held in independent pension schemes or in trusts where the Issuer can only determine the strategic asset allocation. Those plan assets are separated from operating assets and set aside solely for the purpose of meeting pension obligations. The market values of the plan assets are subject to, among other things, fluctuations in capital market conditions, which the Issuer cannot influence. A negative development in capital market conditions, in particular a downturn in the equity markets, could result in an increased underfunding of the Group's pension obligations, potentially having a negative impact on the Group's financial situation, which could lead to the requirement that the Group makes additional contributions. Thus, a realisation of this risk could have material adverse effects on the business, financial condition and results of operations of the Group.

The Group may be adversely impacted by work stoppages and other labour matters.

As of December 31, 2011, approximately 40% of the Group's workforce was unionised. While the Group maintains generally good relationships with its employees and their unions, there can be no assurance that such relationships will continue to be as amicable as present or that the Group will not encounter strikes, further unionisation efforts, or other types of conflicts with labour unions or the Group's employees. In the event that the Group experiences an employee-related work stoppage, such work stoppage could have a material effect on the business, financial condition and results of operations of the Group.

Some of the Group's OEM customers and their suppliers also have unionised workforces. Work stoppages or slow-downs experienced by OEMs or their other suppliers could result in slow-downs or closures of the Group's production facilities. In the event that one or more of the Group's customers or their suppliers experience a material work stoppage, such work stoppage could have material adverse effects on the business, financial condition and results of operations of the Group.

The Group depends on the steady, reliable and uninterrupted operation of its information and communication technology.

The operation of the Group's production facilities as well as its distribution, sales and service activities depend on the efficient and continuous operation of computer, telecommunication and data processing systems, as well as on the protection of confidential information against unauthorised access by unauthorised persons. Such systems require regular updates and improvements to reflect the requirements of the Group's business. Disruptions to operations with regard to these systems cannot be completely excluded and have already occurred in individual cases in the past. The Group's confidential information and trade secrets may be disclosed to competitors by other unauthorised means, for example by former or current employees, which could significantly damage the Group's competitiveness.

The occurrence of any of such risks could adversely affect the Issuer's ability to efficiently maintain its production processes and to ensure their adequate controlling and, thus, could have material adverse effects on the business, financial condition and results of operations of the Group.

The Group may not succeed in adequately protecting its intellectual property and technical expertise.

The Group has obtained or applied for a large number of intellectual property rights, such as patents, that are of considerable importance to the Group's business. As of the date of this Prospectus, the Group holds more than 650 patents worldwide, including registered German utility models (*Gebrauchsmuster*), and has applied for more than 250 proprietary rights. The process of seeking patent protection can be lengthy and expensive. Furthermore, patents may not be granted on currently pending or future applications or may not be of sufficient scope or strength to provide the Group with meaningful protection or commercial advantage. In addition, the granting of a patent does not necessarily imply that it is effective or that possible patent claims can be enforced to the degree necessary or desired. In addition, the Group cannot guarantee that all of the intellectual property rights it has applied for in connection with new technological developments will be granted in each of the countries where the Group considers this necessary or desirable and the Group may not be able to extend protection for its intellectual property rights in such countries.

Third parties, especially in certain emerging market countries, may copy the Group's products or otherwise infringe its intellectual property rights, and the Group, for legal or practical reasons, may be unable to prevent such infringement. Furthermore, certain of the Group's patents will expire in the next few years. In addition, certain know-how and industrial secrets that are not patented or cannot be patented are of paramount importance in the Group's business, in particular, in areas with technologically demanding products and production processes.

All these events could affect the competitive position and business and, thus, have material adverse effects on business, financial condition and results of operations of the Group.

The Group may inadvertently infringe on the intellectual property rights of third parties and/or become dependent on licensing intellectual property from third parties.

The Group cannot exclude the possibility that it inadvertently infringes or will infringe on intellectual property rights of third parties, since some of its competitors also submit a large number of inventions for intellectual property protection. If the Group did infringe on the intellectual property rights of a third party, it would not be able to manufacture, use, or market the affected technologies or products in the countries where such intellectual property rights were granted and would be forced to make changes to the manufacturing processes and/or products. In addition, the Group could be liable to pay damages and other compensation for infringements.

Any restrictions on delivery and production due to patent infringement or production interruptions resulting from patent infringement or from the loss of a needed licence could have material adverse effects on the business, financial condition and results of operations of the Group.

Consolidation of the Group's competitors may cause the loss of customers.

Consolidation in the global market for trailer systems and powered vehicle systems may strengthen the Group's competitors' positions in the market and cause the Group to lose customers. In addition, business combinations among the Group's competitors or between its competitors and any of its OEM customers may strengthen the Group's competitors' financial, technical, and marketing resources significantly and allow them to increase the size of their serviceable markets. Furthermore, competitors may gain control over or influence on the Group's suppliers by shareholdings in such companies. These factors could have material adverse effects on the business, financial condition and results of operations of the Group.

The Group's insurance coverage may not be sufficient.

The Issuer believes that the Group's key assets are insured against standard business risks such as natural disasters and business interruptions and that the Group maintains adequate insurance to protect against the risks associated with its operations. However, some business-related risks are not covered by insurance. There can be no assurance that the Group will not incur losses or that no claims will be raised, which exceed the type or scope of existing insurance coverage. If the Group cannot obtain insurance coverage for future risks, this could have material adverse effects on the business, financial condition and results of operations of the Group.

Fluctuations in currency exchange rates, interest rates and related risks may adversely affect the results of operations of the Group.

As a group that operates worldwide, in 2011 a considerable amount of sales was in currencies other than the Euro, the Issuer's reporting currency, and sales have historically been subject to fluctuations in other currencies. These non-Euro currencies include the US dollar, the Canadian dollar, the Brazilian real, the Chinese renminbi and other currencies of

other countries. The Group generally seeks to match its expenses and income in these respective currencies for any given period. However, exchange rate fluctuations can have translation effects. Currency translation effects occur when the financial statements of the consolidated subsidiaries are recorded in their respective local currency and converted into Euro, which can diminish the impact of positive results or increase the impact of negative results recorded by such consolidated subsidiaries. In particular, the Group is negatively impacted by translation effects when the US dollar is weak in comparison to the Euro.

In addition, the Group is also exposed to interest rate risks arising from its financing activities. Market-induced interest rate changes can in particular have an effect on the interest burden in connection with floating-rate loans. Interest rate fluctuations affect the Group's cash flow. To hedge this cash flow risk, the Group holds interest rate swaps as well as interest rate caps to transform certain variable cash flows into fixed cash flows and to hedge the interest rate.

However, it may not be possible to enter into effective hedging in the future on reasonable terms or at all. In particular, the Group may not have sufficient credit lines or liquidity available to proceed with such hedging activities or the respective counterparty positions do not exist. In addition, the Group cannot exclude the possibility that hedging transactions may fail due to the default of counterparties. All of these factors can have material adverse effects on the Group's business, financial condition and results of operations.

The Issuer may have to recognise an impairment loss on goodwill and certain intangible assets.

As of December 31, 2011, the value of the Issuer's goodwill recognised in its consolidated financial statements amounted to €46.3 million. In accordance with current accounting standards, the Issuer performs an impairment test of goodwill and intangible assets with an indefinite useful life at least once a year, or if events or circumstances indicate that the goodwill or intangible assets might be impaired. In the financial years 2010 and 2011, the impairment test did not lead to any impairment and the impairment loss recognised in prior periods of certain intangible assets was reversed by €5.2 million in 2010 and €1.5 million in 2011 as the reasons for the impairment no longer existed. If the Group's Business units' performance or expected performance is below what the Issuer assumed in evaluating the goodwill and intangible assets attributable to these Business units, however, the Issuer may again have to recognise impairment losses. Such impairment losses could have a material adverse effect on the financial condition and results of operations of the Group.

The Issuer may incur tax liabilities arising from potential tax audits.

The Issuer has not been subject to a tax audit for the financial years covered in this Prospectus. Consequently, a future tax audit could call into question some or all of the positions taken by the Issuer and result in additional tax payments. Likewise, the last German tax audit in respect of the Issuer's major subsidiary, the former SAF-HOLLAND GmbH, covers the financial years up to and including 2004; a tax audit for the years 2005 to 2009 has been started but not yet completed. For SAF-HOLLAND GmbH (formerly SAF-HOLLAND GROUP GmbH), which is the ultimate tax payer in Germany since financial year 2006, a tax audit for the financial years 2006 to 2009 has been started but is not yet completed. For the subsidiary, SAF-HOLLAND USA, Inc., US tax returns for tax years prior to December 31, 2006 are no longer subject to tax review. Currently, there is no tax audit underway. Generally, the relevant tax authorities, not only in Germany and in the United States of America, but also in other countries in which the Group is active, always have the right to challenge the Group's positions taken which could lead to additional tax payments and, thus, could have material adverse effects on the business, financial condition and results of operations.

The tax burden of the Group and the Holders could increase if the Issuer maintains its place of central administration and management in any country other than Luxembourg.

The Issuer's registered office and place of central administration and management is Luxembourg and all management and strategic decisions relating to its operations are made in Luxembourg, and the Issuer intends to continue operating on that basis. However, if the Issuer were treated as having its place of central administration and management in any country other than Luxembourg, income generated by the Issuer may be subject to taxation on the basis of worldwide income in the country where that place of central administration and management is maintained and such country may also impose withholding tax on dividends. This could lead to an increase of the Group's tax burden, and thus impact the after-tax position and financial condition, which could have material adverse effects on the business, financial condition and results of operations of the Issuer.

Compliance controls and procedures may not be sufficient to prevent or to discover violations of the law and other risk management and control procedures within the Group may be inadequate or not be adhered to.

In recent years, the Group has established a system of compliance controls and procedures, which are conducted and coordinated primarily by the Board of Directors. As part of these compliance controls, an updated internal control system was set up and implementation commenced in 2010. This system shall analyse and implement controls as to efficiency, reliability and compliance of operations. However, the existing compliance controls and procedures may not

be sufficient to prevent or detect abusive and improper practices, fraud and violations of law within the entire business operations including in subsidiaries and joint ventures, or by employees in the emerging markets regions.

If the Issuer's or the Issuer's subsidiaries' or joint ventures' employees receive or grant improper economic advantages when soliciting business or use other corrupt, fraudulent or abusive business practices, this could lead to legal sanctions for the Group, including fines, the loss of orders and considerable harm to the reputation. With respect to the Group's large geographic diversification, size and complex group structure, no assurance can be given as to the adequacy of, and future adherence to, such internal compliance procedures and guidelines, as well as other group-wide risk management and control procedures. Therefore, if the system of compliance controls and procedures proves to be insufficient for preventing or discovering violations of the law or other abusive and improper practices, this could have material adverse effects on the Group's business, financial condition and results of operations.

The Group is subject to risks that future acquisitions and participation in joint ventures as well as other investment decisions may not be successful.

As part of the Group's strategy, the Group may acquire companies and enter into joint ventures or acquire other strategic shareholdings or significantly invest in certain businesses in order to expand or complement the product or technology portfolio, or to realise synergies. In particular, the acquisition and integration of acquired enterprises and joint ventures involve considerable investments, uncertainties and risks and require, among other factors, the ability to integrate the newly acquired businesses or joint ventures into the existing operational units and to retain or quickly replace a sufficient number of qualified management personnel, other key employees and persons with the necessary expertise. The Group may not be able to successfully carry out such integrations or to realise planned synergies and/or opportunities for growth originally intended in the context of an acquisition or joint venture. Furthermore, disagreements with joint venture partners or developments in respect of strategic shareholdings could arise unexpectedly. The purchase price for the acquisition of businesses, or the participation in joint ventures or other strategic shareholdings, may turn out to be excessive, or unforeseen restructuring expenses may be necessary. Therefore, the success of future acquisitions cannot be guaranteed. Furthermore, there can be no assurance that the Group will have the financial resources to carry out such transactions and investments. The current level of the Group's debt and certain restrictive covenants contained in the Group's financing agreements is likely to adversely affect the Group's ability to carry out and finance acquisitions. As a result, the Group may not be able to realise in whole or in part intended growth targets, economies of scale, cost savings or other strategic goals.

Risks relating to the Guarantors

As the Guarantors are part of the Group, the risks described above under "Risks Relating to the Issuer" apply also to the Guarantors as with regard to their respective business.

Individual financial information for SAF-HOLLAND USA, Inc. for the financial years 2010 and 2011 is not included in this Prospectus or incorporated herein by reference as SAF-HOLLAND USA, Inc. does not prepare complete financial statements on an individual basis.

Individual financial information for SAF-HOLLAND GmbH for the financial year 2011 is not included in this Prospectus or incorporated herein by reference as SAF-HOLLAND GmbH has not yet published such financial statements in accordance with the German Commercial Code (*Handelsgesetzbuch, HGB*) as of the date of this Prospectus. Financial statements on an individual or consolidated basis of SAF-HOLLAND GmbH for the financial year 2010 is not included in this Prospectus or incorporated by reference as SAF-HOLLAND GmbH in 2010 was under its former name SAF-HOLLAND GROUP GmbH a direct wholly owned subsidiary of the Issuer without any business activities and Group internal holding functions only. Therefore, these financial statements do not contain further relevant information compared with the consolidated financial statements of the Issuer for the financial year 2010. However, the consolidated financial statements of the Issuer contain financial information for the Group which includes the Guarantors as the main operating subsidiaries of the Group.

Risks relating to the Notes

An investment in the Notes involves certain risks associated with the characteristics, specification and type of the Notes which could lead to substantial losses that Holders would have to bear in the case of selling their Notes or with regard to receiving interest payments and repayment of principal. Risks regarding the Notes comprise, *inter alia*, the following risks:

Notes may not be a suitable investment for all Investors

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

- (1) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Prospectus;

- (2) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation and the investment(s) it is considering, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (3) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor's currency;
- (4) understand thoroughly the terms of the Notes; and
- (5) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The investments of certain investors are subject to investment laws or regulations or, respectively, the supervision or regulation by certain authorities. Each potential investor should consult with a financial advisor, if and to which extent (i) the Notes are an investment suitable to it, (ii) the Notes may serve as collateral for different types of debt financing, and (iii) other limitations on the purchase or pledge of the Notes apply. Financial institutions should consult with their legal advisor of the appropriate regulatory authority in order to assess the suitable classification of the Notes with respect to the applicable rules on risk capital or similar provisions.

Under certain circumstances the lenders under the New Facilities Agreement have access to collateral of the Group. As a result, the Holders will have only limited or no access to assets of the Group in the event of the Issuer's or the Guarantors' insolvency.

Currently, the New Facilities Agreement is provided on an unsecured basis, except for payment guarantees by the Issuer and certain of its direct and indirect subsidiaries including SAF-HOLLAND GmbH and SAF-HOLLAND USA, Inc. However, if the leverage ratio as defined in the New Facilities Agreement exceeds the ratio of 3.00:1 in the future, amongst others, the Issuer as borrower and the Guarantors as guarantors are obligated to provide additional *in rem* collateral for the benefit of the lenders under the New Facilities Agreement. Once such collateral has been granted, the Holders will only have limited access (if any) to assets of the Issuer and the Guarantors in an enforcement event, in particular in the event of the insolvency of the Issuer or any of the Guarantors. The Issuer's and Guarantors' assets serving as collateral for the benefit of the lenders under the New Facilities Agreement will – in an enforcement scenario – in the first instance serve for the satisfaction of the lenders under the New Facilities Agreement. The Holders will only benefit from the payment guarantees under the Notes which may become worthless in an insolvency of the Issuer and the Guarantors.

The Notes do not have a separate rating. The rating of the Issuer might not take into consideration all relevant risks related to the issuance of the Notes and is no recommendation to buy, sell or hold the Notes. The rating may be suspended, reduced or withdrawn at any time.

The Notes do not have a separate rating. The Issuer is rated by Euler Hermes Rating Deutschland GmbH. As at the date of this Prospectus, the rating assigned to the Issuer was BBB-. Such rating does not explicitly consider the Issuer's capacity to comply with its obligations under the Conditions of Issue including its repayment obligations on the Maturity Date (as defined in "Conditions of Issue"). In addition, it is possible that the Issuer's rating does not consider the potential impact of any of the risks described herein. A rating by a rating agency or a third party is not a recommendation to buy, sell or hold Notes and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency or third party. There is no guarantee that the rating remains stable for a certain period of time and that it is not reduced or withdrawn completely, should this be necessary in the rating agency's or third party's opinion. A suspension, reduction or withdrawal of the rating assigned to the Issuer may adversely affect the market price of the Notes and their tradability.

There is no limitation regarding the amount of the Issuer's or Guarantors' indebtedness or the issuance of further notes.

The amount of debt which the Issuer or a Guarantor may incur is not restricted under the Conditions of Issue. Such additional debt may be *pari passu* with the Notes or even prior ranking (and potentially secured). Each additional liability (financial debt) increases the indebtedness of the Issuer or a Guarantor and could reduce the amount that the Holders receive in the event of a liquidation or insolvency of the Issuer or a Guarantor, respectively. Moreover, the Issuer could issue further notes with the same or similar characteristics as the Notes. The issue of such further notes competing with the Notes could have an adverse effect on the market value of the Notes.

A liquid market for the Notes may not develop, or if it does develop, it may not continue.

Application has been made to the Frankfurt Stock Exchange for the Notes to be admitted to trading on the Frankfurt Stock Exchange's regulated market and listed in the Prime Standard for bonds segment of Deutsche Börse AG. However, there is a risk that no liquid secondary market for the Notes will develop or, if it does develop, that it will not continue. The fact that the notes may be listed does not necessarily lead to greater liquidity as compared to unlisted Notes. In an illiquid market, an investor is subject to the risk that it will not be able to sell its Notes at any time at fair market prices. The possibility to sell the Notes might additionally be restricted for country specific reasons.

Risk of Early Redemption for Reasons of Taxation or in the event of a low outstanding principal amount

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at the principal amount of the Notes plus accrued interest to the date fixed for redemption, for reasons of taxation or in the event of a low outstanding principal amount of the Notes, all as more fully described in the Conditions of Issue. In the event that the Issuer exercises the option to redeem the Notes, the Holders might suffer a lower than expected yield and might not be able to reinvest the funds on the same terms.

Market Price Risk

The development of market prices of the Notes depends on various factors, such as changes of market interest rate levels, the policies of central banks, overall economic developments, inflation rates or the lack of or excess demand for the Notes. In addition, the Issue Price could exceed the market value of the Notes on the Issue Date. The Holders are therefore exposed to the risk of an unfavourable development of market prices of their Notes which materialises if the Holders sell the Notes prior to the final maturity. If a Holder decides to hold the Notes until final maturity, the Notes will be redeemed at the amount set out in the Conditions of Issue.

The market value of the Notes could decrease if the creditworthiness of the Group worsens

If, e.g., because of the materialisation of any of the risks regarding the Issuer or the Guarantors, the likelihood that the Issuer or the Guarantors will be in a position to fully perform all obligations under the Notes or the Guarantees when they fall due decreases, the market value of the Notes will suffer. In addition, even if the likelihood that the Issuer or the Guarantors will be in position to fully perform all obligations under the Notes or the Guarantees when they fall due actually has not decreased, market participants could nevertheless have a different perception. In addition, the market participants' estimation of the creditworthiness of corporate debtors in general or debtors operating in the same business as the Group could adversely change.

If any of these risks occurs, third parties would only be willing to purchase the Notes for a lower price than before the materialisation of said risk. Under these circumstances, the market value of the Notes will decrease.

Currency Risk

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

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

Fixed Rate Notes

The Notes bear a fixed interest rate. A holder of fixed rate notes is particularly exposed to the risk that the price of such notes falls as a result of changes in the market interest rate. While the nominal interest rate of a fixed rate note as specified in the Conditions of Issue is fixed during the life of the Notes, the current interest rate on the capital markets typically change on a daily basis. As the market interest rate changes, the price of fixed rate notes also changes, but in the opposite direction. If the market interest rate increases, the price of fixed rate notes typically falls, until the yield of such notes is approximately equal to the market interest rate of comparable issues. If the market interest rate falls, the price of fixed rate notes typically increases, until the yield of such notes is approximately equal to the market interest rate of comparable issues. If a Holder of the Notes holds its Notes until maturity, changes in the market interest rate are without relevance to such Holder as the Notes will be redeemed at the principal amount of the Notes.

Resolutions of Holders

Since the Notes provide for meetings of Holders or the taking of votes without a meeting, a Holder is subject to the risk of being outvoted by a majority resolution of the Holders. As such majority resolution is binding on all Holders, certain rights of such Holder against the Issuer under the Conditions of Issue may be amended or reduced or even cancelled.

Holdings' Representative

As the Notes provide for the appointment of a Holdings' Representative by a majority resolution of the Holdings, it is possible that a Holder may be deprived of its individual right to pursue and enforce its rights under the Conditions of Issue against the Issuer, such right passing to the Holdings' Representative who is then exclusively responsible to claim and enforce the rights of all the Holdings.

Risks relating to the Guarantees

Risk that liabilities of the Guarantors may exceed the Guarantors' assets; subordination risk

The Guarantors are also guarantors under the New Facilities Agreement. These existing liabilities of the Guarantors together with their liabilities under the Guarantees for the Notes may exceed their assets. If the Guarantors are required

to fulfill some or all of these obligations, the guarantee for the Notes may prove less valuable or even worthless if the other creditors rank equal to or have priority over the holders of the Notes.

The Guarantees of the Guarantors are not secured by assets of the Guarantors.

Limitation or unavailability of the Guarantees

The Guarantees provide the Holders of the Notes with a direct claim against the Guarantors. However, these Guarantees will be limited to the maximum amount that can be guaranteed by the particular Guarantor without rendering the respective Guarantee, as it relates to that Guarantor, voidable or otherwise ineffective under applicable laws. Guarantees may also be subject to further limitations under the law, including limitations on the consideration received or the general prohibition of abstract guarantees. Furthermore, the enforcement of any of the Guarantees against any Guarantor would be subject to certain defences available to Guarantors in general or, in some cases, to limitations designed to ensure full compliance with statutory requirements applicable to the relevant Guarantors. These laws and defenses include those that relate to fraudulent conveyance or transfer, voidable preference, corporate purpose, capital maintenance or similar laws, regulations or defences affecting the rights of creditors generally. The Guarantees contain language limiting the enforceability of the amount of debt guaranteed so that applicable law restrictions will not be violated. As a result, a Guarantor's liability under its respective Guarantee could be materially reduced or eliminated, depending upon the amounts of its other obligations and upon applicable laws. It is possible that a Guarantor, a creditor of a Guarantor or the insolvency administrator in the case of the insolvency of a Guarantor, may contest the validity and enforceability of the Guarantor's Guarantee and that the applicable court may determine that the respective Guarantee should be limited or voided.

REASONS FOR THE OFFERING AND USE OF PROCEEDS

In connection with the offering of the Notes, the Issuer will receive maximum net proceeds of approximately €72,900,000, after deducting aggregate costs and total fees and expenses aggregating approximately to €2,100,000 (calculated on the basis of Notes issued in the aggregate principle amount of €75,000,000). The Issuer intends to use a significant portion of the net proceeds to repay indebtedness under the New Facilities Agreement (see “*Business – Material Contracts – Financing Contracts*”). The remaining portion shall be used for general corporate purposes.

GENERAL INFORMATION ON THE ISSUER AND THE GROUP

General Information

SAF-HOLLAND S.A. (the “**Issuer**” or the “**Company**” and together with its subsidiaries the “**SAF-HOLLAND Group**” or the “**Group**”) operates under its commercial name SAF-HOLLAND. The Issuer was incorporated in Luxembourg as a public limited liability company (*société anonyme*) under Luxembourg laws for an unlimited duration on December 21, 2005 under the name Pamplona PE Holdco 3 S.A. The Issuer’s name was changed to SAF-HOLLAND S.A. on 19 April 2007. The Issuer is registered with the Luxembourg Trade and Companies Register (Registre de commerce et des sociétés) under number B 113.090. Its address, registered office, place of central administration and principal place of business is at 68-70, boulevard de la Pétrusse, 2320 Luxembourg, Grand Duchy of Luxembourg. The telephone number of the registered office is +352 26 49 65 40. The shares of the Issuer are admitted to trading on the Regulated Market (*regulierter Markt*) of the Frankfurt Stock Exchange in the Prime Standard segment and included in the trading on the unregulated markets (*Freiverkehr*) of other German stock exchanges.

History

SAF-HOLLAND S.A. was incorporated on December 21, 2005 for the purpose of acquiring the SAF Group, a transaction completed on March 31, 2006. The Issuer subsequently acquired the Holland Group on December 18, 2006, becoming one of the few global suppliers of truck and trailer systems and components. Prior to these acquisitions, SAF Group and Holland Group were each independent leading developers and suppliers of premium heavy duty vehicle systems and products in their respective core markets – namely Europe for SAF Group and North America for Holland Group – with both also being active in other key markets. The business of the SAF Group can be traced back to the 19th century, beginning with the production and supply of ploughs and other agricultural products in 1881. Holland Group was founded in 1910, beginning its business with the production of pressure release hitches connecting horses to ploughs.

In 2007, SAF-HOLLAND S.A. went public. Since July 26, 2007 the shares of the Issuer have been admitted to trading in the Regulated Market (Prime Standard segment) of the Frankfurt Stock Exchange.

In April 2008, the SAF-HOLLAND Group acquired the landing gear (trailer support) product line from Austin-Westran LLC. This acquisition included, in particular, Austin-Westran’s China-based production operation in Xiamen, which significantly expands the presence of the Group in China. Since the completion of this acquisition, the SAF-HOLLAND Group consolidated its activities, including those at the Jinan facility, with its operations at the acquired Xiamen plant in order to deliver increasing volumes of truck and trailer components into emerging markets in Asia and other countries worldwide.

In September 2008, SAF-HOLLAND S.A. acquired all shares of SAF-HOLLAND Verkehrstechnik GmbH (formerly Georg Fischer Verkehrstechnik GmbH), a supplier of components and systems for the truck and trailer industry. This acquisition was made to strengthen the position in the European market for fifth wheels and to become a more significant supplier of this product within the European truck industry. The acquisition was financed in part through the issue of 1,864,900 new shares.

In December 2009, the Issuer completed a comprehensive restructuring of its bank debt with a bank group of 14 lenders and entered into an amendment to the existing multicurrency term and revolving facility agreement dated February 19, 2008 concerning loans totalling €315.9 million (the “**Facilities Agreement**”). Under the Facilities Agreement, the Issuer and numerous subsidiaries granted guarantees as well as security interests over bank accounts, receivables and other claims (including intra-group receivables), tangible assets, real property and shares.

On May 13, 2010, the former major shareholder of the Issuer, Pamplona Capital Partners I, LP, sold its remaining 34.5% stake in the Issuer. As a result, the market capitalisation with respect to those shares pertaining to the free float significantly increased. This change, among other factors, led to the inclusion of the shares in the SDAX segment of the Prime Standard of the Frankfurt Stock Exchange, beginning on December 8, 2010.

In March 2011, in light of improving sales and results, SAF-HOLLAND S.A. completed successfully a capital increase thereby increasing its subscribed share capital significantly from €207,022.75 to €412,373.75 and entered into an additional amendment to the Facilities Agreement which came into effect in April 2011 after completion of the capital increase. The Issuer used the predominant amount of the proceeds from the capital increase in the amount of approximately €143.7 million for the repayment of dawn credit facilities under the Facilities Agreement in the amount of €89.1 million. On June 4, 2012 the general meeting of shareholders resolved to increase the authorized share capital to €206,187.

On October 5, 2012 the Issuer, SAF-HOLLAND GmbH, SAF-HOLLAND USA, Inc. and certain members of the Group as borrowers and guarantors, and Bayerische Landesbank, Commerzbank Aktiengesellschaft, IKB Deutsche Industriebank AG and UniCredit Bank AG as mandated lead arrangers and bookrunners, and Bayerische Landesbank,

Commerzbank Aktiengesellschaft, IKB Deutsche Industriebank AG, UniCredit Luxembourg S.A, Fifth Third Bank, Norddeutsche Landesbank Luxembourg S.A., Landesbank Baden-Württemberg and Crédit Mutuel – Banque Européenne du Crédit Mutuel, German branch as original lenders and UniCredit Luxembourg S.A. as facility agent and security agent entered into a credit facilities agreement (the “**New Facilities Agreement**”). The New Facilities Agreement comprises a multicurrency term and revolving credit facility in an amount of €220 million and U.S.\$50 million consisting of two term loan facilities (over €120 million and €20 million) and two multicurrency revolving credit facilities (€80 million and U.S.\$50 million).

Fiscal Year

The fiscal year of the Issuer is identical with the calendar year.

Corporate object of the Issuer

According to section 3 of the Articles of Association, the corporate object of the Issuer is as follows:

- to take participations and interests, in any form whatsoever, in any commercial, industrial, financial or other, Luxembourg or foreign enterprises;
- to acquire any securities and rights through participation, contribution, underwriting, firm purchase or option, negotiation or in any other way and namely to acquire patents and licences, and other property, rights and interest in property as the Issuer shall deem fit, and generally to hold, manage, develop, sell or dispose of the same, in whole or in part, for such consideration as the Issuer may think fit, and in particular for shares or securities of any company purchasing the same;
- to enter into, assist or participate in financial, commercial and other transactions, and to grant to any holding company, subsidiary, of fellow subsidiary, or any other company associated in any way with the Issuer, or the said holding company, subsidiary or fellow subsidiary, in which the Issuer has a direct or indirect financial interest, any assistance as e.g. pledges, loans, advances or guarantees;
- to borrow and raise money in any manner and to secure the repayment of any money borrowed;
- to borrow funds and issue bonds and other securities; and
- to perform any operation which is directly or indirectly related to its purpose.

The Issuer can perform all commercial, technical and financial operations, connected directly or indirectly in all areas as described above in order to facilitate the accomplishment of its purpose.

Business of the Group

Overview

The SAF-HOLLAND Group is global producer and supplier of key systems and components for the trailer, truck, bus, and recreational vehicle industries. The product range includes trailer axle systems, truck and trailer suspensions, fifth wheels, kingpins, couplers, landing gears and liftgates. The Group is one of the few global manufacturers that offer a comprehensive range of products for both trailer and powered vehicle systems. The Group sells its products on six continents to original equipment manufacturers (“**OEMs**”) in the first-fit market, and in the aftermarket to the OEMs’ original equipment services (“**OESs**”) and through a global distribution and service network. This network resells to end users and service centres. The Group operates 15 manufacturing facilities on five continents, six of which include research and development. In addition, the Group provides the end users with a global service network, thereby increasing the attractiveness of the products by providing a comprehensive spare parts delivery and service capability. As of December 31, 2011, the third-party service networks comprised approximately 9,000 independent aftermarket points worldwide, which included independent distributors, OEM dealers, and various fully trained and certified independent service centres.

According to L.E.K., the Group is among the market leaders in many of its core product segments and offers a portfolio of value-added systems and components for the truck and trailer industry that is broader than the product portfolio of most of the Group’s competitors. In addition, the Group is one of the most geographically diversified companies in the manufacturing and sale of components and systems for this industry and has an established and growing presence in emerging markets such as Brazil, Russia, India and China. The Group believes that the market-leading positions is built principally on serving the needs of the customers and on the proprietary technologies that characterise the product offering, which are focused on end users’ key purchasing criteria such as service, lifecycle costs, reliability, safety and weight. The customer focus and technology expertise is manifested in the ability to sell premium products to the market and to offer product warranties and product performance guarantees that are among the longest available in the industry.

The SAF-HOLLAND Group operates in three principal business units “Trailer Systems”, “Powered Vehicle Systems” and “Aftermarket”:

- **Trailer Systems**, including axle systems, suspension systems, kingpins and couplers, landing gears and other components for the trailer industry. Trailer Systems represented 56.9% of sales in the year ended December 31, 2011 and 55.1% of the sales in the six-months period ended June 30, 2012.
- **Powered Vehicle Systems**, including fifth wheels, suspension systems, tag axles and other components for heavy duty trucks, buses and recreational vehicles. Powered Vehicle Systems represented 18.5% of sales in the year ended December 31, 2011 and 18.6% of the sales in the six-months period ended June 30, 2012.
- **Aftermarket**, including replacement components for all Trailer Systems and Powered Vehicle Systems products as well as certain specialised products. Aftermarket sales represented 24.6% of sales in the year ended December 31, 2011 and 26.3% of the sales in the six-months period ended June 30, 2012.

The current members of the Issuer’s board of directors (“**Board of Directors**”) are Bernhard Schneider (Chairman), Ulrich Otto Sauer (Vice Chairman), Detlef Borghardt, Richard W. Muzzy, Samuel Martin and Anja Kleyboldt.

For more detailed financial information see “*General Information on the Issuer and the Group – Summary Financial Information*” as well as the consolidated financial statements of the Issuer for the financial years ended December 31, 2010 and 2011 and for the six-months-periods ended June 30, 2011 and 2012, each as incorporated herein by reference.

The subscribed share capital of the Issuer amounts to €412,373.75 as of the date hereof and is divided into 41,237,375 ordinary bearer shares with a nominal value of €0.01 each. On June 4, 2012 the general meeting of shareholders resolved to increase the authorized share capital to €206,187.

The SAF-HOLLAND Group employed in average 3,167 full-time employees in 23 countries during the first six months of 2012.

Overview Financial Information

The selected financial information as at and for the years ended December 31, 2009, 2010 and 2011 summarised below has been derived from the audited consolidated financial statements for the years ended December 31, 2010 and 2011, whereby the selected financial information for the year ended December 31, 2009 is derived from the comparable financial information contained in the audited consolidated financial statements for the year ended December 31, 2010 of the Issuer, and from the Issuer’s accounting records. Those consolidated financial statements were prepared in accordance with the International Financial Reporting Standards of the International Accounting Standards Board (IASB) as adopted by the European Union (hereinafter referred to as “**IFRS**”). Ernst & Young S.A., Luxembourg, audited the Issuer’s consolidated financial statements for the years ended December 31, 2010 and 2011 and issued an unqualified auditor’s report in each case.

Where financial data in the table below is labelled “audited”, this means that it was taken or derived from these audited consolidated financial statements. The label “unaudited” is used in the tables below to indicate financial data that was taken or derived from a source other than the audited consolidated financial statements mentioned above. The selected financial information as at and for the six-month periods ended June 30, 2011 and 2012 has been derived from the unaudited consolidated interim financial statements for the six-month periods ended June 30, 2011 and 2012. Some of the financial and performance indicators including the Non-IFRS Financial Measures reproduced below were taken from the Group’s accounting records and are unaudited.

The summary of financial and operating data below should be read, in particular, in conjunction with the audited consolidated financial statements of the Issuer for the years ended December 31, 2010 and 2011 which are incorporated into this Prospectus by reference.

Some of the financial and operating data has been commercially rounded to one decimal place. Totals or sub-totals in tables and other data in this Prospectus which have not been rounded may differ from information that has been rounded to one decimal place. Furthermore, data rounded to one decimal place may diverge from totals or subtotals in tables or other sections in this Prospectus.

Selected Consolidated Comprehensive Income Statement Data

	<i>Year ended December 31,</i>			<i>Six-month period ended June 30,</i>	
	<i>2009</i>	<i>2010</i>	<i>2011</i>	<i>2011</i>	<i>2012</i>
	<i>(€'000)</i>	<i>(€'000)</i>	<i>(€'000)</i>	<i>(€'000)</i>	<i>(€'000)</i>
	<i>(audited)</i>	<i>(audited)</i>	<i>(audited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
Sales.....	419,618	631,053	831,317	417,906	440,321
Cost of sales.....	-351,371	-514,023	-682,858	-341,153	-359,882
Gross profit	68,247	117,030	148,459	76,753	80,439
as a percentage of sales (unaudited)	16.3%	18.5%	17.9%	18.4%	18.3%
Other income	1,226	1,298	1,352	374	432
Selling expenses	-36,265	-42,228	-48,864	-24,022	-26,722
Administrative expenses	-35,005	-36,663	-37,532	-19,491	-20,431
Research and development costs	-11,013	-13,704	-14,975	-7,162	-8,903
Impairment of goodwill and intangible assets	-16,903	—	—	—	—
Reversal of impairment of intangible assets	—	5,171	1,530	—	—
Operating result	-29,713	30,904	49,970	26,452	24,815
as a percentage of sales (unaudited)	-7.1%	4.9%	6.0%	6.3%	5.6%
Finance income	3,487	640	5,264	740	2,258
Finance expenses	-29,618	-36,139	-28,963	-18,865	-8,927
Share of net profit of investments accounted for using the equity method	-99	453	639	208	409
Result before tax	-55,943	-4,142	26,910	8,535	18,555
as a percentage of sales (unaudited)	-13.3%	-0.7%	3.2%	2.0%	4.2%
Income tax expenses/income	7,030	-4,168	-108	5,831	-6,868
Result for the period	-48,913	-8,310	26,802	14,366	11,687
Basic and diluted earnings per share in €.....	-2.36	-0.40	0.73	0.45	0.28

Selected Consolidated Balance Sheet Data

	<i>December 31,</i>			<i>June 30,</i>	
	<i>2009</i>	<i>2010</i>	<i>2011</i>	<i>2011</i>	<i>2012</i>
	<i>(€'000)</i>	<i>(€'000)</i>	<i>(€'000)</i>	<i>(€'000)</i>	<i>(€'000)</i>
	<i>(audited)</i>	<i>(audited)</i>	<i>(audited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
Assets					
Non-current assets	318,096	317,864	327,788	312,214	329,423
thereof goodwill	44,251	45,822	46,311	44,174	47,151
thereof intangible assets	137,651	140,886	139,012	134,775	140,023
thereof property, plant, and equipment	108,625	100,630	100,764	93,943	101,451
thereof deferred tax assets	16,686	19,407	28,609	27,900	27,336
Current assets	140,002	166,056	208,699	207,435	234,382
thereof inventories.....	55,508	68,082	90,400	86,411	94,842
thereof trade receivables.....	57,210	80,336	95,352	100,501	108,667
thereof cash and cash equivalents	20,742	8,546	15,345	11,924	21,349
Non-current assets classified as held for sale	—	738	—	0	0
Total assets	458,098	484,658	536,487	519,649	563,805
Equity attributable to equity holders of the parent	23,756	24,927	192,232	175,493	207,711
Non-current liabilities	364,732	362,410	219,869	210,348	224,538
thereof pensions and other similar benefits	12,364	11,730	12,600	11,414	12,803
thereof interest bearing loans and borrowings....	304,500	306,917	163,504	161,265	167,553
thereof deferred tax liabilities	33,695	33,603	33,077	31,579	32,565
Current liabilities	69,610	97,321	124,386	133,808	131,556
thereof interest bearing loans and borrowings....	5,530	3,758	11,530	11,009	11,662
thereof trade payables	40,874	69,938	86,038	95,554	92,907
Total equity and liabilities	458,098	484,658	536,487	519,649	563,805
Net Working Capital ⁽¹⁾ (unaudited)	52,694	62,721	78,206	71,476	89,778
as a percentage of sales (unaudited)	12.6%	9.9%	9.6%	8.3%	10%
Equity ratio ⁽²⁾ (unaudited).....	5.2%	5.1%	35.8%	33.8%	36.8%
Total Debt ⁽⁶⁾ (unaudited)	310,303	310,675	175,034	172,274	179,215
Net Debt ⁽⁷⁾ (unaudited)	289,288	302,129	159,689	160,350	157,866

(1) "Net Working Capital" is defined as current assets less cash and cash equivalents minus current and non-current other provisions, minus income tax liabilities, minus trade payables and minus current other liabilities.

(2) Equity ratio is defined as equity attributable to equity holders of the parent divided by total assets and multiplied by 100.

Selected Consolidated Cash Flow Statement Data

	<i>Year ended December 31,</i>			<i>Period from</i>	
	<i>2009</i>	<i>2010</i>	<i>2011</i>	<i>January 1, to June 30,</i>	<i>2012</i>
	<i>(€'000)</i>	<i>(€'000)</i>	<i>(€'000)</i>	<i>(€'000)</i>	<i>(€'000)</i>
	<i>(audited)</i>	<i>(audited)</i>	<i>(audited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
Net cash flow from operating activities.....	48,261	39,438	41,098	21,172	18,959
Net cash flow from investing activities.....	-7,460	-7,177	-12,109	-3,854	-8,070
Net cash flow from financing activities.....	-28,422	-45,312	-22,344	-13,519	-5,318
Net increase/decrease in cash and cash					
equivalents.....	12,379	-13,051	6,645	3,799	5,571
Net foreign exchange difference	-194	855	154	-421	433
Cash and cash equivalents at the beginning of					
the period.....	8,557	20,742	8,546	8,546	15,345
Cash and cash equivalents at the end of the					
period.....	20,742	8,546	15,345	11,924	21,349

Reconciliation Statement for Adjusted Figures

The following table below shows the Issuer's financial performance using both IFRS and Non-IFRS Financial Measures for the financial years indicated:

	Year ended December 31,			Period from	
	2009	2010	2011	January 1, to June 30,	2012
	(€ million) (unaudited)	(€ million) (unaudited)	(€ million) (unaudited)	(€ million) (unaudited)	(€ million) (unaudited)
Result for the period	-48.9	-8.3	26.8	14.4	11.7
Income tax expenses/income	-7.0	4.2	0.1	-5.8	6.9
Finance result ⁽¹⁾	26.1	35.4	23.7	18.0	6.6
Additional depreciation and amortisation from PPA ⁽²⁾	7.5	6.7	6.4	3.2	3.2
Impairment of goodwill and intangible assets ..	16.9	—	—	—	—
Reversal of impairment of intangible assets	—	5.2	1.5	—	—
Restructuring and integration costs ⁽³⁾	6.9	4.3	1.8	0.2	0.5
Adjusted EBIT⁽⁴⁾⁽⁵⁾	1.5	37.1	57.3	30.0	28.9
as a percentage of sales	0.4%	5.9%	6.9%	7.2%	6.6%
Depreciation and amortisation ⁽⁶⁾	15.2	15.6	14.0	7.0	7.2
Adjusted EBITDA⁽⁵⁾⁽⁷⁾	16.7	52.7	71.3	37.0	36.1
as a percentage of sales	4.0%	8.4%	8.6%	8.9	8.2
Depreciation and amortisation ⁽⁶⁾	-15.2	-15.6	-14.0	-7.0	-7.2
Finance result ⁽¹⁾	-26.1	-35.4	-23.7	-18.0	-6.6
Finance-related restructuring and integration costs ⁽⁸⁾	2.8	2.4	5.8	5.2	0.2
Adjusted result before taxes⁽⁵⁾	-21.8	4.1	39.4	17.2	22.5
Income tax expenses/income ⁽⁹⁾	6.2	-1.2	-12.1	-5.3	-6.9
Adjusted result for the period⁽⁵⁾	-15.6	2.9	27.3	11.9	15.6
Number of shares ⁽¹⁰⁾	20,702,275	20,702,275	36,502,894	31,768,412	41,237,375
Adjusted earnings per share in € ⁽¹⁰⁾	-0.75	0.14	0.75	0.37	0.38

(1) Finance result is defined as finance income less finance expenses.

(2) Purchase price allocation (PPA) resulting from the acquisition of the SAF Group and Holland Group in 2006 as well as Austin-Westran Machinery Co. Ltd. and SAF-HOLLAND Verkehrstechnik GmbH (formerly Georg Fischer Verkehrstechnik GmbH) in 2008.

(3) Includes expenses from the mergers of locations, the reorganisation of the Group's activities in Eastern Europe, restructuring and consultancy fees, redundancy payments and other expenses.

(4) Non-IFRS-financial measures. "Adjusted EBIT" is defined as EBIT plus additional depreciation and amortisation resulting from purchase price allocation (PPA) under IFRS minus the reversal of impairment of intangible assets and plus certain exceptional restructuring and integration costs. Under the purchase price allocation process, the fair value is assigned to major assets and liabilities of an acquired enterprise following a business combination. The following table shows the reconciliation from operating result to "Adjusted EBIT":

	Year ended December 31,			Period from January 1, to June 30,	
	2009	2010	2011	2011	2012
	(€'000) (audited)	(€'000) (audited)	(€'000) (audited)	(€'000) (unaudited)	(€'000) (unaudited)
Operating result	-29,713	30,904	49,970	26,452	24,851
Share of net profit of investments accounted for using the equity method	-99	453	639	208	409
EBIT	-29,812	31,357	50,609	26,660	25,224
Additional depreciation and amortisation from PPA ⁽²⁾	7,489	6,654	6,447	3,218	3,186
Reversal of impairment of intangible assets	-	-5,171	-1,530	-	-
Restructuring and integration costs ⁽³⁾	6,900	4,290	1,792	167	501
Impairment of goodwill and intangible assets	16,903	-	-	-	-
Adjusted EBIT⁽⁴⁾⁽⁵⁾	1,480	37,130	57,318	30,045	28,911

(5) The Company presents "Adjusted EBIT", "Adjusted EBITDA", "Adjusted result before taxes", and "Adjusted result for the period" to enhance the understanding of the operating results. None of these measures are measures of financial performance under generally accepted accounting principles, including IFRS. Items excluded from these measures are significant components in understanding and assessing financial performance. The Company provides these measures because it believes that investors and securities analysts will find them to be useful measures for evaluating the operating performance and for comparing the operating performance with that of similar companies that have a different capital structure. None of these measures should be considered in isolation or as an alternative to result for the period or other data presented in the financial statements as indicators of financial performance. Because these measures are not determined in accordance with generally

accepted accounting principles and are thus susceptible to varying calculations, the measures the Company presents may not be comparable to other similarly titled measures of performance of other companies.

- (6) Depreciation and amortisation excluding additional depreciation and amortisation from PPA as well as impairment resulting from the merger of locations included in restructuring and integration costs.
- (7) Non-IFRS-financial measures. "Adjusted EBITDA" is defined as EBITDA plus the effect due to certain exceptional restructuring and integration costs. EBITDA is defined as result for the period minus/plus income tax income/expenses plus finance expenses minus finance income plus depreciation and amortisation minus the reversal of impairment of intangible assets
- (8) Includes consulting costs, waiver and costs of the standstill agreement in connection with the refinancing negotiations in 2009. Restructuring and integration costs for the year ended December 31, 2010 include expenses in connection with the restructuring of interest rate derivatives. Restructuring and integration costs for the year ended December 31, 2011 mainly include expenses from the early redemption of bank loans as well as interest rate derivatives and costs in connection with the initiated notes offering in 2011. Restructuring and integration costs for the six-month period ended June 30, 2012 included expenses for the preparation of a placement of a bond which was not executed and expenses associated with the close-down of the Austrian subsidiary as well as expenses associated with the intended new refinancing.
- (9) Assuming a uniform rate of 28.59% (2009), 30.8% (2010, 2011 and 2012) for the income tax expenses/income.
- (10) Weighted average number of shares outstanding in the respective reporting period.

Guarantee Coverage

The following table sets forth certain unaudited aggregated financial information for the financial year ended December 31, 2011 for the Guarantors and for SAF-HOLLAND Group. The unaudited aggregated financial information of the Guarantors has been prepared for the Guarantors on their level each on an unconsolidated basis, whereby effects of the transactions between the Guarantors and between the Guarantors and the other companies of the Group were not eliminated. This unaudited aggregated financial information is for illustrative purposes only and is not indicative of the results of operations or financial position for any future date or period.

	<i>Year ended December 31, 2011</i>		
	<i>Guarantors</i>	<i>% of SAF- HOLLAND Group</i>	<i>SAF- HOLLAND Group</i>
	<i>(€'000)</i>		<i>(€'000)</i>
Sales.....	729,571	87.8	831,317
Adjusted EBITDA ⁽¹⁾⁽²⁾	52,897	75.6	71,301

- (1) The Company presents "Adjusted EBIT", "Adjusted EBITDA", "Adjusted result before taxes", and "Adjusted result for the period" to enhance the understanding of the operating results. None of these measures are measures of financial performance under generally accepted accounting principles, including IFRS. Items excluded from these measures are significant components in understanding and assessing financial performance. The Company provides these measures because it believes that investors and securities analysts will find them to be useful measures for evaluating the operating performance and for comparing the operating performance with that of similar companies that have a different capital structure. None of these measures should be considered in isolation or as an alternative to result for the period or other data presented in the financial statements as indicators of financial performance. Because these measures are not determined in accordance with generally accepted accounting principles and are thus susceptible to varying calculations, the measures the Company presents may not be comparable to other similarly titled measures of performance of other companies.
- (2) Non-IFRS-financial measures. "Adjusted EBITDA" is defined as EBITDA plus the effect due to certain exceptional restructuring and integration costs. EBITDA is defined as result for the period minus/plus income tax income/expenses plus finance expenses minus finance income plus depreciation and amortisation minus the reversal of impairment of intangible assets.

Products

The SAF-HOLLAND Group develops, manufactures, distributes, sells and services a range of premium heavy duty vehicle systems and components for commercial, specialty and certain consumer uses. The Group produces and sells products under three principal categories: Trailer Systems, Powered Vehicle Systems, and Aftermarket. The Group sells these products to trailer, truck, bus, and recreational vehicle OEMs, truck and trailer OES, and independent aftermarket distributors. The following diagram highlights the applications of the Group's products:



Our primary products include the following:

Trailer Systems

Axle Systems

Fully integrated axle systems that combine air or mechanical leaf suspensions with axles and brakes in a single, pre-assembled unit.

Suspensions

Suspension systems available with either air or mechanical leaf suspensions.

Kingpins

Coupling device in the form of a pin incorporated into a semi-trailer for connecting such semi-trailer to the towing vehicle by means of a fifth wheel.

Landing Gears

Retractable or foldable legs used to support a trailer while it is not coupled with a truck.

Other Trailer Components

Includes liftgates (mechanical elevators attached to the end of a trailer or truck used for loading and unloading) and other cargo control products to ease loading and enhance loading safety as well as bumper tubes and tyre carriers. Also includes couplers other than kingpins, such as pintle hooks and drawbars, used in a variety of coupling and towing applications.

Powered Vehicle Systems

Fifth Wheels

Coupling devices incorporated on a truck and used to connect to the kingpin incorporated on a semi-trailer, so called because of their circular “wheel” shape.

Suspensions	Suspension systems that can accommodate drive axles (axles driven by the engine) and steer axles (axles that accommodate wheels that steer), available in two basic varieties: air suspensions, in which compressed air provides suspension to the vehicle; and mechanical leaf suspensions, in which a steel leaf spring provides suspension to the vehicle.
Other Powered Vehicle Components	Retractable axles fitted behind the rear-most fixed axle of a truck or trailer that may be lowered for use as extra support when the vehicle is fully loaded.

Business Units

The SAF-HOLLAND Group operates in three principal Business units:

- **Trailer Systems**, including axle systems, suspension systems, kingpins and couplers, landing gears and other components for the trailer industry. Trailer Systems represented 56.9% of sales in the year ended December 31, 2011 and 55.1% of the sales in the six-months period ended June 30, 2012.
- **Powered Vehicle Systems**, including fifth wheels, suspension systems, tag axles and other components for heavy duty trucks, buses and recreational vehicles. Powered Vehicle Systems represented 18.5% of sales in the year ended December 31, 2011 and 18.6% of the sales in the six-months period ended June 30, 2012.
- **Aftermarket**, including replacement components for all Trailer Systems and Powered Vehicle Systems products as well as certain specialised products. Aftermarket sales represented 24.6% of sales in the year ended December 31, 2011 and 26.3% of the sales in the six-months period ended June 30, 2012.

Trailer Systems

The SAF-HOLLAND Group develops and manufactures non-powered axle systems and suspensions for heavy trailers and semi-trailers. The axle systems are developed, manufactured and sold for both standard and customer-specific applications, accommodating maximum axle loads of 9 to 16 tonnes, depending on the axle system and the vehicle. The Group sells premium axle systems, including a trailer axle, brake technology, and a suspension system, with warranties of up to one million kilometres or six years (whichever is reached first). In addition, the Group offers constituent components on a stand-alone basis.

The Group offers two primary types of trailer suspension systems: air suspensions and mechanical leaf suspensions. The Group offers its suspension systems as part of the axle systems or as a stand-alone product. In the European market, air suspensions have replaced mechanical leaf suspensions in most trailer applications and in the North American market, a majority of van trailers use air suspensions. Outside Europe and North America, mechanical leaf trailer suspensions still predominate. In Europe and North America, the Group manufactures suspension systems designed for use in most types of semi-trailer applications, including van or curtainsider trailers, refrigeration semi-trailers, tankers, and container chassis.

In addition, the product portfolio of the Business Unit Trailer Systems comprises a broad range of kingpins for use in most trailer applications, coupling products, landing gears and other trailer components such as liftgates and bumper tubes.

Powered Vehicle Systems

The Group develops and manufactures a complete range of fifth wheels, offering both standard and specialised products, employing a range of technologies and designs. The lubrication-free fifth wheel produced by the Group is available for a number of truck types. The fifth wheel products are sold primarily in North America and Europe, with additional sales in Asia, Brazil, and Australia.

The SAF-HOLLAND Group also manufactures suspension systems in North America for a variety of powered vehicles. The Group is engaged in a joint venture with an Indian partner to produce bus suspensions in India. The powered vehicle suspension systems include recreational vehicle suspension systems, bus suspension systems and truck suspension systems.

Other components produced in the Business Unit Powered Vehicle Systems comprise tag axle systems for the global truck market. Tag axle systems are currently manufactured at certain production facilities in Germany.

Aftermarket

In addition to the primary market sales, the Group generates significant sales in the aftermarket, where end users (i.e. the owners of trucks and trailers) purchase the Group's products and complementary third-party products to replace or upgrade existing components. The Group sells aftermarket products to OES customers and through its independent service network. The Group provides its customers and end users with spare and replacement parts. The SAF-HOLLAND Group entered into strategic co-operation agreements with most of the truck OEMs in Europe and North America. Under these agreements, the OEMs have agreed to supply their service dealers with spare and replacement parts of the Group.

The Group maintains a comprehensive offering of replacement parts, including aftermarket parts for axle systems, brake systems, suspension systems, certain replaceable kingpins, fifth wheels, trailer landing gears and other components. The Group offers customised guaranteed service costs in Europe for its premium axle systems, based on the projected use of the products. Under these guarantee arrangements, the Group covers, against payment of a periodic fee, all costs and maintenance.

The SAF-HOLLAND Group has extensive service networks for its products in North America and Europe. These networks consist of independent distributors and service providers that were trained by the Group to sell and service its products. According to L.E.K., the Group's service networks in Europe and North America are the most comprehensive in the industry. As of December 31, 2011, the service networks included approximately 9,000 independent aftermarket points, approximately 2,800 of which were located across Europe (including Russia) and approximately 5,700 were located in the United States, Canada and Mexico, with the remaining approximately 500 aftermarket points located in more than 30 countries, including Brazil and China.

Selected Financial Information for Business Units

Selected financial information for the financial year ended December 31, 2011 is set out below:

	<i>Year ended December 31, 2011</i>				
	<i>Business Units</i>				
	<i>Trailer Systems</i>	<i>Powered Vehicle Systems</i>	<i>Aftermarket</i>	<i>Adjustments/ eliminations</i>	<i>Consolidated</i>
	(€'000)	(€'000)	(€'000)	(€'000)	(€'000)
	<i>(audited)</i>	<i>(audited)</i>	<i>(audited)</i>	<i>(audited)</i>	<i>(audited)</i>
Sales	472,803	154,027	204,487	—	831,317
Cost of sales.....	-430,004	-128,376	-123,533	-945 ⁽¹⁾	-682,858
Gross profit	42,799	25,651	80,954	-945	148,459
Gross margin	9.1%	16.7%	39.6%	—	17.9%
Selling and administrative expenses, research and development costs, other income, share of net profit of investments accounted for using the equity method, and reversal of impairment	-30,404	-12,344	-50,487	-4,615 ⁽²⁾	-97,850
Adjustments	2,365 ⁽³⁾	896 ⁽³⁾	1,656 ⁽³⁾	1,792 ⁽⁴⁾	6,709
Adjusted EBIT	14,760	14,203	32,123	-3,768	57,318
Adjusted EBIT margin ⁽⁵⁾	3.1%	9.2%	15.7%	—	6.9%
Depreciation, amortisation, reversal of impairment	-11,152	-3,707	-4,041	-246 ⁽⁶⁾	-19,146
thereof reversal of impairment	860	470	200	—	1,530

- (1) Expenses resulting from the merger of locations (kEUR -945) are part of the restructuring and integration costs and not allocated to any Business Unit.
- (2) Expenses in connection with the reorganisation of the Group's activities in Eastern Europe (kEUR -364), expenses in connection with the merger of locations (kEUR -456), as well as expenses from the merger of existing SAP environments in Europe and North America (kEUR -27) are part of the restructuring and integration costs and not allocated to a Business Unit. Furthermore, effects from the holdings (kEUR -3,768) are not allocated to any Business Unit.
- (3) Eliminations in the Business units relate to amortisation and depreciation (kEUR 6,447) arising from the purchase price allocation. Income from reversals of impairment losses on brands (kEUR -1,530) is also included.
- (4) Restructuring and integration costs (kEUR 1,792) are not allocated to any Business Unit.
- (5) Adjusted EBIT divided by sales.
- (6) Impairment loss (kEUR -246) resulting from the merger of locations are part of the restructuring and integration costs and not allocated to any Business Unit.

Sales, Marketing and Distribution

The SAF-HOLLAND Group markets its products to OEM customers and end users and sells products through a sales force operating worldwide. In Europe and North America a significant portion of sales to OEM customers result from the specifications of end users. The Group actively markets to end users, such as forwarding agencies, leasing companies and fleet owners; it uses a “pull strategy” to encourage end users to request the Group’s products when ordering a trailer or truck. This is particularly relevant in Europe and North America, the Group’s core markets, where specifications by the truck and trailer end users can drive a significant portion of sales.

Customers

The Group’s customer base includes almost all the principal truck and trailer OEMs in the Group’s core markets, as well as independent distributors. The Group has a diversified customer base with several hundred customers in the trailer industry and almost all truck manufactures in Europe and North America. A substantial number of further trailer manufacturers also purchases products through dealers. No single customer contributed more than 10% of the Group’s sales in the year ended December 31, 2011. The customer with the highest turnover represented approximately 6% of sales, and the Group top five and top ten customers represented approximately 23% and 38% of sales in the year ended December 31, 2011, respectively.

Production

The Group’s core competences and workflows in its production facilities are engineering, machining, heat treating, welding, coating and assembling of selected components for the truck and trailer industry. Other preceding activities, for example the casting of base materials, are conducted by suppliers. The SAF-HOLLAND Group operates 16 production facilities across North America, Europe, Australia, Brazil, India and China. In addition, the Group operates warehouses in North America, Europe, Asia and South Africa. Each of the production facilities is able to produce a number of different components within the Group’s product range.

Procurement

The Group’s primary materials include components, sub-assemblies, parts, and raw materials, for example axle tubes, cast ductile iron and cast steel. In 2011, the Group’s top ten suppliers accounted for approximately 25% of cost of sales. While the Group generally seeks to pursue a two or three-supplier strategy in order to minimise supply-side risks, it utilises a single supplier in certain situations, including those where the Group develops components in partnership with certain of its suppliers or in situations where it is impracticable to use more than one supplier. In principle, the decision on the supplier strategy would depend on the trade-off between minimising supply-side risk and maximising price reductions for volume purchasing or a significant technology advantage from that supplier.

Strengths

The SAF-HOLLAND Group believes that it has the following competitive strengths:

Globally strong market positions in attractive oligopolistic markets. The Issuer considers its strong market positions among the market leaders in many of the Group’s core product segments in the established markets of the industry (Europe and North America) combined with the Group’s global reach in manufacturing, distribution, sales and services as the platform for growing market shares in established markets and increased penetration of emerging markets worldwide. As a result, the Issuer believes that in the medium to long term the Group is less prone to potential downturns or receding growth rates in the established markets of the industry than most of the Group’s competitors.

Global reach and density of service network. The Group has an extensive service network of independent aftermarket points in the core markets in Europe and North America, and has continued to increase the number of independent aftermarket points in high-growth emerging markets such as Brazil and Russia. The Issuer considers this extensive service network as one of the key reasons that end users often specifically request SAF-HOLLAND products when placing their orders with OEMs. In addition to helping drive OEM sales and OEM customer demand, the Issuer believes this service network will result in greater sales of aftermarket products, especially given the Group’s ability to leverage the expanding installed base of first-fit installations.

Strong brand, reputation for quality and technological expertise. According to the Issuer’s assessment, the SAF and HOLLAND brands are widely recognised in the truck and trailer industry in Europe and North America and are, in the view of the Issuer, widely regarded within those industries as indicative of excellence in quality, design and manufacturing.

Significantly improved cost structure and successful restructuring. As strong cost management is a critical competitive factor in the global truck and trailer industry, the Group has reacted promptly to the global economic and financial crisis

in the years 2008 and 2009 and has adopted a comprehensive cost reduction programme over the course of the last years. As part of this programme, the Group has implemented various measures, such as a strict working capital management focusing particularly on inventory management and increased cost awareness across the entire value chain, including the selection of procurement sources for materials and components as well as the cost of all processes within the Group.

Broad customer base and longstanding customer relationships. The Group has a broad base of customers in the global truck and trailer industry: Several hundred customers in the trailer industry and almost all truck manufacturers in Europe and North America acquire products and components of the SAF-HOLLAND Group. The Group has built up strong relationships over decades with key OEMs worldwide, and the customers remain the central focus of the Group's activities.

Experienced and highly qualified management team. The Group has an experienced and highly qualified management team. Each member of the Management Board has at least 10 years of industry expertise with significant operational, technical and market knowledge and has experience with cyclical industry patterns.

Strategy

The SAF-HOLLAND Group's strategy comprises the following key elements and initiatives:

Continue to benefit from the recovery in the core markets and to make selected investments to secure leading positions. The Issuer expects that the Group will be able to significantly benefit from the recent market growth due to the Group's strong positioning and widely recognised brands of the Group's core products. In particular, in the Group's core markets (Europe and North America), the Issuer expects that continuing growth in the next two to three years will allow the Group to further grow its business, to strengthen its leading positions and to gain additional market share for its products. In order to benefit from market consolidation opportunities, realise synergies and expand or complement its product portfolio, the Group is prepared to make selected investments.

Increase market share by leveraging the technical competence into North America. In the Issuer's view, the Group offers one of the most comprehensive ranges of products for both trailers and heavy duty vehicles. In order to leverage the strength of the Group's European products in North America, the Group aims to capture additional market share for specific products with respect to which it has historically not been as strong as in Europe. For example, based on the Group's experience in integrated axle systems in Europe, a focus is on the further promotion of this product in North America, in particular, in connection with disc brake systems.

Continued expansion in emerging markets. The Issuer believes there continues to be significant demand for the Group's products in high-growth emerging markets around the world. This demand is driven, in part, by the recovering economies in these countries and the increasing trade flows, together with significantly increased investment in transportation infrastructure. The Issuer plans to significantly expand production and sales activities as well as the number of independent aftermarket points in many of these high-growth markets. The goal is to further build up manufacturing operations in China and Brazil and other countries, along with sales subsidiaries, including in Russia. The Issuer believes that the emerging markets will continue to be a significant growth driver going forward and expects that these markets contribute to the Group's growth in sales and operating results. The primary focus of this strategy will be Brazil and China with market-specific products, such as mechanical suspensions for trailers. The Issuer intends to further establish selected local application engineering centres to focus on applications that are region-specific to better address the local customers' requirements in the emerging markets.

Further growth in aftermarket business. The aftermarket business, through which end users purchase systems and components to replace or upgrade existing components, has been a key growth driver for the last few years and the Group aims to further develop this business. The crucial factor for achieving sales in the aftermarket business is the expansion of the installed base of sold systems and components. The Issuer expects to be able to continue to grow significantly in the aftermarket business, since the Group was able to increase the installed base of systems and components substantially within the last decades. In addition to the co-operation with OEMs in the aftermarket business, the Group plans to build up own aftermarket sales activities in certain regions.

Continued emphasis on technological expertise and quality. The Issuer believes that the Group's growth has always been technology-driven and it plans to continue to devote significant resources to research and development. The Group will continue to harness strong technical capabilities and the ability to incorporate new technologies into the Group's product offering. The research and development activities will continue to be a strong focus of the Group's future strategy.

Market

Except where otherwise noted, historical and projected market data provided in this section has been summarised from a report prepared for the Issuer by L.E.K. Consulting GmbH (“L.E.K.”).¹

As a global supplier of truck and trailer systems and components, the Group serves an OEM market in which a combined total of approximately 2.5 million trucks and trailers were produced in the Group’s core markets in Europe and North America, as well as in the BRIC countries in 2010. The existing truck and trailer fleet in Europe and North America comprised more than 11.5 million trucks and trailers in 2010. The Issuer estimates that these markets represent approximately 90% of the global market for trucks and trailers.

Truck production in the major global markets amounted to approximately 1.56 million units in 2008, decreased to approximately 1.11 million units in 2009 (down approximately 29%) due to the global economic and financial crisis and increased to approximately 1.78 million units in 2010 (up approximately 60%) in the course of the economic recovery. This development reflects the impact of the strong market recovery on the truck production industry after the global economic and financial crisis. Unlike the significant increase in truck production, the total number of trucks is, however, forecast to grow only slightly in North America and to stagnate in Europe, because the increase in production is predominantly generated by the replacement of trucks and the modernisation of fleets, while the installed base is expected to remain relatively stable.

The development of trailer production in the major global markets materially depends on the development of the powered vehicle production industry. Accordingly, the development of trailer production reflects the impact of the global economic and financial crisis on the truck production industry and the subsequent strong market recovery. Trailer production in the major global markets amounted to approximately 0.72 million units in 2008. It decreased to approximately 0.49 million units in 2009 (down approximately 31%) and increased to approximately 0.67 million units in 2010 (up approximately 37%).

The increase in truck and trailer production is mainly driven by pent-up demand in Europe and North America and the expansion of the infrastructure in emerging markets. In addition, regulatory changes with respect to the use of powered vehicles are an important factor, in particular, with respect to new and tightened emissions and safety standard.

The development of the aftermarket is influenced by the active fleet population. Further key factors influencing the volume and the development of aftermarket are the first-fit market position, the service network size and co-operation with truck OEMs. In order to have a large volume aftermarket in the first life of trucks and trailers, the Issuer believes that it is necessary to have an increasing and strong market share in the truck and trailer first-fit market and, thus, to increase the installed base. Usually, original equipment parts are only installed in trucks and trailers during their first four to five years in order to maintain existing warranties on the vehicle. In order to gain prominent market share, the truck and trailer components suppliers increasingly enter into co-operation agreements with OEMs. A further important factor for the volume and the development of the aftermarket is the size of the service network. In particular, a strong regional presence with a large number of easily accessible aftermarket points increases the availability of spare parts for customers and, thus, the attractiveness of the aftermarket network.

Competition

The market for suppliers of components and systems to truck and trailer manufacturers is fairly concentrated. According to L.E.K., the largest competitors of the Group are Meritor, Inc., USA, (“Meritor”), BPW Bergische Achsen KG, Germany, (“BPW”), Fontaine Fifth Wheel, USA, (“Fontaine”), Guangdong Fuwa Group Co., Ltd., China, (“Fuwa”), haacon hebeteknik Gesellschaft mit beschränkter Haftung, Germany, (“haacon”), Hendrickson USA, L.L.C., USA, (“Hendrickson”), Jost Werke GmbH, Germany, (“Jost”) and Zhenjiang Baohua Semi-trailer Parts Co., Ltd., China,

¹ The projections contained in this prospectus relating to industry growth and anticipated demand for the Group’s products were extracted from such L.E.K. report. These projections are based on a combination of (1) L.E.K.’s expectations with regard to regulatory developments and their anticipated impact on market demand, (2) interviews conducted in the beginning of 2011 by L.E.K. with customers and end users in the Group’s key markets regarding their product preferences, and (3) L.E.K.’s assumptions that economic growth in the Group’s key markets until 2015 will remain relatively stable. In addition, L.E.K.’s projections are calculated with reference to industry projections published by numerous other publishers. The L.E.K. report is being summarised in this section with L.E.K.’s consent. Neither the Issuer nor the Guarantors nor the Lead Manager have independently verified the contents of this report. The report is dated February 3, 2011 and therefore does not capture subsequent developments, which may have an influence on the Group’s industry. The Issuer believes, however, that the markets in which the Group operates have not changed significantly and the L.E.K. report still provides a fair summary of the market. This section considers global trends in the market for the supply of truck and trailer systems and components, with particular reference to the Group’s core markets, namely Europe and North America, as well as the emerging markets in Brazil, Russia, India and China (the “BRIC countries”). In this section, the “OEM market” refers to the systems and components produced by systems suppliers for integration by OEMs into the relevant heavy goods vehicle during its original manufacturing process. The “aftermarket” refers to systems and components that are installed into already manufactured vehicles. “Truck” refers to heavy trucks, i.e. trucks with a gross weight tonnage exceeding 15 tonnes, unless indicated otherwise.

(“Baohua”), as well as their respective affiliates and subsidiaries. Unlike the Group, most of these competitors, however, limit their product range to only a few market sectors. In addition, most of the competitors are only active in certain regions, so that most of the markets are dominated by a limited number of three to four competitors at the maximum, which often results in oligopolistic market structures.

Investments

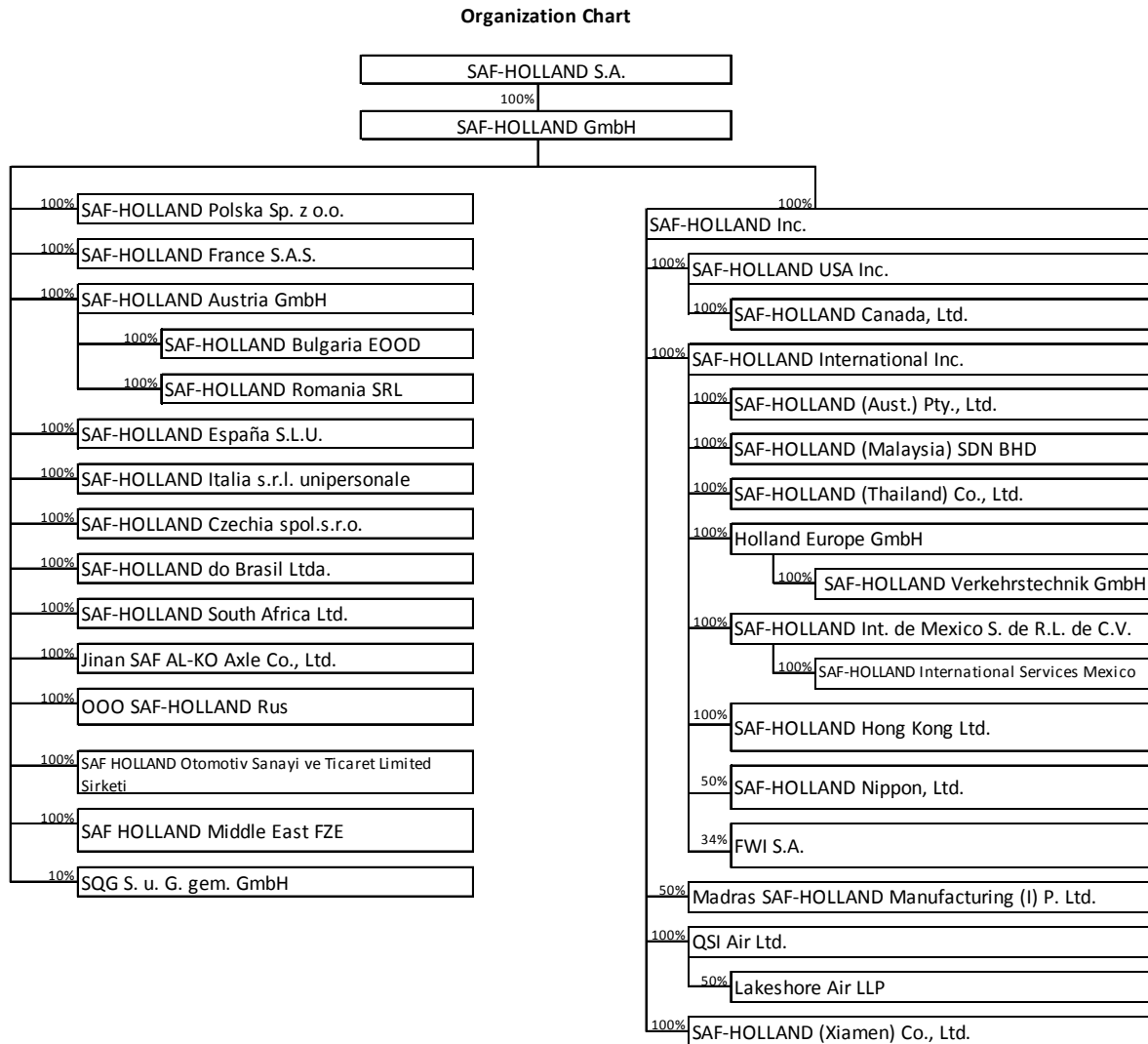
The Issuer invested in the financial year 2010 approximately €7.7 million. These investments were focused on the optimisation, automation and increase of production capacities, for example, setting up axle production in China. The investments were financed from operating cash flows. The Issuer invests predominantly in the maintenance and modernisation of machinery and equipment. In the financial year 2011 the Issuer invested the total amount of approximately €14.0 million primarily in the expansion of production capacities, for example approximately €1.6 million for a welding installation for modular axles. These investments were financed with funds from the operating cash flow as well as from existing liquidity or credit lines. For the financial year 2012, the Group plans investments in the amount of approximately €16.5 million, with the focus on investments of approximately €3.0 million for the merging of SAP systems in Europe and North America as well as the doubling of the axle production capacity in the United States of approximately U.S.\$ 5.0 million. These investments will be financed with funds from the operating cash flow as well as from existing liquidity or credit lines. These include running investments of approximately €5.5 million, for example in the merging of SAP systems and in the installation of a friction welder and a bracket assembly line.

Legal and Arbitration Proceedings

The SAF-HOLLAND Group is involved in various governmental, legal or arbitration proceedings on both a national and international level. Due to the nature of these proceedings, their results are uncertain. However, the Group is not involved and were not involved within the last 12 months in any governmental, legal or arbitration proceedings which it believes could or would have significant effects on the financial condition or profitability of the Group. In addition, the Group is not aware of any pending governmental, legal or arbitration proceedings that would have, either individually or in the aggregate, a significant effect on its financial condition or profitability.

Organisational Structure

The Issuer is the direct and indirect holding company of a number of companies. The chart below shows the structure of the SAF-HOLLAND Group as of the date of this Prospectus.



The Issuer acts as a holding company and has no business operations of its own. At the European level, the main operating subsidiary is SAF-HOLLAND GmbH. At the North American Level, the main operating subsidiary is SAF-HOLLAND USA, Inc. In order to consolidate the group structure the former SAF-HOLLAND GmbH was merged with SAF-HOLLAND Technologies GmbH which itself was merged with SAF-HOLLAND GROUP GmbH in 2011. SAF-HOLLAND GROUP GmbH was then renamed in SAF-HOLLAND GmbH. In addition, SAF-HOLLAND Inc. was merged with SAF-HOLLAND Holdings (USA) Inc. in 2011 and SAF-HOLLAND Equipment Ltd. was merged with SAF-HOLLAND Canada, Ltd. in 2012.

Management and Administrative Bodies

The governing bodies of SAF-HOLLAND S.A. are the Board of Directors and the general meeting of shareholders. The powers and responsibilities vested in these governing bodies are set forth in the Luxembourg law and the Issuer's articles of association.

The current members of the Board of Directors are as follows:

<i>Name</i>	<i>Position</i>	<i>Other Positions outside SAF-HOLLAND S.A.</i>
Bernhard Schneider	Chairman	<ul style="list-style-type: none">• Managing director of Mediaprint Zeitungs- und Zeitschriftenverlag GmbH• Managing director of Krone Media Aktiv Gesellschaft m.b.H.• Managing director of Krone Hit Radio Medienunternehmen Betriebs- und Beteiligungsgesellschaft m.b.H.
Ulrich Otto Sauer	Vice Chairman	<ul style="list-style-type: none">• Managing director of ASAF Verwaltungs GmbH
Detlef Borghardt	Board Member	<ul style="list-style-type: none">• Managing director of D+MB GmbH
Richard W. Muzzy	Board Member	<ul style="list-style-type: none">• Member of the Board of Directors of Besser Company, Alpena, Michigan• Member of the Board of Directors of Paragon tool & die Engineering Company, Grand Rapids, Michigan• Member of the Board of Directors of Irwin Seating Holding Company, Grand Rapids, Michigan
Samuel Martin	Board Member	–
Anja Kleyboldt	Board Member	<ul style="list-style-type: none">• Director Logistics Strategy Projects&WFG Opel/Vauxhall• Member of the Board Institut für angewandte Arbeitswissenschaften Düsseldorf

The business address of the members of the Board of Directors is the same as that of the Issuer.

There are no conflicts of interest between the private interests and other duties of the members of the Board of Directors and their duties vis-à-vis the Issuer or the Guarantors.

Audit Committee

The Board of Directors has established an audit committee. The audit committee assists the Board of Directors in monitoring the integrity of the financial statements, the independent auditor's qualification, independence and performance, the performance of the Issuer's internal audit function and compliance by the Issuer with certain legal and regulatory requirements. The audit committee currently consists of Bernhard Schneider as chairman, Ulrich Otto Sauer and Richard W. Muzzy. The audit committee meets at least four times in a financial year.

Corporate Governance

As a Luxembourg *société anonyme* that is listed on a stock exchange in Germany and not in Luxembourg, SAF-HOLLAND S.A. is not required to adhere to the Luxembourg corporate governance regime issued by the Luxembourg Stock Exchange applicable to companies that are listed in Luxembourg or to the German corporate governance regime applicable to stock corporations incorporated in Germany. Nonetheless, the Issuer has decided to follow, on a voluntary basis, to a certain extent, the German Corporate Governance Code (the "Code"), adopted in February 2002 and last amended on May 26, 2010. However, certain rules will apply to the Issuer only to the extent allowed by Luxembourg corporate law and subject to certain reservations stemming from the Issuer's corporate structure and especially the Luxembourg single board structure of the Issuer under Luxembourg law instead of the two-tier system within a legal entity that the German corporate governance rules assume. Based on these reservations the Issuer has complied and continues to comply with the recommendations of the Code with the following exceptions:

- Clause 3.8 of the Code: The liability insurance policies taken out for the Board of Directors do not provide for a deductible. A deductible does not appear necessary to ensure that members of the Board of Directors act responsibly and solely in the interest of the Issuer.

- Clauses 3.10, 4.2.5, 5.4.6, 6.6 and 7.1.3 of the Code: The Issuer's annual report does not contain a separate corporate governance report (no. 3.10). As a result there is no section containing disclosures regarding the remuneration of members of the Board of Directors (no. 4.2.5 and 5.4.6) nor are stock option programmes and similar securities-based incentive systems of the company listed (no. 7.1.3). Consequently, no disclosure will continue to be made of the ownership of shares in the Issuer or related financial instruments by the members of the Board of Directors if these directly or indirectly exceed 1% of the shares issued by the Issuer; correspondingly, separate disclosure broken down by members of the Board of Directors will not be made if the entire holdings of all members of the Board of Directors exceeds 1% of the shares issued by the Issuer (no. 6.6). The expenses associated with creating a separate corporate governance report seem unreasonable. Shareholders' needs for information are ensured by complete compliance with disclosures required by law. Considerations as to why the Issuer does not comply with individual recommendations of the code also stem from the reasons for the individual deviations already listed.
- Clause 4.2.3 (2 and 3) as well as clause 5.4.6 of the Code: With the exception of one member, the members of the Board of Directors do not receive performance-related compensation in addition to fixed compensation. The monetary components of remuneration of individual members of the Board of Directors therefore do not include, other than the aforementioned exception, variable components in addition to the fixed components (no. 4.2.3 (2 and 3)).
- Clause 4.2.3 (4) of the Code: Contracts for members of the Board of Directors have a term of two to four years, and as such, payments in the case of service in the boards ending prematurely will not exceed four years' compensation. As a result, the payments may exceed the severance cap of two years' compensation. This is primarily because existing contracts do not yet contain delimitation clauses. However, payments always relate to the remaining term of the employment contract.
- Clause 4.2.4 (5) of the Code: In the case of service in the Board of Directors ending prematurely as a result of a change in control, the contractual obligation of the Issuer may surpass 150% of the severance cap of two years' compensation. As in section 4, this is due to existing contracts which do not yet contain delimitation clauses.
- Clause 4.2.4 (6) of the Code: The Chairman of the Board of Directors will not inform the Annual General Meeting about the main features of the remuneration system and any changes to it.
- Clause 5.3.3 of the Code: The nomination committee of the Board of Directors was dissolved. Establishing a nomination committee no longer seems appropriate with the reduction of the Board of Directors from eight to five members.
- Clauses 5.1.2 and 5.4.1 of the Code: The age limit for members of the Board of Directors may not exceed 68 years at the time of election. The Issuer reserves the right to make exceptions. A strict age limit appears unreasonable as it does not allow a sufficient conclusion based on the competence and performance of the member.
- Clause 5.4.1 of the Code: The Board of Directors' mid-term plans include the appropriate participation of women; it does not, however, consider concrete goals for its composition appropriate for the purpose of balancing various selection criteria.
- Clause 7.1.2 of the Code: The Issuer's interim reports will, for the time being, not be made publicly accessible within 45 days of the end of the reporting period. It seems sufficient for these financial statements to be made available pursuant to the provisions of the Exchange Rules of the Frankfurt Stock Exchange, as amended (quarterly reports within two months of the end of the reporting period), and the provisions of the German Securities Trading Act (*Wertpapierhandelsgesetz*), as applicable.

Share Capital

The subscribed share capital of SAF-HOLLAND S.A. amounts to €412,373.75 as of the date hereof and is divided into 41,237,375 ordinary bearer shares with a nominal value of €0.01 each. The entire share capital is fully paid up. All shares have been issued with equal rights. On June 4, 2012 the general meeting of shareholders resolved to increase the authorized share capital to €206,187.

Material Contracts

Customer and Supply Contracts

The SAF-HOLLAND Group generally maintains long-term relationships with many of the top customers, including with authorised dealers and agents.

While the North American contracts do not contain specific sales quantity requirements, these contracts are important to maintain the Group's ongoing customer relationships. In Europe, the Group generally supplies axles on the basis of

agreements which are concluded for a term between one and three years. These agreements generally contain minimum order levels.

In North America, the Group often maintains key supply contracts for the procurement of steel as well as for the procurement of castings for the Group's fifth wheel and suspension products. The supply contracts for the provision of steel are intended to provide the Group with a secure supply of raw material at certain fixed prices. The contracts for steel typically last through 2015. In Europe, the Group generally maintains contracts with suppliers of key brake and axle system components which are entered into for an infinite term with a termination right of six months. The Group also maintains long-term contracts which are typically renewed six to 12 months before they expire.

Financing Contracts

Multicurrency Term and Revolving Credit Facilities Agreement

On October 5, 2012 the Issuer, SAF-HOLLAND GmbH, SAF-HOLLAND USA, Inc. and certain members of the Group as borrowers and guarantors, and Bayerische Landesbank, Commerzbank Aktiengesellschaft, IKB Deutsche Industriebank AG and UniCredit Bank AG as mandated lead arrangers and bookrunners and Bayerische Landesbank, Commerzbank Aktiengesellschaft, IKB Deutsche Industriebank AG, UniCredit Luxembourg S.A., Fifth Third Bank, Norddeutsche Landesbank Luxembourg S.A., Landesbank Baden-Württemberg and Crédit Mutuel – Banque Européenne du Crédit Mutuel, German branch as original lenders and UniCredit Luxembourg S.A. as facility agent and security agent entered into a credit facilities agreement (the "**New Facilities Agreement**"). The New Facilities Agreement comprises a multicurrency term and revolving credit facility in an amount of €220 million and U.S.\$50 million consisting of two term loan facilities (over €120 million and €20 million) and two multicurrency revolving credit facilities (€80 million and U.S.\$50 million).

Use of funds

The main purpose of the New Facilities Agreement is the refinancing of the Facilities Agreement, the financing of research and development activities of the Group approved by the European Investment Bank and to finance general corporate purposes.

Term, availability and repayment

The New Facilities Agreement has a regular maturity until the day falling five years after the date of the New Facilities Agreement. Disbursements under the New Facilities Agreement are subject to customary conditions. The New Facilities Agreement provides for a repayment of the term loan facilities in semi-annual installments of €3.89 million each with a balloon payment of all outstanding amounts on the termination date of the New Facilities Agreement. The first installment will become due on March 1, 2013.

Financial covenants, undertakings and mandatory prepayment

The New Facilities Agreement provides for customary cancellation and prepayment provisions as well as change of control provisions. The Group must comply at all times with certain financial covenants, including the ratios of total net debt to consolidated EBITDA, consolidated equity to consolidated assets and consolidated EBITDA to consolidated net interest expenses.

The Issuer and certain of its subsidiaries shall comply with specific undertakings included in the New Facilities Agreement pursuant to which they must not, or are allowed to a limited extent only, without the prior written consent of the lenders, for instance to create security interests, dispose of assets, enter into mergers, undertake acquisitions or enter into joint ventures and change their business subject to permitted exceptions, threshold amounts or baskets.

Mandatory prepayments of the New Facilities Agreement must be made from the net proceeds of the offering in an amount which is the higher of (i) 66.66 per cent. of the net proceeds of the Offering, and (ii) €37.5million.

Events of default

The occurrence of certain events (*e.g.*, a non-payment, an insolvency or proceedings in connection therewith, a cross-default or a material adverse effect) or a breach of certain provisions of the New Facilities Agreements entitles the lenders (where applicable, subject to a customary grace or remedy period) to terminate the New Facilities Agreement and demand immediate repayment of all amounts outstanding thereunder and under all finance documents standing in connection therewith.

Security

Except for the guarantees issued by certain members of the Group including the Issuer, SAF-HOLLAND GmbH and SAF-HOLLAND USA, Inc. the amounts made available under the New Facilities Agreement are currently unsecured. However, if the Leverage Ratio (as defined below) of the Group exceeds 3.00:1, the Issuer and certain members of the Group are under the obligation to provide *in rem* collateral such as global security assignments, land charges, assignments with respect to intellectual property rights and share pledges over certain Group companies for the benefit

of the lenders under the New Facilities Agreement. "**Leverage Ratio**" the ratio of Total Net Debt to Consolidated EBITDA in respect of that Relevant Period.

With the utilizations of the New Facilities Agreement the existing Facilities Agreement will be completely repaid and terminated. As a result, all collateral which has been granted by members of the Group for the benefit of the lenders under the Facilities Agreement will be released.

Statutory Auditors

The approved independent auditor of SAF-HOLLAND S.A. (*réviseur d'entreprises agréé*) is Ernst & Young S.A., a public limited liability company (*société anonyme*) incorporated under the laws of Luxembourg, with its registered office at 7, rue Gabriel Lippmann-Parc d'Activité Syrdall 2, 5365 Munsbach, Grand Duchy of Luxembourg and registered with the Luxembourg Trade and Companies Register (*Registre de commerce et des sociétés*) under number B 47.771. Ernst & Young S.A., Luxembourg, audited the consolidated financial statements of the Group, which were prepared by the Issuer in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union as at, and for the years ended December 31, 2010 and 2011 and issued an unqualified auditor's report in each case. Ernst & Young S.A., Luxembourg, is registered as a corporate body with the official table of company auditors drawn up by the Luxembourg Ministry of Justice and is a member of the Institute of Auditors (*l'Institut des Réviseurs d'Enterprises*) and is approved by the CSSF in the context of the law dated December 18, 2009 relating to the audit profession, as amended.

Historical Financial Information

The audited consolidated financial statements of the Group as at, and for the years ended December 31, 2010 and 2011 and the auditor's report thereon as well as the unaudited consolidated interim financial statements of SAF-HOLLAND S.A. for the half-year periods ended on June 30, 2011 and 2012 are incorporated by reference into this Prospectus (see section "*Incorporation by Reference*").

Rating

The Issuer is rated by Euler Hermes Rating Deutschland GmbH ("Euler Hermes"). As at the date of this Prospectus, the rating assigned to the Issuer was BBB-. A rating is not a recommendation to buy, sell or hold Notes and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. A suspension, reduction or withdrawal of the rating assigned to the Issuer may adversely affect the market price of the issued Notes.

Euler Hermes defines BBB as follows: Entities with a rating of BBB are attributed an appropriate (*angemessen*) quality regarding the guaranteed future. In contrast to entities which have a rating of A, it is more likely that an adverse development of the general economic condition impairs its capacity to comply with financial obligations. The addition of PLUS (+) or MINUS (-) indicates the comparative position within the rating category.

Euler Hermes is established in the European Community and registered since November 16, 2010 under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended, (the "CRA Regulation"). Euler Hermes is included in the "List of registered and certified CRA's" published by the European Securities and Markets Authority on its website (<http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the CRA Regulation.

Recent Development and Outlook

The Issuer believes that the development of SAF-HOLLAND mainly depends on the future worldwide economic framework conditions. If the market conditions continue to remain stable with an increasing demand for the Group's products in the core markets Europe and North America and an ongoing strong economic growth in the BRIC countries and other emerging markets SAF-HOLLAND expects a further increase of sales. This anticipated growth will have a positive effect on the earnings development. However, the Issuer expects that an increase of sales will result in a shift of the product/customer mix in favour of lower-margin standard products. This will, in particular, concern the OEM business in the Business units Powered Vehicle Systems and Trailer Systems. If the economic framework conditions should worsen and uncertainties increase the Issuer expects to reach sales level of the previous financial year 2010.

Since December 31, 2011, sales growth and results of operations have continued to meet the expectations for the half-year ending June 30, 2012.

SAF-HOLLAND S.A. considers itself to be well prepared to thoroughly benefit from further upturn in the global markets. With the strong brands and products, the Group is well positioned to meet the needs of OEM customers as well as trucking companies and fleet operators. The diversified product range for trucks and trailers combined with the international network of service centres enables the Group to successfully compete in the markets and provide the basis for further growth. The SAF-HOLLAND Group intends to increase the production volumes, in particular, in China and

Brazil, and to enhance sales activities in these regions. The Issuer believes that it has the potential to expand its market shares in the core markets North America and Europe.

Besides the developments described herein, between June 30, 2012 and the date of this Prospectus, no material changes affecting the Group's financial or trading position have occurred.

GENERAL INFORMATION ON SAF-HOLLAND GMBH AS GUARANTOR

General Information

SAF-HOLLAND GmbH is a limited liability company (*Gesellschaft mit beschränkter Haftung*) established and incorporated under the laws of Germany and registered with the commercial register of the local court (*Amtsgericht*) of Aschaffenburg under HRB 9685.

SAF-HOLLAND GmbH was founded on November 21, 2005 as a shelf company under the name RM 2549 Vermögensverwaltungs GmbH. In February 2007 the company changed its name to SAF-HOLLAND GROUP GmbH. In 2011 the former SAF-HOLLAND GmbH was merged with SAF-HOLLAND Technologies GmbH which itself was merged with SAF-HOLLAND GROUP GmbH. SAF-HOLLAND GROUP GmbH was then renamed in SAF-HOLLAND GmbH.

The address and registered office of SAF-HOLLAND GmbH is at Hauptstraße 26, 63856 Bessenbach, Germany. The telephone number of its registered office is +49 6095 301 0.

Corporate object of SAF-HOLLAND GmbH

In § 2 of the articles of association of SAF-HOLLAND GmbH, the objects of the company are described as follows:

- (1) The object of business is the manufacturing and the sale of non-propelled axles, axles systems and other mounting and auxiliary equipment parts for truck trailers, semi-trailers and trucks.
- (2) The company may operate any business and take any measures that are suited to directly or indirectly serve the business purpose.
- (3) The company may establish branch offices and found subsidiaries as well as acquire enterprises with identical, similar or other business purpose and may acquire participations in such enterprises.

Fiscal Year

The fiscal year of SAF-HOLLAND GmbH is the calendar year.

Business

Within SAF-HOLLAND Group, SAF-HOLLAND GmbH carries out the business activities in the European and certain other markets, in particular, in the emerging markets of Brazil and Russia.

Market/Competition

SAF-HOLLAND GmbH operates in the market which is described above under “*General Information on the Issuer and the Group – Market*” and “*– Competition*”.

Organisational Structure

SAF-HOLLAND GmbH is a wholly owned direct subsidiary of SAF-HOLLAND S.A. For details of the subsidiaries and shareholdings of SAF-HOLLAND GmbH see above under “*General Information on the Issuer and the Group – Organisational Structure*”.

Investments

Investments of SAF-HOLLAND GmbH are comprised mainly of expenditures in the maintenance and modernisation of machinery and equipment. These investments will be financed with funds from the operating cash flow as well as from existing liquidity or credit lines. For details of the investments of the Group see above under “*General Information on the Issuer and the Group – Investments*”.

Legal and Arbitration Proceedings

SAF-HOLLAND GmbH is not involved and was not involved during the last twelve months in governmental, legal or arbitration proceedings which have had or may have significant effects on its financial condition or profitability. In addition, the Guarantor is not aware of any pending governmental, legal or arbitration proceedings that would have, either individually or in the aggregate, a significant effect on its financial condition or profitability.

Management and Administrative Bodies

The bodies of SAF-HOLLAND GmbH are the managing directors, the supervisory board and the shareholders' meeting.

SAF-HOLLAND GmbH has one or several managing directors. SAF-HOLLAND GmbH is represented by a managing director alone if he or she is the sole managing director or if the company has authorised him or her to do so. Otherwise, SAF-HOLLAND GmbH is represented by two managing directors acting together or by one managing director acting together with an authorised representative (*Prokurist*).

The supervisory board is composed of three members according to the Law on one-third Participation (*Gesetz über die Drittelbeteiligung der Arbeitnehmer im Aufsichtsrat*). The election applies for the period up to the end of the shareholders' meeting in which a resolution is passed on approval of their actions for the fourth financial year after the commencement of the period of office. Two members of the supervisory board are elected by the shareholders' meeting, and one member is elected by the employees.

The current managing directors of SAF-HOLLAND GmbH are as follows:

<i>Name</i>	<i>Position</i>	<i>Other Positions outside SAF-HOLLAND GmbH</i>
Detlef Borghardt	Managing Director, Chief Executive Officer (CEO)	• Managing director of D+MB GmbH
Wilfried Trepels	Managing Director, Chief Financial Officer (CFO)	• Managing director of Via Montana GmbH
Steffen Schewerda	Managing Director, President Group Operations, President Trailer Systems Business Unit	• Managing director of EGAL GmbH
Jack Gisinger	Managing Director, President Group Technical Services, President Powered Vehicle Systems Business Unit	–
Alexander Geis	Managing Director, President Aftermarket Business Unit	• Managing director of Private Wing Gesellschaft bürgerlichen Rechts

The current members of the supervisory board of SAF-HOLLAND GmbH and their positions outside SAF-HOLLAND GmbH or their principal occupations, as the case may be, are as follows:

<i>Name</i>	<i>Position</i>	<i>Other Positions outside SAF-HOLLAND GmbH</i>
Ulrich Otto Sauer	Chairman	• Managing director of ASAF Verwaltungs GmbH
Gerhard Rieck	Vice Chairman	• Member of the supervisory board of KNORR-BREMSE Systeme für Nutzfahrzeuge GmbH • Member of the supervisory board of VOSS Automotive Engine GmbH • Managing director of react – engineering and consulting – Ingenieure Rieck & Partner, Partnerschaftsgesellschaft
Volker Caspers	Member	–

The managing directors and the members of the supervisory board can be contacted at the SAF-HOLLAND GmbH business address listed above.

There are no conflicts of interests between the private interests and other duties of the managing directors and the members of the supervisory board and their duties vis-à-vis SAF-HOLLAND GmbH or the Issuer.

The German Corporate Governance Code is not applicable to SAF-HOLLAND GmbH as a company with limited liability whose shares are not admitted to trading on a regulated market.

Share Capital

The share capital of SAF-HOLLAND GmbH totals €25,000.00 as of the date of the Prospectus divided into two shares in the company in the amount of €23,500.00 and €1,500.00. The share capital has been fully paid in.

Material Contracts

SAF-HOLLAND GmbH carries out its business activities in the SAF-HOLLAND Group. Certain material contracts are described in general above under “*General Information on the Issuer and the Group – Material Contracts*”.

Financial Information

Individual financial information for SAF-HOLLAND GmbH for the financial year 2011 is not included in this Prospectus or incorporated herein by reference as the shareholders meeting of SAF-HOLLAND GmbH has not yet published such financial statements in accordance with the German Commercial Code (*Handelsgesetzbuch, HGB*) as of the date of this Prospectus. Financial statements on an individual and consolidated basis of SAF-HOLLAND GmbH for the financial year 2010 is not included in this Prospectus or incorporated by reference as SAF-HOLLAND GmbH in 2010 was under its former name SAF-HOLLAND GROUP GmbH a direct wholly owned subsidiary of the Issuer without any business activities and Group internal holding functions only. Therefore, these financial statements do not contain further relevant information compared with the consolidated financial statements of the Issuer for the financial year 2010. However, the consolidated financial statements of the Issuer contain financial information for the Group which includes the Guarantors.

GENERAL INFORMATION ON SAF-HOLLAND USA, INC. AS GUARANTOR

General Information

SAF-HOLLAND USA, Inc. was incorporated in the State of Michigan, United States of America, on April 1, 1921 under the laws of the State of Michigan and is registered in the State of Michigan with the Michigan Department of Licensing and Regulatory Affairs under registration ID number 032903 pursuant to Michigan Public Acts 232 of 1903 and 284 of 1972. The address and registered office of SAF-HOLLAND USA, Inc. is at 467 Ottawa-Avenue, Holland, MI 49423, United States of America. The telephone number of its registered office is +1 616 396- 6501.

Corporate object of SAF-HOLLAND USA, INC.

Article II of the “Amended and Restated Articles of Incorporation” of SAF-HOLLAND USA, Inc. states the corporation is organised for the purpose of engaging in any activity within the purposes for which corporations may be organised under the Business Corporation Act of Michigan.

Fiscal Year

The fiscal year of SAF-HOLLAND USA, Inc. is the calendar year.

Business

Within SAF-HOLLAND Group, SAF-HOLLAND USA, Inc. carries out the business activities in the North American market described above under “*General Information on the Issuer and the Group – Business of the Group*”. SAF-HOLLAND USA, Inc. owns 100% of the shares of SAF-HOLLAND Canada, Ltd.

Market/Competition

SAF-HOLLAND USA, Inc. operates in the market which is described above under “*General Information on the Issuer and the Group – Market*” and “*– Competition*”.

Organisational Structure

SAF-HOLLAND USA, Inc. is directly wholly owned by SAF-HOLLAND, Inc., which is a wholly owned subsidiary of SAF-HOLLAND GmbH. SAF-HOLLAND GmbH is directly owned by SAF-HOLLAND S.A. For details of the subsidiaries and shareholdings of SAF-HOLLAND USA, Inc. see above under “*General Information on the Issuer and the Group – Organisational Structure*”

Investments

Investments of SAF-HOLLAND USA, Inc. are comprised mainly of expenditures in the maintenance and modernisation of machinery and equipment. These investments will be financed with funds from the operating cash flow as well as from existing liquidity or credit lines. For details of the investments of the Group see above under “*General Information on the Issuer and the Group – Investments*”.

Legal and Arbitration Proceedings

Save as disclosed under “*General Information on the Issuer and the Group – Legal and Arbitration Proceedings*” and applicable to SAF-HOLLAND USA, Inc., during the last twelve months the Guarantor was not engaged in governmental, legal or arbitration proceedings which have had or may have significant effects on its financial condition or profitability. In addition, the Guarantor is not aware of any pending governmental, legal or arbitration proceedings that would have, either individually or in the aggregate, a significant effect on its financial condition or profitability.

Management and Administrative Bodies

The current members of the board of directors and managing directors of SAF-HOLLAND USA, Inc. are Jack Gisinger (President), Ken Hurst (Vice-President) and Steven Gregory (Secretary and Treasurer).

These members of the board of directors and managing directors can be contacted at the SAF-HOLLAND USA, Inc. business address listed above.

There are no conflicts of interests between the private interests and other duties of the board of directors and managing directors and their duties vis-à-vis SAF-HOLLAND USA, Inc. or the Issuer.

Corporate Governance

As there is no general federal corporation law in the United States, the law of the state of incorporation establishes the framework for corporate governance. SAF-HOLLAND USA, Inc.'s Articles of Incorporation comply with the Michigan Business Corporation Act and, to the extent applicable, comply with U.S. federal securities laws. The shares of SAF-HOLLAND USA, Inc. are not traded on a public exchange.

Share Capital

As of the date of the Prospectus the share capital of SAF-HOLLAND USA, Inc. consists of 29,882 shares of US\$10.00 par value voting common stock for total share capital of US\$298,820. The share capital is fully paid in. The Articles of Incorporation of SAF-HOLLAND USA, Inc. authorise the issuance of up to 75,000 shares of US\$10.00 par value voting common stock, all of a single class with equal rights, preferences and privileges as provided in the Michigan Business Corporation Act.

Material Contracts

SAF-HOLLAND USA, Inc. carries out its business activities in the SAF-HOLLAND Group. Certain material contracts are described in general above under “*General Information on the Issuer and the Group – Material Contracts*”.

Financial Information

Individual financial information for SAF-HOLLAND USA, Inc. for the financial years 2010 and 2011 is not included in this Prospectus or incorporated herein by reference as SAF-HOLLAND USA, Inc. does not prepare complete financial statements on an individual basis. The consolidated financial statements of the Issuer, however, contain financial information for the Group which includes SAF-HOLLAND USA, Inc. as one of the main operating subsidiaries of the Group.

CONDITIONS OF ISSUE

ANLEIHEBEDINGUNGEN

§ 1

WÄHRUNG, NENNBETRAG, FORM, BESTIMMTE DEFINITIONEN

- (1) *Währung; Nennbetrag; Übertragung.* Die Anleihe der SAF-HOLLAND S.A. (die **“Emittentin”**), begeben am 31. Oktober 2012 im Gesamtnennbetrag von bis zu EUR 75.000.000 ist eingeteilt in bis zu 75.000 unter sich gleichberechtigte, auf den Inhaber lautende Schuldverschreibungen (die **“Schuldverschreibungen”** oder die **“Anleihe”**) im Nennbetrag von je EUR 1.000 (die **“festgelegte Stückelung”**).
- (2) *Form.* Die Schuldverschreibungen lauten auf den Inhaber.
- (3) *Vorläufige Globalurkunde – Austausch.*
 - a) Die Schuldverschreibungen sind anfänglich durch eine vorläufige Globalurkunde (die **“vorläufige Globalurkunde”**) ohne Zinsscheine verbrieft. Die vorläufige Globalurkunde wird gegen Schuldverschreibungen in der festgelegten Stückelung, die durch eine Dauerglobalurkunde (die **“Dauerglobalurkunde”**) ohne Zinsscheine verbrieft sind, ausgetauscht. Die vorläufige Globalurkunde und die Dauerglobalurkunde tragen jeweils die Unterschriften ordnungsgemäß bevollmächtigter Vertreter des Clearing Systems, welche die Globalurkunden im Namen der Emittentin unterzeichnen. Einzelurkunden und Zinsscheine werden nicht ausgegeben.
 - b) Die vorläufige Globalurkunde wird an einem Tag (der **“Austauschtag”**) gegen die Dauerglobalurkunde ausgetauscht, der nicht mehr als 180 Tage nach dem Tag der Begebung der durch die vorläufige Globalurkunde verbrieften Schuldverschreibungen liegt. Der Austauschtag darf nicht weniger als 40 Tage nach dem Tag der Begebung liegen. Ein solcher Austausch darf nur nach Vorlage von Bescheinigungen erfolgen, wonach der oder die

CONDITIONS OF ISSUE

§ 1

CURRENCY, PRINCIPAL AMOUNT, FORM, CERTAIN DEFINITIONS

- (1) *Currency; Principal Amount; Transfer.* The issue by SAF-HOLLAND S.A. (the **“Issuer”**) issued on October 31, 2012 in the aggregate principal amount of up to EUR 75,000,000 is divided into up to 75,000 notes in the principal amount of EUR 1,000 (the **“Specified Denomination”**) each payable to bearer and ranking *pari passu* with each other (the **“Notes”** or the **“Issue”**).
- (2) *Form.* The Notes are being issued in bearer form.
- (3) *Temporary Global Note – Exchange.*
 - a) The Notes are initially represented by a temporary global note (the **“Temporary Global Note”**) without coupons. The Temporary Global Note will be exchangeable for Notes in the Specified Denomination represented by a permanent global note (the **“Permanent Global Note”**) without coupons. The Temporary Global Note and the Permanent Global Note shall each be signed by authorised signatories of the Clearing System, signing on behalf of the Issuer. Definitive Notes and interest coupons will not be issued.
 - b) The Temporary Global Note shall be exchanged for the Permanent Global Note on a date (the **“Exchange Date”**) not later than 180 days after the date of issue of the Notes represented by the Temporary Global Note. The Exchange Date will not be earlier than 40 days after the date of issue. 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

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). Zinszahlungen auf durch eine vorläufige Globalurkunde verbrieft Schuldverschreibungen erfolgen erst nach Vorlage solcher Bescheinigungen. Eine gesonderte Bescheinigung ist für jede solche Zinszahlung erforderlich. Jede Bescheinigung, die am oder nach dem 40. Tag nach dem Tag der Ausgabe der durch die vorläufige Globalurkunde verbrieften Schuldverschreibungen eingeht, wird als ein Ersuchen behandelt werden, diese vorläufige Globalurkunde gemäß Absatz (b) dieses § 1 Absatz (3) auszutauschen. Wertpapiere, die im Austausch für die vorläufige Globalurkunde geliefert werden, dürfen nur außerhalb der Vereinigten Staaten geliefert werden.

Für die Zwecke dieser Anleihebedingungen bezeichnet **“Vereinigte Staaten”** die Vereinigten Staaten von Amerika (einschließlich deren Bundesstaaten und des District of Columbia) sowie deren Territorien (einschließlich Puerto Rico, der U.S. Virgin Islands, Guam, American Samoa, Wake Island und Northern Mariana Islands).

- (4) *Clearing System.* Die Globalurkunde, die die Schuldverschreibung verbrieft, wird von dem oder für das Clearing Systems verwahrt. **“Clearing System”** bedeutet folgendes: Clearstream Banking AG, Mergenthalerallee 61, 65760 Eschborn, Deutschland sowie jeder Funktionsnachfolger.
- (5) *Gläubiger von Schuldverschreibungen.* **“Gläubiger”** bedeutet jeder Inhaber eines Miteigentumsanteils oder anderen vergleichbaren Rechts an den Schuldverschreibungen. Den Gläubigern stehen Miteigentumsanteile oder Rechte an der vorläufigen Globalurkunde und der Dauerglobalurkunde zu, die nach Maßgabe des anwendbaren Rechts und der Regeln und Bestimmungen des Clearing Systems übertragen werden können.

Temporary Global Note is not a U.S. person (other than certain financial institutions or certain persons holding Notes through such financial institutions). Payment of interest on Notes represented by a Temporary Global Note will be made only after delivery of such certifications. A separate certification shall be required in respect of each such payment of interest. Any such certification received on or after the 40th day after the date of issue of the Notes represented by the Temporary Global Note will be treated as a request to exchange such Temporary Global Note pursuant to subparagraph (b) of this § 1(3). Any securities delivered in exchange for the Temporary Global Note shall be delivered only outside of the United States.

For the purposes of these Conditions of Issue, **“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).

- (4) *Clearing System.* The global note representing the Notes will be kept in custody by or on behalf of the Clearing System. **“Clearing System”** means the following: Clearstream Banking AG, Mergenthalerallee 61, 65760 Eschborn, Germany and any successor in such capacity.
- (5) *Holder of Notes.* **“Holder”** means any holder of a proportionate co-ownership or other beneficial interest or right in the Notes. The Holders are entitled to proportionate co-ownership interests or rights in the Temporary and Permanent Global Note, which may be transferred in accordance with the applicable rules and provisions of the Clearing System.

§ 2
STATUS, NEGATIVVERPFLICHTUNG,
GARANTIE UND
NEGATIVVERPFLICHTUNG DER
GARANTINNEN

- (1) *Status.* Die Schuldverschreibungen begründen nicht besicherte und nicht nachrangige Verbindlichkeiten der Emittentin, die untereinander und mit allen anderen nicht besicherten und nicht nachrangigen Verbindlichkeiten der Emittentin gleichrangig sind, soweit diesen Verbindlichkeiten nicht durch zwingende gesetzliche Bestimmungen ein Vorrang eingeräumt wird.
- (2) *Negativverpflichtung.* Die Emittentin verpflichtet sich, solange Schuldverschreibungen ausstehen, jedoch nur bis zu dem Zeitpunkt, an dem alle Beträge an Kapital und Zinsen, die gemäß den Schuldverschreibungen zu zahlen sind, an das Clearing System oder an dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearing Systems zur Verfügung gestellt worden sind, keine Grund- und Mobiliarpfandrechte, sonstige Pfandrechte oder sonstige dingliche Sicherungsrechte (jedes ein “**Sicherungsrecht**”) in Bezug auf ihr gesamtes Vermögen oder Teile davon zur Besicherung von Kapitalmarktverbindlichkeiten (wie unten definiert) zu gewähren und ihre Wesentlichen Tochtergesellschaften (wie unten definiert) zu veranlassen (es sei denn, dies ist rechtlich nicht möglich oder unzulässig), keine solchen Sicherungsrechte bzw. Garantien für Kapitalmarktverbindlichkeiten zu gewähren, ohne gleichzeitig die Gläubiger gleichrangig an einem solchen Sicherungsrecht oder an einer solchen Garantie zu beteiligen oder ihnen ein gleichwertiges Sicherungsrecht oder eine gleichwertige Garantie zu gewähren.

Eine nach diesem Absatz 2 zu leistende Sicherheit kann auch zu Gunsten der Person eines Treuhänders der Gläubiger bestellt werden.

Für Zwecke dieses § 2 bedeutet “**Kapitalmarktverbindlichkeit**” jede

§ 2
STATUS, NEGATIVE PLEDGE,
GUARANTEE AND NEGATIVE PLEDGE
OF THE GUARANTORS

- (1) *Status.* The obligations under the Notes constitute unsecured and unsubordinated obligations of the Issuer ranking *pari passu* among themselves and *pari passu* with all other unsecured and unsubordinated obligations of the Issuer, unless such obligations are accorded priority under mandatory provisions of statutory law.
- (2) *Negative Pledge.* The Issuer undertakes, as long as any Notes are outstanding, but only up to the time all amounts of principal and interest payable under the Notes have been placed at the disposal of the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System, not to provide or maintain any mortgage, charge, pledge, lien or other form of encumbrance or *in rem* security interest (each a “**Security Interest**”) over the whole or any part of its assets to secure any Capital Market Indebtedness (as defined below) and to procure (unless this is legally impossible or illegal) that none of its Material Subsidiaries (as defined below) will provide Security Interests over their assets or grant guarantees to secure Capital Market Indebtedness without at the same time letting the Holders share *pari passu* in such Security Interest or guarantee or giving to the Holders an equivalent Security Interest or guarantee.

Any security which is to be provided pursuant to this subparagraph (2) may also be provided to a person acting as trustee for the Holders.

For the purposes of this § 2, “**Capital Market Indebtedness**” shall mean

bestehende oder zukünftige Verbindlichkeit (gleich ob Kapital, Aufgeld, Zinsen oder andere Beträge) der Emittentin oder einer ihrer Wesentlichen Tochtergesellschaften bezüglich Geldaufnahmen in Form von, oder verbrieft durch, Schuldverschreibungen, Anleihen oder ähnliche Wertpapiere, soweit sie an einer Börse oder im Freiverkehr notiert sind oder gehandelt werden oder werden können, oder Namensschuldverschreibungen oder Schuldscheindarlehen nach deutschem Recht oder vergleichbare Instrumente nach anderem Recht.

“**Tochtergesellschaft**” bezeichnet ein Tochterunternehmen der Emittentin im Sinne von § 290 Handelsgesetzbuch (HGB).

“**Wesentliche Tochtergesellschaft**” bezeichnet die Garantinnen und jede andere direkte oder indirekte Tochtergesellschaft der Emittentin, (a) deren gesamte Vermögensgegenstände oder (falls die Tochtergesellschaft selbst Tochtergesellschaften hat) deren gesamte konsolidierte Vermögensgegenstände 10% des Wertes der gesamten konsolidierten Vermögensgegenstände der Emittentin übersteigen, so wie es bei dem letzten geprüften (konsolidierten) Jahresabschluss der Emittentin und dem Einzelabschluss der betreffenden Tochtergesellschaft festgestellt wurde; oder (b) deren EBITDA oder (falls die Tochtergesellschaft selbst Tochtergesellschaften hat) deren konsolidiertes EBITDA 10% des konsolidierten EBITDA der Emittentin übersteigen, so wie sie bei dem letzten geprüften (konsolidierten) Jahresabschluss der Emittentin und dem Einzelabschluss der betreffenden Tochtergesellschaft festgestellt wurden.

“**EBITDA**” bezeichnet das Ergebnis vor Finanzergebnis, Ertragsteuern und Abschreibungen.

- (3) *Garantie und Negativverpflichtung der Garantinnen.* SAF-HOLLAND GmbH und SAF-HOLLAND USA, Inc. (die “**Garantinnen**”) haben unbedingte und unwiderrufliche Garantien (die “**Garantien**”) für die ordnungsgemäße und pünktliche Zahlung von Kapital und

any present or future indebtedness (whether being principal, premium, interest or other amounts) of the Issuer or any of the its Material Subsidiaries in respect of borrowed money which is in the form of, or represented by, bonds, notes or any similar securities which are or are intended to be quoted, listed or traded on any stock exchange (regulated or unregulated securities market) or registered bonds or certificates of indebtedness governed by German law or similar instruments under different law.

“**Subsidiary**” means any subsidiary (*Tochterunternehmen*) of the Issuer within the meaning of section 290 of the German Commercial Code (*Handelsgesetzbuch*).

“**Material Subsidiary**” means the Guarantors and any other directly or indirectly held subsidiary of the Issuer (a) the value of whose total assets or (in case the subsidiary itself has subsidiaries) the total consolidated assets exceed 10 per cent of the total consolidated assets of the Issuer, as determined from the most recent audited (consolidated) financial statements of the Issuer and the (unconsolidated) accounts of the relevant subsidiary; or (b) whose EBITDA or (in case the subsidiary itself has subsidiaries) consolidated EBITDA exceeds 10 per cent of the consolidated EBITDA of the Issuer, as determined from the most recent audited (consolidated) financial statements of the Issuer and the (unconsolidated) accounts of the relevant subsidiary.

“**EBITDA**” means earnings before interest, taxes, depreciations and amortisations.

- (3) *Guarantees and Negative Pledge of the Guarantors.* SAF-HOLLAND GmbH and SAF-HOLLAND USA, Inc. (the “**Guarantors**”) have given unconditional and irrevocable guarantees (the “**Guarantees**”) for the due and punctual payment of principal

Zinsen und sonstiger auf die Schuldverschreibungen zahlbarer Beträge übernommen. Die Garantinnen haben sich außerdem in einer in den Garantien enthaltenen Negativverpflichtung (die "**Negativverpflichtung**") verpflichtet, solange Schuldverschreibungen ausstehen, jedoch nur bis zu dem Zeitpunkt, an dem alle Beträge an Kapital und Zinsen dem Clearing System oder an dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearing Systems zur Verfügung gestellt worden sind, keine Sicherungsrechte in Bezug auf ihr gesamtes Vermögen oder Teile davon bzw. Garantien zur Sicherung von Kapitalmarktverbindlichkeiten zu gewähren, ohne gleichzeitig die Gläubiger gleichrangig an einem solchen Sicherungsrecht bzw. einer Garantie zu beteiligen oder ihnen ein gleichwertiges Sicherungsrecht oder eine gleichwertige Garantie zu gewähren; diese Verpflichtung gilt jedoch nicht für zum Zeitpunkt des Erwerbs von Vermögenswerten durch die Garantinnen bereits an solchen Vermögenswerten bestehende Sicherungsrechte, soweit solche Sicherungsrechte nicht im Zusammenhang mit dem Erwerb oder in Erwartung des Erwerbs des jeweiligen Vermögenswerts bestellt wurden und der durch das Sicherungsrecht besicherte Betrag nicht nach Erwerb des betreffenden Vermögenswertes erhöht wird.

Die Garantien und die Negativverpflichtungen stellen jeweils einen Vertrag zugunsten jedes Gläubigers als begünstigtem Dritten gemäß § 328 BGB dar, welcher das Recht jedes Gläubigers begründet, Erfüllung aus der jeweiligen Garantie und Negativverpflichtung unmittelbar von den Garantinnen zu verlangen und die jeweilige Garantie und Negativverpflichtung unmittelbar gegen die jeweilige Garantin durchzusetzen.

§ 3 ZINSEN

- (1) *Zinssatz und Zinszahlungstage.* Die Schuldverschreibungen werden bezogen

of, and interest on, and any other amounts payable under any Note. The Guarantors have further undertaken in a negative pledge contained in the Guarantees (the "**Negative Pledge**"), so long as any of the Notes are outstanding, but only up to the time all amounts of principal and interest have been placed at the disposal of the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System, not to provide any Security Interest over the whole or any part of their assets or grant guarantees to secure any Capital Market Indebtedness without at the same time letting the Holders share *pari passu* in such Security Interest or giving to the Holders an equivalent Security Interest or guarantee, provided, however, that this undertaking shall not apply with respect to any Security Interest existing on property at the time of the acquisition thereof by the Guarantors, provided that such Security Interest was not created in connection with or in contemplation of such acquisition and that the amount secured by such Security Interest is not increased subsequently to the acquisition of the relevant property.

The Guarantees and Negative Pledges each constitutes a contract for the benefit of the Holders from time to time as third party beneficiaries in accordance with section 328 of the German Civil Code (*Bürgerliches Gesetzbuch, BGB*), giving rise to the right of each Holder to require performance of the respective Guarantee and Negative Pledge directly from the respective Guarantor and to enforce the respective Guarantee and Negative Pledge directly against the respective Guarantor.

§ 3 INTEREST

- (1) *Rate of Interest and Interest Payment Dates.* The Notes shall bear interest

auf ihren Nennbetrag verzinst, und zwar vom 31. Oktober 2012 (einschließlich) bis zum Fälligkeitstag (wie in § 5 Absatz (1) definiert) (ausschließlich) mit jährlich 7,000%. Die Zinsen sind nachträglich am 26. April eines jeden Jahres zahlbar (jeweils ein **“Zinszahlungstag”**). Die erste Zinszahlung erfolgt am 26. April 2013 (erster kurzer Kupon) und beläuft sich auf EUR 33,95 je Schuldverschreibung.

- (2) *Auflaufende Zinsen.* Falls die Emittentin die Schuldverschreibungen bei Fälligkeit nicht einlöst, erfolgt die Verzinsung der Schuldverschreibungen vom Tag der Fälligkeit bis zum Tag der tatsächlichen Rückzahlung der Schuldverschreibungen in Höhe des gesetzlich festgelegten Satzes für Verzugszinsen.¹

¹Der gesetzliche Verzugszinssatz beträgt für das Jahr fünf Prozentpunkte über dem von der Deutsche Bundesbank von Zeit zu Zeit veröffentlichten Basiszinssatz, §§ 288 Absatz 1, 247 Absatz 1 BGB.

- (3) *Berechnung der Zinsen für Teile von Zeiträumen.* Sofern Zinsen für einen Zeitraum von weniger als einem Jahr zu berechnen sind, erfolgt die Berechnung auf der Grundlage des Zinstagequotienten (wie nachstehend definiert).
- (4) *Zinstagequotient.* **“Zinstagequotient”** bezeichnet im Hinblick auf die Berechnung eines Zinsbetrages auf eine Schuldverschreibung für einen beliebigen Zeitraum (der **“Zinsberechnungszeitraum”**) die tatsächliche Anzahl von Tagen im Zinsberechnungszeitraum, dividiert durch die tatsächliche Anzahl von Tagen in der Bezugsperiode, in die der Zinsberechnungszeitraum fällt.

„Bezugsperiode“ bezeichnet den Zeitraum ab dem Verzinsungsbeginn (einschließlich) bis zum ersten Zinszahlungstag (ausschließlich) oder von jedem Zinszahlungstag (einschließlich) bis zum nächsten Zinszahlungstag (ausschließlich). Zum Zwecke der Bestimmung der ersten Bezugsperiode gilt der 26. April 2012 als fiktiver Verzinsungsbeginn.

on their principal amount at the rate of 7.000 per cent. *per annum* from (and including) October 31, 2012 to (but excluding) the Maturity Date (as defined in § 5(1)). Interest shall be payable in arrear on April, 26 in each year (each such date, an **“Interest Payment Date”**). The first payment of interest shall be made on April 26, 2013 (first short coupon) and amounts to EUR 33.95 for each Note.

- (2) *Accrual of Interest.* If the Issuer shall fail to redeem the Notes when due, interest shall continue to accrue beyond the due date until the actual redemption of the Notes at the default rate of interest established by law.¹

¹The default rate of interest established by law is five percentage points above the basic rate of interest published by Deutsche Bundesbank from time to time; §§ 288(1), 247(1) German Civil Code (*Bürgerliches Gesetzbuch*, BGB).

- (3) *Calculation of Interest for Partial Periods.* If interest is required to be calculated for a period of less than a full year, such interest shall be calculated on the basis of the Day Count Fraction (as defined below).
- (4) *Day Count Fraction.* **“Day Count Fraction”** means with regard to the calculation of interest on any Note for any period of time (the **“Calculation Period”**) the actual number of days in the Calculation Period divided by the actual number of days in the Reference Period in which the Calculation Period falls.

“Reference Period” means the period from (and including) the Interest Commencement Date to (but excluding) the first Interest Payment Date or from (and including) each Interest Payment Date to (but excluding) the next Interest Payment Date. For the purposes of determining the first Reference Period only, April 26, 2012 shall be deemed to be the Interest Commencement Date.

§ 4
ZAHLUNGEN

- (1) *Zahlungen von Kapital und Zinsen.* Zahlungen von Kapital und Zinsen in Bezug auf die Schuldverschreibungen erfolgen nach Maßgabe des nachstehenden Absatzes (2) über die Zahlstelle an das Clearing System oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearing Systems.

Die Zahlung von Zinsen auf Schuldverschreibungen, die durch die vorläufige Globalurkunde verbrieft sind, erfolgt nach Maßgabe von Absatz (2) an das Clearing System oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearing Systems, und zwar nach ordnungsgemäßer Bescheinigung gemäß § 1 Absatz (3)(b).

- (2) *Zahlungsweise.* Vorbehaltlich geltender steuerlicher und sonstiger gesetzlicher Regelungen und Vorschriften erfolgen zu leistende Zahlungen auf die Schuldverschreibungen in Euro.
- (3) *Erfüllung.* Die Emittentin wird durch Leistung der Zahlung an das Clearing System oder dessen Order von ihrer Zahlungsverpflichtung befreit.
- (4) *Zahltag.* Fällt der Fälligkeitstag einer Zahlung in Bezug auf eine Schuldverschreibung auf einen Tag, der kein Zahltag ist, dann hat der Gläubiger keinen Anspruch auf Zahlung vor dem nächsten Zahltag. Der Gläubiger ist nicht berechtigt, weitere Zinsen oder sonstige Zahlungen aufgrund dieser Verspätung zu verlangen.

Für diese Zwecke bezeichnet "**Zahltag**" einen Tag, der ein Tag (außer einem Samstag oder Sonntag) ist, an dem das Clearing System sowie alle betroffenen Bereiche des Trans-European Automated Real-time Gross Settlement Express Transfer System (TARGET2) ("**TARGET**") betriebsbereit sind, um die betreffende Zahlung weiterzuleiten.

- (5) *Bezugnahmen auf Kapital und Zinsen.* Bezugnahmen in diesen Anleihebedingungen auf Kapital der

§ 4
PAYMENTS

- (1) *Payment of Principal and Interest.* Payment of principal and interest in respect of Notes shall be made, subject to subparagraph (2) below, via the Paying Agent to the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System.

Payment of interest on Notes represented by the Temporary Global Note shall be made, subject to subparagraph (2), to the Clearing System or to its order for credit to the relevant account holders of the Clearing System, upon due certification as provided in § 1(3)(b).

- (2) *Manner of Payment.* Subject to applicable fiscal and other laws and regulations, payments of amounts due in respect of the Notes shall be made in euro.
- (3) *Discharge.* The Issuer shall be discharged by payment to, or to the order of, the Clearing System.
- (4) *Payment Business Day.* If the date for payment of any amount in respect of any Note is not a Payment Business Day then the Holder shall not be entitled to payment until the next such day and shall not be entitled to further interest or other payment in respect of such delay.

For these purposes, "**Payment Business Day**" means any day which is 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) ("**TARGET**") are operational to forward the relevant payment.

- (5) *References to Principal and Interest.* References in these Conditions of Issue to principal in respect of the

Schuldverschreibungen schließen, soweit anwendbar, die folgenden Beträge ein: den Rückzahlungsbetrag der Schuldverschreibungen; den Vorzeitigen Rückzahlungsbetrag (wie unten definiert) der Schuldverschreibungen; sowie jeden Aufschlag sowie sonstige auf oder in Bezug auf die Schuldverschreibungen zahlbaren Beträge. Bezugnahmen in diesen Anleihebedingungen auf Zinsen auf die Schuldverschreibungen sollen, soweit anwendbar, sämtliche gemäß § 7 zahlbaren zusätzlichen Beträge einschließen.

- (6) *Hinterlegung von Kapital und Zinsen.* Die Emittentin ist berechtigt, beim Amtsgericht Frankfurt am Main Zins- oder Kapitalbeträge zu hinterlegen, die von den Gläubigern nicht innerhalb von zwölf Monaten nach dem Fälligkeitstag beansprucht worden sind, auch wenn die Gläubiger sich nicht in Annahmeverzug befinden. Soweit eine solche Hinterlegung erfolgt, und auf das Recht der Rücknahme verzichtet wird, erlöschen die diesbezüglichen Ansprüche der Gläubiger gegen die Emittentin.

§ 5 RÜCKZAHLUNG

- (1) *Rückzahlung bei Endfälligkeit.* Soweit nicht zuvor bereits ganz oder teilweise zurückgezahlt oder angekauft und entwertet, werden die Schuldverschreibungen zu ihrem Endfälligkeitsbetrag am 26. April 2018 (der "**Fälligkeitstag**") zurückgezahlt. Der "**Endfälligkeitsbetrag**" in Bezug auf jede Schuldverschreibung entspricht dem Nennbetrag der Schuldverschreibungen zuzüglich bis zum Fälligkeitstag aufgelaufener Zinsen.
- (2) *Vorzeitige Rückzahlung aus steuerlichen Gründen.* Die Schuldverschreibungen können insgesamt, jedoch nicht teilweise, nach Wahl der Emittentin mit einer Kündigungsfrist von nicht weniger als 30 und nicht mehr als 60 Tagen gegenüber der Zahlstelle und gegenüber den Gläubigern vorzeitig gekündigt und zum Nennbetrag zuzüglich bis zum für die Rückzahlung festgesetzten Tag aufgelaufener Zinsen zurückgezahlt werden (der "**Vorzeitige**

Notes shall be deemed to include, as applicable: the Final Redemption Amount of the Notes; the Early Redemption Amount (as defined below) of the Notes; and any premium and any other amounts which may be payable under or in respect of the Notes. References in these Conditions of Issue to interest in respect of the Notes shall be deemed to include, as applicable, any Additional Amounts which may be payable under § 7.

- (6) *Deposit of Principal and Interest.* The Issuer may deposit with the local court (*Amtsgericht*) in Frankfurt am Main principal or interest not claimed by Holders within twelve months after the Maturity Date, even though such Holders may not be in default of acceptance of payment. If and to the extent that the deposit is effected and the right of withdrawal is waived, the respective claims of such Holders against the Issuer shall cease.

§ 5 REDEMPTION

- (1) *Final Redemption.* Unless previously redeemed in whole or in part or purchased and cancelled, the Notes shall be redeemed at their Final Redemption Amount on April 26, 2018 (the "**Maturity Date**"). The "**Final Redemption Amount**" in respect of each Note shall be its principal amount and interest accrued until the Maturity Date.
- (2) *Early Redemption for Reasons of Taxation.* If as a result of any change in, or amendment to, the laws or regulations of the Federal Republic of Germany, the Grand Duchy of Luxembourg or the United States of America or any political subdivision or taxing authority thereto or therein affecting taxation or the obligation to pay duties of any kind, or any change in, or amendment to, an official interpretation or application of such

Rückzahlungsbetrag”), falls die Emittentin oder eine Garantin als Folge einer Änderung oder Ergänzung der Steuer- oder Abgabengesetze und -vorschriften der Bundesrepublik Deutschland, des Großherzogtums Luxemburg oder der Vereinigten Staaten von Amerika oder deren politischen Untergliederungen oder Steuerbehörden oder als Folge einer Änderung oder Ergänzung der Anwendung oder der offiziellen Auslegung dieser Gesetze und Vorschriften (vorausgesetzt, diese Änderung oder Ergänzung wird am oder nach dem Tag, an dem die Schuldverschreibungen begeben werden, wirksam) am nächstfolgenden Zinszahlungstag (wie in § 3 Absatz (1) definiert) zur Zahlung von zusätzlichen Beträgen (wie in § 7 dieser Bedingungen definiert) verpflichtet sein wird und diese Verpflichtung nicht durch das Ergreifen vernünftiger, der Emittentin oder einer Garantin zur Verfügung stehender Maßnahmen vermieden werden kann.

Eine solche Kündigung darf allerdings nicht (i) früher als 90 Tage vor dem frühestmöglichen Termin erfolgen, an dem die Emittentin oder die Garantinnen verpflichtet wären, solche zusätzlichen Beträge zu zahlen, falls eine Zahlung auf die Schuldverschreibungen dann fällig sein würde, oder (ii) erfolgen, wenn zu dem Zeitpunkt, zu dem die Kündigung erfolgt, die Verpflichtung zur Zahlung von zusätzlichen Beträgen nicht mehr wirksam ist.

Eine solche Kündigung hat gemäß § 13 zu erfolgen. Sie ist unwiderruflich, muss den für die Rückzahlung festgelegten Termin nennen und eine zusammenfassende Erklärung enthalten, welche die das Rückzahlungsrecht der Emittentin begründenden Umstände darlegt.

(3) *Vorzeitige Rückzahlung nach Wahl der Gläubiger infolge eines Kontrollwechselereignisses.*

a) Tritt ein Kontrollwechselereignis ein, (i) verpflichtet sich die Emittentin, unverzüglich (x) den Wahl-Rückzahlungstag (wie nachstehend definiert) zu bestimmen und (y) das Kontrollwechselereignis und den Wahl-

laws or regulations, which amendment or change is effective on or after the date on which the Notes were issued, the Issuer or a Guarantor is required to pay Additional Amounts (as defined in § 7 herein) on the next succeeding Interest Payment Date (as defined in § 3(1)), and this obligation cannot be avoided by the use of reasonable measures available to the Issuer or a Guarantor, as the case may be, the Notes may be redeemed, in whole but not in part, at the option of the Issuer, upon not more than 60 days' nor less than 30 days' prior notice of redemption given to the Paying Agent and to the Holders, at the principal amount together with interest accrued to the date fixed for redemption (the **“Early Redemption Amount”**).

However, no such notice of redemption may be given (i) earlier than 90 days prior to the earliest date on which the Issuer or the Guarantors would be obligated to pay such Additional Amounts were a payment in respect of the Notes then due, or (ii) if at the time such notice is given, such obligation to pay such Additional Amounts does not remain in effect.

Any such notice shall be given in accordance with § 13. It shall be irrevocable, must specify the date fixed for redemption and must set forth a statement in summary form of the facts constituting the basis for the right of the Issuer so to redeem.

(3) *Early Redemption at the Option of the Holders following a Change of Control Event.*

a) If a Change of Control Event occurs (i) the Issuer undertakes to (x) fix the Optional Redemption Date (as defined below) and (y) give notice to the Holders in accordance with § 13 and to the Paying Agent of the Change of

Rückzahlungstag den Gläubigern durch Mitteilung gemäß § 13 (die **“Kontrollwechselereignis-Mitteilung”**) und der Zahlstelle bekannt zu machen und (ii) hat jeder Gläubiger das Recht (sofern nicht die Emittentin, bevor die nachstehend beschriebene Ausübungserklärung gemacht wird, die Rückzahlung der Schuldverschreibungen nach § 5(3) angezeigt hat), mit einer Frist von mindestens 10 Tagen mit Wirkung zum Wahl-Rückzahlungstag alle oder einzelne seiner Schuldverschreibungen am Wahl-Rückzahlungstag zum Nennbetrag, zuzüglich aufgelaufener Zinsen bis zum Wahl-Rückzahlungstag (ausschließlich) fällig zu stellen.

Ein **“Kontrollwechselereignis”** tritt ein, wenn ein Kontrollwechsel (wie nachstehend definiert) eintritt und es innerhalb des Kontrollwechselzeitraums zu einer Absenkung des Ratings kommt.

“Wahl-Rückzahlungstag” bezeichnet den von der Emittentin in der Rückzahlungsereignis-Mitteilung festgelegten Tag, der (i) ein Geschäftstag sein muss und (ii) nicht weniger als 60 und nicht mehr als 90 Tage nach Bekanntmachung der Kontrollwechselereignis-Mitteilung liegen darf.

“Geschäftstag” bezeichnet einen Tag (außer einem Samstag oder Sonntag), an dem die Banken in Frankfurt am Main und Luxemburg geöffnet sind.

b) Für Zwecke dieses § 5:

gilt eine **“Absenkung des Ratings”** als eingetreten, wenn ein Kontrollwechsel vorliegt und (i) wenn innerhalb des Kontrollwechselzeitraums ein vorher für die Emittentin oder ein für die ausstehenden langfristigen Verbindlichkeiten der Emittentin vergebenes Rating einer Rating Agentur (A) zurückgezogen oder (B) von einem Investment Grade Rating (BBB- von S&P oder Baa3 von Moody's oder jeweils gleichwertig, oder besser) in ein Non-Investment Grade Rating (BB+ von S&P oder Ba1 von Moody's oder jeweils gleichwertig, oder schlechter) geändert wird oder (ii) wenn zum Zeitpunkt des Kontrollwechsels kein Investment Grade Rating für die

Control Event and the Optional Redemption Date (the **“Change of Control Event Notice”**), in each case without undue delay (*unverzüglich*), and (ii) each Holder will have the option (unless, prior to the giving of the Put Notice referred to below, the Issuer gives notice to redeem the Notes in accordance with § 5(3)) to declare, on giving not less than 10 days' notice, all or some only of his Notes due at their Principal Amount together with interest accrued to but excluding the Optional Redemption Date, which notice shall take effect on the Optional Redemption Date.

A **“Change of Control Event”** occurs if a Change of Control (as defined below) occurs and within the Change of Control Period a Rating Downgrade occurs.

“Optional Redemption Date” means the date fixed by the Issuer in the put event notice, which (i) must be a Business Day and (ii) must fall not less than 60 and not more than 90 days after publication of the Change of Control Event Notice.

“Business Day” means a day (other than Saturday or Sunday) on which banks are open in Frankfurt am Main and Luxembourg.

b) For the purposes of this § 5:

A **“Rating Downgrade”** shall be deemed to have occurred if a Change of Control has occurred and (i) if within the Change of Control Period any rating previously assigned to the Issuer or the outstanding long-dated liabilities of the Issuer by any Rating Agency is (A) withdrawn or (B) changed from an investment grade rating (BBB- by S&P or Baa3 by Moody's, or its equivalent for the time being, or better) to a non-investment grade rating (BB+ by S&P or Ba1 by Moody's, or its equivalent for the time being, or worse) or (ii) if at the time of the Change of Control, there is no investment grade rating assigned to the Notes or the Issuer and no Rating

Schuldverschreibungen oder die Emittentin vergeben ist und keine Rating Agentur innerhalb des Kontrollwechselzeitraums ein Investment Grade Rating für die Schuldverschreibungen vergibt (es sei denn, die Emittentin ist trotz zumutbarer Anstrengungen innerhalb des Kontrollwechselzeitraums nicht in der Lage, ein Investment Grade Rating zu erhalten, ohne dass dies seine Ursache im Kontrollwechsel oder der Bonität der Emittentin hat);

bezeichnet "**Rating Agentur**" Standard and Poor's Rating Services, a division of The McGraw-Hill Companies, Inc. ("**S&P**"), Moody's Investors Services Limited ("**Moody's**") oder eine ihrer jeweiligen Nachfolgesellschaften;

gilt ein "**Kontrollwechsel**" jedes Mal als eingetreten, wenn eine Person oder mehrere Personen (die "**relevante(n) Person(en)**"), die im Sinne von § 22 WpHG abgestimmt handeln zu irgendeiner Zeit mittelbar oder unmittelbar (unabhängig davon, ob der Vorstand, der Aufsichtsrat oder das Board of Directors der Emittentin seine Zustimmung erteilt hat) eine solche Anzahl von Aktien der Emittentin hält bzw. halten oder erworben hat bzw. haben, auf die 50% oder mehr der Stimmrechte entfallen;

bezeichnet "**Kontrollwechselzeitraum**" den Zeitraum, der (i) mit dem früheren der folgenden Ereignisse beginnt: (x) einer öffentlichen Bekanntmachung oder Erklärung der Emittentin oder einer relevanten Person hinsichtlich eines möglichen Kontrollwechsels oder (y) dem Tag der ersten öffentlichen Bekanntmachung des eingetretenen Kontrollwechsels und (ii) am 90. Tag (einschließlich) nach dem Eintritt des Kontrollwechsels endet.

c) Die wirksame Ausübung des Rechts auf Rückzahlung für eine Schuldverschreibung nach Maßgabe dieses § 5(3) setzt voraus, dass der Gläubiger unter Beachtung der Kündigungsfrist gemäß § 5(3)(a)

(i) bei der angegebenen Geschäftsstelle der Zahlstelle eine ordnungsgemäß ausgefüllte

Agency assigns during the Change of Control Period an investment grade credit rating to the Notes (unless the Issuer, despite best endeavours, is unable to obtain an investment grade rating within the Change of Control Period provided the inability is not a result of the Change of Control or the credit worthiness of the Issuer);

"**Rating Agency**" means Standard and Poor's Rating Services, a division of The McGraw-Hill Companies, Inc. ("**S&P**"), Moody's Investors Services Limited ("**Moody's**") or any of their respective successors

A "**Change of Control**" shall be deemed to have occurred at each time that any person or persons ("**Relevant Person(s)**") acting in concert within the meaning of section 22 of the German Securities Trading Act (*Wertpapierhandelsgesetz*) at any time directly or indirectly acquire(s) or come(s) to own such number of the shares in the capital of the Issuer carrying 50 per cent. or more of the voting rights (whether or not approved by the Management Board, Supervisory Board or Board of Directors of the Issuer);

"**Change of Control Period**" means the period (i) commencing on the earlier of (x) any public announcement or statement of the Issuer or any Relevant Person relating to any potential Change of Control or (y) the date of the first public announcement of the Change of Control having occurred and (ii) ending on the 90th day (inclusive) after the occurrence of the relevant Change of Control.

c) The valid exercise of the option to require the redemption of a Note under this § 5(3) is conditional upon the Holder in observation of the notice period provided in § 5(3)(a)

(i) submitting at the specified office of the Paying Agent a duly signed and completed

und unterzeichnete Ausübungserklärung einreicht, die in ihrer jeweils maßgeblichen Form bei der angegebenen Niederlassung der Zahlstelle erhältlich ist (die "**Ausübungserklärung**"); und

- (ii) seine Schuldverschreibung(en), für die das Recht ausgeübt werden soll, an die Zahlstelle liefert, und zwar durch Lieferung (Umbuchung) der Schuldverschreibungen auf das in der Ausübungserklärung angegebene Konto der Zahlstelle beim Clearingsystem.

Eine einmal abgegebene Ausübungserklärung ist unwiderruflich. Die Ausübungserklärung hat unter anderem die folgenden Angaben zu enthalten:

- Name und Anschrift des ausübenden Gläubigers;
- die Zahl der Schuldverschreibungen, für die das Recht gemäß diesem § 5(3) ausgeübt werden soll; und
- die Bezeichnung eines auf Euro lautenden Bankkontos des Gläubigers, auf das auf die Schuldverschreibungen zahlbare Beträge geleistet werden sollen.

- d) Die Emittentin wird Zahlungen in Bezug auf solchermaßen gelieferte Schuldverschreibung(en) am Wahl-Rückzahlungstag auf das Euro-Bankkonto des Gläubigers, welches dieser in der Ausübungserklärung ordnungsgemäß bezeichnet hat, überweisen.

- (4) *Vorzeitige Rückzahlung nach Wahl der Emittentin bei geringem ausstehenden Nennbetrag.*

Wenn 85% oder mehr des Gesamtnennbetrags der ursprünglich begebenen Schuldverschreibungen zurückgezahlt oder zurückgekauft und entwertet wurde, ist die Emittentin berechtigt, die verbleibenden Schuldverschreibungen (ganz, jedoch nicht teilweise) durch eine

notice of exercise in the form (for the time being current) obtainable from the specified office of the Paying Agent (a "**Put Notice**"); and

- (ii) delivering to the Paying Agent the Note(s) for which the right shall be exercised, by transferring (book-entry transfer) the Notes to the account of the Paying Agent with the Clearing System specified in the Put Notice.

A Put Notice, once given, shall be irrevocable. The Put Notice shall, among other things:

- state the name and address of the exercising Holder;
- specify the number of Notes with respect to which the right under this § 5(3) shall be exercised; and
- designate a Euro denominated bank account of the Holder to which any payments on the Notes are to be made.

- d) The Issuer will make any payment in respect of any Note so delivered to the Euro-account of the Holder specified in the Put Notice on the Optional Redemption Date.

- (4) *Early Redemption at the option of the Issuer upon minimal outstanding amount.*

If 85 per cent or more in aggregate principal amount of the Notes initially issued have been redeemed or repurchased and cancelled, the Issuer may, by giving not less than 30 nor more than 60 days' notice to the Holders in accordance with § 13, call, at its option, the remaining Notes (in

Bekanntmachung an die Gläubiger gemäß § 13 unter Einhaltung einer Frist von nicht weniger als 30 und nicht mehr als 60 Tagen mit Wirkung zu dem von der Emittentin in der Bekanntmachung festgelegten Rückzahlungstermin zu kündigen. Im Falle einer solchen Kündigung hat die Emittentin die Schuldverschreibungen am festgelegten Rückzahlungstermin zum Rückzahlungsbetrag zuzüglich bis zum Rückzahlungstermin (ausschließlich) aufgelaufener Zinsen zurück zu zahlen.

“**Rückzahlungsbetrag**” bezeichnet (i) falls die Emittentin, eine mit ihr verbundene Gesellschaft oder ein Dritter, der für Rechnung der Emittentin oder einer mit ihr verbundenen Gesellschaft handelt, die entwerteten Schuldverschreibungen im Zuge eines öffentlichen Rückkaufangebotes erworben hatte, den an die Gläubiger nach Maßgabe des Rückkaufangebots gezahlten Kaufpreis je Schuldverschreibung, mindestens jedoch der Nennbetrag, und (ii) in allen anderen Fällen der Nennbetrag, jeweils zuzüglich aufgelaufener Zinsen bis zu, aber ausschließlich, dem Rückzahlungstag.

§ 6 DIE ZAHLSTELLE

- (1) *Bestellung; bezeichnete Geschäftsstelle.* Die anfänglich bestellte Zahlstelle und deren bezeichnete Geschäftsstellen lauten wie folgt:

Zahlstelle: IKB Deutsche Industriebank
Aktiengesellschaft
Wilhelm-Bötckes-Strasse 1,
40474 Düsseldorf

Die Zahlstelle behält sich das Recht vor, jederzeit ihre bezeichnete Geschäftsstelle durch eine andere Geschäftsstelle in derselben Stadt zu ersetzen.

- (2) *Änderung der Bestellung oder Abberufung.* Die Emittentin behält sich das Recht vor, jederzeit die Bestellung der Zahlstelle zu ändern oder zu beenden und eine andere Zahlstelle zu bestellen. Die Emittentin wird eine Zahlstelle unterhalten solange die Schuldverschreibungen ausstehen. Eine

whole but not in part) with effect from the redemption date specified by the Issuer in the notice. In the case such call notice is given, the Issuer shall redeem the remaining Notes on the specified redemption date at their Redemption Price together with interest accrued to but excluding the redemption date.

“**Redemption Price**” means, (i) in the event the Issuer or an affiliate of the Issuer or any third party acting for the account of the Issuer or an affiliate of the Issuer had purchased the Notes subsequently cancelled by way of a public tender offer to the Holders, the higher of the purchase price per Note paid to the Holders in tender offer and the Principal Amount, and (ii) in all other cases the Principal Amount, in each case plus accrued interest up to (but excluding) the date for redemption.

§ 6 THE PAYING AGENT

- (1) *Appointment; Specified Office.* The initial Paying Agent and its initial specified offices shall be:

Paying Agent: IKB Deutsche Industriebank
Aktiengesellschaft
Wilhelm-Bötckes-Straße 1, 40474
Düsseldorf

The Paying Agent reserves the right at any time to change its specified office to some other office in the same city.

- (2) *Variation or Termination of Appointment.* The Issuer reserves the right at any time to vary or terminate the appointment of the Paying Agent and to appoint another Paying Agent. The Issuer shall for so long as the Notes are outstanding maintain a Paying Agent. Any variation,

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.

- (3) *Erfüllungsgehilfe(n) der Emittentin.* Die Zahlstelle handelt ausschließlich als Erfüllungsgehilfe der Emittentin und übernimmt keinerlei Verpflichtungen gegenüber den Gläubigern und es wird kein Auftrags- oder Treuhandverhältnis zwischen ihr und den Gläubigern begründet.

§ 7 STEUERN

Sämtliche auf die Schuldverschreibungen zu zahlenden Beträge sind ohne Einbehalt oder Abzug von oder aufgrund von gegenwärtigen oder zukünftigen Steuern oder sonstigen Abgaben gleich welcher Art zu leisten, die von oder in der Bundesrepublik Deutschland, dem Großherzogtum Luxemburg oder den Vereinigten Staaten von Amerika oder für deren Rechnung oder von oder für Rechnung einer politischen Untergliederung oder Steuerbehörde der oder in der Bundesrepublik Deutschland, dem Großherzogtum Luxemburg oder den Vereinigten Staaten von Amerika auferlegt oder erhoben werden, es sei denn, ein solcher Einbehalt oder Abzug ist gesetzlich vorgeschrieben. Ist ein solcher Einbehalt gesetzlich vorgeschrieben, so wird die Emittentin diejenigen zusätzlichen Beträge (die "**zusätzlichen Beträge**") zahlen, die erforderlich sind, damit die den Gläubigern zufließenden Nettobeträge nach diesem Einbehalt oder Abzug jeweils den Beträgen entsprechen, die ohne einen solchen Einbehalt oder Abzug von den Gläubigern empfangen worden wären; die Verpflichtung zur Zahlung solcher zusätzlicher Beträge besteht jedoch nicht im Hinblick auf Steuern und Abgaben, die:

- a) von einer als Depotbank oder Inkassobeauftragter des Gläubigers handelnden Person oder sonst auf andere Weise zu entrichten sind als dadurch, dass die Emittentin aus den von ihr zu leistenden Zahlungen von Kapital oder Zinsen einen Abzug oder Einbehalt vornimmt; oder
- b) wegen einer gegenwärtigen oder früheren persönlichen oder geschäftlichen Beziehung des

termination, appointment or 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.

- (3) *Agent of the Issuer.* The Paying Agent acts solely as the agent of the Issuer and does not assume any obligations towards or relationship of agency or trust for any Holder.

§ 7 TAXATION

All amounts payable in respect of the Notes shall be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by way of withholding or deduction by or on behalf of the Federal Republic of Germany, the Grand Duchy of Luxembourg or the United States of America or any political subdivision or any authority thereof or therein having power to tax unless such withholding or deduction is required by law. If such withholding is required by law, the Issuer will pay such additional amounts (the "**Additional Amounts**") as shall be necessary in order that the net amounts received by the Holders, after such withholding or deduction shall equal the respective amounts which would otherwise have been receivable in the absence of such withholding or deduction; except that no such Additional Amounts shall be payable on account of any taxes or duties which:

- a) are payable by any person acting as custodian bank or collecting agent on behalf of a Holder, or otherwise in any manner which does not constitute a deduction or withholding by the Issuer from payments of principal or interest made by it, or
- b) are payable by reason of the Holder having, or having had, some personal or business connection with the

Gläubigers zur Bundesrepublik Deutschland, dem Großherzogtum Luxemburg oder den Vereinigten Staaten von Amerika zu zahlen sind, und nicht allein deshalb, weil Zahlungen auf die Schuldverschreibungen aus Quellen in der Bundesrepublik Deutschland stammen, dem Großherzogtum Luxemburg oder den Vereinigten Staaten von Amerika (oder für Zwecke der Besteuerung so behandelt werden) oder dort besichert sind; oder

Federal Republic of Germany, the Grand Duchy of Luxembourg or the United States of America and not merely by reason of the fact that payments in respect of the Notes are, or for purposes of taxation are deemed to be, derived from sources in, or are secured in, the Federal Republic of Germany, the Grand Duchy of Luxembourg or the United States of America, or

- c) aufgrund (i) einer Richtlinie oder Verordnung der Europäischen Union betreffend die Besteuerung von Zinserträgen oder (ii) einer zwischenstaatlichen Vereinbarung über deren Besteuerung, an der die Bundesrepublik Deutschland, das Großherzogtum Luxemburg oder die Europäische Union beteiligt ist, oder (iii) einer gesetzlichen Vorschrift, die diese Richtlinie, Verordnung oder Vereinbarung umsetzt oder befolgt, abzuziehen oder einzubehalten sind; oder
 - d) aufgrund einer Rechtsänderung zu zahlen sind, welche später als 30 Tage nach Fälligkeit der betreffenden Zahlung von Kapital oder Zinsen oder, wenn dies später erfolgt, ordnungsgemäßer Bereitstellung aller fälligen Beträge und einer diesbezüglichen Bekanntmachung gemäß § 13 wirksam wird; oder
 - e) von einer Zahlstelle einbehalten oder abgezogen werden, wenn die Zahlung von einer anderen Zahlstelle ohne den Einbehalt oder Abzug hätte vorgenommen werden können.
 - f) Unbeschadet sonstiger Bestimmungen dieser Anleihebedingungen ist die Emittentin zum Einbehalt oder Abzug der Beträge berechtigt, die gemäß §§ 1471 bis 1474 des U.S. Internal Revenue Code (einschließlich dessen Änderungen oder Nachfolgevorschriften), gemäß zwischenstaatlicher Abkommen, gemäß den in einer anderen Rechtsordnung in Zusammenhang mit diesen Bestimmungen erlassenen Durchführungsvorschriften oder gemäß mit dem Internal Revenue Service geschlossenen Verträgen ("**FATCA Quellensteuer**") erforderlich sind. Die
- c) are deducted or withheld pursuant to (i) any European Union Directive or Regulation concerning the taxation of interest income, or (ii) any international treaty or understanding relating to such taxation and to which the Federal Republic of Germany, Grand Duchy of Luxembourg or the European Union is a party, or (iii) any provision of law implementing, or complying with, or introduced to conform with, such Directive, Regulation, treaty or understanding, or
 - d) are payable by reason of a change in law that becomes effective more than 30 days after the relevant payment becomes due, or is duly provided for and notice thereof is published in accordance with § 13, whichever occurs later, or
 - e) are withheld or deducted by a paying agent from a payment if the payment could have been made by another paying agent without such withholding or deduction.
 - f) Notwithstanding any other provision in these Conditions of Issue, the Issuer shall be permitted to withhold or deduct any amounts required by the rules of U.S. Internal Revenue Code Sections 1471 through 1474 (or any amended or successor provisions), pursuant to any inter-governmental agreement, or implementing legislation adopted by another jurisdiction in connection with these provisions, or pursuant to any agreement with the IRS ("**FATCA withholding**"). The Issuer will have no obligation to pay additional amounts or otherwise indemnify a

Emittentin ist nicht verpflichtet, zusätzliche Beträge zu zahlen oder Gläubiger in Bezug auf FATCA Quellensteuer schadlos zu halten, die von der Emittentin, einer Zahlstelle oder von einem anderen Beteiligten als Folge davon, dass eine andere Person als die Emittentin oder deren Zahlstelle nicht zum Empfang von Zahlungen ohne FATCA Quellensteuer berechtigt ist, abgezogen oder einbehalten wurden.

§ 8 VORLEGUNGSFRIST

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

§ 9 KÜNDIGUNG

- (1) *Kündigungsgründe.* Jeder Gläubiger ist berechtigt, seine Schuldverschreibung zu kündigen und deren sofortige Rückzahlung zu ihrem Nennbetrag zuzüglich (etwaiger) bis zum Tage der Rückzahlung aufgelaufener Zinsen zu verlangen, falls:
- a) *Nichtzahlung:* die Emittentin Kapital oder Zinsen oder sonstige auf die Schuldverschreibungen zahlbaren Beträge nicht innerhalb von 5 Tagen nach dem betreffenden Fälligkeitsdatum zahlt; oder
- b) *Verletzung einer sonstigen Verpflichtung:* die Emittentin die ordnungsgemäße Erfüllung einer anderen Verpflichtung aus den Schuldverschreibungen oder eine der Garantinnen die Erfüllung einer Verpflichtung aus der Garantie unterlässt und diese Unterlassung länger als 15 Tage fort dauert, nachdem die Zahlstelle hierüber eine Benachrichtigung von einem Gläubiger erhalten hat; oder
- c) *Drittverzugs Klausel:* (i) eine andere Finanzverbindlichkeit der Emittentin oder einer Wesentlichen Tochtergesellschaft nach Fälligkeit nicht innerhalb von 30 Geschäftstagen, oder, falls länger, nach Ablauf einer etwaigen Nachfrist nicht bezahlt wird, oder (ii) eine Finanzverbindlichkeit der

holder for any FATCA withholding deducted or withheld by the Issuer, any paying agent or any other party as a result of any person other than Issuer or an agent of the Issuer not being entitled to receive payments free of FATCA withholding.

§ 8 PRESENTATION PERIOD

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

§ 9 EVENTS OF DEFAULT

- (1) *Events of default.* Each Holder shall be entitled to declare his Notes due and demand immediate redemption thereof at par plus accrued interest (if any) to the date of repayment, in the event that
- a) *Non-Payment:* the Issuer fails to pay principal or interest or any other amounts due on the Notes within 5 days after the relevant due date, or
- b) *Breach of other Obligation:* the Issuer fails to duly perform any other obligation arising from the Notes or one of the Guarantors fails to perform any obligation arising from the Guarantee and such failure continues unremedied for more than 15 days after the Paying Agent has received notice thereof from a Holder, or
- c) *Cross-Default:* (i) any other Financial Indebtedness of the Issuer or any Material Subsidiary is not paid when due or within 30 Business Days or, if longer, any originally applicable grace period or (ii) any Financial Indebtedness of the Issuer or any Material Subsidiary is declared to be

Emittentin oder einer Wesentlichen Tochtergesellschaft aus einem anderen Grund vor dem vorgesehenen Fälligkeitstermin aufgrund des Vorliegens einer Nichterfüllung oder eines Verzuges (unabhängig davon, wie eine solche bzw. ein solcher definiert ist) vorzeitig fällig gestellt wird, oder (iii) ein Gläubiger der Emittentin oder einer Wesentlichen Tochtergesellschaft berechtigt ist, eine Finanzverbindlichkeit der Emittentin oder einer Wesentlichen Tochtergesellschaft aufgrund des Vorliegens einer Nichterfüllung oder eines Verzuges (unabhängig davon, wie eine solche bzw. ein solcher definiert ist) vorzeitig zu kündigen und dieser Kündigungsgrund nicht innerhalb von 30 Geschäftstagen entfällt, oder (iv) die Emittentin oder eine Wesentliche Tochtergesellschaft einen Betrag, der unter einer bestehenden oder zukünftigen Garantie oder Gewährleistung im Zusammenhang mit einer Finanzverbindlichkeit zu zahlen ist, nach Fälligkeit nicht innerhalb von 30 Geschäftstagen oder, falls länger, der zutreffenden Nachfrist zahlt, oder (v) aufgrund des Eintritts eines Ereignisses, das zur Durchsetzung einer von der Emittentin oder einer Wesentlichen Tochtergesellschaft für eine solche Zahlungsverpflichtung gewährten Sicherheit berechtigt, eine solche Durchsetzung erklärt wird;

“**Finanzverbindlichkeiten**“ bezeichnet jede Verbindlichkeit aus aufgenommenen Geldern unabhängig davon, ob sie verbrieft ist oder nicht.

Dieser § 9(1)(c) ist nur anwendbar, sofern der Gesamtbetrag der Finanzverbindlichkeiten bezüglich derer eines oder mehrere der in diesem Absatz (c) genannten Ereignisse eintritt, den Betrag von EUR 20.000.000 (oder dessen Gegenwert in einer oder mehreren anderen Währungen) übersteigt.

- d) *Zahlungseinstellung*: die Emittentin oder eine ihrer Wesentlichen Tochtergesellschaften ihre Zahlungsunfähigkeit bekannt gibt oder ihre Zahlungen allgemein einstellt; oder
- e) *Insolvenz u.ä.*: ein Gericht ein Insolvenzverfahren gegen die Emittentin oder eine ihrer Wesentlichen

due and payable prior to its specified maturity for reason of the occurrence of an event of default (howsoever defined), or (iii) or any creditor of the Issuer or any Material Subsidiary becomes entitled to declare any Financial Indebtedness of the Issuer or any Material Subsidiary due and payable prior to its specified maturity for reason of the occurrence of an event of default (howsoever defined) and such event of default has not been remedied within 30 Business Days, or (iv) the Issuer or any Material Subsidiary fails to pay when due within 30 Business Days or, if longer, any applicable grace period any amount payable by it under any present or future guarantee or indemnity for any Financial Indebtedness when due or (v) any security granted by the Issuer or any Material Subsidiary for any such indebtedness is declared enforceable upon the occurrence of an event entitling to enforcement;

“**Financial Indebtedness**” means any indebtedness for borrowed monies whether or not evidenced by a negotiable instrument.

This § 9(1)(c) is only applicable if the aggregate amount of Financial Indebtedness in respect of which one or several events mentioned in this subparagraph (c) occur exceeds the amount of EUR 20,000,000 (or its equivalent in one or more other currencies).

- d) *Cessation of Payment*: the Issuer or any of its Material Subsidiaries announces its inability to meet its financial obligations or ceases its payments generally, or
- e) *Insolvency etc.*: a court opens insolvency proceedings against the Issuer or any of its Material

Tochtergesellschaften eröffnet, oder die Emittentin oder eine ihrer Wesentlichen Tochtergesellschaften ein solches Verfahren einleitet oder beantragt oder eine allgemeine Schuldenregelung zu Gunsten ihrer Gläubiger anbietet oder trifft, oder ein Dritter ein Insolvenzverfahren gegen die Emittentin oder eine ihrer Wesentlichen Tochtergesellschaften beantragt und ein solches Verfahren nicht innerhalb einer Frist von 60 Tagen aufgehoben oder ausgesetzt worden ist; oder

- f) *Liquidation*: die Emittentin oder eine ihrer Wesentlichen Tochtergesellschaften in Liquidation geht (es sei denn, dies geschieht im Zusammenhang mit einer Verschmelzung oder einer anderen Form des Zusammenschlusses mit einer anderen Gesellschaft oder im Zusammenhang mit einer Umwandlung, sofern die andere oder neue Gesellschaft oder gegebenenfalls die anderen neuen Gesellschaften im Wesentlichen alle Aktiva und Passiva der Emittentin oder eine ihrer Wesentlichen Tochtergesellschaften übernimmt oder übernehmen); oder
- g) *Veräußerung von Aktiva*: die Emittentin oder eine ihrer Tochtergesellschaften ein einzelnes Geschäft oder eine Serie von Geschäften abschließt (unabhängig davon, ob diese verbunden sind oder nicht) aufgrund dessen sie, freiwillig oder unfreiwillig, wesentliche Aktiva veräußert.

Eine Veräußerung von **“wesentlichen Aktiva”** liegt vor, wenn die Emittentin und/oder ihre Tochtergesellschaften Aktiva in einem Gesamtwert von insgesamt mehr als (i) EUR 20.000.000 pro Jahr oder (ii) EUR 50.000.000 bis zum Fälligkeitstag veräußert (eine **“Veräußerung”**), es sei denn, diese Veräußerung geschieht (A) im gewöhnlichen Geschäftsbetrieb der Emittentin oder ihrer Tochtergesellschaft oder (B) innerhalb der SAF-HOLLAND Gruppe oder (C) zum Verkehrswert (*fair market value*) des veräußerten Gegenstandes und mindestens 75% des Nettoerlöses (Bruttoerlös abzüglich Steuern und Kosten aus oder in Zusammenhang mit der Veräußerung) aus dieser Veräußerung werden entweder (i) von der Emittentin zur Reinvestition in Beteiligungen an Gesellschaften (deren

Subsidiaries or the Issuer or any of its Material Subsidiaries applies for or institutes such proceedings or offers or makes an arrangement for the benefit of its creditors generally, or a third party applies for insolvency proceedings against the Issuer or any of its Material Subsidiaries and such proceedings are not discharged or stayed within 60 days, or

- f) *Liquidation*: the Issuer or any of its Material Subsidiaries enters into liquidation (except in connection with a merger or other form of combination with another company or in connection with a reconstruction and such other or new company or, as the case may be, companies effectively assume substantially all of the assets and liabilities of the Issuer or any of its Material Subsidiaries), or
- g) *Disposal of Assets*: the Issuer or any of its Subsidiaries enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to dispose of material assets.

Whereas, it shall be a disposal of **“material assets”** if the Issuer and/or one of its Subsidiaries disposes of assets in an aggregated value of more than (i) EUR 20,000,000 *per annum* or (ii) EUR 50,000,000 until the Maturity Date (a **“Disposal”**), unless such Disposal is made (A) in the course of the ordinary business of the Issuer or the relevant Subsidiary or (B) within the SAF-HOLLAND Group or (C) against payment of the fair market value (*Verkehrswert*) of the disposed asset and at least 75 per cent. of the net proceeds (gross proceeds less taxes and expenses deriving from or in connection with the Disposal) of such disposal are either (i) utilised by the Issuer for reinvestment in shareholdings in companies (the scope of business of which lies within the principal scope of business of the

Geschäftstätigkeit sich innerhalb des grundsätzlichen Rahmens der Geschäftstätigkeit der SAF-HOLLAND Gruppe bewegt) verwendet oder in andere vergleichbare Vermögensanlagen (ausgenommen eigene Aktien) oder sonstiges Anlagevermögen investiert und diese Reinvestition wird innerhalb von 12 Monaten nach der Veräußerung vollzogen oder (ii) von der Emittentin oder einer Tochtergesellschaft zur Rückzahlung nicht nachrangiger Finanzverbindlichkeiten der Emittentin oder einer Tochtergesellschaft verwendet oder (iii) verbleiben bis zur vollständigen Rückzahlung der Schuldverschreibungen als liquide Mittel in der Tochtergesellschaft, die die Wesentlichen Aktiva veräußert hat, oder in der SAF-HOLLAND Gruppe.

“**SAF-HOLLAND Gruppe**” bezeichnet die Emittentin und die Garantinnen.

- (h) *Erlöschen der Garantien:* eine oder mehrere der Garantien nicht länger rechtswirksam und bindend sind (ausgenommen als Folge einer Verschmelzung der betreffenden Garantin mit der Emittentin) oder eine oder mehrere der Garantinnen ihre Verpflichtungen aus den Garantien nicht erfüllen.

Das Kündigungsrecht erlischt, falls der Kündigungsgrund vor Ausübung des Rechts geheilt wurde.

- (2) *Benachrichtigung.* Eine Benachrichtigung, einschließlich einer Kündigung der Schuldverschreibungen gemäß Absatz (1) ist schriftlich in deutscher oder englischer Sprache gegenüber der Zahlstelle zu erklären zusammen mit dem Nachweis durch eine Bescheinigung der Depotbank (wie in § 14 Absatz (3) definiert) oder in einer anderen geeigneten Weise, dass der Benachrichtigende zum Zeitpunkt der Benachrichtigung ein Gläubiger der betreffenden Schuldverschreibung ist und persönlich oder per Einschreiben an dessen bezeichnete Geschäftsstelle zu übermitteln.

SAF-HOLLAND Group) or in comparable investments (excluding own shares) or other fixed assets and such reinvestment is completed within 12 months after the Disposal or (ii) used by the Issuer or one of its Subsidiaries for the redemption of unsubordinated Financial Indebtedness of the Issuer or one of its Subsidiaries or (iii) remain as liquidity within the Subsidiary having disposed of the Material Assets or within the SAF-HOLLAND Group until the complete repayment of the Notes.

“**SAF-HOLLAND Group**” means the Issuer and the Guarantors.

- (h) *Expiration of the Guarantees:* one or more of the Guarantees cease to be legally valid and binding (other than as a result of a merger of the relevant Guarantor with the Issuer) or one or more of the Guarantors fails to fulfil their obligations under the Guarantees.

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

- (2) *Notice.* Any notice, including any notice declaring Notes due, in accordance with subparagraph (1) shall be made by means of a written declaration in the German or English language delivered by hand or registered mail to the specified office of the Paying Agent together with a proof that such notifying Holder at the time of such notice is a holder of the relevant Notes by means of a statement of his Custodian (as defined in § 14(3)) or any other appropriate manner.

§ 10
ERSETZUNG

- (1) *Ersetzung.* Die Emittentin ist jederzeit berechtigt, sofern sie sich nicht mit einer Zahlung von Kapital oder Zinsen auf die Schuldverschreibungen in Verzug befindet, ohne Zustimmung der Gläubiger ein mit der Emittentin verbundenes Unternehmen (wie unten definiert), an ihrer Stelle als Hauptschuldnerin (die “**Nachfolgeschuldnerin**”) für alle Verpflichtungen aus und im Zusammenhang mit diesen Schuldverschreibungen einzusetzen, vorausgesetzt, dass:
- a) die Nachfolgeschuldnerin alle Verpflichtungen der Emittentin in Bezug auf die Schuldverschreibungen übernimmt;
 - b) die Nachfolgeschuldnerin alle erforderlichen Genehmigungen erhalten hat und berechtigt ist, an die Zahlstelle die zur Erfüllung der Zahlungsverpflichtungen aus den Schuldverschreibungen zahlbaren Beträge in der festgelegten Währung zu zahlen, ohne verpflichtet zu sein, jeweils in dem Land, in dem die Nachfolgeschuldnerin oder die Emittentin ihren Sitz oder Steuersitz haben, erhobene Steuern oder andere Abgaben jeder Art abzuziehen oder einzubehalten;
 - c) die Nachfolgeschuldnerin sich verpflichtet hat, jeden Gläubiger hinsichtlich solcher Steuern, Abgaben oder behördlichen Lasten freizustellen, die einem Gläubiger bezüglich der Ersetzung auferlegt werden;
 - d) sichergestellt ist, dass sich die Verpflichtungen der Garantinnen aus der jeweiligen Garantie und der Negativverpflichtung auch auf die Schuldverschreibungen der Nachfolgeschuldnerin erstrecken;
 - e) die Emittentin eine Garantie zugunsten der Gläubiger für Verbindlichkeiten der Nachfolgeschuldnerin unter den Schuldverschreibungen abgegeben hat; und

§ 10
SUBSTITUTION

- (1) *Substitution.* The Issuer may, without the consent of the Holders, if no payment of principal or of interest on any of the Notes is in default, at any time substitute for the Issuer any Affiliate (as defined below) of the Issuer as principal debtor in respect of all obligations arising from or in connection with this issue (the “**Substitute Debtor**”) provided that:
- a) the Substitute Debtor assumes all obligations of the Issuer in respect of the Notes;
 - b) the Substitute Debtor has obtained all necessary authorisations and may transfer to the Paying Agent in the currency required and without being obligated to deduct or withhold any taxes or other duties of whatever nature levied by the country in which the Substitute Debtor or the Issuer has its domicile or tax residence, all amounts required for the fulfilment of the payment obligations arising under the Notes;
 - c) the Substitute Debtor has agreed to indemnify and hold harmless each Holder against any tax, duty, assessment or governmental charge imposed on such Holder in respect of such substitution;
 - d) it is guaranteed that the obligations of the respective Guarantors from the Guarantee and the Negative Pledge apply also to the Notes of the Substitute Debtor;
 - e) the Issuer has granted a guarantee for the benefit of the Holders guaranteeing the obligations of the Substitute Debtor under the Notes; and

- f) der Zahlstelle jeweils eine Bestätigung bezüglich der betroffenen Rechtsordnungen von anerkannten Rechtsanwälten vorgelegt wird, dass die Bestimmungen in den vorstehenden Unterabsätzen (a), (b), (c) und (d) erfüllt wurden.

- f) there shall have been delivered to the Paying Agent one opinion for each jurisdiction affected of lawyers of recognised standing to the effect that subparagraphs (a), (b), (c) and (d) above have been satisfied.

Für die Zwecke dieses § 10 bedeutet **“verbundenes Unternehmen”** ein verbundenes Unternehmen im Sinne von § 15 Aktiengesetz.

For purposes of this § 10, **“Affiliate”** shall mean any affiliated company (*verbundenes Unternehmen*) within the meaning of § 15 of the German Stock Corporation Act (*Aktiengesetz*).

- (2) *Bekanntmachung*. Jede Ersetzung ist gemäß § 13 bekannt zu machen.

- (2) *Notice*. Notice of any such substitution shall be published in accordance with § 13.

- (3) *Änderung von Bezugnahmen*. Im Fall einer Ersetzung gilt jede Bezugnahme in diesen Anleihebedingungen auf die Emittentin ab dem Zeitpunkt der Ersetzung als Bezugnahme auf die Nachfolgeschuldnerin und jede Bezugnahme auf das Land, in dem die Emittentin ihren Sitz oder Steuersitz hat, gilt ab diesem Zeitpunkt als Bezugnahme auf das Land, in dem die Nachfolgeschuldnerin ihren Sitz oder Steuersitz hat. Des Weiteren gilt im Fall einer Ersetzung Folgendes:

- (3) *Change of References*. In the event of any such substitution, any reference in these Conditions of Issue to the Issuer shall from then on be deemed to refer to the Substitute Debtor and any reference to the country in which the Issuer is domiciled or resident for taxation purposes shall from then on be deemed to refer to the country of domicile or residence for taxation purposes of the Substitute Debtor. Furthermore, in the event of such substitution the following shall apply:

- a) In § 7 und § 5 Absatz (2) gilt eine alternative Bezugnahme auf die Bundesrepublik Deutschland als aufgenommen (zusätzlich zu der Bezugnahme nach Maßgabe des vorstehenden Satzes auf das Land, in dem die Nachfolgeschuldnerin ihren Sitz oder Steuersitz hat).

- a) In § 7 and § 5(2) an alternative reference to the Federal Republic of Germany shall be deemed to have been included in addition to the reference according to the preceding sentence to the country of domicile or residence for taxation purposes of the Substitute Debtor.

- b) In § 2 Absatz (3) gilt die Emittentin als weitere Garantin.

- b) In § 2 (3) the Issuer is deemed to be an additional Guarantor.

§ 11 BEGEBUNG WEITERER SCHULDVERSCHREIBUNGEN UND ANKAUF

§ 11 FURTHER ISSUES AND PURCHASES

- (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 Verzinsungsbeginns und/oder des Ausgabepreises) in der Weise zu begeben, dass sie mit diesen Schuldverschreibungen eine einheitliche Serie bilden.

- (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, interest commencement date and/or issue price) so as to form a single series with the Notes.

- (2) Ankauf. Die Emittentin ist berechtigt, jederzeit Schuldverschreibungen im Markt oder anderweitig zu jedem beliebigen Preis zu kaufen. Die von der Emittentin erworbenen Schuldverschreibungen können nach Wahl der Emittentin von ihr gehalten, weiterverkauft oder bei der Zahlstelle zwecks Entwertung eingereicht werden.

**§ 12
ÄNDERUNG DER
ANLEIHEBEDINGUNGEN,
GEMEINSAMER VERTRETER,
ÄNDERUNG DER GARANTIE**

- (1) *Änderung der Anleihebedingungen.* Die Gläubiger können entsprechend den Bestimmungen des Gesetzes über Schuldverschreibungen aus Gesamtemissionen (*Schuldverschreibungsgesetz* – “**SchVG**”) durch einen Beschluss mit der in Absatz 2 bestimmten Mehrheit über einen im SchVG zugelassenen Gegenstand einer Änderung der Anleihebedingungen durch die Emittentin zustimmen. Die Mehrheitsbeschlüsse der Gläubiger sind für alle Gläubiger gleichermaßen verbindlich. Ein Mehrheitsbeschluss der Gläubiger, der nicht gleiche Bedingungen für alle Gläubiger vorsieht, ist unwirksam, es sei denn die benachteiligten Gläubiger stimmen ihrer Benachteiligung ausdrücklich zu.
- (2) *Mehrheitserfordernisse.* Die Gläubiger entscheiden mit einer Mehrheit von 75% der an der Abstimmung teilnehmenden Stimmrechte. Beschlüsse, durch welche der wesentliche Inhalt der Anleihebedingungen nicht geändert wird und die keinen Gegenstand der § 5 Absatz 3, Nr. 1 bis Nr. 8 des SchVG betreffen, bedürfen zu ihrer Wirksamkeit einer einfachen Mehrheit der an der Abstimmung teilnehmenden Stimmrechte.
- (3) *Abstimmung ohne Versammlung.* Alle Abstimmungen werden ausschließlich im Wege der Abstimmung ohne Versammlung durchgeführt; eine Gläubigerversammlung und eine Übernahme der Kosten für eine solche Versammlung durch die Emittentin findet ausschließlich im Fall des § 18 Absatz 4, Satz 2 SchVG statt.

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

**§ 12
AMENDMENT OF THE CONDITIONS OF
ISSUE, HOLDERS' REPRESENTATIVE,
AMENDMENT OF THE GUARANTEE**

- (1) *Amendment of the Conditions of Issue.* In accordance with the Act on Debt Securities of 2009 (*Schuldverschreibungsgesetz* aus Gesamtemissionen – “**SchVG**”) the Holders may consent to amendments of the Conditions of Issue by the Issuer with regard to matters permitted by the SchVG by resolution with the majority specified in subparagraph (2). Majority resolutions shall be binding on all Holders. Resolutions which do not provide for identical conditions for all Holders are void, unless Holders who are disadvantaged have expressly consented to their being treated disadvantageously.
- (2) *Majority.* Resolutions shall be passed by a majority of not less than 75 per cent of the votes cast. Resolutions relating to amendments of the Conditions of Issue which are not material and which do not relate to the matters listed in § 5 paragraph 3, Nos. 1 to 8 of the SchVG require a simple majority of the votes cast.
- (3) *Vote without a meeting.* All votes will be taken exclusively by vote taken without a meeting; a meeting of Holders and the assumption of the fees by the Issuer for such a meeting will only take place in the circumstances of § 18 paragraph 4, sentence 2 of the SchVG.

- | | |
|---|---|
| <p>(4) <i>Leitung der Abstimmung.</i> Die Abstimmung wird von einem von der Emittentin beauftragten in- oder ausländischen Notar oder, falls der Gemeinsame Vertreter zur Abstimmung aufgefordert hat, vom Gemeinsamen Vertreter geleitet.</p> | <p>(4) <i>Chair of the vote.</i> The vote will be chaired by a German or foreign notary appointed by the Issuer or, if the Holders' Representative (as defined below) has convened the vote, by the Holders' Representative.</p> |
| <p>(5) <i>Stimmrecht.</i> An Abstimmungen der Gläubiger nimmt jeder Gläubiger nach Maßgabe des Nennwerts oder des rechnerischen Anteils seiner Berechtigung an den ausstehenden Schuldverschreibungen teil.</p> | <p>(5) <i>Voting rights.</i> Each Holder participating in any vote shall cast votes in accordance with the nominal amount or the notional share of its entitlement to the outstanding Notes.</p> |
| <p>(6) <i>Gemeinsamer Vertreter.</i> Die Gläubiger können durch Mehrheitsbeschluss zur Wahrnehmung ihrer Rechte einen gemeinsamen Vertreter für alle Gläubiger bestellen (der "Gemeinsame Vertreter"). Der Gemeinsame Vertreter hat die Aufgaben und Befugnisse, welche ihm durch Gesetz oder von den Gläubigern durch Mehrheitsbeschluss eingeräumt wurden. Er hat die Weisungen der Gläubiger zu befolgen. Soweit er zur Geltendmachung von Rechten der Gläubiger ermächtigt ist, sind die einzelnen Gläubiger zur selbständigen Geltendmachung dieser Rechte nicht befugt, es sei denn der Mehrheitsbeschluss sieht dies ausdrücklich vor. Über seine Tätigkeit hat der Gemeinsame Vertreter den Gläubigern zu berichten. Für die Abberufung und die sonstigen Rechte und Pflichten des Gemeinsamen Vertreters gelten die Vorschriften des SchVG.</p> | <p>(6) <i>Holders' Representative.</i> The Holders may by majority resolution appoint a common representative (the "Holdings' Representative") to exercise the Holders' rights on behalf of each Holder. The Holders' Representative shall have the duties and powers provided by law or granted by majority resolution of the Holders. The Holders' Representative shall comply with the instructions of the Holders. To the extent that the Holders' Representative has been authorised to assert certain rights of the Holders, the Holders shall not be entitled to assert such rights themselves, unless explicitly provided for in the relevant majority resolution. The Holders' Representative shall provide reports to the Holders on its activities. The regulations of the SchVG apply with regard to the recall and the other rights and obligations of the Holders' Representative.</p> |
| <p>(7) <i>Änderung der Garantien.</i> Die oben aufgeführten auf die Schuldverschreibungen anwendbaren Bestimmungen finden sinngemäß auf die Bestimmungen der Garantien Anwendung.</p> | <p>(7) <i>Amendment of the Guarantees.</i> The provisions set out above applicable to the Notes shall apply <i>mutatis mutandis</i> to the Guarantees.</p> |

§ 13 MITTEILUNGEN

- (1) *Bekanntmachung.* Bekanntmachungen, welche die Schuldverschreibungen betreffen, werden gemäß den Anforderungen des geltenden Rechts Luxemburgs veröffentlicht oder, sofern zulässig, über das Clearing System bekanntgegeben. Solange die Schuldverschreibungen im Prime Standard für Unternehmensanleihen der

§ 13 NOTICES

- (1) *Publication.* Announcements relating to the Notes shall be published in accordance with the requirements of the applicable laws of Luxembourg or, where permitted, announced via the Clearing System. As long as the Notes are included in the Prime Standard for corporate bonds of Deutsche Börse AG trading announcements shall also

Deutsche Börse AG einbezogen sind, werden sie außerdem entsprechend dem anwendbaren Regelwerk der Wertpapierbörse veröffentlicht. Im Falle von Bekanntmachungen über das Clearing System gilt die Bekanntmachung drei Tage nach Bekanntmachung gegenüber der Clearing System als wirksam gegenüber den Gläubigern erfolgt.

- (2) *Form der Mitteilung.* Mitteilungen, die von einem Gläubiger gemacht werden, müssen schriftlich erfolgen und zusammen mit der oder den betreffenden Schuldverschreibung(en) per Kurier oder per Einschreiben an die Zahlstelle geleitet werden. Solange Schuldverschreibungen durch eine Globalurkunde verbrieft sind, kann eine solche Mitteilung von einem Gläubiger an die Zahlstelle über das Clearing System in der von der Zahlstelle und dem Clearing System dafür vorgesehenen Weise erfolgen.

**§ 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. Die Regelungen der Artikel 86 bis 94-8 des luxemburgischen Gesetzes über die Handelsgesellschaften vom 10. August 1915, wie geändert finden keine Anwendung.
- (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 oder geltend zu machen: (i) er bringt eine

be published in accordance with the applicable rules of the stock exchange. In the case of any announcements via the Clearing System the announcement shall be effective towards the Holders three days after the announcement has been made to the Clearing System.

- (2) *Form of Notice.* Notices to be given by any Holder shall be made by means of a written declaration to be delivered by hand or registered mail together with the relevant Note or Notes to the Paying Agent. So long as any of the Notes are represented by a global note, such notice may be given by any Holder of a Note to the Paying Agent through the Clearing System in such manner as the Paying Agent and the Clearing System may approve for such purpose.

**§ 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. The provisions of articles 86 to 94-8 of the Luxembourg law of 10 August 1915 on commercial companies, as amended are not applicable.
- (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

Bescheinigung der Depotbank bei, bei der er für die Schuldverschreibungen ein Wertpapierdepot unterhält, welche (a) den vollständigen Namen und die vollständige Adresse des Gläubigers enthält, (b) den Gesamtnennbetrag der Schuldverschreibungen bezeichnet, die unter dem Datum der Bestätigung auf dem Wertpapierdepot verbucht sind und (c) bestätigt, dass die Depotbank gegenüber dem Clearing System eine schriftliche Erklärung abgegeben hat, die die vorstehend unter (a) und (b) bezeichneten Informationen enthält; und (ii) er legt eine Kopie der die betreffenden Schuldverschreibungen verbriefenden Globalurkunde vor, deren Übereinstimmung mit dem Original eine vertretungsberechtigte Person des Clearing Systems oder des Verwahrers des Clearing Systems bestätigt hat, ohne dass eine Vorlage der Originalbelege oder der die Schuldverschreibungen verbriefenden Globalurkunde in einem solchen Verfahren erforderlich wäre. Für die Zwecke des Vorstehenden bezeichnet "**Depotbank**" jede Bank oder ein sonstiges anerkanntes Finanzinstitut, das berechtigt ist, das Wertpapierverwahrungsgeschäft zu betreiben und bei der/dem der Gläubiger ein Wertpapierdepot für die Schuldverschreibungen unterhält, einschließlich des Clearing Systems. Unbeschadet des Vorstehenden kann jeder Gläubiger seine Rechte aus den Schuldverschreibungen auch auf jede andere Weise schützen oder geltend machen, die im Land des Rechtsstreits prozessual zulässig ist.

§ 15 SPRACHE

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

name and address of the Holder, (b) specifying the aggregate principal amount of Notes credited to such securities account on the date of such statement and (c) confirming that the Custodian has given written notice to the Clearing System containing the information pursuant to (a) and (b) and (ii) a copy of the Note in global form certified as being a true copy by a duly authorised officer of the Clearing System or a depository of the Clearing System, without the need for production in such proceedings of the actual records or the global note representing the Notes. For purposes of the foregoing, "**Custodian**" means any bank or other financial institution of recognised standing authorised to engage in securities custody business with which the Holder maintains a securities account in respect of the Notes and includes the Clearing System. Each Holder may, without prejudice to the foregoing, protect and enforce his rights under these Notes also in any other way which is admitted in the country of the Proceedings.

§ 15 LANGUAGE

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

GUARANTEES

Die Garantie ist in deutscher Sprache abgefasst und mit einer englischen Übersetzung versehen. Der deutsche Wortlaut ist rechtsverbindlich. Die englische Übersetzung dient nur zur Information.

The Guarantee is written in the German language and provided with an English language translation. The German text shall be the legally binding version. The English language translation is provided for information purpose only.

GARANTIE

der

SAF-HOLLAND GMBH

(die "Garantin")

zugunsten der Gläubiger der bis zu €75.000.000 7,000% Schuldverschreibungen fällig 2018 der

SAF-HOLLAND S.A. (die "Emittentin")

ISIN DE000A1HA979, WKN A1HA97 (die "Schuldverschreibungen").

1. Definitionen

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

2. Garantie

- a) Die Garantin übernimmt gegenüber jedem Gläubiger die unbedingte und unwiderrufliche Garantie (vorbehaltlich Ziffer 6 dieser Garantie) für die ordnungsgemäße und pünktliche Zahlung aller nach Maßgabe der Anleihebedingungen von der Emittentin oder einer Nachfolgeschuldnerin auf die Schuldverschreibungen zu zahlenden Beträge. Diese Garantie begründet eine selbständige Verpflichtung der Garantin (keine Bürgschaft), deren Bestand unabhängig von der rechtlichen Beziehung zwischen der Emittentin und den Gläubigern ist, und die insbesondere nicht von der Wirksamkeit oder der Durchsetzbarkeit der Ansprüche gegen die Emittentin aus den Schuldverschreibungen abhängt.

GUARANTEE

of

SAF-HOLLAND GMBH

(the "Guarantor")

for the benefit of the holders of the up to €75,000,000 7.000% Notes due 2018 issued by

SAF-HOLLAND S.A. (the "Issuer")

ISIN DE000A1HA979, WKN A1HA97 (the "Notes").

1. Definitions

Terms used in this Guarantee and not otherwise defined herein shall have the meaning attributed to them in the Conditions of Issue of the Notes.

2. Guarantee

- a) The Guarantor assumes (subject to the provisions in Clause 6 of this Guarantee) towards each Holder, the unconditional and irrevocable guarantee for the due and punctual payment of any amounts payable by the Issuer or any Substitute Debtor in respect of the Notes pursuant to the Conditions of Issue. This Guarantee constitutes an independent obligation of the Guarantor, which is independent from the legal relationship between the Issuer and the Holders, and which is in particular independent from the validity or the enforceability of the claims against the Issuer under the Notes.

- b) Diese Garantie begründet (vorbehaltlich Ziffer 6 dieser Garantie) unmittelbare, unbedingte und nicht nachrangige Verbindlichkeiten der Garantin, die mindestens im gleichen Rang mit allen anderen gegenwärtigen und zukünftigen nicht nachrangigen und nicht besicherten Verbindlichkeiten der Garantin stehen mit Ausnahme von Verbindlichkeiten, die nach geltenden Rechtsvorschriften vorrangig sind. Zugleich mit der Erfüllung einer Zahlungsverpflichtung der Garantin zugunsten eines Gläubigers aus der Garantie erlischt das jeweilige garantierte Recht eines Gläubigers aus den Anleihebedingungen.

3. Negativverpflichtung

Die Garantin verpflichtet sich, solange Schuldverschreibungen ausstehen, jedoch nur bis zu dem Zeitpunkt, an dem alle Beträge an Kapital und Zinsen dem Clearing System oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearing Systems zur Verfügung gestellt worden sind, keine Sicherungsrechte in Bezug auf ihr gesamtes Vermögen oder Teile davon zur Sicherung von Kapitalmarktverbindlichkeiten oder Garantien in Bezug auf Kapitalmarktverbindlichkeiten zu gewähren, ohne gleichzeitig die Gläubiger gleichrangig an einem solchen Sicherungsrecht bzw. einer Garantie zu beteiligen oder ihnen ein gleichwertiges Sicherungsrecht oder eine gleichwertige Garantie zu gewähren; diese Verpflichtung gilt jedoch nicht für zum Zeitpunkt des Erwerbs von Vermögenswerten durch die Garantin bereits an solchen Vermögenswerten bestehende Sicherungsrechte, soweit solche Sicherungsrechte nicht im Zusammenhang mit dem Erwerb oder in Erwartung des Erwerbs des jeweiligen Vermögenswerts bestellt wurden und der durch das Sicherungsrecht besicherte Betrag nicht nach Erwerb des betreffenden Vermögenswertes erhöht wird.

4. Steuern

- a) Sämtliche Zahlungen der Garantin aus der Garantie sind ohne Einbehalt oder Abzug von oder aufgrund von gegenwärtigen oder zukünftigen Steuern oder sonstigen

- b) This Guarantee constitutes (subject to Clause 6 of this Guarantee) direct, unconditional and unsubordinated obligations of the Guarantor ranking at least *pari passu* with all other unsubordinated present and future obligations of the Guarantor, save for such obligations which may have priority by applicable law. Upon discharge of any payment obligation of the Guarantor subsisting under the Guarantee in favour of any Holder, the relevant guaranteed right of such Holder under the Conditions of Issue will cease to exist.

3. Negative Pledge

The Guarantor undertakes, as long as any of the Notes are outstanding, but only up to the time all amounts of principal and interest have been placed at the disposal of the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System, not to provide any Security Interest over the whole or any part of their assets to secure any Capital Market Indebtedness, or grant guarantees with respect to any Capital Market Indebtedness without at the same time letting the Holders share *pari passu* in such Security Interest or giving to the Holders an equivalent Security Interest or guarantee, provided, however, that this undertaking shall not apply with respect to any Security Interest existing on property at the time of the acquisition thereof by the Guarantor, provided that such Security Interest was not created in connection with or in contemplation of such acquisition and that the amount secured by such Security Interest is not increased subsequently to the acquisition of the relevant property.

4. Taxes

- a) All payments by the Guarantor in respect of the Guarantee shall be made without withholding or deduction for or on account of any present or future taxes or

Abgaben, gleich welcher Art zu leisten, die von oder in der Bundesrepublik Deutschland, dem Großherzogtum Luxemburg oder den Vereinigten Staaten von Amerika oder für deren Rechnung oder von oder für Rechnung einer politischen Untergliederung oder Steuerbehörde der oder in der Bundesrepublik Deutschland, dem Großherzogtum Luxemburg oder den Vereinigten Staaten von Amerika auferlegt oder erhoben werden es sei denn, ein solcher Einbehalt oder Abzug ist gesetzlich vorgeschrieben. In diesem Fall wird die Garantin, vorbehaltlich der Ausnahmen gemäß § 7 der Anleihebedingungen, diejenigen zusätzlichen Beträge (die “**zusätzlichen Beträge**”) zahlen, die erforderlich sind, damit die den Gläubigern zufließenden Nettobeträge nach diesem Einbehalt oder Abzug jeweils den Beträgen entsprechen, die ohne einen solchen Einbehalt oder Abzug von den Gläubigern empfangen worden wären.

- b) Falls die Garantin ihren satzungsmäßigen Sitz oder ihren Verwaltungssitz in ein anderes Land als die Bundesrepublik Deutschland verlegt oder auf eine Gesellschaft verschmolzen wird, die ihren satzungsmäßigen Sitz oder ihren Verwaltungssitz in einem solchen anderen Land hat, gelten die Bestimmungen gemäß Ziffer 3(a) auch für Quellensteuern, die durch oder für dieses andere Land oder eine dort zur Steuererhebung ermächtigte Stelle auferlegt oder erhoben werden.
- c) Soweit in dieser Garantie von Zinsen und Kapital die Rede ist, sind damit auch die gemäß dieser Ziffer 3 zu zahlenden zusätzlichen Beträge gemeint.

5. Vertrag zugunsten der Gläubiger

Diese Garantie und alle darin enthaltenen Vereinbarungen stellen einen Vertrag zugunsten der jeweiligen Gläubiger als begünstigte Dritte gemäß § 328 Absatz 1 Bürgerliches Gesetzbuch (BGB) dar. Sie begründen das Recht eines jeden Gläubigers, die Erfüllung der hierin eingegangenen Verpflichtungen unmittelbar von der Garantin zu fordern und diese Verpflichtungen unmittelbar gegenüber der Garantin durchzusetzen. Gläubiger, die Verpflichtungen gegenüber der Garantin durchsetzen wollen, haben die Garantin von dieser Durchsetzung zu

duties of whatever nature imposed or levied by way of withholding or deduction by or on behalf of the Federal Republic of Germany, the Grand Duchy of Luxembourg or the United States of America or any political subdivision or any authority thereof or therein having the power to tax unless such withholding or deduction is required by law. In that event, the Guarantor will, except as otherwise provided for in § 7 of the Conditions of Issue, pay such additional amounts (the “**Additional Amounts**”) as shall be necessary in order that the net amounts received by the Holders, after such withholding or deduction shall equal the respective amounts which would otherwise have been receivable in the absence of such withholding or deduction.

- b) In the event that the Guarantor moves its domicile or residence to or is merged into a company with domicile or residence in a country other than the Federal Republic of Germany, the provisions of Clause 3(a) above shall apply also to Taxes imposed or levied by or behalf of such other country or any taxing authority therein.
- c) Any reference in this Guarantee to interest and principal shall be deemed also to refer to any Additional Amounts which may be payable under this Clause 3.

5. Contract for the benefit of the Holders

This Guarantee and all stipulations contained herein constitute a contract for the benefit of the Holders from time to time as third party beneficiaries pursuant to § 328(1) of the German Civil Code (*Bürgerliches Gesetzbuch - BGB*). They give rise to the right of each such Holder to require performance of the obligations undertaken herein directly from the Guarantor, and to enforce such obligations directly against the Guarantor. Holders who want to enforce obligations have to notify the Guarantor of such enforcement (such notification the “**Enforcement**”

informieren (diese Information ist die “**Vollstreckungsanzeige**”). Die Vollstreckungsanzeige muss (a) eine Bezugnahme auf diese Garantie enthalten, (b) genaue Angaben über den Schuldner, die Garantieschuld und die Bezifferung der zu zahlenden Verbindlichkeit enthalten und (c) die genauen Zahlungsanweisungen festlegen.

6. Durchsetzungsbeschränkungen

Die Durchsetzung von Ansprüchen aus dieser Garantie (die “**Zahlungsansprüche**”) unterliegt den in dieser Ziffer 6 geregelten Beschränkungen (die “**Durchsetzungsbeschränkungen**”).

- a) Vorbehaltlich der Absätze c) und d), ist kein Gläubiger zur Durchsetzung der Garantie befugt, sofern die Garantin nachweisen kann, dass eine solche Durchsetzung die Wirkung hätte, dass
- (i) das Nettovermögen der Garantin (das “**Nettovermögen**”) unter das eingetragene Stammkapital fällt und eine Unterbilanz begründet wird; oder
- (ii) sofern das Nettovermögen bereits niedriger als das eingetragene Stammkapital ist, die Unterbilanz vertieft wird

und dass dadurch die Vermögensgegenstände der Garantin beeinträchtigt werden, die zur Erhaltung des eingetragenen Stammkapitals gem. §§ 30 und 31 GmbHG zwingend erforderlich sind.

- b) Das Nettovermögen wird in Übereinstimmung mit den bei der Erstellung der nicht-konsolidierten Jahresabschlüsse nach § 42 GmbH und §§ 242, 264 HGB in den vergangenen Jahren regelmäßig angewendeten Vorschriften des HGB bestimmt, mit Ausnahme dass:
- (i) die Erhöhung des eingetragenen Stammkapitals der Garantin, die nach dem Datum dieser Garantie erfolgt, von dem eingetragenen Stammkapital abgezogen wird, sofern die Garantin aufgrund irgendeiner anderen vertraglichen Vereinbarung verpflichtet ist, das eingetragene Stammkapital bei der Berechnung des durchsetzbaren Betrags abzuziehen. Die Garantin verpflichtet sich,

Notice”). The Enforcement Notice has to (a) refer to this Guarantee, (b) contain details regarding the debtor, the guarantee liability and specify the obligation to be paid and (c) determine the exact payment instructions.

6. Limitations of Enforcement

The enforcement of claims under this Guarantee (the “**Payment Obligations**”) is subject to the limitations set out in this Clause 6 (the “**Limitations on Enforcement**”).

- a) Subject to the paragraphs c) and d) below, no Holder is entitled to enforce the Guarantee to the extent that the Guarantor is able to demonstrate that such enforcement has the effect of:
- (i) reducing the Guarantor's net assets (*Nettovermögen*) (the “**Net Assets**”) to an amount less than its stated share capital (*Stammkapital*); or
- (ii) if its Net Assets are already lower than its stated share capital causing such amount to be further reduced,

and thereby affects its assets which are required for the obligatory preservation of its stated share capital according to sections 30, 31 German GmbH-Act (*GmbH-Gesetz*).

- b) The value of the Net Assets shall be determined in accordance with the provisions of the German Commercial Code (*Handelsgesetzbuch*) consistently applied by the Guarantor in preparing its un-consolidated balance sheets (*Jahresabschluss*, according to section 42 GmbH-Act, sections 242, 264 German Commercial Code (*Handelsgesetzbuch*)) in the previous years, save that:
- (i) the amount of any increase of stated share capital (*Stammkapital*) of the Guarantor registered after the date of this Guarantee, if the Guarantor is obliged under any other contractual obligation to deduct such amount of the stated share capital (*Stammkapital*) to calculate an enforceable amount. The Guarantor undertakes to notify the Holders in accordance with § 13 of the Conditions of

die Gläubiger unverzüglich nachdem eine solche Abzugsverpflichtung aufgrund irgendwelcher anderer vertraglichen Verpflichtungen entstanden ist, gemäß § 13 der Anleihebedingungen hierüber zu informieren;

- (ii) Darlehen unberücksichtigt bleiben, welche der Garantin nach dem Zeitpunkt dieser Garantie von einem ihrer Gesellschafter gewährt werden, soweit solche Darlehen nachrangig i. S. v. § 39 InsO sind;
- (iii) Darlehen und andere Verbindlichkeiten, die fahrlässig oder vorsätzlich unter Verstoß gegen die Bestimmungen dieser Garantie eingegangen wurden unberücksichtigt bleiben.
- c) Die Durchsetzungsbeschränkungen gem. Absatz a) finden nur Anwendung wenn und soweit der/die Geschäftsführer der Garantin im Namen der Garantin den Gläubigern innerhalb von 30 Geschäftstagen nach Erhalt einer Zahlungsanforderung schriftlich bestätigt/bestätigen, in welchem Umfang die Zahlung dazu führen würde, dass eine Unterbilanz eintritt oder vertieft wird (die "**Management Festsetzung**"). Sofern die Garantin eine Management Festsetzung abgibt, ist die Garantin insoweit nicht zur Zahlung aus der Garantie verpflichtet wie eine Unterbilanz eintreten oder vertieft werden würde.
- d) Für den Fall, dass Gläubiger, welche zusammen mindestens 25% des ausstehenden Gesamtnennbetrags der Schuldverschreibungen halten, der Management Festsetzung widersprechen (die "**Widerspruchsgläubiger**"), sind die Gläubiger gleichwohl berechtigt die Garantie bis zur der Summe durchzusetzen, die in Übereinstimmung mit Absatz c) zwischen den Widerspruchsgläubigern und der Garantin unstreitig ist. Bezüglich der streitigen Summe wird die Garantin innerhalb von 30 Kalendertagen (oder innerhalb einer zwischen der Garantin und den Widerspruchsgläubigern vereinbarten längeren Frist) seit dem Zeitpunkt, in dem die Widerspruchsgläubiger der Management Feststellung widersprochen

Issue without undue delay (*unverzüglich*) after becoming obliged to deduct under any other contractual obligation;

- (ii) loans provided after the date hereof to the Guarantor by any of its shareholders shall be disregarded if such loans are subordinated pursuant to section 39 of the German Insolvency Act (*Insolvenzordnung*);
- (iii) loans and other liabilities incurred in negligent or wilful violation of the provisions of the Guarantee shall be disregarded.
- c) The limitations set out in subparagraph a) above shall only apply if and to the extent that the managing director(s) (*Geschäftsführer*) on behalf of the Guarantor have confirmed in writing to the Holders within 30 Business Days following a Holder's demand under the Guarantee to what extent the demanded payment would cause its Net Assets to fall below its stated share capital (*Stammkapital*) or, if the Net Assets are already less than the stated share capital (*Stammkapital*), would cause such amount to be further reduced (the "**Management Determination**"). If the Guarantor submits a Management Determination, the Guarantor is not obligated to pay under the Guarantee as far as the Net Assets fall below the stated share capital (*Stammkapital*) or such amount would be further reduced.
- d) If Holders holding at least an aggregate of 25 per cent. of the total outstanding principal amount of the Notes (the "**Disagreeing Holders**") disagree with the Management Determination, the Holders shall nevertheless be entitled to enforce the Guarantee up to such amount which is undisputed between the Disagreeing Holders and the Guarantor in accordance with the provisions of subparagraph c) above. In relation to the amount which is disputed, the Guarantor shall instruct a firm of auditors of international standing and reputation to determine within 30 calendar days (or such longer period as has been agreed between the Guarantor and the Disagreeing Holders) from the date the

haben, eine international anerkannte Wirtschaftsprüfungsgesellschaft mit der Bestimmung des Werts des verfügbaren Nettovermögens beauftragen (**die "Wirtschaftsprüfer Festsetzung"**). Die in der Wirtschaftsprüfer Festsetzung festgestellte Summe ist für alle Parteien – außer im Fall eines offensichtlichen Fehlers – bindend. Die Kosten der Wirtschaftsprüfer Festsetzung trägt die Garantin.

- g) Die Durchsetzungsbeschränkungen nach Absatz a) haben keinen Einfluss auf das Recht der Gläubiger, einen Anspruch auf eine ausstehende Summe zu einem späteren Zeitpunkt geltend zu machen, sofern und soweit dies nach Absatz a) zu einem späteren Zeitpunkt zulässig wäre.
- h) Die Bestimmungen dieser Ziffer 6 finden keine Anwendung auf:
 - (i) Beträge, die denjenigen entsprechen, die aus den Schuldverschreibungen stammen und die an die Garantin oder eine ihrer Tochtergesellschaften weiterverliehen oder anderweitig weitergereicht wurden, soweit diese Beträge bei der Inanspruchnahme der Garantin unter der Garantie noch ausgereicht sind; und
 - (ii) Beträge, die unter der Garantie zu einem Zeitpunkt zu zahlen sind, zu dem ein Beherrschungsvertrag oder ein Gewinnabführungsvertrag iSd § 291 AktG zwischen der Garantin und einem direkten oder indirekten Gesellschafter der Garantin oder einer Tochtergesellschaft eines solchen Gesellschafters als beherrschendem Unternehmen besteht oder bestehen wird.

7. Erlöschen der Garantie

Diese Garantie erlischt, wenn die gesicherten Ansprüche der Gläubiger vollständig und unwiderruflich erfüllt worden sind.

Disagreeing Holders have contested the Management Determination of the value of available Net Assets (the "**Auditor's Determination**"). The amount determined as available in the Auditor's Determination shall be (except for manifest error) binding for all parties. The costs of the Auditor's Determination shall be borne by the Guarantor.

- g) The limitation set out in subparagraph a) above does not affect the right of the Holders to claim any outstanding amount again at a later point in time if and to the extent that subparagraph a) above would allow this at that later point.
- h) The provisions set out in this clause 6 shall not apply to:
 - (i) any amounts which correspond to funds that have been received under the Notes and have been on-lent to, or otherwise been passed on to, the Guarantor or any of its subsidiaries to the extent that any such amount is still outstanding at the time the demand under the Guarantee is made against the Guarantor; and
 - (ii) any amounts payable under the Guarantee at any time when a domination and profit and loss transfer agreement (in accordance with section 291 of the German Stock Corporation Act (*Aktiengesetz*)) (*Beherrschungs- und Gewinnabführungsvertrag*) is or becomes effective between the Guarantor and any direct or indirect shareholder of the Guarantor or Subsidiary of such shareholder as dominating entity (*beherrschendes Unternehmen*).

7. Expiration of the Guarantee

This Guarantee shall expiry upon full and complete satisfaction of the secured obligation of the Holders.

8. Verschiedene Bestimmungen

- a) Diese Garantie unterliegt deutschem Recht.
- b) Erfüllungsort in Frankfurt am Main
- c) Nicht ausschließlich zuständig für sämtliche im Zusammenhang mit der Garantie entstehenden Klagen oder sonstige Verfahren ist das Landgericht Frankfurt am Main.
- d) Jeder Gläubiger kann in jedem Rechtsstreit gegen die Garantin und in jedem Rechtsstreit, in dem er und die Garantin Partei sind, seine Rechte aus dieser Garantie auf der Grundlage einer von einer vertretungsberechtigten Person der IKB Deutsche Industriebank Aktiengesellschaft beglaubigten Kopie dieser Garantie ohne Vorlage des Originals im eigenen Namen wahrnehmen und durchsetzen.
- e) Sollte eine Bestimmung dieser Garantie ganz oder teilweise unwirksam oder undurchführbar sein oder werden, so berührt dies nicht die Wirksamkeit der übrigen Bestimmungen dieser Garantie. An die Stelle der unwirksamen oder undurchführbaren Bestimmung tritt eine andere wirksame oder durchführbare Bestimmung, welche die Parteien im Hinblick auf Sinn und Zweck dieser Garantie vereinbart hätten, wenn sie Abschluss dieser Garantie die Unwirksamkeit oder Undurchführbarkeit bedacht hätten, und welche den Absichten der Parteien im Hinblick auf Sinn und Zweck dieser Garantie entspricht. Die vorstehende Bestimmung findet entsprechende Anwendung, falls diese Garantie eine Lücke enthalten sollte.
- f) Die IKB Deutsche Industriebank Aktiengesellschaft verpflichtet sich, das Original dieser Garantie bis zur Erfüllung sämtlicher Verpflichtungen aus den Schuldverschreibungen und dieser Garantie zu verwahren.
- g) Die IKB Deutsche Industriebank Aktiengesellschaft handelt nicht als Treuhänder oder in einer ähnlichen Eigenschaft für die Gläubiger.

8. Miscellaneous Provisions

- a) This Guarantee shall be governed by, and construed in accordance with, German law.
- b) Place of performance shall be Frankfurt am Main.
- c) The District Court (*Landgericht*) in Frankfurt am Main shall have nonexclusive jurisdiction for any action or other legal proceedings arising out of or in connection with the Guarantee.
- d) On the basis of a copy of this Guarantee certified as being a true copy by a duly authorised officer of IKB Deutsche Industriebank Aktiengesellschaft, each Holder may protect and enforce in its own name its rights arising under this Guarantee in any legal proceedings against the Guarantor or to which such Holder and the Guarantor are parties, without the need for presentation of this Guarantee in such proceedings.
- e) If any of the provisions of this Guarantee shall be or become invalid or impractical in whole or in part, the validity of the other provisions hereof shall not be affected. The invalid or impractical provision shall be replaced by such valid or practical provision which the parties would have agreed upon taking into account the spirit and purpose of the Guarantee, if they had considered the invalidity or impracticability when concluding this Guarantee and which corresponds to the parties' aims with regard to the spirit and purpose of this Guarantee. The same applies in the event that this Guarantee does contain a loophole (*Lücke*).
- f) IKB Deutsche Industriebank Aktiengesellschaft agrees to hold the original copy of this Guarantee in custody until all obligations under the Notes and this Guarantee have been fulfilled.
- g) IKB Deutsche Industriebank Aktiengesellschaft does not act in a fiduciary or in any other similar capacity for the Holders.

- 9. Für Änderungen der Bedingungen der Garantie durch Beschluss der Gläubiger mit Zustimmung der Garantin gilt § 14 der Anleihebedingungen entsprechend.
- 10. Die deutsche Version dieser Garantie ist bindend. Die englische Übersetzung dient nur Informationszwecken.

- 9. In relation to amendments of the terms of the Guarantee by resolution of the Holders with the consent of the Guarantor, § 14 of the Conditions of Issue applies *mutatis mutandis*.
- 10. The German text of this Guarantee is binding. The English translation is for information purposes only.

Bessenbach, im Oktober 2012

Bessenbach, in October 2012

SAF-HOLLAND GmbH

SAF-HOLLAND GmbH

durch:

by:

.....

.....

Wir nehmen die Bedingungen der vorstehenden Garantie im Namen der Gläubiger ohne Obligo, Gewährleistung oder Haftung an.

We accept the terms of the above Guarantee on behalf of the Holders without recourse, warranty or liability.

Düsseldorf, im Oktober 2012

Düsseldorf, in October 2012

IKB Deutsche Industriebank Aktiengesellschaft

IKB Deutsche Industriebank Aktiengesellschaft

durch:

by:

.....

.....

Die Garantie ist in deutscher Sprache abgefasst und mit einer englischen Übersetzung versehen. Der deutsche Wortlaut ist rechtsverbindlich. Die englische Übersetzung dient nur zur Information.

The Guarantee is written in the German language and provided with an English language translation. The German text shall be the legally binding version. The English language translation is provided for information purpose only.

GARANTIE

der

SAF-HOLLAND USA, INC.

(die “**Garantin**”)

zugunsten der Gläubiger der bis zu €75.000.000 7,000% Schuldverschreibungen fällig 2018 der

SAF-HOLLAND S.A.

(die “**Emittentin**”)

ISIN DE000A1HA979, WKN A1HA97 (die “**Schuldverschreibungen**”).

1. Definitionen

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

2. Garantie

- a) Die Garantin übernimmt gegenüber jedem Gläubiger die unbedingte und unwiderrufliche Garantie (vorbehaltlich Ziffer 6 dieser Garantie) für die ordnungsgemäße und pünktliche Zahlung aller nach Maßgabe der Anleihebedingungen von der Emittentin oder einer Nachfolgeschuldnerin auf die Schuldverschreibungen zu zahlenden Beträge. Diese Garantie begründet eine selbständige Verpflichtung der Garantin (keine Bürgschaft), deren Bestand unabhängig von der rechtlichen Beziehung zwischen der Emittentin und den Gläubigern ist, und die insbesondere nicht von der Wirksamkeit oder der Durchsetzbarkeit der Ansprüche gegen die Emittentin aus den Schuldverschreibungen abhängt.
- b) Diese Garantie begründet (vorbehaltlich Ziffer 6 dieser Garantie) unmittelbare, unbedingte und nicht nachrangige

GUARANTEE

of

SAF-HOLLAND USA, INC.

(the “**Guarantor**”)

for the benefit of the holders of the up to €75,000,000 7.000% Notes due 2018 issued by

SAF-HOLLAND S.A.

(the “**Issuer**”)

ISIN DE000A1HA979, WKN A1HA97 (the “**Notes**”).

1. Definitions

Terms used in this Guarantee and not otherwise defined herein shall have the meaning attributed to them in the Conditions of Issue of the Notes.

2. Guarantee

- a) The Guarantor assumes (subject to the provisions in Clause 6 of this Guarantee) towards each Holder, the unconditional and irrevocable guarantee for the due and punctual payment of any amounts payable by the Issuer or any Substitute Debtor in respect of the Notes pursuant to the Conditions of Issue. This Guarantee constitutes an independent obligation of the Guarantor, which is independent from the legal relationship between the Issuer and the Holders, and which is in particular independent from the validity or the enforceability of the claims against the Issuer under the Notes.
- b) This Guarantee constitutes (subject to Clause 6 of this Guarantee) direct, unconditional and unsubordinated

Verbindlichkeiten der Garantin, die mindestens im gleichen Rang mit allen anderen gegenwärtigen und zukünftigen nicht nachrangigen und nicht besicherten Verbindlichkeiten der Garantin stehen mit Ausnahme von Verbindlichkeiten, die nach geltenden Rechtsvorschriften vorrangig sind. Zugleich mit der Erfüllung einer Zahlungsverpflichtung der Garantin zugunsten eines Gläubigers aus der Garantie erlischt das jeweilige garantierte Recht eines Gläubigers aus den Anleihebedingungen.

3. Negativverpflichtung

Die Garantin verpflichtet sich, solange Schuldverschreibungen ausstehen, jedoch nur bis zu dem Zeitpunkt, an dem alle Beträge an Kapital und Zinsen dem Clearing System oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearing Systems zur Verfügung gestellt worden sind, keine Sicherungsrechte in Bezug auf ihr gesamtes Vermögen oder Teile davon bzw. Garantien zur Sicherung von Kapitalmarktverbindlichkeiten zu gewähren, ohne gleichzeitig die Anleihegläubiger gleichrangig an einem solchen Sicherungsrecht bzw. einer Garantie zu beteiligen oder ihnen ein gleichwertiges Sicherungsrecht oder eine gleichwertige Garantie zu gewähren; diese Verpflichtung gilt jedoch nicht für zum Zeitpunkt des Erwerbs von Vermögenswerten durch die Garantin bereits an solchen Vermögenswerten bestehende Sicherungsrechte, soweit solche Sicherungsrechte nicht im Zusammenhang mit dem Erwerb oder in Erwartung des Erwerbs des jeweiligen Vermögenswerts bestellt wurden und der durch das Sicherungsrecht besicherte Betrag nicht nach Erwerb des betreffenden Vermögenswertes erhöht wird.

4. Steuern

- a) Sämtliche Zahlungen der Garantin aus der Garantie sind ohne Einbehalt oder Abzug von oder aufgrund von gegenwärtigen oder zukünftigen Steuern oder sonstigen Abgaben gleich welcher Art zu leisten, die von oder in dem Bundesstaat Michigan, den Vereinigten

obligations of the Guarantor ranking at least *pari passu* with all other unsubordinated present and future obligations of the Guarantor, save for such obligations which may have priority by applicable law. Upon discharge of any payment obligation of the Guarantor subsisting under the Guarantee in favour of any Holder, the relevant guaranteed right of such Holder under the Conditions of Issue will cease to exist.

3. Negative Pledge

The Guarantor undertakes, for as long as any of the Notes are outstanding, but only up to the time all amounts of principal and interest have been placed at the disposal of the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System, not to provide any Security Interest over the whole or any part of their assets or grant guarantees to secure any Capital Market Indebtedness without at the same time letting the Holders share *pari passu* in such Security Interest or giving to the Holders an equivalent Security Interest or guarantee, provided, however, that this undertaking shall not apply with respect to any Security Interest existing on property at the time of the acquisition thereof by the Guarantor, provided that such Security Interest was not created in connection with or in contemplation of such acquisition and that the amount secured by such Security Interest is not increased subsequently to the acquisition of the relevant property.

4. Taxes

- a) All payments by the Guarantor in respect of the Guarantee shall be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by way of withholding or deduction by or on behalf of the State of

Staaten von Amerika, der Bundesrepublik Deutschland oder dem Großherzogtum Luxemburg oder für deren Rechnung oder von oder für Rechnung einer politischen Untergliederung oder Steuerbehörde der oder in dem Bundesstaat Michigan, den Vereinigten Staaten von Amerika, der Bundesrepublik Deutschland oder dem Großherzogtum Luxemburg auferlegt oder erhoben werden es sei denn, ein solcher Einbehalt oder Abzug ist gesetzlich vorgeschrieben. In diesem Fall wird die Garantin, vorbehaltlich der Ausnahmen gemäß § 7 der Anleihebedingungen, diejenigen zusätzlichen Beträge (die **“zusätzlichen Beträge”**) zahlen, die erforderlich sind, damit die den Gläubigern zufließenden Nettobeträge nach diesem Einbehalt oder Abzug jeweils den Beträgen entsprechen, die ohne einen solchen Einbehalt oder Abzug von den Gläubigern empfangen worden wären.

- b) Falls die Garantin ihren satzungsmäßigen Sitz oder ihren Verwaltungssitz in ein anderes Staat als Michigan, Vereinigte Staaten von Amerika, verlegt oder auf eine Gesellschaft verschmolzen wird, die ihren satzungsmäßigen Sitz oder ihren Verwaltungssitz in einem solchen anderen Land hat, gelten die Bestimmungen gemäß Ziffer 3(a) auch für Quellensteuern, die durch oder für dieses andere Land oder eine dort zur Steuererhebung ermächtigte Stelle auferlegt oder erhoben werden.
- c) Soweit in dieser Garantie von Zinsen und Kapital die Rede ist, sind damit auch die gemäß dieser Ziffer 3 zu zahlenden zusätzlichen Beträge gemeint.

5. Vertrag zugunsten der Gläubiger

Diese Garantie und alle darin enthaltenen Vereinbarungen stellen einen Vertrag zugunsten der jeweiligen Gläubiger als begünstigte Dritte gemäß § 328 Absatz 1 Bürgerliches Gesetzbuch (BGB) dar. Sie begründen das Recht eines jeden Gläubigers, die Erfüllung der hierin eingegangenen Verpflichtungen unmittelbar von der Garantin zu fordern und diese Verpflichtungen unmittelbar gegenüber der Garantin durchzusetzen. Gläubiger,

Michigan, the United States of America, the Federal Republic of Germany or the Grand Duchy of Luxembourg or any political subdivision or any authority thereof or therein having the power to tax unless such withholding or deduction is required by law. In that event, the Guarantor will, except as otherwise provided for in § 7 of the Conditions of Issue, pay such additional amounts (the **“Additional Amounts”**) as shall be necessary in order that the net amounts received by the Holders, after such withholding or deduction shall equal the respective amounts which would otherwise have been receivable in the absence of such withholding or deduction.

- b) In the event that the Guarantor moves its domicile or residence or is merged into a company with domicile or residence in a country other than Michigan, United States of America, the provisions of Clause 3(a) above shall apply also to Taxes imposed or levied by or behalf of such other country or any taxing authority therein.
- c) Any reference in this Guarantee to interest and principal shall be deemed also to refer to any Additional Amounts which may be payable under this Clause 3.

5. Contract for the benefit of the Holders

This Guarantee and all stipulations contained herein constitute a contract for the benefit of the Holders from time to time as third party beneficiaries pursuant to § 328(1) of the German Civil Code (*Bürgerliches Gesetzbuch - BGB*). They give rise to the right of each such Holder to require performance of the obligations undertaken herein directly from the Guarantor, and to enforce such obligations directly against the Guarantor. Holders who want to enforce

die Verpflichtungen gegenüber der Garantin durchsetzen wollen, haben die Garantin von dieser Durchsetzung zu informieren (diese Information ist die **“Vollstreckungsanzeige”**). Die Vollstreckungsanzeige muss (a) eine Bezugnahme auf diese Garantie enthalten, (b) genaue Angaben über den Schuldner, die Garantieschuld und die Bezifferung der zu zahlenden Verbindlichkeit enthalten und (c) die genauen Zahlungsanweisungen festlegen.

obligations have to notify the Guarantor of such enforcement (such notification the **“Enforcement Notice”**). The Enforcement Notice has to (a) refer to this Guarantee, (b) contain details regarding the debtor, the guarantee liability and specify the obligation to be paid and (c) determine the exact payment instructions.

6. Durchsetzungsbeschränkungen

6. Limitations of Enforcement

- a) Die Garantin bestätigt, dass es nicht ihre Absicht ist, dass die Garantie zu einer betrügerischen Übertragung oder Vermögensverschiebung (*fraudulent transfer or conveyance*) im Sinne des anwendbaren Konkurs- (*bankruptcy*), Insolvenz- (*insolvency*) oder eines ähnlichen Rechts, des United States Bankruptcy Code von 1978 (11 U.S.C. §§ 191 ff.), der US-bundesstaatlichen Gesetze über die betrügerischen Übertragung oder Vermögensverschiebung (*U.S. state fraudulent transfer or conveyance statute*) oder eines sonstigen vergleichbaren U.S. Bundes- oder Staatenrechts (*federal or state law*) oder eines ausländischen Rechts führt. Um die oben genannte Absicht zu erreichen, sind die mit dieser Garantie garantierten Verbindlichkeiten (die **“Garantierten Verbindlichkeiten”**) auf einen solchen Höchstbetrag – festgestellt unter Berücksichtigung des Höchstbetrags und aller anderen (bedingten oder sonstigen) Verbindlichkeiten der Garantin, die nach diesen Gesetzen zu berücksichtigen sind und aller anderen Rechte auf Zuwendungen (*contribution*) gem. einer Vereinbarung über angemessene Zuwendungen (*equitable contribution*) zwischen der Garantin und der Emittentin – beschränkt, der keine betrügerische Übertragung oder Vermögensverschiebung (*fraudulent transfer or conveyance*) durch die Garantin darstellt.
- b) Die Garantin sichert zu, gewährleistet und erklärt sich damit einverstanden, dass
- (i) die Gesamtsumme ihrer nachrangigen, bedingten oder

- a) The Guarantor hereby confirms that it is its intention that the Guarantee shall not constitute a fraudulent transfer or conveyance for purposes of any applicable bankruptcy, insolvency or similar law, the United States Bankruptcy Code of 1978 (11 U.S.C. §§ 191 et seq.), U.S. state fraudulent transfer or conveyance statute or any similar federal, state or foreign law. To effectuate the foregoing intention, the obligations guaranteed under this Guarantee (the **“Guaranteed Obligations”**) shall be limited to such maximum amount as will, after giving effect to such maximum amount and all other (contingent or otherwise) liabilities of the Guarantor that are relevant under such laws, and after giving effect to any rights to contribution pursuant to any agreement providing for an equitable contribution among the Guarantor and the Issuer, result in the Guaranteed Obligations of the Guarantor in respect of such maximum amount not constituting a fraudulent transfer or conveyance.
- b) The Guarantor represents, warrants and agrees that
- (i) the aggregate amount of its debts and liabilities, subordinated, contingent

- sonstigen Schulden und Verbindlichkeiten (einschließlich ihrer gemäß Buchstabe (a) beschränkten Verbindlichkeiten aufgrund der Garantie) nicht größer ist als der Gesamtwert ihrer Vermögensgegenstände (der mit dem Zeitwert (*fair valuation*) höchstens jedoch mit dem gegenwärtigen angemessenen Marktwert (*present fair saleable value*) anzusetzen ist);
- or otherwise (including its obligations under this Guarantee as limited by subparagraph (a) above), is not greater than the aggregate value (being the lesser of fair valuation and present fair saleable value) of its assets;
- (ii) ihr Kapital nicht unverhältnismäßig klein ist, um ihr Geschäft so zu führen wie es geführt wird;
- (ii) its capital is not unreasonably small to carry on its business as it is being conducted;
- (iii) von ihr keine Verbindlichkeiten eingegangen wurden, die sie bei Fälligkeit nicht begleichen könnte, und sie auch nicht beabsichtigt, solche Verbindlichkeiten einzugehen; und
- (iii) it has not incurred and does not intend to incur debts beyond its ability to pay as they mature; and
- (iv) sie keine Vermögensübertragung vorgenommen hat und keine Verbindlichkeit aufgrund dieser Garantie eingegangen ist, um ihre gegenwärtigen oder zukünftigen Gläubiger zu behindern (*hinder*), zu verzögern (*delay*) oder zu übervorteilen (*defraud*).
- (iv) it has not made a transfer or incurred any obligations under this Guarantee with the intent to hinder, delay or defraud any of its present or future creditors.
- c) Um die Umstände zu bestimmen, die die Garantin in Ziffer 6 b) dieser Garantie zusichert, gewährleistet und mit denen sie sich einverstanden erklärt, wurde die Summe jeder bedingten Verbindlichkeit als die Summe errechnet, die im Lichte aller bestehenden Tatsachen und Umstände, die der Garantin am Tag des Abschlusses dieser Garantie bekannt sind, eine Summe ausmacht, von der vernünftiger Weise erwartet werden kann, dass sie eine gegenwärtige oder fällige Verbindlichkeit wird und dabei den Wert (als Vermögenswert der Garantin) aller Ansprüche auf Forderungsabtretung, Einbringung, Rückerstattung, Entschädigung oder ähnlicher Rechte der Garantin nach anwendbarem Recht oder jeder anderen Vereinbarung berücksichtigt, die eine angemessene Zuordnung dieser bedingten Verbindlichkeiten zu der Garantin und jedem Mitverpflichteten vorsieht.
- c) For purpose of making the determination as to the matters represented, warranted and agreed in Section 6 b) of this Guarantee, the amount of any contingent liability has been computed as the amount of that, in light of all the facts and circumstances existing and known to the Guarantor as of the date hereof, represents an amount that can reasonably be expected to become an actual or matured liability and after giving effect to the value (as asset of the Guarantor) of any right to subrogation, contribution, reimbursement, indemnity or similar rights held by the Guarantor pursuant to applicable law or any other agreement providing for an equitable allocation among the Guarantor and any co-obligors with respect to such contingent liability.

7. Erlöschen der Garantie

Diese Garantie erlischt, wenn die gesicherten Ansprüche der Gläubiger vollständig und unwiderruflich erfüllt worden sind.

8. Verschiedene Bestimmungen

- a) Diese Garantie unterliegt deutschem Recht.
- b) Erfüllungsort in Frankfurt am Main
- c) Nicht ausschließlich zuständig für sämtliche im Zusammenhang mit der Garantie entstehenden Klagen oder sonstige Verfahren ist das Landgericht Frankfurt am Main.
- d) Jeder Gläubiger kann in jedem Rechtsstreit gegen die Garantin und in jedem Rechtsstreit, in dem er und die Garantin Partei sind, seine Rechte aus dieser Garantie auf der Grundlage einer von einer vertretungsberechtigten Person der Zahlstelle beglaubigten Kopie dieser Garantie ohne Vorlage des Originals im eigenen Namen wahrnehmen und durchsetzen.
- e) Sollte eine Bestimmung dieser Garantie ganz oder teilweise unwirksam oder undurchführbar sein oder werden, so berührt dies nicht die Wirksamkeit der übrigen Bestimmungen dieser Garantie. An die Stelle der unwirksamen oder undurchführbaren Bestimmung tritt eine andere wirksame oder durchführbare Bestimmung, welche die Parteien im Hinblick auf Sinn und Zweck dieser Garantie vereinbart hätten, wenn sie Abschluss dieser Garantie die Unwirksamkeit oder Undurchführbarkeit bedacht hätten, und welche den Absichten der Parteien im Hinblick auf Sinn und Zweck dieser Garantie entspricht. Die vorstehende Bestimmung findet entsprechende Anwendung, falls diese Garantie eine Lücke enthalten sollte.
- f) Die Zahlstelle verpflichtet sich, das Original dieser Garantie bis zur Erfüllung sämtlicher Verpflichtungen

7. Expiration of the Guarantee

This Guarantee shall expire upon full and complete satisfaction of the secured obligation of the Holders.

8. Miscellaneous Provisions

- a) This Guarantee shall be governed by, and construed in accordance with, German law.
- b) Place of performance shall be Frankfurt am Main.
- c) The District Court (*Landgericht*) in Frankfurt am Main shall have nonexclusive jurisdiction for any action or other legal proceedings arising out of or in connection with the Guarantee.
- d) On the basis of a copy of this Guarantee certified as being a true copy by a duly authorised officer of the Paying Agent, each Holder may protect and enforce in its own name its rights arising under this Guarantee in any legal proceedings against the Guarantor or to which such Holder and the Guarantor are parties, without the need for presentation of this Guarantee in such proceedings.
- e) If any of the provisions of this Guarantee shall be or become invalid or impractical in whole or in part, the validity of the other provisions hereof shall not be affected. The invalid or impractical provision shall be replaced by such valid or practical provision which the parties would have agreed upon taking into account the spirit and purpose of the Guarantee, if they had considered the invalidity or impracticability when concluding this Guarantee and which corresponds to the parties' aims with regard to the spirit and purpose of this Guarantee. The same applies in the event that this Guarantee does contain a loophole (*Lücke*).
- f) The Paying Agent agrees to hold the original copy of this Guarantee in custody until all obligations under the

aus den Schuldverschreibungen und dieser Garantie zu verwahren.

Notes and this Guarantee have been fulfilled.

g) Die Zahlstelle handelt nicht als Treuhänder oder in einer ähnlichen Eigenschaft für die Gläubiger.

g) The Paying Agent does not act in a fiduciary or in any other similar capacity for the Holders.

h) Die Zusicherungen und Gewährleistungen, die in dieser Garantie gegeben werden (einschließlich, aber nicht beschränkt auf die Zusicherungen nach Ziffer 6 dieser Garantie), werden von den unterzeichnenden Geschäftsführern nur in ihrer Eigenschaft als Vertreter ohne Übernahme einer persönliche Haftung oder einer Regressmöglichkeit abgegeben.

h) The representations and warranties made in this Guarantee (including, without limitation the representations stated in Section 6 hereof) are made by the undersigned officer(s) of the Guarantor in a representative capacity only, without personal liability or recourse.

9. Für Änderungen der Bedingungen der Garantie durch Beschluss der Gläubiger mit Zustimmung der Garantin gilt § 14 der Anleihebedingungen entsprechend.

9. In relation to amendments of the terms of the Guarantee by resolution of the Holders with the consent of the Guarantor, § 14 of the Conditions of Issue applies *mutatis mutandis*.

10. Die deutsche Version dieser Garantie ist bindend. Die englische Übersetzung dient nur Informationszwecken.

10. The German text of this Guarantee is binding. The English translation is for information purposes only.

Holland, im Oktober 2012

Holland, in October 2012

SAF-HOLLAND USA, Inc.

SAF-HOLLAND USA, Inc.

durch:

by:

.....

.....

Wir nehmen die Bedingungen der vorstehenden Garantie im Namen der Gläubiger ohne Obligo, Gewährleistung oder Haftung an.

We accept the terms of the above Guarantee on behalf of the Holders without recourse, warranty or liability.

Düsseldorf, im Oktober 2012

Düsseldorf, in October 2012

IKB Deutsche Industriebank Aktiengesellschaft

IKB Deutsche Industriebank Aktiengesellschaft

durch:

by:

TAXATION

The following is a general description of certain tax considerations relating to the Notes in Germany and Luxembourg. It does not purport to be a complete analysis of all tax considerations relating to the Notes. Prospective purchasers of Notes should consult their tax advisers as to the consequences, under the tax laws of the country in which they are resident for tax purposes and under the tax laws of Germany and Luxembourg of acquiring, holding and disposing of Notes and receiving payments of principal, interest and other amounts under the Notes. This summary is based upon the laws in force and their interpretation on the date of this Prospectus and is subject to any change in law or interpretation that may take effect after such date.

Germany

Income tax

Notes held by tax residents as non-business assets

Capital gains realised by Holders from the disposition or redemption of the Notes and payments of interest on the Notes to Holders who are tax residents of the Federal Republic of Germany (i.e., persons whose residence or habitual abode is located in the Federal Republic of Germany) are subject to German income tax. In each case where German income tax arises, a solidarity surcharge (*Solidaritätszuschlag*) is levied in addition. Furthermore, church tax may be levied, where applicable.

On payments of interest on the Notes to German tax resident individuals and capital gains from the disposition or redemption of the Notes or the separate disposition or redemption of interest claims income tax is generally levied as a flat income tax at a rate of 25% (plus solidarity surcharge in an amount of 5.5% of such tax, resulting in a total tax charge of 26.375%, and church tax, if applicable). The total investment income of an individual will be decreased by a lump sum deduction (*Sparer-Pauschbetrag*) of €801 (€1,602 for married couples filing jointly), not by a deduction of expenses actually incurred. Losses resulting from the investment in capital assets can only be off-set against other investment income. If a set-off is not possible in the assessment period in which the losses have been realised, such losses can be carried forward into future assessment periods.

If the Notes are held in a custodial account which the Holder maintains with a German branch of a German or non-German bank or financial services institution or with a securities trading business or bank in the Federal Republic of Germany (the “**Disbursing Agent**”), the flat income tax on interest received from the Notes will be levied by way of withholding at the aforementioned rate from the gross interest payment to be made by the Disbursing Agent.

If the Notes are held in a custodial account which the Holder maintains with a Disbursing Agent, the flat income tax on capital gains derived from the disposition or redemption of the Notes will be levied by way of withholding. The withholding tax is generally levied on the difference between the proceeds from the disposition or redemption (after deduction of actual expenses directly related thereto) and the issue price or the purchase price of the Notes. If the Notes have been transferred into the custodial account of the Disbursing Agent only after their acquisition, withholding tax will be levied on 30% of such proceeds unless the Disbursing Agent has been provided with evidence of the actual acquisition costs of the Notes by the previous Disbursing Agent or a bank or financial service institution within the European Economic Area or certain other countries in accordance with Art. 17 para. 2 of the EU Council Directive 2003/48/EC dated June 3, 2003 on the Taxation of Savings Income in the form of interest payment (the “**EU Savings Tax Directive**”).

In general, no withholding tax will be levied if the Holder is an individual (i) whose Notes do not form part of the property of a trade or business and (ii) who filed a withholding exemption certificate (*Freistellungsauftrag*) with the Disbursing Agent but only to the extent the income derived from the Notes together with other investment income does not exceed the maximum exemption amount shown on the withholding exemption certificate. Similarly, no withholding tax will be deducted if the Holder has submitted to the Disbursing Agent a certificate of non-assessment (*Nichtveranlagungs-Bescheinigung*) issued by the relevant local tax office.

If no Disbursing Agent is involved in the payment process, the Holder will have to include its income on the Notes as well as the capital gains from the disposition or redemption of the Notes or the separate disposition or redemption of interest claims in its tax return and the flat income tax of 25% plus solidarity surcharge, and church tax, if applicable, will be collected by way of assessment.

The Issuer is, in general, not obliged to levy German withholding tax in respect of payment on the Notes. If, however, the Issuer is deemed to be resident in Germany for tax purposes and if, further, the Notes qualify as hybrid instruments, such as silent partnership or profit participating notes, profit participating rights (*Genussrechte*), German withholding tax has to be imposed by the Issuer irrespective of whether the Notes are held in a custodial account maintained with a Disbursing Agent.

Payment of the flat income tax will generally satisfy any income tax liability of the Holder in respect of such investment income. Holders may apply for a tax assessment on the basis of general rules applicable to them if the resulting income tax burden is lower than 25%.

Notes held by tax residents as business assets

Payments of interest on Notes and capital gains from the disposition or redemption of Notes or the separate disposition or redemption of interest claims held as business assets by German tax resident individuals or corporations (including via a partnership, as the case may be), are generally subject to German income tax or corporate income tax (in each case plus solidarity surcharge, and church tax, if applicable). The interest and capital gain will also be subject to trade tax if the Notes form part of the property of a German trade or business.

If the Notes are held in a custodial account which the Holder maintains with a Disbursing Agent (as defined above), tax at a rate of 25% (plus a solidarity surcharge of 5.5% of such tax, and church tax, if applicable) will also be withheld from interest payments on Notes and capital gains from the disposition or redemption of Notes held as business assets. In these cases the withholding tax does not satisfy the income tax liability of the Holder, as in the case of the flat income tax, but will – subject to certain requirements – be credited as advance payment against the personal income or corporate income tax liability and the solidarity surcharge of the Holder. To the extent the amount withheld exceeds the income tax liability, the withholding tax will – as a rule – be refunded.

With regard to capital gains no withholding will generally be required (i) in the case of Notes held by corporations resident in Germany, provided that in the case of corporations of certain legal forms the status of corporation has been evidenced by a certificate of the competent tax office, and (ii) upon application in the case of Notes held by individuals or partnerships as business assets.

Notes held by non-residents

Interest and capital gains under the Notes are in general not subject to German taxation in the case of non-residents, i.e. persons having neither their residence nor their habitual abode nor legal domicile nor place of effective management in the Federal Republic of Germany, unless the Notes form part of the business property of a permanent establishment maintained in the Federal Republic of Germany. Interest may, however, also be subject to German income tax if it otherwise constitutes income taxable in Germany, e.g. income from the letting and leasing of certain German-situs property or income from certain capital investments directly or indirectly secured by German situs real estate unless the Notes qualify as global notes (*Sammelurkunden*) within the meaning of Sec. 9a of the German Custody Act (*Depotgesetz*) or as fungible notes representing the same issue (*Teilschuldverschreibungen*).

Non-residents of the Federal Republic of Germany are in general exempt from German withholding tax on interest and capital gains and from solidarity surcharge thereon. However, if the interest or capital gain 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 will be levied as explained above under “Notes held by tax residents as business assets” or under “Notes held by tax residents as non-business assets”, respectively.

Inheritance and Gift Tax

No inheritance or gift taxes with respect to any Note will generally arise under the laws of the Federal Republic of Germany, if, in the case of inheritance tax, neither the decedent nor the beneficiary, or, in the case of gift tax, neither the donor nor the donee, is a resident of the Federal Republic 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 the Federal Republic of Germany. Exceptions from this rule apply to certain German citizens who previously maintained a residence in the Federal Republic of Germany.

Other Taxes

No stamp, issue, registration or similar taxes or duties will be payable in the Federal Republic of Germany in connection with the issuance, delivery or execution of the Notes. Currently, net assets tax (*Vermögensteuer*) is not levied in the Federal Republic of Germany.

Luxembourg

Non-Residents

Under the existing laws of Luxembourg and except as provided for by the Luxembourg laws of June 21, 2005 implementing the EU Savings Tax Directive (as defined below), there is no withholding tax on the payment of interest on, or reimbursement of principal of, the Notes made to non-residents of Luxembourg.

Under the Luxembourg laws of June 21, 2005 implementing the EU Savings Tax Directive and as a result of ratification by Luxembourg of certain related Accords with the relevant dependent and associated 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 holder of a Note or certain residual entities, who, as a result of an identification procedure implemented by

the paying agent, are identified as residents or are deemed to be residents of an EU Member State other than Luxembourg or certain of those dependent or associated territories referred to under “EU Savings Tax Directive” below, will be subject to a withholding tax unless the relevant beneficiary has adequately instructed the relevant paying agent to provide details of the relevant payments of interest or similar income to the fiscal authorities of his or her country of residence or deemed residence or, in the case of an individual holder of a Note, has provided a tax exemption certificate from his or her fiscal authority in the format required by law to the relevant paying agent. Where withholding tax is applied, it will be levied at a rate of 35%.

Residents

According to the law of December 23, 2005, as amended, interest on Notes paid by a Luxembourg paying agent or paying agents established in the EU, the EEA or in a State which has concluded an international agreement related to the EU Savings Tax Directive to an individual holder of Notes who is a resident of Luxembourg or to a residual entity established in another EU Member State or in the dependent and associated territories (as defined under the EU Savings Tax Directive) securing the payment for such individual will be subject to a withholding tax of 10%. In case of payment through a paying agent established in the EU, the EEA or in a State which has concluded an international agreement related to the EU Savings Tax Directive, the Luxembourg resident individual holder of Notes must under a specific procedure remit 10% tax to the Luxembourg Treasury.

If the individual Holder holds the Notes in the course of the management of his or her private wealth, the aforementioned 10% withholding tax will operate a full discharge of income tax due on such payments.

Interest on Notes paid by a Luxembourg paying agent to a resident holder of Notes who is not an individual is not subject to withholding tax.

When used in the preceding paragraphs “**interest**”, “**paying agent**” and “**residual entity**” have the meaning given thereto in the Luxembourg laws of June 21, 2005 (or the relevant Accords) and December 23, 2005, as amended. “**Interest**” will include accrued or capitalised interest at the sale, repayment or redemption of the Notes.

Payments of interest or similar income under the Notes to Clearstream Banking AG, Clearstream Banking, société anonyme and Euroclear Bank SA/NV and payments by or on behalf of Clearstream Banking, société anonyme to financial intermediaries will not give rise to a withholding tax under Luxembourg law.

Residency, other income and wealth taxes

A holder of a Note will not become resident, or deemed to be resident, in Luxembourg by reason only of the holding of such Note or the execution, performance, delivery and/or enforcement of that or any other Note.

A holder of a Note who derives income from such Note or who realizes a gain on the disposal or redemption or exchange thereof will not be subject to Luxembourg taxation on income or capital gains unless: (i) such holder is, or is deemed to be, resident in Luxembourg; or (ii) such income or gain is attributable to an enterprise or part thereof which is carried on through a permanent establishment or a permanent representative in Luxembourg.

Luxembourg net wealth tax will not be levied on a holder of a Note unless: (i) such holder is, or is deemed to be, resident in Luxembourg for the purpose of the relevant provisions; or (ii) such Note is attributable to an enterprise or part thereof which is carried on through a permanent establishment or a permanent representative in Luxembourg. In respect of individuals, the Luxembourg law of 23 December 2005 has abolished the net wealth tax with effect from 1 January 2006. No Luxembourg inheritance tax is levied on the transfer of the Notes upon death of a Noteholder in cases where the deceased was not a resident of Luxembourg for inheritance tax purposes.

Registration

It is not compulsory that the Notes be filed, recorded or enrolled with any court, or other authority in Luxembourg or that registration tax, transfer tax, capital tax, stamp duty or any other similar tax or duty be paid in respect of or in connection with the execution, delivery and/or enforcement by legal proceedings (including any foreign judgment in the courts of Luxembourg) of the Notes, in accordance therewith, except that, in case of use of the Notes, either directly or by way of reference, (i) in a public deed, (ii) in a judicial proceeding in Luxembourg or (iii) before any other Luxembourg official authority (autorité constituée), registration may be ordered which implies the application of a fixed or an ad valorem registration duty of 0.24% calculated on the amounts mentioned in the Notes. Indeed, a 0.24% registration duty could be levied on any notarial or other public deed making a precise reference to a loan or obligation of sum of money. In practice such kind of registration is rarely ordered.

VAT

There is no Luxembourg value-added tax payable in respect of payments in consideration for the issue of the Notes or in respect of the payment of interest or principal under the Notes or the transfer of Notes, provided that Luxembourg value-added tax may, however, be payable in respect of fees charged for certain services rendered to the Issuer, if for

Luxembourg value-added tax purposes such services are rendered, or are deemed to be rendered, in Luxembourg and an exemption from Luxembourg value-added tax does not apply with respect to such services.

Austria

Income tax

Notes held by tax residents as non-business assets

Capital gains realized by Holders from the disposition or redemption of the Notes and payments of interest on the Notes to Holders who are tax residents of Austria (i.e., persons whose residence or habitual abode is located in Austria) are subject to Austrian income tax.

On payments of interest on the Notes to Austrian tax resident individuals and capital gains from the disposition or redemption of the Notes or the separate disposition or redemption of interest claims income tax is generally levied as a flat income rate of 25%. Losses resulting from the investment in capital assets can only be off-set against other investment income in the same fiscal year.

If the Notes are held in a custodial account which the Holder maintains with an Austrian branch of a bank or financial services institution (the “**Disbursing Agent**” or “*inländische depotführende Stelle*”) the flat income tax on interest received from the Notes will be levied by way of withholding at the aforementioned rate from the gross interest payment to be made by the Disbursing Agent.

If the Notes are held in a custodial account which the Holder maintains with a Disbursing Agent the flat income tax on capital gains derived from the disposition or redemption of the Notes will be levied by way of withholding. The withholding tax is generally levied on the difference between the proceeds from the disposition or redemption and the issue price or the purchase price of the Notes.

In general, no withholding tax will be levied if the Holder is an individual not resident in Austria (i) whose Notes do not form part of the property of a trade or business in Austria and (ii) who filed a withholding exemption certificate (*Freistellungsauftrag*) with the Disbursing Agent.

If no Disbursing Agent is involved in the payment process the Holder will have to include its income on the Notes as well as the capital gains from the disposition or redemption of the Notes or the separate disposition or redemption of interest claims in its tax return and the flat income tax of 25% will be collected by way of assessment.

Payment of the flat income tax will generally satisfy any income tax liability of the Holder in respect of such investment income.

Notes held by tax residents as business assets

Payments of interest on Notes and capital gains from the disposition or redemption of Notes or the separate disposition or redemption of interest claims held as business assets, by Austrian tax resident individuals or corporations (including via a partnership, as the case may be), are generally subject to Austrian income tax or corporate income tax.

If the Notes are held in a custodial account which the Holder maintains with a Disbursing Agent (as defined above) in Austria tax at a rate of 25% will be withheld from interest payments on Notes and capital gains from the disposition or redemption of Notes held as business assets.

Notes held by non-residents

Interest and capital gains are not subject to Austrian taxation in the case of non-residents, i.e. persons having neither their residence nor their habitual abode nor legal domicile nor place of effective management in Austria, unless the Notes form part of the business property of a permanent establishment maintained in Austria. Interest may, however, also be subject to Austrian income tax if it otherwise constitutes income taxable in Austria, such as income from the letting and leasing of certain Austrian-situs property or income from certain capital investments directly or indirectly secured by Austrian situs real estate.

Non-residents of Austria are in general exempt from Austrian withholding tax on interest and capital gains. However, if the interest or capital gain is subject to Austrian taxation and the Notes are held in a custodial account with a Disbursing Agent, withholding tax will be levied as explained above under “Notes held by tax residents as business assets” or under “Notes held by tax residents as non-business assets”, respectively.

Inheritance and Gift Tax

No inheritance or gift taxes with respect to any Note will generally arise under Austrian laws. Certain notification obligation of transfers *inter vivos* may arise.

Other Taxes

No stamp, issue, registration or similar 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.

EU Savings Tax Directive

Under the EU Council Directive 2003/48/EC dated June 3, 2003 on the taxation of savings income in the form of interest payments (the “**EU Savings Tax Directive**”) each EU Member State must require paying agents (within the meaning of such directive) established within its territory to provide to the competent authority of this state details of the payment of interest made to any individual resident in another EU Member State as the beneficial owner of the interest. The competent authority of the EU Member State of the paying agent is then required to communicate this information to the competent authority of the EU Member State of which the beneficial owner of the interest is a resident.

For a transitional period, Austria, Belgium and Luxembourg may opt instead to withhold tax from interest payments within the meaning of the EU Savings Tax Directive at a rate of 35% from July 1, 2011. As from January 1, 2010, Belgium applies the information procedure described above.

In Germany, provisions for implementing the EU Savings Tax Directive were enacted by legislative regulations of the Federal Government. These provisions apply since July 1, 2005.

SUBSCRIPTION, SALE AND OFFER OF THE NOTES

General

The Issuer, the Guarantors and IKB Deutsche Industriebank Aktiengesellschaft (the “**Lead Manager**”) will enter into an agreement to be signed on or around the start date of the public offer period. The Lead Manager has agreed in this agreement, subject to certain customary closing conditions, to purchase such Notes, which are placed with institutional investors and not sold via the Subscription Functionality (as defined below) at a price of 100% of their principal amount (the “**Issue Price**”). Proceeds to the Issuer will be net of commissions of up to 2.35% of the principal amount of the Notes purchased by the Lead Manager. The Issuer has furthermore agreed to reimburse the Lead Manager for certain expenses incurred in connection with the issue of the Notes.

The Lead Manager is entitled, under certain circumstances, to terminate the agreement reached with the Issuer. Furthermore, each of SAF-HOLLAND S.A. and the Guarantors has agreed to indemnify the Lead Manager against certain liabilities in connection with the offer and sale of the Notes.

The Lead Manager or its 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 Lead Manager or its affiliates have received or will receive customary fees and commissions.

There are no interests of natural and legal persons other than the Issuer or the Guarantors involved in the issue, including conflicting ones that are material to the issue. The Lead Manager is a lender, mandated lead arranger and bookrunner under the New Facilities Agreement.

Offer of the Notes

Offer period and Allotment

The Notes will be offered to institutional investors and retail investors in compliance with the public offer restrictions in all countries in the European Union. A public offer may be made in Luxembourg following the approval of the Prospectus by the CSSF and a public offer may be made in Germany and Austria following the notification of the approval of the Prospectus by the CSSF according to Article 18 of the Prospectus Directive.

The offer consists of (i) a private placement by the Lead Manager to institutional investors in Germany, Austria, Luxembourg and other jurisdictions in accordance with the Selling Restrictions during an offer period which will commence not earlier than October 17, 2012 and will end on October 26, 2012, and (ii) a public offer made in Germany, Austria and Luxembourg; with respect to the public offer, investors may submit their orders to purchase Notes at the Issue Price via a subscription system provided by the Frankfurt Stock Exchange, the so called XETRA subscription functionality (the “**Subscription Functionality**”) during an offer period which will commence not earlier than October 18, 2012 and will end on October 26, 2012, each subject to any shortening or extension of the offer period.

Should the Issuer and the Lead Manager determine any shortening or extension of the offer period, which could be the result of changing market conditions, such changes will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu) the website of the Frankfurt Stock Exchange (www.boerse-frankfurt.de) and on the website of the Issuer (<http://corporate.safholland.com/de/investoren/anleihe>), or, if applicable, by a supplement to the Prospectus which will be prepared and published in accordance with Article 13 of the Luxembourg Prospectus Law.

The allotment of Notes subscribed through (i) the Subscription Functionality or (ii) directly subscribed from the Lead Manager by institutional investors will be decided after consultation between the Issuer, the Lead Manager and the Paying Agent. The ultimate decision rests with the Issuer.

The final aggregate amount of Notes issued will be published on the website of the Issuer (<http://corporate.safholland.com/de/investoren/anleihe>) on or about October 31, 2012.

There is no minimum or maximum amount of Notes 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 for the exercise of any right of pre-emption, the negotiability of subscription rights and the treatment of subscription rights not exercised.

Conditions and technical details of the Public Offer

The following sets out details of the offer which is required to comply with the requirements of the applicable prospectus regulation. There are no conditions to which the offer is subject. The Lead Manager will offer the Notes upon request through banking institutions in Luxembourg, Germany and Austria.

Investors wishing to submit subscription applications via the Subscription Functionality need to submit those subscription applications for the Notes via their respective custodian bank during the offer period. This assumes that the custodian bank (i) is admitted as a trading participant at the Frankfurt Stock Exchange or has access to the trade through an admitted trading participant of the Frankfurt Stock Exchange, (ii) is connected to XETRA and (iii) is entitled to use the Subscription Functionality based on the terms of business for the use of the Subscription Functionality (the “**Trading Participant**”). If the Notes offered are over-subscribed, the Subscription Functionality may cease to be available as described above and trading with respect to the Notes (when-issued trading) is envisaged on the open market (*Freiverkehr*) (Quotation Board) of the Frankfurt Stock Exchange until the business day immediately preceding the Issue Date.

Upon the investor’s request, the Trading Participant submits a subscription application on behalf of the investor via the Subscription Functionality. The Paying Agent as financial intermediary (*Finanzkommissionär*) may accept the subscription applications and informs the Issuer of the subscription applications received. The Issuer and/or the Lead Manager are entitled to curtail subscription applications or reject individual subscriptions.

Confirmation in relation to an order and allotments as well as delivery of the Notes

Following confirmation which orders have been accepted and which amounts have been allotted to particular investors, delivery and payment of the Notes will be made on or about October 31, 2012. The Notes will be delivered via book-entry through the Clearing System and its account holding banks against payment of the Issue Price.

Charges and costs relating to the Offer

The Issuer will not charge any costs, expenses or taxes directly to any investor to participate in the offer of the Notes. Investors must inform themselves about any costs, expenses or taxes in connection with the purchase of Notes which are generally applicable in their respective country of residence, including any charges of their own depository banks in connection with the purchase or holding of securities.

Method of determination of the rate of interest

The Issuer determined the rate of interest in its reasonable discretion.

Listing and Admission to Trading

Application has been made to admit the Notes to trading on the regulated market of the Frankfurt Stock Exchange, a market appearing on the list of regulated markets issued by the European Commission pursuant to Directive 2004/39/EC of April 21, 2004 on markets in financial instruments, and to be listed in the Prime Standard for corporate bonds segment of Deutsche Börse AG.

Selling Restrictions

General

In addition to the specific restrictions set out below, the Lead Manager has agreed that it will observe all applicable provisions of law in each jurisdiction in or from which it may offer Notes or distribute any offering material.

European Economic Area

In relation to each Member State of the European Economic Area (including the European Union plus Iceland, Norway and Liechtenstein) which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), the Lead Manager has represented 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, Germany and Austria from the time the Prospectus has been approved by the competent authority in Luxembourg and published and notified to the relevant competent authorit(y)(ies) in accordance with the Prospectus Directive until the Issue Date, and provided that the Issuer has consented in writing to 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) to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus

Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the Lead Manager nominated by the Issuer for any such offer; or

- (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes shall require the Issuer or the Lead Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “**offer of Notes to the public**” in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression “**Prospectus Directive**” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression “**2010 PD Amending Directive**” means Directive 2010/73/EU.

United Kingdom of Great Britain and Northern Ireland (“United Kingdom”)

The Lead Manager has represented and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the Financial Services and Markets Act 2000, as amended (“**FSMA**”) does not apply to the Issuer or the Guarantors; 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.

Switzerland

Notes issued under the Prospectus may not be offered or sold to any investors in or from Switzerland other than by private placement. This Prospectus does not constitute a prospectus within the meaning of Article 652a or Article 1156 of the Swiss Code of Obligations, and neither this offering nor the Notes have been or will be approved by any Swiss regulatory authority.

United States of America and its Territories

The Notes and the Guarantees have not been and will not be registered under the Securities Act and the Notes may not be offered, or sold within the United States of America or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S under the Securities Act. The Lead Manager has represented and agreed that it has offered and sold the Notes, and will offer and sell the Notes (i) as part of its distribution at any time and (ii) otherwise until 40 days after the completion of the distribution of all the Notes only in accordance with Rule 903 of Regulation S under the Securities Act. Neither the Lead Manager, 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, and it and they have complied and will comply with the offering restrictions requirements of Regulation S under the Securities Act. The Lead Manager has also agreed that at or prior to confirmation of sale of Notes, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from it during the restricted period a confirmation or notice to substantially the following effect:

“The securities covered hereby have not been registered under the U.S. Securities Act of 1933, as amended (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 (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Notes as determined and certified by the Lead Manager, except in either case in accordance with Regulation S under the 102 Securities Act. Terms used above have the meaning given to them in Regulation S under the Securities Act”.

Terms used in the preceding paragraphs have the meaning given to them by Regulation S under the Securities Act.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. In addition, until 40 days after the commencement of the offering of the Notes, an offer or sale of Notes within the United States by a dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

In addition, the Lead Manager has represented and agreed that:

- (a) except to the extent permitted under United States Treasury Regulation Section 1.163-5 (c)(2)(i)(D) (the “**TEFRA D Rules**”), (i) it has not offered or sold, and during the restricted period will not offer or sell, directly or indirectly, Notes in bearer form to a person who is within the United States or its possessions or to a United States person, and (ii) it has not delivered and will not deliver, directly or indirectly, within the United States or its possessions definitive Notes in bearer form that are sold during the restriction period;
- (b) it has and throughout the restricted period will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Notes in bearer form are aware that such Notes may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United State person, except as permitted by the TEFRA D Rules;
- (c) if it was considered a United States person, that is acquiring the Notes for purposes of resale in connection with their original issuance and agrees that if it retains Notes in bearer form for its own account, it will only do so in accordance with the requirements of the TEFRA D Rules; and
- (d) with respect to each affiliate that acquires from it Notes in bearer form for the purpose of offering or selling such Notes during the restricted period that it will either (i) repeat and confirm the representations and agreements contained in sub-clauses (a), (b) and (c); or (ii) obtain from such affiliate for the benefit of the Issuer the representations and agreements contained in subclauses (a), (b) and (c).

Terms used in the preceding paragraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder, including the TEFRA D Rules.

GENERAL INFORMATION

Authorisation

The creation and issue of the Notes has been authorised by resolutions of the Board of Directors of the Issuer dated August 14, 2012. The issue of the Guarantee of SAF-HOLLAND GmbH with respect to the Notes has been authorised by a resolution of the shareholders' meeting of SAF-HOLLAND GmbH dated October 15, 2012. The issue of the Guarantee of SAF-HOLLAND USA, Inc. with respect to the Notes has been authorised by joint resolutions of the shareholders' and the board of directors of SAF-HOLLAND USA, Inc. dated October 16, 2012.

Clearance and Settlement

The Notes have been accepted for clearance by Clearstream Banking AG, Mergenthalerallee 61, 65760 Eschborn. The Notes have been assigned the following securities codes: ISIN DE000A1HA979, WKN A1HA97.

Yield

The yield of the Notes is 7.000% per annum.

Expenses

The total expenses of the issue of the Notes are expected to amount to approximately €500,000.

Significant change in the financial or trading position

There has been no significant change in the financial or trading position of the Issuer and each of the Guarantors since June 30, 2012.

Trend Information

There has been no material adverse change in the prospects of the Issuer and each of the Guarantors since December 31, 2011.

INCORPORATION BY REFERENCE

The following documents are incorporated by reference into this Prospectus:

- (1) The English language audited consolidated financial statements of SAF-HOLLAND S.A. for the financial year ended on December 31, 2010 consisting of
 - Consolidated Statement of Comprehensive Income (page 60 in the Annual Report 2010),
 - Consolidated Balance Sheet (page 61 in the Annual Report 2010),
 - Consolidated Statement of Changes in Equity (page 62 in the Annual Report 2010),
 - Consolidated Cash Flow Statement (page 63 in the Annual Report 2010),
 - Notes to the Consolidated Financial Statements (page 64 - 127 in the Annual Report 2010),Independent Auditor's Report (page 130 - 131 in the Annual Report 2010).
- (2) The English language audited consolidated financial statements of SAF-HOLLAND S.A. for the financial year ended on December 31, 2011 consisting of
 - Consolidated Statement of Comprehensive Income (page 92 in the Annual Report 2011),
 - Consolidated Balance Sheet (page 93 in the Annual Report 2011),
 - Consolidated Statement of Changes in Equity (page 94 in the Annual Report 2011),
 - Consolidated Cash Flow Statement (page 95 in the Annual Report 2011),
 - Notes to the Consolidated Financial Statements (page 96 - 159 in the Annual Report 2011),Independent Auditor's Report (page 162 - 163 in the Annual Report 2011).
- (3) The English language unaudited consolidated interim financial statements of SAF-HOLLAND S.A. for the half-year period ended on June 30, 2011 consisting of
 - Consolidated Statement of Comprehensive Income (page 18 in the Half-Year Report 2011),
 - Consolidated Balance Sheet (page 19 in the Half-Year Report 2011),
 - Consolidated Statement of Changes in Equity (page 20 in the Half-Year Report 2011),
 - Consolidated Cash Flow Statement (page 21 in the Half-Year Report 2011),
 - Notes to the Consolidated Interim Financial Statements (pages 22 - 31 in the Half-Year Report 2011).
- (4) The English language unaudited consolidated interim financial statements of SAF-HOLLAND S.A. for the half-year period ended on June 30, 2012 consisting of
 - Consolidated Statement of Comprehensive Income (page 20 in the Half-Year Report 2012),
 - Consolidated Balance Sheet (page 21 in the Half-Year Report 2012),
 - Consolidated Statement of Changes in Equity (page 22 in the Half-Year Report 2012),
 - Consolidated Cash Flow Statement (page 23 in the Half-Year Report 2012),
 - Notes to the Consolidated Interim Financial Statements (page 24 - 31 in the Half-Year Report 2012).

Any information not listed in the reference list above but included in the documents mentioned as source is not incorporated by reference in, and does not form part of, this Prospectus and, is either not relevant for investors or is covered elsewhere in this Prospectus.

Documents on Display

For so long as any Note is outstanding, copies of the following documents may be inspected during normal business hours at the specified office of the Paying Agent:

- (a) the articles of association of the Issuer;
- (b) the articles of association of SAF-HOLLAND GmbH as Guarantor;
- (c) the by-laws of SAF-HOLLAND USA, Inc. as Guarantor;
- (d) the Guarantees;
- (e) the Prospectus;
- (f) documents incorporated by reference into the Prospectus.

GLOSSARY

Air Suspension	A form of vehicle suspension incorporating an air spring or air bellows and shock absorber as the primary ride control and damping device.
Axle System	Fully integrated axle systems that combine air or mechanical leaf suspensions with axles and brakes in a single, preassembled unit.
End User	As it relates to the Group's industry, operators of trucks and trailers, who are in the business of transporting a variety of freight via road transport. These end users can vary in size from a single owner-operator to large fleets of over 10,000 trucks and trailers.
Established Markets	Established markets refer to countries with a high level of development and industrialisation. Usually these countries are characterised with a dominant tertiary and quaternary sectors of industry (service sector and knowledge-based service sector). The Company considers the North-American and European markets, to which it predominantly sells its systems and components, to be its most important established markets.
Fifth Wheel	Rounded coupling devices used to connect the towing truck (tractor) and a semi-trailer, so called because of their semi-wheel shape.
First-fit market	The first-fit market refers to truck and trailer components and systems, which are integrated within the process of the construction of new trucks and trailers. In contrast, systems and components which are used as spare parts for used trucks and trailers, belong to the aftermarket.
Installed Base	Installed base is a measure of the number of units of a particular type of system or product actually in use, as opposed to market share, which only reflects sales over a particular period.
Kingpin	Coupling devices in the form of a pin incorporated on a semi-trailer connecting such semi-trailer to the towing truck (tractor) by means of a fifth wheel.
Landing Gears	Retractable legs for supporting the front of a semi-trailer when it is not coupled to a towing truck (tractor).
Liftgate	Mechanical elevating platform attached to the end of a trailer or truck used for loading and unloading.
Major Global Market	The regional markets which represent the most significant portion of SAF-HOLLAND Group current operations and growth potential, namely Europe, North America, and the fast-growing markets of Brazil, Russia, India and China, all of which, taken together, represent more than 90% of the global market for trucks according to L.E.K. data.
Mechanical Leaf Suspension	A form of vehicle suspension incorporating a steel leaf spring as the primary ride control and damping device.
Original Equipment Manufacturer (OEM)	A company that purchases systems and components produced by systems suppliers for integration by OEMs into the relevant heavy goods vehicle during its original manufacturing process.
Original Equipment Service (OES)	The aftermarket parts distribution programme of an OEM.
Performance Warranty	An enhanced warranty where the performance of the product for the specified time frame or mileage is guaranteed without the need for rebuild or replacement of any component for wear-out.
Pintle Hook	A coupling device that utilises a fixed towing horn to attach to the trailer drawbar on the tongue of a trailer.
Powered Vehicle Suspension	Suspension systems that can accommodate drive axles (axles driven by the engine) and steer axles (axles that accommodate wheels that steer), available in two basic varieties—air suspensions and mechanical leaf suspensions.

Suspensions

Suspension systems available with either air or mechanical leaf suspensions.

Tag Axle

Retractable axles fitted behind the rear-most fixed axle of a truck or trailer, which may be lowered for use as extra support when the vehicle is fully loaded.

Van Trailer

A fully-enclosed standard trailer used extensively in North America in which the van body of the trailer and the chassis are constructed as a single unit.

NAMES AND ADDRESSES

ISSUER

SAF-HOLLAND S.A.
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LEAD MANAGER

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Grand Duchy of Luxembourg