

## BASE PROSPECTUS

### N.V. NEDERLANDSE GASUNIE

(incorporated with limited liability in The Netherlands and having its corporate seat in Groningen, The Netherlands)

€ 5,000,000,000

### Euro Medium Term Note Programme

### Due up to 50 years from the date of Issue

Under this Euro 5,000,000,000 Euro Medium Term Note Programme (the "**Programme**"), N.V. Nederlandse Gasunie ("**Gasunie**" or the "**Issuer**") may from time to time issue notes (the "**Notes**") denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below).

The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed Euro 5,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement described herein), subject to increase as described herein.

The Notes may be issued on a continuing basis to one or more of the Dealers specified under "*Summary*" and any additional Dealer appointed under the Programme from time to time by the Issuer (each a "**Dealer**" and together the "**Dealers**"), which appointment may be for a specific issue or on an ongoing basis. References in this Prospectus to the **relevant Dealer** shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe such Notes.

**An investment in Notes issued under the Programme involves certain risks.** For a discussion of these risks see "*Risk Factors*".

The Authority for the Financial Markets (*Autoriteit Financiële Markten*, the "**AFM**"), in its capacity as competent authority under the Financial Supervision Act (*Wet op het financieel toezicht*, the "**Wft**"), has approved this Prospectus pursuant to Article 5:2 of the Wft. Application has been made to Euronext Amsterdam N.V. ("**Euronext Amsterdam**") to allow Notes issued under the Programme, during the period of 12 months from the date of this Prospectus, to be admitted to trading and to be listed on Euronext Amsterdam by NYSE Euronext.

References in this Prospectus to Notes being **listed** (and all related references) shall mean that such Notes have been admitted to trading and listing on Euronext Amsterdam by NYSE Euronext. Euronext Amsterdam by NYSE Euronext is a regulated market for the purposes of Directive 93/22/EEC (the Investment Services Directive) and for the purposes of Directive 2004/39/EC (the **Markets in Financial Instruments Directive**).

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche (as defined under "*Terms and Conditions of the Notes*") of Notes will be set out in a final terms supplement (the **Final Terms**) which will be provided to investors and filed with the competent authority on or before the date of issue of the Notes of such Tranche.

The Programme provides that Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchanges, automated trading systems, over the counter or other securities markets as may be agreed between the Issuer and the relevant Dealer. The Issuer may also issue unlisted Notes and/or Notes not admitted to trading on any market.

The Issuer may agree with any Dealer that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes herein, in which event a supplemental Prospectus, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes.

**Arranger**

THE ROYAL BANK OF SCOTLAND

**Dealers**

ABN AMRO BANK

BARCLAYS CAPITAL

BNP PARIBAS

CREDIT SUISSE

DEUTSCHE BANK

ING COMMERCIAL BANKING

J.P. MORGAN

THE ROYAL BANK OF SCOTLAND

UBS INVESTMENT BANK

The date of this Prospectus is 18 October 2010.

## **Important Notice**

**This Prospectus comprises a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC (the Prospectus Directive).**

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

**This Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see "*Documents Incorporated by Reference*"). This Prospectus shall be read and construed on the basis that such documents are incorporated and form part of this Prospectus.**

**The Dealers have not independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers as to the accuracy or completeness of the information contained or incorporated in this Prospectus or any other information provided by the Issuer in connection with the Programme. No Dealer accepts any liability in relation to the information contained or incorporated by reference in this Prospectus or any other information provided by the Issuer in connection with the Programme.**

**No person is or has been authorised by the Issuer to give any information or to make any representation not contained in or not consistent with this Prospectus or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Dealers.**

**Neither this Prospectus nor any other information supplied in connection with the Programme or any Notes should be considered as a recommendation by the Issuer or any of the Dealers that any recipient of this Prospectus or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer.**

**Neither this Prospectus nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuer or any of the Dealers to any person to subscribe for or to purchase any Notes.**

**Neither the delivery of this Prospectus nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme or to advise any investor in the Notes of any information coming to their attention. Investors should review, *inter alia*, the most recently published documents incorporated by reference into this Prospectus when deciding whether or not to purchase any Notes.**

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

**This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer and the Dealers do not represent that this Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or the Dealers which would permit a public offering (unless expressly indicated otherwise) of any Notes or distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus or any Notes may come must inform themselves about, and observe any such restrictions on the distribution of this Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Prospectus and the offer or sale of Notes in the United States, the European Economic Area (including The Netherlands, the United Kingdom, Italy and France) and Japan, see "*Subscription and Sale*".**

**In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or person(s) acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.**

**All references in this document to *Euro* and € refer to euros, all references in this document to *U.S. dollars*, *U.S.\$* and \$ refer to United States dollars and all references in this document to *Sterling* and £ refer to pounds sterling.**

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## SUMMARY

**This summary must be read as an introduction to this Prospectus and any decision to invest in any Notes should be based on a consideration of this Prospectus as a whole, including the documents incorporated by reference. Following the implementation of the relevant provisions of the Prospectus Directive in each Member State of the European Economic Area no civil liability will attach to the Responsible Persons in any such Member State in respect of this Summary, including any translation hereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus. Where a claim relating to information contained in this Prospectus is brought before a court in a Member State of the European Economic Area (or any other state), the plaintiff may, under the national legislation of the Member State (or other state) where the claim is brought, be required to bear the costs of translating the Prospectus before the legal proceedings are initiated.**

Words and expressions defined in "*Terms and Conditions of the Notes*" shall have the same meanings in this summary.

Issuer: N.V. Nederlandse Gasunie

Description Issuer: N.V. Nederlandse Gasunie ("**Gasunie**", which term includes, where the context permits, Gasunie's subsidiaries) is one of Europe's largest gas transmission companies (Transmission System Operator, "**TSO**") by volumes transported. Gasunie is the wholly state-owned holding company of the high pressure gas transmission system operator in The Netherlands, Gas Transport Services B.V. ("**GTS**"). Gasunie, through its wholly owned subsidiary Gasunie Deutschland GmbH & Co. KG ("**GUD**"), is also the owner of a gas transport network in the north of Germany.

Gasunie plays a strategically important role in the Northwest European energy policy and security of supply, as its network allows Dutch gas to be transported from the large Groningen field and the small onshore and offshore fields in the Netherlands to large export markets such as Germany, and also facilitates the import of gas from Norway and Russia.

Risk Factors: There are certain factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme. These are set out under "*Risk Factors*" below and include the Issuer's strong dependence on the relevant laws and regulations, including authorisations and licences. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme, as well as factors which are material for the purpose of assessing market risks associated with Notes generally, see "*Risk Factors*".

Description: Euro Medium Term Note Programme

Arranger: The Royal Bank of Scotland plc

Dealers:	<p> ABN AMRO Bank N.V  Barclays Bank PLC  BNP Paribas  Credit Suisse Securities (Europe) Limited  Deutsche Bank AG, London Branch  ING Bank N.V.  J.P. Morgan Securities Ltd  The Royal Bank of Scotland plc  UBS Limited </p> <p>and any other Dealers appointed in accordance with the Programme Agreement.</p>
Certain Restrictions:	<p>There are restrictions on the offer, sale and transfer of the Notes in the United States, the European Economic Area, Japan and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes</p>
Agent:	<p>Deutsche Bank AG, London Branch</p>
Paying Agent:	<p>Deutsche Bank AG, Amsterdam Branch</p>
Currencies:	<p>Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in euros, U.S. dollars, Sterling, Swiss francs, Japanese yen or in such other currency or currencies as the Issuer and the relevant Dealer(s) may agree.</p>
Size:	<p>Up to Euro 5,000,000,000 (or the equivalent in other currencies at the date of issue) in aggregate principal amount of Notes outstanding at any one time.</p>
Maturities:	<p>Subject to compliance with all relevant laws, regulations and directives, Notes will have maturities of up to 50 years from the date of issue.</p>
Issue Price:	<p>Notes may be issued at their nominal amount or at a discount or premium to their nominal amount. Partly-paid Notes may be issued, the Issue Price of which will be payable in two or more instalments.</p>
Method of Issue:	<p>Notes may be issued by way of private or public placement and in each case on a syndicated or non-syndicated basis. The Notes will be issued in one or more Series (which may be issued on the same date or which may be issued in more than one Tranche on different dates), maturing on the same date, bearing interest (if any) on the same basis and otherwise on identical terms. The Notes with respect to each Series may be issued in Tranches on a continuous basis with no minimum issue size. Further Notes may be issued as part of an existing Series.</p>

Fixed Interest Rate Notes:	Fixed interest will be payable in arrear on the date or dates in each year specified in the relevant Final Terms and at maturity.
Floating Rate Notes:	<p>Floating Rate Notes will bear interest set separately for each Series as follows:</p> <ul style="list-style-type: none"> <li>(i) on the same basis as the floating rate under a national interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as amended and supplemented) published by the International Swaps and Derivatives Association, Inc. or</li> <li>(ii) by reference to EURIBOR, LIBOR, LIBID or LIMEAN (or such other benchmark as may be specified in the relevant Final Terms) as adjusted for any applicable margin.</li> </ul>
Zero Coupon Notes:	Zero Coupon Notes may be issued at their nominal amount or at a discount and will not bear interest.
Dual Currency Notes:	Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange, as may be specified in the relevant Final Terms.
Index Linked Notes and other variable linked Notes (including Inflation Linked Notes) ( <b>Linked Notes</b> ):	Payments of principal in respect of Linked Redemption Notes or of interest in respect of Linked Interest Notes will be calculated by reference to such index and/or formula as may be specified in the relevant Final Terms.
Interest Periods and Interest Rates:	Interest periods will be specified in the relevant Final Terms. The length of the Interest Periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate or both. All such information will be set out in the relevant Final Terms.
Redemption:	The applicable Final Terms will specify the basis for calculating the redemption amounts payable, which may be by reference to an index or formula or as otherwise provided in the relevant Final Terms.
Other Notes:	Terms applicable to Instalment Notes, Partly-paid Notes and any other type of Note which the Issuer and any Dealer or Dealers may agree to issue under the Programme will be set out in the relevant Final Terms.
Form of Notes:	Each Tranche will be represented by a permanent Global Note, or initially be represented by a temporary Global Note, which in each case will be deposited on its date of issue either (i) with a common depositary on behalf of Euroclear and Clearstream, Luxembourg and/or any other agreed

clearing system or (ii) with Euroclear Netherlands. No interest will be payable in respect of a temporary Global Note, except as described under "*Summary of Provisions Relating to the Notes while in Global Form*". Interests in a temporary Global Note will be exchangeable for interests in a permanent Global Note after the date falling 40 days after the issue date of the relevant Tranche upon certification as to non-U.S. beneficial ownership. Interests in a permanent Global Note will be exchangeable for definitive Notes in bearer form as described under "*Summary of Provisions Relating to the Notes while in Global Form*".

Denomination:	Notes will be issued in such Denominations as may be specified in the relevant Final Terms, save that the minimum Denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant specified currency. Any Note with a Maturity of less than 12 months will have a denomination of at least EUR 50,000.
Optional Redemption:	The Final Terms issued in respect of each issue of Notes will state whether such Notes may be redeemed prior to their stated maturity at the option of the Issuer (either in whole or in part) and/or the holders and, if so, the terms applicable to such redemption.
Early Redemption:	Except as provided in " <i>Optional Redemption</i> " above, Notes will be redeemable at the option of the Issuer prior to maturity only for tax reasons.
Redemption by Instalments:	The Final Terms issued in respect of each issue of Notes which are redeemable in two or more instalments will set out the dates on which, and the amounts in which, such Notes may be redeemed.
Listing:	Euronext Amsterdam or as otherwise specified in the relevant Final Terms. As specified in the relevant Final Terms, a Series of Notes may be unlisted.
Status of Notes:	The Notes will constitute direct, unconditional and unsecured obligations of the Issuer, as more fully described in " <i>Terms and Conditions of the Notes</i> ".
Negative Pledge:	As described in " <i>Terms and Conditions of the Notes</i> ".
Withholding Tax:	All payments of principal and interest in respect of the Notes will be made free and clear of withholding taxes of The Netherlands (provided that certain requirements are met, see also " <i>Dutch Taxation</i> "), subject to customary exceptions, as more fully described in " <i>Terms and Conditions of the Notes</i> ".
Governing Law:	Dutch law.

## RISK FACTORS

*The following risk factors constitute all risks known by the Issuer and which could have a material adverse effect on the Issuer's financial position, liquidity, business, and operating results, could adversely affect the Issuer's revenues and profitability, and may result in an inability to pay interest, principal and/or other amounts on or in connection with Notes issued under the Programme. In addition, certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.*

*The Issuer notes that whilst the factors described below represent all known material risks inherent in investing in Notes issued under the Programme, the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons and to this extent the Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making any investment decision.*

*The Issuer's business is subject to various risks relating to changing competitive, economic, political, regulatory, legal, social, industrial, business and financial conditions. These conditions are described below and discussed in greater detail in the paragraph "Description of the Issuer".*

### **Factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme**

#### ***Regulatory and legislative risks***

Gasunie's results of operations, financial condition and cash flows depend, in large part, upon governmental regulations and European legislation. National regulatory authorities (the "NRA's") have been appointed by their respective governments to monitor compliance with the Dutch Gas Act of 22 June 2000 (*Gaswet*; the "Gas Act") and the German Energy law of 7 July 2005 (*Energiewirtschaftsgesetz*, the "EnWG") and associated regulations. In the Netherlands and in Germany, tariffs on gas transport and related services are regulated and therefore set, respectively approved, by the NRA.

In the Netherlands the NRA is the Office of Energy Regulation (the "Energiekamer"), a directorate of the Dutch Competition Authority (*Nederlandse Mededingingsautoriteit*, the "NMa"). In Germany the NRA is the Federal Network Agency (*BundesNetzAgentur*, the "BNetzA"). The BNetzA is a federal authority under the German Federal Ministry of Economics and Technology

Key risks for Gasunie relate to permitted tariffs for gas transport and related services. Changes in the value of the parameters of the relevant regulatory variables or in the regulatory methodology used will impact the tariff levels of Gasunie and therefore will impact its cash flows, results of operations and financial position.

As for the Netherlands, on Tuesday 29 June 2010, the Dutch Trade and Industry Appeals Tribunal (*College van Beroep voor het bedrijfsleven*, "CBb") annulled three so-called method decisions, dated 16 December 2008. These method decisions form the basis for the tariff regulation of GTS, as operator of the national gas transport network. They include the parameters for the mandatory determination of an efficiency factor by the NMa. The method decisions which the CBb has annulled related to the period from 2009 to 2012 inclusive.

Furthermore, the CBb has ruled that the NMa is obliged to take a new method decision and determine a new efficiency factor on the basis thereof for the period of 2006-2008, following the earlier annulment by the CBb (in a judgement dated 30 November 2006) of the previous method decision and efficiency factor for that period. The NMa had failed to take new decisions, which the CBb judged to be unlawful, as this implied that no efficiency factor had been applied to GTS's tariffs over the years 2006, 2007 and

2008. The revised decisions may show that the tariffs which have been charged over the period prior to the revision have been too high. According to the CBB the NMa should adjust future tariffs to take into account the efficiency factor over the period 2006-2008.

The annulment of the method decisions, as well as CBB's judgement that a new method decision must be taken for the period of 2006-2008, have led to increased uncertainty regarding the extent of future cash flows. It is currently unclear when and at what level the NMa will adopt revised regulatory parameters which determine the allowed revenue of GTS and hence its tariffs over the periods of 2006-2008 and 2009-2012.

If the outcome of the new method decisions is that tariffs which GTS may charge in the future are lower than as foreseen prior to the annulment of the method decisions, then this will result in a negative impact on the future cash flows, revenues, operating results, profitability and financial condition of Gasunie.

Another regulatory decision expected to be taken in 2010 that could materially impact Gasunie's cash flow, results of operations and financial position is the BNetzA's final decision on GUD's efficiency compared to the industry-wide benchmark of supra regional transmission system operators. If GUD is judged to be inefficient in comparison to the benchmark then its revenues will decline which would effect GUD's cash flows, results of operations and financial condition.

On the basis of the information that is currently available and taking into account the major uncertainties, Gasunie's management has concluded that as at 30 June 2010 the recoverable amount of its assets exceeds the book value. Developments in relation to tariffs in the Netherlands and Germany continue to give reason to examine a possible impairment in respect of those assets and goodwill. There is a significant probability that an impairment may be necessary in the future. In the event that, at any time, an impairment is necessary then this shall have a negative effect on Gasunie's operating result, profitability and financial situation.

The energy market is and will in the following years remain subject to various political and regulatory changes and discussions on both the national and European levels. More details on the regulatory environment and developments can be found in the "*Description of the Issuer*".

### ***Dependence on key customers***

GasTerra B.V.'s ("**GasTerra**") bookings are responsible for a significant part of Gasunie's total revenues. This credit risk is mitigated however, both through GasTerra's owners and the structure of the market. GasTerra's owners are Shell, ExxonMobil, Energiebeheer Nederland and the Dutch State. All these companies are highly rated, limiting the credit risk of GasTerra. In addition, GasTerra has the exclusive concession by the Dutch State to buy and sell all the Dutch gas under government control. Furthermore, GasTerra, like all shippers, is dependent on Gasunie to provide the gas transport as Gasunie is the only gas TSO in the Netherlands. Therefore, even if GasTerra for whatever reason ceases to be a customer then its contracted transport capacity will surely be taken over by its successor(s) as long as end-user demand for gas remains.

### ***Operational risk factors***

Disruptions of gas transmission or transportation, infrastructure or other constraints or inefficiencies may have a direct effect on Gasunie. Gasunie is furthermore dependent on the financial position of market participants, and to a lesser extent on weather conditions and seasonality. Any disruption and/or outages of Gasunie's or any related transport systems and/or infrastructure, whether due to defaults of any party or due to natural disasters or attacks or otherwise, may adversely affect Gasunie's ability to fulfil its obligations towards its customers and may, apart from loss of business, also result in Gasunie

being held liable to provide its customers or any other affected parties with financial compensation of any kind, although these liabilities towards customers are limited in the applicable service contracts.

### ***Risks related to substantial projects***

For the preservation and further expansion of Gasunie's market position it is important that Gasunie successfully completes substantial projects and substantial investments. Besides completion risks, unexpected risks or liabilities may exist, which have not been or may not be identified in a due diligence investigation. One of the main risks related to large infrastructural projects is the long and often laborious procedures to obtain the necessary licenses and permits. This could lead to delays and even cancellation of projects. Furthermore, budget overruns on projects can lead to the regulator judging the investment to be inefficient and this may lead to an unprofitable investment. Such risks may have a material adverse effect on the business operations, the results and the financial position of Gasunie.

### ***(Re-)financing risks***

Gasunie's ongoing major investment projects have generated large borrowing requirements in the recent past and Gasunie will continue to increase its debt in the nearby future. Volatility and temporary closing of capital markets may hinder Gasunie in securing timely financing of major projects and/or refinancing existing debt at reasonable costs. It must be said that in the midst of the financial crisis in October 2008 the capital markets remained open for Gasunie.

### ***Credit risks***

Gasunie's investment programmes are always based on binding long term commitments from market parties. The current economic crisis leads to uncertainty about whether market players are now capable of meeting these commitments. This could affect the speed with which Gasunie can achieve its strategic goals. Additional measures are taken to limit the credit risk. GTS and GUD tighten their screening procedures for customers, and a monitoring programme is used to keep tabs on the financial situation of companies supplying critical materials and services.

### ***Risks related to a fall in the demand for gas.***

The current economic crisis is not only likely to drive up the costs and complexity of Gasunie's financing policy but may also lead to a (temporary) decline in demand for gas and gas transport. This is due to the fact that industries face lower demand and therefore will have a lower production. However, medium and long-term market analyses, such as our own market questionnaire for future capacity demand (also known as an 'Open Season') show that the market is in need for a substantial additional demand for transportation of natural gas.

### ***Dependence on licences and authorisations***

Gasunie's subsidiaries are dependent on licences, authorisations, exemptions and/or dispensations in order to operate their business. These licences, authorisations, exemptions and/or dispensations may be subject to amendments and/or additional conditions being imposed on Gasunie. The imposing of additional conditions and/or revoking of licences etc. may cause operational problems and delays in ongoing projects and operations.

### ***Environmental risks and contingencies***

Gasunie's operations may be potentially hazardous and may be subject to the risk of liability arising from environmental damages or pollution. Personal and external safety, health and environment are focal points in Gasunie's policies. Gasunie has an established environmental policy in order to meet all applicable environmental standards. A disruption in the gas infrastructure may lead to contingencies and

may affect the public attitude towards Gasunie and the gas infrastructure in general, causing limitations on the further development of the gas infrastructure.

### ***Gasunie Pension Fund.***

Gasunie is one of the sponsors of Stichting Pensioenfonds Gasunie ("**Pension Fund**"). This a medium-sized corporate pension fund with a Final-pay Defined Benefit plan. The Pension Fund has various participants, like active members, deferred members and retirees. These participants are all current and former employees of NV Nederlandse Gasunie and GasTerra BV. Employees of GUD do not draw benefits from the Pension Fund.

The Pension Fund's liabilities amounted to EUR 791,400,000 on 31 December 2009. The cover ratio expresses the Pension Fund's assets as a percentage of its future liabilities. On 30 June 2010, the cover ratio was 105,6%. Because of the recent decrease in long-term interest rates, which are used to discount future liabilities, the Pension Fund recently has become underfunded. Under the terms of the Dutch Pension Act (*Pensioenwet*), a pension fund is considered to be 'underfunded' if its cover ratio is less than approximately 105%. If at 31 December 2010 the Pension Fund is still underfunded. Gasunie has committed itself to submit additional payments to the Pension Fund such that the cover ratio exceeds the 105% mark within a period of 3 years. The magnitude of these additional contribution payments are determined on an annual basis and will obviously depend on future financial market developments.

### **Factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme**

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

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

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency or where the issue price is payable in more than one instalment;
- (iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex

financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

### ***Risks related to the structure of a particular issue of Notes***

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features:

#### *Notes subject to optional redemption by the Issuer*

An optional redemption feature of Notes is likely to limit their market value. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

#### *Index Linked Notes and Dual Currency Notes*

The Issuer may issue Notes with principal or interest determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or other factors (each, a **Relevant Factor**). In addition, the Issuer may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

- (i) the market price of such Notes may be volatile;
- (ii) they may receive no interest;
- (iii) payment of principal or interest may occur at a different time or in a different currency than expected;
- (iv) they may lose all or a substantial portion of their principal;
- (v) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- (vi) if a Relevant Factor is applied to Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable likely will be magnified; and
- (vii) the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

### *Partly-paid Notes*

The Issuer may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of his investment.

### *Variable rate Notes with a multiplier or other leverage factor*

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

### *Inverse Floating Rate Notes*

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as EURIBOR. The market values of those Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

### *Fixed/Floating Rate Notes*

Fixed/Floating Rate Notes may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate or from a floating rate to a fixed rate. The Issuer's ability to convert the interest rate will affect the secondary market and the market value of the Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Notes.

### *Notes issued at a substantial discount or premium*

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

### ***Risks related to Notes generally***

Set out below is a brief description of certain risks relating to the Notes generally:

#### *Modification*

The conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

If, following EC Council Directive 2003/48/EC, a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of tax were to be withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such

withholding tax. If a withholding tax is imposed on payment made by a Paying Agent following implementation of this Directive, the Issuer will be required to maintain a Paying Agent in a Member State that will not be obliged to withhold or deduct tax pursuant to the Directive.

#### *Change of law*

The conditions of the Notes are based on Dutch law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to Dutch law or administrative practice after the date of this Prospectus.

#### *Notes where denominations involve integral multiples: definitive Notes*

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to a Specified Denomination.

If definitive Notes are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

#### ***Risks related to the investment market generally***

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

#### *The secondary market generally*

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes.

#### *Exchange rate risks and exchange controls*

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes.

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

*Interest rate risks*

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes.

*Credit ratings may not reflect all risks*

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

***Legal investment considerations may restrict certain investments***

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

## **RESPONSIBILITY STATEMENT**

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

## DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published and have been filed with the AFM shall be incorporated in, and form part of, this Prospectus:

- (a) the N.V. Nederlandse Gasunie Annual Report 2009, pages 47 through 122, containing the publicly available audited financial statements of N.V. Nederlandse Gasunie (including the notes thereto and the auditor's report thereon) in respect of the financial year ended 31 December 2009;
- (b) the N.V. Nederlandse Gasunie Annual Report 2008, pages 62 through 143, containing the publicly available audited financial statements of N.V. Nederlandse Gasunie (including the notes thereto and the auditor's report thereon) in respect of the financial year ended 31 December 2008;
- (c) the Semi-Annual Report 2010 N.V. Nederlandse Gasunie, pages 6 through 16, containing the financial statements of N.V. Nederlandse Gasunie (including the notes thereto and the auditor's review opinion thereon) in respect of the first half of the financial year 2010;
- (d) the Articles of Association of the Issuer.

Following the publication of this Prospectus, a supplement may be prepared by the Issuer and approved by the AFM in accordance with Article 5:23 of the Wft. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Prospectus or in a document which is incorporated by reference in this Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus.

Copies of documents incorporated by reference in this Prospectus can be obtained electronically, free of charge, by downloading the documents from [www.gasunie.nl/EMTN](http://www.gasunie.nl/EMTN). Requests for hard copies of these documents can be sent to [ffb@gasunie.nl](mailto:ffb@gasunie.nl).

The Issuer will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Prospectus which is capable of affecting the assessment of any Notes, prepare a supplement to this Prospectus or publish a new Prospectus for use in connection with any subsequent issue of Notes.

**FORM OF FINAL TERMS RE ISSUES WITH A DENOMINATION OF LESS THAN EUR  
50,000**

*Set out below is the form of Final Terms in respect of each Tranche of Notes issued under the Programme with a denomination of less than EUR 50,000. Text in this section appearing in italics does not form part of the form of the Final Terms but denotes directions for completing the Final Terms.*

[Date]

**N.V. Nederlandse Gasunie**

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]**

**under the € 5,000,000,000**

**Euro Medium Term Note Programme**

[The Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that, except as provided in sub-paragraph (ii) below, any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer of the Notes may only do:

- (i) in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer; or
- (ii) in those Public Offer Jurisdictions mentioned in item 35 below, provided such person is one of the persons mentioned in item 35 below and that such offer is made during the Offer Period specified for such purpose therein.

Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances.]<sup>1</sup>

[The Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances.]<sup>2</sup>

**PART A – CONTRACTUAL TERMS**

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Prospectus dated [●] 2010 [and the supplemental Prospectus dated [●] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Prospectus [as so supplemented]. Full information on the Issuer and the offer of the Notes is only available on the basis of

<sup>1</sup> Include this legend where a non-exempt offer of Notes is anticipated.

<sup>2</sup> Include this legend where only an exempt offer of Notes is anticipated.

the combination of these Final Terms and the Prospectus. The Prospectus [and the supplemental Prospectus] [is] [are] available for viewing and copies may be obtained free of charge, from the registered office of the Issuer and from the specified office of the Paying Agent.

*The following alternative language applies if the first tranche of an issue which is being increased was issued under a prospectus with an earlier date.*

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the prospectus dated [*original date*] [and the supplemental prospectus dated [*original date*]]. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**") and must be read in conjunction with the Prospectus dated [*current date*] [and the supplemental Prospectus dated [•]], which [together] constitute[s] a base Prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the Prospectus dated [*original date*] [and the supplemental Prospectus dated [•]] and are attached hereto. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus dated [*current date*] [and the supplemental Prospectus dated [•]]. The Prospectus dated [*current date*] [and the supplemental Prospectus dated [•]] and the Prospectus dated [*original date*] [and the supplemental Prospectus dated [•]] are available for viewing at [•], and copies may be obtained free of charge, from the registered office of the Issuer and from the specified office of the Paying Agent

*[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Final Terms.]*

[When completing any final terms, or adding any other final terms or information, consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.]

- |  |   |
|--|---|
| 1. Issuer:   | N.V. Nederlandse Gasunie  |
| 2. [(i)] Series Number:  | [ ]   |
| [(ii)] Tranche Number:   | [ ]   |
| (If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible).] |   |
| 3. Specified Currency or Currencies:   | [ ]   |
| 4. Aggregate Nominal Amount:   | [ ]   |
| [(i)] Series:  | [ ]   |
| [(ii)] Tranche:  | [ ]   |
| 5. Issue Price:  | [ ] per cent of the Aggregate Nominal Amount plus accrued interest from [ <i>insert date</i> ] ( <i>if applicable</i> ) |
| 6. (a) Specified Denominations:  | [ ]   |
|  | [ ]   |

- (b) Calculation Amount: *(If only one Specified Denomination, insert the Specified Denomination.*
- If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)*
7. [(i)] Issue Date: [ ]
- [(ii)] Interest Commencement Date: [ ]
8. Maturity Date: *[specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]*
9. Interest Basis: [• per cent. Fixed Rate]  
 [[specify reference rate] +/- • per cent. Floating Rate]  
 [Zero Coupon]  
 [Index Linked Interest]  
 [Other (specify)]  
 (further particulars specified below)
10. Redemption/Payment Basis: [Redemption at par]  
 [Index Linked Redemption]  
 [Dual Currency]  
 [Partly Paid]  
 [Instalment (specify Instalment Date(s) and Instalment Amount)]  
 [Other (specify)]
11. Change of Interest or Redemption/Payment Basis: *[Specify details of any provision for convertibility of Notes into another interest or redemption/ payment basis]*
12. Put/Call Options: [Investor Put]  
 [Issuer Call]  
 [(further particulars specified below)]
13. [(i)] Status of the Notes: [Senior/[Dated/Perpetual]/ Subordinated]
- [(ii)] [Date [Board] approval for issuance of Notes obtained: [ ] [and [ ] , respectively]]  
*(N.B Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)]*
14. Method of distribution: [Syndicated/Non-syndicated]

#### **PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

15. **Fixed Rate Note Provisions** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

- (i) Rate[(s)] of Interest: [ ] per cent. Per annum [payable [annually/semi-annually/quarterly/monthly] in arrear]
- (ii) Interest Payment Date(s): [ ] in each year [adjusted in accordance with [specify Business Day Convention and any applicable Business Centre(s) for the definition of "Business Day"/not adjusted]
- (iii) Fixed Coupon Amount[(s)]: [ ] per [ ] Calculation Amount
- (iv) Broken Amount(s): [ ] per Calculation Amount, payable on the Interest payment Date falling [in/on] [ ]
- (v) Day Count Fraction: [30/360 / Actual/Actual ([ICMA] /ISDA) / other]
- (vi) Determination Dates: [ ] in each year (*insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual ([ICMA])*)
- (vii) Other terms relating to the method of calculating interest for Fixed Rate Notes: [Not Applicable/give details]

**16. Floating Rate Note Provisions**

[Applicable/Not Applicable]  
(If not applicable, delete the remaining subparagraphs of this paragraph)

- (i) Interest Period(s): [ ]
- (ii) Specified Interest Payment Dates: [ ]
- (iii) First Interest Payment Dates [ ]
- (iv) Business Day Convention: [Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/ other (*give details*)]
- (v) Business Centre(s): [ ]
- (vi) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination/other (*give details*)]
- (vii) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the [Agent]):

- [ ]
- (viii) Screen Rate Determination:
- Reference Rate: [ ] *(Either LIBOR, EURIBOR or other, although additional information is required if other – including fallback provisions in the Agency Agreement)*
  - Interest Determination Date(s): [ ] *(Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR)*
  - Relevant Screen Page: [ ] *(In the case of EURIBOR, if not EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)*
- (ix) ISDA Determination:
- Floating Rate Option: [ ]
  - Designated Maturity: [ ]
  - Reset Date: [ ]
- (x) Margin(s): [+/-][ ] per cent. Per annum
- (xi) Minimum Rate of Interest: [ ] per cent. Per annum
- (xii) Maximum Rate of Interest: [ ] per cent. Per annum
- (xiii) Day Count Fraction: [ ]
- (xiv) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: [ ]
- (xv) *[Include other information concerning the underlying required by Paragraph 4.7 of Annex V of the Prospectus Directive Regulation]*

**17. Zero Coupon Note Provisions**

[Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*

- (i) [Amortisation/Accrual] Yield: [ ] per cent. Per annum
- (ii) Reference Price: [ ]

- (iii) Any other formula/basis of determining amount payable: [ ]
- 18. Index-Linked Interest Note/other variable-linked interest Note Provisions** [Applicable/Not Applicable]  
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Index/Formula/other variable: [give or annex details]
- (ii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amounts (if not the [Agent]): [ ]
- (iii) Provisions for determining Coupon where calculated by reference to Index and/or Formula and/or other variable: [ ]
- (iv) Determination Date(s): [ ]
- (v) Provisions for determining Coupon where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted: [need to include a description of market disruption or settlement disruption events and adjustment provisions]  
[ ]
- (vi) Interest or calculation period(s): [ ]
- (vii) Specified Interest Payment Dates: [ ]
- (viii) Business Day Convention: [Floating Rate Convention/ Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)]
- (ix) Business Centre(s): [ ]
- (x) Minimum Rate/Amount of Interest: [ ] per cent. Per annum
- (xi) Maximum Rate/Amount of Interest: [ ] per cent. Per annum
- (xii) Day Count Fraction: [ ]
- 19. Dual Currency Note Provisions** [Applicable/Not Applicable]  
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Rate of Exchange/method of calculating Rate of Exchange: [give details]
- (ii) Party, if any, responsible for [ ]

calculating the principal and/ or Calculation Agent, if any, responsible for calculating the principal and/or interest due (if not the [Agent]):

- (iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable:
- (iv) Person at whose option Specified Currency(ies) is/are payable:

## PROVISIONS RELATING TO REDEMPTION

### 20. Call Option:

[Applicable/Not Applicable]

*(If not applicable, delete the remaining subparagraphs of this paragraph)*

- (i) Optional Redemption Date(s):
- (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s):  per Calculation Amount
- (iii) If redeemable in part:
  - (a) Minimum Redemption Amount:  per Calculation Amount
  - (b) Maximum Redemption Amount:  per Calculation Amount
- (iv) Notice period (if other than as set out in the conditions):  *(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)*

### 21. Put Option:

[Applicable/Not Applicable]

*(If not applicable, delete the remaining subparagraphs of this paragraph)*

- (i) Optional Redemption Date(s):
- (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s):  per Calculation Amount
- (iii) Notice period:

### 22. Final Redemption Amount of each Note

per Calculation Amount

In cases where the Final Redemption Amount is Index-Linked or other variable-linked:

- [give or annex details]
- (i) Index/Formula/variable: [ ]
  - (ii) Party responsible for calculating Final Redemption Amount (if not the [Agent]): [ ]
  - (iii) Provisions for determining Final Redemption Amount where calculated by reference to Index and/or Formula and/or other variable: [ ]
  - (iv) Determination Date(s): [ ]
  - (v) Provisions for determining Final Redemption Amount where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted: [ ]
  - (vi) Payment Date: [ ]
  - (vii) Minimum Final Redemption Amount: [ ]
  - (viii) Maximum Final Redemption Amount: [ ] per Calculation Amount
- [ ] per Calculation Amount

### 23. Early Redemption Amount

Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions): [ ]

## GENERAL PROVISIONS APPLICABLE TO THE NOTES

### 24. Form of Notes:

#### **Bearer Notes:**

[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes on [ ] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note]

[Temporary Global Note exchangeable for Definitive Notes on [] days' notice]

[Permanent Global Note exchangeable for Definitive Notes on [] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note]

*(Ensure that this is consistent with the wording in the "Form of the Notes" section in the Prospectus and the Notes themselves.)*

25. New Global Note form: [Yes][No]
26. Financial Centre(s) or other special provisions relating to Payment Dates: [Not Applicable/give details. Note that this item relates to the date and place of payment, and not interest period end dates, to which items 15 (ii), 16(iv) and 18(ix) relate]
27. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. If yes, give details]
28. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made [and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment]: [Not Applicable/give details]
29. Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made: [Not Applicable/give details]
30. Other final terms: [Not Applicable/give details]  
*(When adding any other final terms consideration should be given as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)*
- (If the Notes are derivative securities, the following items will be set out here:*
- (i) a description of the settlement procedure;*
  - (ii) a description of how any return on the Notes takes place, the payment or delivery date, and the way it is calculated;*
  - (iii) the exercise date or the final reference date; and*
  - (iv) the exercise price or the final reference*

*price of the underlying.)*

*(iv) the time period, including any possible amendments, during which the offer will be open and description of the application process;*

*(v) details of the minimum and/or maximum amount of application (whether in number of Notes or aggregate amount to invest;*

*(vi) method and time limits for paying up the Notes and for delivery of the Notes;*

*(vii) a full description of the manner and date in which results of the offer are to be made public; and*

*(viii) process for notification to applicants of the amount allotted and indication whether dealing may begin before notification is made.)*

## **DISTRIBUTION**

31. (i) If syndicated, names [and addresses] of Managers [and underwriting commitments]: [Not Applicable/give names, [addresses and underwriting commitments]]  
*(Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a “best efforts” basis if such entities are not the same as the Managers.)*
- (ii) Date of [Subscription] Agreement: [ ]
- (iii) Stabilising Manager(s) (if any): [Not Applicable/give name]
32. If non-syndicated, name [and address] of relevant Dealer: [Not Applicable/give name and address]
33. Total commission and concession:: [ ] per cent. Of the Aggregate Nominal Amount
34. U.S. Selling Restriction [Reg. S Compliance Category 2; TEFRA D/TEFRA C/TEFRA not applicable]
35. Non-exempt offer: [Not Applicable] [An offer of the Notes may be made by the Managers [and [specify, if applicable]] other than pursuant to Article 3(2) of the Prospectus Directive in [specify relevant Member State(s) – which must be

jurisdictions where the Prospectus and any supplements have been passported] (**Public Offer Jurisdictions**) during the period from [specify date] until [specify date] (**Offer Period**). See further Paragraph 10 of Part B below.

36. Additional selling restrictions: [Not Applicable/give details]

**PURPOSE OF FINAL TERMS**

These Final Terms comprise the final terms required for issue [and] [public offer in the Public Offer Jurisdictions] [and] [admission to trading on [Euronext Amsterdam by NYSE Euronext/the Luxembourg Stock Exchange/specify other] of the Notes described herein] pursuant to the EUR 5,000,000,000 Euro Medium Term Note Programme of N.V. Nederlandse Gasunie.

**RESPONSIBILITY**

The Issuer accepts responsibility for the information contained in these Final Terms. [● has been extracted from ●]. The Issuer declares that, having taken all reasonable care to ensure that such is the case, the information contained herein is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import. The Issuer confirms that the information extracted from [●] has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [●], no facts have been omitted which would render the reproduced information inaccurate or misleading.

Signed on behalf of the Issuer:

By: .....  
Duly authorised

## PART B – OTHER INFORMATION

### 1. LISTING

(i) Listing: [Amsterdam]/[other (*specify*)/None]

(ii) Admission to trading: [Application has been made for the Notes to be admitted to trading on [ ] with effect from [ ].] [Not Applicable.]

*(Where documenting a fungible issue need to indicate that original securities are already admitted to trading.)*

*(If the Notes are derivative securities, the following information will be set out here: name and address of the entities which have a firm commitment to act as intermediaries in secondary trading, providing liquidity through bid and offer rates and description of the main terms of their commitment)*

### 2. RATINGS

Ratings: The Notes to be issued have been rated:

[S & P: [ ]]  
[Moody's: [ ]]  
[Fitch: [ ]]  
[[Other]: [ ]]

*[Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]*

*(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)*

**3. [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]]**

Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

So far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer."

*[(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)]*

**4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES**

[(i) Reasons for the offer: [ ]  
(See ["Use of Proceeds"] wording in Prospectus – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)]

[(ii)] Estimated net proceeds: ●  
(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)

[(iii)] Estimated total expenses: ● [Include breakdown of expenses including total amount of the underwriting commission and the placing commission.]

*(If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies it is only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above.)*

**5. [YIELD**

Indication of yield: ●  
[Calculated as [include details of method of calculation in summary form] on the Issue Date.]

As set out above, the yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield. ]

## HISTORIC INTEREST RATES (*Floating Rate Notes only*)

Details of historic [LIBOR/EURIBOR/other] rates can be obtained from [Reuters].]

### 6. **[Index-Linked or other variable-linked Notes only – PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING**

*Need to include details of where past and future performance and volatility of the index/formula/other variable can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.[Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained. Where the underlying is not an index need to include equivalent information. Include other information concerning the underlying required by Paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.]]*

*[(When completing this paragraph, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)]*

The Issuer [intends to provide post-issuance information [*specify what information will be reported and where it can be obtained*]] [does not intend to provide post-issuance information].

### 7. **[Dual Currency Notes only – PERFORMANCE OF RATE[S] OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT**

*Need to include details of where past and future performance and volatility of the relevant rate[s] can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]*

### 8. **OPERATIONAL INFORMATION**

- (i) ISIN Code: [ ]
- (ii) Common Code: [ ]
- (iii) Fondscore: [ ]
- (iv) Other relevant code: [ ] Not Applicable / give name(s) and number(s)
- (v) Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking Societe Anonyme and the relevant identification number(s): [Not Applicable/give name(s, addresses) and number(s)]
- (vi) Delivery: Delivery [against/free of] payment
- (vii) Names and addresses of additional Paying Agent(s) (if any): [ ]
- (viii) Maximum and minimum subscription amount: [[ ] and [ ]].

- (ix) New Global Note - [Yes][No]  
 Intended to be held in a manner which would allow Eurosystem eligibility: [Note that the designation "Yes" simply means that the Notes are intended upon issue to be deposited with Euroclear or Clearstream, Luxembourg as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.][Include this text if "Yes" selected in which case the Notes must be issued in NGN form]

## 9. TERMS AND CONDITIONS OF THE OFFER

- (i) Offer Price: [Issue Price] [*specify*]
- (ii) Conditions to which the offer is subject: [Not Applicable/*give details*]
- (iii) Description of the application process: [Not Applicable/*give details*]
- (iv) Description of the possibility to reduce subscriptions and manner for refunding excess amount paid by applicants: [Not Applicable/*give details*]
- (v) Details of the minimum and /or maximum amount of application: [Not Applicable/*give details*]
- (vi) Details of the method and time limits for paying up and delivering the Notes: [Not Applicable/*give details*]
- (vii) Manner and date on which results of the offer are to be made public: [Not Applicable/*give details*]
- (viii) Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised: [Not Applicable/*give details*]
- (ix) Categories of potential investors to which the Notes are offered and whether tranche(s) have been reserved for certain countries: [Not Applicable/*give details*]
- (x) Process for notification to applicants of the amount: [Not Applicable/*give details*]

allotted and the indication whether dealing may begin before notification is made:

- (xi) Amount of any expenses and taxes specifically charged to the subscriber or purchaser: [Not Applicable/*give details*]
- (xii) Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place: [None/*give details*]

**FORM OF FINAL TERMS RE ISSUES WITH A DENOMINATION OF AT LEAST EUR  
50,000**

*Set out below is the form of Final Terms which will be completed in respect of each Tranche of Notes issued under the Programme with a denomination of at least EUR 50,000. Text in this section appearing in italics does not form part of the form of the Final Terms but denotes directions for completing the Final Terms.*

[Date]

**N.V. Nederlandse Gasunie**

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]**

**under the € 5,000,000,000**

**Euro Medium Term Note Programme  
PART A – CONTRACTUAL TERMS**

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Prospectus dated [●] 2010 [and the supplemental Prospectus dated [●] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Prospectus [as so supplemented]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus. The Prospectus [and the supplemental Prospectus] [is] [are] available for viewing and copies may be obtained free of charge, from the registered office of the Issuer and from the specified office of the Paying Agent.

*The following alternative language applies if the first tranche of an issue which is being increased was issued under a prospectus with an earlier date.*

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the prospectus dated [original date] [and the supplemental prospectus dated [original date]]. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**") and must be read in conjunction with the Prospectus dated [current date] [and the supplemental Prospectus dated [●]], which [together] constitute[s] a base Prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the Prospectus dated [original date] [and the supplemental Prospectus dated [●]] and are attached hereto. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus dated [current date] [and the supplemental Prospectus dated [●]]. The Prospectus dated [current date] [and the supplemental Prospectus dated [●]] and the Prospectus dated [original date] [and the supplemental Prospectus dated [●]] are available for viewing at [●], and copies maybe be obtained free of charge, from the registered office of the Issuer and from the specified office of the Paying Agent

*[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Final Terms.]*

[When completing any final terms, or adding any other final terms or information, consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.]

1. Issuer: N.V. Nederlandse Gasunie
2. [(i)] Series Number: [ ]
- [(ii)] Tranche Number: [ ]
- (If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible).]
3. Specified Currency or Currencies: [ ]
4. Aggregate Nominal Amount: [ ]
- [(i)] Series: [ ]
- [(ii)] Tranche: [ ]
5. Issue Price: [ ] per cent of the Aggregate Nominal Amount plus accrued interest from *[insert date]* ( *if applicable*)
6. (a) Specified Denominations: [ ]  
[ ]
- [€50,000] and integral multiples of [€1,000] in excess thereof up to and including [€99,000]. No Notes in definitive form will be issued with a denomination above [€99,000].*
- (b) Calculation Amount: *(If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)*
7. [(i)] Issue Date: [ ]
- [(ii)] Interest Commencement Date: [ ]
8. Maturity Date: *[specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]*
9. Interest Basis: [• per cent. Fixed Rate]  
[[specify reference rate] +/- • per cent. Floating Rate]  
[Zero Coupon]  
[Index Linked Interest]  
[Other (specify)]  
(further particulars specified below)
10. Redemption/Payment Basis: [Redemption at par]

- [Index Linked Redemption]  
 [Dual Currency]  
 [Partly Paid]  
 [Instalment (*specify Instalment Date(s) and Instalment Amount*)]  
 [Other (*specify*)]
11. Change of Interest or Redemption/Payment Basis: [*Specify details of any provision for convertibility of Notes into another interest or redemption/ payment basis*]
12. Put/Call Options: [Investor Put]  
 [Issuer Call]  
 [(further particulars specified below)]
13. [(i)] Status of the Notes: [Senior/[Dated/Perpetual]/ Subordinated]  
 [(ii)] [Date [Board] approval for issuance of Notes obtained: [ ] [and [ ], respectively]]  
 (*N.B Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes*)
14. Method of distribution: [Syndicated/Non-syndicated]

#### PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. **Fixed Rate Note Provisions** [Applicable/Not Applicable]  
 (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
- (i) Rate[(s)] of Interest: [ ] per cent. Per annum [payable annually/semi-annually/quarterly/monthly] in arrear]
- (ii) Interest Payment Date(s): [ ] in each year [adjusted in accordance with *specify Business Day Convention and any applicable Business Centre(s) for the definition of "Business Day"*]/not adjusted]
- (iii) Fixed Coupon Amount[(s)]: [ ] per [ ] Calculation Amount
- (iv) Broken Amount(s): [ ] per Calculation Amount, payable on the Interest payment Date falling [in/on] [ ]
- (v) Day Count Fraction: [30/360 / Actual/Actual ([ICMA] /ISDA) / other]
- (vi) Determination Dates: [ ] in each year (*insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual ([ICMA])*)
- (vii) Other terms relating to the method of calculating interest for [Not Applicable/*give details*]

Fixed Rate Notes:

- 16. Floating Rate Note Provisions**  [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Interest Period(s):  [ ]
- (ii) Specified Interest Payment Dates:  [ ]
- (iii) First Interest Payment Dates  [ ]
- (iv) Business Day Convention:  [Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/ other *(give details)*]
- (v) Business Centre(s):  [ ]
- (vi) Manner in which the Rate(s) of Interest is/are to be determined:  [Screen Rate Determination/ISDA Determination/other *(give details)*]
- (vii) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the [Agent]):  [ ]
- (viii) Screen Rate Determination:
- Reference Rate:  [ ] *(Either LIBOR, EURIBOR or other, although additional information is required if other – including fallback provisions in the Agency Agreement)*
  - Interest Determination Date(s):  [ ] *(Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR)*
  - Relevant Screen Page:  [ ] *(In the case of EURIBOR, if not EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)*
- (ix) ISDA Determination:
- Floating Rate Option:  [ ]
  - Designated Maturity:  [ ]

- Reset Date: [ ]
- (x) Margin(s): [+/-][ ] per cent. Per annum
- (xi) Minimum Rate of Interest: [ ] per cent. Per annum
- (xii) Maximum Rate of Interest: [ ] per cent. Per annum
- (xiii) Day Count Fraction: [ ]
- (xiv) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: [ ]
- (xv) *[Include other information concerning the underlying required by Paragraph 4.7 of Annex V of the Prospectus Directive Regulation]*
- 17. Zero Coupon Note Provisions** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) [Amortisation/Accrual] Yield: [ ] per cent. Per annum
- (ii) Reference Price: [ ]
- (iii) Any other formula/basis of determining amount payable: [ ]
- 18. Index-Linked Interest Note/other variable-linked interest Note Provisions** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Index/Formula/other variable: *[give or annex details]*
- (ii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amounts (if not the [Agent]): [ ]
- (iii) Provisions for determining Coupon where calculated by reference to Index and/or Formula and/or other variable: [ ]
- (iv) Determination Date(s): [ ]
- (v) Provisions for determining *[need to include a description of market*

- Coupon where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted: *[ ]* *disruption or settlement disruption events and adjustment provisions]*
- (vi) Interest or calculation period(s): *[ ]*
- (vii) Specified Interest Payment Dates: *[ ]*
- (viii) Business Day Convention: *[Floating Rate Convention/ Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)]*
- (ix) Business Centre(s): *[ ]*
- (x) Minimum Rate/Amount of Interest: *[ ]* per cent. Per annum
- (xi) Maximum Rate/Amount of Interest: *[ ]* per cent. Per annum
- (xii) Day Count Fraction: *[ ]*
- 19. Dual Currency Note Provisions** *[Applicable/Not Applicable]*  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Rate of Exchange/method of calculating Rate of Exchange: *[give details]*
- (ii) Party, if any, responsible for calculating the principal and/ or Calculation Agent, if any, responsible for calculating the principal and/or interest due (if not the [Agent]): *[ ]*
- (iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: *[ ]*
- (iv) Person at whose option Specified Currency(ies) is/are payable: *[ ]*

**PROVISIONS RELATING TO REDEMPTION**

- 20. Call Option:** *[Applicable/Not Applicable]*  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Optional Redemption Date(s): *[ ]*
- (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): *[ ]* per Calculation Amount

- (iii) If redeemable in part:
  - (a) Minimum Redemption Amount:  per Calculation Amount
  - (b) Maximum Redemption Amount:  per Calculation Amount
- (iv) Notice period (if other than as set out in the conditions):  (*N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent*)

**21. Put Option:**  [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*

- (i) Optional Redemption Date(s):
- (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s):  per Calculation Amount
- (iii) Notice period:

**22. Final Redemption Amount of each Note**  per Calculation Amount

In cases where the Final Redemption Amount is Index-Linked or other variable-linked:

- (i) Index/Formula/variable:  [*give or annex details*]
- (ii) Party responsible for calculating Final Redemption Amount (if not the [Agent]):
- (iii) Provisions for determining Final Redemption Amount where calculated by reference to Index and/or Formula and/or other variable:
- (iv) Determination Date(s):
- (v) Provisions for determining Final Redemption Amount where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise

disrupted:

(vi) Payment Date:

(vii) Minimum Final Redemption Amount:

(viii) Maximum Final Redemption Amount:

[ ]

[ ] per Calculation Amount

[ ] per Calculation Amount

### 23. Early Redemption Amount

Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions):

[ ]

## GENERAL PROVISIONS APPLICABLE TO THE NOTES

24. Form of Notes:

### **Bearer Notes:**

[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes on [ ] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note]

[Temporary Global Note exchangeable for Definitive Notes on [] days' notice]

[Permanent Global Note exchangeable for Definitive Notes on [] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note]

*(Ensure that this is consistent with the wording in the "Form of the Notes" section in the Prospectus and the Notes themselves. N.B. The exchange upon notice/at any time options should not be expressed to be applicable if the Specified Denomination of the Notes in item 6 includes language substantially to the following effect: "[€50,000] and integral multiples of [€1,000] in excess thereof up to and including [€99,000].")*

25. New Global Note form:

[Yes][No]

26. Financial Centre(s) or other special provisions relating to Payment Dates:

[Not Applicable/give details. Note that this item relates to the date

*and place of payment, and not interest period end dates, to which items 15 (ii), 16(iv) and 18(ix) relate]*

27. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. *If yes, give details*]
28. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made [and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment]: [Not Applicable/*give details*]
29. Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made: [Not Applicable/*give details*]
30. Other final terms: [Not Applicable/*give details*]  
*(When adding any other final terms consideration should be given as to whether such terms constitute “significant new factors” and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)*
- (If the Notes are derivative securities, the following items will be set out here:*
- (i) a description of the settlement procedure;*
  - (ii) a description of how any return on the Notes takes place, the payment or delivery date, and the way it is calculated;*
  - (iii) the exercise date or the final reference date; and*
  - (iii) the exercise price or the final reference price of the underlying.)*
  - (iv) the time period, including any possible amendments, during which the offer will be open and description of the application process;*
  - (v) details of the minimum and/or maximum amount of application (whether in number of Notes or aggregate amount to invest;*
  - (vi) method and time limits for paying up the Notes and for delivery of the Notes;*

(vii) a full description of the manner and date in which results of the offer are to be made public; and

(viii) process for notification to applicants of the amount allotted and indication whether dealing may begin before notification is made.)

## DISTRIBUTION

31. (i) If syndicated, names [and addresses] of Managers [and underwriting commitments]: [Not Applicable/give names]
- (ii) Date of [Subscription] Agreement [ ]
- (iii) Stabilising Manager(s) (if any): [Not Applicable/give name]
32. If non-syndicated, name of relevant Dealer: [Not Applicable]
33. U.S. Selling Restriction [Reg. S Compliance Category 2; TEFRA D/TEFRA C/TEFRA not applicable]
34. Non-exempt offer: [Not Applicable] [An offer of the Notes may be made by the Managers [and [specify, if applicable]] other than pursuant to Article 3(2) of the Prospectus Directive in [specify relevant Member State(s) – which must be jurisdictions where the Prospectus and any supplements have been passported] (**Public Offer Jurisdictions**) during the period from [specify date] until [specify date] (**Offer Period**). See further Paragraph 10 of Part B below.
35. Additional selling restrictions: [Not Applicable/give details]

## PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue [and] [public offer in the Public Offer Jurisdictions] [and] [admission to trading on [Euronext Amsterdam by NYSE Euronext/the Luxembourg Stock Exchange/specify other] of the Notes described herein] pursuant to the EUR 5,000,000,000 Euro Medium Term Note Programme of N.V. Nederlandse Gasunie.

## RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms. [● has been extracted from ●]. The Issuer declares that, having taken all reasonable care to ensure that such is the case, the information contained herein is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import. The Issuer confirms that the information extracted from [●] has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [●], no facts have been omitted which would render the reproduced information inaccurate or misleading.

Signed on behalf of the Issuer:

By: .....  
Duly authorised

## PART B – OTHER INFORMATION

### 1. LISTING

- (i) Listing: [Amsterdam]/[other (*specify*)/None]
- (ii) Admission to trading: [Application has been made for the Notes to be admitted to trading on [ ] with effect from [ ].] [Not Applicable.]
- (iii) Estimate of total expenses related to admission to trading: [ ]

### 2. RATINGS

Ratings: The Notes to be issued have been rated:

[S & P: [ ]]  
[Moody's: [ ]]  
[Fitch: [ ]]  
[[Other]: [ ]]

*(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)*

### 3. [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]]

Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

So far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer."

*[(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)]*

### 4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

- [(i) Reasons for the offer: [ ]  
*(See ["Use of Proceeds"] wording in Prospectus – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)]*

[(ii)] Estimated net proceeds: ●  
*(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)*

[(iii)] Estimated total expenses: ● *[Include breakdown of expenses including total amount of the underwriting commission and the placing commission.]*

*(If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies it is only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above.)*

## 5. **[YIELD**

Indication of yield:

●

*[Calculated as [include details of method of calculation in summary form] on the Issue Date.]*

*[As set out above, the yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield. ]*

## **HISTORIC INTEREST RATES**

Details of historic [LIBOR/EURIBOR/other] rates can be obtained from [Reuters].]

## **6. [Index-Linked or other variable-linked Notes only – PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING**

*Need to include details of where past and future performance and volatility of the index/formula/other variable can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.[Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained. Where the underlying is not an index need to include equivalent information. Include other information concerning the underlying required by Paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.]]*

*[(When completing this paragraph, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)]*

The Issuer [intends to provide post-issuance information [*specify what information will be reported and where it can be obtained*]] [does not intend to provide post-issuance information].

## **7. [Dual Currency Notes only – PERFORMANCE OF RATE[S] OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT**

*Need to include details of where past and future performance and volatility of the relevant rate[s] can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]*

## **8. OPERATIONAL INFORMATION**

- (i) ISIN Code: [ ]
- (ii) Common Code: [ ]
- (iii) Fondscore: [ ]
- (iv) Other relevant code: [ ] Not Applicable / *give name(s), addresses and number(s)*
- (v) Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking Societe Anonyme and the relevant identification number(s): [Not Applicable/*give name(s) and number(s)*]
- (vi) Delivery: Delivery [against/free of] payment
- (vii) Names and addresses of additional Paying Agent(s) (if any): [ ]
- (viii) Maximum and minimum subscription amount: [[ ] and [ ].
- (ix) New Global Note - Intended to be held in a manner which would allow Eurosystem eligibility: [Yes][No]  
[Note that the designation "Yes" simply means that the Notes are intended upon issue to be deposited with Euroclear or Clearstream, Luxembourg as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.][*Include this text if "Yes" selected in which case the Notes must be issued in NGN form*]

## **9. TERMS AND CONDITIONS OF THE OFFER**

*If the Notes are derivative securities, the following items will be set out here:*

- (i) Offer Price: [Issue Price] [*specify*]
- (ii) Conditions to which the offer is subject: [Not Applicable/*give details*]
- (iii) Description of the application process: [Not Applicable/*give details*]
- (iv) Description of the possibility to reduce subscriptions and manner for refunding excess amount paid by applicants: [Not Applicable/*give details*]
- (v) Details of the minimum and /or maximum amount of application: [Not Applicable/*give details*]
- (vi) Details of the method and time limits for paying up and delivering the Notes: [Not Applicable/*give details*]
- (vii) Manner and date on which results of the offer are to be made public: [Not Applicable/*give details*]
- (viii) Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised: [Not Applicable/*give details*]
- (ix) Categories of potential investors to which the Notes are offered and whether tranche(s) have been reserved for certain countries: [Not Applicable/*give details*]
- (x) Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made: [Not Applicable/*give details*]
- (xi) Amount of any expenses and taxes specifically charged to the subscriber or purchaser: [Not Applicable/*give details*]
- (xii) Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place: [None/*give details*]

## TERMS AND CONDITIONS OF THE NOTES

*The following are the Terms and Conditions of the Notes which will be incorporated by reference into each Global Note (as defined below) and each definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Final Terms in relation to any Tranche of Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Notes. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and definitive Note.*

The Notes are issued pursuant to an amended and restated Agency Agreement dated [●] 2010 (the "**Agency Agreement**") between N.V. Nederlandse Gasunie (the "**Issuer**"), Deutsche Bank AG, London Branch as initial issuing and principal paying agent (the "**Agent**"), and Deutsche Bank AG, Amsterdam Branch as paying agent (together with the Agent and any additional or other paying agents in respect of the Notes from time to time appointed, the "**Paying Agents**"). The initial Calculation Agent (if any) is specified on this Note. The Noteholders (as defined below), the holders of the coupons (the "**Coupons**") appertaining to interest bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the "**Talons**") (the "**Couponholders**") and the holders of the instalment receipts (the "**Receipts**") appertaining to the payment of principal by instalments (the "**Receiptholders**") are bound by and deemed to have notice of all of the provisions of the Agency Agreement applicable to them and these terms and conditions. A copy of the Agency Agreement is available for inspection at the specified office of each of the Paying Agents.

The Final Terms for this Note (or the relevant provisions thereof) is attached to or endorsed on this Note and supplements these Terms and Conditions (the "**Conditions**") and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Conditions, replace or modify the Conditions for the purposes of this Note. References to the "**Final Terms**" are to the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Note.

As used herein, "**Tranche**" means Notes which are identical in all respects (including as to listing) and "**Series**" means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (i) expressed to be consolidated and form a single series and (ii) identical in all respects (including as to listing) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

In these Conditions, "**Noteholder**" means the bearer of any Bearer Note and the Receipts relating to it (as the case may be), "**holder**" means (in relation to a Note, Receipt, Coupon or Talon) the bearer of any Bearer Note, Receipt, Coupon or Talon (as the case may be) and capitalised terms have the meanings given to them on this Note, the absence of any such meaning indicating that such term is not applicable to the Notes.

### 1. Form, Denomination and Title

Unless otherwise specified in the Final Terms, the Notes are certificated and issued in bearer form ("**Bearer Notes**") in the denomination of the Specified Denomination(s), or an integral multiple thereof ("**Authorised Denominations**").

This Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Index Linked Interest Note, an Index Linked Redemption Note, an Instalment Note, a Dual Currency Note or a Partly

Paid Note, a combination of any of the foregoing or any other kind of Note, depending upon the Interest and Redemption/Payment Basis shown hereon.

The Bearer Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Zero Coupon Notes in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable. Instalment Notes are issued with one or more Receipts attached.

Title to the Bearer Notes and the Receipts, Coupons and Talons appertaining thereto shall pass by delivery unless applicable law provides otherwise or provides for additional requirements for transfer of title. For Notes held through Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V. ("**Euroclear Netherlands**") deliveries will be made in accordance with the Dutch Securities Giro Transfer Act (*Wet giraal effectenverkeer*). Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Note, Receipt, Coupon or Talon shall be deemed to be and may be treated as the absolute owner of such Note, Receipt, Coupon or Talon, as the case may be, for the purpose of receiving payment thereon or on account thereof and for all other purposes, whether or not such Note, Receipt, coupon or Talon shall be overdue and notwithstanding any notice of ownership, theft or loss thereof or any writing thereon made by anyone.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank S.A./N.V., as operator of the Euroclear System ("**Euroclear**") and/or Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**"), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer and any Paying Agent as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on the Notes, for which purpose the bearer of the relevant Global Note shall be treated by the Issuer and any Paying Agent as the holder of such Notes in accordance with and subject to the terms of the relevant Global Note (and the expressions "**Noteholder**" and "**holder of Notes**" and related expressions shall be construed accordingly). Notes which are represented by a Global Note held by a common depositary for Euroclear or Clearstream, Luxembourg will be transferable only in accordance with the rules and procedures for the time being of Euroclear or of Clearstream, Luxembourg, as the case may be.

Notes represented by a Global Note held by Euroclear Netherlands shall become subject to the Dutch Securities Giro Transfer Act (*Wet giraal effectenverkeer*).

References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms but shall not include Euroclear Netherlands. Any amendments to the Terms and Conditions required in connection with such additional or alternative clearing system shall be specified in the applicable Final Terms.

## **2. Status**

The Notes, Receipts and Coupons constitute direct, unconditional and (without prejudice to the provisions of Condition 3) unsecured obligations of the Issuer and rank pari passu and rateably without any preference among themselves and (subject to any applicable statutory exceptions and without prejudice as aforesaid) equally with all other present and future unsecured and unsubordinated obligations of the Issuer.

### 3. Negative Pledge

So long as any of the Notes, Receipts or Coupons remains outstanding (as defined in the Agency Agreement), the Issuer undertakes that if it shall, after the Issue Date of the Notes, secure any Public Debt, then or thereafter existing, by any lien, pledge or other charge upon any of its present or future assets or revenues, the Notes and Receipts shall share in and be equally and rateably secured by such lien, pledge or other charge, and the instrument creating such lien, pledge or other charge shall expressly so provide.

For the purposes of the foregoing paragraph, "**Public Debt**" means any loan, debt, guarantee or other obligation of the Issuer represented by bonds, notes, debentures or any other publicly-issued debt securities which are, or are intended to be, from time to time quoted, listed or ordinarily dealt in on any stock exchange, automated trading system, over the counter or other securities market.

### 4. Interest

#### (a) Rate of Interest on Fixed Rate Notes and Accrual

Each Fixed Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest payable in arrear on each Interest Payment Date.

If a Fixed Coupon Amount or a Broken Amount is specified hereon, the amount of interest payable on each Interest Payment Date will amount to the Fixed Coupon Amount or, if applicable, the Broken Amount so specified and in the case of the Broken Amount will be payable on the particular Interest Payment Date(s) specified hereon.

#### (b) Interest on Floating Rate Notes and Index Linked Interest Notes

- (i) Interest Payment Dates: Each Floating Rate Note and Index Linked Interest Note bears Interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such Interest being payable in arrear on each Interest Payment Date. Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which falls the number of months or other period shown hereon as the Specified Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.
- (ii) Business Day Convention: If any date which is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (X) such date shall be brought forward to the immediately preceding Business Day and (Y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day which is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day, or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

- (iii) Rate of Interest on Floating Rate Notes: The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified hereon and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified hereon.

(A) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate plus or minus (as indicated hereon) the Margin (if any). For the purposes of this sub-paragraph (A), "**ISDA Rate**" for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (i) the Floating Rate Option is as specified hereon
- (ii) the Designated Maturity is a period specified hereon and
- (iii) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified hereon.

For the purposes of this sub-paragraph (A), "**Floating Rate**", "**Calculation Agent**", "**Floating Rate Option**", "**Designated Maturity**", "**Reset Date**" and "**Swap Transaction**" have the meanings given to those terms in the ISDA Definitions.

(B) Screen Rate Determination for Floating Rate Notes

Where Screen Rate Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent at or about the Relevant Time on the Interest Determination Date in respect of such Interest Accrual Period in accordance with the following:

- (i) if the Primary Source for Floating Rate is a Page, subject as provided below, the Rate of Interest shall be:
  - (I) the Relevant Rate (where such Relevant Rate on such Page is a composite quotation or is customarily supplied by one entity) or
  - (II) the arithmetic mean of the Relevant Rates of the persons whose Relevant Rates appear on that Page,

in each case appearing on such Page at the Relevant Time on the Interest Determination Date

- (ii) if the Primary Source for the Floating Rate is Reference Banks or if sub-paragraph (x)(I) applies and no Relevant Rate appears on the Page at the Relevant Time on the Interest Determination Date or if sub-paragraph (x)(II) applies and fewer than two Relevant Rates appear on the Page at the Relevant Time on the Interest Determination Date, subject as provided below, the Rate of Interest shall be the arithmetic mean of the Relevant Rates that each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre at the Relevant Time on the Interest Determination Date, as determined by the Calculation Agent and
- (iii) if paragraph (y) above applies and the Calculation Agent determines that fewer than

two Reference Banks are so quoting Relevant Rates, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) that the Calculation Agent determines to be the rates (being the nearest equivalent to the Benchmark) in respect of a Representative Amount of the Specified Currency that at least two out of five leading banks selected by the Calculation Agent in the principal financial centre of the country of the Specified Currency or, if the Specified Currency is Euro, in the Euro-zone as selected by the Calculation Agent (the "**Principal Financial Centre**") are quoting at or about the Relevant Time on the date on which such banks would customarily quote such rates for a period commencing on the Effective Date for a period equivalent to the Specified Duration (I) to leading banks carrying on business in Europe, or (if the Calculation Agent determines that fewer than two of such banks are so quoting to leading banks in Europe) (II) to leading banks carrying on business in the Principal Financial Centre; except that, if fewer than two of such banks are so quoting to leading banks in the Principal Financial Centre, the Rate of Interest shall be the Rate of Interest determined on the previous Interest Determination Date (after readjustment for any difference between any Margin, Rate Multiplier or Maximum or Minimum Rate of Interest applicable to the preceding Interest Accrual Period and to the relevant Interest Accrual Period).

- (iv) Rate of Interest for Index Linked Interest Notes: The Rate of Interest in respect of Index Linked Interest Notes for each Interest Accrual Period shall be determined in the manner specified hereon and interest will accrue by reference to an Index or Formula as specified hereon.

(c) Zero Coupon Notes

Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 5(b)(i)).

(d) Dual Currency Notes

In the case of Dual Currency Notes, if the rate or amount of interest falls to be determined by reference to a Rate of Exchange or a method of calculating Rate of Exchange, the rate or amount of interest payable shall be determined as specified in the applicable Final Terms.

(e) Partly Paid Notes

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified hereon.

(f) Accrual of Interest

Interest shall cease to accrue on each Note on the due date for redemption, unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (as well after as before judgment) at the Rate of Interest in the manner provided in this Condition 4 to the Relevant Date (as defined in Condition 7).

(g) Margin, Maximum/Minimum Rates of Interest, Instalment Amounts and Redemption Amounts, Rate Multipliers and Rounding:

- (i) If any Margin or Rate Multiplier is specified hereon (either (x) generally, or (y) in

relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with (b) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin or multiplying by such Rate Multiplier, subject always to the next paragraph

- (ii) If any Maximum or Minimum Rate of Interest, Instalment Amount or Redemption Amount is specified hereon, then any Rate of Interest, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be
- (iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes "**unit**" means the lowest amount of such currency that is available as legal tender in the country or, as appropriate, countries of such currency.

(h) Calculations

The amount of interest payable in respect of any Note for any period shall be calculated by multiplying the product of the Rate of Interest and the outstanding nominal amount of such Note by the Day Count Fraction, unless an Interest Amount (or a formula for its calculation) is specified in respect of such period, in which case the amount of interest payable in respect of such Note for such period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable in respect of such Specified Interest Period will be the sum of the amounts of interest payable in respect of each of those Interest Accrual Periods.

(i) Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts and Instalment Amounts

As soon as practicable after the relevant time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, it shall determine such rate and calculate the Interest Amounts in respect of each Specified Denomination of the Notes for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Instalment Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or any Instalment Amount to be notified to the Agent, the Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange and the rules of such exchange so require, such exchange as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 4(b)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 9, the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as

previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

(j) Calculation Agent and Reference Banks

The Issuer will procure that there shall at all times be four Reference Banks (or such other number as may be required) with offices in the Relevant Financial Centre and a Calculation Agent if provision is made for them in the Conditions applicable to this Note and for so long as it is outstanding. If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank, then the Issuer will appoint another Reference Bank with an office in the Relevant Financial Centre to act as such in its place. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for any Interest Period or to calculate any Interest Amount, Instalment Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer will appoint the London office of a leading bank engaged in the London interbank market to act as such in its place or such office of such leading bank engaged in the interbank market in such major European city as may be appropriate to the Notes. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

(k) Definitions

As used in these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

**Business Day** means:

- (i) in the case of a currency other than Euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency and/or
- (ii) in the case of Euro, a day on which the TARGET system is operating (a "**TARGET Business Day**") and/or
- (iii) in the case of a currency and/or one or more Business Centres, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) or, if no currency is Indicated, generally in each of the Business Centres.

**"Day Count Fraction"** means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period, the "**Calculation Period**"):

- (iv) if "**Actual/365**" or "**Actual/Actual-ISDA**" is specified in the applicable Final Terms, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365)
- (v) if "**Actual/365 (Fixed)**" is specified in the applicable Final Terms, the actual number of days in the Calculation Period divided by 365

- (vi) if "**Actual/360**" is specified in the applicable Final Terms, the actual number of days in the Calculation Period divided by 360
- (vii) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

"Y1" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D1" is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D1 will be 30; and

"D2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

- (viii) if "**30E/360**" or "**Eurobond Basis**" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

"Y1" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D1" is the first calendar day, expressed as a number, of the Interest Period, unless such

number would be 31, in which case D1 will be 30; and

"D2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D2 will be 30;

- (ix) if "**Actual/Actual-ICMA**" is specified in the applicable Final Terms,
  - (I) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year and
  - (II) if the Calculation Period is longer than one Determination Period, the sum of:
    - (x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year and
    - (y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year

where:

**"Determination Period"** means the period from and including a Determination Date in any year to but excluding the next Determination Date

**"Effective Date"** means, with respect to any Floating Rate to be determined on an Interest Determination Date, the date specified as such in the applicable terms or, if none is so specified, the first day of the Interest Accrual Period to which such Interest Determination Date relates.

**"Euro-zone"** means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community as amended by the Treaty on European Union.

**"Interest Accrual Period"** means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date.

**"Interest Amount"** means the amount of interest payable and, in the case of Fixed Rate Notes, means the Fixed Coupon Amount or Broken Amount, as the case may be.

**"Interest Commencement Date"** means the Issue Date or such other date as may be specified in the applicable Final Terms.

**"Interest Determination Date"** means, with respect to a Rate of Interest and an Interest Accrual Period, the date specified as such in the applicable terms or, if none is so specified, (i) the first day of such Interest Accrual Period if the Specified Currency is Sterling or (ii) the day falling two Business Days in London prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor Euro or (iii) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is Euro.

**"Interest Period"** means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

**"Interest Period Date"** means each Interest Payment Date unless otherwise specified on this Note.

**"ISDA Definitions"** means the 2006 ISDA Definitions (as amended and supplemented) published by the International Swaps and Derivatives Association, Inc., unless otherwise specified in the applicable final terms.

**"Page"** means such page, section, caption, column or other part of a particular information service (including, but not limited to, Reuters Markets 3000 ("**Reuters**") and Bridge/Telerate ("**Telerate**")) as may be specified for the purpose of providing a Relevant Rate, or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to that Relevant Rate.

**"Rate of Interest"** means the rate of interest payable from time to time in respect of this Note and that is either specified or calculated in accordance with the provisions as specified in the applicable terms.

**"Reference Banks"** means the institutions specified as such hereon or, if none, four major banks selected by the Calculation Agent in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the Benchmark (which, if EURIBOR is the relevant Benchmark, shall be the Euro-zone)

**"Relevant Financial Centre"** means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the financial centre as may be specified as such hereon or, if none is so specified, the financial centre with which the relevant Benchmark is most closely connected (which, in the case of EURIBOR, shall be the Euro-zone) or, if none is so connected, London.

**"Relevant Rate"** means the Benchmark for a Representative Amount of the Specified Currency for a period (if applicable or appropriate to the Benchmark) equal to the Specified Duration commencing on the Effective Date.

**"Relevant Time"** means, with respect to any Interest Determination Date, the local time in the Relevant Financial Centre specified on this Note or, if none is specified, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the Specified currency in the interbank market in the Relevant Financial Centre and, for this purpose, "**local time**" means, with respect to the Euro-zone as a Relevant Financial Centre, Central European Time.

**"Representative Amount"** means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the amount specified as such hereon or, if none is specified, an amount that is representative for a single transaction in the relevant market at the time.

**"Specified Currency"** means the currency specified as such hereon or, if none is specified, the currency in which the Notes are denominated.

**"Specified Duration"** means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the duration specified hereon or, if none is specified, a period of time equal to the relative Interest Accrual Period, ignoring any adjustment pursuant to Condition 4(b)(ii).

"**TARGET System**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET 1 or TARGET 2) System or any successor thereto.

## **5. Redemption, Purchase and Options**

### **(a) Redemption by Instalment and Final Redemption**

- (i) Unless previously redeemed, purchased and cancelled as provided in this Condition 5 or the relevant Instalment Date (being one of the dates so specified in the applicable Final Terms) is extended pursuant to any Issuer's or Noteholder's option in accordance with Condition 5(d) or 5(e), each Note that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amounts specified in the applicable Final Terms. The outstanding nominal amount of each such Note shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the nominal amount of such Note, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused on presentation of the related Receipt, in which case such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.
- (ii) Unless previously redeemed, purchased and cancelled as provided below or its maturity is extended pursuant to any Issuer's or Noteholder's option in accordance with Condition 5(d) or 5(e), each Note shall be finally redeemed on the Maturity Date specified hereon at its Final Redemption Amount (which, unless otherwise provided, is its nominal amount) or, in the case of a Note falling within paragraph (i) above, its final Instalment Amount.

### **(b) Early Redemption**

#### **(i) Zero Coupon Notes**

- (I) The Early Redemption Amount payable in respect of any Zero Coupon Note, the Early Redemption Amount of which is not linked to an index and/or a formula, upon redemption of such Note pursuant to Condition 5(c) or upon it becoming due and payable as provided in Condition 9 shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified hereon.
- (II) Subject to the provisions of sub-paragraph (C) below, the Amortised Face Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown hereon, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.

- (III) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 5(c) or upon it becoming due and payable as provided in Condition 9 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph shall continue to be made (as well after as before judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 4(c).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown hereon.

(ii) Other Notes

The Early Redemption Amount payable in respect of any Note (other than Notes described in (i) above), upon redemption of such Note pursuant to Condition 5(c) or upon it becoming due and payable as provided in Condition 9, shall be the Final Redemption Amount unless otherwise specified in the applicable Final Terms.

(c) Redemption for Taxation Reasons

The Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date or, if so specified in the applicable Final Terms, at any time, on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Early Redemption Amount (as described in Condition 5(b) above) (together with interest accrued to the date fixed for redemption), if (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 as a result of any change in, or amendment to, the laws or regulations of The Netherlands or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date, and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due. Before the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Agent a certificate signed on behalf of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

(d) Redemption at the Option of the Issuer and Exercise of Issuer's Options

If Call Option is specified in the applicable Final Terms, the Issuer may, on giving not less than 15 nor more than 30 days' irrevocable notice to the Noteholders (or such other notice period as may be specified in the applicable Final Terms) redeem, or exercise any Issuer's option (as may be described in the applicable Final Terms) in relation to all or, if so provided, some of the Notes on any Optional Redemption Date or Option Exercise Date, as the case may be. Any such redemption of Notes shall be at their Optional Redemption Amount together with interest accrued to the date fixed for redemption. Any such redemption or exercise must relate to Notes of a nominal amount at least equal to the

minimum nominal amount to be redeemed specified in the applicable Final Terms and no greater than the maximum nominal amount to be redeemed specified in the applicable Final Terms. In no circumstance shall the Optional Redemption Amount be less than par.

All Notes in respect of which any such notice is given shall be redeemed, or the Issuer's option shall be exercised, on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption or a partial exercise of an Issuer's option, the notice to Noteholders shall also contain the certificate numbers of the Notes to be redeemed or in respect of which such option has been exercised, which shall have been drawn in such place and in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices, subject to compliance with any applicable laws and stock exchange requirements.

(e) Redemption at the Option of Noteholders and Exercise of Noteholders' Options

If Put Option is specified in the applicable Final Terms, the Issuer shall, at the option of the holder of any such Note, upon the holder of such Note giving not less than 15 nor more than 30 days' notice to the Issuer (or such other notice period as may be specified in the applicable Final Terms) redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount together with interest accrued to the date fixed for redemption.

To exercise such option or any other Noteholders' option that may be set out in the applicable Final Terms (which must be exercised on an Option Exercise Date) the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Receipts and Coupons and unexchanged Talons) with any Paying Agent, together with a duly completed option exercise notice ("**Exercise Notice**") in the form obtainable from any Paying Agent within the notice period. No Note or Certificate so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

(f) Partly Paid Notes

Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the provisions specified in the applicable Final Terms.

(g) Purchases

The Issuer and any of its subsidiaries may at any time purchase Notes (provided that all unmatured Receipts and Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price.

(h) Cancellation

All Notes purchased by or on behalf of the Issuer or any of its subsidiaries may (and if not in bearer form, shall) be surrendered for cancellation by surrendering each such Note together with all unmatured Receipts and Coupons and all unexchanged Talons to the Agent and, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

## 6. Payments and Talons

(a) Bearer Notes

Payments of principal and interest in respect of Bearer Notes will, subject as mentioned below, be made against presentation and surrender of the relevant Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and provided that the Receipt is presented for payment together with its relative Note), Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 6(f)(vi)) or Coupons (in the case of interest, save as specified in Condition 6(f)(vi)), as the case may be, at the specified office of any Paying Agent outside the United States and its possessions (the "**United States**") by a cheque payable in the relevant currency drawn on, or, at the option of the holder, by transfer to an account denominated in such currency with, a Bank. "**Bank**" means a bank in the principal financial centre for such currency or, in the case of Euro, in a city in which banks have access to the TARGET System. No payments will be made by a transfer of funds into an account within the United States or by cheque mailed to an address in the United States.

(b) Payments in the United States

Notwithstanding the foregoing, if any Bearer Notes are denominated in U.S. dollars, payments of interest in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amount on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.

(c) Payments subject to fiscal laws etc.

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Condition 7. No commission or expenses shall be charged to the Noteholders, Receiptholders or Couponholders in respect of such payments.

(d) Appointment of Agents

The Agent and the Paying Agents and the Calculation Agent initially appointed by the Issuer and their respective specified offices are listed below. The Agent and the Paying Agents and the Calculation Agent act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. The Issuer reserves the right at any time to vary or terminate the appointment of the Agent or any Paying Agent and to appoint additional or other Paying Agents, provided that it will at all times maintain (i) a Agent, (ii) a Calculation Agent where the Conditions so require one and (iii) Paying Agents having specified offices in at least two major European cities, all in accordance with the requirements of any stock exchange on which the relevant Notes may be listed from time to time.

In addition, the Issuer shall forthwith appoint a Paying Agent in New York City in respect of any Bearer Notes denominated in U.S. dollars in the circumstances described in paragraph (b) above.

Notice of any such change or any change of any specified office will promptly be given to the Noteholders in accordance with Condition 13.

(e) Unmatured Coupons and Receipts and unexchanged Talons

- (i) Unless the Notes provide that the relative Coupons are to become void upon the due date for redemption of those Notes, Notes should be surrendered for payment together with all unexpired Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unexpired Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unexpired Coupon which

the sum of principal so paid bears to the total principal due) will be deducted from the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted will be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 8).

- (ii) Unless the Notes provide otherwise, upon the due date for redemption of any Bearer Note, unmatured Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.
- (iii) Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
- (iv) Upon the due date for redemption of any Bearer Note which is redeemable in instalments, all Receipts relating to such Note having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.
- (v) Where any Bearer Note in respect of which the relative Coupons are to become void upon the due date for redemption of such Note is presented for redemption without all unmatured Coupons and any unexchanged Talon relating to it, and where any Bearer Note is presented for redemption without any exchanged Talon relating to it, redemption shall be made only against the provisions of such indemnity as the Issuer may require.
- (vi) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note. Interest accrued on a Note which only bears interest after its Maturity Date from its Maturity Date shall be payable on redemption of such Note against presentation thereof.

(f) Non-Business Days

If any date for payment in respect of any Note, Receipt or Coupon is not a Payment Day, the holder shall not be entitled to payment until the next following Payment Day nor to any interest or other sum in respect of such postponed payment. For these purposes, "**Payment Day**" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business, in such jurisdictions as shall be specified as "**Financial Centres**" in the applicable Final Terms and:-

- (i) (in the case of a payment in a currency other than Euro) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency; or
- (ii) (in the case of a payment in Euro) which is a TARGET Business Day.

(g) Talons

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Agent in exchange for a further Coupon sheet (and if necessary another Talon for

a further Coupon sheet) (but excluding any Coupons which may have become void pursuant to Condition 8).

## 7. Taxation

All payments of principal and interest in respect of the Notes, Coupons and Talons by the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of The Netherlands or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer will,

- (a) pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes, Coupons or Talons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes, Coupons or Talons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note, Coupon or Talon:
  - (i) presented for payment by or on behalf of a Noteholder, Couponholder or Talonholder who is liable for such taxes or duties in respect of such Note, Coupon or Talon by reason of his having some connection with The Netherlands other than the mere holding of such Note, Coupon or Talon or the receipt of principal or interest in respect thereof; or
  - (ii) presented for payment by or on behalf of a Noteholder, Couponholder or Talonholder who would not be liable or subject to the withholding or deduction by making a declaration of non-residence or other similar claim for exemption to the relevant tax authority; or
  - (iii) presented for payment by or on behalf of a Noteholder, Couponholder or Talonholder who would have been able to avoid such withholding or deduction by presenting the relevant Note, Coupon or Talon to another Paying Agent in a Member State of the European Union; or
  - (iv) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 6); or
  - (v) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to such directive, or similar measures adopted by a number of third countries and territories.

As used herein, the "**Relevant Date**" means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders.

If the Issuer becomes subject at any time to any taxing jurisdiction other than or in addition to The Netherlands references herein to The Netherlands shall be read and construed as references to The Netherlands and/or to such other jurisdiction.

## 8. Prescription

Claims against the Issuer for payment in respect of the Notes, Receipts and Coupons (which, for this purpose shall not include Talons) shall be prescribed and become void unless made within five years from the date on which such payment first became due.

## 9. Events of Default

If any of the following events ("**Events of Default**") shall have occurred and be continuing, the holder for the time being of this Note may give written notice to the Agent at its specified office that this Note is immediately repayable, whereupon this Note shall become immediately repayable at its Early Redemption Amount together with interest accrued to the date for repayment without any further notice being required (*verzuim zonder ingebrekestelling*) unless prior to the time when the Agent receives such notice all events of default provided for herein in respect of the Notes shall have been cured:

- (i) the Issuer defaults in any payment of principal of or interest on any Note when and as the same shall become due and payable, if such default shall not have been cured within 15 days after the date the payment is due; or
- (ii) the Issuer defaults in the due performance of any other material provision of the Notes and such default is not cured or waived within 30 days after receipt by the Agent of written notice of default given by the holder of such Note; or
- (iii) if an encumbrancer shall take possession of the whole or a major part of the assets of the Issuer, or a distress or execution or other process shall be levied or enforced upon or sued out against the whole or a major part of the assets of the Issuer or if an executory attachment (*executoriaal beslag*) is made on any major part of the Issuer's assets or if an interlocutory attachment (*conservatoir beslag*) is made thereon and in any of the foregoing cases it is not cancelled or withdrawn within 30 days; or
- (iv) if any order shall be made by any competent court or other authority or a resolution passed for the dissolution or winding-up of the Issuer or for the appointment of a liquidator or receiver of the Issuer of all or substantially all of its respective assets or if the Issuer enters into a composition with its creditors, files a petition for suspension of payments, admits in writing that it cannot pay its debts generally as they become due, initiates a proceeding in bankruptcy or is adjudicated bankrupt; or
- (v) the Issuer or any of its major subsidiaries defaults in the payment of the principal of, or premium or prepayment charge (if any) or interest on, or any other obligations in respect of borrowed moneys of or assumed or guaranteed by the Issuer or such major subsidiary, as the case may be, when and as the same shall become due and payable, if such default shall continue for more than the period of grace, if any, applicable thereto and the time for payment of such interest, principal, premium or prepayment charge has not been effectively extended, or if any obligations in respect of borrowed moneys of or assumed or guaranteed by the Issuer or any of its major subsidiaries, as the case may be, shall have become repayable before the due date thereof as a result of acceleration of maturity by reason of the occurrence of an event of default thereunder unless the Issuer or such major subsidiary is contesting in good faith before a competent court that such principal, premium, prepayment charge, interest or obligation in respect of borrowed money, as the case may be, is due in which case such default will only become effective (subject to the following proviso) when such court has set out a definitive ruling that such principal, premium, prepayment charge, interest or obligation in respect of borrowed money, as the case may be, is due provided that, in any event, such default shall become effective six months after a notice is given to the Issuer by a holder of a Note that such Note is repayable pursuant to this Condition 9. For the purpose of this subparagraph (v), "**major subsidiary**" shall mean any company or entity of which the Issuer

controls 50 per cent. or more of the share capital or voting powers and whose assets constitute more than 10 per cent. of the consolidated assets of the Issuer and its consolidated subsidiaries; or

- (vi) there is a cessation of business or of a substantial part thereof by the Issuer; or
- (vii) the Issuer merges or otherwise amalgamates with any other incorporated or unincorporated legal entity unless the legal entity surviving such merger or amalgamation expressly assumes all obligations of the Issuer with respect to the Notes and has obtained all necessary authorisations therefore; or
- (viii) at any time a special authorisation becomes necessary to permit the Issuer to pay principal of and interest on the Notes in accordance with their terms as a result of any change in the official application of, or any amendment to, the laws or regulations of The Netherlands and such authorisation is not obtained by the Issuer within 60 days of the effective date of such change or amendment or official notification thereof, whichever occurs later.

## **10. Meetings of Noteholders and Modifications**

### **(a) Meeting of Noteholders**

The Agency Agreement contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including modification by Extraordinary Resolution of the Notes (including these Conditions insofar as the same may apply to such Notes). Such a meeting may be convened by Noteholders holding not less than 10 per cent. in nominal amount of the Notes for the time being outstanding or by the Issuer. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons holding or representing a clear majority in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting two or more persons being or representing Noteholders whatever the nominal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, inter alia, (i) to amend the dates of maturity or redemption of the Notes, any Instalment Date or any date for payment of interest thereon, (ii) to reduce or cancel the nominal amount or any Instalment Amount of, or any premium payable on redemption of, the Notes, (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating the Interest Amount in the respect thereof, (iv) if there is shown on the face of the Notes a Minimum Rate of Interest and/or a Maximum Interest Rate, to reduce such Minimum Interest Rate and/or such Maximum Interest Rate, (v) to change any method of calculating the Final Redemption Amount, the Early Redemption Amount or the Optional Redemption Amount, including the method of calculating the Amortised Face Amount, (vi) to change the currency or currencies of payment of the Notes, (vii) to take any steps which this Note specifies may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply or (viii) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution, in which case the Extraordinary Resolution will only be binding if passed at a meeting of the Noteholders (or at any adjournment thereof) at which a quorum is present of one or more persons holding Notes or voting certificates or being proxies and holding or representing in the aggregate not less than two-thirds in nominal amount of the Notes for the time being outstanding (as provided for in the Agency Agreement). No such Extraordinary Resolution shall be effective unless approved by the Issuer. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders.

These Conditions may be complemented, supplemented or modified in relation to any Series of Notes by the terms of the relevant Final Terms in relation to such Series and, where relevant, by supplementary listing particulars required by Euronext Amsterdam N.V.

### **(b) Modification of Agency Agreement**

The Issuer shall only permit any modification of, or any waiver or authorisation of any breach or proposed breach of or any failure to comply with, the Agency Agreement, if to do so could not reasonably be expected to be prejudicial to the interests of the Noteholders.

#### **11. Replacement of Notes, Receipts, Coupons and Talons**

If a Note, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange regulations, at the specified office of any Paying Agent as may from time to time be designated by the Issuer for that purpose and notice of whose designation is given to Noteholders in accordance with Condition 13 (in the case of Bearer Notes, Receipts, Coupons or Talons), in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, inter alia, that if the allegedly lost, stolen or destroyed Note, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there will be paid to the Issuer on demand the amount payable by the Issuer in respect of such Notes, Receipts, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

#### **12. Further Issues**

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further notes having the same terms and conditions as the Notes (so that, for the avoidance of doubt, references in the conditions of such notes to "**Issue Date**" shall be to the first issue date of the Notes) and so that the same shall be consolidated and form a single series with such Notes, and references in these Conditions to Notes shall be construed accordingly.

#### **13. Notices**

Notices to the holders of Bearer Notes will be deemed to be validly given if published (i) in a leading Dutch language daily newspaper of general circulation in Amsterdam (which is expected to be *Het Financieele Dagblad*) and (ii) if and for so long as the Notes are listed on Euronext Amsterdam, in the Daily Official List (*Officiële Prijscourant*) of Euronext Amsterdam. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange or another relevant authority on which the Notes are for the time being listed or by which they have been admitted to trading. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice to the holders of Bearer Notes in accordance with this Condition.

#### **14. Currency Indemnity**

Any amount received or recovered in a currency other than the currency in which payment under the relevant Note, Coupon or Receipt is due (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the winding-up or dissolution of the Issuer or otherwise) by any Noteholder or Couponholder in respect of any sum expressed to be due to it from the Issuer shall only constitute a discharge to the Issuer to the extent of the amount in the currency of payment under the relevant Note, Coupon or Receipt that the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If the amount received or recovered is less than the amount expressed to be due to the recipient under any Note, Coupon or Receipt, the Issuer shall indemnify it against any loss sustained by it as a result. In any event, the Issuer shall indemnify the recipient against the cost of making any such purchase. For the purposes of this Condition, it shall be sufficient for the Noteholder or Couponholder, as the case may be, to

demonstrate that it would have suffered a loss had an actual purchase been made. These indemnities constitute a separate and independent obligation from the Issuer's other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Noteholder or Couponholder and shall continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note, Coupon or Receipt or any other judgment or order.

## **15. Governing Law and Jurisdiction**

### **(a) Governing Law**

The Notes, the Receipts, the Coupons and the Talons, and any non-contractual obligations arising out of or in connection therewith are governed by, and shall be construed in accordance with, the laws of The Netherlands.

### **(b) Jurisdiction**

The competent courts of Amsterdam are to have non-exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Notes, the Receipts, the Coupons, or the Talons (including any disputes relating to any non-contractual obligations arising out of or in connection with the Notes, the Receipts, the Coupons or the Talons) and accordingly any legal action or proceedings arising out of or in connection with the Notes, the Receipts, the Coupons or the Talons (including any proceedings relating to any non-contractual obligations arising out of or in connection with the Notes, the Receipts, the Coupons or the Talons) ("**Proceedings**") may be brought in such courts. These submissions are made for the benefit of each of the Holders of the Notes, Receipts, Coupons and Talons and shall not affect the right of any of them to take Proceedings in any other court of competent jurisdiction.

## SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

The following contains a summary of the provisions relating to the notes while in global form. All essential provisions are included.

Each Series or Tranche, as the case may be, will initially be represented by a temporary Global Note, in bearer form without Coupons, which will:

- (a) if the global Notes are intended to be issued in New Global Note ('NGN') form, as stated in the applicable Final Terms, be delivered on or prior to the original issue date of the Tranche to a common safekeeper (the "**Common Safekeeper**") for Euroclear and Clearstream, Luxembourg; or
- (b) if the global Notes are not intended to be issued in NGN form, (i) be delivered on or prior to the original issue date of the Tranche to a common depositary (the "**Common Depositary**") for Euroclear and Clearstream, Luxembourg and/or any other agreed clearing system or (ii) be deposited with Euroclear Netherlands on or about the issue date of the relevant Notes.

No interest will be payable in respect of a temporary Global Note except as provided below. Upon deposit of the temporary Global Note with the Common Depositary, Euroclear, Euroclear Netherlands or Clearstream, Luxembourg (as the case may be) will credit each subscriber with a nominal amount of Notes equal to the principal amount thereof for which it has subscribed and paid.

Each of the persons shown in the records of Euroclear, Euroclear Netherlands or Clearstream, Luxembourg as the holder of a Note represented by a Global Note must look solely to Euroclear, Euroclear Netherlands or Clearstream, Luxembourg (as the case may be) for his share of each payment made by the Issuer to the bearer of such Global Note and in relation to all other rights arising under the Global Note, subject to and in accordance with the respective rules and procedures of Euroclear, Euroclear Netherlands and Clearstream, Luxembourg. Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Note and such obligations of the Issuer will be discharged by payment to the bearer of such Global Note in respect of each amount so paid.

On 13 June 2006 the European Central bank (the 'ECB') announced that Notes in NGN form are in compliance with the 'Standards for the use of EU securities settlement systems in ESCB credit operations' of the central banking system for the euro (the 'Eurosystème'), provided that certain other criteria are fulfilled. At the same time the ECB also announced that arrangements for Notes in NGN form will be offered by Euroclear and Clearstream, Luxembourg as of 30 June 2006 and that debt securities in global bearer form issued through Euroclear and Clearstream, Luxembourg after 31 December 2006 will only be eligible as collateral for Eurosystème operations if the NGN form is used.

The temporary Global Notes and the permanent Global Notes contain provisions which apply to the Notes while they are in global form, some of which modify the effect of the terms and conditions of the Notes set out in this document. The following is a summary of certain of those provisions:-

1. **Exchange.** On or after any Exchange Date (as defined below), each temporary Global Note will be exchangeable, free of charge to the holder, in whole or in part upon certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement for interests in a permanent Global Note.

On or after any Exchange Date, each permanent Global Note will be exchangeable, free of charge to the holder, in whole but not, except as provided in the paragraphs below, in part, to the extent permitted by the rules of Euroclear, Euroclear Netherlands and Clearstream, Luxembourg, for Definitive Notes:

- (i) by the Issuer giving notice to the Noteholders and the Agent of its intention to effect such exchange, unless principal in respect of any Notes is not paid when due;
- (ii) if the relevant Final Terms provides that such Global Note is exchangeable at the request of the holder, by the holder giving notice to the Agent of its election for such exchange;
- (iii) otherwise, (1) if the permanent Global Note is held on behalf of Euroclear, Euroclear Netherlands or Clearstream, Luxembourg and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so or (2) if principal in respect of any Notes is not paid when due, by the holder giving notice to the Agent of its election for such exchange.

For so long as a permanent Global Note is held on behalf of a clearing system and the rules of that clearing system permit, such permanent Global Note will be exchangeable in part on one or more occasions for Definitive Notes (i) on or following any failure to pay principal in respect of any Notes when it is due and payable or (ii) if so provided in, and in accordance with, the Conditions (which will be set out in the relevant Final Terms) relating to Partly Paid Notes.

The holder of a permanent Global Note may surrender the permanent Global Note or, in the case of a partial exchange, present it for endorsement to or to the order of the Agent. In exchange for any permanent Global Note, or the part thereof to be exchanged, the Issuer will deliver, or procure the delivery of, an equal aggregate principal amount of duly executed and authenticated definitive Notes (if appropriate, having attached to them all Coupons and Receipts in respect of interest or Instalment Amounts which have not already been paid on the permanent Global Note and a Talon), security printed in accordance with any applicable legal and stock exchange requirements and in or substantially in the form set out in Schedule 2 to the Agency Agreement. On exchange in full of each permanent Global Note, the Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant definitive Notes.

**"Exchange Date"** means, in relation to a temporary Global Note, the day falling after the expiry of 40 days after its issue date and, in relation to a permanent Global Note, a day falling not less than 60 days after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Agent is located and on which Euroclear, Euroclear Netherlands and Clearstream, Luxembourg are open for business.

2. **Payments.** No payment falling due more than 40 days after the date of issue of any Tranche represented by a temporary Global Note will be made on that temporary Global Note unless exchange for an interest in a permanent Global Note is improperly withheld or refused. Payments on any temporary Global Note during the period up to 40 days after the issue date of such Tranche will only be made against presentation of certification as to non-U.S. beneficial ownership as set out in the Agency Agreement. All payments in respect of Notes represented by a Global Note will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of that Global Note to or to the order of the Agent or such other Paying Agent as shall have been notified to the Noteholders for such purpose. A record of each payment so made will be endorsed in the appropriate schedule to each Global Note, which endorsement will be prima facie evidence that such payment has been made in respect of the Notes.
3. **Notices.** So long as any Notes are represented by a permanent Global Note and such permanent Global Note is held on behalf of either (i) a common depository for Euroclear and Clearstream, Luxembourg or (ii) with Euroclear Netherlands, notices to Noteholders of that Series may be given by delivery of the relevant notice to Euroclear and to Clearstream, Luxembourg, or to

Euroclear Netherlands (as applicable) for communication by them to entitled accountholders in substitution for publication as required by the Conditions.

4. **Prescription.** Claims against the Issuer in respect of the Notes which are represented by a permanent Global Note will become void unless it is presented for payment within a period of five years from the date on which payment first becomes due.
5. **Meetings.** The holder of a permanent Global Note will be treated as being two persons for the purposes of any quorum requirements of a meeting of Noteholders and, at any such meeting, as having one vote in respect of each minimum Denomination of Notes for which such permanent Global Note may be exchanged.
6. **Purchase and Cancellation.** Cancellation of any Note surrendered for cancellation by the Issuer following its purchase will be effected by reduction in the principal amount of the relevant permanent Global Note.
7. **Issuer's Option.** No drawing of Notes will be required under Condition 5(e) in the event that the Issuer exercises any option relating to those Notes while all such Notes which are outstanding are represented by a permanent Global Note. In the event that any option of such Issuer is exercised in respect of some but not all of the Notes of any Series, the rights of accountholders with Euroclear, Euroclear Netherlands and Clearstream, Luxembourg in respect of the Notes will be governed by the standard procedures of Euroclear, Euroclear Netherlands and Clearstream, Luxembourg.
8. **Noteholders' Option.** Any Noteholders' option may be exercised by the holder of a permanent Global Note giving notice to the Agent of the principal amount of Notes in respect of which the option is exercised and presenting such permanent Global Note for endorsement of exercise within the time limits specified in the Conditions.
9. **Default.** Each Global Note provides that the holder may cause such Global Note, or a portion of it, to become due and repayable in the circumstances described in Condition 9 by stating in the notice to the Agent the principal amount of such Global Note that is becoming due and repayable.
10. **Partly Paid Notes.** The provisions relating to Partly Paid Notes will be contained in the Global Notes. For so long as any instalments of the subscription moneys due from the holder of Partly Paid Notes are due, no interest in a Global Note representing such Notes may be exchanged for an interest in a permanent Global Note or for Definitive Notes (as the case may be). In the event that any Noteholder fails to pay any instalment due on any Partly Paid Notes within the time specified, the Issuer will be entitled to forfeit such Notes and shall have no further obligation to their holder in respect of them.

## **USE OF PROCEEDS**

The net proceeds from each issue of Notes will be applied by the Issuer for its general corporate purposes. If, in respect of any particular issue, there is a particular other identified use of proceeds, this will be stated in the applicable Final Terms.

## DESCRIPTION OF THE ISSUER

### 1. General information

#### *Incorporation*

Gasunie, whose official name is N.V. Nederlandse Gasunie, was incorporated under Dutch law as a public limited company (*naamloze vennootschap*) on 6 April 1963 and is operating under Dutch law. The corporate seat of Gasunie is in Groningen, the Netherlands. The registered office of Gasunie is Concourslaan 17, 9727 KC, Groningen. Gasunie is registered in the trade register (*handelsregister*) at the Chamber of Commerce of Groningen (*Kamer van Koophandel en Fabrieken voor Groningen*) under number 02029700. The telephone number of Gasunie is +31(0)50 5219111. The Articles of Association of Gasunie were last amended by notarial deed on 28 July 2008 before Mr. C.W. de Monchy, civil law notary in Amsterdam, the draft of these articles having received the approval of the Minister of Justice, number 82.432.

#### *Capitalisation and Shareholder*

The State of the Netherlands holds 100 per cent of the issued shares in Gasunie.

The authorised share capital of Gasunie is EUR 756,000 comprising 7,560 ordinary registered shares with a par value of EUR 100 each. A total of 1,512 ordinary registered shares have been issued, all of which are fully paid.

#### *Mitigated Structure Regime*

Gasunie is subject to the mitigated large company regime (*structuurregime*). Pursuant to the (mitigated) large company regime, members of the supervisory board are appointed by the general meeting of shareholders upon a binding nomination by the supervisory board. The supervisory board is required to nominate (a) person(s) recommended by the works council to one third of the positions in the supervisory board.

The State of the Netherlands, in its capacity as sole shareholder of Gasunie, may reject the binding nomination of the supervisory board, but it cannot appoint persons to the supervisory board that have not been nominated by the supervisory board. Accordingly, upon a rejection by the State of the Netherlands of one or more of its nominated candidates for appointment, the supervisory board must prepare a new binding nomination.

The supervisory board of Gasunie determines the number of members of the executive board. The State of the Netherlands appoints the members of the executive board. It also has the power to suspend or dismiss members of the executive board at all times.

Certain important resolutions of the executive board are mandatorily subject to approval of the supervisory board, including, but not limited to, the making of significant investments and divestments, and the entering into and termination of important joint ventures.

#### *Objects*

According to article 2 of its articles of association, Gasunie has the following objects:

(i) to exercise the gas transport business and to improve a just gas infrastructure and activities related therewith such as storage, research and engineering; to improve the safety of the use of machines and installations consuming gas; to improve the free market system in the field of energy supply at large;

(ii) the direct or indirect management of the national gas transport network and the direct or indirect performance of the tasks as administrator of the national gas transport network as prescribed in the Gas Act, and

(iii) the direct or indirect participation in or the having or taking of an interest in any other way in and the management of other enterprises with an object similar to the object of Gasunie, or a target identical or related thereto; furthermore to finance third parties and to grant security in whatever way or to commit oneself for obligations of third parties, as well as all those activities which are in accordance with the foregoing, related thereto in the broadest way or advantageous therefore.

## 2. Gasunie

Gasunie is a European gas infrastructure company. The high-pressure gas transport network of Gasunie in the Netherlands and Northern Germany, with over 15,000 kilometres of pipelines, many installations, including a liquid natural gas ("LNG") facility (peak shaver) and approximately 1,300 custody transfer stations, is one of the biggest of its kind in Europe. The annual transit is approximately 125 billion cubic metres of gas, roughly a quarter of the volume consumed in Europe. The company transports gas to major industrial consumers that are directly connected to the network, to neighbouring network operators abroad and to regional network operators that distribute gas through their distribution networks to end-users. Gasunie is the first fully independent (i.e. not linked to a gas trading company) gas transport supplier with an extensive cross-border network throughout Europe. Gas is also transported to a large number of international networks and customers via the Gasunie network; this gives Gasunie a special role and responsibility within the European gas market and the energy supply. Fulfilling that role safely, reliably and efficiently is the aim of Gasunie. However, the company is also committed to responding swiftly to new demands of the market for transport and related services. These aims promote both competition and security of supply. Gasunie applies business practices and offers services based on the principles of open access, transparency and non-discriminatory application of terms and tariffs. By actively contributing to a secure energy supply, social interests in the countries supplied by Gasunie's network are being served. Gasunie offers transport services via its subsidiaries Gas Transport Services B.V. in the Netherlands and Gasunie Deutschland Transport Services GmbH in Germany. Gasunie also offers other services in the gas infrastructure field, including gas storage and LNG. Furthermore Gasunie has participations in BBL Company (pipeline between the Netherlands and the UK) and in Nord Stream AG (pipeline between Russia and Germany.) Gasunie's relevant market is the North-West European gas market. Although the principal markets are currently the Netherlands and Germany, activities and investments may be undertaken throughout North West Europe as long as it fits with Gasunie's strategic aims and the investment generates an adequate return.

The transport services are chiefly provided through the business unit TSO which handles the regulated network management. Within TSO, the legal entity Gas Transport Services B.V. ("GTS") is the transmission system operator for the Netherlands. GTS, a wholly-owned subsidiary of Gasunie, operates independently from Gasunie, as specified in the Dutch Gas Act. Within TSO, the appointed transmission system operator for the North German regional network is the legal entity Gasunie Deutschland Transport Services GmbH ("GUD") another wholly-owned subsidiary of Gasunie. TSO is taking stock of future demand for transport capacity as indicated by customers and is using this feedback to draw up investment plans. It is also responsible for the day-to-day management of gas transport and the associated installations. TSO additionally facilitates transactions on the Title Transfer Facility ("TTF"), a gas trading platform which is growing rapidly both in scope and in importance. This is also helping to promote growing competition.

The Joint Ventures & Business Development (non-TSO) business unit mainly facilitates new gas flows to North-Western Europe via an LNG terminal and long distance pipelines, as requested by market players who have expressed a need for extra capacity. It is also working on gas storage facilities to increase the flexibility of the natural gas supply in response to growing market demand. This business unit covers joint ventures such as the Balgzand Bacton Line ("BBL"), Gate terminal B.V. ("Gate Terminal"), APX-Endex, Nord Stream AG ("Nord Stream") and the gas storage facility Zuidwending

B.V ("**Zuidwending**"). These enterprises are all further described below under "*Projects and Participations*".

The Construction and Maintenance department is responsible for the preparation and implementation of new construction projects, maintenance and operational tasks for gas transport in a wide range of locations throughout the Netherlands.

Gasunie plays an active role in a number of partnerships and institutions that disseminate knowledge and technology relating to energy and gas (the International Gas Union and the Energy Delta Institute). Gasunie proactively contributes to the development of energy policy and new legislation, both on the national and on the European level, through the provision of expertise and the supply of objective information. Besides these energy related activities Gasunie also supports a broad range of socially relevant organisations and events.

Gasunie's approximately 1,730 employees are distributed over around 28 locations throughout the Netherlands and Germany. The company's overall head office is in Groningen, the Netherlands. The head office for the company's activities in Germany is in Hanover, Germany.

### **3. Strategy**

#### ***General***

Over the next few decades, security of gas supply and the role of infrastructure will occupy centre stage in Europe. The main driver is the rapidly declining domestic production and a stable and small growth potential for gas in Europe, thus driving the need for extensive new infrastructure to accommodate the new supply from gas outside the European region. These extensive investments comprise pipelines as well as LNG terminals and underground storage facilities for accommodating the steady need for a growing flexible demand. Essential prerequisite for the realization of the new infrastructure is the presence of sufficient European and national legislation and enabling regulatory bodies to accommodate the required investments to be made in due time.

Due to the Netherlands' highly developed gas market, the Gasunie infrastructure is unique in terms of its density, robustness and diversity. There are two additional remarkable features: first its strategic geographical position in Europe and second, the geophysical state of the area. The geographical position of the Gasunie networks in Europe is today at the heart of domestic supply with Groningen as the main indigenous production centre. In addition, there are a great number of small gas fields in the area which potentially can be used as a storage facility. Furthermore, the soil is suitable for building salt caverns for gas storage and these two possibilities can be used as a great potential source of flexibility. In a situation where gas is being transported over increasingly large distances, the availability of flexibility close to the market is vital. After all, the market demands a flexible supply. These geographical, geophysical, infrastructural and logistical benefits make North-West Europe an attractive region for market players.

The international gas trade involves choices between markets and often also between routes to those markets. This creates genuine competition between gas infrastructure companies (of which there are now many in Europe), including in transit flows. Gasunie's network currently stretches from Berlin, via the Netherlands, to Bacton in the UK. The network is on a crossroad of new and growing supply routes for North-West Europe. With Norwegian supply from the North, growing Russian supply from the East and new LNG supply from other world regions to the harbour of Rotterdam, the main Northwest European gas markets are well supplied and connected which has led to a lively spot market in the North-West of continental Europe. Meeting the requirements of adjacent markets, existing and potential suppliers, importers and policy-makers is crucial in improving Gasunie's market function.

### ***Competitive position***

Gasunie is the first and only cross-border TSO that is truly independent from commodity trade. This independence from trade greatly increases Gasunie's credibility with its shippers and other customers and is one of its main strengths. Although Gasunie's activities are always related to gas infrastructure, a distinction can be made between several markets in which it operates.

#### Regulated Network Management (the TSOs)

In Germany there are multiple gas TSOs. The BNetzA has ruled that the TSOs in Germany are not effectively engaged in competition with each other. In the Netherlands, GTS has been appointed as the national gas TSO (*Landelijk Netbeheerder*, "LNB"). The lack of competition causes these activities to be regulated by the national regulatory authorities.

Contrary to domestic high pressure transport, customers do have several choices between TSOs when it comes to international transit flows. GTS has asked Arthur D. Little to compare the West European gas transportation tariffs and in June 2010 the report "*West European Gas Transmission Comparison at 1 February 2009*" was published. In the different cases that were investigated they found that GTS' tariffs compared to the other TSOs are lower in 77%, similar in 22% and higher in 1% of the cases. These results indicate that GTS is very well positioned to attract the new international transit flows that result from the changing supply and demand situation. The report by Arthur D. Little also shows that GUD has the lowest average tariffs of the German TSOs.<sup>3</sup> This report can be downloaded at <http://www.gastransportservices.nl/en/downloads/publications/studies>

#### Unregulated activities

The competitive strength of Gasunie's Zuidwending gas storage facility and the Gate LNG terminal lie in its independence from the commodity trade. These facilities will operate on the principles of third party access. The shareholders do not have any commodity trading interest ensuring that we are not in competition anywhere in the value chain with our downstream customers.

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<sup>3</sup> The Issuer confirms that the information in the Arthur D. Little report has been accurately reproduced and that as far as Gasunie is aware and is able to ascertain from information published by Arthur D. Little, no facts have been omitted which would render the reproduced information inaccurate or misleading.

### *Strategic pillars*

Gasunie's activities are based on three strategic pillars.

#### *Maintain and extend the existing Gasunie network*

This pillar covers activities involving the public interest, the specific statutory tasks of GTS and GUD as the TSOs and maintaining high performance standards. An important aspect of this pillar is the need to satisfy market demand and ensure that the existing network remains an attractive and reliable route for shippers and to uphold Gasunie's competitive position. The network will, where necessary, be extended in response to specific market demand. Within the context of this pillar, Gasunie strives for operational excellence in safety, reliability, efficiency and sustainability and for expansion of its network.

#### *Attract gas flows to and within North-West Europe*

This pillar focuses on the international integration of networks and markets. Our efforts in this pillar include: ongoing integration of the Dutch/German transport network and relevant markets, providing integrated services for several transport networks and markets, extending transport activities through cooperation with, and the acquisition of, adjacent networks, participation in long-distance pipelines and, finally, strengthening Gasunie's position in the infrastructure for LNG. Public interest (stimulating the gas market and increasing its liquidity) also plays an important role in this pillar, as does responding to market demand for infrastructure on a sound commercial basis. This strengthens the competitive position both of Gasunie and other stakeholders in the "gas roundabout".

#### *Offering ancillary gas infrastructure services*

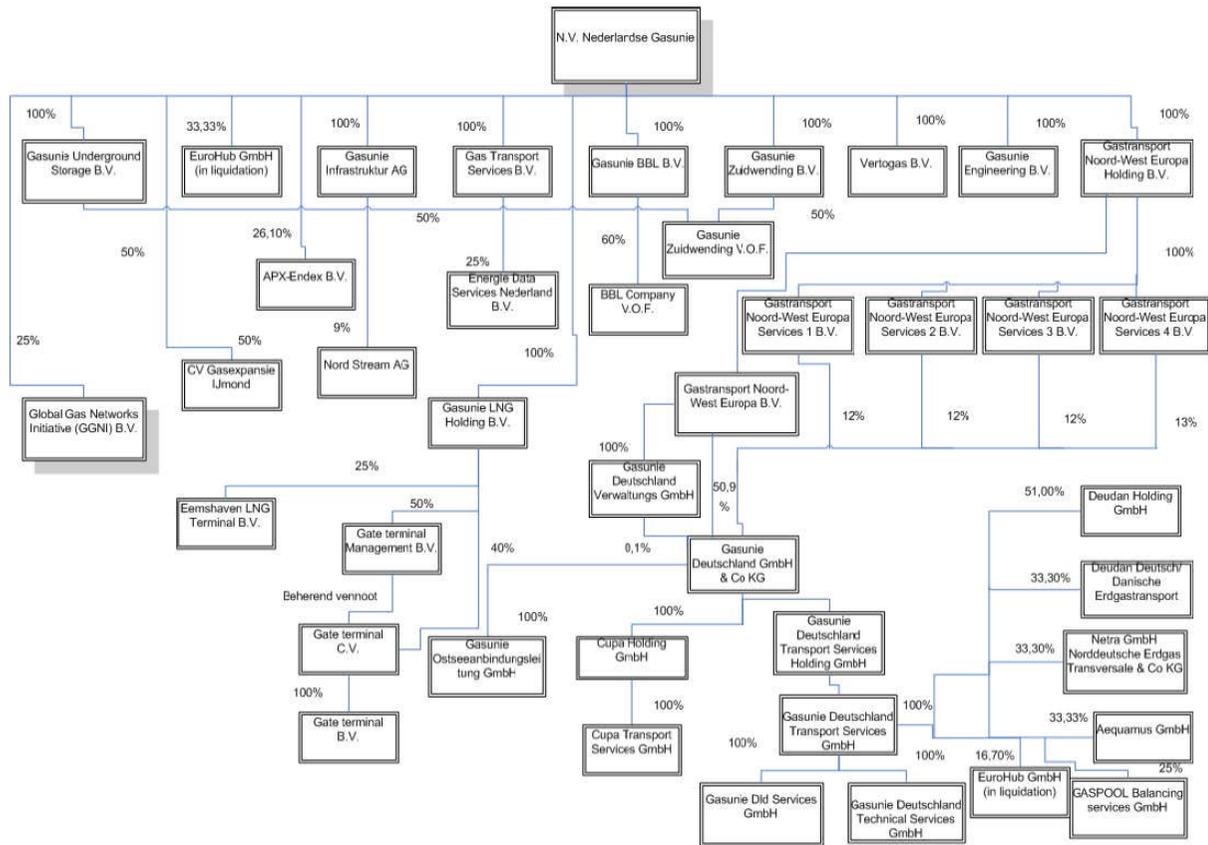
These supplementary services must increase the attractiveness of the gas roundabout and the markets in which Gasunie operates. The following services are offered to promote security of supply, market function and sustainability: long-term storage, seasonal short-term storage and new commercial opportunities in renewable energy (green gas certification, and encouraging clean energy applications).

#### *The 'gas roundabout'*

The central position, quality and complexity of the Gasunie network, as well as the Dutch and German geological circumstances, provide an enviable starting point for strengthening the Gasunie position as the 'gas hub' of North-West Europe. This is the "gas roundabout" concept; developing access points and drawing gas flows to and via Gasunie's network to the Netherlands. Gasunie wishes to contribute to the further integration of the European market and to increase security of supply by developing its infrastructure and increasing its position in North-West Europe. The gas roundabout concept represents an internationally oriented, open entrance for gas and market parties. In this way Gasunie contributes to the security of supply and development of the market in North-West Europe and to the increase of the value of the company itself. In doing so Gasunie serves the interests of the customers, energy policy-makers on national (Ministry of Economic Affairs) and EU level as well as its shareholder, the State of the Netherlands, represented by the Ministry of Finance.

## **4. Group structure and description of subsidiaries and participations**

The structure of the Gasunie and its subsidiaries (the "**Group**") and participations is as follows:



Set out below is a description of Gasunie's subsidiaries and participations.

## **Gas Transport Services B.V. ("GTS")**

### ***General***

GTS, the Dutch TSO, is a wholly owned subsidiary of Gasunie and operates independently from Gasunie in line with the requirements in the Gas Act. GTS provides regulated transport services in a transparent and non-discriminatory manner to ensure the proper functioning of the liberalised gas market. GTS is responsible for the operation, maintenance and development of the national gas transmission grid in an economically responsible and sustainable manner. GTS has to provide sufficient transport capacity to the Dutch market, to balance the network and to connect the network to other networks. In accordance with the Gas Act, GTS has some public service obligations, such as emergency supplies and peak supplies.

Indications from the market show that GTS has a strong position as an independent market facilitator and that market parties are very interested in an expansion of the transport capacity at entry and exit points particularly in the North-East and South-West of the Netherlands. The additional demand for transport capacity is partly originating from additional gas imports as domestic production from gas fields in the North Sea is in decline and partly from shippers seeking arbitrage opportunities and needing transmission through the Netherlands. GTS will realise the requested capacity expansion on the basis of economically responsible investments.

Since 2005 GTS has extended its range of services with, amongst others, contracts for interruptible transmission.

### ***Results 2009***

During 2009, turnover from gas transmission and related services remained on the 2008 record level of € 1.3 billion. The physical volume transmitted in 2009 was 99 billion m<sup>3</sup> of natural gas (against 108 billion m<sup>3</sup> in 2008) whereas the contracted sold volumes increased slightly. Gas traders and suppliers are still increasingly using the GTS trading platform, the Title Transfer Facility ("**TTF**") to trade their gas. In 2008 the TTF experienced substantial growth and claimed its place as a prominent market place in Europe. The growth of the TTF increased even further in 2009. In 2009, market parties supplied 26.6 billion m<sup>3</sup> of natural gas via the TTF, more than triple compared to 2007 (8 billion m<sup>3</sup>). Trading volume also grew and amounted to around 81.6 billion m<sup>3</sup> in 2009 (2008, 64 billion m<sup>3</sup>). The 'churn-factor' (the number of times, averaged over one year, a cubic meter of natural gas is traded) fell slightly from 3.3 to 3.1. The average number of traders that are daily active on the TTF grew further to around 60 with a maximum of 71.

### ***Current regulation and tariff model***

The activities of GTS are regulated by the Dutch regulator, (the *Nederlandse Mededingingsautoriteit*, "**NMa**") and more specifically by the directorate responsible for the energy sector (Office of Energy Regulation, the "**Energiekamer**"). This has a material influence on the tariffs and revenues of GTS and therefore also on GTS' possibility to recover expenses for any material investment.

Discussions between the Ministry of Economic Affairs, the Ministry of Finance, the NMa/Energiekamer and GTS resulted in a new model for regulation that allowed for sufficient return on investment for Gasunie to service the need for infrastructure.

The principles mentioned in this model have been formally laid down in a policy rule (*beleidsregel*) by the Minister of Economic Affairs dated 3 July, 2008, that was successfully defended in Parliament. This policy rule defined the parameters for investments in new capacity enhancing the network and

investments in the existing network by GTS. In the policy rule these investments are treated with a rate of return (WACC) of 7% and 5.5% respectively. The corresponding amortization periods are 20 and 55 years respectively. The value of the regulatory asset base ("**RAB**") was set at 6.4 billion EUR.

On 16 December 2008, the NMa published its new method decisions. The new method decisions outlined the tariff regulation methodology with respect to transport (and balancing and quality conversion) tariff regulation for the period 2009-2012. The parameters notably include those for the determination of a separate efficiency discount decision, resulting in an annual discount on allowed revenues of 5.4% (the so-called 'x factor') for the period 2009-2012. GTS has filed a notice of objection to specific elements of the x factor decision of the Dutch Office of Energy Regulation ("**Energiekamer**"). These objections were denied by the Energiekamer, following which GTS has filed an appeal at the CBB.

However, on Tuesday 29 June 2010, the Dutch Trade and Industry Appeals Tribunal ("**CBb**") annulled three of NMa's aforementioned method decisions, dated 16 December 2008. These method decisions formed the basis for the tariff regulation of GTS, as operator of the national gas transport network. They include the parameters for the mandatory determination of an efficiency factor by the NMa. The method decisions which the CBb has annulled related to the period from 2009 to 2012 inclusive. Annulment of the method decisions results from the CBb's findings that, with the policy rule of July 2008, the Minister for Economic Affairs infringed upon the ability of the Dutch Competition Authority (NMa) to form an independent opinion.

Furthermore, the CBb has ruled that the NMa is obliged to take a new method decision and determine a new efficiency factor on the basis thereof for the period of 2006-2008, following the earlier annulment by the CBb (in a judgement dated 30 November 2006) of the previous method decision and efficiency factor for that period. The NMa had failed to take new decisions, which the CBb judged to be unlawful, as this implied that no efficiency factor had been applied to GTS's tariffs over the years 2006, 2007 and 2008.

The revised decisions may show that the tariffs which have been charged over the period prior to the revision have been too high. According to the CBb the NMa should adjust future tariffs to take into account the efficiency factor over the period 2006-2008.

The annulment of the method decisions, as well as CBb's judgement that a new method decision must be taken for the period of 2006-2008, have led to increased uncertainty regarding the extent of future cash flows. It is currently unclear when and at what level the NMa will adopt revised regulatory parameters which determine the allowed revenue of GTS and hence its tariffs over the periods of 2006-2008 and 2009-2012.

In a public response to the CBb's judgement, the NMa has declared that in taking new decisions following the judgment it will take into account the necessity for investments, which are important to the Minister's policy within the context of the Dutch gas roundabout and security of supply considerations. GTS shares this opinion and believes that the issue is to achieve a new workable basis for the necessary investments in gas infrastructure as soon as possible. This newly created vacuum having a negative effect on the security of supply and market operations must be prevented at all costs [*website NMA, press release dated 29 June 2010*].

For the year 2010, GTS will continue to charge tariffs according to the tariff decision 2010. The NMa has approved GTS' proposal to maintain the 2010 tariffs for the year 2011 until the new method decision is made.

### ***Participation***

GTS holds 25% of the shares in the capital of Energie Data Services Nederland B.V. ("**EDSN**"), a Dutch company, which supports the activities of the trade and industry association for the gas and

electricity business, (*Vereniging Nederlandse Energiedatauitwisseling*, "NEDU"), incorporated in July 2007. The other shares in the capital of EDSN are held by TenneT BV and regional network operators. EDSN intends to further effectuate the requirements of the information code, which are developed by the Dutch Regulator NMa/Energiekamer, and aims at improving the communication between companies active in different parts of the gas and electricity business chain.

## **Gasunie Deutschland GmbH & Co. KG**

### ***General***

Based on a sale and purchase agreement as of 23 November 2007 Gasunie acquired with effect of 1 July 2008 the gas transport division of the North German company BEB Erdgas und Erdöl GmbH as held by BEB Transport GmbH (renamed in Gasunie Deutschland Transport Services GmbH) together with the network of the ExxonMobil Fernleitungsnetz GmbH (renamed in Cupa Transport Services GmbH). Gasunie Deutschland Transport Services GmbH and Cupa Transport Services GmbH are 100% subsidiaries of Gasunie Deutschland GmbH & Co. KG ("**GUD**"). The network of GUD connects international natural gas pipelines from Denmark, Norway and the Netherlands. It consists of 8 compressor stations with 23 compressor units strategically positioned along the network providing flexibility to maintain booked capacities under varying flow and pressure conditions. The network is connected to 5 storage facilities (not owned by Gasunie) and is directly connected to 15 large consumers. The network incorporates 30 entry points and 166 exit points. It is over 3100 km long. GUD operates the network. It is also responsible for the management and development of accompanying installations. GUD is a wholly owned subsidiary of Gasunie. The GUD network is connected to the GTS system in the Netherlands.

### ***Results 2009***

The physical volume transported by GUD in 2009 was 23.5 billion cubic meters. Total revenues for gas transport and related services amounted to EUR 247 million. As 2009 was the first full year of operation for GUD, a meaningful comparison with 2008 is not possible.

### ***Current regulation and tariff model***

#### ***Cost-plus regulation***

On 23 September 2008, the BNetzA has ruled that there is insufficient competition between GUD and the other supra-regional TSOs in Germany, and that therefore GUD has to apply cost-based tariffs as of 23 September 2008 following the respective rules in the Gas Grid Tariff Regulation (*Gasnetzentgeltverordnung*, the "**GasNEV**").

Following this decision of the BNetzA GUD had to ask BNetzA for approval of its cost-base to be the basis for future transport tariffs. Approval was finally granted in October 2009. Hence, as of October 2009 GUD is charging cost-based tariffs according to the GasNEV. The application of cost-based tariffs based on the GasNEV has caused an overall reduction in GUD's tariffs. The revenues which during the decision of the BNetzA in 2008 and the start of cost-based tariffication as of October 2009 were above of the finally allowed tariffs level will be set off against allowed revenues in the future ("*Mehrerlösabschöpfung*").

The tariff decision of the BNetzA of October 2009 and the estimation of management of the applicable efficiency factor at the end of 2009 have lead to an impairment of the 'Gas transport network', accounted for in the financial statements for the year 2009.

The total return of GUD within the cost-based and later the incentive regulation model consist of an equity yield rate. This equity yield rate is fixed and will be adjusted prior to each regulatory period, i.e. every 5 years by BNetzA. On 7 July 2008 the BNetzA published a decision stating the allowed returns

on equity that will be applied. Currently a maximum real pre-tax return on equity of 7.56% on old assets is applicable whereas a maximum 9.29% nominal pre-tax return on equity will be used for new investments. Furthermore, the equity yield rate is only applicable for an equity share limited to a maximum of 40% of the regulated asset base. The rate of return on equity is reviewed prior to each regulatory period, i.e. in 2012 for the period 2013-2017.

### *Incentive regulation*

As of 1 January 2010, the incentive regulation ("*Anreizregulierung*") has become applicable for GUD. The incentive regulation stimulates TSOs to become more efficient by setting a revenue cap based on the costs of a, so called, photo year. The transport tariffs are calculated based on that revenue cap. For the determination of the revenue cap as the basis for the tariff calculation, the BNetzA applies a cost-plus approach combined with efficiency incentives.

The revenue cap will be reduced recurrently due to individual and general efficiency targets. General efficiency targets represent the (required) efficiency progress of the business area. The individual efficiency target is based on the efficiency of the individual TSO determined by a benchmark procedure which takes into account all supra-regional TSOs. The range of the individual efficiency has to be between 60% and 100%. Inefficiencies have to be resolved via the revenue cap within 2 regulatory periods. The outcome of the benchmarking procedure was planned for 1 January 2010. However, the BNetzA is facing substantial methodological difficulties in the execution of the process, delaying the outcome until the second half of 2010.

### ***GUD Entities***

Gasunie incorporated eight entities in order to organise a proper structure for the acquisition of the shares in GUD: Gastransport Noordwest Europa Holding B.V., Gastransport Noordwest Europa B.V., Gasunie Deutschland GmbH & Co KG, Gasunie Deutschland Verwaltung GmbH and the Gastransport Noordwest Europa Services 1-4 B.V.s. The main goal of the companies is the holding of the participations in GUD.

### ***Gasunie Engineering B.V.***

Gasunie Engineering B.V. ("**GUE**") is a wholly owned subsidiary of Gasunie and was originally set up to enter into contracts with third parties relating to engineering and research activities. The activities of GUE were coordinated by Gasunie Engineering & Technology ("**GET**"). On 1 July 2009, GET was sold to N.V. KEMA. Gasunie Engineering B.V. however, remained a 100% subsidiary of Gasunie. Gasunie has continued to offer relevant activities to third parties in unchanged form through Gasunie Engineering B.V.

### ***Gasunie Zuidwending B.V.***

Gasunie Zuidwending B.V. is a wholly owned subsidiary of Gasunie which concentrates its activities on the development, construction and operation of the underground gas storage facility in Zuidwending. A further description of this project is included under "*Projects and Participations*".

### ***Gasunie LNG Holding B.V.***

Gasunie LNG Holding B.V. is a wholly owned subsidiary of Gasunie which holds 50% of the shares in Gate terminal Management B.V. Gasunie LNG Holding B.V. is also the 40% limited partner in the limited partnership under Dutch law, Gate terminal CV. Gate terminal Management B.V. is the general partner of Gate terminal CV, which on its turn (via its general partner) holds all the shares in Gate terminal B.V. Gate terminal B.V. focuses its business on the development, construction and operation of the Gate LNG terminal. A further description of the Gate terminal project is included under "*Projects*".

*and Participations*". Furthermore, Gasunie LNG Holding B.V. holds a 25% stake in Eemshaven LNG Terminal B.V.

#### ***Gasunie BBL B.V.***

Gasunie BBL B.V. is a wholly owned subsidiary of Gasunie which concentrates its activities on the development, construction and operation of the BBL pipeline between Balgzand, the Netherlands and Bacton, UK. Gasunie BBL B.V. holds a 60% interest in the general partnership under Dutch law, BBL Company VOF. A further description of this project is included under "*Projects and Participations*".

#### ***APX-Endex***

APX was the Netherlands based gas and electricity spot market exchange. It operated its products for the market and introduced new products at the request of market participants. GTS' virtual trading platform TTF formed the basis of APX's gas trading facilities. APX owned and operated gas exchanges in the Netherlands, the United Kingdom and Belgium. Endex was an exchange for energy futures contracts. Endex operated an electronic trading system for gas and electricity derivatives and provided clearing services for Over-The-Counter ("**OTC**") transactions. In 2008 the Amsterdam Power Exchange Group B.V. ("**APX**") merged with the Endex energy exchange into APX-Endex. Following the merger, Gasunie held a 26.1% interest in APX-Endex.

The APX-Endex capacity usage rights market is developed within the framework of the ERGEG Gas Regional Initiative ("**GRI**") Northwest Europe. The GRI was launched in 2006 by the European Regulators' Group for Electricity and Gas ("**ERGEG**"), with the support of the European Commission. It serves as a staging post towards a single European energy market.

On 19 April 2010 APX-Endex announced that it will merge with Belpex, the Belgium energy exchange. APX-Endex will acquire all shares of Belpex effectively integrating both exchanges while Elia will take a substantial share in the integrated combination. As a result of this merger, Gasunie owns 20,9% in the new combination. The move will not only impact positively on the development of the wholesale market but will also help to harmonise operating rules and permanently consolidate trading platforms and clearing and settlement processes. Market parties will benefit primarily from more harmonised procedures and common development of new products.

#### ***Gasunie Infrastruktur AG***

In 2007, Gasunie established a new company under Swiss law, called Gasunie Infrastruktur AG. Gasunie Infrastruktur AG is located in Zug, Switzerland. The main goal of Gasunie Infrastruktur AG is the holding of participations in international joint ventures in the field of energy. The participation in Nord Stream AG is the first participation of the company.

#### ***Vertogas B.V.***

In 2009, Gasunie established a subsidiary which will certify green gas in the Netherlands under the name Vertogas B.V. This certifying body allows the Netherlands to create a transparent system that proves the sustainable origin and production method used for green gas. The establishment of a certification company also brings clarity concerning the criteria with which green gas must comply. Certificates prove that the gas was produced in a sustainable manner. Vertogas B.V. operates on its own and independently, but is able to draw upon the knowledge and experience that Gasunie has gained over many years.

## **5. Projects and participations**

Gasunie's existing gas transmission system will require expansion, particularly in order to meet the increasing demand for transport capacity. The Integrated Open Season and the North South expansion of the Gasunie infrastructure are described below. Furthermore, Gasunie's investment commitments in Gate Terminal, Nord Stream, BBL, its investments in the gas storage facility Zuidwending B.V. and some smaller participations are described below.

In principle, most of these projects will be internally financed. However, with regards to Gate terminal and Nord Stream project finance was chosen as the most optimal financing option. Both projects have a firm stand-alone projected cash flow to attract loans on their own. Besides that, these projects have different shareholders (joint venture) and in that respect it is more efficient that the project attract its own funding. Project finance is the long term financing of projects based upon the projected cash flows of the project rather than the balance sheets of the project sponsors. An advantage of projects financed by project finance is that generally a special purpose entity is created for each project, thereby shielding other assets owned by a sponsor from the detrimental effects of a project failure. As a special purpose entity, the project company has no assets other than the project.

### ***Open Season 2005***

After GTS held an Open Season in 2005 to obtain commitments from shippers for new capacity, Gasunie decided to significantly de-bottleneck and expand the gas transport network over the next few years. Gasunie is currently laying approximately 450 kilometres of pipeline from the Northern Netherlands to the South-East and South-West of the country and is building two new compressor stations in preparation for the increase in contracted demand for gas transport capacity. The expansion projects that resulted from this open season are commonly referred to as the North South project. This expansion of the gas transport network began in 2008 and involves a strengthening of the gas roundabout. The first section, from Hattem to Flevocentrale, has already been completed. In addition, in 2009 also the construction of a new gas transport pipeline from Rysum (Germany) under the Eems estuary to Borgsweer (the Netherlands) has been completed. This pipeline will supply Norwegian gas via Germany. On 1 October 2010 an important milestone of the project was reached because as of that date the Phase 1 of the North South project has been officially completed with 275 kilometres of pipeline and the new compressor station at Scheemda being ready for operation. Substantial preparatory work has also been carried out for the remaining sections of the North-South pipeline project and for the compressor stations at Wijngaarden. After completion of the project, the total entry capacity in the North-East of the Netherlands will be doubled; also the border capacity in the South will increase. The timely completion of processes regarding environmental impact analyses and permitting is a critical factor. However, Gasunie is aiming to have the North South project ready in 2012.

### ***Open Season 2012***

In 2007 Open Season 2012 was organized. Open Season 2012 resulted in several large capacity expansions and adjustments of the network in the Netherlands. The construction of these projects started in 2009 and the realization of these additional capacities is expected at the end of 2013.

### ***Nitrogen buffer at Heiligerlee***

Gasunie and AkzoNobel have signed a contract to convert one of the existing brine extraction locations near Heiligerlee (North-East Netherlands) into a nitrogen buffer. This buffer is needed to continue to guarantee supplying low calorific gas. In the future, producers and suppliers will be importing more gas from abroad. This gas has a different composition to Dutch gas, but it can be made suitable for use by Dutch households following the addition of nitrogen. In November 2009, a contract was awarded for EPC (engineering, procurement & construction) work on the proposed installation at Zuidbroek. This will consist of an air separation facility, a nitrogen compressor, a nitrogen drying installation and a

mixing station. The filling of the cavern with nitrogen will begin in the second quarter of 2011 and the project will be ready for operational use in the gas transport system on 1 September 2012.

### ***Integrated Open Season***

The integration of the networks in the Netherlands and in Northern Germany has made it possible for Gasunie to pursue an integrated approach to the market. In 2008, preparations were made for a joint Open Season in the Netherlands and Germany. During the Integrated Open Season, Gasunie aggregated customers' transport capacity requirements post-2012 in order to be able to make economically viable capacity expansions. A joint approach of GTS and GUD has given more comfort to the shippers that the transport capacity they book in one country will also be available to them in the other, enabling uninterrupted transit to the final destination. Gasunie also made a start on joint capacity planning for the Netherlands and Germany in order to translate demand for transport and services from the European market into efficient adjustments to the transport system.

The Integrated Open Season ("**IOS**") was launched in 2009. The results have formed the main input for the planning of additional network expansions in Northern Germany and in the Netherlands. This is the first network development in Europe by an independent gas transport network owner on a cross-border basis.

Interest in the Integrated Open Season has been considerable. More than 20 market parties signed long term (10-20 years) binding commitments for additional transport capacity in the high pressure networks of Gasunie. More than 50% of these participants requested transport capacities in both the Netherlands and in Germany demonstrating the ongoing internationalisation. The results from the Integrated Open Season indicate large market demand for cross-border transport capacities. Cross-border point Oude Statenzijl in the North East of the Netherlands attracted very large amounts of commitments from and towards both the GUD-grid and the Wingas-grid. The international cross-border points in the South East and South West of the Netherlands as well as the GUD exit point towards Denmark also attracted large demand. Furthermore, the commitments signed by market parties display large market interest to connect new underground storages with the high pressure pipeline grid in both Germany and in the Netherlands. In addition, there is great interest in connecting part of the Nord Stream capacities with the GUD network.

A positive FID will only be taken if Gasunie is convinced that the regulatory conditions are such that the investments necessary for the Integrated Open Season are economically viable.

### ***Gas Storage Zuidwending***

The construction of a gas storage facility at Zuidwending, to the east of Veendam in the Netherlands, was a joint project of Gasunie and Nuon N.V. ("**Nuon**"). Nuon is one of the largest regional gas and electricity suppliers in the Netherlands. However, Gasunie and Nuon have decided to end their cooperation regarding this storage facility. Therefore, the parties have signed an Exchange Agreement on 13 November 2009; this agreement settles the disentanglement of the project and the arrangements both parties made for the period after the split. The effective date of the Exchange Agreement was 15 December 2009. From this date on Gasunie Zuidwending BV has effectively taken over the assets of Nuon Zuidwending BV. This entails that Gasunie is now the owner of the 4 caverns that are being drilled at the moment and the technical gas installation that is almost complete. The planning schedule for phase 1 has remained unchanged, with the project scheduled for completion by the end of 2010.

### ***Gate terminal (LNG)***

LNG is liquefied natural gas, which has been super-cooled until it becomes a liquid at -160 degrees Celsius. Subsequently the volume is reduced about 600 to 1. That volume reduction allows the gas to be transported in massive quantities by specially designed ships. There is a strong need for additional gas to be imported to meet growing demand as indigenous production in North West Europe declines. In

addition, there is a political will and need to diversify supply sources. This need can be met via imports of gas through pipelines and supply of LNG by ships. Given the volume of extra imports needed, both supply options will be necessary in order to satisfy the anticipated demand for gas.

Against this background, at the beginning of 2005 Gasunie together with Royal Vopak NV ("**Vopak**") took the initiative for the development of an LNG terminal in the Netherlands. In 2005 the cooperation between Gasunie and Vopak resulted in the establishment of Gate terminal B.V. ("**Gate Terminal**"), a joint venture which will develop, construct and exploit the LNG terminal. The LNG will be delivered to the terminal by large ships and temporarily stored in tanks for purpose of re-gasification. After re-gasification the gas can be transported through the existing pipeline grid of Gasunie.

Gate terminal can fulfil an important role in attracting gas to Europe from other countries and sources, thus leading to an increased security of supply and potential for new participants in the North West European gas market. Gate terminal will also support and strengthen the position of the Netherlands as the "gas roundabout" in Europe.

The innovative business model of Gate terminal is based on the view that several suppliers and/or buyers of re-gasification capacity can be contracted within the terminal. Gasunie and Vopak are restricting themselves to the construction and exploitation of the terminal and are not themselves handling the supply, trade or transport of LNG. To guarantee the independent character of the terminal and maintain open access, Gasunie and Vopak will remain majority shareholders. In December 2007 Gasunie and Vopak took the final investment decision to build this first Dutch LNG terminal.

The first customers of Gate terminal are DONG Energy, EconGas and Essent. Gate terminal signed a long term throughput agreement with E.ON Ruhrgas at the end of July 2008. As a result thereof Gate expanded its annual throughput capacity to 12 billion cubic meters ("**bcm**").

The annual capacity can be increased to 16 bcm in the future. The terminal is expected to be fully operational by the second half of 2011. The construction is proceeding as planned and within budget.

### ***BBL***

The BBL is the subsea pipeline connecting the Netherlands to the United Kingdom. The commissioning of the BBL on 1 December 2006 was a milestone in the history of Gasunie as it was both Gasunie's first international subsea pipeline as well as its first joint venture. Gasunie is the majority partner in BBL Company V.O.F (a general partnership under Dutch law). This prestigious project was successfully completed within the allocated timeframe and budget.

By realising a connection between the Netherlands and the UK, the BBL also creates a potential link between the vast Russian gas reserves and the UK gas market. BBL is the final link in a long route from the Baltic (Nord Stream), a supply route which is also critical for diversifying supply lines. In 2009 the decision has been taken to expand the transportation capacity by adding a new compressor. The extra capacity will be available from 1 December 2010. Since 1 October 2010, BBL Company is also offering conditional (non-physical) reverse flow services to the market.

### ***Nord Stream***

Nord Stream AG ("**Nord Stream**"), a joint venture between Gazprom, Gasunie, Gaz de France, Wintershall and EON Ruhrgas is planning the design, construction and operating of two new parallel pipelines from Vejborg, near St Petersburg, to Greifswald, Germany, across the Baltic Sea. Therefore, on 10 June 2008, Gasunie, via its subsidiary Gasunie Infrastruktur AG, has become a 9% shareholder in Nord Stream AG. Gazprom holds 51% of the shares, EON Ruhrgas and Wintershall each hold 15.5% of the shares and Gaz de France Suez ("**GdF Suez**") holds 9% of the shares in Nord Stream AG. Pipe material and construction contracts are in place and material has already been delivered for the first pipeline. Construction has started at the beginning of April 2010.

### ***Gasunie Ostsee Anbindungsleitung (GOAL) GmbH***

GOAL GmbH, a 100% subsidiary of Gasunie Deutschland GmbH & Co KG, has joined the NEL-consortium in June 2010. GOAL has got a 20% interest in the project.

The North European Gas Pipeline (NEL) is one of the two connecting pipelines to transport Nord Stream gas into mainland Europe. It will connect Nord Stream with the European gas network. Natural gas from the major reserves in Russia can thus be transported directly to Germany and other Member States of the European Union, in particular the Netherlands, Belgium, France and the UK. The NEL pipeline will run from where the Nord Stream comes on land in Lubmin near Greifswald to Rehden in Lower Saxony, stretching over 440 kilometres past Schwerin and Hamburg. Construction of the NEL-pipeline will start in the spring of 2011 and the first gas is planned to flow in the fall of 2012.

The other partners in NEL are WINGAS and E.ON Ruhrgas. WINGAS now has a 70% interest in the project and E.ON Ruhrgas 10%. Public consultations for the planned natural gas pipeline are already underway in Mecklenburg-Western Pomerania and Lower Saxony.

### ***Global Gas Network Initiative (GGNI)***

In 2010 GGNI BV ("**GGNI**") was created. GGNI has 4 partners, each holding 25% of the shares. The partners are: Alliander NV, Enexis BV, Stedin BV and NV Nederlandse Gasunie. The purpose of this organisation is to source senior experts from the gas sector to the execution of consultancy projects and advisory activities for companies and organisations in the international gas industry. In addition, GGNI's senior experts aim to contribute to the training of employees in the Dutch gas industry and the training of foreign technicians in the gas industry.

### ***EuroHub GmbH***

The gas hub, organised in EuroHub GmbH, has been dissolved and is in liquidation. Reason for liquidation is that most companies prefer virtual trading points like the Title Transfer Facility (TTF) in the Netherlands and the various different virtual points of the German pipeline operators.

## 6. Future regulatory developments

In 2009 important decisions have been taken with respect to regulation, at both the European and the national levels and more important decisions are expected in 2010.

### Netherlands

As discussed in greater detail on pages 10 and 82, the three method decisions, dated 16 December 2008, have been annulled by the CBb on 29 June 2010. The NMa will have to begin a new procedure in order to arrive at one or more method decisions. In 2010 work will start on the development of a new method decision. It is currently unclear when this new method decision will come into effect.

### Germany

Gasunie has filed an appeal at the Court of Appeal ("*Oberlandesgericht*") in Düsseldorf against the indices used by the BNetzA to establish the value of the regulatory asset base, which could have a substantial impact on the revenue cap. Gasunie has also filed an appeal against the decision on the allowed return on equity on existing assets and new investments. Rulings on these appeals are expected by the end of 2010.

In 2010 the BNetzA is expected to complete its efficiency benchmarking process. As part of the incentive regulation, individual TSOs may incur an additional reduction in revenues if they are found to be relatively inefficient.

On 19 May 2010 the German Federal Cabinet ("*Bundeskabinett*") has agreed on an amendment of the Gas Grid Access Order (*Gasnetzzugangsverordnung*, "**GasNZV**"). In this amended order, revisions are foreseen with regard to increased competence of the BNetzA, merger of market areas, measures in order to enhance the determination, allocation and usage of the capacity and capacity extension claims and reservation rights for operators of new storage, production and LNG facilities and gas power plants in order to provide sufficient comfort for the investment in these projects. The German Federal Council ("*Bundesrat*") decided on 9 July 2010 positively about the changes and accepts partly further proposals of the Economic Committee ("*Wirtschaftsausschuss*"). Due to the changes caused by the Economic Committee the adjusted GasNZV has to be approved by the German Federal Cabinet again. The order has come into force on 9 September 2010.

In the process of the GasNZV approval an amendment of the Incentive Regulation Order (*Anreizregulierungsverordnung*, "**ARegV**") was also agreed upon. The amendment shall in particular improve the regulatory climate for new investments of TSOs. Operational costs (e.g. maintenance) shall be included into an investment budget as a lump-sum amount. Furthermore, delays resulting from the photo year system shall be solved with regard to fuel-gas for compression via a yearly adjustment of the revenue cap according to the actual costs.

### Europe

In summer 2009 the third energy package was adopted by the European Parliament and the European Council. Over the next few years this package will be translated into law and regulations on the national levels. This third energy package is a package of legislative measures, which encompasses a revision of the existing Gas directive, a revision of the Gas regulation and the introduction of an agency for the cooperation of European regulators. The most important topic is the obligation of integrated energy companies to implement a form of unbundling. As Gasunie is already ownership unbundled, it is not expected that this legislative package will have a major impact, if any, on Gasunie's financial or legal condition.

## 7. Corporate Governance

The Dutch Corporate Governance Code took effect on 1 January 2004. It is intended to contribute to a more efficient supervision of good corporate governance and a more balanced distribution of responsibilities between the Executive Board, Supervisory Board and shareholders. The code only applies in principle to listed companies. The Corporate Governance Code Monitoring Committee has since revised the code. The revised version took effect on 1 January 2009.

While Gasunie is not a listed company, the Executive Board and the Supervisory Board nevertheless feel it is important to adhere as far as possible to the guidelines and 'best practices' described in the code. Sound management principles, accountability, independent supervision, transparency and responsible entrepreneurship have been incorporated into the activities of the Executive Board and the Supervisory Board, and were applied in 2009.

### **Statement on organisational structure:**

The revised '*structuurregime*' is applicable to Gasunie (as a wholly-owned state company).

### **Application of the Dutch Corporate Governance Code:**

Not all 'best practice' provisions are relevant to Gasunie. In so far as they are relevant, most of the provisions are adhered to. One or two relevant 'best practice' provisions are not applied, however. These are detailed and explained below in accordance with the Corporate Governance guidelines.

#### Executive Board

*II.1.1 A director is appointed for a maximum of four years. He or she can subsequently be reappointed for up to four years at a time.*

Reasons for the departure from this Article:

Existing contracts with the members of the Executive Board are open-ended and will be respected. Contracts for newly appointed directors will adhere to the relevant provisions in the Corporate Governance Code.

*II.2.8 The maximum compensation for premature dismissal shall be one year's salary (the 'fixed' portion of the salary). If the maximum of a year's salary for a director who is dismissed during his initial term of office is clearly unreasonable, the director in question will be eligible for compensation of up to two years' salary.*

Reasons for the departure from this Article:

Existing employment contracts with members of the Executive Board will be respected. Compensation for dismissal will be agreed on a fair and reasonable basis, with due regard for the applicable employment contract.

#### Supervisory Board

*III.5.11. The chairmanship of the remuneration committee shall not be held by the Chairman of the Supervisory Board, or by a former director of the company, or by a member of the Supervisory Board who is a director of another listed company.*

Reasons for the departure from this Article:

The Supervisory Board feels the Chairman should be closely involved in the preparation of salary and remuneration policy, partly in view of the current high profile of this policy. The Supervisory Board has therefore decided not to separate the chairmanship from that of the Remuneration, Selection & Appointments Committee.

## 8. Executive Board and Supervisory Board

### *Executive Board*

The members of the Executive Board of Gasunie currently are:

P.C. van Gelder, Chairman and CEO

H.A.T. Chin Sue RC, CFO

E. Dam, Construction & Maintenance Director

P.E.G. Trienekens, Director Participations and Business Development

Paul van Gelder has been appointed Chief Executive Officer at N.V. Nederlandse Gasunie as of 1 September 2010. Before becoming the CEO of Gasunie he held the position of Managing Director at TAQA Europa and TAQA Energy and was responsible for TAQA's European operations. He was Chairman of the Netherlands Oil and Gas Exploration and Production Association ("NOGEPAN"). His previous positions in TAQA included Project Director Bergermeer Gas Storage, developing an underground gas storage facility. Paul van Gelder joined TAQA at a very early stage of the development of the company as he was working for BP in the Netherlands when BP Nederland Energie was acquired by TAQA end of 2006. Before his career with BP he worked as Director Logistics for Driessen Aerospace Systems in the Netherlands and in the Czech Republic. This followed a career in the Royal Netherlands Air Force and Royal Netherlands Navy where he rose to Commanding Officer after having full filled several operational positions both in the Netherlands and abroad. Paul van Gelder is a graduate from the Royal Netherlands Naval Academy and has a Masters degree from the Technische Universiteit Eindhoven.

Other positions:

- Mr Van Gelder does not have any other positions

Mr Chin Sue was appointed CFO on 1 July 2005. Mr Chin Sue joined Gasunie in 1983 and served the company in various technical and financial management functions, before becoming general manager of GTS in 2002. Mr Chin Sue studied mechanical engineering and economics at the Universities of Delft and Amsterdam.

Other positions:

- Member of the Supervisory Board of APX N.V.
- Chairman of the Audit Committee of APX N.V.
- Member of the Supervisory Board of the Dutch Metrology Institute (NMI)
- Member of the board of governors of the Executive Master of Finance & Control at the University of Groningen (RUG)

Mr Dam was appointed member of the Executive Board on 1 July 2005. Mr Dam joined Gasunie in 1979 and was involved in various management functions within Gasunie, before becoming director business support in 2000. Mr Dam studied mechanical engineering at the HTS Leeuwarden and graduated executive programmes from Insead, Stanford and London Business School.

Other positions:

- Chairman of the Executive Board of the Energy Delta Institute (EDI)
- Chairman of the working group 'Transmission' of the International Gas Union
- Member of the Executive Board of Energy Delta Research Centre, University of Groningen (EDReC)
- Vice-chairman of European Business Congress (EBC), active in working groups for Human Resources, Education & Science
- Member of the Royal Dutch Gas Association (KVGN)

Mr Trienekens was appointed member of the Executive Board on 1 July 2005. Mr Trienekens joined Gasunie's commercial department in 1986 and became director for gas exports in 1997. In 2004 he became general manager of GTS. On 1 April 2007 Mr Trienekens was appointed director Participations

and Business Development. Mr Trienekens studied social sciences at the University of Nijmegen and started his career as consultant with the Dutch Ministry of Economic Affairs.

Other positions:

- Member of the Policy Committee of the International Gas Union Research Conference
- Member of the Taskforce for Carbon Capture & Storage (CCS)
- Member of the Supervisory Board of Siza Dorp Group

The business address of each member of the Executive Board is the address of Gasunie's registered office.

## ***Supervisory Board***

The members of the Supervisory Board of Gasunie are:

G.J. van Luijk (chairman)

C. Griffioen

A. Lont

H.L.J. Noy

J.P.H.J. Vermeire

C. Griffioen

Current primary post held: none

Previous primary post held: Member of the Executive Board and CFO of Koninklijke KPN N.V.

Other remunerated secondary posts held:

Vice-chairman of the Supervisory Board of TenneT B.V.

Vice-chairman of the Supervisory Board of Berenschot Holding B.V.

Member of the Supervisory Board of Kas-Bank N.V.

Vice-chairman of the Supervisory Board of Zorggroep Noorderbreedte

Consultant and Member of the Executive Board of Deloitte

A. Lont

Primary post held: CEO Statnett SF (from 1 February 2009)

G.J. van Luijk

Primary post held until 1 March 2008: Chairman of the Board of Governors, Delft University of Technology

Current primary post held: Member of the regional body Energietransitie and Chairman of the Chain Efficiency Platform

Other remunerated secondary posts held:

Vice-Chairman of the Supervisory Board of Reinier de Graaf Group

H.L.J. Noy

Primary post held: Chairman of the Executive Board of ARCADIS NV, Arnhem

Other remunerated secondary posts held:

Chairman of the Supervisory Board Hogeschool Arnhem and Nijmegen (HAN)

Chairman of the Supervisory Board Stichting Vilente (care for the elderly)

J.P.H.J. Vermeire

Primary post held: Managing Partner of J.V. Consult BVBA, a consultancy agency

Other remunerated secondary posts held:

Chairman of the Supervisory Board of Distrigas

Member of the International Advisory Council of Gasol plc

Chairman of the International Group of Liquefied Natural Gas Importers (GIIGNL)

Lecturer at the Energy Delta Institute (EDI) in Groningen, the Netherlands

The business address of each member of the Supervisory Board is the address of Gasunie's registered office.

### ***Conflict of interest***

Gasunie is not aware of any potential conflicts of interest between any duties to Gasunie and the private interests and/or other duties of members of the Executive Board and/or the Supervisory Board.

### ***Audit Committee***

Pursuant to article 28.4 of the articles of association of Gasunie, an Audit Committee has been established. The chairman of the Audit Committee is Mr Griffioen. Mr Griffioen, Mr. Noy and Mr. Vermeire are the current members of the Audit Committee. The Audit Committee provides advice to the Supervisory Board on the execution of its duties and prepares the decisions to be taken by the Supervisory Board.

The Audit Committee furthermore:

- provides advice to and supervises the Executive Board in relation to the compliance with all relevant laws and regulations, including internal codes of conduct and tax laws;
- supervises the preparation and publication by Gasunie of any financial information, including the supervision of the functioning of the auditor(s);
- supervises the financing of Gasunie and the application of information and communication technology.

## FINANCIAL INFORMATION

The selected financial information of the Issuer shown in the following tables includes information extracted without material adjustment from the Group's audited consolidated financial statements as at and for the years ended 31 December 2009 and 2008 prepared in accordance with International Financial Reporting Standards (IFRS) and audited by Ernst & Young Accountants LLP and incorporated by reference into this Prospectus. The Issuer also applied applicable IFRS standards to its financial reports for the years 2005 to 2009.

### Consolidated balance sheet as at 31 December (before profit appropriation)

<i>In millions of euros</i>	<b>2009</b>	<b>2008</b>
<b>Assets</b>		
Fixed assets		
- tangible fixed assets	7,848.6	7,275.5
- intangible fixed assets	689.1	679.4
- investments in associates	220.8	373.3
- other equity interests	145.3	119.2
- deferred tax assets	911.3	1,010.8
- pension assets	42.2	22.8
Total fixed assets	9,857.3	9,481.0
Current assets		
- stocks	28.4	30.0
- trade and other receivables	334.0	272.6
- cash and cash equivalents	106.5	150.8
Total current assets	468.9	453.4
Total assets	10,326.2	9,934.4

<i>In millions of euros</i>	<b>2009</b>	<b>2008</b>
<b>Equity and liabilities</b>		
Total shareholder's equity	<b>5,309.7</b>	5,531.0
Long-term liabilities		
- interest-bearing loans	<b>4,112.2</b>	3,186.1
- deferred tax liabilities	<b>327.4</b>	456.1
- employee benefits	<b>51.2</b>	44.9
- provisions	<b>0.6</b>	0.8
- other long-term liabilities	<b>22.2</b>	20.3
Total long-term liabilities	<b>4,513.6</b>	3,708.2
Current liabilities		
- current financing liabilities	<b>27.1</b>	362.0
- trade and other payables	<b>455.2</b>	333.2
- tax liabilities	<b>20.6</b>	-
Total current liabilities	<b>502.9</b>	695.2
Total equity and liabilities	<b>10,326.2</b>	9,934.4

## Consolidated profit and loss account

<i>In millions of euros</i>	<b>2009</b>	<b>2008</b>
<b>Continuing operations</b>	<b>1,668.7</b>	<b>1,506.1</b>
Income		
Capitalised expenditure	<b>96.4</b>	68.0
Salaries and social security costs	<b>(138.9)</b>	(127.3)
Other staff costs	<b>(9.7)</b>	0.4
Other operating expenses	<b>(536.9)</b>	(490.2)
Depreciation and amortisation costs	<b>(210.1)</b>	(204.4)
Impairments	<b>(570.0)</b>	(150.0)
Total expenses	<b>(1,369.2)</b>	(903.5)
Operating result	<b>299.5</b>	602.6
Finance revenue	<b>9.0</b>	9.8
Finance costs	<b>(173.3)</b>	(104.6)
Gain on sale of equity interests	-	3.2
Share in result of associates	<b>25.3</b>	10.6
Result before taxation	<b>160.5</b>	521.6
Taxes	<b>(38.7)</b>	(127.5)
Result after taxation	<b>121.8</b>	394.1
<b>Discontinued operations</b>		
Result on discontinued operations after taxation	-	-
<b>Profit for the year</b>	<b>121.8</b>	<b>394.1</b>
Profit attributable to shareholder	<b>121.8</b>	394.1
Earnings per share (in thousands of euros)	<b>80.6</b>	260.6

## Consolidated statement of comprehensive income

<i>In millions of euros</i>	<b>Cash flow hedge reserve</b>	<b>Other reserves</b>	<b>Unappropriated result</b>	<b>Total</b>
<b>2009</b>				
Total of results taken to the profit and loss account (profit for the year)	-	-	121.8	121.8
Movement in cash flow hedge reserve, of which corporate income tax	(3.2) 0.8	- -	- -	(3.2) 0.8
Balance of actuarial gains and losses on employee benefits, of which corporate income tax	- -	(59.9) 15.5	- -	(59.9) 15.5
Other movements	-	(0.7)	-	(0.7)
Total of results taken to equity	(2.4)	(45.1)	-	(47.5)
Total of comprehensive income	<b>(2.4)</b>	<b>(45.1)</b>	<b>121.8</b>	<b>74.3</b>
<b>2008</b>				
Total of results taken to the profit and loss account (profit for the year)	-	-	394.1	394.1
Movement in cash flow hedge reserve, of which corporate income tax	(22.0) 5.6	- -	- -	(22.0) 5.6
Balance of actuarial gains and losses on employee benefits, of which corporate income tax	- -	(55.7) 14.2	- -	(55.7) 14.2
Total of results taken to equity	(16.4)	(41.5)	-	(57.9)
Total of comprehensive income	<b>(16.4)</b>	<b>(41.5)</b>	<b>394.1</b>	<b>336.2</b>

## Consolidated statement of movements in equity

<i>In millions of euros</i>	<b>Share capital</b>	<b>Cash flow hedge reserve</b>	<b>Other reserves</b>	<b>Unappropriated result</b>	<b>Total</b>
<b>2009</b>					
Balance as at 1 January 2009	0.2	(2.2)	5,138.9	394.1	5,531.0
Total of comprehensive income for the financial year	-	(2.4)	(45.1)	121.8	74.3
Final dividend paid for 2008	-	-	-	(295.6)	(295.6)
Added to other reserves	-	-	98.5	(98.5)	-
Balance as at 31 December 2009	<b>0.2</b>	<b>(4.6)</b>	<b>5,192.3</b>	<b>121.8</b>	<b>5,309.7</b>
<b>2008</b>					
Balance as at 1 January 2008	0.2	14.2	5,071.6	357.2	5,443.2
Total of comprehensive income for the financial year	-	(16.4)	(41.5)	394.1	336.2
Final dividend paid for 2007	-	-	-	(248.4)	(248.4)
Added to other reserves	-	-	108.8	(108.8)	-
Balance as at 31 December 2008	<b>0.2</b>	<b>(2.2)</b>	<b>5,138.9</b>	<b>394.1</b>	<b>5,531.0</b>

## Consolidated cash flow statement

<i>In millions euros</i>	<b>2009</b>	<b>2008</b>
<b>Cash flow from operating activities</b>		
Income	<b>1,668.7</b>	1,506.1
Total expenses	<b>(1,369.2)</b>	(903.5)
	<b>299.5</b>	602.6
Adjustments for:		
- depreciation and amortisation	<b>210.1</b>	200.7
- impairments	<b>570.0</b>	150.0
- movement in stocks	<b>1.6</b>	(4.5)
- movement in receivables	<b>(59.7)</b>	35.4
- movement in non-interest-bearing liabilities	<b>10.8</b>	(11.5)
Cash flow from business operations	<b>1,032.3</b>	972.7
Interest received	<b>9.0</b>	9.8
Dividend received on investments in associates	<b>12.6</b>	-
Interest paid	<b>(145.5)</b>	(86.0)
Corporate income tax paid	<b>(25.1)</b>	(140.8)
	<b>(149.0)</b>	(217.0)
Cash flow from operating activities	<b>883.3</b>	755.7
<b>Cash flow from investing activities</b>		
Investments in tangible and intangible fixed assets	<b>(1,092.6)</b>	(458.4)
Disposals of tangible and intangible fixed assets	<b>16.6</b>	8.0
Acquisition of subsidiaries, net of cash and cash equivalents available	<b>(121.0)</b>	(2,117.2)
Investments in associates	<b>(0.1)</b>	(3.2)
Investments in other equity interests	<b>(26.1)</b>	(117.9)
Gain on sale of equity interests	<b>-</b>	3.2
Cash flow from investing activities	<b>(1,223.2)</b>	(2,685.5)
<b>Cash flow from financing activities</b>		
New long-term loans	<b>926.1</b>	2,198.1
Repayment of long-term loans	<b>(12.0)</b>	-
Movements in short-term financing	<b>(322.9)</b>	102.1
Dividend paid	<b>(295.6)</b>	(248.4)
Cash flow from financing activities	<b>295.6</b>	2,051.8
<b>Increase in cash and cash equivalents</b>	<b>(44.3)</b>	122.0
Cash and cash equivalents at previous year-end	<b>150.8</b>	28.8
Cash and cash equivalents at year-end	<b>106.5</b>	150.8
	<b>(44.3)</b>	122.0

# Consolidated semi-annual financial statements

The selected financial information of the Issuer shown in the following tables includes information derived from the Issuer's unaudited condensed consolidated semi-annual financial statements as at and for the six months ended 30 June 2010 and 2009 prepared in accordance with International Accounting Standard 34 - Interim financial reporting and reviewed by Ernst & Young Accountants LLP who issued a review report on 31 August 2010.

## Condensed consolidated balance sheet (before profit appropriation)

<i>In millions of euros</i>	<b>30 June 2010</b>	<b>31 December 2009</b>
<b>Assets</b>		
Fixed assets		
- tangible fixed assets	<b>8,347.5</b>	7,848.6
- intangible fixed assets	<b>689.1</b>	689.1
- investments in associates	<b>234.5</b>	220.8
- other equity interests	<b>168.7</b>	145.3
- deferred tax assets	<b>849.0</b>	911.3
- pension assets	<b>42.2</b>	42.2
Total fixed assets	<b>10,331.0</b>	9,857.3
Total current assets	<b>245.2</b>	468.9
Total assets	<b>10,576.2</b>	10,326.2
<b>Equity and liabilities</b>		
Total shareholder's equity	<b>5,150.2</b>	5,309.7
Long-term liabilities		
- interest-bearing loans	<b>4,165.5</b>	4,112.2
- other long-term liabilities	<b>428.9</b>	401.4
Total long-term liabilities	<b>4,594.4</b>	4,513.6
Current liabilities		
- current financing liabilities	<b>369.1</b>	27.1
- trade payables and other current liabilities	<b>462.5</b>	475.8
Total current liabilities	<b>831.6</b>	502.9
Total equity and liabilities	<b>10,576.2</b>	10,326.2

## Condensed consolidated profit and loss account

<i>In millions of euros</i>	First half of 2010	First half of 2009
<b>Continuing operations</b>		
Income	780.0	886.3
Capitalised expenditure	51.6	42.1
Staff and other costs	-/- 310.2	-/- 334.9
Depreciation and amortisation costs	-/- 99.5	-/- 107.4
Total expenses	-/- 358.1	-/- 400.2
Operating result	421.9	486.1
Finance revenue and costs	-/- 70.6	-/- 81.3
Share in result of associates	13.4	17.7
Result before taxation	364.7	422.5
Taxes	-/- 91.0	-/- 104.0
Result after taxation	273.7	318.5
<b>Discontinued operations</b>		
Result on discontinued operations after taxation	-	-
<b>Profit for the period</b>	<b>273.7</b>	<b>318.5</b>
Profit attributable to shareholder	273.7	318.5

## Consolidated statement of comprehensive income

<i>In millions of euros</i>	<b>Cash flow hedge reserve</b>	<b>Other reserves</b>	<b>Unappropriated result</b>	<b>Total</b>
<b>First half of 2010</b>				
Total of results taken to profit and loss account (profit for the period)	-	-	273.7	273.7
Movement in cash flow hedge reserve, of which corporate income tax	-/- 23.4 6.0	- -	- -	-/- 23.4 6.0
Other movements	-	0.1	-	0.1
Total of results taken to equity	-/- 17.4	0.1	-	-/- 17.3
Total of comprehensive income	<b>-/- 17.4</b>	<b>0.1</b>	<b>273.7</b>	<b>256.4</b>
<b>First half of 2009</b>				
Total of results taken to profit and loss account (profit for the period)	-	-	318.5	318.5
Movement in cash flow hedge reserve, of which corporate income tax	4.4 -/- 1.1	- -	- -	4.4 -/- 1.1
Total of results taken to equity	3.3	-	-	3.3
Total of comprehensive income	<b>3.3</b>	<b>-</b>	<b>318.5</b>	<b>321.8</b>

The total of the comprehensive income for the first half of 2010 and 2009 is fully attributable to the shareholder.

## Consolidated statement of movements in equity

<i>in millions of euros</i>	<b>Share capital</b>	<b>Cash flow hedge reserve</b>	<b>Other reserves</b>	<b>Unappropriated result</b>	<b>Total</b>
<b>First half of 2010</b>					
Balance as at 1 January 2010	0.2	-/- 4.6	5,192.3	121.8	5,309.7
Total of comprehensive income for the period	-	-/- 17.4	0.1	273.7	256.4
Final dividend paid for 2009	-	-	-/- 294.1	-/- 121.8	-/- 415.9
Added to other reserves	-	-	-	-	-
Balance as at 30 June 2010	<b>0.2</b>	<b>-/- 22.0</b>	<b>4,898.3</b>	<b>273.7</b>	<b>5,150.2</b>
<b>First half of 2009</b>					
Balance as at 1 January 2009	0.2	-/- 2.2	5,138.9	394.1	5,531.0
Total of comprehensive income for the period	-	3.3	-	318.5	321.8
Final dividend paid for 2008	-	-	-	-/- 295.6	-/- 295.6
Added to other reserves	-	-	98.5	-/- 98.5	-
Balance as at 30 June 2009	<b>0.2</b>	<b>1.1</b>	<b>5,237.4</b>	<b>318.5</b>	<b>5,557.2</b>

## Condensed consolidated cash flow statement

<i>in millions of euros</i>	<b>First half of 2010</b>	<b>First half of 2009</b>
Cash flow from business operations	<b>662.2</b>	746.0
Interest, corporate income tax and other	<b>-/- 75.9</b>	-/- 9.6
<i>Cash flow from operating activities</i>	<b>586.3</b>	736.4
<i>Cash flow from investing activities</i>	<b>-/- 622.3</b>	-/- 464.2
New long-term loans	<b>53.3</b>	786.0
Repayment of long-term loans	<b>-</b>	-/- 12.0
Movements in short-term financing	<b>342.0</b>	-/- 350.0
Dividend paid	<b>-/- 415.9</b>	-/- 295.6
<i>Cash flow from financing activities</i>	<b>-/- 20.6</b>	128.4
<b>Increase in cash and cash equivalents</b>	<b>-/- 56.6</b>	400.6
Cash and cash equivalents at previous year-end	<b>106.5</b>	150.8
Cash and cash equivalents at the end of the period	<b>49.9</b>	551.4
	<b>-/- 56.6</b>	400.6

## DUTCH TAXATION

The following is intended as general information only and it does not purport to present any comprehensive or complete description of all aspects of Dutch tax law which could be of relevance to a holder of Notes (a "**Noteholder**"). For Dutch tax purposes, a Noteholder may include an individual or entity who does not have the legal title of the Notes, but to whom nevertheless the Notes are attributed based either on such individual or entity owning a beneficial interest in the Notes or based on specific statutory provisions, including statutory provisions pursuant to which Notes are attributed to an individual who is, or who has directly or indirectly inherited from a person who was, the settlor, grantor or similar originator of a trust, foundation or similar entity that holds the Notes.

Prospective Noteholders should therefore consult their tax adviser regarding the tax consequences of any purchase, ownership or disposal of Notes.

The following summary is based on the Dutch tax law as applied and interpreted by Dutch tax courts and as published and in effect on the date hereof, without prejudice to any amendments introduced at a later date and implemented with or without retroactive effect.

For the purpose of this paragraph, "**Dutch Taxes**" shall mean taxes of whatever nature levied by the Netherlands or any of its subdivisions or taxing authorities.

Any reference hereafter made to a treaty for the avoidance of double taxation concluded by the Netherlands, includes the Tax Regulation for the Kingdom of The Netherlands (*Belastingregeling voor het Koninkrijk*).

### **Withholding tax**

A Noteholder is not subject to Dutch withholding tax with respect to payments made under the Note, except if the Note functions as equity for the Issuer, in which case any payment under the Note, other than a repayment of principal, will be subject to 15 percent Dutch dividend withholding tax. As determined by case law, a Note functions as equity if:

- (i) the Note is subordinated to senior debt of the Issuer;
- (ii) the Note does not have a final maturity date or has a term of more than 50 years; and
- (iii) any amount whatsoever to be paid under the Note is, either wholly or mainly dependent on the amount of profits realised or distributed by the Dutch Issuer.

The Issuer is responsible for the withholding of Dutch dividend withholding tax at the source; the Dutch dividend withholding tax is for the account of the Noteholder. Under circumstances, exemptions from, reductions in, or refunds of withholding tax may be available pursuant to Dutch domestic tax law or treaties for the avoidance of double taxation.

### **Taxes on income and capital gains**

This section does not purport to describe the possible Dutch tax considerations or consequences that may be relevant to Noteholders that are individuals who receive Notes as income from employment.

### **Residents in the Netherlands**

The description of certain Dutch tax consequences in this paragraph is only intended for the following Noteholders:

- (i) individuals who are resident or deemed to be resident in the Netherlands;

- (ii) individuals who opt to be treated as if resident in the Netherlands for purposes of Dutch taxation ((i) and (ii) jointly "**Dutch Individuals**"); and
- (iii) entities that are subject to the Dutch Corporate Income Tax Act 1969 ("**CITA**") and are resident or deemed to be resident in the Netherlands for the purposes of the CITA, excluding:
  - pension funds (*pensioenfondsen*) and other entities, that are exempt from Dutch corporate income tax; and
  - Investment institutions (*beleggingsinstellingen*);
 ("**Dutch Corporate Entities**").

*Dutch Individuals not engaged or deemed to be engaged in an enterprise or in miscellaneous activities*

Generally, a Dutch Individual who holds Notes (i) that are not attributable to an enterprise from which he derives profits as an entrepreneur (*ondernemer*) or pursuant to a co-entitlement to the net worth of such enterprise other than as an entrepreneur or a shareholder, or (ii) from which he derives benefits which are not taxable as benefits from miscellaneous activities (*overige werkzaamheden*), will be subject annually to an income tax imposed on a fictitious yield on such Notes. The Notes held by such Dutch Individual will be taxed under the regime for savings and investments (*inkomen uit sparen en beleggen*). Irrespective of the actual income or capital gains realized, the annual taxable benefit of all the assets and liabilities of a Dutch Individual that are taxed under this regime, including the Notes, is set at a fixed amount. For the year 2010, the fixed amount equals 4 percent of the average fair market value of the assets reduced by the liabilities and measured, in general, at the beginning and end of 2010. As of the year 2011, the fixed amount equals 4 percent of the fair market value of the assets reduced by the liabilities and measured, in general, exclusively at the beginning of every calendar year. The tax rate under the regime for savings and investments is a flat rate of 30 percent.

*Dutch Individuals engaged or deemed to be engaged in an enterprise or in miscellaneous activities*

Dutch Individuals are generally subject to income tax in the hands at progressive rates with a maximum of 52 percent with respect to any benefits derived or deemed to be derived from Notes (including any capital gains realized on the disposal thereof) that are either attributable to an enterprise from which a Dutch Individual derives profits, whether as an entrepreneur or pursuant to a co-entitlement to the net worth of such enterprise (other than as an entrepreneur or a shareholder), or attributable to miscellaneous activities.

*Dutch Corporate Entities*

Dutch Corporate Entities are generally subject to corporate income tax at statutory rates up to 25.5 percent with respect to any benefits derived or deemed to be derived (including any capital gains realized on the disposal thereof) of Notes. Reduced rates apply to the first EUR 200,000 of taxable profits.

**Non-residents in the Netherlands**

A Noteholder other than a Dutch Individual or Dutch Corporate Entity will not be subject to any Dutch taxes on income or capital gains in respect of the ownership and disposal of the Notes, other than withholding tax as described above, except if:

- (i) the Noteholder derives profits from an enterprise, whether as entrepreneur or pursuant to a co-entitlement to the net worth of such enterprise other than as an entrepreneur or a shareholder, which enterprise is, in whole or in part, carried on through a permanent

- establishment (*vaste inrichting*) or a permanent representative (*vaste vertegenwoordiger*) in the Netherlands, to which Notes are attributable;
- (ii) the Noteholder is an individual and derives benefits from miscellaneous activities (*resultaat uit overige werkzaamheden*) performed in the Netherlands in respect of Notes, including, without limitation, activities which are beyond the scope of active portfolio investment activities; or
  - (iii) the Noteholder is not an individual and is entitled to a share in the profits of an enterprise or a co-entitlement to the net worth of enterprise, which is effectively managed in the Netherlands (other than by way of securities), and to which enterprise the Notes are attributable.

### **Gift tax or inheritance tax**

No Dutch Taxes are due in respect of any gift of the Notes by, or inheritance of the Notes on the death of, a Noteholder, except if:

- (i) at the time of the gift or death of the Noteholder, the Noteholder is resident, or is deemed to be resident, in the Netherlands;
- (ii) the Noteholder passes away within 180 days after the date of the gift of the Notes and is not, or not deemed to be, at the time of the gift, but is, or deemed to be, at the time of his death, resident in the Netherlands; or
- (iii) the gift of the Notes is made under a condition precedent and the Noteholder is resident, or is deemed to be resident, in the Netherlands at the time the condition is fulfilled.

### **Other Taxes and Duties**

No other Dutch Taxes, including turnover tax and taxes of a documentary nature, such as capital tax, stamp or registration tax or duty, are payable by or on behalf of a Noteholder by reason only of the issue, acquisition or transfer of the Notes.

### **Residency**

Subject to the exceptions above, a Noteholder will not become resident, or a deemed resident, in the Netherlands for tax purposes, or become subject to Dutch Taxes, by reason only of the Issuer's performance, or the Noteholder's acquisition (by way of issue or transfer to it), holding and/or disposal of the Notes.

### **EC Savings Directive**

Based on Directive 2003/48/EC (the "EC Savings Directive"), the tax authorities of the EU Member States provide each other with details of payments of interest and similar income made to individuals who are the beneficial owner of those payments, but permits Austria and Luxembourg instead to impose a withholding tax on the payments concerned for a "transitional period" (i.e. 20% until 30 June 2011, and 35% from 1 July 2011 onwards). The EC Savings Directive also provides that no such withholding tax should be levied where the beneficial owner of the payment authorises an exchange of information and/or where the beneficial owner presents a certificate from the tax authority of the EU Member State in which the beneficial owner is resident. A number of non-EU countries and certain dependent or associated territories, including Switzerland, have agreed to adopt similar measures (in certain cases on a reciprocal basis). The EC Savings Directive does not preclude EU Member States from levying other types of withholding tax. On 24 April 2009, the European Parliament approved an amended version of certain changes proposed by the European Commission to these provisions, which would, if implemented, cause them to apply in a wider range of circumstances.

## SUBSCRIPTION AND SALE

The Dealers have, in an amended and restated programme agreement (the "**Programme Agreement**") dated 18 October 2010, agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under "*Terms and Conditions of the Notes*". In the Programme Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future update of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

### **Public Offer Selling Restriction under the Prospectus Directive**

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each a "**Relevant Member State**"), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, 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 as completed by the Final Terms in relation thereto to the public in that Relevant Member State 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) if the Final Terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a "**Non-exempt Offer**") following the date of publication of a prospectus in relation to those Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the Final Terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or Final Terms, as applicable;
- (b) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (c) at any time to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than EUR 43,000,000 and (3) an annual net turnover of more than EUR 50,000,000, as shown in its last annual or consolidated accounts;
- (d) at any time to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (e) at any time in any other circumstances falling within Article 3 (2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (b) to (e) above shall require the Issuer or any Dealer 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 includes any relevant implementing measure in each Relevant Member State.

### ***United Kingdom***

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) in relation to any Notes having a maturity of less than one year:
  - (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business ; and
  - (ii) it has not offered or sold and will not offer or sell any Notes other than to persons :
    - (A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or
    - (B) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses, where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer.
- (b) it has only communicated or caused to be communicated, and will only communicate or cause to be communicated, any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

### ***United States of America***

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) except in certain transactions exempt from the registration requirements of the Securities Act.

Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In respect of Bearer Notes where TEFRA D is specified in the applicable Final Terms, each relevant Dealer represents, warrants and agrees that:

- (a) except to the extent permitted under U.S. Treas. Reg. Section 1.163-5(c)(2)(i)(D) (the **D Rules**),
  - (i) it has not offered or sold, and during the restricted period it will not offer or sell, Bearer Notes 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 it will not deliver within the United States or its possessions Bearer Notes in definitive form that are sold during the restricted period;
- (b) it has and throughout the restricted period it will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Bearer Notes are aware that such Bearer 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 States person, except as permitted by the D Rules;

- (c) if it is a United States person, it is acquiring Bearer Notes for purposes of resale in connection with their original issuance and if it retains Bearer Notes for its own account, it will only do so in accordance with the requirements of U.S. Treas. Reg. Section 1.163-5(c)(2)(i)(D)(6);
- (d) with respect to each affiliate that acquires Bearer Notes from it for the purpose of offering or selling such Notes during the restricted period, it (i) repeats and confirms the representations and agreements contained in clauses (a), (b) and (c) on such affiliate's behalf or (ii) will obtain from such affiliate for the benefit of the Issuer the representations and agreements contained in subclauses (a), (b) and (c) above; and
- (e) it will obtain from any distributor (within the meaning of U.S. Treas. Reg. Section 1.163-5(c)(2)(i)(D)(4)(ii)) that purchases any Bearer Notes from it pursuant to a written contract with such Dealer, for the benefit of the Issuer and each other Dealer, the representations contained in, and such distributor's agreement to comply with, the provisions of clauses (a), (b), (c), (d) and (e) as if such distributor were a Dealer hereunder.

Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder, including the D Rules.

In respect of Bearer Notes where TEFRA C is specified in the applicable Final Terms, each relevant Dealer will be required to represent and agree that:

- (a) it understands that under U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) (the **C Rules**), Bearer Notes must be issued and delivered outside the United States and its possessions in connection with their original issuance;
- (b) it has not offered, sold or delivered, and will not offer, sell or deliver, directly or indirectly, any Notes within the United States or its possessions in connection with the original issuance of the Bearer Notes; and
- (c) in connection with the original issuance of the Bearer Notes it has not communicated, and will not communicate, directly or indirectly, with a prospective purchaser if such prospective purchaser, or such Dealer is within the United States or its possessions and will not otherwise involve the United States office of such Dealer in the offer and sale of the Bearer Notes.

Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder, including the C Rules.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the completion of the distribution, as determined and certified by the relevant Dealer or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager, of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Each issuance of Index Linked Notes or Dual Currency Notes shall be subject to such additional U.S. selling restrictions as the Issuer and the relevant Dealer may agree as a term of the issuance and purchase of such Notes, which additional selling restrictions shall be set out in the applicable Final Terms.

### ***Japan***

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law No. 25 of 1948, as amended) and each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan as defined under item 5, paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Control Law (Law No. 228 of 1949 as amended), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan except under circumstances which will result in compliance with the Financial Instruments and Exchange Act of Japan (Law No. 25 of 1948, as amended) and any other applicable law, regulations and guidelines of Japan in effect at the relevant time.

### ***The Netherlands/Global***

Zero Coupon Notes in definitive form may only be transferred or accepted directly or indirectly, within, from or into the Netherlands through the mediation of either the Issuer or a member firm of Euronext Amsterdam with due observance of the Savings Certificates Act (*Wet inzake Spaarbewijzen*) (including identification and registration requirements) (as amended), provided that no mediation is required in respect of (i) the initial issue of those Notes to the first holders thereof, (ii) any transfer and delivery by individuals who do not act in the conduct of a profession or trade, and (iii) the issue and trading of those Notes, if they are physically issued outside the Netherlands and are not distributed in the Netherlands in the course of primary trading or immediately thereafter. As used herein, "**Zero Coupon Notes**" are Notes which qualify as savings certificates under the Savings Certificates Act, i.e. Notes that are in bearer form and that constitute a claim for a fixed sum against the Issuer and on which interest does not become due during their tenor or on which no interest is due whatsoever.

### ***France***

Each Dealer has represented and agreed that:

(a) it has only made and will only make an offer of Notes to the public (*appel public à l'épargne*) in France in the period beginning (i) when a prospectus in relation of those Notes has been approved by the *Autorité des marchés financiers* ("**AMF**"), on the date of its publication or (ii) when a prospectus has been approved by the competent authority of another Member State of the European Economic Area which has implemented the EU Prospectus Directive 2003/71/EC, on the date of notification of such approval to the AMF and ending at the latest on the date which is 12 months after the date of the approval of the prospectus, all in accordance with articles L.412-1 and L.621-8 of the French *Code monétaire et financier* and the *Règlement général* of the AMF; or

(b) it has not offered or sold and will not offer or sell, directly or indirectly, Notes to the public in France, and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Prospectus, the applicable Final Terms or any other offering material relating to the Notes and such offers, sales and distributions have been and will be made in France only to (i) providers of investment services relating to portfolio management for the account of third parties and/or (ii) qualified investors (*investisseurs qualifiés*), all as defined in, and in accordance with, articles L.411-1, L.411-2 and D411-1 of the French *Code monétaire et financier*.

## **Italy**

The offering of the Notes has not been registered pursuant to Italian securities legislation and, accordingly, each of the Dealers represents and agrees that it will not offer, sell or deliver any Notes or distribute copies of the Prospectus or any other document relating to the Notes in the Republic of Italy except:

- (i) to qualified investors (*investitori qualificati*), as defined pursuant to Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended ("**Decree No. 58**") and Article 34-ter, first paragraph, letter *b*) of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time ("**Regulation No. 11971**"); or
- (ii) in any other circumstances where an express exemption to comply with the rules on public offerings provided under Decree No. 58 and Regulation No. 11971 applies.

Any such offer, sale or delivery of the Notes or distribution of copies of the Prospectus or any other document relating to the Notes in the Republic of Italy under (i) or (ii) above must be:

- (a) made by investment firms, banks or financial intermediaries permitted to conduct such activities in Italy in accordance with Legislative Decree No. 385 of 1 September 1993, as amended ("**Decree No. 385**"), Decree No. 58 and CONSOB Regulation No. 16190 of 29 October 2007 (as amended from time to time);
- (b) in compliance with Article 129 of Decree No. 385 and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in the Republic of Italy; and
- (c) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or other Italian authority.

*Please note that in accordance with Article 100-bis of Decree No. 58, where no exemption from the rules on public offerings applies under (i) and (ii) above, the subsequent distribution of the Notes on the secondary market in Italy must be made in compliance with the public offer and the prospectus requirement rules provided under Decree No. 58 and Regulation No. 11971. Failure to comply with such rules may result in the sale of such Notes being declared null and void and in the liability of the intermediary transferring the financial instruments for any damages suffered by the investors.*

## **General**

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers or sells Notes or possesses or distributes this Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers or deliveries and the Issuer shall not have any responsibility therefore. Neither the Issuer nor any of the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale. With regard to each Tranche, the relevant Dealer will be required to comply with any other additional restrictions set out in the applicable Final Terms.

## GENERAL INFORMATION

### Authorisation

The establishment of the Programme has been duly authorised by a resolution of the Executive Board of the Issuer dated 23 May 2006. The renewal of the Programme and the issue of further Notes have been duly authorised by the 2010 funding plan resolution of the Executive Board dated 22 February 2010.

### Listing of Notes

Application has been made to Euronext Amsterdam to allow Notes issued under the Programme to be admitted to trading on Euronext Amsterdam by NYSE Euronext.

### Documents Available

For the period of 12 months following the date of this Prospectus, the following documents will be available on Gasunie's website at [www.gasunie.nl/EMTN](http://www.gasunie.nl/EMTN):

- (a) Articles of Association of the Issuer;
- (b) the annual reports of the Issuer (containing the audited financial statements of the Issuer) in respect of the financial years ended 31 December 2008 and 31 December 2009, in each case together with the reports of the auditor prepared in connection therewith;
- (c) the Semi-Annual Report 2010 N.V. Nederlandse Gasunie;
- (d) The Semi-Annual Report 2009 N.V. Nederlandse Gasunie
- (e) a copy of this Prospectus;

For the period of 12 months following the date of this Prospectus, the following documents can be obtained electronically by request. In order to make such a request, please write to [ffb@gasunie.nl](mailto:ffb@gasunie.nl)

- (f) the Programme Agreement, the Agency Agreement and the forms of the Global Notes, the Notes in definitive form, the Receipts, the Coupons and the Talons;
- (g) any future base prospectus, prospectuses, information memoranda and supplements including final terms (save that a final terms relating to a Note which is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer and the Paying Agent as to its holding of Notes and identity) to this Prospectus and any other documents incorporated herein or therein by reference; and
- (h) in the case of each issue of Notes admitted to trading on Euronext Amsterdam by NYSE Euronext subscribed pursuant to a subscription agreement, the subscription agreement (or equivalent document).

All documents available listed above can also be obtained in hard copy by sending a request to [ffb@gasunie.nl](mailto:ffb@gasunie.nl).

### Clearing Systems

The Notes have been accepted for clearance through Euroclear, Euroclear Netherlands and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The appropriate Common Code

and ISIN for each Tranche of Notes allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels, the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg and the address of Euroclear Netherlands is Damrak 70, 1012 LM Amsterdam.

### **Conditions for determining the price**

The price and amount of Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer at the time of issue in accordance with prevailing market conditions.

### **Significant or Material Change**

Except as set out under (i) 'regulatory and legislative risks', discussed on pages 10-11 and 81-82, and under (ii) 'Gasunie Pension Fund' discussed on page 13, there has been no significant change in the financial or trading position of the Group since the date of the Semi-Annual Report 2010 N.V. Nederlandse Gasunie.

Except as set out under (i) 'regulatory and legislative risks', discussed on pages 10-11 and 81-82, and under (ii) 'Gasunie Pension Fund' discussed on page 13, there has been no material adverse change in the prospects of the Issuer since the date of its last published audited financial statements.

### **Litigation**

Based on the x-factor decision by the NMa, dated 15 April 2009, GTS' tariffs have become subject to a reduction by an efficiency discount for the period 2009-2012. Amongst other parties, GTS has filed an official appeal against this decision at the CBB. GTS expects the NMa to withdraw the x-factor decision now that the underlying method decision has been annulled (see pages 10-11 and 81-82). In addition, several parties have objected to the tariff decisions for the years 2009 and 2010. Due to the annulled underlying method decision it is expected that NMa will withdraw these tariffs decisions as well.

In Germany, the BNetzA is in the process of determining the relative efficiency of German TSOs. The expectation is that the BNetzA will finish this process before the end of 2010. For more information on this subject, see page 84..

Gasunie has filed an appeal at the Court of Appeal ("*Oberlandesgericht*") in Düsseldorf against the indices used by the BNetzA to establish the value of the regulatory asset base, which could have a substantial impact on the revenue cap. Gasunie has also filed an appeal against the decision on the allowed return on equity on existing assets and new investments. Rulings on these appeals are expected by the end of 2010.

Other than the abovementioned current appeals and regulatory procedures there have not been any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this document which may have or have had in the recent past, significant effects on the financial position or profitability of the Issuer and/or its Group.

### **Auditors**

The financial statements of the Issuer for the financial years ended 31 December 2009 and 2008 have been audited by Ernst & Young Accountants LLP. The auditors of Ernst & Young Accountants LLP are members of the *Koninklijk Nederlands Instituut van Registeraccountants* (NIVRA), which is a member of International Federation of Accountants (IFAC). Ernst & Young Accountants LLP has issued an

unqualified auditors' report on the financial statements for the financial year ended 31 December 2009 dated 8 April 2010 and an unqualified auditors' report on the financial statements for the financial year ended 31 December 2008 dated 13 March 2009.

The auditors' reports in respect of the financial years ended 31 December 2009 and 2008 incorporated by reference herein are included in the form and context in which they appear with the consent of Ernst & Young Accountants LLP, who have authorised the contents of these auditors' reports.

**Post-issuance information**

The Issuer does not intend to provide any post-issuance information in relation to any issues of Notes.

Applicants will be informed of the amount allotted by the intermediary banks through which they place their orders.

**ISSUER**

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**ISSUING AND PRINCIPAL PAYING AGENT**

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**PAYING AGENT**

**Deutsche Bank AG, Amsterdam Branch**

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*To the Issuer as to Dutch law*

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**AUDITORS**

*To the Issuer*

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**Deutsche Bank AG, London Branch**

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**J.P. Morgan Securities Ltd.**

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London EC2Y 5AJ  
United Kingdom

**Barclays Bank PLC**

5 The North Colonnade  
Canary Wharf  
London E14 4BB  
United Kingdom

**Credit Suisse Securities (Europe) Limited**

One Cabot Square  
London E14 4QJ  
United Kingdom

**ING Bank N.V.**

Foppingadreef 7  
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**The Royal Bank of Scotland plc**

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**UBS Limited**

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## ARRANGER

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## LISTING AGENT

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