

BASE PROSPECTUS

N.V. NEDERLANDSE GASUNIE

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

EUR 7,500,000,000

Euro Medium Term Note Programme

Due up to 50 years from the date of Issue

Under this Euro Medium Term Note Programme (the "**Programme**"), N.V. Nederlandse Gasunie (the "**Issuer**" or "**Gasunie**", which term includes, where the context permits, Gasunie's subsidiaries) 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 aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed € 7,500,000,000 (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 "*Overview*" 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 base prospectus (the "**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. Notes may be distributed by way of a public offer or private placements and, in each case, on a syndicated or non-syndicated basis. The method of distribution of each relevant series of Notes (a "**Series**") or tranche thereof (a "**Tranche**") will be stated in the applicable Final Terms (the "**Final Terms**").

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 Section 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 in Amsterdam. The Issuer may request the AFM to provide competent authorities in additional countries which are parties to the Agreement on the European Economic Area of 17 March 2003 with a certificate of approval attesting that this Prospectus has been drawn up in accordance with the Wft and related regulations which implement the Prospectus Directive in Dutch law. As used herein, the expression "**Prospectus Directive**" means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in a relevant Member State of the European Economic Area. 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 in Amsterdam. Euronext in Amsterdam is a regulated market for the purposes of Directive 2004/39/EC (the Markets in Financial Instruments Directive).

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 (as defined below) of the Notes herein, in which event a prospectus supplement or an individual (drawdown or base) prospectus, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes and, where appropriate, which will be subject to the prior approval by the AFM.

The full terms and conditions of each Tranche of Notes are constituted by the Terms and Conditions of the Notes as set out in full in this Prospectus in "*Terms and conditions of the Notes*" (the "**Terms and Conditions**") which constitute the basis of all Notes to be offered under the Programme, together with the Final Terms applicable to the relevant issue of Notes, which apply and/or do not apply and/or supplement the Terms and Conditions of the Notes in the manner required to reflect the particular terms and conditions applicable to the relevant Series of Notes (or Tranche thereof).

Notes issued under the Programme may be rated or unrated. The rating of certain Series of Notes to be issued under the Programme may be specified in the applicable Final Terms. Where an issue of Notes is rated, its rating will not necessarily be the same as the rating applicable to the Programme. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Community and registered under Regulation (EC) No. 1060/2009 (as amended) (the "**CRA Regulation**") unless the rating is provided by a credit rating agency operating in the European Community before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration is not refused. Each of Moody's Investors Service Limited ("**Moody's**") and Standard & Poor's Global Ratings ("**S&P**") are credit rating agencies established and operating in the European Community prior to 7 June 2010 and have submitted an application for registration in accordance with the CRA Regulation and as of 31 October 2011 they were registered as such. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

Amounts payable on Notes may be calculated by reference to LIBOR, EURIBOR or EONIA as specified in the relevant Final Terms. As at the date of this Base Prospectus, the administrator of LIBOR, ICE Benchmark Administration ("**IBA**"), is included in ESMA's register of administrators under Article 36 of the Regulation (EU) No. 2016/1011 (the "**Benchmarks Regulation**"). The European Money Markets Institute ("**EMMI**"), the administrator of EURIBOR and EONIA, does not appear on the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of the Benchmarks Regulation. Under the Benchmarks Regulation the EMMI is currently required to obtain an authorisation/registration, but as far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmarks Regulation apply.

Arranger

NATWEST MARKETS

Dealers

ABN AMRO

COMMERZBANK

BNP PARIBAS

ING

CRÉDIT AGRICOLE CIB

NATWEST MARKETS

MUFG

RABOBANK

This Prospectus will be published in electronic form on the Issuer's website <https://www.gasunie.nl/en/investor-relations/debt-programmes/european-medium-term-notes-emptn-programme> on 6 August 2018, (the "**Publication Date**"). Provided that Notes are capable of being issued under the Programme, copies of this Prospectus will be available, free of charge, during normal office hours from the registered office of the Issuer by contacting the Issuer's Investor Relations department by email: ir@gasunie.nl.

The date of this Prospectus is 6 August 2018.

Important Notice

This Prospectus comprises a base prospectus for the purposes of Article 5.4 of the Prospectus Directive. 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 financial statements 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*".

MIFID II product governance / target market – The Final Terms in respect of any Notes shall include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the target market assessment; however, a distributor subject to Directive 2014/65/EU (as amended, "MiFID II") is responsible for undertaking its own target

market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the “MiFID Product Governance Rules”), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MIFID Product Governance Rules.

PRIIPs / IMPORTANT – EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“EEA”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “MiFID II”) or (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the “Insurance Mediation Directive”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the “Prospectus Directive”). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended the “PRIIPs Regulation”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

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, stabilisation may not necessarily occur. 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 cease 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* to United States dollars, *Japanese yen* and *yen* refer to the currency of Japan and all references in this document to *Sterling* and £ refer to British pounds sterling.

All references in this document to websites or uniform resource locators (“URLs”) are inactive textual references and are included for information purposes only. The contents of any such website or URL shall not form part of, or be deemed to be incorporated into, this Prospectus.

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RISK FACTORS

Before investing in the Notes, prospective investors should consider carefully all of the information in this Prospectus, including the following specific risks and uncertainties in addition to the other information set out in this Prospectus.

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Notes issued under the Programme. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

If any of the following risks actually occur, the Issuer's business, results of operations or financial condition could be materially adversely affected, and this could result in an inability to pay interest, principal or other amounts on or in connection with the Notes. The Issuer believes that the factors described below represent the material risks inherent in investing in Notes issued under the Programme, but the Issuer may be unable to pay interest, principal or other amounts on or in connection with any Notes for other reasons. The risks described below are not the only risks the Issuer faces. Additional risks and uncertainties not presently known to the Issuer or that it currently believes to be immaterial could also have a material impact on its business, results of operations or financial condition and may result in an inability to pay interest, principal or other amounts on or in connection with the Notes. Prospective investors should also read the detailed information set out elsewhere in this Prospectus (including any documents incorporated by reference herein) and reach their own views prior to making any investment decision. Furthermore, before making an investment decision with respect to any Notes, prospective investors should consult their own stockbroker, bank manager, lawyer, auditor or other financial, legal and tax advisers and carefully review the risks associated with an investment in the Notes and consider such an investment decision in light of the prospective investor's personal circumstances.

Any references in this Prospectus to the "Group" are to the Issuer and its subsidiaries, affiliates and participations taken as a whole.

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

Regulatory and legislative risks

Gasunie's business, results of operations, financial condition, prospects and cash flows could be affected by governmental regulations and European legislation, including economic regulation and environmental rules and regulations.

The Group's business operations are affected by the liberalisation of the European gas market and the resulting EU directives and EU Regulations and changes to national legislation. EU regulations are directly applicable in the Member States, and their governments have appointed regulators to monitor compliance with relevant laws and regulations. This applies to all regulated sections of the gas market, including gas transport.

Following an amendment of the Dutch Gas Act (Gaswet; the "**Gas Act**" as amended and restated from time to time), which implemented the European Union's third legislative

package on the internal energy market (including the third Gas Directive 2009/73/EC), Gasunie Transport Services B.V. ("**GTS**") – as all other high pressure gas transmission system operators ("**TSOs**") in the EU – was obligated to apply for certification as a TSO. By decision of 18 December 2013 the Authority for Consumers and Markets (*Autoriteit Consument en Markt*, (the "**ACM**")) granted the certification to GTS. On 5 February 2013 the German Federal Network Agency (*BundesNetzAgentur*, the "**BNetzA**") granted the certification to Gasunie Deutschland Transport Services GmbH ("**GU**DTS"). However, there can be no assurance that the certifications will never be revoked and subsequently need to be obtained again, e.g. because of non-compliance by GTS or GUDTS with certification requirements or change of conditions and/or regulation.

National regulatory authorities ("**NRA's**") have been appointed by their respective governments to independently monitor compliance with the Gas Act and the German Energy law of 7 July 2005 (*Energiewirtschaftsgesetz*, the "**EnWG**" as amended and restated from time to time) 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 competent NRA.

In the Netherlands the competent NRA is the ACM. The ACM is a non-departmental public body (an entity of the State of the Netherlands (the "**State**"), but not part of any ministry). In Germany the NRA is the BNetzA. The BNetzA is a federal authority under the German Federal Ministry of Economics and Technology.

Gasunie faces certain risks in relation to the allowed revenue for gas transport and related services. The allowed revenue is determined by the competent NRA based on actual costs incurred and several other variables of which the most important are the allowed weighted average cost of capital ("**WACC**"), the value of the regulated asset base, the depreciation periods used for the various assets, the expected productivity growth and the TSO's relative efficiency score as determined by the competent NRA. Changes in the value of the parameters of the relevant regulatory variables or in the regulatory methodology used will impact the revenue levels of Gasunie and therefore will impact its cash flows, results of operations and financial position. A new regulatory period for GTS has started in 2017.

Appeals and objections concerning GTS

Several third parties appealed against the decision of the ACM on objections to the tariff decision for GTS for 2014. The main objections of these parties against the tariff decision are that the tariff for existing connections is a capacity dependent uniform tariff and there is a lack of transparency with regard to the entry and exit tariffs. By judgment of 12 June 2018, the CBb (*College van Beroep voor het bedrijfsleven*) has asked prejudicial questions to the EU Court of Justice concerning Article 13 Gas Regulation. The CBb will not decide upon the appeal until the proceedings at the EU Court of Justice have been concluded. Several appeals and objections, strongly related to the appeals against tariff decision 2014, against the tariff decision for 2015, 2016 and 2017 have been lodged to ACM (the 2015 decision is also now being challenged at the CBb). Also, several objections have been lodged against the tariff decision for 2018. In the context of the tariff decision 2018 also (i) alleged non-compliance with the Network Code on Rules regarding Harmonised Transmission Tariff Structures for Gas ("**NC TAR**"), and (ii) the removal of interconnection point Julianadorp have been included in the parties' objections.

Furthermore, an enforcement request was submitted to the ACM by a number of third parties on 22 December 2017. The enforcement request is about the removal of interconnection point Julianadorp in the tariff decision of 2018 (see above), as a result of integrating the BBL interconnector in the TTF market area. The third parties believe that the removal of interconnection point Julianadorp is contrary to a number of conditions in

the Gas Act and Regulation 715/2009. ACM rejected this request on 20 February 2018, as ACM does not see the contrary to the mentioned conditions and as several parties are in the opinion of ACM not stakeholders. As far as Gasunie is aware, no appeal has been filed.

If any of the appeals or objections by third parties would be upheld, GTS expects the ACM to order GTS to redistribute its tariffs in subsequent years. However, there is a risk that GTS is not able to maintain part of its revenues but the impact thereof will have no material adverse consequences on the financial position of Gasunie.

There are currently uncertainties regarding the interpretation of NC TAR in connection with the introduction of virtual interconnection points ("**VIPs**") further to guidance provide by the European Commission. Due to the expected introduction of a stamp tariff in 2020, in accordance with ACM's NC TAR proposal, the main threat (tariff increase at risk of cancellations) is avoided. Therefore, GTS has decided to introduce VIPs as from the first quarter of 2020.

The energy market is and will in the following years remain subject to various political and regulatory (including environmental) changes and discussions on both national and European level. More details on the regulatory environment and developments can be found in the "*Description of the Issuer*". Any changes in, or adverse applications of, governmental regulations and European legislation could have a material adverse effect on Gasunie's business, results of operations, financial condition, prospects and cash flows.

Dependence on key customers

Gasunie has some key customers, the bookings of the key customers form a significant part of Gasunie's total revenues. Therefore if a key customer stops paying Gasunie or does not pay timely, this would have a material adverse effect on Gasunie's liquidity position, cash flow, net income and ultimately its financial position.

When a key customer is unable to supply due to bankruptcy, Gasunie has the obligation to secure gas supply to end customers. Gasunie may not be able to recover all costs involved. This could lead to higher costs and would have an adverse effect on the liquidity and financial position of Gasunie.

Operational risk factors

Disruptions of gas transmission, transportation or infrastructure or other constraints or inefficiencies, including unplanned repairs and maintenance works, may have a direct effect on Gasunie. 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 circumstances – e.g. earthquakes, floods, storm, extreme winter circumstances, fire, terrorist attacks or otherwise – may adversely affect Gasunie's ability to fulfil its obligations towards its customers. Gasunie has investigated whether its pipelines and related assets are earthquake-proof. As part of the redevelopment programme Gasunie continues to remove the pipelines which could not be identified as earthquake proof. It is expected that the last part of the redevelopment programme is carried out in 2020.

Also, Gasunie's subsidiaries' primary processes use many IT applications, some of which are in-house developed. A well-functioning ICT infrastructure is therefore vital for Gasunie. Any disruptions, including those caused by cyber-attacks, may cause a discontinuity of the primary processes.

In addition, these circumstances may, apart from loss of business, also result in Gasunie, although contractually limited, being held liable to provide its customers or any other affected parties with financial compensation of any kind. The foregoing could have a material adverse effect on the Group's results of operations, financial condition, prospects and cash flows.

Risks related to substantial projects

Gasunie might be involved in substantial projects in the future. 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, Gasunie has to adhere to procedures with regard to European procurement rules and regulations, which may be complicated to execute.

Budget overruns on projects or standards or benchmarks applied by the regulator 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.

Furthermore, part of Gasunie's investment plan is non-discretionary since it is directly related to its statutory tasks. Gasunie has relatively limited flexibility to cancel or delay this part of the investment plan.

(Re-)financing risks

Problems that may be impacting the domestic and international debt and equity markets generally may adversely affect the availability and cost of funding for Gasunie. The envisaged capital expenditures and ensuing (re-)financing needs of Gasunie will require that it seeks external financing, either in the form of public or private financing or other arrangements, which may not be available at acceptable terms or may not be available at all. Any such limitations to the access of Gasunie to the capital markets could limit Gasunie's liquidity, its financial flexibility, its ability to fulfil its obligations with respect to payments of interest and principal and/or its cash flows and affect its ability to execute its strategic plans, which could have a material adverse effect on Gasunie's business, financial condition and net income.

In order to mitigate the risk of the inability to secure timely financing, Gasunie has a committed EUR 680,000,000 standby revolving credit facility ("**RCF**") with a syndicate of eight banks. The RCF was concluded on 24 July 2014 and has an original maturity of 5 years. During 2015 and 2016, Gasunie extended the facility by one plus one year to July 2021. However, there can be no assurance that this amount will suffice in case capital markets remain closed or do not have sufficient capital available for a prolonged period of time.

The main financing risk consists of refinancing the existing debt. Gasunie intends to create and maintain a well-balanced repayment profile of the outstanding debt. Besides the refinancing risk there may also be a risk of Gasunie unintentionally not complying with certain provisions in the financing documentation (including, but not limited to, customary obligations to comply with sanctions and anti-bribery laws (see also risk factor "*Impact of sanctions on the Group's financing documents*"), leading to a default situation under such financing documentation and possibly a cross default under other financing documents. Such default and cross default may lead to applicable loans being immediately due and

payable, thus having a material adverse effect on the liquidity and financial position of Gasunie.

Interest rate risk

Currently, the vast majority of Gasunie's outstanding long term debt is issued at fixed interest rates. However, in addition to the relative small portion of long term debt issued with a floating interest rate, some of the debt is also raised in the money markets and is refinanced on a regular basis against the prevailing market interest rates. Furthermore, any interest which could become payable under the RCF is at floating rate interest. A rise in the interest rates may cause Gasunie to pay more interest than it had anticipated, adversely impacting the profitability and liquidity position of the Group, which could materially adversely affect the Group's results of operations and financial position.

Credit risks

Credit risk relates to a payment default of Gasunie's counterparties, leading to a financial loss for Gasunie. These counterparties can either be customers of one of Gasunie's business units or financial counterparties. Furthermore, a bankruptcy of a critical supplier may lead to delays in completion of major projects and to a corresponding delay in revenues. This credit risk could adversely impact the profitability and liquidity position of the Group, which could materially adversely affect the Group's results of operations and financial position.

Credit rating risks

Rating agencies have issued, and may in the future issue, credit ratings for Gasunie. There is no assurance that a rating will remain for any given period of time or that a rating will not be lowered or withdrawn by the relevant rating agency if, in its judgment, circumstances in the future so warrant. A decision by any rating agency to downgrade or withdraw Gasunie's current credit rating (for whatever reason) could reduce Gasunie's funding options, increase its cost of borrowings and adversely affect its net income.

Risks related to financial instruments

In accordance with its internal financial policy, Gasunie only uses derivative financial instruments to hedge interest rate risk and to hedge cross-currency exposure and therefore to actively reduce financial risks. Nevertheless, the use of derivative financial instruments could lead to a liquidity risk for Gasunie. A derivative financial instrument could exhibit a negative market value during its lifetime and in these circumstances, Gasunie could be obliged to post cash collateral which will negatively affect its liquidity position.

Risks related to a lower utilisation rate

Several factors can contribute to a decline in demand for gas and gas transmission leading to a lower utilisation rate of the gas transportation system. These factors include, but are not limited to, the possibility of an economic slowdown or a possible move towards other forms of energy. In addition, declining production levels of natural gas in North-West Europe in general and in Groningen, the Netherlands, in particular will lead to a lower utilisation rate of the gas transportation system. The Paris climate agreement and the foreseen implementation in the Dutch legislation (*Klimaat Akkoord*) may lead to a faster reduction of the utilization rate of the GTS gas transportation system, see also risk factor "*Groningen gas production cap*".

The system of revenue regulation that is currently in place mitigates any adverse effects of the lower utilisation rate on the revenues of Gasunie's regulated entities. However, in the longer term, as a lower utilisation rate causes tariffs to increase, lower utilisation rates might lead the regulator or legislator to consider to either change the regulatory parameters or the regulation methodology itself. If, as a result of a lower utilisation rate, the regulator or legislator would decide to change the regulatory system, this could materially adversely affect the Group's profitability, results of operations, financial condition, prospects and cash flows, see also the risk factor "*Regulatory and legislative risks*".

The companies in Gasunie's business unit Participations are not revenue regulated and experience market risk as a result. Therefore, if the current contracts of this business unit are not renewed or not renewed on the same terms and conditions, this might materially adversely affect the Group's profitability, results of operations, financial condition, prospects and cash flows.

During 2016, both for BBL Company V.O.F. and EnergyStock B.V. one relatively large long-term customer contract has expired. For EnergyStock the available free capacity resulting from expired long-term contracts was almost completely sold as shorter term contracts. For BBL Company V.O.F., the available free capacity resulting from expired long-term contracts was partly sold as shorter term contracts. The selling of shorter term contracts is a continuous activity using auctions or other methods.

Gasunie perceives a general trend in the gas market that customer contracts tend to be of a shorter duration than before. By its nature, contracts with a shorter term create more uncertainty on future revenues than contracts with a longer term, consequently causing an increase in business risk for BBL Company V.O.F. and EnergyStock B.V.

Groningen gas production cap

The decision of the Dutch government to reduce and by 2030 fully abandon Groningen natural gas production will lead to an increased dependence on imported natural gas (see also risk factor "Risks related to a lower utilization rate"), but in principle has no impact on the gas demand itself.

Gasunie is preparing for an investment decision for a large nitrogen production facility that will enable Gasunie to convert imported high calorific gas to the Groningen quality that is widely used in the Netherlands, in order to (partly) replace the reduced Groningen natural gas production and to meet the requirements under the production cap (see below under "*Description of the Issuer – 6.2.1 GTS – D. Major ongoing projects - Nitrogen installation Zuidbroek*"). The investment decision will take into account the future income from this investment; the regulated income will be determined by the regulator. The investment decision is scheduled for Q4 2018 and approval of the executive board, supervisory board and the shareholder of Gasunie is required.

The ACM determines the efficiency of Gasunie by benchmarking its performance (operational costs) against other European TSOs. The ACM has indicated that it is unlikely that the nitrogen production facility will be included in the benchmark, but no formal decision has been taken yet. If the operational costs of the nitrogen facility are included in the benchmark this will result in an inefficiency (as other European TSOs do not make converting costs by the use of a nitrogen facility) and Gasunie cannot reimburse costs inefficiencies. However, if the ACM indeed confirms that it will not include the operational costs of the nitrogen facility in the benchmark, the costs are not taken into account when determining the efficiency, as a result of which the costs can be reimbursed by Gasunie through its tariffs.

Geopolitical risks and sanctions

Political turmoil can cause an interruption in international gas flows. More particular, if future sanctions would make it impossible for Russia to export gas to Europe this would have a negative impact on Gasunie's financial position as a shareholder in Nord Stream AG ("**Nord Stream**"), because Nord Stream would not receive any transport fees and would thus no longer have any income to pay its operational costs, financing costs and dividends. This may ultimately result in the bankruptcy of Nord Stream. Nord Stream exploits a pipeline from Russia to Germany in which Gasunie has a 9% stake. For more information see "*Description of the Issuer 6.2.3. Participations*".

Sanctions which prohibit banks from continuing their financing to Nord Stream could lead to the existing financing being immediately repayable. Nord Stream will not have the funds to repay such loans at once and may go bankrupt.

Gasunie as a shareholder in Nord Stream cannot be held liable to pay for any additional amounts and has as security for the banks only pledged its shares in Nord Stream to the banks. Therefore Gasunie's risk in case of bankruptcy of Nord Stream is limited to the value of its shares in Nord Stream.

Furthermore, the EUGAL pipeline will be connected to the Nord Stream 2 pipeline to transport Russian gas into Europe. Please also refer to the section "*Description of the issuer - 6.2.2 GUD - G. GUD's participations*". In case sanctions against Russia occur during the operational phase of the EUGAL pipeline, as a result of which it will not be allowed to transport Russian gas to Europe by the Nord Stream 2 pipeline, the physical utilization of the EUGAL pipeline will drop. Utilization risk of the EUGAL pipeline in the context of the European gas network might be mitigated by investigating several re-routing scenarios with respect to gas supply in the western or eastern direction. Lower volume flows together with existing and future booking options in EUGAL could allow to keep EUGAL in Gasunie Deutschland Transport Services GmbH ("**GUD**") her Regulatory Asset Base ("**RAB**"), as a result of which Gasunie expects that it will be able to recover its investments. However, compared to a scenario with no sanctions imposed against Russia, the cash inflows generated by the EUGAL pipeline may be lower or delayed, depending

on the way in which the possibility of any sanctions imposed against Russia will finally materialize and the time it takes to explore re-routing scenarios. This may have an adverse effect on the liquidity and financial position of the Group.

Furthermore, if sanctions would make it impossible for Gasunie's business units to continue to engage in business activities with entities targeted by sanctions, this will have adverse consequences on Gasunie's revenues and therefore on its liquidity and financial position. Please also refer to section "*Risk Factors - Dependency of international gas flows*".

Political turmoil in general may lead to an adverse effect on the utilisation rate of certain of Gasunie's assets and therefore on Gasunie's revenue model.

Impact of sanctions on the Group's financing documents

The Group's financing documentation contains sanctions clauses requiring the Group to act in compliance with all sanctions applicable to it. During the past years lenders have become increasingly tensed with the scope and consequences of sanctions regulations. Gasunie monitors its sanctions-compliance on a regular basis. Any breach in such compliance may lead to the loans becoming immediately due and payable thus having an adverse effect on the liquidity and financial position of Gasunie.

Dependency of international gas flows

The accelerated phasing out of the Groningen gas field, see also risk factor "*Groningen gas production cap*", production sets a higher dependency on international gas flows. Gasunie is well connected to international gas streams through connections to Norway, LNG and Russia. Although the main source of imported gas is still the Norwegian market, the import from Russia currently amounts to 28% of the total import. The additional volumes needed will most likely also come from Russia. The current sanctions imposed on Russia do not affect the gas import from Russia and Gasunie expects that this will not change. Should, however, a full scale Russian ban from the gas market be imposed, this may have an adverse effect on Gasunie.

Stagnating international gas flows or high price levels have an effect on the security of supply and thereby may have an adverse effect on the gas demand and the position of gas, see also risk factor '*Risks related to a lower utilisation rate*'. This could have adverse consequences on Gasunie's revenues in the long run and therefore on its liquidity and financial position.

Dependency on licences and authorisations

Gasunie's subsidiaries are dependent on licences, authorisations, exemptions, certifications and/or dispensations in order to operate their business. These licences, authorisations, exemptions, certifications and/or dispensations may be subject to amendments and/or additional conditions. The imposing of additional conditions and/or revoking or refusing of licences, authorisations, exemptions, certifications, and/or dispensations may cause operational problems and delays in ongoing projects and operations. Such effects could have an adverse effect on Gasunie's financial position, liquidity, business, and operating results, and/or could adversely affect Gasunie's revenues and profitability.

Changes in legislation can have a profound impact on Gasunie. Relevant secondary legislation (codes) is developed in bodies such as ENTSOG of which Gasunie's TSOs are a member. Furthermore, Gasunie tries to ensure that (new) legislation enables Gasunie to continue its operations through consultations and dialogue with legislators and policy

makers. However, regardless of such possible influence, the establishment and definitive substance of relevant European legislation and EU codes may result in changing legislation which is unfavourable for Gasunie. This possibility may limit Gasunie's decisive strength in the Netherlands and Germany. This may have an adverse impact on Gasunie's revenue, liquidity and financial position.

Environmental risks and contingencies

Gasunie has an established environmental policy in order to meet all applicable environmental standards. Personal and external safety, health and environment are focal points in Gasunie's policies. Gasunie's operations may be potentially hazardous and may be subject to the risk of liability arising from environmental damages or pollution, as well as an obligation to pay for clean-up costs, damages or other costs. Such requirements could have a material adverse effect on the Group's business, financial condition and net income. 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.

Influence of the State as the sole shareholder of Gasunie; Possible future minority privatisation

Gasunie is controlled by the State, being the sole holder of the shares in the share capital of Gasunie as well as the relevant policy maker and legislator. Through its role as sole shareholder, policymaker and legislator the State has a strong influence on Gasunie's operations, which depending on the circumstances may positively or negatively influence Gasunie's business, financial condition and net income. To mitigate the uncertainty with respect to the pay-out ratio Gasunie has agreed with the State (in 2017) on a dividend policy which entails a dividend pay-out of 70% of the normalised net income, unless due to political or strategic considerations it could be desirable to deviate from this policy. The State allowed such flexibility as it also has a strong interest in maintaining a healthy financial profile for Gasunie.

Under the Policy on Government Participations 2013 (*Nota Deelnemingenbeleid Rijksoverheid 2013, "Policy on Government Participations 2013"*) the State indicated it will keep a majority stake and controlling influence, but may review a possible strategic cross participation. It is expected that in 2018 the State evaluates the participation policy including the participation in Gasunie. For more information see "*Description of the Issuer*" – 1.2 *Capitalisation and Shareholder*". Any sale and transfer of a minority stake in Gasunie may have an adverse impact on Gasunie's credit rating, which could affect the Group as set out in the risk factor "*Credit rating risks*".

Furthermore Gasunie is to a large extent dependent on the support of politicians and other stakeholders in relation with its strategy and its capacity to react to market developments (please refer to section "*Risk Factors - Strategic risks and risks relating to market developments*" below). Due to lack of support or slow decision making, the roll-out of the Gasunie's strategy can take place slower than expected or stagnate. This may have an adverse effect on Gasunie's revenues and thereby on its liquidity and financial position.

Strategic risks and risks relating to market developments

Gasunie periodically evaluates, and where necessary updates, its strategy to ensure that its strategy and the principles and assumptions underlying it are at all times in line with developments relating to *inter alia* markets (including sustainability), regulation and financing. However, there can be no assurance that Gasunie will always be able to timely or effectively implement sufficient measures to achieve this.

Two important strategic risks Gasunie identified are (1) decreasing utilisation of Gasunie's network in the years to come due to (i) a decline in gas production in North-West Europe in general and in Groningen, the Netherlands, in particular and (ii) a more sustainable energy mix with a larger share of renewable electricity and (2) competition for European transit flows from other gas transport players.

The share of gas in the European energy mix might decline as a result of European efforts to decrease carbon footprint, with a possible adverse impact on volumes transported and capacities booked in Gasunie's gas infrastructure.

Various prominent international players are currently, in competition with Gasunie, trying to strengthen their strategic position in gas transport in mainland Europe. The risk for Gasunie is that it may find itself unable to pro-actively act rapidly and effectively enough to a possible consolidation of gas network companies and to the accelerating market integration in major EU Member States.

These developments may have an adverse impact on Gasunie's competitive position which, in turn, may impact its financial position, cash flows and result of operation.

With respect to the energy transition towards a more sustainable energy mix Gasunie acknowledges the decrease of natural gas in the energy mix share. In 2050 natural gas will for a large part or completely be replaced by alternative energy sources. Gasunie actively seeks a role in the future energy supply in the Netherlands. In the near future heat distribution and Carbon Capture Storage ("**CCS**") may give opportunities for larger scale projects. Activities related to biogas and hydrogen are at present modest in size, but may become significant in the longer term. With the new initiatives, Gasunie strives to utilize the existing gas infrastructure where possible. At the moment, Gasunie does not foresee the risk that a material part of the gas infrastructure would be removed. Although Gasunie takes great care in building a positive business case and evaluating possible business risks, the general risk profile of the Group may change due to these new activities and circumstances. This may lead to a significant adverse impact on the Group's financial position, income and profitability.

Although Gasunie is actively participating in alternative energy sources, the risk exists that Gasunie is not able, or from a regulatory point of view not permitted, to develop the core business of Gasunie from natural gas infrastructure towards a more sustainable energy mix infrastructure provider. The potential marginal role of Gasunie in sustainable gases, heat and CCS in the energy mix in the long term may lead to a significant adverse impact on the Group's financial position, income and profitability.

Risks resulting from joint ventures and collaborations

Gasunie engages in economic activities with other companies through joint ventures and collaborations. As Gasunie does not always have a controlling interest in such joint ventures and collaborations, it cannot be ensured that all decisions taken within such joint ventures and collaborations are fully compatible with Gasunie's interests. This may result in a deadlock situation and an inability to distribute profits or make further necessary investments. In some cases, Gasunie may receive less information on the business activities of these companies than it would on one of its wholly-owned subsidiaries or group companies. Decisions made and actions taken may result in lower revenues, a lower profit margin or a write down of the investment and financing concerning the joint ventures and collaborations, which could have a material adverse effect on the Gasunie's business, financial condition and net income.

Gasunie is a holding company with limited material direct business operations and relies on its operating subsidiaries to provide itself with funds necessary to meet its financial obligations

Gasunie is a holding company with limited material, direct business operations. The principal assets of Gasunie are the equity interests it directly or indirectly holds in its operating subsidiaries. As a result, Gasunie is dependent on loans, interest, dividends and other payments from its subsidiaries to generate the funds necessary to meet its financial obligations, including the payment of dividends to its shareholder and the payment of interest and principal to its creditors, including the Noteholders. The ability of Gasunie's subsidiaries to make such distributions and other payments depends on their earnings and may be subject to statutory restrictions as set out in Dutch law, German law and/or other foreign law with respect to Gasunie's foreign subsidiaries. In this connection, reference is made to the restrictions set out in the risk factor "*Restrictions on distributions by Group companies affecting Gasunie's cash position*" below. As an equity investor in its subsidiaries, Gasunie's right to receive assets upon their liquidation or reorganisation will be effectively subordinated to the claims of creditors of its subsidiaries. To the extent that Gasunie is recognised as a creditor of such subsidiaries, Gasunie's claims may still be subordinated to any security interest in or other lien on their assets and to any of their debt or other obligations that are senior to Gasunie's claims.

Restrictions on distributions by Group companies affecting Gasunie's cash position

The Dutch and German Group companies can only distribute cash to their direct or indirect shareholder, if such companies have freely distributable reserves or other excess amounts available and are able to comply with future payment or investment obligations. Capital maintenance rules and board of managing directors assessment of future obligations may thus prevent distributions being made to Gasunie and affect Gasunie's liquidity and financial position.

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

The regulation and reform of "benchmarks" may adversely affect the value of Notes linked to or referencing such "benchmarks"

Various benchmarks (including LIBOR and EURIBOR) are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes linked to or referencing such a "benchmark". The Benchmarks Regulation was published in the Official Journal of the EU on 29 June 2016 and applies from 1 January 2018. The Benchmarks Regulation applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. It will, among other things, (i) require benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevent certain uses by EU supervised entities of "benchmarks" of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed).

The Benchmarks Regulation could have a material impact on any Notes linked to or referencing a "benchmark", in particular, if the methodology or other terms of the

"benchmark" are changed in order to comply with the requirements of the Benchmarks Regulation. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the "benchmark".

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of "benchmarks", could increase the costs and risks of administering or otherwise participating in the setting of a "benchmark" and complying with any such regulations or requirements. Such factors may have the following effects on certain "benchmarks": (i) discourage market participants from continuing to administer or contribute to the "benchmark"; (ii) trigger changes in the rules or methodologies used in the "benchmark" or (iii) lead to the disappearance of the "benchmark". Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to or referencing a "benchmark".

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmarks Regulation reforms in making any investment decision with respect to any Notes linked to or referencing a "benchmark".

Future discontinuance of LIBOR, EURIBOR and any other benchmark may adversely affect the value of Notes which reference LIBOR, EURIBOR or such other benchmark

On 27 July 2017, the Chief Executive of the United Kingdom Financial Conduct Authority, which regulates LIBOR, announced that it does not intend to continue to persuade, or use its powers to compel, panel banks to submit rates for the calculation of LIBOR to the administrator of LIBOR after 2021. The announcement indicates that the continuation of LIBOR on the current basis is not guaranteed after 2021. It is not possible to predict whether, and to what extent, panel banks will continue to provide LIBOR submissions to the administrator of LIBOR going forwards. This may cause LIBOR to perform differently than it did in the past and may have other consequences which cannot be predicted.

Investors should be aware that, if LIBOR, EURIBOR or any other benchmark were discontinued or otherwise unavailable, the rate of interest on Notes which reference LIBOR, EURIBOR or any other benchmark will be determined for the relevant period by the fall-back provisions applicable to such Notes. Depending on the manner in which the LIBOR, EURIBOR or any other benchmark rate is to be determined under the Terms and Conditions, this may (i) if ISDA Determination applies, be reliant upon the provision by reference banks of offered quotations for the LIBOR, EURIBOR or any other benchmark rate which, depending on market circumstances, may not be available at the relevant time or (ii) if Screen Rate Determination applies, result in the effective application of a fixed rate based on the rate which applied in the previous period when LIBOR, EURIBOR or any other benchmark was available. Any of the foregoing could have an adverse effect on the value or liquidity of, and return on, any Notes which reference LIBOR, EURIBOR or any other benchmark.

The party that will determine the rate in accordance with Condition 4(b)(iii) may be considered an 'administrator' under the Benchmarks Regulation (the "**Rate Determination Agent**"). This is the case if it is considered to be in control over the provision of the Screen Rate Determination and/or the determined rate of interest on the basis of the Screen Rate Determination and any adjustments made thereto by the Rate Determination Agent and/or otherwise in determining the applicable rate of interest in the context of a fall-back scenario. This would mean that the Rate Determination Agent has control over the (i) administration of the arrangements for determining such rate, (ii)

collection, analysis or processes of input data for the purposes of determining such rate and (iii) determination of such rate through the application of a method of calculation or by an assessment of input data for that purpose. Furthermore, for the Rate Determination Agent to be considered an 'administrator' under the Benchmarks Regulation, the Screen Rate Determination and/or the determined rate of interest on the basis of the Screen Rate Determination and any adjustments made thereto by the Rate Determination Agent and/or otherwise in determining the applicable rate of interest in the context of a fall-back scenario may be a benchmark (index) within the meaning of the Benchmarks Regulation. This may be the case if the Screen Rate Determination and/or the determined rate of interest on the basis of the Screen Rate Determination and any adjustments made thereto by the Rate Determination Agent and/or otherwise in determining the applicable rate of interest in the context of a fall-back scenario, is published or made available to the public and regularly determined by the application of a method of calculation or by an assessment, and on the basis of certain values or surveys.

The Benchmarks Regulation stipulates that each administrator of a benchmark regulated thereunder or the benchmark itself must be registered, authorized, recognized or endorsed, as applicable, in accordance with the Benchmarks Regulation. There is a risk that administrators (which may include the Rate Determination Agent in the circumstances as described above) of certain benchmarks will fail to obtain such registration, authorization, recognition or endorsement, preventing them from continuing to provide such benchmarks, or may otherwise choose to discontinue or no longer provide such benchmark. As a result, a fixed rate based on the rate which applied in the previous period when LIBOR, EURIBOR, or any other interest rate benchmark was available, may apply to the Notes until the time that registration, authorised registration or endorsement of the relevant administrator has been completed or as substitute or successor rate for the relevant Reference Rate is available.

Moreover, any significant change to the setting or existence of LIBOR, EURIBOR or any other relevant interest rate benchmark could affect the ability of the Issuer to meet its obligations under the Notes and could have a material adverse effect on the value or liquidity of, and the amount payable under, the Notes.

The Notes may not be a suitable investment for all investors

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial, legal and other professional advisers, whether it:

- (i) has 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) has 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) has 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;
- (iv) understands thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and

- (v) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

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.

Withholding tax

Under current law, payments under the Notes are not subject to withholding tax in the Netherlands. In the 2017 Dutch coalition agreement dated 10 October 2017 (*Regeerakkoord 2017 "Vertrouwen in de toekomst"*), it was announced that the Netherlands will introduce a new withholding tax on interest paid to low-taxed jurisdictions and in abusive situations. In a letter to the Dutch parliament dated 23 February 2018, the Under Secretary of Finance announced that it is intended for the withholding tax on interest to be effective from 2021 and that a proposal of law to that effect will be submitted to the Dutch parliament in 2019. The letter mentions that the withholding tax will only be applicable to interest paid within a group to entities that are resident in a jurisdiction with a low statutory rate or a jurisdiction that is included in the EU list of non-cooperative jurisdictions. Because the exact scope of the legislation to be proposed is not yet known, it cannot entirely be excluded that payments under the Notes will become subject to Dutch withholding tax. Should payments under the Note become subject to Dutch withholding tax under the legislation to be proposed, the relevant Issuer may be required to pay additional amounts (pursuant to Condition 7 (*Taxation*) of "Terms and Conditions of the Notes") in which case the relevant Issuer will be entitled to early redemption of the Notes (pursuant to Condition 5(c) (*Redemption for Taxation Reasons*) of "Terms and Conditions of the Notes").

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.

U.S. Foreign Account Tax Compliance Withholding

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 ("**FATCA**") impose a reporting regime and, potentially, a 30% withholding tax with respect to (i) certain payments from sources within the United States, (ii) "foreign passthru payments" made to certain non-U.S. financial institutions that do not comply with this new reporting regime, and (iii) payments to certain investors that do not provide identification information with respect to interests issued by a participating non-U.S. financial institution. Whilst the Notes are in global form and held within Euroclear Bank, SA/NV ("**Euroclear**") or Clearstream Banking, S.A. ("**Clearstream, Luxembourg**" and together with Euroclear, the "**ICSDs**"), in all but the most remote circumstances, it is not expected that FATCA will affect the amount of any payment received by the ICSDs. However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA) and provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. Investors should consult their own tax adviser to obtain a more detailed explanation of FATCA and how FATCA may affect them. The Issuer's obligations under the Notes are discharged once it has paid the common depository or common safekeeper for the ICSDs (as bearer of the Notes) and the Issuer has therefore no responsibility for any amount thereafter transmitted through the ICSDs and custodians or intermediaries.

Risks related to the structure of a particular issue of Notes

A 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 material risks:

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.

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 (such Notes, "**Fixed/Floating Rate Notes**"). 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.

Notes in New Global Note form

The New Global Note ("**NGN**") form has been introduced to allow for the possibility of debt instruments being issued and held in a manner which will permit them to be recognised as eligible collateral for monetary policy of the central banking system for the euro (the "**Eurosystem**") and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. However, in any particular case, such recognition will depend upon satisfaction of the Eurosystem eligibility criteria at the relevant time. Investors should make their own assessment as to whether the Notes meet such Eurosystem eligibility criteria.

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 Notes which bear interest at a fixed rate ("**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.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). The list of registered and certified rating agencies published by the European Securities and Markets Authority ("**ESMA**") on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list. Certain information with respect to the credit rating agencies and ratings is set out on the front cover of this Prospectus and, in respect of any issue of Notes, will be disclosed in the Final Terms.

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.

OVERVIEW

This overview (the "Overview") 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 Issuer in any such Member State in respect of this Overview, including any translation hereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus.

Words and expressions defined in the Terms and Conditions shall have the same meanings in this Overview.

Issuer: N.V. Nederlandse Gasunie

Description Issuer: Gasunie is one of Europe's leading gas transmission companies by volumes transported. Gasunie is the wholly state-owned holding company of the TSO in the Netherlands, GTS. Gasunie, through its wholly owned subsidiary GUD, is also the owner of a gas transport network in the north of Germany. In addition, Gasunie owns and participates in other gas infrastructure such as, gas storage, liquefied natural gas ("**LNG**") and international pipelines.

Gasunie plays a strategically important role in the 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 outside the European Union to the European market.

Risk Factors: There are certain factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme. These factors relate to regulatory and legislative risks, dependence on key customers, operational risk factors, risks related to substantial projects, (re-)financing risks, interest rate risks, credit risks, credit rating risks, risks related to financial instruments, risks related to a lower utilisation rate, Groningen gas production cap, geopolitical risks and sanctions, dependency of international gas flows, dependence on licenses and authorisations, environmental risks and contingencies, influence of the State as the sole shareholder of the Issuer, possible future minority privatisation, strategic risks and risk relating to market developments, risks resulting from joint ventures and collaborations, Gasunie is a holding company with limited material direct business

operations and relies on its operating subsidiaries to provide itself with funds necessary to meet its financial obligations, restrictions on distributions by Group companies affecting Gasunie's cash position.

These factors are further explained under "*Risk Factors*". In addition, there are certain factors which are material for the purpose of assessing market risks associated with Notes generally, as well as factors which are material for the purpose of assessing the market risks related to the structure of a particular issue of Notes issued under the Programme, being Notes subject to optional redemption by the Issuer, for example Fixed/Floating Rate Notes and Notes issued at a substantial discount or premium, see "*Risk Factors*".

Description: Euro Medium Term Note Programme

Arranger: NatWest Markets Plc

Dealers: ABN AMRO Bank N.V.
BNP Paribas
Commerzbank Aktiengesellschaft
Coöperatieve Rabobank U.A.
Crédit Agricole Corporate and Investment Bank
ING Bank N.V.
Mitsubishi UFJ Securities International plc
NatWest Markets Plc

and any other Dealers appointed in accordance with the Programme Agreement.

Certain Restrictions: 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

Notes having a maturity of less than one year

Notes having a maturity of less than one year will, if the proceeds of the issue are accepted in the United Kingdom, constitute deposits for the purposes of the prohibition on accepting deposits contained in Section 19 of the Financial Services and Markets Act 2000 (the "**FSMA**") unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent. See "*Subscription and Sale*".

Agent: Deutsche Bank AG, London Branch

Paying Agent: Deutsche Bank AG, Amsterdam Branch

Currencies:	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.
Size:	Up to € 7,500,000,000 (or the equivalent in other currencies at the date of issue) in aggregate principal amount of Notes outstanding at any one time.
Maturities:	Subject to compliance with all relevant laws, regulations and directives, Notes will have maturities of up to 50 years from the date of issue.
Issue price:	Notes may be issued at their nominal amount or at a discount or premium to their nominal amount.
Method of Issue:	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.
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:	Floating Rate Notes will bear interest set separately for each Series as follows: <ul style="list-style-type: none"> (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 (ii) by reference to EURIBOR, LIBOR or EONIA appearing on the agreed screen page of a commercial quotation service as adjusted for any applicable margin.
Zero Coupon Notes:	Zero Coupon Notes may be issued at their nominal amount or at a discount and will not bear interest.
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.

Notes issued on terms that they must be redeemed before their first anniversary may be subject to restrictions on their denomination and distribution. See "*Certain Restrictions - Notes having a maturity of less than one year*" above.

Form of Notes: Each Tranche will be represented by a permanent global note (a "**Permanent Global Note**"), or initially be represented by a temporary global note (a "**Temporary Global Note**" and together with any Permanent Global Note, the "**Global Notes**"), which in each case will be deposited on its date of issue with a common depository or a common safekeeper, as the case may be, on behalf of the ICSDs and/or any other agreed clearing system. 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 ("**Definitive Notes**") 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.

In the case of any Notes which are to be admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive, the minimum specified denomination shall be EUR 100,000 (or its equivalent in any other currency as at the date of issue of the Notes).

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.
Listing:	Application has been made to list Notes issued under the Programme on Euronext in Amsterdam. Applications for listing of Notes issued under the Programme may be made to other exchanges provided that, in the case of a listing on a regulated market, a prospectus supplement or individual (drawdown or base) prospectus is published. As specified in the relevant Final Terms, a series of Notes may be unlisted.
Rating:	<p>Tranches of Notes will be rated or unrated. Where a tranche of Notes is to be rated, such rating will be specified in the relevant Final Terms.</p> <p>A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.</p>
Status of Notes:	The Notes will constitute direct, unconditional and unsecured and unsubordinated 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 – Condition 3 Negative Pledge</i> ".
Cross Default:	As described in " <i>Terms and Conditions of the Notes – Condition 9(e) Events of Default</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 as described in " <i>Terms and Conditions of the Notes – Condition 7 Taxation</i> ".
Governing Law:	Dutch law, which is the law directly applicable in the Netherlands, being the part of the Kingdom of the Netherlands located in Europe.

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 2016 (Dutch version), pages 99 through 176 and pages 178 through 187, containing the publicly available audited consolidated financial statements and company financial statements of Gasunie (including the notes thereto and the independent auditor's report thereon) in respect of the financial year ended 31 December 2016 (available at: <https://www.gasunie.nl/nl/investor-relations/financiele-informatie/publicaties>);
- (b) the N.V. Nederlandse Gasunie Annual Report 2017 (Dutch version), pages 121 through 238 and pages 241 through 249, containing the publicly available audited consolidated financial statements and company financial statements of Gasunie (including the notes thereto and the independent auditor's report thereon) in respect of the financial year ended 31 December 2017 (available at: <https://www.gasunie.nl/nl/investor-relations/financiele-informatie/publicaties>);
- (c) the N.V. Nederlandse Gasunie Semi-Annual Report 2018 (Dutch version), pages 27 through 49, containing the publicly available unaudited condensed consolidated interim financial statements of Gasunie (including the notes thereto and the independent auditor's review report thereon) in respect of the six-month period ended 30 June 2018 (available at: <https://www.gasunie.nl/nl/investor-relations/financiele-informatie/publicaties>);
- (d) the articles of association of Gasunie dated 21 April 2016 (a copy of the non-official English translation, as well as of the Dutch version) (available at: <https://www.gasunie.nl/en/investor-relations/financial-information/publications>); and
- (e) the section "Terms and Conditions of the Notes" from the Prospectus dated 23 December 2014, pages 36 to 59 (inclusive) and from the Prospectus dated 22 February 2016, pages 39 to 62 (inclusive) prepared by Gasunie in connection with the Programme (available at: <https://www.gasunie.nl/en/investor-relations/debt-programmes/european-medium-term-notes-emtn-programme>),

save that any statement contained in a document which is incorporated by reference in this Prospectus shall, to the extent applicable, be deemed to modify or supersede (whether expressly, by implication or otherwise) statements contained in a document which is incorporated by reference of an earlier date. Any statement so modified or superseded shall not be deemed, except as so modified or suspended, to constitute a part of this Prospectus.

Those parts of the (Semi-)Annual Reports referred to above which are not incorporated by reference are, to the extent that such information is relevant for the investors, covered elsewhere in this Prospectus.

Following the publication of this Prospectus, a supplement may be prepared by the Issuer and approved by the AFM in accordance with Section 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 this Prospectus and any documents incorporated by reference in this Prospectus can be obtained electronically, free of charge, by downloading the documents from <http://www.gasunie.nl/en/investor-relations>. Requests for hard copies of these documents can be sent, free of charge, to ir@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 individual (drawdown or base) prospectus for use in connection with any subsequent issue of Notes.

FORM OF FINAL TERMS

Set out below is the form of Final Terms which will be completed in respect of each Tranche of Notes issued under the Programme. 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.

MIFID II product governance / Professional investors and ECPs only target market – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the [Notes] is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, "**MiFID II**")]; and (ii) all channels for distribution of the [Notes] to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the [Notes] (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**")"; (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the "**Insurance Mediation Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the "**Prospectus Directive**"). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

[Date]

N.V. Nederlandse Gasunie
(Legal Entity Identifier (LEI): 724500MQFZSYSBC5H178)
Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
under the EUR 7,500,000,000

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 Terms and Conditions (the "**Conditions**") set forth in the prospectus dated [6 August] 2018 [and the supplement(s) to the prospectus dated [●] [and [●]] which [together] constitute[s] a base prospectus ([together] the "**Prospectus**") for the purposes of the Prospectus Directive (Directive 2003/71/EC) (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in a relevant Member State of the European Economic Area (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 the 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 [as so supplemented]. The Prospectus[, the supplement[s]] and the Final Terms are available for viewing [at [website]] [and] [during normal business hours, copies may be obtained free of charge, at the registered office of the Issuer and at the specified offices of [each of] the Paying Agent[s].]

The following alternative language applies if the first Tranche of an issue which is being increased was issued under a Prospectus (or equivalent) with an earlier date.

[Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the "**Conditions**") set forth in [the prospectus dated 23 December 2014][the prospectus dated 22 February 2016], which are incorporated by reference in the Prospectus dated [6 August] 2018 (the "**Prospectus**"). 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) (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in a relevant Member State of the European Economic Area (the "**Prospectus Directive**") and must be read in conjunction with the Prospectus [as supplemented by the supplement[s] dated [date] [and [date]]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive. 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 [as so supplemented]. The Prospectus[, the supplement[s]] and the Final Terms are available for viewing [at [website]] [and] [during normal business hours, copies may be obtained free of charge, at the registered office of the Issuer and at the specified offices of [each of] the Paying Agent[s].]

[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 or for an individual (drawdown or base) prospectus.]

- 1. Issuer: N.V. Nederlandse Gasunie
- 2. [(i)] Series Number: []
- [(ii)] Tranche Number: []
- [(iii)] Date on which the Notes become fungible: [Not Applicable/The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the [insert description of the Series] on [insert date/the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph [insert] below [which is expected to occur on or about [insert date]]].]

(N.B. Notes can only be fungible with Notes issued under this Prospectus and with Notes

issued under the prospectus dated 23 December 2014 and under the prospectus dated 22 February 2016.)

3. Specified Currency or Currencies: []
4. Aggregate Nominal Amount: []
- [(i)] Series: []
- [(ii)] Tranche: []
5. Issue Price: [] % of the Aggregate Nominal Amount plus accrued interest from [insert date] (if applicable)]
6. (i) Specified Denominations: []
[]

[EUR 100,000] and integral multiples of [EUR 1,000] in excess thereof up to and including [EUR 199,000]. No Notes in definitive form will be issued with a denomination above [EUR 199,000].

(N.B. In the case of any Notes which are to be admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive, the minimum Specified Denomination shall be EUR 100,000 (or its equivalent in any other currency as at the date of issue of the Notes.)

- (ii) Calculation Amount: *(N.B. 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: [] % Fixed Rate]
[[] month [EURIBOR / LIBOR]]/[EONIA] +/-
[] % Floating Rate]
[Zero Coupon]

(N.B. further particulars specified below.)

10. Redemption/Payment Basis: [Redemption above par]
[Redemption at par]
[Redemption below par]

(N.B. If the Final Redemption Amount is other than 100.00% of the nominal value, the Notes may be derivative securities for the purpose of the Prospectus Directive and the requirements of Annex XII to the Prospectus Regulation will apply, which would trigger an individual (drawdown or base) prospectus.)

11. Change of Interest or Redemption /Payment Basis: [Specify details of any provision for convertibility of Notes into another interest or redemption/ payment basis] [Not Applicable]

12. Put/Call Options: [Investor Put]
[Issuer Call]
[Clean-Up Call]
[(further particulars specified below)]
[Not Applicable]

13. [Date [Executive or Supervisory Board] approval for issuance of Notes obtained: [[] [and [], respectively]]
(N.B. Only relevant where Executive or Supervisory 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]

(N.B. If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Rate[(s)] of Interest: [[●] % per annum [payable [annually/semi-annually/quarterly/monthly] in arrear]
- (ii) Interest Payment Date(s): [[●] in each year up to and including the maturity date [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] [●]]/ [Not Applicable]
- (v) Day Count Fraction: [30/360 / Actual/Actual (ICMA)]

- (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])*) [Not Applicable]
- 16. Floating Rate Note Provisions:** [Applicable/Not Applicable]
- (*N.B. If not applicable, delete the remaining sub-paragraphs of this paragraph.*)
- (i) Interest Period(s): []
- (ii) Specified Period(s): []
- (iii) Specified Interest Payment Dates: [] [, subject to adjustment in accordance with the Business Day Convention set out in (iv) below / not subject to adjustment, as the Business Day Convention set out in (iv) below is specified to be Not Applicable]
- (iv) First Interest Payment Dates []
- (v) Business Day Convention: [Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention] [Not Applicable]
- (vi) Business Centre(s): []
- (vii) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination / ISDA Determination/]
- (viii) Party responsible for calculating the Rate[(s)] of Interest and Interest Amount(s) (if not the [Agent]): []
- (ix) Screen Rate Determination:
- Reference Rate: [[] month [EURIBOR / LIBOR]]/[EONIA]
 - Interest Determination Date(s): []
 - Relevant Screen Page: []
- (x) ISDA Determination:
- Floating Rate Option: []
 - Designated Maturity: []
 - Reset Date: []
- (xi) Margin(s): [+/-] [] % per annum

(xii) Linear Interpolation: [Not Applicable/Applicable - the Rate of interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (specify for each short or long interest period)]

(xiii) Minimum Rate of Interest: [] % per annum

(xiv) Maximum Rate of Interest: [] % per annum

(xv) Day Count Fraction: [Actual/365 (Sterling) / Actual/Actual (ISDA) / Actual/365 (Fixed) / Actual/360 / 30/360 / 360/360 / Bond Basis / 30E/360 / Eurobond Basis]

17. Zero Coupon Note Provisions: [Applicable/Not Applicable]

(N.B. If not applicable, delete the remaining subparagraphs of this paragraph.)

(i) [Amortisation/Accrual] Yield: [] % per annum

(ii) Reference Price: []

(iii) [Day Count Fraction in relation to Early Redemption Amounts: [Actual/365 / Actual/360 / 30/360]

PROVISIONS RELATING TO REDEMPTION

18. Call Option [Applicable/Not Applicable]

(N.B. 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/ Adjusted Redemption Price]

- Optional Redemption Calculation Date: [[] Business Days prior to the Optional Redemption Date]

- Determination Time: []

- Reference Bond: []

- Margin: []

(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)

19. Clean-Up Call: [Applicable/Not Applicable]

(N.B. If not applicable, delete the remaining subparagraphs of this paragraph.)

(i) Clean-Up Call Redemption Amount of each Note: [] per Calculation Amount

(ii) 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)

20. Put Option: [Applicable/Not Applicable]

(N.B. 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 (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. Final Redemption Amount [] per Calculation Amount

(N.B. If the Final Redemption Amount is other than 100.00% of the nominal value, the Notes may be derivative securities for the purpose of the Prospectus Directive and the requirements of Annex XII to the Prospectus Regulation will apply, which would trigger an individual (drawdown or base) prospectus.)

22. Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption: [] per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE NOTES

23. Form of Notes: Notes are in bearer form

[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]

[Permanent Global Note exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]

(N.B. Ensure that this is consistent with the wording in the section "Summary of Provisions relating to the Notes while in Global Form" 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: "[EUR 100,000] and integral multiples of [EUR 1,000] in excess thereof up to and including [EUR 199,000].")

24. New Global Note form: [Yes][No]

25. 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 (ii) and (iv) relate]

26. Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature): [Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/No]

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms. 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 the import of such information.

[[Relevant third party information] has been extracted from *[specify source]*. The Issuer confirms that such information has been accurately reproduced and that, so far as the Issuer is aware and is able to ascertain from information published by *[specify source]*, no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Issuer:

By:
Duly authorised

[By:]
[Duly authorised]

PART B – OTHER INFORMATION

1. LISTING

- (i) Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [Euronext in Amsterdam/specify other relevant regulated and, if relevant, listing on an official list] with effect from [●].] / [Not Applicable.]
- (N.B. Where documenting a fungible issue need to indicate that original securities are already admitted to trading.)*
- (N.B. Note that where the Issuer intends to seek admission to trading on (an) additional regulated market(s) in (an) additional Member State(s) other than the one(s) provided for in the Prospectus, a supplemental prospectus will be required.)*
- (ii) Estimate of total expenses related to admission to trading []

2. RATINGS

- Ratings: [The Notes to be issued [[have been]/[are expected to be / will not be]] rated]/[The following ratings reflect ratings assigned to Notes of this type issued under the Programme generally]:
- [insert details]] by [insert the legal name of the relevant credit rating agency entity(ies) and associated defined terms].*
- [[Each of][defined terms] is established in the European Union and is registered under the Regulation (EC) No. 1060/2009 (as amended).]
- [Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]*
- (N.B. 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

[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:]

[Save for any fees payable to the [(Lead) Managers/Dealers], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.]

The [(Lead) Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and [its/their] affiliates in the ordinary course of business. (Amend as appropriate if there are other interests)]

(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. [YIELD (*Fixed Rate Notes only*)]

Indication of yield: []

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

5. DISTRIBUTION

- (i) Method of distribution: [Syndicated/Non-syndicated]
- (ii) If syndicated, names: [Not Applicable/*give names*]
- (iii) Date of [Subscription] Agreement: []
- (iv) Stabilising Manager(s) (if any): [Not Applicable/*give name*]
- (v) If non-syndicated, name of relevant Dealer: [Not Applicable/*give name*]
- (vi) U.S. Selling Restriction [TEFRA D/TEFRA C/TEFRA not applicable]
- (vii) Netherlands selling restriction: [Provision as set out in Prospectus applies/does not apply]

6. OPERATIONAL INFORMATION

- (i) ISIN Code: []
- (ii) Common Code: []
- (iii) CFI Code: [] [Not Applicable / *give number*]
- (iv) FISN Code: [] [Not Applicable / *give number*]
- (v) Other relevant code: [] [Not Applicable / *give name(s) and number(s)*]
- (vi) Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking S.A. and the relevant identification number(s): [Not Applicable/*give name(s), address(es) and number(s)*]

- (vii) Delivery: Delivery [against/free of] payment
- (viii) Names and addresses of additional Paying Agent(s) (if any): []
- (ix) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the European Central bank (the "**ECB**") being satisfied that Eurosystem eligibility criteria have been met.]
- [No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

7. REASONS FOR THE OFFER

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

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 (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 6 August 2018 (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 (the "**Couponholders**") 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**" and holders of the Talons, "**Talonholders**") 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 (the "**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 Conditions. 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 Note, "**holder**" means (in relation to a Note, Coupon or Talon) the bearer of any Note, 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

The Notes are issued in bearer form 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 or a combination of any of the foregoing, depending upon the Interest and Redemption/Payment Basis shown hereon.

The Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached in case of Definitive Notes, 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.

Title to the Notes and Coupons and Talons appertaining thereto in case of Definitive Notes shall pass by delivery unless applicable law provides otherwise or provides for additional requirements for transfer of title. Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Note, Coupon or Talon shall be deemed to be and may be treated as the absolute owner of such Note, 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, 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 (a "**Global Note**") held on behalf of Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking, S.A. ("**Clearstream, Luxembourg**" and together with Euroclear the "**ICSDs**"), 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 depository 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.

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. Any amendments to the Conditions required in connection with such additional or alternative clearing system shall be specified in the applicable Final Terms.

2. Status

The Notes and Coupons constitute direct, unconditional and (without prejudice to the provisions of Condition 3 (*Negative Pledge*)) unsecured and unsubordinated 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 or Coupons remains outstanding (as defined in the Agency Agreement), the Issuer will not after the Issue Date of the Notes secure any Public Debt then or thereafter existing, by any mortgage, lien, pledge or other *in rem* security right upon any of its present or future assets or revenues without at the same time securing the Notes equally and rateably by such mortgage, lien, pledge or other *in rem* security right, and the instrument creating such mortgage, lien, pledge or other *in rem* security right 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 from (and including) 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 (specified in the Final Terms) in each year up to (and including) the Maturity Date.

If the Notes are in definitive form, except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

As used in the Conditions, "**Fixed Interest Period**" means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

Except in the case of Notes in definitive form where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to:

- (i) in the case of Fixed Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note; or
- (ii) in the case of Fixed Rate Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

(b) Interest on Floating Rate Notes

- (i) Interest Payment Dates

Each Floating Rate Note bears interest on its outstanding nominal amount from and including 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:

- (A) Specified Interest Payment Dates; or
- (B) 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.

Such interest will be payable in respect of each Interest Period.

(ii) Business Day Convention

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (A) in any case where Specified Periods are specified in accordance with sub-paragraph (i)(B) above, the Floating Rate Convention, such Interest Payment Date shall be:
 - (I) in the case of (x) above, the last day that is a Business Day in the relevant month and the provisions of sub-paragraph (B) below shall apply *mutatis mutandis*; or
 - (II) in the case of (y) above, 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 (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls within the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (B) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (C) the Modified Following Business Day Convention, such Interest Payment 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 Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (D) the Preceding Business Day Convention, such Interest Payment 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 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 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 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 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 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes).

(B) Screen Rate Determination for Floating Rate Notes

- (I) 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 Period shall be, subject as provided below, be either:
 - (a) the offered quotation; or
 - (b) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at the Relevant Time on the Interest Determination Date in question as determined by the Calculation Agent;
- (II) if the Relevant Screen Page is not available or, if sub-paragraph (B)(I)(a) above applies and no such offered quotation appears on the Relevant Screen Page, or, if sub-paragraph (B)(I)(b) above applies and fewer than two such offered quotations appear on the Relevant Screen Page, in each case as at the Relevant Time on the Interest Determination Date, subject as provided below, the Rate of Interest shall be the arithmetic mean of the offered quotations 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 Issuer, or a third party appointed by the Issuer; and

(III) if sub-paragraph (B)(II) above applies and the Issuer, or a third party appointed by the Issuer, determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) that the Issuer, or a third party appointed by the Issuer, determines to be the rates in respect of a Representative Amount of the Specified Currency that at least two out of five leading banks selected by the Issuer, or a third party appointed by the Issuer, 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 Issuer, or a third party appointed by the Issuer, 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 or Maximum or Minimum Rate of Interest applicable to the preceding Interest Period and to the relevant Interest Period).

(iv) Linear Interpolation

Where Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified as applicable in the applicable Final Terms) or the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the applicable Final Terms), one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period provided however that if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

For the purposes of this sub-paragraph (iv) "**Designated Maturity**" means, in relation to Screen Rate Determination, the period of time designated in the Reference Rate.

(c) *Zero Coupon Notes*

Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.

Where a Zero Coupon Note 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) as described in Condition 5(b)(i) (*Zero Coupon Notes*).

(d) *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 (*Taxation*)).

(e) *Margin, Maximum/Minimum Rates of Interest and Redemption Amounts and Rounding*

(i) If any Margin is specified hereon (either (x) generally, or (y) in relation to one or more Interest Periods), an adjustment shall be made to:

(A) all Rates of Interest, in the case of (x); or

(B) the Rates of Interest for the specified Interest Periods, in the case of (y);

calculated in accordance with Condition 4(b) (*Interest on Floating Rate Notes*) by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin, subject always to the next paragraph.

(ii) If any Maximum or Minimum Rate of Interest or Redemption Amount is specified hereon, then any Rate of Interest 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):

(A) 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);

(B) all figures shall be rounded to seven significant figures (with halves being rounded up); and

(C) 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.

(f) *Calculations*

The Calculation Agent will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Calculation Agent will calculate the amount of interest (the "**Interest Amount**") payable on the Floating Rate Notes for the relevant Interest Period by applying the Rate of Interest to:

- (i) in the case of Floating Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note; or
- (ii) in the case of Floating Rate Notes in definitive form, the Calculation Amount; and

in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

(g) *Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts and Optional Redemption 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 Period, calculate the Final Redemption Amount, Early Redemption Amount or Optional Redemption 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 or Optional Redemption Amount to be notified to the Agent, the Issuer, each of the Paying Agents, the Noteholders (in accordance with Condition 13 (*Notices*)), 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) (*Business Day Convention*), 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 (*Events of Default*), 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.

(h) *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, 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.

In the Conditions, the expression "**Reference Banks**" means, in the case of a determination of LIBOR, the principal London office of four major banks in the London interbank market and, in the case of a determination of EURIBOR or EONIA, the principal Euro-zone office of four major banks in the Euro-zone interbank market, in each case selected by the Issuer, or a third party appointed by the Issuer;

(i) *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 TARGET2 is operating (a "**TARGET 2 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**"):

- (i) 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);
- (ii) if "**Actual/365 (Fixed)**" is specified in the applicable Final Terms, the actual number of days in the Calculation Period divided by 365;
- (iii) if "**Actual/365 (Sterling)**" is specified in the applicable Final Terms, the actual number of days in the Calculation Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (iv) if "**Actual/360**" is specified in the applicable Final Terms, the actual number of days in the Calculation Period divided by 360;
- (v) 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;

- (vi) 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;

- (vii) if "**Actual/Actual (ICMA)**" is specified in the applicable Final Terms,
- (A) 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
 - (B) if the Calculation Period is longer than one Determination Period, the sum of:
 - (I) 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
 - (II) 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 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 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 Period:

- (i) the date specified as such in the applicable terms; or
- (ii) if none is so specified:
 - (A) the first day of such Interest Period if the Specified Currency is Sterling; or
 - (B) the day falling two Business Days in London prior to the first day of such Interest Period if the Specified Currency is neither Sterling nor euro; or
 - (C) the day falling two TARGET2 Business Days prior to the first day of such Interest 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.

"Reference Rate" means LIBOR, EURIBOR or EONIA as specified in the applicable Final Terms.

"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, in the case of EURIBOR or EONIA the Euro-zone and in the case of LIBOR London.

"Relevant Screen Page" means such page, section, caption, column or other part of a particular information service as may be specified in the relevant Final Terms (or such successor or replacement page, section, caption, column or other part of a service which may be used for the purposes of displaying an interest rate, as determined by the Calculation Agent).

"Relevant Time" means, with respect to any Interest Determination Date, 11.00 a.m. (London time) in the case of LIBOR and 11.00 a.m. (Brussels time) in the case of EURIBOR and EONIA.

"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 Period, ignoring any adjustment pursuant to Condition 4(b)(ii) (*Business Day Convention*).

"TARGET2" means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment System which utilises a single shared platform and which was launched on 19 November 2007 or any successor thereto.

5. Redemption, Purchase and Options

(a) *Final Redemption*

Unless previously redeemed, purchased and cancelled as provided below pursuant to any Issuer's or Noteholder's option in accordance with paragraph (c), (d), (e) or (f) of this Condition 5, each Note shall be finally redeemed on the Maturity Date specified hereon at its Final Redemption Amount specified hereon.

(b) *Early Redemption*

(i) Zero Coupon Notes

- (A) The Early Redemption Amount payable in respect of any Zero Coupon Note upon redemption of such Note pursuant to Condition 5(c) (*Redemption for Taxation Reasons*) or upon it becoming due and payable as provided in Condition 9 (*Events of Default*) shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified hereon.
- (B) 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.
- (C) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 5(c) (*Redemption for Taxation Reasons*) or upon it becoming due and payable as provided in Condition 9 (*Events of Default*) 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) (*Zero Coupon Notes*).

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 sub-paragraph (i) above), upon redemption of such Note pursuant to Condition 5(c) (*Redemption for Taxation Reasons*) or upon it becoming due and payable as provided in Condition 9 (*Events of Default*), 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 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) (*Early Redemption*)) (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 (*Taxation*) 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, unless the Issuer has given notice under Condition 5(c) (*Redemption for Taxation Reasons*) to redeem the Notes, 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 hereon) redeem in relation to all or, if so provided, some of the Notes on any Optional Redemption Date. 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 Redemption Amount to be redeemed

specified hereon and no greater than the Maximum Redemption Amount to be redeemed specified hereon.

If "**Adjusted Redemption Price**" is specified in the applicable Final Terms as the Optional Redemption Amount, the Optional Redemption Amount per Note shall be the higher of:

- (i) the nominal amount of the Note; and
- (ii) the nominal amount of the Note multiplied by the price (as reported in writing to the Issuer by a reputable financial adviser of international standing selected by the Issuer (the "**Financial Adviser**")) expressed as a percentage (rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up)), at which the Gross Redemption Yield on the Notes on the Optional Redemption Calculation Date is equal to the Gross Redemption Yield at the Determination Time on the Optional Redemption Calculation Date of the Reference Bond (or, where the Financial Adviser advises the Issuer that, for reasons of illiquidity or otherwise, such Reference Bond is not appropriate for such purpose, such other government debt security as such Financial Adviser may recommend), plus any applicable Margin.

For the purposes of this paragraph, "**Optional Redemption Calculation Date**", "**Determination Time**", "**Reference Bond**" and "**Margin**" shall have the meanings specified hereon in the Final Terms and "**Gross Redemption Yield**" means a yield calculated in accordance with generally accepted market practice at such time, as advised to the Issuer by the Financial Adviser. All Notes in respect of which any such notice is given under this Condition 5(d) shall be redeemed on the date specified in such notice in accordance with this Condition 5(d).

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 and the rules and procedures of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion).

(e) *Redemption at the option of the Issuer (Clean-Up Call) and Exercise of Issuer's Options*

If "Clean-Up Call" is specified in the applicable Final Terms, in the event that 20% or less of the initial aggregate principal amount of the Notes (including any further Notes issued pursuant to Condition 12) remains outstanding (other than as a result of the Issuer exercising an Issuer Call pursuant to Condition 5(d) at an Optional Redemption Amount that is higher than the Clean-Up Call Redemption Amount specified in the applicable Final Terms), the Issuer may on giving not less than 15 nor more than 30 days' notice to the Noteholders or such other notice period as

may be specified hereon (which notice shall be irrevocable and shall specify the date fixed for redemption) redeem all, but not some only, of the outstanding Notes. Any such redemption of Notes shall be at their Clean-Up Call Redemption Amount together with interest accrued to, but excluding, the date fixed for redemption.

(f) *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 the holder must deposit such Note (together with all unmatured 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 so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

(g) *Purchases*

The Issuer and any of its subsidiaries may at any time purchase Notes (provided that all unmatured 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 be surrendered for cancellation by surrendering each such Note together with all unmatured 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 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) *Notes*

Payments of principal and interest in respect of Notes will, subject as mentioned below, be made against presentation and surrender of the relevant Notes (in the case of payments of principal and, in the case of interest, as specified in Condition 6(e)(v) (*Unmatured Coupons and unexchanged Talons*)) or Coupons (in the case of interest, save as specified in Condition 6(e)(v) (*Unmatured Coupons and unexchanged Talons*)), 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 TARGET2 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 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 (*Taxation*). No commission or expenses shall be charged to the Noteholders 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) an 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 Notes denominated in U.S. dollars in the circumstances described in Condition 6(b) (*Payments in the States*).

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

(e) *Unmatured Coupons 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 unmatured 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 (*Prescription*)).

- (ii) Unless the Notes provide otherwise, upon the due date for redemption of any 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 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) Where any 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 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.
- (v) 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 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 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 TARGET2 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 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 (*Prescription*)).

7. Taxation

All payments of principal and interest in respect of the Notes 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, 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:

- (a) 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
- (b) 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
- (c) 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 (*Payment and Talons*)); or
- (d) where such withholding or deduction is imposed pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

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 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:

- (a) 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
- (b) 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
- (c) 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
- (d) 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
- (e) 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 sub-paragraph (e), "**major subsidiary**" shall mean any company or entity of which the Issuer controls more than 50% of the share capital or voting powers and whose pro rata share of the assets constitute more than 15% of the consolidated assets of the Issuer and its consolidated subsidiaries, based on the most recent available interim or annual financial statements of the relevant company or entity or the Issuer, respectively.

- (f) there is a cessation of business or of a substantial part thereof by the Issuer; or
- (g) 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
- (h) 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% 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 or any date for payment of interest thereon;
- (ii) to reduce or cancel the nominal 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 or the Final Terms a Minimum Rate of Interest and/or a Maximum Rate of Interest, to reduce such Minimum Rate of Interest and/or such Maximum Rate of Interest;

- (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 and for the Coupons appertaining thereto;
- (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 or one-third in nominal amount of the Notes for the time being outstanding at any adjourned meeting of Noteholders (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.

The expression "**Extraordinary Resolution**" when used in the Conditions means a resolution passed at a meeting of the Noteholders duly convened and held in accordance with the provisions herein contained by a majority consisting of not less than 75% of the persons voting thereat upon a show of hands or if a poll be duly demanded then by a majority consisting of not less than 75% of the votes given on such poll.

(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, Coupons and Talons

If a Note, 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 (*Notices*) 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, 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, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Notes, 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 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 in 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 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 or Coupon is due (whether as a result of, or 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 that the amount in the currency of payment under the relevant Note or Coupon 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 or Coupon, the Issuer shall indemnify the recipient against any loss sustained by the recipient 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 or Coupon or any other judgment or order.

15. Governing Law and Jurisdiction

(a) Governing Law

The Notes, 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 Coupons, or the Talons (including any disputes relating to any non-contractual obligations arising out of or in connection with the Notes, the Coupons or the Talons) and accordingly any legal action or proceedings arising out of or in connection with the Notes, the Coupons or the Talons (including any proceedings relating to any non-contractual obligations arising out of or in connection with the Notes, 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, 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 or Permanent Global Note, in bearer form without Coupons, which will:

- (a) if the Global Notes are intended to be issued in 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 the ICSDs; or
- (b) if the Global Notes are not intended to be issued in NGN form, be delivered on or prior to the original issue date of the Tranche to a common depository (the "**Common Depository**") for the ICSDs and/or any other agreed clearing system.

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 Depository, Euroclear 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 or Clearstream, Luxembourg as the holder of a Note represented by a Global Note must look solely to Euroclear 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 the ICSDs. 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 ("**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 "**Eurosystem**"), 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 the ICSDs, Luxembourg as of 30 June 2006 and that debt securities in global bearer form issued through the ICSDs after 31 December 2006 will only be eligible as collateral for Eurosystem 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. 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 the ICSDs, for Definitive Notes:

- (a) 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;
- (b) otherwise, (1) if the Permanent Global Note is held on behalf of Euroclear 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 on or following any failure to pay principal in respect of any Notes when it is due and payable.

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 in respect of interest that 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 the ICSDs 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 a common depository or common safekeeper, as the case may be, for the ICSDs, notices to Noteholders of that Series may be given by delivery of

the relevant notice to Euroclear and to Clearstream, Luxembourg (as applicable) for communication by them to entitled accountholders in substitution for publication as required by the Terms and 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(d) (*Redemption at the Option of the Issuer and Exercise of Issuer's Options*) of the Terms and Conditions 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 the ICSDs in respect of the Notes will be governed by the standard procedures of the ICSDs.

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 Terms and 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 (*Events of Default*) of the Terms and Conditions by stating in the notice to the Agent the principal amount of such Global Note that is becoming due and repayable.

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

1.1 Incorporation and articles of association

N.V. Nederlandse Gasunie was incorporated under Dutch law as a public limited company (*naamloze vennootschap*) on 6 April 1963. Gasunie is operating under Dutch law. Its corporate seat is in Groningen, the Netherlands. Its registered office is Concourslaan 17, 9727 KC, Groningen, the Netherlands. Gasunie is registered in the trade register (*Handelsregister*) of the Chamber of Commerce (*Kamer van Koophandel*) under number 02029700. Its telephone number is +31(0)50 5219111. Gasunie's articles of association were last amended by notarial deed dated 21 April 2016, before Mr. C.A. Voogt, civil law notary in Amsterdam, which amendments entered into force on 21 April 2016.

Article 2 of Gasunie's articles of association, regarding its objects, reads as follows (translated from the original Dutch language version):

2.1. The objects of the company are:

- (i) directly or indirectly operating a gas transmission business and promoting good gas infrastructure and related operations such as storage, research and engineering, promoting safety in the use of appliances and facilities using gas and promoting the effect of the market in terms of energy supply in the broadest sense;*
- (ii) indirectly managing the pipes and devices connected thereto for the purpose of the transport of gas and indirectly performing the tasks of the operator(s) of the aforementioned pipes and devices connected thereto (an "operator");*
- (iii) directly or indirectly facilitating the transport of liquefied natural gas (vloeibaar aardgas "LNG") and operating all required infrastructure to arrange for the transport of LNG;*
- (iv) directly or indirectly participating in or otherwise holding or taking an interest in other businesses with a purpose as described in this article, or a similar or affiliated purpose,*

and also financing third parties and providing surety in any way or committing for the obligations of third parties, as well as all that is in accordance with the foregoing in this article or related thereto in the broadest sense or may be beneficial thereto.

2.2. The objects of the company as stated in paragraph 1 of this article and the other businesses indicated therein may comprise:

- (a) arranging for the transmission, storage and dispatch of gas;*
- (b) installing, operating, managing and/or maintaining networks intended for the transmission of gas, including transnational connections;*
- (c) providing support services, system services, metering and other services;*
- (d) renting, providing for use or otherwise providing facilities, items and/or rights;*
- (e) activities similar or related to these purposes as well as carrying out all other tasks assigned to the company by or under any legal regulation or order of a competent authority;*

(f) *engaging in activities and/or promoting the effect of the market in terms of energy, such as, but not limited to, operating exchanges and other trading and market places,*
as well as all that is in accordance with the foregoing, related thereto in the broadest sense or may be beneficial thereto.

In accordance with the Dutch Gas Act any company belonging to the Group may not perform any acts or activities which may be contrary to the interests of the management of the national gas transportation grid.

Gasunie may not furnish any security, give any price guarantee, otherwise warrant performance by third parties or bind itself jointly and severally or otherwise next to or on behalf of third parties of shares in Gasunie's share capital or of depositary receipts for these shares.

1.2 Capitalisation and Shareholder

Gasunie is 100% State owned. The Dutch Ministry of Finance represents the State's shareholder interest.

The authorised share capital of Gasunie is EUR 756,000 comprising of 7,560 ordinary registered shares with a par value of EUR 100 each. A total of 1,513 ordinary registered shares have been issued, all of which are fully paid.

In October 2013, the Dutch government published its Policy on Government Participations 2013. Therein, the State qualified its participation in Gasunie as permanent State-ownership (*permanent staatsaandeelhouderschap*). Pursuant to article 85a of the Dutch Gas Act, shares of the transmission system operator (TSO) will be in the hands of the Dutch State directly or indirectly. According to article 85b of the Dutch Gas Act, there is a possibility of a minority privatization up to 25%, by means of a cross participation with a fully unbundled TSO, or the shareholder of a fully unbundled TSO, from a neighbouring country. However, this can only be effectuated with the consent of the Second and First Chamber of the Dutch Parliament. At the moment, there are no concrete plans for such privatisation. If this occurs somewhere in the future, the State will no longer be Gasunie's sole shareholder, in which case Gasunie will no longer be subject to the mitigated dual-board regime. Under the regular dual-board regime, which will be applicable in that case, the members of Gasunie's executive board (the "**Executive Board**") will be appointed by Gasunie's supervisory board (the "**Supervisory Board**"), instead of the General Meeting which is currently the case. Please also refer to section "*Description of the Issuer - 2 Corporate Governance*".

1.3 Ratings

As of 30 June 2018, Gasunie has a short term and long term credit rating granted by S&P and a short term and long term credit rating granted by Moody's.

Long term credit ratings

S&P: AA-
Moody's: A2

Short term credit ratings

S&P: A-1 +
Moody's: P-1

For the actual credit ratings at any time Gasunie refers to the websites of S&P (<http://www.standardandpoors.com>) and Moody's (<http://www.moodys.com>), respectively.

2. Corporate governance

2.1 General

Gasunie is a public limited company and is subject to a mitigated structure regime, see below. The governance structure is based on Book 2 of the Dutch Civil Code (*Burgerlijk Wetboek*), the Dutch Corporate Governance Code (*de Nederlandse Corporate Governance Code (8 december 2016)*), the company's articles of association and various internal regulations. Various provisions affecting the governance of Gasunie are also contained in the Gas Act.

2.2 Mitigated Structure Regime

Gasunie is subject to the mitigated dual-board regime (*gemitigeerd structuurregime*). Pursuant to that regime, members of the Executive Board are appointed, suspended and dismissed by the General Meeting instead of by the Supervisory Board.

Members of the Supervisory Board are appointed by the General Meeting upon a 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, in its capacity as sole shareholder of Gasunie, may reject the 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 one or more of its nominated candidates for appointment, the Supervisory Board must prepare a new nomination. Ultimately, the State may come in a position to appoint a candidate of its own choice.

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 entry into and termination of important joint ventures.

In addition, certain resolutions of the Executive Board require the approval of the General Meeting of shareholders (i.e. the State), including, but not limited to, (i) decisions regarding an important change in the identity or the character of Gasunie or the enterprise, which includes in any event, among others, (a) the transfer of the enterprise or almost the entire enterprise to a third party, (b) entry into or termination of any long-term cooperation with another legal party if such cooperation or the termination thereof is of far-reaching significance to Gasunie, (c) the acquisition or disposal of important participating interests with a value exceeding EUR 50 million, or EUR 25 million for acquisitions or disposals outside of the Netherlands, and (d) the investment or disinvestment within the Netherlands or in Germany exceeding an amount of EUR 100 million to the extent required by law and regulated, or exceeding an amount of EUR 50 million for any other cases or regardless of the amount involved for any (dis)investments unrelated to the gas sector or of a fundamental nature; (ii) closing down; (iii) casting a vote on shares in the share capital of a subsidiary (excluding GTS) with respect to the foregoing matters, (iv) voting on the shares in GTS on certain matters specified in the articles of association, and (v) performing legal transactions other than the ones referred to above with a value that exceeds EUR 100 million or a higher amount specified by the General Meeting, with an

exception of loans. A detailed description of the resolutions that require the approval of the General Meeting is provided in Article 24.8 of the articles of association.

2.3 Executive Board and executive committee

The Executive Board consists of four persons. Two members (the CEO and the CFO) are statutory board members and the two others (the CEO of the TSO GTS B.V. and the director responsible for the business related to the non-TSO activities) are titular board members. In principle the Executive Board meets once a week. The Executive Board is, as far as it is legally possible given the legal fire walls between the TSO and the non-TSO activities, collectively responsible for the management of the company, as well as the general affairs of the various subsidiaries.

2.4 Supervisory Board

The Supervisory Board meets at least four times a year. The Supervisory Board supervises the policy of the Executive Board and the general affairs of Gasunie and its business, and supports the Executive Board with advice. In accordance with the Gas Act and the articles of association, important decisions to be made by GTS as TSO are also submitted for approval to the Supervisory Board of Gasunie. The Supervisory Board has two sub-committees: the audit committee (the "**Audit Committee**") (which supervises, in particular, the risk management and audit systems, the annual and semi-annual financial reporting, as well as the financing of Gasunie and its pension schemes) and the remuneration, selection and appointments committee (the "**Remuneration, Selection & Appointments Committee**") (which main activities are advising the Supervisory Board on remuneration for members of the Executive Board and advising the Supervisory Board on (re-)appointment of members of the Executive Board). The Committees report to the meetings of the full Supervisory Board, on the basis of which decisions are made.

2.5 Compliance with the Dutch Corporate Governance Code

The Dutch Corporate Governance Code, which formally applies only to listed companies, is also applied by state participations, and thus also by Gasunie. Where possible, the principles and best-practice provisions have been implemented in Gasunie's articles of association and in various regulations. Since Gasunie is not a listed company, principles and best-practice provisions that are directly related to stock exchange listing are not applicable.

Gasunie confirms compliance with best-practice provisions 2.7.4, which state that transactions in which there is a conflict of interests, carried out by members of the Executive Board or Supervisory Board, must be mentioned in the annual report. From 2013 up to the date of this Prospectus, no such transactions took place.

A few of the principles and best-practice provisions that might be applicable to Gasunie are not applied. In accordance with the Corporate Governance guidelines, the principles that are not adhered to are detailed below:

Executive Board

The Executive Board consists of four male members, which is not in line with the rules on diversity (best practices 2.1.5 and 2.1.6). Gasunie's aims to come in line with these rules when future vacancies need to be fulfilled.

Supervisory Board

Pursuant to best practice 2.3.2, if the Supervisory Board consists of more than four members, it shall appoint from its number an audit committee, a remuneration committee and a selection and appointments committee.

Because their tasks are closely related, the remuneration committee and the selection and appointments committee of Gasunie are combined to form a single committee.

3. Executive Board and Supervisory Board

3.1 Executive Board

The current members of the Executive Board of Gasunie are:

J.J. (Han) Fennema, CEO and chairman of the Executive Board
(1964, Dutch nationality)

On 1 January 2014, Han Fennema joined the Executive Board and on 1 March 2014 he took over the position of CEO and chairman of the Executive Board.

Other positions are (as of ● 2018):

- Member of the International Supervisory Board, Energy Delta Institute
- Member of the Advisory Board, Clingendael International Energy Programme
- Chairman of the Board, the Royal Dutch Gas Association (KVGN)
- Member of Shareholders' Committee, Nord Stream A.G.
- Member of the Supervisory Board, Hanzehogeschool in Groningen
- Member of the Executive Committee, International Gas Union

I.M. (René) Oudejans, CFO
(1961, Dutch nationality)

René Oudejans has been CFO and member of the Executive Board since 1 October 2012.

Other positions are (as of ● 2018):

- Member of the board, Pensioenfonds N.V. Nederlandse Gasunie (since 1 July 2013)
- Member of the Supervisory Board, Zorggroep Alliade

B.J. (Bart Jan) Hoevers
(1971, Dutch nationality)

On 30 March 2017, Bart Jan Hoevers joined the Executive Board as titular member. Bart Jan Hoevers is CEO of Gasunie Transport Services B.V.

Other positions are (as of ● 2018):

- Member of the Board, Netbeheer Nederland
- Member of the Board, European Network of Transmission System Operators for Gas.

U. (Ulco) Vermeulen
(1959, Dutch nationality)

On 1 May 2016, Ulco Vermeulen joined the Executive Board as titular member. Ulco Vermeulen is the Director of Participations of Gasunie.

Other positions are (as of ● 2018):

- Member of the Supervisory Board ICE Endex Holding B.V.
- Chairman of the Board, Green Gas Netherlands
- Chairman of the Executive Board, Energy Delta Institute
- Member of the Supervisory Board, Energy Academy Europe
- Member of the Strategic Board, Energy Valley
- Chairman of the Board, TKI Gas
- Chairman Strategy Commission, International Gas Union
- Member of the Supervisory Board, Ommelander Ziekenhuis Groningen (since 1 March 2018)

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

3.2 Supervisory Board

The members of the Supervisory Board of Gasunie are:

R. (Rinse) de Jong RA (chairman)

(1948, Dutch nationality)

Chairman (as of 1 October 2014)

Date of first appointment: 16 May 2012

Date of reappointment: 24 April 2018, for a period of two years

Member of the Remuneration, Selection & Appointments Committee

Member of the Audit Committee (since 24 April 2018)

Other positions are (as of • 2018):

- Board member, Stichting Aandelenbeheer BAM Groep
- Board member, Stichting Preferente Aandelen Wereldhave NV
- Chairman of the Supervisory Board, Rabobank Arnhem en omstreken
- Vice Chairman of the Supervisory Board, Hogeschool van Amsterdam
- Chairman, Stichting Kunstcollectie Essent-Enexis

M.J. (Jolanda) Poots-Bijl (RC)

(1969, Dutch nationality)

Date of first appointment: 1 September 2011

Date of reappointment: 30 March 2017, for a period of four years.

Chair of the Audit Committee

Other positions are (as of • 2018):

- Chief Financial Officer, Van Oord N.V.
- Board member, Stichting ING Aandelen
- Member of the Supervisory Board, Blokker Holding B.V.

M.M. (Martika) Jonk

(1959, Dutch nationality)

Date of first appointment: 1 October 2013

Date of reappointment: 30 March 2017, for a period of four years.

Chair of the Remuneration, Selection & Appointments Committee

Other positions are (as of • 2018):

- Partner, CMS Derks Star Busmann N.V.
- Member of the Supervisory Board, St. Antonius Ziekenhuis
- Member of the Supervisory Board, St. Catharina Ziekenhuis (since 19 March 2018)

W.J.A.H. (Willem) Schoeber

(1948, Dutch and German nationality)

Date of first appointment: 1 October 2013

Second term ends in 2020

Member of the Audit Committee

Other positions are (as of ● 2018):

- Corporate consultant “Dr. Willem Schoeber Unternehmensberatung“
- Non-executive member of the board of directors, Neste Oyj (Helsinki, Finland)
- Non-executive member of the Board of Directors of Electrica SA (Bucharest, Romania)

D.J. (Dirk Jan) van den Berg

(1953, Dutch nationality)

Date of first appointment: 1 October 2014

First term ends in 2019

Member of the Remuneration, Selection & Appointments Committee

Other positions are (as of ● 2018):

- Chairman of the executive board Sanquin Bloedvoorziening.
- Member of the International Advisory Board, PolyU, Hong Kong
- Chairman, Atlantische Commissie
- Member of the European Integration Committee of the Ministry of Foreign Affairs, Advisory Council on International Affairs
- Member of the Governing Board, the European Institute for Technology for Innovation and Technology (EIT) in Budapest
- Member of the Supervisory Board, FMO (Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V.)
- Member of the Centrale Plancommissie (CPC) (since 1 September 2017)

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

3.3 Conflict of interest

There are no 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.

3.4 Audit Committee

The Audit Committee is chaired by Mrs Poots-Bijl, with Mr Schoeber and Mr de Jong (since 24 April 2018) as members. The Audit Committee met five times in 2017. At those meetings, the operational auditor, the external auditor PricewaterhouseCoopers Accountants N.V. ("PwC") and the CFO were present on all occasions.

4. Description of activities

Gasunie is a European gas infrastructure company. Gasunie's network is one of the largest high-pressure pipeline networks in Europe, comprising over 15,000 kilometres of pipeline in the Netherlands and northern Germany. Gasunie provides natural and green gas transport services through its subsidiaries, Gasunie Transport Services B.V. in the Netherlands and Gasunie Deutschland in Germany.

With its cross-border gas infrastructure and services, Gasunie facilitates the Title Transfer Facility ("**TTF**") (please also refer to section "*Description of the Issuer - 5 Mission, Vision and Strategy*"), which has become one of the leading European gas trading hubs.

Gasunie also provides other gas infrastructure services, including gas storage and LNG.

Gasunie wants to help accelerate the transition to a CO₂-neutral energy supply and believes that gas-related innovations, for instance in the form of renewable gases such as hydrogen and green gas, can make an important contribution. Both existing and new gas infrastructure play a key role here. Gasunie also plays an active part in the development of other energy infrastructure to support the energy transition, such as district heating grids. Gasunie is the first fully independent (i.e. not linked to a gas trading company) gas infrastructure company with an extensive cross-border network in Europe. Via this network, Gasunie transports gas to a large number of international networks and customers. This gives Gasunie a unique role and responsibility within the European gas market and the energy supply. Fulfilling that role safely, reliably and efficiently is a prerequisite. Gasunie is committed to responding swiftly to new demands of the market for gas transport and related services. It promotes 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, public interests in the countries supplied by Gasunie's networks are being served.

The Group is organised in three business units: Gasunie Transport Services ("**GTS**"), Gasunie Deutschland Transport Services GmbH ("**GUD**") and "Participations and Business Development" ("**Participations**"). A more in-depth description of the activities and developments of these business units can be found in "*Description of the Issuer – 6.2 Description of Gasunie's three business units*" below.

Gasunie offers gas transmission services to customers via its subsidiaries GTS in the Netherlands and via GUDTS, a wholly-owned subsidiary of GUD, in Germany.

The third business unit, Participations, offers other services in the gas and energy infrastructure field, including gas storage, LNG and renewables. This unit manages, develops and controls non-regulated activities or activities which are partly regulated. These activities support the liquidity and the operation of the gas market in the areas in which the Group is active. In addition, these activities contribute to the usage of the networks of GTS and GUD. In addition to some smaller participations, the participation in the Balgzand Bacton pipeline between the United Kingdom and the Netherlands (the "**BBL**"), the pipeline between Russia and Germany exploited by Nordstream, an LNG terminal in Rotterdam (the "**Gate Terminal**") and the ownership of a gas storage in Zuidwending ("**EnergyStock**") are managed by this business unit. For a more detailed description of these participations, see "*Description of the Issuer – 6.2.3 Participations – C. Participations*" below.

Although Gasunie's principal markets are currently the Netherlands and Germany, activities and investments may be undertaken throughout Europe as long as it fits with Gasunie's strategic aims, it is not contrary to any sanctions and the investment is limited and generates an adequate return.

Gasunie plays an active role in a number of partnerships and institutions that disseminate knowledge and technology relating to energy and gas such as the International Gas Union and the New Energy Coalition. 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 1,700 employees are distributed over around 30 locations throughout the Netherlands, Germany, Belgium and Russia. The company's overall head office is in Groningen, the Netherlands. The head office for the company's activities in Germany is in Hanover.

5. Mission, Vision and Strategy

5.1 General

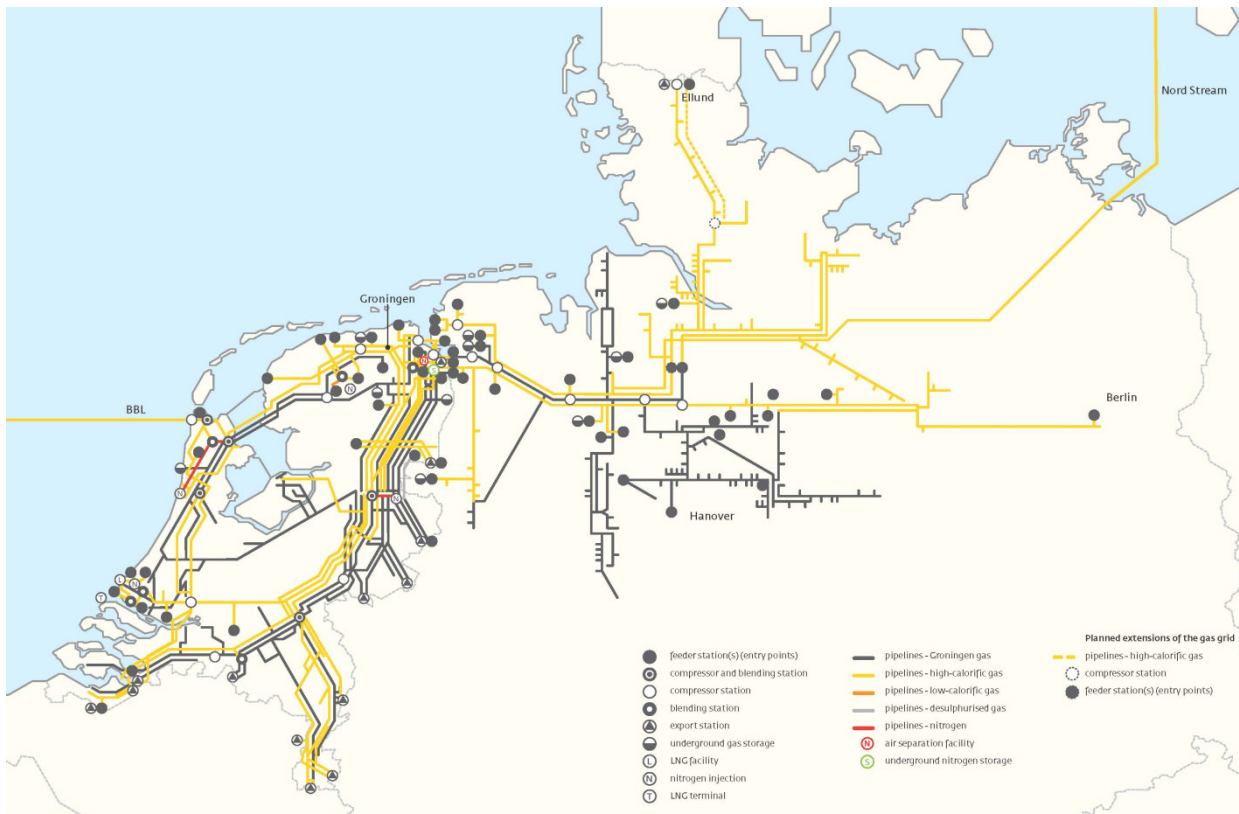
Gasunie believes that over the next few decades, security of gas supply and the role of infrastructure will occupy centre stage in Europe. One of the main drivers is the rapidly declining domestic production and a stable and small growth potential for gas in Europe. Other drivers are the integration of the European energy market, geopolitical developments and the transition towards a sustainable energy mix. Following the earthquake in Zeerijp on January 8, 2018 the Mining Authority ("**SodM**") advised the minister of Economic Affairs and Climate Policy to lower the Groningen production cap to 12 bcm from a safety point of view. The decision of the Dutch government to reduce and by 2030 fully abandon Groningen natural gas production will lead to an increased dependence on imported natural gas.

These developments push the need for optimisation of infrastructure in Europe to accommodate the increasing supply from outside the European region and to facilitate the transition towards a sustainable energy mix. Investments are needed to develop key supply and transit routes, to strengthen system flexibility, to expand the throughput capacity of LNG-terminals and the use of LNG (in the transport sector), and to facilitate green gas production and transportation.

An essential prerequisite for the realisation of these investments is the presence of adequate European and national legislation and enabling regulatory bodies that accommodate the required investments to be made in due time.

Due to Northwest Europe's highly developed gas market, in particular in the Netherlands, Gasunie believes its infrastructure is unique in terms of its density, robustness and complexity. There are two additional distinctive features: first the Netherlands' and Germany's strategic geographical position in Europe and second, the geophysical state of the area. The geographical position of the Gasunie networks in Europe today is the heart of domestic supply, with Groningen as the main indigenous production centre. In addition, there is 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. These two possibilities can be used as a great 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. This flexibility is also a crucial enabler for the transition to (fluctuating) renewable energy sources like solar and wind power.

Furthermore, the Dutch gas hub TTF is one of the leading European gas trading facilities with a total volume transported of 20,962 TWh, which enables commodity traders to manage their portfolios efficiently, making the Dutch market area very attractive. The TTF is a virtual market place where Gasunie offers market parties the opportunity to transfer gas that is already present in Gasunie's system ('entry-paid gas') to another party. Using the TTF, it is straightforward for gas that is brought into the national grid via an entry point to change ownership before it leaves the national grid at an exit point, see "*Description of the Issuer –GTS – C. Relevant Developments*" below.



gasunie

These geographical, geophysical, infrastructural and logistical benefits make Europe and especially the Netherlands 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 many in Europe) over international transit flows. Gasunie's network currently stretches from Vyborg in Russia (Nord Stream), via Germany and the Netherlands, to Bacton in the United Kingdom. The network is on a crossroad of growing and new supply routes for Europe. With Norwegian supply from the north, growing Russian supply from the East and new LNG supply from other world regions to the Gate Terminal in the harbour of Rotterdam, the main European gas markets are well supplied and connected. Gasunie is committed in constantly meeting the requirements of adjacent markets, existing and potential suppliers, importers and policy-makers.

5.2 Mission

Gasunie states its mission as follows:

"Gasunie is a leading European gas infrastructure company. We serve the public interest, offer integrated transport and infrastructure services to our customers and adhere to the highest safety and business standards. We focus on short and long term value creation for our shareholder(s), other stakeholders and the environment."

5.3 Vision

Gasunie states its vision as follows:

"We believe in a sustainable future with a balanced energy mix and a lasting role for gas from various sources, both fossil and renewable. We believe that we serve our customers best with innovative gas infrastructure solutions."

5.4 Strategic Pillars

Gasunie focuses on three strategic pillars: (1) ensure a secure, reliable, affordable and sustainable gas infrastructure in our key area, (2) contribute to efficient gas infrastructure & services for a well-functioning European gas and LNG market and (3) accelerate the transition to a CO₂-neutral energy supply.

1. Ensure a secure, reliable, affordable and sustainable gas infrastructure in our key area

Gas transmission continues to be the basis of Gasunie's strategy. Safety, reliability and operational excellence, with adherence to the highest business and environmental standards, determine Gasunie's license to operate. Gasunie will optimise the value of its existing assets, taking into account its license to operate and customer need for (new) capacity and innovative solutions. Gasunie wants to help to shape an attractive regulatory environment for gas transport and related services and reduce the environmental impact of its activities.

2. Contribute to efficient gas infrastructure & services for a well-functioning European gas and LNG market

Gasunie wants to contribute to efficient gas infrastructure and related services that enable a well-functioning European gas and LNG market. In its key market area in North Western Europe, Gasunie aims to strengthen its leading position by selectively pursuing mergers, acquisitions and strategic cooperation and thereby further market integration. Outside of Northwest Europe, Gasunie seeks participation in projects and infrastructure that contribute to a well-functioning internal European infrastructure, such as participations in pipelines on key supply and transit routes and at European entry points (e.g. LNG and storage).

3. Accelerate the transition to a CO₂-neutral energy supply

Gas and renewable energy, such as wind and solar energy, form a strong partnership, combining affordability and reliability with sustainability. Gas and gas infrastructure provide a powerful, flexible and efficient buffer mechanism that ensures the balance between demand and changing supply patterns in which the share of intermittent energy sources is increasing. Flexible use of infrastructure and investments in new integrative and smart facilities will encourage the integration of various energy sources. Gasunie believes in a sustainable future with a balanced, integrated energy system in which a permanent role is reserved for gas. Gasunie expects that the share of gas from renewable sources, such as biomethane and hydrogen, in the total gas production will increase. "Gasunie New Energy" focuses on increasing the share of green gas in the energy mix via fermentation and gasification technology and infrastructure and works actively on innovative approaches to enhance the integration of energy modalities, for instance via smart conversions of renewable electricity to gas, in order to develop solutions for large scale storage of renewable energy. These new developments enhance the strength of the gas and power value chain. Based on Gasunie's experience in the development of large scale energy infrastructure, Gasunie is also actively exploring participations in large scale heat networks, and in Carbon Capture and Storage projects in the Netherlands.

Gasunie believes in the potential of renewable gas to contribute to a carbon neutral energy supply in 2050 and in (bio)LNG as a cleaner fuel alternative for the transport sector – which it believes to be a market with a large potential growth.

6. Group structure and description of business units

6.1 Structure of the Group

The Group consists of three business units. Gasunie's direct and indirect participations and other equity interests as of June 1st 2018 are as follows:

List of participations & other equity interests

Company	Registered office	Interest as at 01-06-2018
<i>Group companies</i>		
EnergyStock B.V.	Groningen, The Netherlands	100%
Gastransport Noord-West Europa B.V.	Groningen, The Netherlands	100%
Gastransport Noord-West Europa Holding B.V.	Groningen, The Netherlands	100%
Gastransport Noord-West Europa Services 1 B.V.	Groningen, The Netherlands	100%
Gastransport Noord-West Europa Services 2 B.V.	Groningen, The Netherlands	100%
Gastransport Noord-West Europa Services 3 B.V.	Groningen, The Netherlands	100%
Gastransport Noord-West Europa Services 4 B.V.	Groningen, The Netherlands	100%
Gasunie BBL B.V.	Groningen, The Netherlands	100%
Gasunie Engineering B.V.	Groningen, The Netherlands	100%
Gasunie New Energy B.V.	Groningen, The Netherlands	100%
Gasunie Waterstof Services B.V.	Groningen, The Netherlands	100%
Gasunie LNG Holding B.V.	Groningen, The Netherlands	100%
Gasunie Ambigo B.V.	Groningen, The Netherlands	100%
Gasunie Transport Services B.V.	Groningen, The Netherlands	100%
Vertogas B.V.	Groningen, The Netherlands	100%
Gasunie Deutschland GmbH & Co. KG	Hanover, Germany	100%
Gasunie Deutschland Services GmbH	Hanover, Germany	100%
Gasunie Deutschland Technical Services GmbH	Hanover, Germany	100%
Gasunie Deutschland Transport Services GmbH	Hanover, Germany	100%
Gasunie Deutschland Transport Services Holding GmbH	Hanover, Germany	100%
Gasunie Deutschland Verwaltungs GmbH	Hanover, Germany	100%
Gasunie Infrastruktur AG	Zug, Switzerland	100%
Gasunie Hellas B.V.	Groningen, The Netherlands	100%
Gasunie Energy Information Services B.V.	Groningen, The Netherlands	100%
<i>Joint operations</i>		
BBL Company V.O.F.	Groningen, The Netherlands	60.0%
Arbeitsgemeinschaft GOAL/Fluxys NEL-Projektphase	Hanover, Germany	51,-3%
EUGAL	Kessel, Germany	16.5%
<i>Joint ventures</i>		
Biogas Netwerk Twente B.V.	Almelo, The Netherlands	50.0%
Gate terminal C.V.	Rotterdam, The Netherlands	50.0%
Gate terminal Management B.V.	Rotterdam, The Netherlands	50.0%
DEUDAN - Deutsch/Dänische Erdgastransport-GmbH	Handewitt, Germany	75.0%
DEUDAN - Deutsch/Dänische Erdgastransport-GmbH & Co.	Handewitt, Germany	33,-4%

KG		
NETRA GmbH Norddeutsche Erdgas Transversale	Emstek/Schneiderkrug, Germany	50.0%
NETRA GmbH Norddeutsche Erdgas Transversale & Co. KG	Emstek/Schneiderkrug, Germany	44.1%
Jordgas Transport GmbH	Emden, Germany	50.0%
SKW B.V.	Alkmaar, The Netherlands	50.0%
Ambigo VOF	Groningen, The Netherlands	46.7%
German LNG Terminal GmbH	Hamburg, Germany	33.3%
<i>Associates</i>		
GASPOOL Balancing Services GmbH	Berlin, Germany	16.7%
<i>Other equity interests</i>		
Energie Data Services Nederland (EDSN) B.V.	Arnhem, The Netherlands	12.5%
PRISMA European Capacity Platform GmbH	Leipzig, Germany	12.7%
Nord Stream AG	Zug, Switzerland	9.0%

6.2 Description of Gasunie's three business units

As set out above, the Group has three business units: GTS, GUD and Participations. Each of these business units is further described below.

6.2.1 GTS

A. General

The business unit GTS covers the Dutch regulated gas transport services of Gasunie. Before 1 January 2018, this business unit was called 'GTN' and consisted of the companies GTS and Gasunie Grid Services B.V. ("**GGG**"). With effect from 2 January 2018 GTS and GGS legally are merged.

GTS, the Dutch TSO, is a wholly owned subsidiary of Gasunie and operates as a separate company in line with the requirements of the Gas Act and Directive 2009/73/EC. GTS provides regulated transport services in a transparent and non-discriminatory manner to ensure the proper functioning of the liberalised Dutch gas market. GTS is responsible for the operation, maintenance and development of the Dutch national gas transmission grid in an economically responsible and sustainable manner. The Dutch national gas transmission grid consists of the main gas transmission system ("**HTL-system**") and the regional high pressure gas transmission system ("**RTL-system**"). GTS is required to provide sufficient transport capacity to the Dutch market, to balance the Dutch gas network and to connect the network to other networks. In accordance with the Gas Act, GTS has certain public service obligations, such as emergency supplies and peak supplies. Since 2005, GTS has extended its range of services by, among other things, contracts for interruptible transport capacity.

B. Gas transport 2017

In 2017, GTS transported approximately 960 billion kWh (98.2 bcm) of gas – a 1.2% decrease in the volume transported compared to the previous year (971 billion kWh (99.4 bcm)).

C. Relevant Developments

TTF; Developing the liquid gas market

TTF is the Dutch virtual trading point where gas can be traded. From 2016 onwards TTF has become the most prominent liquid gas hub in Europe in terms of volume, succeeding the English National Balancing Point. A well-functioning gas trading point attracts traders who each bring along their own gas. This is good for security of supply, and also ensures that supply and demand can function properly.

Lower volatility in the oil prices resulted in 2017 in less traded volume at the North West European gas hubs. Via TTF in 2017, a total of 20,962 TWh of gas was traded by market parties, compared to 21,468 TWh in 2016. Gasunie does not envisage that lower traded volumes via TTF result in a material risk.

In 2017, the net TTF volume, which is the physical volume that flows via TTF, increased from 516 TWh in 2016 to 540 TWh. The maximum number of TTF traders rose further from 143 in 2016 to 151 in 2017.

Cooperation at European level

The transport of natural gas takes place in a market with internationally operating parties. The customers of GTS and GUD also operate partly across borders. This requires an international approach. Connecting gas markets will create a bigger market, with more suppliers. This generates more competition, which has a lowering effect on gas prices. All gas consumers in the region will benefit from this.

Based on the European Third Energy Package, the participation of GTS and other European TSOs in the European Network of Transmission System Operators for Gas ("**ENTSOG**") has resulted in the development of a European Network Code on Capacity Allocation Mechanisms ("**NC CAM**"). The intention of this code is to enhance competition in the internal EU gas market by enhancing the availability of cross border transport capacity. This code is (or should have been) implemented by all EU member states as of November 2015 pursuant to Commission Regulation (EU) No 984/2013. GTS has adhered to this code, together with neighbouring TSOs from Germany, Belgium, Denmark and France, which has led to the development of the European Capacity Platform PRISMA ("**PRISMA**").

Besides the NC CAM, rules have been developed by the EU Commission on congestion management. These rules were developed to improve capacity usage of the European gas infrastructure and enhancing competition also by enhancing the availability of transport capacity. GTS and GUD have fully implemented these rules, as well as TSOs in surrounding countries.

Infrastructure and market forces

GTS observes that customers are focusing more and more on short term capacities and move away from long term commitments. This development makes it harder to determine how much capacity GTS is required to provide in the future. For this reason GTS has made in 2017 for the second time a network development plan in which the possible future developments of the network are analyzed using scenarios.

D. Major ongoing projects

Nitrogen installation Zuidbroek

On 8 January this year, the Zeerijp earthquake let SodM to recommend an urgent reduction in gas extraction from the Groningen gas field to 12 billion cubic metres, in the interests of safety. The government stated that additional nitrogen capacity is deemed necessary to achieve the reduction in gas extraction from the Groningen gas field quickly and that GTS has been requested to carry out the (additional) preparations involved in building an extra nitrogen installation.

The proposed new nitrogen installation will be an extension of the existing facility at Zuidbroek and will yield a reduction of approximately 7 billion cubic metres of Groningen gas annually (assuming a cold year). This would enable the level of 12 billion cubic metres to be achieved immediately after commissioning of the plant in early 2022.

Multi-year replacement programme in the Netherlands

In order to be able to meet future standards in safe and reliable gas transport, GTS launched a large scale, multi-year replacement programme in 2012. This programme involves the renovation and partial replacement of valve stations, metering and regulating stations, and gas receiving stations. It is expected to run for 15-20 years except for gas receiving stations. That part of the programme will end in 2020. Total programme is expected to result in an annual capital expenditure of approximately EUR 60 million.

ICT – Jason programme

Several ICT projects are planned as part of the 'Jason' programme. By far the biggest project is the replacement of the current gas transport control system. The project started in 2015 and the new system has been launched in the last week of June 2018.

E. Business model GTS

When offering its services, GTS focuses on selling the available capacity in a reliable network with competitive conditions. Customers enter into contracts which allow them to book capacity at certain entry or exit points in the network, for a certain period (ranging from one day to several years). Customers can feed gas into the network at entry points, and they can retrieve gas from the network at exit points. For all services, customers pay an all-in tariff for the capacity booked. This capacity tariff entitles customers to feed gas into and retrieve gas from the relevant network point for the period that has been agreed. There is no tariff for actual usage of the network point. Customers can trade gas amongst themselves at the TTF. A liquid and competitive capacity market is important to GTS, because it makes the GTS infrastructure more attractive to its customers. The GTS network forms part of the European gas network, consisting of multiple closely interconnected networks, which are owned and operated by different TSOs. It competes with other networks with regard to transport of international gas flows.

Costs

The variable costs that GTS incurs by making available the capacity booked by its customers available consist mainly of energy costs, i.e., gas and electricity for compressors to transport the gas, and electricity for producing nitrogen to blend the gas to the right quality. These variable costs, also referred to as uncontrollable costs, form part of the all-in capacity tariff.

Retroactive settlement

In a year with an unusually cold winter, it can happen that the revenues of GTS do not actually increase significantly, because customers have already booked their winter

capacity. However, the actual energy costs of transporting larger volumes of gas in a cold winter do increase, leading to a lower operating result. Conversely, an unusually mild winter leads to lower energy costs.

These energy costs of quality conversion are subject to a system of retroactive settlement to the extent ACM labels these costs as necessary costs, allowing these uncontrollable fluctuations in the operating results to be corrected in a later year. In compliance with current International Financial Reporting Standards as adopted by the European Union ("**IFRS**"), no accounts payable or receivable have been included for the conversion settlements with regard to energy costs (which may be either positive or negative depending on the amount of conversion needed) in GTS's annual accounts. The other energy costs are no longer subject to a system of retroactive settlement, hence, the risk of fluctuations lies with GTS.

Tariffs

The tariffs that GTS charges its customers are regulated. The determination of the tariffs has to be in accordance with the European and Dutch legislation (Gas Act and the Dutch Tariff Code) as well as the method and X-factor decision. The system of revenue regulation is maintained in the method decision for 2017-2021. In a revenue-cap system the tariffs are calculated by dividing the allowed revenues by the estimated capacity bookings. If the actual revenues deviate from this, the difference will be settled through an adjustment in the tariffs in later years. The allowed revenues are based on 'cost-plus regulation': GTS is allowed to reimburse efficiently incurred capital and operational costs, including a return that is set by the ACM (the regulatory WACC). The permitted capital costs are derived from the 'regulated asset value', which is also referred to as 'regulated asset base' ("**RAB**"), while the permitted operational costs consist mainly of costs for planning, metering and billing, management and maintenance, and the uncontrollable energy costs mentioned above.

Investments and return

The design and use of the network determine the total available capacity. GTS is legally bound to invest efficiently in sufficient transport capacity in order to be able to satisfy the total market needs. New investments – if and to the extent they are deemed to be efficient by the ACM – are added to the RAB, and contribute to the revenues as of the year after becoming operational.

In 2017, the ACM laid down the method by which GTS is to be regulated for a period of five years (2017–2021). The main parameters defining this method of regulation are:

- Consumer price index: the tariffs may be indexed annually on the basis of inflation, in line with the consumer price index.
- The WACC: the ACM introduced a distinction between a WACC for existing assets and a WACC for new assets. The allowed real pre-tax WACC for existing assets was set at 4.3% in 2016 and at 3.0% in 2021 and for new assets at 3.6% in 2016 and at 3.0% in 2021. During the regulatory period, the WACC gradually evolves from the level in 2016 to the level in 2021. The WACC is based on a 50/50 equity to debt ratio, a nominal cost base for debt of 3.58% for the WACC for existing assets in 2016 and 2.29% for the remaining WACCs, and a nominal return on equity of 5.02%.
- The productivity improvement to be realised during the regulation period on the total operational and capital costs, excluding uncontrollable costs. For the years 2017–2021, this productivity improvement (or frontier shift) has been set at 0.6% per year.

- For the current regulation period, the ACM has conducted two relative efficiency benchmark surveys for GTS. The average of both results leads to an overall reduction of allowed revenues in 2021 to 87.6% of total costs.

In practice, GTS can achieve a higher or lower return compared to the return on efficiently incurred costs determined by the ACM. This depends on the level of the actual costs.

Method decisions new regulatory period

On 24 February 2017, the ACM published the method decision for the period 2017-2021. The allowed revenues in the new regulatory period are based on the efficient operational and capital costs. The ACM made use of the possibility to set the allowed revenues at the start of the regulatory period directly at the level of expected costs (the so-called "one-off"), instead of - like in previous regulatory periods - allowing the revenues of GTS to gradually decrease to the level of efficient costs at the end of the regulatory period, in 2021. The one exception ACM makes in applying the one-off, is that the new benchmarks (see below) are not included in the one-off. The results of the benchmarks do not fully impact the allowed revenues of GTS at the start of the regulatory period, but the impact is only increased gradually to the maximum in 2021.

ACM bases the expected level of operational costs on the average realised costs in the years 2013-2015. The expected level of capital costs is retrieved by ACM from the realised costs in the year 2015 adjusted for the applicable WACC in any given year of the regulatory period. The ACM introduced a separate WACC for existing assets and for new assets. The allowed real pre-tax WACC for existing assets was set at 4.3% in 2016 and at 3.0% in 2021 and for new assets at 3.6% in 2016 and at 3.0% in 2021. During the regulatory period, the WACC gradually evolves from the level in 2016 to the level in 2021. The yearly productivity factor (frontier shift) is 0.6% on all costs.

New in this regulatory period is the impact of the relative efficiency benchmarks on the level of allowed revenues for GTS. With the relative efficiency benchmarks, the ACM intends to determine the relative efficiency of GTS by comparing the costs of GTS with other European gas TSO's. The ACM has commissioned two benchmark studies. In the first benchmark study GTS is compared with German TSO's. This study yields three different benchmark scores for GTS: 72.7%, 76.6% and 87.5%; the average score being determined at 78.9%. The second study, initiated by the ACM in conjunction with the Council of European Energy Regulators, resulted in a benchmark score of 81.6% for GTS. Both the average score of the first study and of the second study are increased by a margin of 5%-point. The two resulting scores are applied to the relevant cost base of each benchmark study to determine the level of efficient costs. The average of both results leads to an overall reduction of allowed revenues in 2021 to 87.6% of total costs.

Several third parties' and GTS's appeals and objections against several of the ACM's decisions are described in the paragraph risk factors: "*Factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme - Regulatory and legislative risks*" and in the paragraph "*General Information - Litigation*" below.

On 14 April 2016, the Minister of Economic Affairs published a legislative proposal, which includes amendments to the Gas Act and the Dutch Electricity Act (*wetsvoorstel 'Voortgang Energietransitie'*). With some amendments the legislative proposal was approved by the Dutch parliament in April 2018. The legislation entered into force on 1 July 2018 whereby parts of the legislative changes will effectively enter into force on a later date (most likely 1 January 2019). This legislation amends parts of the Gas Act and will affect GTS. The legislation will, inter alia, limit the scope of the activities that GTS is allowed to perform to its statutory tasks as a TSO and will also limit the scope of the

activities of other Group companies. However, such legislation will have no material impact on Gasunie, as the domestic gas consumption amounts to approximately 40 billion m³ per year. For example, the impact of 50,000 new houses with a gas consumption of 1,000 m³ per year which would not be connected to the natural gas grid, only result in a lower gas consumption of approximately 50 million m³ per year.

F. Participations of GTS

GTS holds 12.5% plus 1 share of the shares in the capital of Energie Data Services Nederland B.V. ("**EDSN**"). EDSN is a Dutch company incorporated in July 2007. EDSN is the platform for administrative connections between the various different market parties within the energy sector. EDSN supports the data traffic between parties in the energy market. A great deal of administrative information needs to be exchanged between parties in the energy sector when changing a supplier, when moving home and when amending customer data. This involves approximately 14 million gas and electricity customers. Processes are regularly adjusted and improved. EDSN streamlines and guarantees the quality of these processes between the energy companies. It is tasked with continuing to standardise and centralise the processes within the energy market.

At the beginning of 2013, GTS acquired an interest in PRISMA European Capacity Platform GmbH of 14.6%. The present interest of GTS in the share capital is 11.1%.

G. Regulatory developments

Every two years, the North West European TSOs publish their Gas Regional Investment Plan with a five year horizon. This is a regional statement on long-term gas infrastructure development and related topics. It provides an overview of all relevant developments in the region and specifically focuses on projects that will have a direct impact on the capacity at the internal and external borders of the region. It provides further information to shippers about which projects could provide additional capacity in the region.

The Network Code on Rules regarding Harmonised Transmission Tariff Structures for Gas ("**NC TAR**") entered into force on April 6, 2017. This code aims to ensure a stable, transparent and cost reflective transmission tariff structure that prevents cross subsidies between network users and that leads to efficient investments. Based on NC TAR, the allowed revenue of GTS will be allocated to the net users using a new tariff structure. This new tariff structure will be applied as of 1 January 2020. ACM published the draft decision regarding the implementation of the code on March 5, 2018. Formal views could be sent to ACM on 28 May 2018 at the latest. ACM will take the final decision no later than five months thereafter, i.e. at the end of November 2018.

6.2.2 GUD

A. General

In 2008, Gasunie acquired the gas transport division of the North German company BEB Erdgas und Erdöl GmbH as held by BEB Transport GmbH (which was renamed Gasunie Deutschland Transport Services GmbH, i.e. "**GUDTS**") together with the network of the ExxonMobil Fernleitungsnetz GmbH (which was renamed Cupa Transport Services GmbH ("**CUPA**") which led to the network currently operated by GUD. In 2012 GUD founded a second TSO, Gasunie Ostsee Anbindungsleitung GmbH ("**GOAL**"), to manage its stake in the NEL pipeline (see below under "*Description of the Issuer – 6.2.2 GUD – G. GUD's participations*"). GUDTS, CUPA and GOAL became 100% subsidiaries of GUD, which in its turn is a wholly-owned subsidiary of Gasunie. As of 1 September 2015, the CUPA and GOAL entities have, retroactively as of 1 January 2015, been merged into GUDTS.

On 5 February 2013 (following an advice rendered by the European Commission), BNetzA granted the TSO-certification to GUDTS according to section 4a EnWG.

GUDTS is a TSO in the north of Germany. GUDTS has applied and received a certification as TSO and hence GUDTS is allowed to operate the grids as TSO in Germany. GUDTS is also responsible for the management and development of accompanying installations. The GUDTS network is connected to the GTS transmission system in the Netherlands. The network of GUDTS connects international natural gas pipelines from Denmark, Norway, Russia and the Netherlands. It consists of 10 compressor stations with 31 compressor units strategically positioned along the network providing flexibility to maintain booked capacities under varying flow and pressure conditions. The network is connected to 8 storage facilities (not owned by Gasunie). The network incorporates 32 entry points, 101 exit points and is around 3800 km long.

B. Gas Transport 2017

In 2017, GUD transported 253 billion kWh (26 bcm) of natural gas, a level that is slightly lower than that for 2016 during which 265 billion kWh (27 bcm) of natural gas was transported.

C. Relevant developments in market areas

Network development plan

The network development plan (*Netzentwicklungsplan*, "**NEP**") for 2018 considers next to the projects related to the gas quality conversion from high calorific gas to low calorific gas and the capacity expansion in the direction of the Netherlands, the construction of the EUGAL pipeline with a total capacity of 610 TWh per year (see below under "*Description of the Issuer – 6.2.2 GUD – G. GUD's participations*"). Extra volumes are necessary to replace the steadily declining production in northwest Europe. The NEP 2018 will be confirmed by BNetzA end of 2018.

PRISMA – European Capacity Platform

GTS and GUDTS are shareholder of PRISMA next to several other European TSOs. PRISMA is the central and only platform to book entry- and exit-capacity on the primary and secondary market. Yearly, quarterly, monthly, daily and within day capacities are booked either within an auction at cross-border or cross-market-area, and in Germany storage connection points or first-come-first-serve at the remaining points. See also the description of PRISMA in "*Description of the Issuer – 6.2.1 GTS – C. Relevant Developments*" above.

D. Major ongoing projects

EUGAL

In the 2nd half of 2017 GUD entered into a joint venture agreement together with GASCADE, ONTRAS and FLUXYS to construct and operate the EUGAL pipeline. The acceptance of EUGAL by the German regulator is dependent on the approval of Nord Stream 2 pipeline. The permission for the landing at Greifswald has been received by the responsible authority in January 2018, and the endorsement of the remaining permits is expected in the course of 2018. Please refer to section "*Description of the Issuer - 6.2.2 GUD - G. GUD's participations*" below.

New Grid Connections

GUD has received three inquiries for new grid connections in 2017: one for an LNG terminal close to Hamburg, a request to increase the capacity for the Volkswagen power plant in Wolfsburg and an inquiry for the injection of hydrogen into the DEUDAN pipeline in Schleswig-Holstein. The LNG-project and VW power plant expansion will mean noteworthy extensions of the GUD-grid. The probability of realization for the power plant expansion is relatively high, because VW is intensively working on the concrete plans. The LNG-project is currently depending on the outcome of the Open Season performed by the terminal consortium. During the Open Season the market appetite with respect to an LNG terminal close to Hamburg is identified. Both projects have been introduced in the upcoming NEP 2018 process. Even though the injection of hydrogen is a small-scale project, it will be the first step into this technology and could function as a specimen for following similar schemes.

E. Current regulation and tariff model

Cost-plus regulation

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

Incentive regulation

As of 1 January 2010, the incentive regulation (*Anreizregulierung*) has also become applicable for GUDTS. The incentive regulation stimulates TSOs to become more efficient by setting a revenue cap based on the costs made in the previous base year, the 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, BNetzA applies a cost-plus approach combined with an efficiency benchmark.

The revenue cap will be reduced on a recurring basis due to individual and general efficiency targets. General efficiency targets represent the (required) difference of efficiency progress between the business area and overall economy. For the new regulatory period 2018 – 2022 the general efficiency factor is 0,49% (period 2013 – 2017; 1,5%). The individual efficiency target is based on the efficiency of the individual TSO determined by a national benchmark procedure which takes into account all supra-regional TSOs in Germany. The range of the individual efficiency has to be between 60% and 100%. Inefficiencies have to be resolved via the revenue cap within one regulatory period. In the last efficiency benchmark for the regulatory period 2013-2017 GUDTS was ruled to be 100% efficient. For the new regulatory period 2018-2022 GUDTS has received statement of BNetzA confirming (again) an individual efficiency of 100%. In April 2014, BNetzA started a consultation phase of mapping the requirements with regard to the tariffs for short-term bookings, gas storages entry and exit points and interruptible products. The final BNetzA decision was taken on 24 March 2015 and has come into effect as of 1 January 2016. The decision intends to, inter alia, change the tariff system in order to promote long-term bookings rather than short-term ones. This may stabilise the number of bookings which are now highly volatile and difficult to predict.

The total return of TSOs consists 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. For the 2013-2017 regulatory period a maximum real pre-tax return on equity of 7.14% on old assets¹ is applicable whereas a maximum 9.05% nominal pre-tax return on equity will be

¹ Investments performed before year 2006

used for new assets². Furthermore, the equity yield rate is only applicable for an equity share limited to a maximum of 40% of the regulated asset base. For the regulatory period 2018-2022 a maximum real pre-tax return on equity of 5.12% on old assets is applicable whereas a maximum 6.91% nominal pre-tax return on equity will be used for new assets. Against this decision several TSOs and DSOs incl. GUDTS have started a complaint at the Higher Regional Court (OLG Düsseldorf). On 22 March 2018 OLG has published its decision in favour of TSOs, stating that the methodology for determining the market risk premium was not robust enough and at the lower end. BNetzA has filed an appeal against this decision at the Highest Federal Court.

F. GUD's business model

The business model of GUD is largely identical to that of GTS. The main differences between the Dutch and the German regulation models are as follows:

- The permitted return on capital consists of the actual interest costs and a competitive return on equity, up to a maximum share of 40% of equity in the total capital. For the 2018-2022 regulatory period a maximum real pre-tax return on equity of 5.12% on old assets³ is applicable whereas a maximum 6.91% nominal pre-tax return on equity will be used for new assets.
- New investments receive a return on capital from the beginning, and immediately contribute to revenues.
- For each regulation period, BNetzA carries out an individual efficiency benchmark on the total costs of a network company. For the regulation period 2018–2022, GUD has received an assessment rating of '100% efficient'.

G. GUD's participations

GUDTS holds a direct share of 33.33% in the NETRA GmbH Norddeutsche Erdgas Transversale being the general partner of the NETRA GmbH Norddeutsche Erdgas Transversale & Co. Kommanditgesellschaft ("**NETRA**"). It also holds 75.01% of the shares in Deutsch/Dänische Erdgastransport-GmbH, being the general partner of the DEUDAN-Deutsch/Dänische Erdgastransport-Gesellschaft mbH & Co. Kommanditgesellschaft ("**DEUDAN**"). The NETRA and DEUDAN joint ventures are owners of gas transport systems. They grant beneficial use rights of their respective gas transmission systems to their shareholders. Open Grid Europe is the joint venture partner in DEUDAN. Open Grid Europe and jordgas Transport GmbH are the joint venture partners in NETRA.

GUDTS holds also a share of 50% in jordgas Transport GmbH (being the former DEUDAN Holding GmbH, renamed in Norddeutsche Erdgastransport Infrastruktur GmbH and merged with the jordgas Transport GmbH). Jordgas Transport GmbH holds a share of 33.33% in the NETRA GmbH Norddeutsche Erdgas Transversale.

Furthermore, GUDTS holds a participation in German gas trading point GASPOOL of 16.67% and holds 1.33% of the shares in the European Capacity Platform PRISMA (see "*Description of the Issuer – 6.2.1 GTS – C. Relevant Developments*" for a description of PRISMA).

GUDTS also owns a 25.13% stake in the Nordeuropäische Erdgas Leitung ("**NEL**"). NEL is a so-called "Bruchteilseigentumsgemeinschaft" ("**BTG**"): the assets are owned by

² Investments performed in year 2006 or later

³ Investments performed before year 2006

different parties. GUDTS acts on behalf of Gasunie as a joint-venture partner in NEL, together with NEL Gastransport GmbH and Fluxys Deutschland GmbH. The NEL pipeline is one of the two connecting pipelines enabling natural gas from the major reserves in Russia to be transported, through Nord Stream (see "*Description of the Issuer – 6.2.3 Participations – C. Participations*"), directly to Germany and other member states of the European Union, in particular the Netherlands, Belgium, France and the United Kingdom. The NEL pipeline runs from where the Nord Stream comes on land in Lubmin near Greifswald to Rehden in Lower Saxony, stretching over 440 kilometers past Schwerin and Hamburg. In Heidenau, the NEL pipeline is connected to the network of GUDTS.

In 2017 GUDTS entered into the EUGAL BTG with a share of 16.5%. The other shareholders are GASCADE, Fluxys and Ontras. The EUGAL is the infrastructure project to be constructed for connecting the Nord Stream 2 landing facility at the German Baltic Sea shore near Lubmin towards the German-Czech border at Deutschneudorf. The project mainly consists of a 56" pipeline connection for a distance of 484 km, of which the first 329 km will be a looped pipeline. The route of the pipeline is mainly parallel to the existing OPAL pipeline. Furthermore a gas receiving terminal in Lubmin, a compressor station in Radeland and several metering and steering facilities are part of the project. The investment for the construction of the full project is planned to be around €2.9 bln. In total 80% of the available capacities in EUGAL have been booked on a long term basis. The commissioning of the first part is foreseen for end of 2019, the full completion for 2020. End of 2016 Open Grid Europe and GUDTS acquired Jordgas Transport, the remaining shareholder of NETRA from Statoil. The TSO business of Jordgas Transport has been equally divided and the transport capacity is transferred to Open Grid Europe and GUDTS respectively.

H. Recent & Future regulatory developments

In Germany a new regulatory period has started in 2018. Before the start of this new regulatory period, the parameters of the relevant regulatory period, and thereby the applicable revenue cap for GUDTS, will be reset by BNetzA. After respective consultations BNetzA decided on new rates on return for equity. According to this decision, for the regulatory period 2018-2022 a maximum real pre-tax return on equity of 5.12% on old assets⁴ is applicable whereas a maximum 6.91% nominal pre-tax return on equity will be used for new assets⁵. Against this decision several TSOs and DSOs incl. GUDTS have started a complaint at the Higher Regional Court (OLG Düsseldorf). On 22n March 2018 OLG has published its decision in favour of TSOs, stating that the methodology for determining the market risk premium was not robust enough and at the lower end. BNetzA has filed an appeal against this decision at the Highest Federal Court.

In February 2018 BNetzA decided on the general efficiency factor applicable to all TSOs and DSOs in the regulatory Period 2018-2022. The decision foresees an Xgen = 0.49%. Several TSOs (incl. GUDTS) and DSOs appealed against this decision.

At the end of Q2 2016 GUD filed its cost application to BNetzA based on the costs occurred in the base/photo year 2015. Based on the approved costs and an efficiency benchmark BNetzA has established the allowed revenue cap for GUD for the regulatory period 2018-2022. Furthermore, BNetzA has confirmed an individual efficiency of 100% to GUD

⁴ Investments performed before year 2006

⁵ Investments performed in year 2006 or later

Together with the other German TSOs, GUD has started work for the compulsory German NEP for 2018, which sets out the developments within the German gas network for the coming ten years. In the future, the NEP will be developed on a two-yearly basis. Expectations are that the German *Energiewende* will cause great changes in how the German infrastructure is used in the future, especially where energy efficiency and the construction of new gas-fired power stations are concerned. Furthermore the TSOs have started a project to merge the current market areas GASPOOL and NCG to one combined single market area covering all of Germany by April 2022 as foreseen in the German law.

6.2.3 Participations

A. General

The objective of the business unit Participations is to strengthen Gasunie's position as a leading European gas infrastructure company and to support the transition to a more sustainable use of energy. The unit develops and manages non-regulated activities as well as activities which are only partly regulated. This includes the development of new business activities and M&A activities, with partners from the business environment or the financial world, and by acting as a shareholder for Gasunie's non-regulated participations. The risks and profit targets of these activities are higher than those of the regulated activities because these business activities are carried out in competition with other parties in the private market place.

The non-regulated participations of Gasunie make a significant contribution to the security of supply of natural gas in the Netherlands. Being connected to the global sources of natural gas, the Netherlands attract gas flows for domestic use and for supply to other countries in North Western Europe.

Gasunie's cross-border infrastructure in the Netherlands and Germany forms the backbone of the gas roundabout. Gas is brought to the roundabout through the incoming pipeline routes. It can then be traded on the Dutch trading point TTF or German trading point GASPOOL and taken on to users through more than a thousand exit points. It can also be stored for later use in underground storage facilities, or transported onward to other countries through exit routes. The system ensures that gas sourced from all directions – not only from domestic sources but increasingly from abroad (Norway, Russia) and by way of LNG – can be transported by pipeline or as LNG onwards.

Participations works at the frontline of Gasunie's strategy in projects aimed at strengthening the position of Gasunie as a cross-border gas infrastructure company in Europe. By taking strategic positions in the European gas transport market, Gasunie also strengthens the gas roundabout and TTF as a dominant trading point. This is important for sound, transparent pricing and for the security of supply in this part of Europe. This, in turn, is in the interest of traders, suppliers and customers in the gas sector and of society as a whole. Energy is no longer a matter limited to national boundaries; it has become an international affair. By taking up good positions in Europe, Gasunie is increasing its ability to exert influence on gas flows. This will enable the Group to optimise its service offering by adding cross-border service concepts, for example. In this way, it will also be able to maximise the economic value of its networks in the Netherlands and Germany, making the best possible use of the capacity in those networks. Participations is also working on new domains, particularly in the context of the transition to sustainable energy. Gasunie seeks to demonstrate and clarify to stakeholders that gas has vital roles in a future sustainable energy system, especially regarding conversion of biomass into green gas and conversion of electricity from solar and wind source into hydrogen. Gasunie is also in a good position to become operator of heat and CO₂ transportation systems in the Netherlands. Business opportunities in this area are being examined. Gasunie's role is to bring partners together,

assist in achieving efficiency and effectiveness from a financial and project perspective, co-create the business models and in some cases take the role of operator.

B. Participations' business model

Participations' activities have been allocated to separate participations. These participations are responsible for the marketing and delivery of gas and energy infrastructure services and for the obligations as owners of their respective assets. The ownership ratios in the participations vary from full ownership (e.g., EnergyStock B.V.) via shared ownership with external partners (e.g., Gate Terminal C.V. and BBL Company V.O.F.) to minority interest (Nord Stream).

Gasunie takes care of the operational management of the underground gas storage facility EnergyStock at Zuidwending and the BBL-pipeline connection with the UK. The LNG terminal in Rotterdam (Gate Terminal) and Nord Stream in which Gasunie has a(n) (in)direct participation, function as independent organizations, supervised by its shareholders. The business unit Participation supervises the governance of these participations. See below under "*Description of the Issuer – 6.2.3 Participations – C. Participations*" for more information on these participations.

Participations also looks for opportunities to develop new, sometimes innovative, activities with good returns and for partners to cooperate with. For example the participation in the construction of the EUGAL pipeline in Germany and the development of a LNG import and distribution terminal in Brunsbüttel (Germany). The activities should contribute to Gasunie's strategy of supporting the functioning of the gas market and enabling the transition towards a sustainable energy system (our third strategic pillar).

The business-economic risks and return targets of Participations' activities are higher than those of Gasunie's fully regulated activities, since most of the participations compete in the free market and are unregulated.

Investments

The decision to invest in new infrastructure is always preceded by a thorough analysis of the market developments, the wishes of potential customers, as well as commercial and technological feasibility. Gasunie sees a trend that customers increasingly replace long-term gas contracts by short-term contracts, which increases the business risk for Gasunie's subsidiaries and participations as there is less certainty on future revenues.

In addition, the market for sustainable energy is still in a phase that requires not only a vision, but also innovation. Besides opportunities, this leads to insecurities and risks, because investments in new technologies such as power-to-gas and in new markets often only yield returns in the longer term (power-to-gas is a process whereby electricity from sustainable energy sources, such as wind turbines or solar panels, are converted into hydrogen, which is injected into the gas transport network or can be sold to end users). These insecurities and risks require adequate risk analyses and risk mitigating actions. When investing in facilitating sustainable energy, Gasunie is prepared to use adjusted revenue models and consider a higher risk profile in its decision-making. In Gasunie's view, the development of new revenue models and efficient participation structures for gas infrastructure companies is inextricably linked with succeeding in its ambition to play a leading role in the transition to a sustainable energy system.

Revenue flow

Customers buy capacity in the infrastructure managed by Gasunie's participations and thereby also the right to utilize the infrastructure during the contracted period. Participations constructs and operates infrastructure, but has no interest itself in the upstream supply and trade or the downstream delivery of gas or LNG. In this way, Participations can facilitate a well-functioning gas market and gas trade via its participations in a non-discriminatory and transparent way.

Both Gate Terminal and BBL have to deal with legal regulations and regulatory authorities. They need the regulatory authorities' prior consent to offer certain services, for which they are granted exemption from the regulatory frameworks, usually for a specific period of time. This results in services being offered by these participations within regulated frameworks. As a result, the business model of Participations is also affected by European legislation to facilitate a well-functioning European gas market.

With regard to the non-regulated business, Gasunie will focus on further optimising the utilisation of existing assets and developing new assets where necessary in the coming years.

C. Participations

Below, the financially material participations of the business unit Participations are described.

Zuidwending - EnergyStock

EnergyStock B.V. is a 100% subsidiary of Gasunie. EnergyStock is an underground gas storage facility for low-caloric gas (G-gas), located in Zuidwending near the Groningen gas field. EnergyStock B.V. offers its customers (shippers and traders) of natural gas a reliable 24/7 fast multi-cycle storage service to cater for a variety of services. These services have been developed in order to allow EnergyStock's customers to capture specific value, especially value created by within-day portfolio balancing, trading on short term forward price curves and trading based on price volatilities. Recently the final investment decision was taken to develop an additional cavern (A1) in Zuidwending, enabling additional sales at a relatively small investment.

BBL Company V.O.F.

BBL is the subsea pipeline connecting the Netherlands to the United Kingdom. Gasunie has, through its 100% subsidiary Gasunie BBL B.V., a 60% interest in BBL Company V.O.F. a partnership under Dutch law operating the BBL. The other two shareholders are Fluxys and E.ON Ruhrgas, each holding 20%. By realising a connection between the Netherlands and the United Kingdom, BBL creates a link between the vast Russian gas reserves and the United Kingdom gas market. BBL is the final link in this long route from the Baltic (Nord Stream) via Germany (a.o. NEL) and the Netherlands.

Recently the final investment decision was taken to realize physical reverse flow. As of 2019 BBL will be able to offer the service to physically transport gas from the UK to The Netherlands.

Nord Stream AG

Nord Stream AG is a company incorporated under Swiss law and a joint venture between Gazprom, Gasunie, ENGIE, Wintershall and E.ON Ruhrgas. It operates two parallel pipelines from Vyborg, near St Petersburg, to Greifswald, Germany, across the Baltic Sea. Gasunie, through its 100% subsidiary Gasunie Infrastruktur AG, has become a 9%

shareholder in Nord Stream AG on 10 June 2008. Gazprom holds 51% of the shares, E.ON Ruhrgas and Wintershall each hold 15.5% of the shares and ENGIE holds 9% of the shares. Nord Stream has a total capacity of 55 billion m³ per year. Both phases of the project are separately financed through means of project financing.

Gate terminal B.V.

Through its 100% subsidiary Gasunie LNG Holding B.V., Gasunie has an interest of 50% in Gate terminal C.V., which on its turn holds an interest of 100% in Gate terminal B.V., a terminal for LNG on the Maasvlakte, an area of reclaimed land in the port of Rotterdam. Vopak is the other shareholder of Gate terminal C.V. with an equal 50% interest. The Gate Terminal is financed through means of project finance.

Supplying LNG to the European continent satisfies the anticipated demand for gas and supply diversification. The Gate Terminal has an annual throughput capacity of 12 bcm, expandable to 16 bcm in the future. The LNG is delivered to the terminal by large ships and temporarily stored in tanks for purpose of re-gasification or distribution. After re-gasification the gas is transported through the existing pipeline grid of Gasunie. In case of distribution the LNG can be used in the transportation sector as a fuel to replace gasoline or in industry. Gate terminal B.V. has restricted itself to the construction and exploitation of the terminal and is not handling the supply, trade or transport of LNG.

Gasunie New Energy B.V.

One of the strategic objectives of Gasunie is the transition towards more sustainable energy supply. Gasunie New Energy focuses on developing projects in this context. Through Gasunie New Energy B.V., Gasunie takes a proactive role in the development of sustainable energy by developing the necessary knowledge and building a network of business partners. Via Gasunie New Energy B.V. Gasunie holds a position in several recently started small size companies like Biogasnetwerk Twente B.V, SCW B.V. and Ambigo V.O.F.

DUTCH TAXATION

This paragraph outlines the principal Dutch tax consequences of the acquisition, holding, settlement, redemption and disposal of the Notes. It does not present a 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 an entity, that does not hold the legal title of the Notes, but to whom nevertheless the Notes, or their income, are attributed based either on this individual or entity owning a beneficial interest in the Notes or based on specific statutory provisions. These include statutory provisions under 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.

This paragraph is intended as general information only. Prospective Noteholders should consult their tax adviser regarding the tax consequences of any acquisition, holding or disposal of Notes.

This paragraph is based on Dutch tax law as applied and interpreted by Dutch tax courts and as published and in effect on the date of the Prospectus, including, for the avoidance of doubt, the tax rates applicable on that date, without prejudice to any amendments introduced at a later date and implemented with or without retroactive effect.

Any reference in this paragraph made to Dutch taxes, Dutch tax or Dutch tax law must be construed as a reference to taxes of whatever nature levied by or on behalf of the Netherlands or any of its subdivisions or taxing authorities or to the law governing such taxes, respectively. The Netherlands means the part of the Kingdom of the Netherlands located in Europe.

The statements below are based on the assumption that the Final Terms of any Series of Notes will not materially deviate from the Terms and Conditions as described under "*Terms and Conditions of the Notes*" in this Prospectus, in particular with regard to the status of the Notes and the maturities.

Withholding tax

Any payments made under the Notes will not be subject to withholding or deduction for, or on account of, any Dutch Taxes.

Taxes on income and capital gains

This section does not describe the possible Dutch tax considerations or consequences that may be relevant to a Noteholder:

- (i) who is an individual and for whom the income or capital gains derived from the Notes are attributable to employment activities, the income from which is taxable in the Netherlands;
- (ii) which has a substantial interest (*aanmerkelijk belang*) or a fictitious substantial interest (*fictief aanmerkelijk belang*) in the Issuer within the meaning of chapter 4 of the Dutch Income Tax Act 2001 (*Wet inkomstenbelasting 2001*). Generally, a substantial interest in the Issuer arises if the Noteholder, alone or – in case of an individual – together with a partner for Dutch tax purposes, or any relative by blood or by marriage in the ascending or descending line (including foster-children) of either of them, owns or holds, or is deemed to own or hold, certain rights to shares,

including rights to directly or indirectly acquire shares, representing, directly or indirectly, 5% or more of the issued capital of the Issuer or of the issued capital of any class of shares or profit participating certificates (*winstbewijzen*) relating to 5%;

- (iii) that is an entity which under the Dutch Corporate Income Tax Act 1969 (*Wet op de vennootschapsbelasting 1969*), (the "**CITA**"), is not subject to Dutch corporate income tax or is in full or in part exempt from Dutch corporate income tax (such as a qualifying pension fund); or
- (iv) that is an investment institution (*beleggingsinstelling*) as described in Section 6a or 28 CITA.

Residents of the Netherlands

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

- (a) individuals who are resident or deemed to be resident in the Netherlands ("**Dutch Individuals**"); and
- (b) entities or enterprises that are subject to the CITA and are resident or deemed to be resident in the Netherlands ("**Dutch Corporate Entities**").

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

Dutch Individuals engaged or deemed to be engaged in an enterprise or in miscellaneous activities (*resultaat uit overige werkzaamheden*) are generally subject to income tax at statutory progressive rates with a maximum of 51,95% with respect to any benefits derived or deemed to be derived from the Notes, including any capital gains realized on their disposal, that are attributable to:

- (i) an enterprise from which a Dutch Individual derives profits, whether as an entrepreneur (*ondernemer*) or pursuant to a co-entitlement (*medegerechtigde*) to the net worth of this enterprise other than as an entrepreneur or a shareholder; or
- (ii) miscellaneous activities, including, without limitation, activities which are beyond the scope of active portfolio investment activities (*meer dan normaal vermogensbeheer*).

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

Generally, the Notes held by a Dutch Individual who is not engaged or deemed to be engaged in an enterprise or in miscellaneous activities, or who is so engaged or deemed to be engaged but the Notes are not attributable to that enterprise or miscellaneous activities, will be subject annually to an income tax imposed on a fictitious yield on the Notes. The Notes held by this 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 the assets and liabilities of a Dutch Individual that are taxed under this regime, including the Notes, is set at a percentage of the positive balance of the fair market value of these assets, including the Notes, and the fair market value of these liabilities. The percentage increases:

- (i) from 2.02% of this positive balance up to and including EUR 70,800;
- (ii) to 4.33% of this positive balance of EUR 70,801 up to and including EUR 978,000; and
- (iii) to a maximum of 5.38% of this positive balance of EUR 978,001 or higher.

No taxation occurs if this positive balance does not exceed a certain threshold (*heffingvrij vermogen*). The fair market value of assets, including the Notes, and liabilities that are taxed under this regime is measured, in general, exclusively on 1 January of every calendar year. The tax rate under the regime for savings and investments is a flat rate of 30%.

Dutch Corporate Entities

Dutch Corporate Entities are generally subject to corporate income tax at statutory rates up to 25% with respect to any benefits derived or deemed to be derived from the Notes, including any capital gains realized on their disposal.

Non-residents of the Netherlands

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

- (a) individuals who are not resident and not deemed to be resident in the Netherlands ("**Non-Dutch Individuals**"); and
- (b) entities that are not resident and not deemed to be resident in the Netherlands ("**Non-Dutch Corporate Entities**").

Non-Dutch Individuals

A Non-Dutch Individual will not be subject to any Dutch taxes on income or capital gains in respect of the purchase, ownership and disposal or transfer of the Notes, unless:

- (i) the Non-Dutch Individual derives profits from an enterprise, whether as entrepreneur or pursuant to a co-entitlement to the net worth of this 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 the Notes are attributable;
- (ii) the Non-Dutch Individual derives benefits from miscellaneous activities carried on in the Netherlands in respect of the Notes, including (without limitation) activities which are beyond the scope of active portfolio investment activities; or
- (iii) the Non-Dutch Individual is entitled to a share in the profits of an enterprise, other than by way of securities, which enterprise is effectively managed in the Netherlands and to which enterprise the Notes are attributable.

Non-Dutch Corporate Entities

A Non-Dutch Corporate Entity will not be subject to any Dutch taxes on income or capital gains in respect of the purchase, ownership and disposal or transfer of the Notes, unless:

- (i) the Non-Dutch Corporate Entity derives profits from an enterprise, which enterprise is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands, to which the Notes are attributable; or
- (ii) the Non-Dutch Corporate Entity is entitled to a share in the profits of an enterprise or a co-entitlement to the net worth of an enterprise, other than by way of securities, which enterprise is effectively managed in the Netherlands and to which enterprise the Notes are attributable.

Under certain specific circumstances, Dutch taxation rights may be restricted for Non-Dutch Individuals and Non-Dutch Corporate Entities pursuant to treaties for the avoidance of double taxation.

Dutch Gift Tax or Inheritance Tax

No Dutch gift tax or inheritance tax is due in respect of any gift of the Notes by, or inheritance of the Notes on the death of, a Noteholder, unless:

- (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 dies within 180 days after the date of the gift of the Notes while being, or being deemed to be resident in the Netherlands at the time of the Noteholder's death but not at the time of the gift; 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 taxes of a documentary nature, such as capital tax, stamp or registration tax or duty, are payable by the Company or by, or on behalf of the Noteholder by reason only of the issue, acquisition or transfer of the Notes.

Residency

A Noteholder will not become resident, or deemed resident, in the Netherlands by reason only of holding the Notes.

SUBSCRIPTION AND SALE

The Dealers have, in an amended and restated programme agreement (the "**Programme Agreement**") dated 6 August 2018, 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.

Prohibition of sales to EEA Retail Investors

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by the Prospectus as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) the expression **retail investor** means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or
 - (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the Insurance Mediation Directive), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the "**Prospectus Directive**"); and
- (b) the expression an **offer** includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

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 Notes where TEFRA D is specified in the applicable Final Terms, each relevant Dealer is required to represent, warrant and agree that:

- (a) except to the extent permitted under U.S. Treas. Reg. Section 1.163-5(c)(2)(i)(D) (or any successor U.S. Treasury Regulation Section, including without limitation, regulations issued in accordance with Internal Revenue Service Notice 2012-20 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010) (the "**D Rules**"), (i) it has not offered or sold, and during the restricted period it will not offer or sell, 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 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 Notes are aware that such Notes may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the D Rules;
- (c) if it is a United States person, it is acquiring Notes for purposes of resale in connection with their original issuance and if it retains 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 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 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 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. section 1.163-5(c)(2)(i)(C) or any successor U.S. Treasury Regulation Section, including without limitation, regulations issued in accordance with Internal Revenue Service Notice 2012-20 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010) (the "**C Rules**"), 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 Notes; and
- (c) in connection with the original issuance of the 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 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.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "**FIEA**") 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 Act (Act No. 228 of 1949 as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

The Netherlands

Zero Coupon Notes in definitive form and other Notes that qualify as savings certificates as defined in the Dutch Savings Certificates Act (*Wet inzake spaarbewijzen*) 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 of Euronext Amsterdam with due observance of the Dutch Savings Certificates Act (including identification and registration requirements) (as amended), provided that no such 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 Dutch 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 and payable during their tenor but only at maturity or on which no interest is due whatsoever.

France

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, 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 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 any Notes or distribute copies of the Prospectus or any other document relating to the Notes in the Republic of Italy except:

- (a) to qualified investors (*investitori qualificati*), as defined pursuant to Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the "**Financial Services Act**") 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
- (b) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Financial Services Act and Article 34-*ter* of Regulation No. 11971.

Any 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 (a) or (b) above must be:

- (a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the "**Banking Act**");
- (b) in compliance with Article 129 of the Banking Act, as amended, 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.

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, sells or delivers Notes or possesses or distributes this Prospectus, any offering material or the Final Terms 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, sales 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.

GENERAL INFORMATION

Authorisation

The establishment of the Programme has been duly authorised by a resolution of the Executive Board of Gasunie dated 23 May 2006. The renewal of the Programme and the issue of further Notes have been duly authorised by the 2018 funding plan resolution of the Executive Board dated 17 November 2018.

Listing of Notes

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

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 and <http://www.gasunie.nl/en/investor-relations/debt-programmes/european-medium-term-notes-emtn-programme>.

- (a) the N.V. Nederlandse Gasunie Annual Report 2016 (Dutch version), pages 99 through 176 and pages 178 through 187, containing the publicly available audited consolidated financial statements and company financial statements of Gasunie (including the notes thereto and the independent auditor's report thereon) in respect of the financial year ended 31 December 2016;
- (b) the N.V. Nederlandse Gasunie Annual Report 2017 (Dutch version), pages 121 through 238 and pages 241 through 249, containing the publicly available audited consolidated financial statements and company financial statements of Gasunie (including the notes thereto and the independent auditor's report thereon) in respect of the financial year ended 31 December 2017;
- (c) the N.V. Nederlandse Gasunie Semi-Annual Report 2018 (Dutch version), pages 27 through 49, containing the publicly available unaudited condensed consolidated interim financial statements of Gasunie (including the notes thereto and the independent auditor's review report thereon) in respect of the six-month period ended 30 June 2018;
- (d) the articles of association of Gasunie dated 21 April 2016 (a copy of the non-official English translation, as well as of the Dutch version);
- (e) a copy of this Prospectus; and
- (f) the section "Terms and Conditions of the Notes" from the Prospectus dated 23 December 2014, pages 36 to 59 (inclusive) and from the Prospectus dated 22 February 2016, pages 39 to 62 (inclusive) prepared by Gasunie in connection with the Programme.

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 ir@gasunie.nl:

- (a) the Agency Agreement and the forms of the Global Notes, the Notes in definitive form, the Coupons and the Talons; and
- (b) 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.

All documents available listed above can also be obtained, free of charge, in hard copy by sending a request to ir@gasunie.nl.

Responsibility Statement

The Issuer 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.

Clearing Systems

The Notes have been accepted for clearance through the ICSDs (which are the entities in charge of keeping the records). The appropriate Common Code and ISIN Code for each Tranche of Notes allocated by the ICSDs 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 S.A., 42 Avenue JF Kennedy, L-1855 Luxembourg.

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

There has been no significant change in the financial or trading position of the Group since 30 June 2018.

There has been no material adverse change in the prospects of the Group since 31 December 2017.

Litigation

Appeals against method decision 2017-2021

The method decision 2017-2021 was established after a process in which ACM, GTS and various representative bodies of energy producers and large corporate energy consumers

discussed their views and positions. This has led to an agreement between all parties on the main elements of the method decision. As a result, all parties concerned agreed to forego their right to appeal on these elements. Thereby, the agreement offers clarity for GTS customers on the tariffs and for GTS on its allowed revenues.

Besides the agreement there are two elements in the method decision 2017-2021 GTS does not agree with and has therefore filed an appeal with the CBb (*College van Beroep voor het bedrijfsleven*). Energie-Nederland (an organization representing energy companies) has also filed an appeal. In its judgment of 24 July the CBb annulled the method decision because of the appeal of GTS. The CBb ordered ACM to render a new decision with due observance of CBb's ruling. The new decision is expected in Q1 2019. The appeal of Energie-Nederland was rejected.

Please refer to other appeals to the section "*Risk Factors - Regulatory and legislative risks*".

Appeals against BNetzA

GUDTS has filed two complaint procedures against decisions of BNetzA at the Court of Appeal (Oberlandesgericht) in Düsseldorf.

- One complaint objects to the decision on the calculation of capital and operating costs for investment measures. A successful outcome of the proceeding will lead to a slight to medium raise of GUDTS' revenue cap. In case that the court rejects the complaint of GUDTS the risk of a deterioration of GUDTS' revenue cap is unlikely but theoretically possible. After the oral proceeding in April 2018 the court proposed a settlement between GUDTS and BNetzA, which would mean a slight raise of GUDTS' revenue cap. BNetzA and GUDTS are in the process of evaluation whether to accept or not the settlement proposal of the court.
- Another complaint procedure aims at improving the equity return rate decision of BNetzA which would lead to a medium raise in GUDTS' revenue cap. GUDTS and BNetzA decided to suspend the proceeding until a likewise proceeding of another German TSO against the equity return rate decision of BNetzA at the Court of Appeal in Düsseldorf will be completed. In the meanwhile the Court of Appeal in Düsseldorf decided the likewise proceeding in favour of the aforementioned German TSO. BNetzA however filed an appeal at the German Federal Court of Justice. The complaint procedure of GUDTS will therefore remain suspended until the proceeding of the aforementioned German TSO at the German Federal Court of Justice will be completed. In case the aforementioned German TSO is successful with its complaint, BNetzA has to change its decision on the equity rate of return. Probably with positive effect on GUDTS' revenue cap. In case that the complaint of the aforementioned German TSO is rejected, GUDTS will simply withdraw from the complaint procedure. There is no risk of a deterioration of GUDTS' revenue cap.
- A third complaint aims at improving the decision on the general efficiency factor applicable to all TSOs and DSOs in the regulatory period 2018-2022 of BNetzA, which would lead to a positive raise in GUDTS' revenue cap. GUDTS and BNetzA intend to suspend the proceeding until a likewise proceeding of another German TSO against the decision of BNetzA on general efficiency factor applicable to all TSOs and DSOs in the regulatory period 2018-2022 at the Court of Appeal in Düsseldorf will be completed. There has not been a decision of the court so far whether it accepts the intended approach of BNetzA and GUDTS. Nevertheless the court has already sent signals that it will approve the intended approach. In

case the aforementioned German TSO is successful with its complaint, it is very likely that BNetzA has to change its decision on the general efficiency factor applicable to all TSOs and DSOs in the regulatory period 2018-2022. Probably with positive effect on GUDTS' revenue cap. In case that the complaint of the aforementioned German TSO is rejected, GUDTS will simply withdraw from the complaint procedure. There is no risk of a deterioration of GUDTS' revenue cap.

Following a complaint by a storage operator, BNetzA has evaluated the tariffs of GUD's entry and exit points. BNetzA has rejected the complaint of the storage operator. The Storage operator has appealed against the BNetzA decision at the Court of Appeal (*Oberlandesgericht*) in Düsseldorf. Meanwhile the court case has been suspended until further notice at the request of the storage operator.

Except as described above and in the risk factor "*Factors that may affect Gasunie's ability to fulfil its obligations under Notes issued under the Programme - Regulatory and legislative risks*", there have not been any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which Gasunie is aware) in the 12 months preceding the date of this Prospectus which may have or have had in the recent past, significant effects on the financial position or profitability of Gasunie and/or the Group.

Auditors

The consolidated and company only financial statements of Gasunie for the financial year ended 31 December, 2016 and 2017 have been audited by PwC. PwC is located in Groningen at the Paterswoldseweg 806 (9728 BM), The Netherlands. The auditors signing the auditor's reports on behalf of PwC are members of the Netherlands Institute of Chartered Accountants (*Nederlandse Beroepsorganisatie van Accountants*).

PwC has issued an unqualified independent auditor's report on the consolidated and company only financial statements of Gasunie for the financial year ended 31 December 2016 dated 14 March 2017 and for the financial year ended 31 December 2017 dated 28 March 2018. PwC has issued review report on the unaudited condensed consolidated interim financial statements of Gasunie for the six-month period ended 30 June 2018.

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.

Dealers transacting with the Issuer

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for the Issuer and its affiliates in the ordinary course of business. Certain of the Dealers and their affiliates may have positions, deal or make markets in the Notes issued under the Programme, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer and its affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities.

In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or the Issuer's affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

ISSUER

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The Netherlands

ISSUING AND PRINCIPAL PAYING AGENT

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PAYING AGENT

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ARRANGER

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