This supplement dated 3 May 2016 (the "Supplement") is supplemental to, and should be read in conjunction with, the prospectus dated 22 February 2016 (the "Prospectus") relating to the EUR 7,500,000,000 Euro Medium Term Note Programme (the "Programme") of N.V. Nederlandse Gasunie (the "Issuer"). This Supplement, together with the Prospectus, comprises a base prospectus for the purposes of article 5.4 of the Prospectus Directive. 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.

This Supplement constitutes a supplement to a prospectus for the purposes of Article 16 of the Prospectus Directive and has been prepared in accordance with Article 5:23 of the Financial Supervision Act (Wet op het financieel toezicht) and the rules promulgated thereunder. This Supplement is the first supplement to the Prospectus and has been approved by, and filed with, the Netherlands Authority for the Financial Markets (Autoriteit Financiële Markten). Terms used but not defined in this Supplement have the meanings ascribed to them in the Prospectus.

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Prospectus by this Supplement and (b) any other statement in or incorporated by reference in the Prospectus, the statements in (a) above will prevail.

The Issuer accepts responsibility for the information contained in this Supplement. 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 Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

So long as Notes are capable of being issued under the Programme, copies of the Prospectus, this Supplement, together with the documents incorporated by reference in the Prospectus and this Supplement and the other documents listed in the "General Information" section of the Prospectus, can be obtained in electronic form or hard copy by request and free of charge. In order to make such a request, please write to ir@gasunie.nl. In addition, this Supplement, the Prospectus and the documents which are incorporated by reference in the Prospectus and this Supplement are available for viewing on the Issuer's website: http://www.gasunie.nl/en/investor-relations/debt-programmes/european-medium-term-notes-emtn-programme.

The Dealers have not independently verified the information contained herein or in the Prospectus. 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 Supplement, the
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 the Prospectus, this Supplement 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 Supplement, the 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 Supplement, the 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 Supplement, the 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 Supplement, the 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 Supplement, the Prospectus nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained in this Supplement and the Prospectus concerning the Issuer is correct at any time subsequent to the date hereof (in the case of this Supplement) or to 22 February 2016 (in the case of the Prospectus) or that any other information supplied in connection with the Programme is correct at 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 herein by reference 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, 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 section "Subscription and Sale" in the Prospectus).

Neither this Supplement nor the Prospectus constitutes 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 Supplement and the 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 Supplement and the 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 Supplement and the 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 Supplement, the 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 Supplement, the Prospectus or any Notes may come must inform themselves about, and observe any such restrictions on the distribution of this Supplement, the Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Supplement, the 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 section "Subscription and Sale" in the Prospectus).

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

All references in this document to 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, the Prospectus or this Supplement.

Save as disclosed in this Supplement, no other significant new factor, material mistake or inaccuracy relating to the information included in the Prospectus has arisen or been noted, as the case may be, since the publication of the Prospectus.

**Supplement**

This Supplement has been published for the purposes of including in the Prospectus (information regarding):

- the publicly available audited consolidated financial statements and company financial statements of the Issuer (including the notes thereto and the independent auditor's report thereon) in respect of the financial year ended 31 December 2015, set forth in the N.V. Nederlandse Gasunie Annual Report 2015 (English Version), pages 66 through 147 (paragraphs 1-5);

- regulatory updates (paragraphs 6 -24); and

- updates in respect of the composition of the Executive Board (paragraphs 25-26).

**Amendments and additions to the Prospectus**

With effect from the date of this Supplement, the information appearing in, or incorporated by reference into, the Prospectus shall be amended and/or supplemented in the manner
described below. References to page numbers, (sub-)paragraphs and (sub-)headings are to the page numbers, (sub-)paragraphs and (sub-)headings of the Prospectus.

N.V. Nederlandse Gasunie Annual Report 2015

1. Sub-paragraph (a), sub-paragraph (b) and sub-paragraph (c) on page 26 of the Prospectus (section "Documents Incorporated by Reference") shall be deleted and replaced by the following sub-paragraph (a) and sub-paragraph (b), and the current sub-paragraph (d) and sub-paragraph (e) shall become sub-paragraph (c) and sub-paragraph (d) respectively:

"(a) the N.V. Nederlandse Gasunie Annual Report 2014 (English version), pages 170 through 269, containing the publicly available audited consolidated financial statements and company financial statements of the Issuer (including the notes thereto and the independent auditor's report thereon) in respect of the financial year ended 31 December 2014;

(b) the N.V. Nederlandse Gasunie Annual Report 2015 (English version), pages 66 through 147, containing the publicly available audited consolidated financial statements and company financial statements of the Issuer (including the notes thereto and the independent auditor's report thereon) in respect of the financial year ended 31 December 2015;"

2. The final sentence of the first paragraph under the heading "3.4 Audit Committee" on page 74 of the Prospectus (section "Description of the Issuer") starting with the words "PricewaterhouseCoopers" and ending with the words "30 June 2015" shall be replaced by the following sentence:

"PwC has audited the financial statements of the financial year ended 31 December 2015."

3. Sub-paragraph (a), sub-paragraph (b) and sub-paragraph (c) on page 106 of the Prospectus (section "General Information") shall be deleted and replaced by the following sub-paragraph (a) and sub-paragraph (b), and the current sub-paragraph (d), sub-paragraph (e) and sub-paragraph (f) shall become sub-paragraph (c), sub-paragraph (d) and sub-paragraph (e) respectively:

"(a) the N.V. Nederlandse Gasunie Annual Report 2014 (English version), pages 170 through 269, containing the publicly available audited consolidated financial statements and company financial statements of the Issuer (including the notes thereto and the independent auditor's report thereon) in respect of the financial year ended 31 December 2014;

(b) the N.V. Nederlandse Gasunie Annual Report 2015 (English version), pages 66 through 147, containing the publicly available audited consolidated financial statements and company financial statements of the Issuer (including the notes thereto and the independent auditor's report thereon) in respect of the financial year ended 31 December 2015;"

4. The text under the heading "Significant or Material Change" on page 107 of the Prospectus (section "General Information") shall be replaced by the following text:

"There has been no significant change in the financial or trading position of the Group since 31 December 2015."
Other than the potential impact on GTS’ revenues of the method decision for the regulatory period 2017-2021 (see also “Risk Factors - Factors that may affect the Issuer’s ability to fulfil its obligations under Notes issued under the Programme - Regulatory and legislative risks” above), there has been no material adverse change in the prospects of the Group since 31 December 2015.

5. The text under the heading "Auditors" on page 109 of the Prospectus (section "General Information") shall be replaced by the following text:

"The consolidated and company only financial statements of the Issuer for the financial year ended 31 December 2014 have been audited by EY. EY is located in Zwolle at the Zwartewaterallee 56 (8031 DX), The Netherlands. The auditors (registeraccountants) of EY are members of the Royal NBA (Koninklijke Nederlandse Beroeporganisatie van Accountants - the Royal Netherlands Institute of Chartered Accountants).

EY has issued an unqualified independent auditor’s report on the consolidated and company only financial statements of the Issuer for the financial year ended 31 December 2014 dated 19 March 2015.

The consolidated and company only financial statements of the Issuer for the financial year ended 31 December 2015 have been audited by PwC. PwC is located in Groningen at the Paterswoldseweg 806 (9728 BM), The Netherlands. The auditors (registeraccountants) of PwC are members of the Royal NBA (Koninklijke Nederlandse Beroeporganisatie van Accountants - the Royal Netherlands Institute of Chartered Accountants).

PwC has issued an unqualified independent auditor’s report on the consolidated and company only financial statements of the Issuer for the financial year ended 31 December 2015 dated 16 March 2016."

Regulatory updates

6. The sixth, seventh and eight sentence of the sixth paragraph under the sub-heading "Regulatory and legislative risks" of the heading "Factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme" on page 8 of the Prospectus (section "Risk Factors") starting with the words "The parameters" and ending with the words "financial position" shall be replaced by the following sentences:

"On 6 April 2016, the ACM published the draft method decision which, except for the efficiency benchmark, includes the methodology to be applied and all relevant regulatory parameters. Parties can give their views on the draft method decision until 18 May 2016.

The draft method decision applies to the period 2017-2021. The allowed revenues in the new regulatory period are based on the efficient costs. The ACM introduces a distinction between a WACC for existing assets and for new assets. The allowed real pre-tax WACC for existing assets is set at 3.7% in 2016 and at 3.1% in 2021 and for new assets at 3.0%. The yearly productivity factor (frontier shift) is 0.6% on all costs. The allowed operational costs will be based on the average of realised costs in the years 2013-2015. A novelty is that the (partial) settlement of energy costs is abolished. Furthermore, the ACM introduces the possibility of an immediate adjustment of allowed revenues to efficient costs (the so-called "one-off"). In the draft method decision, the ACM states that it intends to determine the
(static) efficiency of GTS by comparing the costs of GTS with other European gas network operators. The benchmark study of the ACM in which GTS is compared with German gas network operators yields three different efficiency scores for GTS: 75%, 79% and 91%. Another study, initiated by the ACM in conjunction with the Council of European Energy Regulators, resulted in an efficiency score of 72%. It is still unclear how the ACM will apply the results of the benchmark studies in the new method decision. However, it is expected that, if GTS' score in these static efficiency benchmarks will be below 100%, the ACM will apply a downward adjustment to GTS' allowed revenues.

GTS has already expressed fundamental objections to the legal basis for the benchmark and the applied benchmark methodology, especially with a view to the limited and heterogeneous peer group that is used in the abovementioned studies. The ACM will publish a second draft method decision – or a supplement to the current draft – for GTS in which the ACM will explain how it intends to factor the benchmark results into the new method decision. This draft decision is expected in the second half of May 2016 and parties can give their views on the draft after publication thereof. The final method decision, which can be appealed by all parties, is expected in September 2016. The adjustments the ACM has made to the parameters of the relevant regulatory variables in the (first) draft method decision for the regulatory period 2017-2021, compared to the method decision for the current regulatory period, would lead to an expected decrease of the allowed revenues in 2017 and further of EUR 100-150 million compared to the 2016 allowed revenue level. Furthermore, it is expected that every 10% static inefficiency would ultimately lead to an additional decrease of the yearly allowed revenues of approximately EUR 80-90 million. The exact impact may vary and is dependent on the final method decision. The publication of the final method decisions is a triggering event upon which GTS will conduct an impairment test. In case the final method decision includes a low efficiency score for GTS, a material impairment of GTS fixed assets is expected. The outcome of the final method decision, including the static benchmark result, can therefore have a material impact on Gasunie's revenues, cash flows, results of operations and financial position.

7. The final three sentences of the seventh paragraph under the sub-heading "Regulatory and legislative risks" of the heading "Factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme" on page 9 of the Prospectus (section "Risk Factors") starting with the words "Because of" and ending with the words "cash flows" shall be replaced by the following three sentences:

"Because of a different application of the model for the cost of debt than suggested by GTS, the ACM did not increase the WACC to the suggested 3.8% in its adjusted decision, but left the WACC unchanged at 3.6%. On 21 March 2016, a hearing on the adjusted decision took place before the CBb. It is expected that the CBb will take a final decision in Q2 2016. If GTS' appeal is upheld, this may lead to higher revenues for GTS and may have a positive effect on the Issuer's results of operation, financial condition, prospects and cash flows."

8. The final sentence of the eighth paragraph under the sub-heading "Regulatory and legislative risks" of the heading "Factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme" on page 9 of the Prospectus (section "Risk Factors") starting with the words "The timing" and ending with the words "defence yet" shall be replaced by the following two sentences:

"On 19 February 2016, the ACM lodged its statement of defence. The timing of a
decision by the CBb is unclear, since there is no hearing scheduled yet."

9. The tenth paragraph under the sub-heading "Regulatory and legislative risks" of the heading "Factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme" on page 9 of the Prospectus (section "Risk Factors") starting with the words "In addition" and ending with the words "subsequent years" shall be replaced by the following paragraph:

"In addition, several objections, including from GTS, have been lodged to the tariff decision for GTS for 2015. The ACM decided on the objections on 11 December 2015. Several third parties appealed against this decision. If any of these appeals are upheld, the ACM could force GTS to decrease its tariffs in subsequent years. Also, appeals by third parties have been lodged to the decision of the ACM on objections to the tariff decision for GTS for 2014. A hearing took place on 22 April 2016. If any appeals would be upheld, the ACM could force GTS to decrease its tariffs in subsequent years. A decision is expected in Q3 2016."

10. The twelfth paragraph under the sub-heading "Regulatory and legislative risks" of the heading "Factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme" on page 9 of the Prospectus (section "Risk Factors") starting with the words "For the current" and ending with the words "financial position" shall be deleted.

11. The fourth, fifth and sixth paragraph under the heading "6.2.1 GTN – A. General" on page 80 and 81 of the Prospectus (section "Description of the Issuer") starting with the words "On 1 January 2016" and ending with the words "own networks" shall be replaced by the following four paragraphs:

"On 1 January 2016, the ownership of the RTL-system and the related assets (excluding gas transportation contracts) were split-off (afgesplitst) from GTS to GGS. Gasunie holds all the shares in the capital of GTS, and holds all profit-sharing shares in GGS. GTS holds all shares with voting rights in GGS. It was anticipated that as per 1 January 2017, all gas transportation contracts with respect to the RTL-system would be split-off from GTS to GGS and all shares with voting rights in GGS would be transferred to Gasunie. Consequently, it was anticipated that GTS would remain the TSO for both the HTL- as well as for the RTL-network during 2016 but GGS would operate the RTL-system as TSO from 1 January 2017 onwards pursuant to the proposed STROOM-legislation, which would have made it possible for GGS to be designated and certified as TSO.

However, on 22 December 2015, the Dutch senate voted against the proposed STROOM-legislation. As a consequence, the current Gas Act remains in full force and effect. Under the current Gas Act, GGS cannot be appointed TSO besides GTS, and classifies as a “normal network operator” (overige netbeheerder). According to the ACM, this implies that GGS would be obligated to operate according to the rules applicable to regional distribution companies in the Netherlands. This would result in having to make substantial changes to both the internal organization as well as to the way of invoicing towards clients of the HTL- and RTL-system.

For this reason, Gasunie decided in March 2016 that the finalization of the split-off will be delayed at least until either (a) the applicable laws and regulations make it possible for GGS to be designated and certified as TSO or (b) the applicable
technical codes for normal network operators are changed sufficiently to cater for the operations of GGS (see also "General Information – Litigation below"). Therefore, the current situation in which GTS is the designated TSO for both the HTL- as well as the RTL-system is currently expected to continue for a longer period than only the remainder of 2016."

12. The seventh and eighth paragraph under the heading "6.2.1 GTN – A. General" on page 81 of the Prospectus (section "Description of the Issuer") starting with the words "The split-off" and ending with the words "planned legislation" shall be deleted.

13. The text in the sub-heading "Stable developments in regulation; appeal against decisions" under the heading "6.2.1 GTN – E. Business model" on page 85 of the Prospectus (section "Description of the Issuer") shall be replaced by the following text:

"Method Decision 2014-2016: stable developments in regulation; appeal against decisions"

14. The final two sentences of the third paragraph under the sub-heading "Stable developments in regulation; appeal against decisions" of the heading "6.2.1 GTN – E. Business model GTS" on page 86 of the Prospectus (section "Description of the Issuer") starting with the words "Because of" and ending with the words "first half of 2016" shall be replaced by the following two sentences:

"Because of a different application of the model for the cost of debt than suggested by GTS, the ACM did not increase the WACC to the suggested 3.8% in its adjusted decision, but left the WACC unchanged at 3.6%. On 21 March 2016, a hearing on the adjusted decision took place before the CBb. It is expected that the CBb will take a final decision in Q2 2016."

15. The final sentence of the fourth paragraph under the sub-heading "Stable developments in regulation; appeal against decisions" of the heading "6.2.1 GTN – E. Business model GTS" on page 86 of the Prospectus (section "Description of the Issuer") starting with the words "The timing" and ending with the words "defence yet" shall be replaced by the following two sentences:

"On 19 February 2016, the ACM lodged its statement of defence. The timing of a decision by the CBb is unclear, since there is no hearing scheduled yet."

16. The sixth paragraph under the sub-heading "Stable developments in regulation; appeal against decisions" of the heading "6.2.1 GTN – E. Business model GTS" on page 86 of the Prospectus (section "Description of the Issuer") starting with the words "In addition" and ending with the words "subsequent years" shall be replaced by the following paragraph:

"In addition, several objections, including from GTS, have been lodged to the tariff decision for GTS for 2015. The ACM decided on the objections on 11 December 2015. Several third parties appealed against this decision. If any of these appeals are upheld, the ACM could force GTS to decrease its tariffs in subsequent years. Also, appeals by third parties have been lodged to the decision of the ACM on objections to the tariff decision for GTS for 2014. A hearing took place on 22 April 2016. If any appeals would be upheld, the ACM could force GTS to decrease its tariffs in subsequent years. A decision is expected in Q3 2016."

17. The eighth paragraph under the sub-heading "Stable developments in regulation;
appeal against decisions" of the heading "6.2.1 GTN – E. Business model GTS" on page 86 of the Prospectus (section "Description of the Issuer") starting with the words "Three shippers" and ending with the words "Q1 2016" shall be replaced by the following paragraph:

"Three customers of the LNG facility of Gate filed a complaint with the ACM against Gate and GTS with respect to the tariff for Wobbe Quality Adaption ("WQA")-services as applied by Gate. WQA is a service that makes LNG suitable for feed-in into the GTS network. This service is contracted by Gate with GTS and then offered by Gate to the customers of Gate. The customers’ complaints relate to two periods: a) the period before 1 October 2014, when WQA was, as argued by GTS, in the non-regulated domain, and b) the period after 1 October 2014, when WQA was explicitly regulated. On 27 November 2015, the ACM decided with respect to the period before 1 October 2014 that the service offered by GTS qualifies as quality conversion which GTS is legally obliged to provide pursuant to the Gas Act. Therefore, in the view of the ACM, GTS was not allowed to charge the customers a non-regulated tariff. Following the decision, GTS reimbursed Gate in 2015. GTS expects that the ACM will allow recovery of the efficient costs of the WQA-service (and therefore part of the reimbursed amount) in the future quality conversion tariffs. GTS and other parties have filed appeals against the decision by the ACM with the CBb. On 5 April 2016, the ACM decided with respect to the period after 1 October 2014 that WQA is a regulated service, as argued by GTS. However, the ACM decided that GTS acted in violation of Regulation (EC) 715/2009 because GTS allegedly was not transparent enough on its WQA-tariff. The ACM also ruled that GTS allegedly acted in violation of the Gas Act, because GTS (i) applied a higher WACC for the WQA-tariff than the WACC as determined in the method decision for the period 2014-2016 and (ii) does not determine the tariff based on actual operational costs (nacalculatie), but on estimates. Further, the ACM decided that GTS is to adjust the WQA-tariff if it turns out that blending station Botlek is not 100% efficient, which is to be determined in 2016. Pursuant to the decision, GTS must make a relatively small adjustment to its WQA tariffs, which is expected to have only a limited negative effect on the revenues of GTS. The decision of 5 April 2016 is open to appeal."

18. The words "as per 1 January 2017" in the third sentence of the first paragraph under the heading "6.2.1 GTN – F. Participations of GTS" on page 87 of the Prospectus (section "Description of the Issuer") shall be replaced by the following words:

"in the future"

19. The final paragraph under the heading "6.2.1 GTN – G. Regulatory developments" on page 87 of the Prospectus (section "Description of the Issuer") starting with the words "On the national" and ending with the words "fall of 2016" shall be replaced by the following sub-heading and paragraphs:

"GTS: New regulatory period starting in 2017

In 2017 a new regulatory period will start for GTS. The parameters of the relevant regulatory variables for this new regulatory period will be determined during 2016. On 6 April 2016, the ACM published the draft method decision which, except for the efficiency benchmark, includes the methodology to be applied and all relevant regulatory parameters. Parties can give their views on the draft method decision until 18 May 2016."
The draft method decision applies to the period 2017-2021. The allowed revenues in the new regulatory period are based on the efficient costs. The ACM introduces a distinction between a WACC for existing assets and for new assets. The allowed real pre-tax WACC for existing assets is set at 3.7% in 2016 and at 3.1% in 2021 and for new assets at 3.0%. The yearly productivity factor (frontier shift) is 0.6% on all costs. The allowed operational costs will be based on the average of realised costs in the years 2013-2015. A novelty is that the (partial) settlement of energy costs is abolished. Furthermore, the ACM introduces the possibility of an immediate adjustment of allowed revenues to efficient costs (the so-called "one-off").

In the draft method decision, the ACM states that it intends to determine the (static) efficiency of GTS by comparing the costs of GTS with other European gas network operators. The benchmark study of the ACM in which GTS is compared with German gas network operators yields three different efficiency scores for GTS: 75%, 79% and 91%. Another study, initiated by the ACM in conjunction with the Council of European Energy Regulators, resulted in an efficiency score of 72%. It is still unclear how the ACM will apply the results of the benchmark studies in the new method decision. However, it is expected that, if GTS' score in these static efficiency benchmarks will be below 100%, the ACM will apply a downward adjustment to GTS' allowed revenues.

GTS has already expressed fundamental objections to the legal basis for the benchmark and the applied benchmark methodology, especially with a view to the limited and heterogeneous peer group that is used in the abovementioned studies. The ACM will publish a second draft method decision – or a supplement to the current draft – for GTS in which the ACM will explain how it intends to factor the benchmark results into the new method decision. This draft decision is expected in the second half of May 2016 and parties can give their views on the draft after publication thereof. The final method decision, which can be appealed by all parties, is expected in September 2016 (see also "Risk Factors - Factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme - Regulatory and legislative risks" above).

20. The final two sentences of the first paragraph under the heading "Litigation" on page 108 of the Prospectus (section "General Information") starting with the words "Because of" and ending with the words "first half of 2016" shall be replaced by the following two sentences:

"Because of a different application of the model for the cost of debt than suggested by GTS, the ACM did not increase the WACC to the suggested 3.8% in its adjusted decision, but left the WACC unchanged at 3.6%. On 21 March 2016, a hearing on the adjusted decision took place before the CBb. It is expected that the CBb will take a final decision in Q2 2016."

21. The final sentence of the second paragraph under the heading "Litigation" on page 108 of the Prospectus (section "General Information") starting with the words "The timing" and ending with the words "defence yet" shall be replaced by the following two sentences:

"On 19 February 2016, the ACM lodged its statement of defence. The timing of a decision by the CBb is unclear, since there is no hearing scheduled yet."

22. The fourth paragraph under the heading "Litigation" on page 108 of the Prospectus (section "General Information") starting with the words "In addition" and ending with
the words "subsequent years" shall be replaced by the following paragraph:

"In addition, several objections, including from GTS, have been lodged to the tariff decision for GTS for 2015. The ACM decided on the objections on 11 December 2015. Several third parties appealed against this decision. If any of these appeals are upheld, the ACM could force GTS to decrease its tariffs in subsequent years. Also, appeals by third parties have been lodged to the decision of the ACM on objections to the tariff decision for GTS for 2014. A hearing took place on 22 April 2016. If any appeals would be upheld, the ACM could force GTS to decrease its tariffs in subsequent years. A decision is expected in Q3 2016."

23. The sixth paragraph under the heading "Litigation" on page 108 and continuing on page 109 of the Prospectus (section "General Information") starting with the words "Three shippers" and ending with the words "Q1 2016" shall be replaced by the following paragraph:

"Three customers of the LNG facility of Gate filed a complaint with the ACM against Gate and GTS with respect to the tariff for WQA-services as applied by Gate. WQA is a service that makes LNG suitable for feed-in into the GTS network. This service is contracted by Gate with GTS and then offered by Gate to the customers of Gate. The customers' complaints relate to two periods: a) the period before 1 October 2014, when WQA was, as argued by GTS, in the non-regulated domain, and b) the period after 1 October 2014, when WQA was explicitly regulated. On 27 November 2015, the ACM decided with respect to the period before 1 October 2014 that the service offered by GTS qualifies as quality conversion which GTS is legally obliged to provide pursuant to the Gas Act. Therefore, in the view of the ACM, GTS was not allowed to charge the customers a non-regulated tariff. Following the decision, GTS reimbursed Gate in 2015. GTS expects that the ACM will allow recovery of the efficient costs of the WQA-service (and therefore part of the reimbursed amount) in the future quality conversion tariffs. GTS and other parties have filed appeals against the decision by the ACM with the Cbb. On 5 April 2016, the ACM decided with respect to the period after 1 October 2014 that WQA is a regulated service, as argued by GTS. However, the ACM decided that GTS acted in violation of Regulation (EC) 715/2009 because GTS allegedly was not transparent enough on its WQA-tariff. The ACM also ruled that GTS allegedly acted in violation of the Gas Act, because GTS (i) applied a higher WACC for the WQA-tariff than the WACC as determined in the method decision for the period 2014-2016 and (ii) does not determine the tariff based on actual operational costs (nacalculatie), but on estimates. Further, the ACM decided that GTS is to adjust the WQA-tariff if it turns out that blending station Botlek is not 100% efficient, which is to be determined in 2016. Pursuant to the decision, GTS must make a relatively small adjustment to its WQA tariffs, which is expected to have only a limited negative effect on the revenues of GTS. The decision of 5 April 2016 is open to appeal.

24. The following new paragraph shall be added after the sixth paragraph starting with the words "Three shippers" and ending with the words "Q1 2016" under the heading "Litigation" on page 109 of the Prospectus (section "General Information"):

"The joint Dutch system operators (gezamenlijke netbeheerders), including GTS, proposed to the ACM several changes to the current relevant technical codes applicable to "normal network operators". These changes were intended to allow GGS to operate the RTL-system as a normal network operator without having to apply the rules applicable to regional distribution companies in the Netherlands (see also "Description of the Issuer – 6.2.1 GTN – A. General" above). However, the joint
Dutch system operators and the ACM were not able to reach a common understanding on this approach. It is expected that GTS and/or GGS will initiate legal proceedings with the CBb, dealing with the compatibility of the proposed changes to the technical codes with the Gas Act in Q2 or Q3 of 2016.*

Composition of Executive Board

25. The word "two" in the first sentence of the paragraph under the heading "Executive Board and executive committee" on page 71 of the Prospectus (section "Description of the Issuer") shall be replaced by the following word:

"four"

26. The following text shall be added on page 72 of the Prospectus under the heading "3.1 Executive Board" (section "Description of the Issuer") after the information on other positions fulfilled by Mr. Oudejans and before the final sentence starting with the words "The business address" and ending with the words "registered office":

"A.J.(Annie) Krist
(1960, Dutch nationality)
On 1 May 2016, Annie Krist joined the Executive Board as titular member. Annie Krist is CEO of Gasunie Transport Services B.V.
Other positions are (as of 25 April 2016):

- Chair of the Board, PRISMA European Capacity Platform GmbH
- 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 & Business Development of Gasunie.
Other positions are (as of 25 April 2016):

- 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

As a consequence of the appointment of Annie Krist and Ulco Vermeulen as titular members of the Executive Board, the composition of the Executive Board has per 1 May 2016 been enlarged from two to four members."