

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**") 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 Directive 2003/71/EC (the "**Prospectus Directive**") in Dutch law.

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 93/22/EEC (the Investment Services Directive) and 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 Credit Market Services Italy SRL ("**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.

Arranger

THE ROYAL BANK OF SCOTLAND

Dealers

ABN AMRO

BARCLAYS

BNP PARIBAS

COMMERZBANK

CRÉDIT AGRICOLE CIB

ING

MUFG

RABOBANK INTERNATIONAL

THE ROYAL BANK OF SCOTLAND

This Prospectus will be published in electronic form on the Issuer's website (<http://www.gasunie.nl/en/investor-relations/debt-programmes/european-medium-term-notes-emtn-programme>) on 23 December 2014, (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 23 December 2014

Important Notice

This Prospectus comprises a base prospectus for the purposes of Article 5.4 of the Prospectus Directive as amended (which includes the amendments made by Directive 2010/73/EU (the "2010 PD Amending Directive") to the extent that such amendments have been implemented in a relevant member state (each a "Member State") of the European Economic Area.

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

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

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

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

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

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

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended, (the "Securities Act") and are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold

or delivered within the United States or to or for the account or benefit of U.S. persons (see "*Subscription and Sale*").

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

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

All references in this document to *euro* and € refer to euros, all references in this document to *U.S. dollars*, *U.S.D* and \$ refer to United States dollars, all references in this document to *CHF* and *SFR* refer to Swiss francs, references to ¥, *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 the Issuer's ability to fulfil its obligations under Notes issued under the Programme

Regulatory and legislative risks

N.V. Nederlandse Gasunie's ("**Gasunie**", which term includes, where the context permits, Gasunie's subsidiaries) 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 of 22 June 2000 (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 (following an advice rendered by the European Commission) the Authority for Consumers and Markets (*Autoriteit Consument en Markt*, ("**ACM**")) granted the certification to GTS. On 5 February 2013 (following an advice rendered by the European Commission) the German Federal Network Agency (*BundesNetzAgentur*, the "**BNetzA**") granted the certification to Gasunie Deutschland Transport Services GmbH ("**GUDTS**") and on 20 December 2013 the certification was also granted to Gasunie Ostsee Anbindungsleitung GmbH ("**GOAL**"). 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, GUDTS or GOAL 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. 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.

On 2 October 2013, the ACM published the method decision and the X-factor decision for GTS for the years 2014–2016. GTS has filed an appeal with the Trade and Industry Appeals Tribunal (*College van Beroep voor het bedrijfsleven*, "**CBb**") against the method decision. If the 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. Furthermore, GTS lodged a notice of objection to the X-factor decision. If this is successful, 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. In addition, at the date of this Prospectus, the tariff decision for GTS for 2015 is still open to objections and, in a later stage, appeal. If any objections or appeals would be upheld, ACM could force GTS to decrease its tariffs in subsequent years. See also "*Description of the Issuer - 6.2.1 GTS – E. Business Model GTS*".

For the current regulation period, the ACM has not conducted an individual efficiency benchmark survey for GTS, but it intends to do so for the next regulation period (2017 onwards). The outcome of such survey cannot be predicted but could have a material adverse effect on Gasunie's allowed revenues and therefore will impact its cash flows, results of operations and financial position.

The Ministry of Economic Affairs is in the process of preparing a replacement of the Dutch Electricity Act (*Elektriciteitswet 1998*) and the Gas Act. An informal draft has been published in August 2014. The legislative proposal is part of a programme referred to as "STROOM". At this stage, before the introduction of the formal legislative proposal and the debate on the act, it is difficult to predict the effects and risks resulting from STROOM. However, STROOM will have effects on Gasunie. Important effects for Gasunie, if they will occur according to the draft legislative proposal, include: (i) the scope of the activities that GTS is allowed to perform outside its statutory tasks as a TSO and the activities other Group companies may perform, will be limited; and (ii) the Dutch regulation periods will become longer in time (six years, currently regulation periods range between 3-5 years).

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

GasTerra B.V.'s ("**GasTerra**") bookings are responsible for a significant part of Gasunie's total revenues. Therefore if GasTerra stops paying Gasunie or does not pay timely, this would have a material adverse effect on the Issuer's liquidity position, cash flow, net income and ultimately its financial position.

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. Given the recent earthquakes in the Groningen region in the Netherlands, Gasunie has investigated whether its pipelines and related assets are earthquake-proof. It has taken and will in the coming years take further preventive actions to mitigate the consequences of possible (stronger) earthquakes. However, there can be no assurance that such actions will suffice.

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

For the preservation and further expansion of Gasunie's market position it is important that Gasunie successfully completes substantial projects and substantial investments. Besides completion risks, unexpected risks or liabilities may exist which have not been or may not be identified in a due diligence investigation. One of the main risks related to large infrastructural projects is the long and often laborious procedures to obtain the necessary licenses and permits. This could lead to delays and even cancellation of projects. Furthermore, 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 the Issuer. The envisaged capital expenditures and ensuing (re-)financing needs of the Issuer 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 the Issuer to the capital markets could limit the Issuer'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 the Issuer's business, financial condition and net income.

In order to mitigate the risk of the inability to secure timely financing, Gasunie concluded a committed EUR 750,000,000 standby revolving credit facility ("**RCF**") with a syndicate of nine banks. The RCF was concluded on 24 July 2014 and has an original maturity of 5 years. 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.

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, negatively 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 negatively 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 the Issuer. 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 judgement, circumstances in the future so warrant. A decision by any rating agency to downgrade or withdraw the Issuer's current credit rating (for whatever reason) could reduce the Issuer'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 the possibility of an economic slowdown or a possible move towards other forms of energy, such as energy from coal and wind.

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 customers, in an effort to lower the tariffs they are obliged to pay, to exert additional pressure on the regulator to either change the regulatory parameters or the regulation methodology itself. If, as a result, the regulator 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 Participation & Business Development 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.

Geopolitical risks

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 & Business Development – C. Participations*".

Sanctions which prohibit banks from continuing their financing to Nord Stream could lead to the existing loans 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, 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 negative consequences on Gasunie's revenues and therefore on its liquidity and financial position.

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

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 a negative effect on Gasunie's financial position, liquidity, business, and operating results, and/or could adversely affect the Issuer's revenues and profitability.

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 the Issuer; Possible future minority privatisation

The Issuer is controlled by the State, being the sole holder of the shares in the share capital of the Issuer 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 the Issuer's operations, which depending on the circumstances may positively or negatively influence the Issuer's business, financial condition and net income. So far, the State has demonstrated flexibility with respect to the Issuer's dividend policy. In addition, it has a strong interest in maintaining a healthy profile for the Issuer.

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. For more information see "*Description of the Issuer*" - 1.2 *Capitalisation and Shareholder*".

Depending on the identity of any possible partner and the percentage of shares cross-held, there may be a negative impact on Gasunie's credit rating, which could affect the Group as set out in the risk factor "*Credit rating risks*".

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 due to a decline in gas production in the Netherlands in the years to come and 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 negative 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 a negative impact on Gasunie's competitive position which, in turn, may impact its financial position, cash flows and result of operation.

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 the Issuer'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 or a lower profit margin concerning the joint ventures and collaborations, which could have a material adverse effect on the Issuer's business, financial condition and net income.

The Issuer 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

The Issuer is a holding company with limited material, direct business operations. The principal assets of the Issuer are the equity interests it directly or indirectly holds in its operating subsidiaries. As a result, the Issuer 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 the Issuer's subsidiaries to make such distributions and other payments depends on their earnings and may be

subject to statutory or contractual restrictions. As an equity investor in its subsidiaries, the Issuer'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 the Issuer is recognised as a creditor of such subsidiaries, the Issuer'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 the Issuer's claims.

Risk of limited cash for Gasunie from business unit Gasunie Deutschland GmbH & Co. KG

The German Limited Liability Companies Act ("**GmbHG**") provides for a strict prohibition on the repayment of the nominal share capital of a German Limited Liability Company ("**GmbH**"). Under these capital maintenance rules such GmbH is required to preserve its nominal share capital. Any payment made and/or any financial advantage granted by a GmbH to its direct or indirect shareholders (or their affiliated companies) which is not made out of the company's free net assets and which results in the company's equity falling below the nominal share capital or deepens an existing shortfall of the company's equity below the nominal share capital, is unlawful. The capital maintenance rules are interpreted broadly and do not only apply to cash payments but also to all other types of benefits with a financial or commercial value granted by a GmbH, including, in particular, upstream guarantees and other securities. As a consequence, any financial assistance by a GmbH to its direct or indirect shareholders and/or any of their affiliates must be limited to the amount of the free net assets of the company.

Regardless of compliance with the capital maintenance rules, a shareholder may not withdraw assets from a GmbH which such GmbH needs to fulfil its obligations towards its creditors. The removal of such vital assets is deemed a so-called "destructive intervention" (*existenzvernichtender Eingriff*). Further, the GmbHG prohibits the company's managing directors from making any payment to the shareholder(s) if such payment would lead with reasonable likelihood to the company's becoming illiquid (*zahlungsunfähig*) in terms of the German Insolvency Act (i.e. insolvent due to lack of sufficient liquid assets).

Due to the above-described legal framework and the lack of free net assets, the ability to upstream cash from Gasunie Deutschland GmbH & Co. KG ("**GUD**") to Gasunie in order for Gasunie to meet its obligations under the Notes is restricted.

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

The Notes may not be a suitable investment for all investors

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

EC Savings Directive

Based on Directive 2003/48/EC (the "**EC Savings Directive**"), the tax authorities of the EU Member States provide each other with details of payments of interest and similar income made to individuals or to certain limited types of entities who are the beneficial owner of those payments. Austria and Luxembourg, however, have opted to impose a withholding tax on the payments concerned for a "transitional period" (35% from 1 July 2011 onwards). Luxembourg has announced that it will no longer apply the withholding tax system as from 1 January 2015 and will provide details of payments of interest (or similar income) as from this date. The EC Savings Directive also provides that no such withholding tax should be levied where the beneficial owner of the payment authorises an exchange of information and/or where the beneficial owner presents a certificate from the tax authority of the EU Member State in which the beneficial owner is resident.

A number of non-EU countries and certain dependent or associated territories, including Switzerland, have adopted similar measures (in certain cases on a reciprocal basis). The EC Savings Directive does not preclude EU Member States from levying other types of withholding tax. On 24 March 2014, the Council of the European Union adopted a directive amending the EC Savings Directive, which will, when implemented, amend and broaden the scope of the requirements described above. In particular, the amending directive aims at extending the scope of the EC Savings Directive to new types of savings income and products that generate interest or equivalent income. In addition, tax authorities will be required in certain circumstances to take steps to identify the beneficial owner of interest payments (through a look-through approach). The EU Member States will have until 1 January 2016 to adopt the national legislation necessary to comply with this amending directive and are required to apply the new requirements from 1 January 2017.

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

Paying Agent in a Member State that will not be obliged to withhold or deduct tax pursuant to the Directive

Change of law

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

Notes where denominations involve integral multiples: definitive Notes

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

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

U.S. Foreign Account Tax Compliance Withholding

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 ("**FATCA**") impose a new reporting regime and, potentially, a 30% withholding tax with respect to (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, as operator of the Euroclear System ("**Euroclear**") or Clearstream Banking, société anonyme ("**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 depositary 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, geopolitical risks, risks related to a downturn in the economy, 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.

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:	The Royal Bank of Scotland plc
Dealers:	ABN AMRO Bank N.V. Barclays Bank PLC BNP Paribas Commerzbank Aktiengesellschaft Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank International) Crédit Agricole Corporate and Investment Bank ING Bank N.V. Mitsubishi UFJ Securities International plc The Royal Bank of Scotland 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: (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 "<i>Certain Restrictions - Notes having a maturity of less than one year</i>" 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 depositary 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 "<i>Summary of Provisions Relating to the Notes while in Global Form</i>". 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 "<i>Summary of Provisions Relating to the Notes while in Global Form</i>".
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:	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. 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.
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 Integrated Annual Report 2013, pages 100 through 190, containing the publicly available audited consolidated 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 2013;
- (b) the N.V. Nederlandse Gasunie Annual Report 2012, pages 65 through 143, containing the publicly available audited consolidated 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 2012;
- (c) the N.V. Nederlandse Gasunie Semi-Annual Report 2014, pages 14 through 31, containing the reviewed consolidated semi-annual financial statements of the Issuer (including the notes thereto and the independent auditor's review report thereon) for the six month period ended 30 June 2014; and
- (d) the articles of association of the Issuer (a copy of the non-official English translation, as well as of the Dutch version),

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.

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.

[Date]

N.V. Nederlandse Gasunie
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 23 December 2014 [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) (the "**Prospectus Directive**") as amended (which includes the amendments made by Directive 2010/73/EU to the extent that such amendments have been implemented in a relevant Member State). 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. The Prospectus 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 <i>[insert description of the Series]</i> on <i>[insert date/the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in</i> |

paragraph [insert] below [which is expected to occur on or about [insert date]].]

(N.B. Notes can only be fungible with Notes issued under the Prospectus dated 23 December 2014.)

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% 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]
[(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 sub-paragraphs 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 sub-paragraphs 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 [] per Calculation Amount
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. Put Option: [Applicable/Not Applicable]

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

(i) Optional Redemption []
Date(s):

(ii) Optional Redemption [] per Calculation Amount
Amount(s) of each Note and
method, if any, of calculation
of such amount(s):

(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.)

20. Final Redemption Amount [] per Calculation Amount

(N.B. If the Final Redemption Amount is other than 100% 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.)

21. 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

22. 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 "Form of the Notes" section in the Prospectus and the Notes themselves.)

(N.B. The exchange upon notice/at any time options should not be expressed to be applicable if the Specified Denomination of the Notes in item 6 includes language substantially to the following effect: "[EUR 100,000] and integral multiples of [EUR 1,000] in excess thereof up to and including [EUR 199,000].")

23. New Global Note form:

[Yes][No]

24. 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]

25. 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.]

(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) [Not Applicable/*give name*]
(if any):

(v) If non-syndicated, [Not Applicable/*give name*]
name of relevant
Dealer:

(vi) U.S. Selling [TEFRA D/TEFRA C/TEFRA not applicable]
Restriction

(vii) Netherlands selling [Provision as set out in Prospectus applies/does not apply]
restriction:

6. OPERATIONAL INFORMATION

(i) ISIN Code: []

(ii) Common Code: []

(iii) Other relevant code: [] Not Applicable / *give name(s) and number(s)*

(iv) Any clearing system(s) [Not Applicable/*give name(s), address(es) and number(s)*]
other than Euroclear
Bank SA/NV and
Clearstream Banking
Société Anonyme and
the relevant
identification
number(s):

(v) Delivery: Delivery [against/free of] payment

(vi) Names and addresses []
of additional Paying
Agent(s) (if any):

(vii) 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 23 December 2014 (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, as operator of the Euroclear System ("**Euroclear**") and/or Clearstream Banking, société anonyme ("**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 depositary for Euroclear or Clearstream, Luxembourg will be transferable only in accordance with the rules and procedures for the time being of Euroclear or of Clearstream, Luxembourg, as the case may be.

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 amended and supplemented) published by the International Swaps and Derivatives Association, Inc.

(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:
 - (x) the offered quotation; or
 - (y) 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)(x) above applies and no such offered quotation appears on the Relevant Screen Page, or, if sub-paragraph (B)(I)(y) 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 Calculation Agent; and
- (III) if sub-paragraph (B)(II) above applies and the Calculation Agent 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 Calculation Agent 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 Calculation Agent in the principal financial centre of the country of the Specified Currency or, if the Specified Currency is euro, in the Euro-zone as selected by the Calculation Agent (the "**Principal Financial Centre**") are quoting at or about the Relevant Time on the date on which such banks would customarily quote such rates for a period commencing on the Effective Date for a period equivalent to the Specified Duration (I) to leading banks carrying on business in Europe, or (if the Calculation Agent determines that fewer than two of such banks are so quoting to leading banks in Europe) (II) to leading banks carrying on business in the Principal Financial Centre; except that, if fewer than two of such banks are so quoting to leading banks in the Principal Financial Centre, the Rate of Interest shall be the Rate of Interest determined on the previous Interest Determination Date (after readjustment for any difference between any Margin 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 Calculation Agent;

(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) or (e) 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 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.

(f) 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.

(g) *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 unexpired Coupon which the sum of principal so paid bears to the total principal due) will be deducted from the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted will be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 8 (*Prescription*)).
- (ii) Unless the Notes provide otherwise, upon the due date for redemption of any Note, unexpired 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 by or on behalf of a Noteholder, Couponholder or Talonholder who would have been able to avoid such withholding or deduction by presenting the relevant Note, Coupon or Talon to another Paying Agent in a Member State of the European Union; or
- (d) 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*));
- (e) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC, or any other directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000, or any law implementing or complying with, or introduced in order to conform to such directive, or similar measures adopted by a number of third countries and territories; or
- (f) 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 50% or more of the share capital or voting powers and whose assets constitute more than 10% of the consolidated assets of the Issuer and its consolidated subsidiaries; or
- (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 depositary (the "**Common Depositary**") 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 Depositary, 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 depositary 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. It was founded as a public-private partnership of Royal Dutch Shell (25%), ExxonMobil (25%) and the State (50%) to sell and distribute natural gas from the then recently discovered gas field in the province of Groningen, the Netherlands.

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 31 December 2013, before Mr. C.A. Voogt, civil law notary in Amsterdam, which amendments entered into force on 1 January 2014.

Article 2 of the Issuer's articles of association sets out its objects. These include (a) directly or indirectly operating a gas transmission business and promoting good gas infrastructure and related operations such as storage, research and engineering, (b) 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; (c) managing the national gas transmission grid and directly or indirectly performing the tasks of the operator of the national gas transmission grid as set out in the Gas Act; (d) facilitating the transport of LNG and operating all required infrastructure to arrange for the transport of LNG; and (e) participating in or otherwise hold or take an interest in other businesses with a purpose as mentioned in Article 2 of the Issuer's articles of association or a similar or affiliated purpose. Furthermore the Issuer's objects include 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 or related thereto in the broadest sense or may be beneficial thereto.

In accordance with the 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.

The Issuer 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 the Issuer's share capital or of depositary receipts for these shares.

The Issuer intends to amend its articles of association. The proposed amendment of the Issuer's articles of association is not yet in final form, but the proposed amendment is expected to comprise certain (i) textual changes and (ii) changes to the Issuer's governance. The latter – *inter alia* – include an update of the list of the Issuer's executive board (the "**Executive Board**") resolutions requiring the approval of the Issuer's supervisory board (the "**Supervisory Board**") and/or its general meeting (the "**General Meeting**"). The implementation of the proposed amendment of the Issuer's articles of association is not yet foreseen and will take place only after approval by the State, but could take place shortly after the date of this Prospectus. After amendment has taken

place the amended articles of association will be made available on the website of the Issuer.

1.2 Capitalisation and Shareholder

In 2005, Gasunie was divided into a gas trading company (now called GasTerra) and a gas transportation company which kept the name Gasunie. In 2005, the split of Gasunie took place through a buyout by the State of the shares held by Royal Dutch Shell and ExxonMobil in the infrastructure part of Gasunie. Therefore Gasunie is now 100% State owned. The Dutch Ministry of Finance represents the State's shareholder interest.

The authorised share capital of the Issuer 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 categorised its participations in three categories (1) predetermined temporary State-ownership (*bij voorbaat tijdelijk staatsaandeelhouderschap*), (2) permanent State-ownership (*permanent staatsaandeelhouderschap*) and (3) non-permanent State-ownership (*niet-permanent staatsaandeelhouderschap*). The second category contains participations for which the Dutch government deems it important that the State maintains a controlling influence by means of at least a majority stake. It does not mean by definition that there cannot be any additional private or public shareholders (as long as the State maintains a controlling interest). The Issuer has been placed within the second category. The Dutch government will not seek private, financial parties to make risk-bearing investments in the Issuer's Dutch activities. However, it announced that it will review the possibility of entering into strategic cooperations or cross-participations with other transmission system operators certified based on the European rules. Therefore, there can be no assurance that the State will never dispose of an interest in the Issuer. Such a transaction could only take place under certain conditions, including an added value for the public interest, a controlling interest for the State that remains upon such strategic partnership being entered into, the partnership shall only be permitted with a completely independent TSO that is certified based on the European rules and there should be a proper business case. No transaction will take place unless it has been discussed with the Second Chamber of the Dutch Parliament.

If the partnership will be entered into by means of a cross-shareholding, the State would no longer be the Issuer's sole shareholder. This means that the Issuer will no longer be subject to the mitigated dual-board regime, but to the regular dual-board regime. This means that the General Meeting (in which the State will be able to cast a majority of the votes as the State will keep a controlling interest in the Issuer) will no longer be able to appoint and dismiss the members of the Executive Board, but the Supervisory Board will be responsible for the same. The Minister stated that the State (via its majority in the General Meeting) would still have the power to appoint the members of the Supervisory Board who do appoint and dismiss members of the Executive Board. As such the State will keep an indirect influence on the appointment and dismissals of the Executive Board. This influence might be limited given that the General Meeting may only appoint persons proposed by the Supervisory Board as members of the Supervisory Board. The General Meeting (in which the State will be able to cast a majority of the votes) will remain authorised to adopt the remuneration policy for members of the Executive Board and distribute profits and/or reserves and important decisions regarding e.g. material participations will remain subject to approval by the General Meeting.

Furthermore, the Policy on Government Participations 2013 provides that the State will seek to increase its influence over certain of the Issuer's business decisions and the Issuer's corporate governance. This could affect the Issuer's business operations and has led to the (draft) amendment of the articles of association, described above.

1.3 Ratings

As of the date of this Prospectus, 23 December 2014, 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: A+, stable outlook
Moody's: A2, stable outlook

Short term credit ratings

S&P: A-1, stable outlook
Moody's: P-1, stable outlook

For the actual credit ratings at any time the Issuer refers to the websites of S&P (www.standardandpoors.com) and Moody's (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, the Dutch Corporate Governance Code, the company's articles of association and various internal regulations. Various provisions affecting the governance of the Issuer 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 Supervisory Board are appointed by the General Meeting upon a binding nomination by the Supervisory Board. The Supervisory Board is required to nominate (a) person(s) recommended by the works council to one third of the positions in the Supervisory Board.

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

The Supervisory Board determines the number of members of the Executive Board. The State appoints the members of the Executive Board. It also has the power to suspend or dismiss members of the Executive Board at all times. The State indicated that it is open to the possibility of entering into cross shareholdings with foreign TSOs. In case of a cross-shareholding, the State would no longer be the sole shareholder. This would mean that, in principle, the Issuer will no longer be subject to the mitigated dual-board regime, but to the regular dual-board regime and that the State will not be able to appoint and dismiss members of the Executive Board. See also "1.2 Capitalisation and Shareholder" above.

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, decisions regarding an important change in the identity or the character of the Issuer or the enterprise, which includes in any event, among others, the transfer of the enterprise or almost the entire enterprise to a third party, the acquisition or disposal of important participating interests in companies or the entry into or termination of a strategic cooperation; closing down; casting a vote on shares in the share capital of a subsidiary (excluding GTS) with respect to the foregoing matters, voting on the shares in GTS on certain matters specified in the articles of association, and 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 two persons. In principle, the Executive Board meets once a week. The Executive Board is collectively responsible for the management of the company, as well as the general affairs of the various subsidiaries. Most meetings take place in the broader context of the executive committee. The executive committee consists of the Executive Board plus the three directors of the business units, the director of legal, regulatory and public affairs and the director of human resources.

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 the Issuer 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 the Issuer 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 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 II.3.4 and III.6.3, 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. In 2013 and in 2014 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

II.2.12 The remuneration report shall be posted on the company's website.

Reason for departing from this best practice:

In the annual report, Gasunie transparently describes its remuneration policy (approved by the shareholder) and the actual implementation thereof by the Supervisory Board in the year under review. The annual report is published on Gasunie's website.

Supervisory Board

III.5 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.

Reason for departing from this best practice:

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

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

Reason for departing from this best practice:

The Supervisory Board is of the opinion that its chairman should be closely involved in preparing the salary and remuneration policy, especially in view of the current high profile of this policy. The Supervisory Board has therefore decided not to separate chairmanship.

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:

- Member of the supervisory board, Energy Delta Institute
- Member of the advisory board, Clingendael

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:

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

The business address of each member of the Issuer'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

Second term ends in 2018

Member of the Audit Committee and chairman of the Remuneration, Selection & Appointments Committee

Other positions:

- Board member, Stichting Aandelenbeheer BAM Groep
- Board member, Stichting tot het houden van Preferente- en Prioriteitsaandelen B Wereldhave
- Member of the supervisory board, Waarborgfonds voor de Zorgsector
- Member of the supervisory board, Stichting Toneelgroep Oostpool
- Member of the supervisory board, USG People NV
- Member of the supervisory board, Enexis Holding NV
- Chairman, supervisory board, Bakeplus Holding BV

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

(1969, Dutch nationality)

Date of first appointment: 1 September 2011

Second term ends in 2017

Chair of the Audit Committee and member of the Remuneration, Selection & Appointments Committee

Other positions are:

- Member of the executive board and CFO Ordina N.V.
- Board member, Stichting ING Aandelen (as of 1 January 2014)
- Member of the supervisory board, Blokker Holding B.V. (as of 1 March 2014)

J.P.H.J. (Jean) Vermeire

(1944, Belgian nationality)

Date of first appointment: 1 October 2007

Third term ends in 2018

Member of the Audit Committee

Other positions are:

- Managing partner, J.V. Consult BVBA
- Honorary president, International Group of LNG Importers (GIIGNL)
- Senior fellow, Energy Delta Institute

M.M. (Martika) Jonk

(1959, Dutch nationality)

Date of first appointment: 1 October 2013

First term ends in 2017

Member of the Remuneration, Selection & Appointments Committee

Other positions are:

- Partner, CMS Derks Star Busmann N.V.
- Member of the supervisory board, St. Antonius Ziekenhuis

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

(1948, Dutch and German nationality)

Date of first appointment: 1 October 2013

First term ends in 2016

Member of the Audit Committee

Other positions are:

- Non-executive member of the board of directors, Neste Oil Oyj (Helsinki, Finland)
- Non-executive chairman of the board of directors EWE Turkey Holding AŞ (Istanbul, Turkey)
- Non-executive chairman of the board of directors Bursagaz AŞ (Bursa, Turkey)
- Non-executive chairman of the board of directors Kayserigaz AŞ (Kayseri, Turkey)

D.J. (Dirk Jan) van den Berg

(1953 Dutch nationality)

Date of first appointment: 1 October 2014

First term ends in 2019

Other positions are:

- Chairman of the executive board TU Delft
- Member of supervisory board Ziggo; expiration per 1 January 2015.

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 as members. The Audit Committee met four times in 2014 up to the date of this Prospectus. At those meetings, the operational auditor, the external auditor Ernst & Young Accountants LLP ("EY") and the CFO were present on all occasions. It was agreed to appoint PricewaterhouseCoopers B.V. as the new external auditor as of 1 January 2015. The present external auditor EY will still audit the financial statements of the year ending 31 December 2014.

In 2014 the chair of the Audit Committee also held regular meetings with both the operational auditor and the external auditor without members of the Executive Board being

present. In the meetings of the Supervisory Board, the chair of the Audit Committee rendered account for the activities the committee carried out with respect to the financial supervision of the Issuer.

4. Description of activities

Gasunie is a leading European gas infrastructure company. The high-pressure gas transport network of Gasunie's wholly owned subsidiaries in the Netherlands and Northern Germany, with over 15,000 kilometres of pipelines, many installations and approximately 1,300 gas delivery stations, is one of the biggest of its kind in Europe. The annual transit is approximately 125-135 billion cubic metres ("**bcm**") of gas, roughly a quarter of the volume consumed in Europe. Gas is transported to major industrial consumers that are directly connected to the network, to neighbouring network operators abroad and to regional network operators that distribute gas through their distribution networks to end-users.

Gasunie is the first fully independent (i.e. not linked to a gas trading company) gas infrastructure company with an extensive cross-border network in Europe. Gasunie also transports gas to a large number of international networks and customers. This gives Gasunie a special role and responsibility within the European gas market and the energy supply. Fulfilling that role safely, reliably and efficiently is 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: "GTS", "GUD" and "Participations and Business Development" ("**Participations & Business Development**"). A more in-depth description of the activities and developments of these business units can be found in "6.2 *Description of Gasunie's three business units*" below.

Gasunie offers gas transmission services via its subsidiaries GTS in the Netherlands and GUDTS and GOAL, both wholly-owned subsidiaries of GUD in Germany.

The third business unit, Participations & Business Development, offers other services in the gas infrastructure field, including gas storage and LNG. 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. 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 "6.2.3 *Participations & Business Development – 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 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 Energy Delta Institute. Gasunie proactively contributes to the development of energy policy and new legislation, both on the national and on the European level, through the provision of expertise and the supply of objective information. Besides these energy related activities Gasunie also supports a broad range of socially relevant organisations and events.

Gasunie's approximately 1,700 employees are distributed over around 30 locations throughout the Netherlands, Germany, Brussels and Moscow. 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

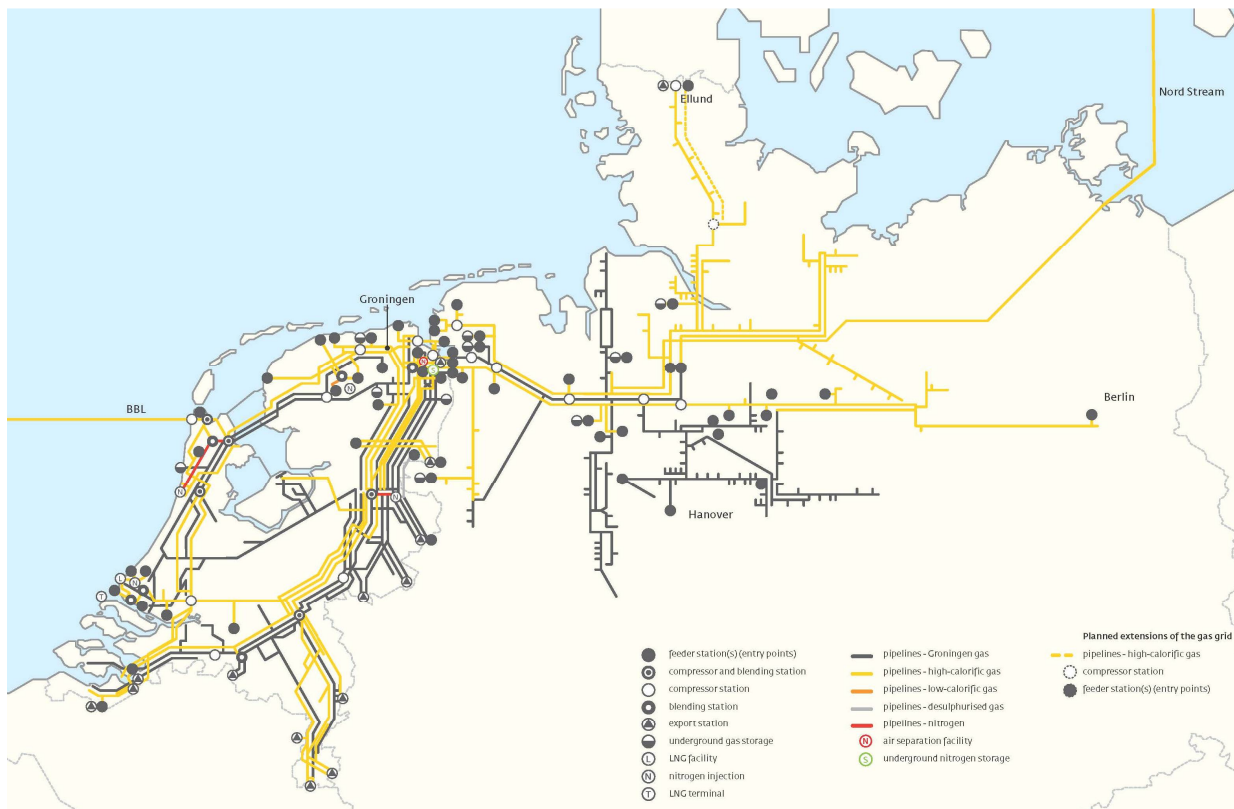
The Issuer believes that over the next few decades, security of gas supply and the role of infrastructure will occupy centre stage in Europe. One of the main drivers is the rapidly declining domestic production and a stable and small growth potential for gas in Europe. Other drivers are the integration of the European energy market, geopolitical developments and the transition towards a sustainable energy mix.

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 Title Transfer Facility ("**TTF**") is the largest in continental Europe, 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 "**6.2.1 GTS – C. Participations – 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) optimise the value of existing assets, (2) strengthen the leading position as a cross border gas infrastructure company in Europe and (3) enable the transition towards more sustainable energy usage.

1. Optimise the value of existing assets

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.

2. Strengthen the leading position as a cross border gas infrastructure company in Europe

Gasunie aims to strengthen its leading position by selectively pursuing mergers, acquisitions and/or strategic cooperation with other TSOs in the European integrating gas market, participations in pipelines on key supply and transit routes to strengthen the position of existing Gasunie assets and developing business opportunities at European entry points (e.g. LNG and storage).

3. Enable the transition towards more sustainable energy usage

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 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 New Energy", a part of the business unit Participations & Business Development, focusses on increasing the share of green gas in the energy mix via fermentation and gasification 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 (Power to Gas, see "6.2.3 – C. – Gasunie New Energy" below). These new developments enhance the strength of the gas and power value chain.

Gasunie also believes in the potential for green gas towards a carbon neutral gas 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 huge potential growth.

6. Group structure and description of business units

6.1 Structure of the Group

The Group consists of three business units. The Issuer's direct and indirect participations as at 5 December 2014 are as follows:

List of Participations

Company	Registered Office	Interest
<i>Groepsmaatschappijen</i>		
Gasunie Transport Services B.V.	Groningen	100%
Gastransport Noord-West Europa B.V.	Groningen	100%
Gastransport Noord-West Europa Holding B.V.	Groningen	100%
Gastransport Noord-West Europa Services 1 B.V.	Groningen	100%
Gastransport Noord-West Europa Services 2 B.V.	Groningen	100%
Gastransport Noord-West Europa Services 3 B.V.	Groningen	100%
Gastransport Noord-West Europa Services 4 B.V.	Groningen	100%
Gasunie BBL B.V.	Groningen	100%
Gasunie Engineering B.V.	Groningen	100%
Gasunie Germany B.V.	Groningen	100%
Gasunie LNG BBR B.V.	Groningen	100%
Gasunie LNG Holding B.V.	Groningen	100%
Gasunie Peakshaver B.V.	Groningen	100%
Gasunie Underground Storage (GUUS) B.V.	Groningen	100%
EnergyStock B.V.	Groningen	100%
Vertogas B.V.	Groningen	100%
Cupa Holding GmbH	Hannover, Duitsland	100%
Cupa Transport Services GmbH	Hannover, Duitsland	100%
Gasunie Deutschland GmbH & Co. KG	Hannover, Duitsland	100%
Gasunie Deutschland Services GmbH	Hannover, Duitsland	100%
Gasunie Deutschland Technical Services GmbH	Hannover, Duitsland	100%
Gasunie Deutschland Transport Services GmbH	Hannover, Duitsland	100%
Gasunie Deutschland Transport Services Holding GmbH	Hannover, Duitsland	100%
Gasunie Deutschland Verwaltungs GmbH	Hannover, Duitsland	100%
Gasunie Ostseeanbindungsleitung (GOAL) GmbH	Hannover, Duitsland	100%
Gasunie Infrastructuur AG	Zug, Zwitserland	100%
<i>Joint operations</i>		
BBL Company V.O.F.	Groningen	60%
Arbeitsgemeinschaft GOAL/Fluxys NEL-Projektphase	Hannover, Duitsland	51,3%
<i>Joint ventures</i>		
Gate terminal C.V.	Rotterdam	47,5%
Gate terminal Management B.V.	Rotterdam	50%
LBBR Management B.V.	Groningen	50%
LNG Break Bulk Rotterdam C.V.	Rotterdam	50%
DEUDAN - Deutsch/Dänische Erdgastransport-GmbH	Handewitt, Duitsland	75%
DEUDAN - Deutsch/Dänische Erdgastransport-GmbH & Co. KG	Handewitt, Duitsland	33,3%
DEUDAN - Holding GmbH	Hannover, Duitsland	51%
NETRA GmbH Norddeutsche Erdgas Transversale	Emstek/Schneiderkrug, Duitsland	33,3%
NETRA GmbH Norddeutsche Erdgas Transversale & Co. KG	Emstek/Schneiderkrug, Duitsland	28,7%
<i>Geassocieerde deelnemingen</i>		
Energie Data Services Nederland (EDSN) B.V.	Arnhem	25%
ICE Endex Holding B.V.	Amsterdam	20,9%
GASPOOL Balancing Services GmbH	Berlin, Duitsland	16,7%

6.2 Description of Gasunie's three business units

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

6.2.1 GTS

A. General

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. 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.

As of 1 January 2014, ownership of the gas transport network in the Netherlands and the related assets, liabilities and activities were transferred from Gasunie to GTS. This transfer was part of the certification of GTS as an independent TSO of the national gas transport network. As of 1 January 2014 GTS has continued to use certain services provided by Gasunie. GTS and Gasunie have entered into a number of agreements that establish their collaboration so that security of supply, and safe and reliable gas transport are safeguarded.

Following an amendment of the Gas Act, which implemented the European Union's third legislative package on the internal energy market (including the third Gas Directive 2009/73/EC), GTS – as all other transmission system operators in the EU – was obligated to apply for certification as a TSO. By decision of 18 December 2013 (following an advice rendered by the European Commission) ACM granted the certification to GTS.

B. Gas transport 2013/2014

In 2013, GTS transported approximately 1,130 billion kWh (116 bcm) of gas – an increase of the volume transported compared to the previous year (1,025 billion kWh, 125 bcm). This also constituted an all-time high in transported volume. The previous record year was 2010, when GTS transported 1,080 billion kWh. Due to the warm winter, in the first six months of 2014 20% less gas was transported in the Netherlands than in the same period in 2013 (504 TWh in 2014 compared to 632 TWh 2013).

C. Relevant Developments

TTF; Developing the liquid gas market

TTF is the Dutch virtual trading point where gas can be traded. Over the past five years, TTF has grown into one of the most prominent liquid gas hubs in Europe, alongside the English National Balancing Point. Despite the declining demand for gas in North-West Europe, TTF managed to maintain its high level in 2014. 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. A high level of liquidity raises the confidence of market parties and has a positive effect on pricing.

The amount of gas traded via TTF continued to rise significantly during 2014. In the period from January to September 2014, a total of 9,982 TWh gas was traded by market parties via TTF, compared to 6,120 TWh in the same period last year. This was done both via bilateral trade (Over-the-Counter ("**OTC**")) and via exchanges. This increase is mainly due to the OTC part, in which larger volumes in season, quarterly and monthly products are traded, mainly for hedging purposes.

In the months January to September 2014, partly due to the mild winter, the net TTF volume, which is the physical volume that flows via TTF, decreased from 324 TWh in 2013 to 306 TWh in 2014. However the churn factor has increased in this period from 18.9 in 2013 to 32.6 in 2014 up to the date of this Prospectus. This factor indicates the number of times an amount of gas is traded on average. The higher the churn factor, the higher the liquidity and therefore the attractiveness of a trading platform. The maximum number of TTF traders ultimo month rose further from 107 (January to September 2013) to 117 (January to September 2014).

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. A good example of such cooperation is the European Capacity Platform PRISMA ("**PRISMA**").

PRISMA is a new European booking platform for shippers, operated by PRISMA European Capacity Platform GmbH, formerly known as TRAC-X Transport Capacity Exchange GmbH. The platform is developed by 19 European network operators. On 1 April 2013, GTS and GUD started to offer day-ahead capacity (including bundled capacity where possible) at a number of border points. This capacity is auctioned on the PRISMA platform, which was co-founded by GTS and GUD. The platform offers an opportunity for auctions at border points, allowing capacity on both sides of the border to be bundled. In addition, shippers can book capacity at domestic exit points. The platform also facilitates a secondary market, which allows customers to offer for sale capacity they have already booked. For shippers, PRISMA is a uniform point of entry for buying and selling capacity products in various European countries. The present interest of GTS in PRISMA European Capacity Platform GmbH is 11.7%.

Infrastructure and market forces

Every two years, GTS holds a new "Open Season". This is a set period of time during which GTS asks its customers to notify GTS of their long-term need for transport capacity. From December 2013 to April 2014, GTS organised the market phase of the Open Season 2019. Through this Open Season, GTS offers its customers an opportunity to indicate what their capacity needs will be for a ten year period, starting October 2019. In this way, GTS can determine whether measures need to be taken to meet long-term capacity demand. The market phase has not led to additional bookings or a redistribution of existing capacity.

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 future capacity GTS is required to provide. For this reason, GTS has started preparations for a network development plan. Such a method of determining future required capacities is already standing practice in a number of surrounding countries, e.g.

Germany. Ahead of any required change in law, GTS will prepare a network development plan and will consult with relevant market parties.

D. Major ongoing projects

Beverwijk-Wijngaarden

In 2013, GTS rolled out the last leg of its 'North-South project' (Odiliapeel-Melick, total investment EUR 140 million), and made a start with the construction of a new pipeline between Beverwijk and Wijngaarden (total investment EUR 290 million), which became operational at the end of the third quarter of 2014. Both projects were the result of Open Seasons that were held several years ago.

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, which is expected to run for 15-20 years, involves the renovation and partial replacement of valve stations, metering and regulating stations, and gas receiving stations. The first dozens of stations were renovated in 2013. This programme is expected to result in an annual capital expenditure of approximately EUR 150 million.

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 are subject to a system of retroactive settlement, with a limited risk for GTS, 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 these settlements with regard to energy costs (which may be either positive or negative depending on whether the winter is unusually mild or extremely cold) in GTS's annual accounts.

Tariffs

The tariffs that GTS charges its customers are regulated. They are determined according to the calculation rules applied by the ACM based on the Gas Act. As of 2014, a system of income regulation is applicable: the tariffs are calculated by dividing the permitted revenues by the estimated capacity bookings. If the actual revenues deviate from this, the difference will be settled in later years. The permitted revenues are based on 'cost-plus regulation': GTS is allowed to generate efficiently incurred capital costs and operational costs, including a return that is set by the ACM (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 2013, the ACM laid down the method by which GTS is to be regulated for a period of three years (2014–2016). 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 allowed return on the regulated asset value. For the years 2014–2016, the ACM has set the real pre-tax WACC at 3.6%. This is based on a 50/50 equity to debt ratio, a nominal cost base for loans of 3.85%, and a nominal return on equity of 5.6%.
- The productivity improvement to be realised during the regulation period on the total operational and capital costs, excluding uncontrollable costs. For the years 2014–2016, this productivity improvement (or frontier shift) has been set at 1.3% per year.
- For the current regulation period, the ACM has not conducted an individual efficiency benchmark survey for GTS, but it intends to do so in the next regulation period.

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.

Stable developments in regulation; appeal against decisions

On 2 October 2013, the ACM published the method decision and the X-factor decision for GTS for the years 2014–2016. In this method decision, the ACM determines the regulatory

framework for the five statutory duties of transport, balancing, quality conversion, existing connections and new connections. The X-factor decision determines the annual efficiency deduction that GTS must apply to its revenues and tariffs. The design and structure of the method decision is largely consistent with earlier decisions. This is beneficial to the predictability and stability of the regulatory framework. By introducing a system of revenue regulation, the method decision will also present a robust framework to cope with rapidly changing European rules concerning the provision of services by national network operators. Revenue regulation is a system that is used in most of Europe. It determines the permitted revenues and calculates the difference between the permitted revenues and the actual revenues ex post facto.

GTS has stated that all in all it is satisfied with the consistency of the regulatory framework. However, GTS disagrees on a number of elements and has therefore filed an appeal with the CBB against the Method Decision 2014-2016 claiming that the WACC is too low and does not reflect the cost of capital incurred by a typical TSO. Both the Dutch distribution system operators for gas and electricity and the Dutch TSO for electricity filed similar appeals against the applicable method decision and the determination of the WACC. Furthermore in the opinion of GTS the cost reduction target is too high (due to research results which GTS believes are inadequate) and is based on an incorrect starting point (2013 onwards, instead of 2014 onwards). Finally, GTS believes the budget for regular expansion investments was set too low. A court hearing took place in September 2014. The next step is the decision by the court, which is expected in January or February 2015 and cannot be appealed. If the appeal is upheld, this may lead to higher revenues for GTS.

GTS also lodged a notice of objection to the X-factor decision 2014-2016. ACM will decide on these objections after the court's final decision on the Method Decision 2014-2016. If the objection is upheld, this may lead to higher revenues for GTS. The Issuer expects the ACM's decision in the first half year of 2015.

At the date of this Prospectus, the tariff decision for GTS for 2015 is still open to objections and, in a later stage, appeal. If any objections or appeals would be upheld, ACM could force GTS to decrease its tariffs in subsequent years.

F. Participations of GTS

GTS holds 25% 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 11.7%. (See also the description of PRISMA in "*C Relevant Developments*" above).

G. Future regulatory developments

Based on the European Third Energy Package, the participation of GTS, GUD and other European TSOs in the European Network of Transmission System Operators for Gas

("ENTSOG") has resulted in the development of European Network Codes on Capacity Allocation Mechanisms ("**NC CAM**"). The intention of these codes is to enhance competition in the internal EU gas market by enhancing the availability of cross border transport capacity. These codes are adopted in a new EU Commission Regulation (EU) No 984/2013, dated 14 October 2013, which are to be implemented by all EU member states as of November 2015. GTS and GUD have anticipated on the implementation of these codes, together with neighbouring TSOs from Germany, Belgium, Denmark and France, which has led to the development of PRISMA. This platform is required to auction gas transport capacity on the international cross border points between EU Member States (see also the description of PRISMA in "*C Relevant Developments*" above). The (early) implementation of NC CAM via PRISMA has already been adopted by TSOs from Belgium, France, Germany, the Netherlands, Italy, Austria, the United Kingdom, Northern Ireland, Ireland and Slovenia, as well as by BBL. Apart from NC CAM separate rules have been developed by the EU Commission on congestion management. These rules are 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 largely implemented these rules, as well as TSOs in surrounding countries.

In November 2013, the North West European TSOs have published their Gas Regional Investment Plan 2013-2022 ("**NW GRIP 2013**"). It is the second edition of this regional statement on long-term gas infrastructure development and related topics.

The NW GRIP 2013 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.

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. Both GUDTS and CUPA are 100% subsidiaries of GUD, which in its turn is a wholly-owned subsidiary of Gasunie. GUDTS leases 100% of the assets owned by CUPA. Therefore CUPA does not act as a TSO. With the certification decision the German national regulatory authority BNetzA obliged GUD to transfer the assets of CUPA to the TSO GUDTS on or before 1 January 2015. This transfer will take place in 2015 retroactively with effect as of 1 January 2015, i.e. the current lease agreement between GUDTS and CUPA will cease to exist.

GUDTS is a TSO in the north of Germany. Within GUD the network is owned by three different entities (GUDTS, GOAL and CUPA). CUPA is leasing its assets completely to GUDTS. GUDTS and GOAL have applied and received a certification as TSO and hence are allowed to operate the grids as TSOs. 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, 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) and is directly connected to 15 large consumers. The network incorporates 41 entry points, 199 exit points and is around 3300 km long.

GUDTS holds a 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**") and it holds, partly via a shareholding in the DEUDAN-Holding-GmbH, in aggregate 75% of the shares in Deutsch/Dänische Erdgastransport-GmbH, the latter 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. GUDTS holds a participation in GASPOOL of 16.67%. Other joint venture partners are DEUDAN Open Grid Europe and NETRA Open Grid Europe and Jordgas.

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

Gasunie Ostsee Anbindungsleitung GmbH (GOAL)

GOAL is the second TSO owned by GUD. GOAL owns a 25.13% stake in the Nordeuropäische Erdgas Leitung ("**NEL**"). NEL is a so called "Bruchteilseigentums-gemeinschaft": the assets are owned by different parties. GOAL acts on behalf of Gasunie as a joint-venture partner in NEL, together with NEL Gastransport GmbH and Fluxys Deutschland GmbH.

The NEL is one of the two connecting pipelines to transport Nord Stream gas from Russia into mainland Western Europe. Natural gas from the major reserves in Russia can thus be transported, through Nord Stream, 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. With the connection of NEL to the network of GUDTS in Heidenau. GUDTS significantly improved the situation of gas transport to the north from November 2013 onwards.

On 20 December 2013 (following an advice rendered by the European Commission), BNetzA granted the certification to GOAL according to section 4a EnWG.

B. Gas Transport 2013

In 2013, GUD transported 234 billion kWh (24 bcm) of natural gas, a level that is comparable with that for 2012 during which 236 billion kWh (24.2 bcm) of natural gas was transported.

C. Relevant developments in market areas

In 2012, the German TSOs have together carried out a mandatory evaluation in order to assess whether a merger of the two remaining German market areas GASPOOL and Net Connect Germany would be feasible. The conclusion of this analysis was that the cost of merging these market areas would be considerably higher than the benefits it would provide and therefore the merger was not initiated.

Network development plan

The network development plan (*Netzentwicklungsplan*, "**NEP**") for 2014 considers the expansion of the NEL by 50 TWh transmission capacity per year. Extra volumes are necessary to enable the market conversion of low-calorific to high-calorific gas in North-

West Germany and, in the long term, in the Netherlands. The NEP 2014 will be approved by BNetzA in Q4 2014.

PRISMA – European Capacity Platform

On 1 April 2013, GTS and GUDTS started to offer day-ahead capacity (including bundled capacity where possible) at a number of border points. This capacity is auctioned on PRISMA, which was co-founded by GTS and GUDTS. See also the description of PRISMA in "6.2.1 GTS – D. Relevant Developments" above.

D. Major ongoing projects

Exit Ellund

Due to the decline in natural gas production in Denmark on the one hand, and the increasing demand for natural gas in Schleswig-Holstein and Hamburg as a result of the German *Energiewende* on the other, there is a growing need for extra transport capacity through Germany, towards Denmark. GUDTS has therefore initiated an expansion project called Exit Ellund ("**ExEII**"). This will be carried out in two phases, in various projects by GUDTS. In Phase 1, a new compressor station will be built at Embsen. This became operational as of 1 October 2014. In Phase 2, a new compressor station will be built at Quarnstedt, a 65-kilometre pipeline will be laid between Fockbek and Ellund, and a new metering and regulating station will be built at Ellund. The pipeline is expected to be completed by the beginning of 2015, and both stations are expected to be completed in late 2015 or early 2016. The projects form part of the German NEP and represent a European interest (see Decision no. 1364/2006/EC of the European Parliament).

E. Current regulation and tariff model

Cost-plus regulation

On 23 September 2008, the BNetzA has ruled that there is insufficient competition between GUDTS and the other 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 of the next-to-last business year, so called, base year. The transport tariffs are calculated based on that revenue cap. For the determination of the revenue cap as the basis for the tariff calculation, the BNetzA applies a cost-plus approach combined with efficiency incentives.

The revenue cap will be reduced 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. 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.

At the end of 2013, BNetzA started a consultation process to map the effects of incentive regulation including efficiency benchmarking. BNetzA is required by law to make the

report of this available to the Ministry of Economic Affairs (*BMWi*) before the end of 2014. Possible adjustments of the regulatory framework based on BNetzA's findings are expected to be implemented in law in 2015/2016. At the moment, it cannot yet be predicted how this will actually affect GUD.

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. A first draft of the BNetzA decision was submitted to the TSOs in September 2014 for consultation. The decision intended 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 the 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 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 2013-2017 the allowed revenues for GOAL are approved by BNetzA in two steps (until end 2014 and from beginning 2015 onwards) based on the base year 2013. Following the base year 2015 GOAL will be benchmarked with the other supra-regional TSOs in Germany and will fall under the regular incentive regulation as of 2018 onwards.

In Germany, the system of revenue regulation has been applied for quite some time. The BNetzA has determined the new permitted revenues for the regulatory period 2013–2017. The permitted revenues of GUD for this period are based on an efficiency benchmark for the year 2010. In 2012, BNetzA determined the cost level, and in July 2014, GUD was rated as 100% efficient for the current regulatory period.

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 2013-2017 regulatory period a maximum real pre-tax return on equity of 7.14% on old assets³ is applicable whereas a maximum 9.05% 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 current regulation period 2013–2017, GUD has received an assessment rating of '100% efficient'.

¹ Investments performed before year 2006

² Investments performed in year 2006 or later

³ Investments performed before year 2006

G. Future regulatory developments

Together with the other German TSOs, GUD has started work for the compulsory German NEP for 2015, which sets out the developments within the German gas network for the coming ten years. The NEP will be developed on a 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.

The process of finding a solution for an appropriate cost allocation for the purposes of tariff calculation inclusive establishing of inter-TSO compensations within the German multi-TSO entry/entry-zones started by BNetzA in August 2013 (*Horizontale Kostenwälzung*) was put on hold until the publication of the final networkcode tariffs.

6.2.3 Participations & Business Development

A. General

The objective of the business unit Participations & Business Development 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 core activities of this unit are gas storage, an LNG peak facility, transportation of gas through international pipelines, its participation in the Gate Terminal and its participation in the gas exchange ICE Endex (as defined in paragraph C. below). 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 onwards.

Participations & Business Development 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 & Business Development 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 energy and regarding solar and wind into energy. The prime qualities of gas (natural gas, biogas, syngas, hydrogen) focussing on storage and transport will be pivotal. Gasunie believes that this will impact the potential for load in its existing assets and also may provide some opportunities for expanding assets over time. 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 seek own business opportunities.

B. Participations & Business Development's business model

Participations & Business Development's activities are – like the activities of GTS and GUD – capital intensive and relate mainly to gas infrastructure. The main activities have been allocated to separate participations, which often cooperate with external partners. The operating risks and profitability targets of these activities are higher than those of fully regulated activities, because the participations compete in the free market.

Investments

The construction of new infrastructure does not start until commercial sales contracts are signed for a sufficiently long period. These contracts form the basis of the earning capacity of the participations. Further improvement of the returns on these activities is aimed at by means of additional contracts.

Revenue flow

Customers buy capacity and thereby also the right to utilise the infrastructure during the contracted period. For these participations, the 'open-access infrastructure' policy is applied: as an independent party, Participations & Business Development provides services to the customers in a non-discriminatory and transparent way. Participations & Business Development constructs and operates infrastructure, but does not participate in activities in the field of the upstream supply, trade and downstream delivery of gas or LNG. In this way, a well-functioning gas trade and gas market is facilitated.

The Gate Terminal, BBL and EnergyStock all have to deal with legal regulatory frameworks and regulators. For instance, a prior consent for providing services outside the regulatory frameworks is needed. Usually, a term is agreed during which such an exemption from regulation for certain aspects is allowed. After this period, Participations & Business Development will carry out part of the services within regulated frameworks. European legislation to facilitate a well-functioning European gas market therefore affects the business model of Participations & Business Development.

Participations & Business Development is looking for opportunities to develop new, profitable activities. These should be activities that contribute to Gasunie's strategy of supporting the functioning of the gas market and realising the transition towards a sustainable energy system.

C. Participations

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

Zuidwending - EnergyStock

On 19 May 2014, Gasunie Zuidwending B.V. announced that it will continue under the name EnergyStock B.V., a name that better matches the growing international nature of the activities of the gas storage company. 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. The storage was ready for operation in January 2011 and completed its first operational year in 2012.

The gas storage in Zuidwending allows Gasunie to optimally adapt its services to the growing volatility in the gas and energy market, which is expected to grow as a result of the increase in the supply of sustainable energy. From a commercial point of view, EnergyStock focuses on offering tailor-made solutions that match the specific needs of customers in managing their energy portfolio. On 30 June 2014, EnergyStock reached an agreement with AkzoNobel for taking over the former rights of Nuon with regard to the development of caverns at the Zuidwending location, and subsequently the development of the caverns in cooperation with AkzoNobel. In addition, on 30 June 2014, EnergyStock also reached an agreement with Nuon about Nuon's exit from the cavern project. This deal has been effectuated in the third quarter of 2014.

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.

By decision of 27 August 2013 (following an advice rendered by the European Commission) ACM granted the certification to BBL. The British Office of Gas and Electricity Markets granted its certification to BBL on 24 April 2013.

Nord Stream AG

Nord Stream AG is a company incorporated under Swiss law and a joint venture between Gazprom, Gasunie, GDF Suez, 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 GdF Suez 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 whereby the equity contribution of the shareholders amounted initially 30% of the total investment.

Gate terminal B.V.

Through its 100% subsidiary Gasunie LNG Holding B.V., Gasunie has an interest of 47.5% 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 major shareholder of Gate terminal B.V. with an equal 47.5% 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. After re-gasification the gas is transported through the existing pipeline grid of Gasunie. 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.

The Gate Terminal offers its customers opportunities to open up new markets. New services and associated facilities are being developed to make this possible. In this context break bulk (or small scale) services is gaining importance. Break bulk services aim to split up large scale LNG shipments into smaller quantities. This enables the distribution of LNG as a fuel for maritime vessels, ferries, trucks and industrial applications. Therefore, early break bulk services has started at the Gate Terminal in August 2013, allowing the customers to reload LNG to ships of 6,500 m³ and larger at the existing Gate Terminal jetties. As of January 2014, truck loading services are also available at Gate Terminal for all interested parties. On 3 July 2014, it was announced that Gate terminal B.V. will be building new facilities for distribution of LNG via vessels and barges. This investment is in line with Gasunie's strategy and strengthens the positioning of Gate Terminal as a European LNG hub. The engineering, procurement and construction management process started in 2014 and the first provision of services are expected to take place in 2016.

ICE Endex

ICE Endex is an energy exchange organization with the objective to facilitate natural gas trading, and providing transparent and widely accessible continental European markets for trading natural gas and power derivatives, gas balancing markets and gas storage services, including the TTF in the Netherlands, the United Kingdom On-the-Day Commodity Market, the German Virtual Trading Points: GASPOOL and NetConnect Germany and the Belgian Zeebrugge Trading Point. Products and services offered are different contracts for trading natural gas, such as within-day gas contracts, gas futures, options, or gas storage contracts. For each market place, ICE Endex facilitates the trading process, the clearing process (settlement of the transactions) in combination with ICE Clear and APX, and the nomination process. Next to that, ICE Endex supplies the market with market data distribution services and benchmark data. Gasunie is minority shareholder (20.88%) in ICE Endex.

Gasunie New Energy

One of the strategic objectives of Gasunie is the transition towards more sustainable energy supply. In order to support these objectives, in the first quarter of 2014 Gasunie set up a new department, Gasunie New Energy, which focuses on developing projects in this context. With that, Gasunie takes a proactive role in the development of sustainable energy by developing the necessary knowledge and building a network of business

partners. One of the results so far has been a letter of intent for the development of a Power to Gas installation in Delfzijl. The aim is to have this installation operational in 2018.

"Power to Gas" is a process whereby power surpluses from sustainable energy sources, such as wind turbines or solar panels, are converted into methane gas, which is injected into the gas transport network.

DUTCH TAXATION

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

Prospective Noteholders should consult their tax adviser regarding the tax consequences of any acquisition, holding or disposal of Notes.

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

For the purpose of this paragraph, "**Dutch Taxes**" shall mean taxes of whatever nature levied by the Netherlands or any of its subdivisions or taxing authorities. 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 with a (fictitious) substantial interest (*aanmerkelijk belang*) in the Issuer or to Noteholders who are individuals 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.

Residents in 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 that are subject to the Dutch Corporate Income Tax Act 1969 (*Wet op de vennootschapsbelasting 1969*, "**CITA**") and are resident or deemed to be resident in the Netherlands for the purposes of the CITA, excluding:

- (i) entities which are, pursuant to the CITA not subject to Dutch corporate income tax or are in full or in part exempt from Dutch corporate income tax (such as pension funds); and
- (ii) investment institutions (*beleggingsinstellingen*) as described in Section 6a and 28 CITA ("**Dutch Corporate Entities**").

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

Generally, a Dutch Individual who holds Notes (i) that are not attributable to an enterprise from which he derives profits as an entrepreneur (*ondernemer*) or pursuant to a co-entitlement to the net worth of such enterprise other than as an entrepreneur or a shareholder, or (ii) from which he derives benefits which are not taxable as benefits from miscellaneous activities (*overige werkzaamheden*), will be subject annually to an income tax imposed on a fictitious yield on such Notes. The Notes held by such Dutch Individual will be included under the regime for savings and investments (*inkomen uit sparen en beleggen*). Irrespective of the actual income or capital gains realised, the annual taxable benefit of all the assets and liabilities of a Dutch Individual that are taxed under this regime, including the Notes, is set at a fixed amount. The fixed amount equals 4% (2014) of the fair market value of the assets reduced by the liabilities and measured, in general, exclusively at the beginning of every calendar year. The tax rate under the regime for savings and investments is a flat rate of 30% (2014).

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

Dutch Individuals are generally subject to income tax at statutory progressive rates with a maximum of 52% (2014) with respect to any benefits derived or deemed to be derived from Notes (including any capital gains realised on the disposal thereof) that are either attributable to an enterprise from which a Dutch Individual derives profits, whether as an entrepreneur or pursuant to a co-entitlement to the net worth of such enterprise (other than as an entrepreneur or a shareholder), or attributable to miscellaneous activities, including, without limitation, activities which are beyond the scope of active portfolio investment activities.

Dutch Corporate Entities

Dutch Corporate Entities are generally subject to corporate income tax at a statutory rate of 25% (2014) with respect to any benefits derived or deemed to be derived (including any capital gains realised on the disposal thereof) of Notes. A reduced rate of 20% (2014) applies to the first EUR 200,000 of taxable profits.

Non-residents in the Netherlands

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

- (a) the Noteholder, whether an individual or not, derives profits from an enterprise, whether as entrepreneur or pursuant to a co-entitlement to the net worth of such enterprise other than as an entrepreneur or a shareholder, which enterprise is, in whole or in part, carried on through a permanent establishment (*vaste inrichting*) or a permanent representative (*vaste vertegenwoordiger*) in the Netherlands, to which Notes are attributable;

- (b) the Noteholder is an individual and derives benefits from miscellaneous activities carried out in the Netherlands in respect of Notes, including, without limitation, activities which are beyond the scope of active portfolio investment activities;
- (c) the Noteholder is not an individual and is entitled to a share in the profits of an enterprise or a co-entitlement to the net worth of enterprise, other than by way of securities, which enterprise is effectively managed in the Netherlands and to which enterprise the Notes are attributable; or
- (d) the Noteholder is an individual and is entitled to a share in the profits of an enterprise, other than by way of securities, that is effectively managed in the Netherlands and to which enterprise the Notes are attributable.

Gift tax or inheritance tax

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

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

Other Taxes and Duties

No other Dutch Taxes, including turnover tax (value added tax) and taxes of a documentary nature, such as capital tax, stamp or registration tax or duty, are payable by or on behalf of a Noteholder by reason only of the issue, acquisition or transfer of the Notes or in respect of cash payments made under the Notes.

Residency

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

EC Savings Directive

Based on the EC Savings Directive, the tax authorities of the EU Member States provide each other with details of payments of interest and similar income made to individuals or to certain limited types of entities who are the beneficial owner of those payments. Austria and Luxembourg, however, have opted to impose a withholding tax on the payments concerned for a "transitional period" (35% from 1 July 2011 onwards). Luxembourg has announced that it will no longer apply the withholding tax system as from 1 January 2015 and will provide details of payments of interest (or similar income) as from this date. The EC Savings Directive also provides that no such withholding tax should be levied where the beneficial owner of the payment authorises an exchange of information and/or where

the beneficial owner presents a certificate from the tax authority of the EU Member State in which the beneficial owner is resident.

A number of non-EU countries, including Switzerland, and certain dependent or associated territories, have adopted similar measures (in certain cases on a reciprocal basis). The EC Savings Directive does not preclude EU Member States from levying other types of withholding tax. On 24 March 2014, the Council of the European Union adopted a directive amending the EC Savings Directive, which will, when implemented, amend and broaden the scope of the requirements described above. In particular, the amending directive aims at extending the scope of the EC Savings Directive to new types of savings income and products that generate interest or equivalent income. In addition, tax authorities will be required in certain circumstances to take steps to identify the beneficial owner of interest payments (through a look-through approach). The EU Member States will have until 1 January 2016 to adopt the national legislation necessary to comply with this amending directive and are required to apply the new requirements from 1 January 2017. Investors who are in any doubt as to their position should consult their professional advisers.

SUBSCRIPTION AND SALE

The Dealers have, in an amended and restated programme agreement (the "**Programme Agreement**") dated 23 December 2014, agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under "*Terms and Conditions of the Notes*". In the Programme Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future update of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

Public Offer Selling Restriction under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each a "**Relevant Member State**"), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Prospectus as completed by the Final Terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) at any time to fewer than 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (c) at any time in any other circumstances falling within Article 3 (2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression "**an offer of Notes to the public**" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and "**Prospectus Directive**" means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant Member State.

United Kingdom

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

- (a) in relation to any Notes having a maturity of less than one year:

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

United States of America

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

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

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

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

- (a) any offer of Notes to the public in the Netherlands other than an offer:
 - (i) in respect of which a prospectus (and any supplement if required) approved by the AFM (or, where appropriate, by the competent authority in another European Economic Area Member State which has implemented the Prospectus Directive and notified to the AFM in accordance with the Prospectus Directive) has been made generally available; or
 - (ii) only to qualified investors as defined in the Prospectus Directive; and
- (b) any advertisement relating to such an offer, and any document in which the prospect of such offer is held out;

that:

- (A) no prospectus approved by the AFM has been or will be made generally available; and

(B) such offer is not supervised by the AFM;

in such manner as prescribed by the AFM from time to time.

For purposes of this provision the expression "Prospectus Directive" shall have the meaning set out under "*Public Offer Selling Restriction under the Prospectus Directive*".

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 represents and agrees, 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 or sells Notes or possesses or distributes this Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers or deliveries and the Issuer shall not have any responsibility therefore. Neither the Issuer nor any of the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

GENERAL INFORMATION

Authorisation

The establishment of the Programme has been duly authorised by a resolution of the Executive Board of the Issuer dated 23 May 2006. The renewal of the Programme and the issue of further Notes have been duly authorised by the 2014 funding plan resolution of the Executive Board dated 11 November 2013.

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 Integrated Annual Report 2013, pages 100 through 190, containing the publicly available audited 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 2013;
- (b) the N.V. Nederlandse Gasunie Annual Report 2012, pages 65 through 143, containing the publicly available audited 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 2012;
- (c) the N.V. Nederlandse Gasunie Semi-Annual Report 2014, pages 14 through 31, containing the reviewed consolidated semi-annual financial statements of the Issuer (including the notes thereto and the independent auditor's review report thereon) for the six month period ended 30 June 2014;
- (e) the articles of association of the Issuer (a copy of the non-official English translation, as well as of the Dutch version); and
- (d) a copy of this Prospectus.

For the period of 12 months following the date of this Prospectus, the following documents can be obtained electronically by request. In order to make such a request, please write to 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, 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 2014.

There has been no material adverse change in the prospects of the Group since 31 December 2013.

Litigation

In order to ensure the quality of GTS' services in the long term, it is essential that all efficient costs of capital are included in and reimbursed by the regulatory WACC. However, ACM has failed to include all efficient costs by setting the WACC at 3.6%. For GTS, this leads to the undesirable situation of being unable to earn back its efficient costs of capital. GTS has therefore filed an appeal against this WACC with the CBb. Simultaneously GTS has filed objections against the related X-factor decision by ACM. A favourable court ruling may result in an upward adjustment of GTS income.

At the date of this Prospectus, the tariff decision for GTS for 2015 is still open to objections and, in a later stage, appeal. If any objections or appeals would be upheld, ACM could force GTS to decrease its tariffs in subsequent years.

Gasunie has filed an appeal at the Court of Appeal (*Oberlandesgericht*) in Düsseldorf against the indices used by the BNetzA to establish the value of the regulatory asset base

for the first regulatory period (the period of 1 January 2010 until 31 December 2012), which could have a substantial impact on the revenue cap. The court case depends on decisions in other pending court cases. The other court cases are currently pending due to a contentious expert opinion. GUD furthermore filed a second appeal with nearly the same content regarding the price indices used by the BNetzA for the second regulatory period (the period of 1 January 2013 until 31 December 2017).

Gasunie has also filed an appeal against the 7 July 2008 decision of the BNetzA on the allowed return on equity on existing assets and new investments. The Court of Appeal commissioned an expert opinion. Gasunie furthermore filed a second appeal with nearly the same content regarding the allowed return on equity as decided by the BNetzA for the second regulatory period

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. At the date of this Prospectus, the decision by the BNetzA is still open to appeal.

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

Auditors

The consolidated and company only financial statements of the Issuer for the financial years ended 31 December 2012 and 31 December 2013, respectively, have been audited and the consolidated semi-annual financial statements for the six month period ended 30 June 2014 have been reviewed by EY. EY is located in Zwolle at the Zwartewaterallee 56 (8031 DX), The Netherlands. The auditors (*registeraccountants*) of EY are members of the NBA (Nederlandse Beroepsorganisatie van Accountants - the 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 2012 dated 3 April 2013 and an unqualified independent auditor's report on the consolidated and company only financial statements for the financial year ended 31 December 2013 dated 18 March 2014. It also issued an unqualified independent auditor's review report on the consolidated semi-annual financial statements for the six months period ended 30 June 2014 dated 22 July 2014.

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.

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