



REGGEFIBER FINANCE HOLDING COMPANY 3 B.V.

(incorporated in The Netherlands as a private limited liability company with its corporate seat in Rijssen, The Netherlands)

**€35,000,000 Floating Rate Guaranteed Secured Notes due 2023 and
€49,500,000 5.022 per cent. Guaranteed Secured Notes due 2023**

unconditionally and irrevocably guaranteed by

NEM ASSEN B.V., NEM BORNE B.V., NEM BRONCKHORST B.V., NEM BRUMMEN B.V., NEM BUNSCHOTEN B.V., NEM DINKELLAND B.V., NEM GEMERT-BAKEL B.V., NEM LEUSDEN B.V., NEM NUNSPEET B.V., NEM NIJMEGEN 2 B.V., NEM NIJMEGEN WEST B.V., NEM PUTTEN B.V., NEM SOEST B.V., NEM VOORST B.V., NEM VUGHT B.V., NEM WINTERSWIJK, AALTEN EN GROENLO B.V. AND NEM WOUDENBERG B.V.

(each incorporated in The Netherlands as a private limited liability company with its corporate seat in Rijssen, The Netherlands)

Issue price: 100.00 per cent.

The €35,000,000 Floating Rate Guaranteed Secured Notes due 2023 (the **Floating Rate Notes**) and the €49,500,000 5.022 per cent. Guaranteed Secured Notes due 2023 (the **Fixed Rate Notes**, together with the Floating Rate Notes, collectively referred to as the **Notes** and each referred to as a **Series**) are issued by Reggefiber Finance Holding Company 3 B.V. (the **Issuer**). Interest on the Notes will be payable semi-annually in arrear on 30 June and 31 December of each year. The Notes will mature on 30 June 2023. The Notes will be redeemed in instalments in the amounts described in "*Conditions of the Floating Rate Notes—Redemption and Purchase*" and "*Conditions of the Fixed Rate Notes—Redemption and Purchase*" respectively on 30 June and 31 December of each year.

The Notes will be senior secured obligations of the Issuer. The payment of all amounts owing in respect of the Notes will be unconditionally and irrevocably guaranteed on a joint and several basis (the **Guarantees**) by NEM Assen B.V., NEM Borne B.V., NEM Bronckhorst B.V., NEM Brummen B.V., NEM Bunschoten B.V., NEM Dinkelland B.V., NEM Gemert-Bakel B.V., NEM Leusden B.V., NEM Nunspeet B.V., NEM Nijmegen 2 B.V., NEM Nijmegen West B.V., NEM Putten B.V., NEM Soest B.V., NEM Voorst B.V., NEM Vught B.V., NEM Winterswijk, Aalten en Groenlo B.V. and NEM Woudenberg B.V. (together the **Guarantors** and each a **Guarantor**, which expression shall include any additional person who becomes a Guarantor pursuant to the Intercreditor Agreement (as defined in the Conditions) as described herein). The Notes and the Guarantees will be secured by certain pledges and mortgages over the assets of the Issuer, the Guarantors, Reggefiber Operator B.V. and Reggefiber tH B.V. (collectively referred to as the **Chargors** and each a **Chargor**), including a first ranking pledge over the shares of the Issuer and the Guarantors and a first ranking mortgage over the registered network assets of each Guarantor, as further described in "*Overview of the Finance Documents—Transaction Security Documents*" and in Condition 4.2 of the relevant Conditions.

Application has been made to The Netherlands Authority for the Financial Markets (the **AFM**) in its capacity as competent authority under the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) on

prospectuses for securities to approve this document as a prospectus for the purposes of Directive 2003/71/EC (the **Prospectus Directive**) and to Euronext Amsterdam N.V. for the Notes to be listed on Euronext Amsterdam by NYSE Euronext (**Euronext Amsterdam**). References in this Prospectus to the Notes being "listed" (and all related references) shall mean that the Notes have been listed and admitted to trading on Euronext Amsterdam. Euronext Amsterdam is a regulated market for the purposes of Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments.

Each Series will initially be represented by a temporary global note (together the **Temporary Global Notes** and each a **Temporary Global Note**), without interest coupons, which will be deposited on or about 1 October 2013 (the **Closing Date**) with a common depository for Euroclear Bank SA/NV (**Euroclear**) and Clearstream Banking, société anonyme (**Clearstream, Luxembourg**). Interests in each Temporary Global Note will be exchangeable for interests in a permanent global note (together the **Permanent Global Notes** and each a **Permanent Global Note** and, together with the Temporary Global Note, collectively referred to as the **Global Notes**), without interest coupons, on or after 10 November 2013 (the **Exchange Date**), upon certification as to non-U.S. beneficial ownership. Interests in the relevant Permanent Global Note will be exchangeable for definitive Notes only in certain limited circumstances - see "*Summary of Provisions Relating to the Notes While in Global Form*".

An investment in Notes involves certain risks. Prospective investors should have regard to the factors described under "*Risk Factors*".

The date of this Prospectus is 1 October 2013

Sole Arranger

ABN AMRO

Important Notice

This Prospectus comprises a prospectus for the purposes of Article 5.3 of Directive 2003/71/EC (the **Prospectus Directive**) and has been prepared by the Issuer and the Guarantors for the admission of the Notes to trading on a regulated market for the purposes of Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments.

The Issuer and the Guarantors (collectively referred to as the **Group, Reggefiber** or the **Obligors**, and **Obligor** refers to any of them as the context may require) accept responsibility for the information contained in this Prospectus. To the best of the knowledge of the Obligors (each 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.

Neither the Sole Arranger nor ABN AMRO Bank N.V. (the **Note Trustee**) has 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 Sole Arranger or the Note Trustee as to the accuracy or completeness of the information contained or incorporated in this Prospectus or any other information provided by the Obligors in connection with the placement and sale of the Notes. Neither the Sole Arranger nor the Note Trustee accepts any liability in relation to the information contained or incorporated by reference in this Prospectus or any other information provided by the Obligors in connection with the placement and sale of the Notes.

No person is or has been authorised by the Obligors, the Sole Arranger or the Note Trustee to give any information or to make any representation not contained in or not consistent with this Prospectus and, if given or made, such information or representation must not be relied upon as having been authorised by the Obligors, the Sole Arranger or the Note Trustee.

This Prospectus (a) is not intended to provide the basis of any credit or other evaluation and (b) should not be considered as a recommendation by an Obligor, the Sole Arranger or the Note Trustee that any recipient of this Prospectus 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 Obligors. This Prospectus does not constitute an offer or invitation by or on behalf of the Obligors, the Sole Arranger or the Note Trustee to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Prospectus nor the offering, sale or delivery of the Notes shall in any circumstances imply that the information contained herein concerning the Obligors is correct at any time subsequent to the date hereof. The Sole Arranger and the Note Trustee expressly do not undertake to review the financial condition or affairs of the Obligors during the life of the Notes or to advise any investor in the Notes of any information coming to their attention. 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, the Notes may not be offered, sold or delivered within the United States or to U.S. persons. For a further description of certain restrictions on the offering and sale of the Notes and on distribution of this document, see "*Transfer and Selling Restrictions*" below.

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy the 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 Obligors, the Sole Arranger and the Note Trustee do not represent that this Prospectus may be lawfully distributed, or that the 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 Obligors, the Sole Arranger or the Note Trustee which is intended to permit a public offering of the Notes or the 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, see "*Transfer and Selling Restrictions*".

Definitions

All references in this document to:

- **EUR, euro** and **€** refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended; and
- the **Conditions** refer to "*Conditions of the Floating Rate Notes*" or, as the case may be, "*Conditions of the Fixed Rate Notes*" and references to a **Condition** shall be construed accordingly, and

unless otherwise stated to the contrary, capitalised terms not defined and used in this Prospectus have the meanings given to them in the "*Glossary*".

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RISK FACTORS

Each of the Obligors believes that the following factors may affect its ability to fulfil its obligations under the Notes. Most of these factors are contingencies which may or may not occur and none of the Obligors is in a position to express a view on the likelihood of any such contingency occurring.

In addition, factors which are material for the purpose of assessing the market risks associated with the Notes are described below.

Each of the Obligors believes that the factors described below represent the principal risks inherent in investing in the Notes, but the inability of an Obligor to pay interest, principal or other amounts on or in connection with the Notes may occur for other reasons which may not be considered significant risks by the Obligors based on information currently available to them or which they may not currently be able to anticipate. Prospective investors should also read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making any investment decision.

Capitalised terms used herein have the meaning given to them in "Conditions of the Floating Rate Notes" or, as the case may be, the "Conditions of the Fixed Rate Notes". Unless otherwise indicated, in this "Risk Factors" section, references to "Notes" shall be to either the Floating Rate Notes or, as the case may be, the Fixed Rate Notes.

FACTORS RELATING TO THE TELECOMMUNICATION INFRASTRUCTURE INDUSTRY AND REGGEFIBER'S BUSINESS

Reggefiber operates in a competitive industry and competitive pressures could have a material adverse effect on its business

Reggefiber is exposed to competition from other operators in the telecom infrastructure industry. Reggefiber's primary competitors in the fixed-line telecommunication market for retail customers are cable operators such as UPC and Ziggo. Increased competition from existing competitors and new entrants could lead to a reduction in the number of Homes Activated by Reggefiber and this would materially adversely affect Reggefiber's business, financial condition and results of operations.

The fixed-line markets in which Reggefiber operate are characterised by rapid and significant changes in technology, customer demand and customer behaviour resulting in a constantly changing competitive environment. Upgrades of network by other cable operators could reduce the competitive advantage of the infrastructure capabilities currently held by Reggefiber.

Competitive pressures at the Service Provider-level could also adversely affect Reggefiber. If the Service Providers do not provide products and services on the FttH network or if they fail to innovate new products and/or services using the FttH network as a platform, this may lead to a lower number of Homes Activated than expected and could adversely affect Reggefiber's business, financial condition and results of operations.

The telecommunication industry within which Reggefiber operates is subject to significant government regulation and supervision and further changes could adversely affect their business

As a special purpose holding-company within the Group, the Issuer's revenue is fully dependent on dividends and distributions from the Guarantors. The telecommunication infrastructure industry in which the Guarantors operates is subject to external supervision and regulation by the *Autoriteit Consument en Markt*, formerly known as the Dutch Telecoms Authority and Dutch Competition Authority (the **ACM**). Governmental regulation and supervision, as well as future changes in law, regulations or governmental policy (or the interpretation of existing laws or regulations) could have a strong influence on how the Guarantors operate. Such changes may increase the Guarantors' operational and administrative expenses and

reduce their profit, which in turn could have a material adverse effect on the Group's business, financial condition and results of operations.

Roll-out of the FttH networks by the Guarantors may take longer than anticipated

As at the end of June 2013, it is expected that the Guarantors will incur nearly €13 million on capital expenditure for the completion of the roll-out of the FttH networks. This concerns about 10,000 Homes Passed in the remainder of 2013. Although it is currently expected that the roll-out of the FttH networks will be completed on schedule, there is no assurance that this will be the case. Adverse weather condition such as severe rain or frost, the bankruptcy of, or any other material breach of or failure to perform by, a construction company contracted by a Guarantor to design and/or construct the FttH network (and the additional time required to replace such contractor) may contribute to a delay in the completion of the roll-out of the FttH networks. Such delays could adversely impact on the Group's business, financial condition and results of operation.

Churn may adversely affect Reggefiber's business

Churn is a measure of the discontinuation of the provision of services to an end-consumer over the FttH network. It may adversely affect the business of the Guarantors. Fibre-to-the-Home technology competes with other fixed infrastructures like coaxial cable networks and copper networks. If an end-consumer decides to churn from the Guarantors' FttH network to coaxial cable networks or copper networks, then the Guarantors will suffer a revenue loss. Churn arises mainly as result of competitive influences, relocation or mortality of the end-consumers and price increases. In addition, Reggefiber's churn rate may also increase if end-consumers do not receive satisfactory network services. Because one of Reggefiber's primary revenue drivers is the number of end-consumers subscribing for service over its FttH network, the success of its business and its ability to limit churn by retaining existing Homes Activated on its FttH network or to win new Homes Activated on its FttH network is dependent on the performance of the FttH network. The performance of Active Operators and Service Providers may also affect churn although its impact is partially limited by the ability of end-consumers to switch between Service Providers active on Reggefiber's FttH network. Churn could have a material adverse effect on Reggefiber's revenue and an even greater impact on margins due to the fixed-cost nature of its business.

Reggefiber's and the Service Provider's marketing strategies may not be successful

If Reggefiber or the Service Providers fail to effectively communicate the quality, reliability and other benefits of the services offered *via* the FttH network to end-users through marketing and advertising efforts, or to successfully instil their brands with a reputation for network quality and reliability, they may not be able to attract new customers or reduce churn by retaining existing customers, which may in turn negatively impact on Reggefiber's revenues and profit margins. In addition, competition from alternative fixed line infrastructures may improve the competitors' ability to attract new subscribers, for example, by offering products and attractive price plans that the current Service Providers do not offer to end-users or offer their products or services at lower prices. This would make it more difficult for Service Providers to retain their current subscribers or to acquire new subscribers.

Reggefiber and the Service Providers operate exclusively in the Netherlands and could be impacted by the general economic conditions in the Netherlands

Reggefiber and the Service Providers operate exclusively in the Dutch market. Their success is therefore closely tied to the general economic condition and developments in the Netherlands and their operations cannot be offset by developments in other markets. General weakness of the Dutch economy and negative developments in or arising out of the Eurozone debt crisis may have an adverse impact on the spending patterns of Dutch retail customers, both in terms of the products they subscribe for and usage levels. Accordingly, a weak economy and negative economic developments may jeopardise Reggefiber's growth

targets and could limit its future prospects.

The daily operations of Reggefiber are subject to certain operational risks which may disrupt its business or result in losses if not adequately managed

The daily operations of Reggefiber may result in financial loss, adverse regulatory consequences or reputational damage due to a variety of operational risks including business decisions, technology risk (including failure of Reggefiber's FttH networks, business systems or those of its counterparties and service providers), fraud, compliance with legal and regulatory obligations, counterparty performance, business continuity planning, legal and litigation risk, environmental obligations, data integrity and processing risk. The availability of adequate insurance cover is important in order to mitigate the risks across Reggefiber's business activities. While Reggefiber has adopted policies and procedures to control exposure to, and limit the extent of, these risks, there are inherent limitations in any risk management control system and control breakdowns and system failures can occur.

A decline in the financial condition of KPN is likely to adversely affect Reggefiber's business

KPN, a major telecommunication services provider in the Netherlands, is an important counterparty to Reggefiber and plays a number of important roles in Reggefiber's business model. KPN Wholesale is the largest Active Operator on Reggefiber's FttH networks and KPN-branded Service Providers are responsible for, as at the date of this Prospectus, majority of the Homes Activated on Reggefiber's FttH networks (see further "*Business Overview–Business Model and Operations*" for a description of Reggefiber's business model). In addition, KPN B.V. is an indirect shareholder of Reggefiber through the joint venture established between KPN B.V. and Reggefiber Holding B.V. (see further "*Overview of the Financing and Corporate Structure*" and "*Business Overview–Joint venture arrangement between KPN B.V. and Reggeborgh*"). Accordingly, to the extent additional equity injection is required from the ultimate shareholders of Reggefiber, KPN B.V.'s shareholder contribution as a joint venture partner is important to meet the Group's funding needs. If KPN suffers a decline in its financial condition, this is likely to adversely affect Reggefiber's business, financial condition and result of operation.

Reggefiber depends on the ability of Reggefiber ttH B.V. and Reggefiber Group B.V. to attract and retain key personnel

Although Reggefiber does not have employees of its own, Reggefiber ttH B.V. (the **Parent**) and Reggefiber Group B.V. (**Holdco**) provide management and operational services to Reggefiber under a management and services agreement between the parties. Accordingly, Reggefiber depends on the ability of the Parent and Holdco to attract and retain key personnel without whom Reggefiber may not be able to manage its business effectively. Reggefiber's operations are currently managed by the Parent's senior management and key employees. The loss of any of the Parent's senior management or key employees could significantly impede Reggefiber's financial plans, network completion, network operations, marketing and other plans. In addition, competition for qualified senior management in the telecommunications industry is intense. Reggefiber's growth and success in implementing its business plans largely depends on the continued ability of the Parent and Holdco to attract and retain experienced senior management as well as highly skilled employees. There is no assurance that the Parent or Holdco will be successful in hiring and retaining such qualified personnel. If any of the Parent's or Holdco's senior management or other key personnel ceases employment with the Parent or Holdco, Reggefiber's business, results of operations, financial position and prospects could also be adversely affected.

Reggefiber's FttH networks are vulnerable to damages and losses caused by a variety of factors and measures taken to identify and prevent such losses may not be effective

Reggefiber's FttH networks are vulnerable to damage from a variety of sources, including fire, power loss, malicious human acts, telecommunications failures and natural disasters. The disaster recovery, security, information protection and service continuity protection measures that Reggefiber has undertaken or may in the future undertake, and its monitoring of network performance, may be insufficient to identify potential problems and prevent losses and damage to the FttH network. Any failure to identify the cause of, and prevent, such damages and losses could adversely impact Reggefiber's business, financial condition and results of operation.

Special purpose vehicle Issuer

The Issuer is a special purpose financing vehicle with no business operations other than to act as holding company and to raise external funding for the Group. After the Closing Date, other than the proceeds of the issuance of the Notes and intra-group advances, the Issuer's principal source of funds will be dividends and distributions from the Guarantors.

The Issuer's dependence on payments from the Guarantors is subject to all the same risks to revenues, costs and cashflow to which the Guarantors are subject. Such risks could limit funds available to the Issuer to satisfy in full and on a timely basis its obligations under the Notes.

In addition, because the Issuer was incorporated as a private company with limited liability in the Netherlands on 13 June 2012 (see further "*Description of the Issuer*"), it has a limited trading history and only has, as at the date of this Prospectus, audited financial statements for the period from 13 June 2012 to 31 December 2012 as set out in Annex 1.

The Issuer may be exposed to adverse movements in interest rates and its hedging strategies may not be fully effective in protecting the Issuer from the consequences of higher interest rates

The Issuer is subject to interest rate risks, which could result in the Issuer incurring higher interest expenses in the future. Interest rates are highly sensitive to many factors, including government monetary policies and domestic and international economic and political conditions, as well as other factors beyond the Issuer's control.

As at the date of this Prospectus and on the completion of the refinancing of the Issuer's €75,000,000 senior debt (bridge) facility using the proceeds of the Notes, the Issuer's only exposure to short-term and medium-term floating interest rate would be in respect of the coupon payable under the Floating Rate Notes. The Issuer intends to enter into interest rate swaps to hedge at least 75% of its interest rate exposure in respect of the Floating Rate Notes. In addition, the Issuer may also be subject to risk from movements in interest rates in the long-term when it refinances its debt obligations in the future. To limit its interest rate risks, the Issuer periodically evaluates its mix of fixed and floating interest rate liabilities, and may from time to time engage in swap transactions to hedge its exposure to floating interest rates. However, there can be no assurance that such hedging will be fully effective in protecting the Issuer from the consequences of higher interest rates. If the Issuer's hedging strategies are not fully effective, higher interest rates may adversely impact the Issuer's financial condition and results of operation.

FACTORS WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING THE MARKET RISKS ASSOCIATED WITH THE NOTES

The Notes may not be a suitable investment for all investors

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

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

The Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in the Notes unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Risks related to the Notes generally

The Notes will be subject to optional redemption by the Issuer

The Notes contain an optional redemption feature which allows the Issuer to redeem the Notes prior to the Maturity Date at its option subject to the payment of a Make-Whole Amount and (in the case of the Floating Rate Notes) any applicable Break Costs, all as further described in Condition 7.7. This optional redemption feature is likely to limit the market value of the Notes to the extent that the Make-Whole Amount is not sufficient to compensate an investor for its loss in interest payment in respect of the Notes. During any period when the Issuer may elect to redeem the Notes, the market value of the Notes generally will not rise substantially above the price at which they can be redeemed.

The Issuer may not have the funds to redeem the Notes upon the occurrence of a Change of Control Event or an Illegality Event

Upon the occurrence of a Change of Control Event or an Illegality Event, the Issuer is required by Conditions 7.3 and 7.4 to redeem (in the case of a Change of Control Event) all outstanding Notes or (in the case of an Illegality Event) all outstanding Notes held by an affected Noteholder at their outstanding principal amount together with any applicable Make-Whole Amount and (in the case of the Floating Rate

Notes) any applicable Break Costs, all as further described in Conditions 7.3 and 7.4. The source of funds for any such redemption will be the Issuer's available cash or cash generated from operating activities or other sources, including borrowings, sales of assets, sales of equity or funds provided by subsidiaries. The Issuer may not be able to satisfy its obligation to redeem the Notes upon the occurrence of a Change of Control Event or an Illegality Event because it may have not sufficient financial resources to redeem all or part of the Notes.

The Issuer may not be able to refinance the final redemption amount payable on the Maturity Date

Subject to any adjustments to be made to the final redemption amount in accordance with Condition 7.1(b), the Issuer is required by Condition 7.1 to make a final redemption payment on the Maturity Date equal to 49% of the nominal amount of the Notes. The Issuer intends to fully or partially refinance the final redemption payment on or before the Maturity Date. The Issuer's ability to do so will be subject to the market conditions prevailing at the time and there is no assurance that the Issuer will be able to refinance the final redemption payment in full or in part on terms acceptable to the Issuer on or before the Maturity Date.

The Noteholders' rights are subject to the Intercreditor Agreement and Subordination Agreement

The Noteholders' rights against the Issuer and the Guarantors (including their rights to take enforcement action following the occurrence of an Event of Default) must be exercised through the Note Trustee in accordance with the Note Trust Deed. The Note Trustee must instruct the Security Trustee (following the receipt of an Enforcement Notice by it from the Noteholders pursuant to Condition 10.2) to enforce the Transaction Security in accordance with the Intercreditor Agreement on the occurrence of an Event of Default but the Note Trustee's rights to take any enforcement action against the Issuer and the Guarantors are subject to the Intercreditor Agreement and Subordination Agreement. The Security Trustee is required to enforce the Transaction Security if it is instructed to do so by the Majority Secured Creditors (as defined in the Intercreditor Agreement) and it must enforce in accordance with the Intercreditor Agreement and the Subordination Agreement. In addition, the proceeds of such enforcement must be distributed in accordance with the order of payment set out in the Subordination Agreement. Accordingly, Noteholders may be bound by a process of enforcement determined by the Majority Secured Creditors, which the Noteholders may have voted against and which may differ from the interests of the Noteholders.

The Notes are subject to modification of certain Conditions and waiver of certain terms

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

Withholding under the EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

The European Commission has proposed certain amendments to the Directive which may, if implemented, amend or broaden the scope of the requirements described above.

If 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 (as defined in the Conditions) 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 is not obliged to withhold or deduct tax pursuant to the Directive.

The value of the Notes could be adversely affected by a change in Dutch law or administrative practice

The Notes are governed by 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.

Risks related to the Transaction Security and the Guarantees

The value of the Transaction Security may not be sufficient to satisfy the Obligors' obligations under the Notes and the Guarantees and the value of the Transaction Security may be reduced or diluted in certain circumstances

The Notes and the Guarantees are secured by first-ranking (and in the case of any security interest over a bank account, second-ranking) security interests in the Transaction Security, as further described in the Conditions and "*Overview of Finance Documents—Transaction Security Documents*". The Transaction Security also secures on a *pari passu* basis the Obligors' obligations under or in connection with the Hedging Agreement (as defined in the Conditions). The amount Noteholders would receive on an enforcement of the Transaction Security by the Security Trustee would be reduced or diluted by a reduction in the value of the Transaction Security. The value of the Transaction Security and the amount to be received upon a sale of such Transaction Security will depend upon many factors including, among others, the ability to sell the Transaction Security in an orderly sale, the condition of the economies in which the Obligors' operations are located, the availability of buyers and other factors. In addition, the book value of the Transaction Security should not be relied on as a measure of realisable value for such assets. Portions of the Transaction Security may be illiquid and may have no readily ascertainable market value.

Corporate benefit and other limitations under Dutch corporate law may affect the validity and enforceability of the Notes, the Guarantees and the security interests in the Transaction Security

Under Dutch law, the validity and enforceability of the Notes, the Guarantees and the security interests in the Transaction Security may, in whole or in part, also be affected or limited to the extent that the obligations of the Chargors are not within the scope of the relevant Chargor's objects and the relevant counterparty was aware or ought to have been aware (without inquiry) of this fact. The Articles of Association of each of the Chargors permit the provision of guarantees and security. However, the determination of whether a legal act (such as the issuing of a note or the granting of a guarantee or security interest) is within the objects of a company may not be based solely on the description of the articles of association of such company, but must also take into account all relevant circumstances, including, in particular, the question whether the interests of such company are served by the relevant legal act. If the entering into a legal act by a company, in light of the benefits, if any, derived by such company from entering into such legal act, would have an adverse effect on the interest of the company, the legal act may be found to be voidable or the obligation resulting from such legal act (such as a note, a guarantee or a security interest) unenforceable upon the request of the relevant company or its administrator in bankruptcy. As a result, notwithstanding the provisions of the articles of association of the Chargors, and notwithstanding that the board of directors of the Issuer has resolved that the issuing of the Notes and the granting of the relevant security interests are within the corporate object and in the interest of the Issuer, the boards of directors of the relevant Guarantor have resolved that the granting of the relevant guarantees and security interests is within the corporate object and in the interest of the relevant Guarantor and the board of directors of Reggefiber Operator B.V. (the **Passive Operator**) or, as the case may be, the Parent have resolved that the granting of the relevant security interests are within their corporate object and in their interest, no assurance can be given that a court would conclude

that the issuing of the Notes or the granting of the Guarantees or the security interests in the Transaction Security is indeed within the corporate object and in the interest of such companies. To the extent that a Chargor or the administrator of a Chargor successfully invokes the voidability or unenforceability of a Note, a Guarantee or a security interest in the Transaction Security, such Note, Guarantee or security interest in the Transaction Security would be limited to the extent any portion of it is not nullified and remains enforceable.

Dutch fraudulent conveyance laws may affect the validity and enforcement of the Notes, the Guarantees and the security interests in the Transaction Security

Dutch law contains specific provisions, known as "*actio pauliana*" dealing with fraudulent conveyance both in and outside of bankruptcy. The *actio pauliana* offers creditors protection against a decrease in their means of recovery. A legal act performed by a person (including, without limitation, an agreement pursuant to which it guarantees the performance of the obligations of a third party or agrees to provide or provides security for any of its or a third party's obligations, enters into additional agreements benefiting from existing security and any other legal act having similar effect) can be challenged in or outside bankruptcy of the relevant person and may be nullified by the bankruptcy trustee in a bankruptcy of the relevant person or by any of the creditors of the relevant person outside bankruptcy, if: (i) the person performed such acts without an obligation to do so (*onverplicht*), (ii) the creditor concerned or, in the case of the person's bankruptcy, any creditor, was prejudiced in its means of recovery as a consequence of the act, and (iii) at the time the act was performed both the person and the counterparty to the transaction knew or should have known that one or more of its creditors (existing or future) would be prejudiced in their means of recovery, unless the act was entered into for no consideration (*om niet*) in which case such knowledge of the counterparty is not required for a successful challenge on grounds of fraudulent conveyance. If a Dutch court found that the issuance of the Notes, the granting of the Guarantees or the security interest in the Transaction Security involved a fraudulent conveyance that did not qualify for any defence under Dutch law, then the issuance of the Notes, the granting of the Guarantees or the security interest in the Transaction Security could be nullified. As a result of such successful challenges, holders of the Notes may not enjoy the benefit of the Notes, the Guarantees or the security interests in the Transaction Security and the value of any consideration that holders of the Notes received with respect to the Notes, the Guarantees or the security interests in the Transaction Security could also be subject to recovery from the holders of the Notes and, possibly, from subsequent transferees. In addition, under such circumstances, holders of the Notes might be held liable for any damages incurred by prejudiced creditors of the Chargors as a result of the fraudulent conveyance.

The mortgages over the network assets of the Guarantors cannot be vested until the relevant networks are registered with the Dutch land registry

The mortgages to be granted by each of the Guarantors over its registered network assets as further described in the relevant Conditions and "*Overview of Finance Documents—Transaction Security Documents*" can only be vested following the completion of the construction of the relevant network and the registration of such network with the Dutch land registry in accordance with the Dutch Civil Code (*Burgerlijk Wetboek*) and the Land Registry Act (*Kadasterwet*).

As at the date of this Prospectus, the only networks that will be subject to a validly vested mortgage will be the networks of NEM Bunschoten B.V., NEM Dinkelland B.V. and NEM Woudenberg B.V.. None of the other networks have been completed and registered with the Dutch land registry (*Kadaster*) as at the date of this Prospectus.

Any delay in the construction of the relevant networks or the ensuing registration process will cause a corresponding delay in the ability of the relevant Guarantor to grant a mortgage over that network as security for the Notes and the Guarantees. The Security Trustee will not have any security over the network assets in the intervening period and until the mortgage over the relevant network has vested, the Security Trustee's claims in respect of such network assets will rank *pari passu* with all other unsecured and unsubordinated creditors of the relevant Guarantor.

The creation of security interests in the Transaction Security and the enforcement thereof is subject to certain uncertainties under Dutch law

Under Dutch law, it is uncertain whether security interests can be granted to a party other than the creditor of the claim. For that reason, the Intercreditor Agreement provides for the creation of a so called "parallel debt obligation". Pursuant to the parallel debt obligation in the Intercreditor Agreement, the Security Trustee is the holder of a separate and independent claim equal to the total amount payable by the Chargors in respect of the Secured Liabilities (as defined in the Conditions), which includes the amounts payable under Notes and the Guarantees. Similarly, each Transaction Security Document also contains a separate and independent obligation on the relevant Chargor, by way of parallel debt, to pay to the Security Trustee amounts equal to the amount payable by that Chargor in respect of the Secured Liabilities. These parallel obligations are secured by the security interests in the Transaction Security. The parallel obligation structure may be subject to uncertainties as to its validity and enforceability. There is no assurance that the parallel obligation structure will eliminate or mitigate the risk of enforceability of security interests which exists under Dutch law.

Pledges given by the Chargors' in respect of their rights over future receivables may not be effective on insolvency

The Chargors have pledged to the Security Trustee their rights under, among others, the Project Documents to which they are party (as further detailed in Condition 4.1 and "*Overview of Finance Documents—Transaction Security Documents*") which rights include future rights (*toekomstige rechten*). Under Dutch law, the pledge of a future right may not be effective if the pledgor is declared bankrupt or is granted a moratorium of payments before the future right has come into existence. Consequently, it is uncertain whether, and to what extent, the pledges of receivables given by the Chargors will be effective in so far as these concern future rights. Accordingly, in the event of the bankruptcy of a Chargor, the Security Trustee's rights under the pledge of receivables granted by that Chargor may not be effective over all receivables and if so, the value of any recoveries by the Security Trustee under such pledge may be reduced, which could lead to a corresponding reduction in the value of enforcement proceeds available to be applied to repay amounts due under the Notes and Coupons.

Enforcement of Transaction Security may be limited by Dutch law

Pursuant to the Transaction Security Documents and the Intercreditor Agreement, the Security Trustee may enforce the Transaction Security on the occurrence of certain events.

In general, under Dutch law, mortgages and pledges rank above other rights of priority, including the general priority right of the Dutch tax authorities on the tax debtor's assets. However, this is subject to certain exceptions. For example, in certain circumstances, the Dutch tax authorities' priority right ranks above a non-possessory pledge on inventory (not including stock) found on the premises of the tax debtor (*bodemzaken*).

In addition, a pledgee is obliged to notify the Dutch tax authorities of (i) its intention to exercise its rights under a pledge on moveable property (not including stock (*voorraden*)) found on the premises of the tax debtor (*bodemzaken*) within the meaning of the Tax Collection Act (*Invorderingswet 1990*), or (ii) its intention to perform, to procure in any way the performance of, or cooperate with any legal or factual act with respect to such property which could prejudice the Dutch tax authorities' priority right to such property. Following such notification, a statutory waiting period of up to four weeks starting from the date of notification has to be observed. During this waiting period, the Dutch tax authorities may exercise their priority right in respect of specific property for certain tax debts (*bodemvoorrecht*). Failure to notify the Dutch tax authorities, or the exercise of its security rights within the aforementioned waiting period in the manner contemplated in sub-paragraph (i) or (ii) above, may result in the pledgee having to pay an amount equal to the value of the relevant property or—in the case of an enforcement—the proceeds from

enforcement, provided that the amount payable shall not exceed the amount of the relevant taxes due, regardless of whether such taxes have already assessed or not. After the four week waiting period has lapsed, or upon an earlier notification by the Dutch tax authorities that they will not exercise their priority right, a pledgee may exercise its security rights. However, the pledgee may only exercise such security rights during the four weeks following the lapse of the waiting period, or the date of the notification from the Dutch tax authorities, as the case may be. After the four week exercise period has ended, the aforementioned limitations are applicable again and the pledgee will only be able to exercise its security rights with respect to such property, after a new notification to the Dutch tax authorities and observance of a new waiting period.

Enforcement of security rights in a Dutch court is subject to Dutch civil procedure rules. In addition, foreclosure on Dutch law governed security rights (including allocation of the proceeds) is subject to Dutch law. Under Dutch law, security rights are principally enforced through public auctions of the relevant assets. The auction has to be effected in accordance with the applicable provisions of the Dutch Civil Code (*Burgerlijk Wetboek*) and the Dutch Code of Civil Procedure (*Wetboek van Burgerlijke Rechtsvordering*). Under Dutch law, shares in a Dutch B.V. (private company with limited liability; *besloten vennootschap met beperkte aansprakelijkheid*) may only be transferred upon foreclosure in accordance with Dutch law and the relevant pledged company's articles of association as they read at the time of foreclosure.

The Security Trustee or the relevant Chargor may request the competent court to approve a private sale of the encumbered assets. In the case of pledged assets (but not mortgaged assets), the Security Trustee and the relevant Chargor may agree to an alternative enforcement procedure once the pledge has become enforceable. The Security Trustee may also request the competent court to determine that the pledged assets shall accrue to it for a price determined by the court. In relation to property subject to a mortgage, it is not possible to exclude the mortgagor's right to request the competent court to approve a private sale of the property.

Risks related to the market generally

There is no active trading market for the Notes, and if a market does develop, it may be volatile

The 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 risk, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These type of notes would generally 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 the Notes.

Payment of principal and interest on the Notes is subject to exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes, and the Guarantor will make any payments under the Guarantee, in euro. 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 euro. These include the risk that exchange rates may significantly change (including changes due to devaluation of the euro 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 euro 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 may affect the value of an investment in the Fixed Rate Notes

Investment in the Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes. Fluctuations in interest rates can affect the market values of, and corresponding levels of capital gains or losses on, the Fixed Rate Notes. During periods of rising interest rates, the prices of fixed rate securities, such as the Fixed Rate Notes, tend to fall and gains are reduced or losses incurred upon their sale. Accordingly, investment in the Fixed Rate Notes involves the risk that changes in market interest rates may adversely affect the value of the Notes.

CONDITIONS OF THE FLOATING RATE NOTES

The following is the text of the Conditions of the Floating Rate Notes which (subject to modification) will be endorsed on each Note in definitive form (if issued):

The €35,000,000 Floating Rate Guaranteed Secured Notes due 2023 (the **Floating Rate Notes**) of Reggefiber Finance Holding Company 3 B.V. (the **Issuer**) are issued subject to, and with the benefit of, (i) a Note Trust Deed dated 1 October 2013 (the **Note Trust Deed**) made between the Issuer, NEM Assen B.V., NEM Borne B.V., NEM Bronckhorst B.V., NEM Brummen B.V., NEM Bunschoten B.V., NEM Dinkelland B.V., NEM Gemert-Bakel B.V., NEM Leusden B.V., NEM Nunspeet B.V., NEM Nijmegen 2 B.V., NEM Nijmegen West B.V., NEM Putten B.V., NEM Soest B.V., NEM Voorst B.V., NEM Vught B.V., NEM Winterswijk, Aalten en Groenlo B.V. and NEM Woudenberg B.V. as guarantors (together the **Original Guarantors** and each an **Original Guarantor** and the expression **Guarantors** shall include each additional person who becomes a Guarantor pursuant to the Intercreditor Agreement (as defined below)) and ABN AMRO Bank N.V. (the **Note Trustee**, which expression shall include its successor(s)) as note trustee for the holders of the Floating Rate Notes (the **Noteholders**) and the holders of the interest coupons appertaining to the Floating Rate Notes (the **Couponholders** and the **Coupons** respectively), (ii) an Intercreditor Agreement dated 1 October 2013 (the **Intercreditor Agreement**) between, among others, the Issuer, the Guarantors, the Security Trustee (as defined below) and the Note Trustee including the Guarantees (as defined below) set out therein and (iii) a Subordination Agreement dated 1 October 2013 (the **Subordination Agreement**) between, among others, the Issuer, the Guarantors, the Note Trustee, the Security Trustee and the Hedge Counterparty (as defined below). The payment of all principal and interest in respect of the Floating Rate Notes and all other moneys payable by the Issuer or any of the Guarantors under or pursuant to the Note Trust Deed are secured by the Transaction Security (as defined below) created under the Transaction Security Documents (as defined below).

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of and definitions in the Note Trust Deed. Copies of (i) the Note Trust Deed, (ii) the Agency Agreement dated 1 October 2013 (the **Agency Agreement**) made between the Issuer, the Guarantors, ABN AMRO Bank N.V. as principal paying agent (the **Principal Paying Agent** and, together with any other paying agents appointed from time to time pursuant to the Agency Agreement, the **Paying Agents**) and as agent bank (the **Agent Bank**, which expression shall include its duly appointed successor), the Note Trustee and the Security Trustee, (iii) the Intercreditor Agreement (as defined below), (iv) the Subordination Agreement (as defined below) and (v) each Transaction Security Document (as defined below) are available for inspection during normal business hours by the Noteholders and the Couponholders at the registered office for the time being of the Note Trustee, being at the date of issue of the Floating Rate Notes at Gustav Mahlerlaan 10, 1082 PP Amsterdam, the Netherlands and at the specified office of each of the Paying Agents. The Noteholders and the Couponholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Note Trust Deed, the Subordination Agreement and the Intercreditor Agreement applicable to them.

Unless otherwise stated, capitalised terms used but not defined in these Conditions have the meanings given to them in Condition 17 (*Definitions*).

1. FORM, DENOMINATION AND TITLE

1.1 Form and Denomination

The Floating Rate Notes are in bearer form, serially numbered, in the denominations of €500,000 with Coupons attached on issue.

1.2 Title

Title to the Floating Rate Notes and to the Coupons will pass by delivery.

1.3 Noteholder Absolute Owner

The Issuer, each of the Guarantors, any Paying Agent and the Note Trustee may (to the fullest extent permitted by applicable laws) deem and treat the bearer of any Floating Rate Note or Coupon as the absolute owner for all purposes (whether or not the Floating Rate Note or Coupon shall be overdue and notwithstanding any notice of ownership or writing on the Floating Rate Note or Coupon or any notice of previous loss or theft of the Floating Rate Note or Coupon or of any trust or interest therein) and shall not be required to obtain any proof thereof or as to the identity of such bearer.

2. STATUS OF THE FLOATING RATE NOTES

The Floating Rate Notes and the Coupons are direct, unconditional and unsubordinated obligations of the Issuer, secured in the manner described in Condition 4 (*Transaction Security*), and shall at all times rank *pari passu*, without any preference among themselves, with the obligations of the Issuer under or in connection with the Fixed Rate Notes and the Hedging Liabilities.

3. GUARANTEES

3.1 Guarantees

The payment of principal and interest in respect of the Floating Rate Notes and all other moneys payable by the Issuer under or pursuant to the Note Trust Deed have been unconditionally and irrevocably guaranteed by each of the Guarantors (the **Guarantees**) on the terms set out in the Intercreditor Agreement. The rights under the Guarantees (i) form an integral part of the Floating Rate Notes, (ii) are of interest to a Noteholder only if, to the extent that, and for as long as, it holds a Floating Rate Note and (iii) can only be transferred together with all other rights under the relevant Floating Rate Note.

3.2 Status of the Guarantees

The obligations of each of the Guarantors under the relevant Guarantee constitute direct, unconditional and unsubordinated obligations of the relevant Guarantor, secured in the manner described in Condition 4 (*Transaction Security*), and shall at all times rank *pari passu* with the obligations of the Guarantors under or in connection with the Fixed Rate Notes and the Hedging Liabilities.

4. TRANSACTION SECURITY

4.1 The Transaction Security

- (a) As continuing security for the payment or discharge of the Secured Liabilities (including all moneys payable in respect of the Floating Rate Notes, Coupons, the Guarantees and otherwise under the Finance Documents, and the remuneration, expenses and other claims of the Security Trustee and the

Note Trustee), the Issuer and the Guarantors have granted (or will grant) the following security in favour of the Security Trustee who holds such Transaction Security for itself and for all other Secured Creditors:

- (i) a first ranking pledge granted by the Issuer over its shares in each of the Guarantors;
 - (ii) a first ranking right of mortgage granted by each Guarantor over its network assets (to be granted following the registration of the relevant network with the land registry), including, for the avoidance of doubt, any network assets relating to an Additional Project;
 - (iii) a first ranking pledge granted by each Obligor over its receivables under the services, maintenance and exploitation (BPN) agreement, management and services (DSO) agreement and minimum penetration guarantee to which it is party, and any other receivables to which it may be entitled;
 - (iv) a first ranking pledge granted by each Obligor over its rights under any agreement to which it is a party with a construction company in connection with the design and/or construction of a Project;
 - (v) a second ranking pledge granted by each Obligor over all of its bank accounts; and
 - (vi) an assignment granted by the Issuer in respect of its receivables under any Hedging Agreement.
- (b) As continuing security for the payment or discharge of the Secured Liabilities (including all moneys payable in respect of the Floating Rate Notes, Coupons, the Guarantees and otherwise under the Finance Documents, and the remuneration, expenses and other claims of the Security Trustee and the Note Trustee), the Passive Operator has granted (or will grant) the following security in favour of the Security Trustee who holds such Transaction Security for itself and for all other Secured Creditors:
- (i) a first ranking pledge granted by the Passive Operator over its rights under each Material ODF Agreement and Location Agreement to the extent such agreement relates to the Projects owned by the Guarantors; and
 - (ii) a second ranking pledge granted by the Passive Operator over its bank accounts relating to the Project.
- (c) As continuing security for the payment or discharge of the Secured Liabilities (including all moneys payable in respect of the Floating Rate Notes, Coupons, the Guarantees and otherwise under the Finance Documents, and the remuneration, expenses and other claims of the Security Trustee and the Note Trustee), the Parent and any other providers of Shareholder Funding from time to time (the **Additional Shareholder Funding Providers**, and together with the Parent and the Passive Operator, the **Third Party Security Providers**) have granted (or will grant) the following security in favour of the Security Trustee who holds such Transaction Security for itself and for all other Secured Creditors:
- (i) a first ranking pledge granted by the Parent over its shares in the Issuer;
 - (ii) a first ranking pledge granted by the Parent over its receivables (including interest and principal) under any Shareholder Funding; and
 - (iii) at such time as any Additional Shareholder Funding Provider makes any such Shareholder Funding available to the Group, a first ranking pledge granted by that Additional

Shareholder Funding Provider over its receivables (including interest and principal) under such Shareholder Funding.

- (d) For the avoidance of doubt, none of the Third Party Security Providers are providing any guarantee or suretyship in respect of the Secured Liabilities. Accordingly, Noteholders will only have recourse through the Security Trustee to the specific rights or assets of the Third Party Security Provider which are expressed to be subject to the Transaction Security provided by such Third Party Security Provider.
- (e) All Noteholders will share in the Transaction Security upon and subject to the terms of the Intercreditor Agreement and Subordination Agreement.

4.2 The Subordination Agreement, the Transaction Security Documents and the other Finance Documents

The Subordination Agreement also provides, among other things, that any proceeds received from enforcement of the Transaction Security will be shared equally and rateably in satisfaction of the Hedging Liabilities and the Notes Liabilities.

Each Noteholder, by subscribing to, purchasing or otherwise acquiring a Floating Rate Note, is deemed:

- (a) to have authorised the Note Trustee and the Security Trustee to enter into each of the following documents (to the extent such entity is expressed to be party): (i) the Note Trust Deed, (ii) the Intercreditor Agreement, (iii) the Subordination Agreement, (iv) the Transaction Security Documents, (v) the Direct Agreement, and (vi) any other document or agreement relating to the Notes which is designated a "Transaction Document" under and for the purposes of the Note Trust Deed from time to time ; and
- (b) to be bound by the provision of the Note Trust Deed, the Intercreditor Agreement and the Subordination Agreement as they apply to the Noteholders.

4.3 Enforcement of the Transaction Security

- (a) No Noteholders or Couponholders may, individually or collectively, take any direct action to enforce the Transaction Security Documents. Noteholders and Couponholders may only act through the Note Trustee and require the Note Trustee to deliver an Enforcement Notice (as defined in Condition 10.2) to the Security Trustee following the occurrence and continuation of an Event of Default. The Note Trustee may direct the Security Trustee to take enforcement action under the Transaction Security Documents subject to the terms of the Intercreditor Agreement.
- (b) The Security Trustee may, without the consent of Noteholders or Couponholders, agree to a release of the Transaction Security provided that such release is in accordance with the terms set out in the Intercreditor Agreement.

5. INTEREST

5.1 Interest Payment Dates

The Floating Rate Notes bear interest on their outstanding principal amount from and including 1 October 2013 (the **Interest Commencement Date**), and interest will be payable on 30 June and 31 December in each year (each an **Interest Payment Date**). The first Interest Payment Date will be 31 December 2013. If any Interest Payment Date would otherwise fall on a day which is not a Business Day, it shall be postponed to the next day which is a Business Day unless it would then fall

into the next calendar month, in which event the Interest Payment Date shall be brought forward to the immediately preceding Business Day. The period from and including the Interest Commencement Date to but excluding the first Interest Payment Date, and each successive period from and including an Interest Payment Date to but excluding the next succeeding Interest Payment Date, is called an **Interest Period**.

5.2 Interest Accrual

Each Floating Rate Note will cease to bear interest from and including the due date for redemption unless:

- (a) payment of the whole or part of the principal amount of, or any other amount due under, that Floating Rate Note (each such amount being an **overdue amount**) is not made to the Note Trustee or the Principal Paying Agent on or before the relevant due date, in which case, interest shall continue to accrue at the Default Rate of Interest on the overdue amount up to but excluding the earlier of:
 - (i) the date on which the full overdue amount (together with any interest accrued thereon) is paid to the Noteholders; and
 - (ii) the seventh day after notice has been given to the Noteholders in accordance with Condition 13 that the full overdue amount (together with any interest accrued thereon up to and including such date) has been received by the Note Trustee or the Principal Paying Agent; or
- (b) upon due presentation, payment of an overdue amount is improperly withheld or refused, in which case, interest shall accrue on the overdue amount at the Default Rate of Interest from and including the date of such withholding or refusal up to and including the date on which, upon further presentation of the relevant Floating Rate Note, payment of the full overdue amount (including any further interest accrued thereon) in euro is made.

5.3 Rate of Interest

The rate of interest payable from time to time in respect of the Floating Rate Notes (the **Rate of Interest**) will be determined on the basis of the following provisions:

- (a) On each Interest Determination Date, the Agent Bank will determine the Screen Rate for six month deposits in euro at approximately 11.00 a.m. (Brussels time) on that Interest Determination Date. If the Screen Rate is unavailable, the Screen Rate shall be replaced with the Interpolated Screen Rate. If it is not possible to calculate an Interpolated Screen Rate, the Agent Bank will request the principal Euro-zone office of each of the Reference Banks to provide the Agent Bank with the rate at which deposits in euro are offered by it to prime banks in the Euro-zone interbank market for six months at approximately 11.00 a.m. (Brussels time) on the Interest Determination Date in question and for a Representative Amount.
- (b) The Rate of Interest for each Interest Period shall be the Screen Rate for that Interest Period plus a margin of 3.05 per cent. per annum (the **Margin**) or, if the Screen Rate is unavailable for that Interest Period, and at least two of the Reference Banks provide such rates, the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) as established by the Agent Bank of such rates, plus the Margin.
- (c) If fewer than two rates are provided as requested, the Rate of Interest for that Interest Period will be the arithmetic mean of the rates quoted by major banks in the Euro-zone, selected by

the Agent Bank, at approximately 11.00 a.m. (Brussels time) on the first day of such Interest Period for loans in euro to leading European banks for a period of six months commencing on the first day of such Interest Period and for a Representative Amount, plus the Margin. If the Rate of Interest cannot be determined in accordance with the above provisions, the Rate of Interest shall be determined as at the last preceding Interest Determination Date.

5.4 Determination of Rate of Interest and Interest Amount

The Agent Bank shall, as soon as practicable after 11.00 a.m. (Brussels time) on each Interest Determination Date determine the euro amount (the **Interest Amount**) payable in respect of interest on each €1,000 principal amount of Floating Rate Notes for the relevant Interest Period. The Interest Amount shall be determined by applying the Rate of Interest to such principal amount, multiplying the sum by the actual number of days in the Interest Period concerned divided by 360 and rounding the resultant figure to the nearest cent (half a cent being rounded upwards).

5.5 Publication of Rate of Interest and Interest Amount

The Agent Bank shall cause the Rate of Interest and the Interest Amount for each Interest Period and the relative Interest Payment Date to be notified to the Issuer, the Guarantors, the Note Trustee and to any stock exchange or other relevant authority on which the Floating Rate Notes are at the relevant time listed and to be published in accordance with Condition 13 (*Notices*) as soon as possible after their determination, and in no event later than the second Business Day thereafter. The Interest Amount and Interest Payment Date 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.

5.6 Determination by the Note Trustee

The Note Trustee (or an agent appointed by the Note Trustee at the expense of the Issuer) shall, if the Agent Bank defaults at any time in its obligation to determine the Rate of Interest and Interest Amount in accordance with the above provisions, determine the Rate of Interest and Interest Amount, the former at such rate as, in its absolute discretion (having such regard as it shall think fit to the procedure described above), it shall deem fair and reasonable in all the circumstances and the latter in the manner provided in paragraph 5.4 and the determinations shall be deemed to be determinations by the Agent Bank.

5.7 Notifications, etc. to be Final

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition, whether by the Reference Banks (or any of them), the Agent Bank or the Note Trustee, will (in the absence of wilful misconduct, gross negligence or manifest error) be binding on the Issuer, the Guarantors, the Note Trustee, the Agent Bank, the Paying Agents and all Noteholders and Couponholders and (in the absence of wilful misconduct or gross negligence) no liability to the Issuer, the Guarantors, or the Noteholders or the Couponholders shall attach to the Reference Banks (or any of them), the Agent Bank or, if applicable, the Note Trustee in connection with the exercise or non-exercise by any of them of their powers, duties and discretions under this Condition.

5.8 Agent Bank

The Issuer shall procure that, so long as any of the Floating Rate Notes remains outstanding, there is at all times an Agent Bank for the purposes of the Floating Rate Notes and the Issuer may, subject to the prior written approval of the Note Trustee, terminate the appointment of the Agent Bank. In the event of the appointed office of any bank being unable or unwilling to continue to act as the Agent

Bank or failing duly to determine the Rate of Interest and the Interest Amount for any Interest Period, the Issuer may (subject to the prior written approval of the Note Trustee) and shall (at the Note Trustee's request), appoint the Euro-zone office of another major bank engaged in the Euro-zone interbank market to act in its place. The Agent Bank may not resign its duties or be removed without a successor having been appointed.

6. PAYMENTS

6.1 Payments in respect of Floating Rate Notes

Payments of principal and interest in respect of each Floating Rate Note will be made against presentation and surrender (or, in the case of part payment only, endorsement) of the Floating Rate Note, except that payments of interest due on an Interest Payment Date will be made against presentation and surrender (or, in the case of part payment only, endorsement) of the relevant Coupon, in each case at the specified office outside the United States of any of the Paying Agents.

6.2 Method of Payment

Payments will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee.

6.3 Missing Unmatured Coupons

Each Floating Rate Note should be presented for payment together with all relative unmatured Coupons, failing which the full amount of any relative missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the full amount of the missing unmatured Coupon which the amount so paid bears to the total amount due) will be deducted from the amount due for payment. Each amount so deducted will be paid in the manner mentioned above against presentation and surrender (or, in the case of part payment only, endorsement) of the relative missing Coupon at any time before the expiry of five years after the Relevant Date in respect of the relevant Floating Rate Note (whether or not the Coupon would otherwise have become void pursuant to Condition 9 (*Prescription*)). Upon the date on which any Floating Rate Note becomes due and repayable, all unmatured Coupons appertaining to the Floating Rate Note (whether or not attached) shall become void and no payment shall be made in respect of such Coupons.

6.4 Payments subject to Applicable Laws

Payments in respect of principal and interest on the Floating Rate Notes are subject in all cases to any fiscal or other laws and regulations applicable in the place of payment, but without prejudice to the provisions of Condition 8 (*Taxation*).

6.5 Payment only on a Presentation Date

A holder shall be entitled to present a Floating Rate Note or Coupon for payment only on a Presentation Date and shall not, except as provided in Condition 5 (*Interest*), be entitled to any further interest or other payment if a Presentation Date is after the due date.

In this Condition:

Business Day means in relation to any place, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in that place; and

Presentation Date means a day which (subject to Condition 9 (*Prescription*)): (i) is or falls after the relevant due date, (ii) is a Business Day in the place of the specified office of the Paying Agent at which the Floating Rate Note or Coupon is presented for payment, and (iii) in the case of payment by credit or transfer to a euro account as referred to above, is a TARGET2 Settlement Day.

6.6 Initial Paying Agents

The names of the initial Paying Agents and their initial specified offices are set out at the end of the Prospectus dated 1 October 2013 prepared by the Issuer in respect of the Notes. The Issuer reserves the right, subject to the prior written approval of the Note Trustee, at any time to vary or terminate the appointment of any Paying Agent and to appoint additional or other Paying Agents provided that:

- (a) there will at all times be a Principal Paying Agent;
- (b) there will at all times be at least one Paying Agent (which may be the Principal Paying Agent) having its specified office in a European city which so long as the Floating Rate Notes are admitted to trading on NYSE Euronext in Amsterdam, the regulated market of Euronext Amsterdam N.V., shall be Amsterdam; and
- (c) the Issuer undertakes that it will ensure that it maintains a Paying Agent in a Member State of the European Union that is not obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive.

Notice of any termination or appointment and of any changes in specified offices will be given to the Noteholders promptly by the Issuer in accordance with Condition 13 (*Notices*).

7. REDEMPTION AND PURCHASE

7.1 Partial redemption on each Interest Payment Date

- (a) Subject to any adjustments made under paragraph (b) and unless previously redeemed or purchased and cancelled as provided in this Condition 7, on each Interest Payment Date, the Issuer will partially redeem the Floating Rate Notes in the amount set out in the corresponding column in the table below.

Interest Payment Date	Repayment of Outstanding Principal Amount of the Floating Rate Notes on the relevant Interest Payment Date (in euro)	Outstanding Principal Amount of the Floating Rate Notes on the relevant Interest Payment Date prior to partial redemption (in euro)	Outstanding Principal Amount of the Floating Rate Notes on the relevant Interest Payment Date after partial redemption (in euro)
31 December 2013	0	35,000,000	35,000,000
30 June 2014	553,000	35,000,000	34,447,000
31 December 2014	553,000	34,447,000	33,894,000
30 June 2015	770,000	33,894,000	33,124,000
31 December 2015	766,500	33,124,000	32,357,500
30 June 2016	864,500	32,357,500	31,493,000
31 December 2016	878,500	31,493,000	30,614,500
30 June 2017	948,500	30,614,500	29,666,000
31 December 2017	952,000	29,666,000	28,714,000

30 June 2018	1,008,000	28,714,000	27,706,000
31 December 2018	1,025,500	27,706,000	26,680,500
30 June 2019	1,081,500	26,680,500	25,599,000
31 December 2019	1,095,500	25,599,000	24,503,500
30 June 2020	1,155,000	24,503,500	23,348,500
31 December 2020	1,165,500	23,348,500	22,183,000
30 June 2021	1,228,500	22,183,000	20,954,500
31 December 2021	1,242,500	20,954,500	19,712,000
30 June 2022	1,305,500	19,712,000	18,406,500
31 December 2022	1,256,500	18,406,500	17,150,000
30 June 2023	17,150,000	17,150,000	0

- (b) Following any partial redemption of the Floating Rate Notes pursuant to Conditions 7.5, 7.6 or 7.7, the repayment amounts payable on the subsequent Interest Payment Dates shall be reduced on a *pro rata* basis by the amount of such partial redemption. The Principal Paying Agent shall make any necessary adjustment to the table above to reflect such partial redemption and shall provide the Issuer, the Guarantors, the Note Trustee and the Noteholders with the adjusted amortisation table:
- (i) promptly, and in any case, by no later than 1 Business Days before the next succeeding Interest Payment Date, if the next succeeding Interest Payment Date is within 10 Business Days of such partial redemption; and
- (ii) in any other case, within 10 Business Days of the relevant partial redemption.

7.2 Redemption for Taxation Reasons

If the Issuer satisfies the Note Trustee immediately before the giving of the notice referred to below that:

- (a) as a result of any change in, or amendment to, the laws or regulations of a Relevant Jurisdiction, or any change in the application or official interpretation of the laws or regulations of a Relevant Jurisdiction, which change or amendment becomes effective after the Closing Date, on the next Interest Payment Date either (i) the Issuer would be required to pay additional amounts as provided or referred to in Condition 8 (*Taxation*) or (ii) one or more of the Guarantors would be unable for reasons outside its control to procure payment by the Issuer and in making payment itself would be required to pay such additional amounts; and
- (b) the requirement cannot be avoided by the Issuer or, as the case may be, the relevant Guarantor(s) taking reasonable measures available to it,

the Issuer may at its option, having given not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 13 (*Notices*) (which notice shall be irrevocable), redeem all the Floating Rate Notes, but not some only, on the next Interest Payment Date at their principal amount together with interest accrued to but excluding the date of redemption. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Note Trustee a certificate signed by the sole director of the Issuer or, as the case may be, the relevant Guarantor(s) stating that the requirement referred to in (a) above will apply on the next Interest Payment Date and cannot be avoided by the Issuer or, as the case may be, the relevant Guarantor(s) taking reasonable measures available to it, and the Note Trustee shall be entitled to accept the

certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Noteholders and the Couponholders.

7.3 Redemption on the occurrence of a Change of Control Event

If a Change of Control occurs, the Issuer must:

- (a) promptly notify the Noteholders in accordance with Condition 13 (*Notices*) and the Note Trustee upon becoming aware of such Change of Control; and
- (b) unless waived by the relevant Noteholder, the Issuer must redeem or, at the Issuer's option, purchase (or procure the purchase of) the Floating Rate Notes on the Change of Control Redemption Date at its outstanding principal amount with (or where purchased, together with an amount equal to):
 - (i) interest accrued to but excluding the Change of Control Redemption Date;
 - (ii) the applicable Make-Whole Amount to the extent that the Change of Control Redemption Date is on a date prior to the Refinancing Undertaking Commencement Date; and
 - (iii) the applicable Break Costs (which amount shall be notified by the Agent Bank to the Issuer by no less than 5 Business Days before the Change of Control Redemption Date) to the extent that the Change of Control Redemption Date is not the last day of an Interest Period.

7.4 Illegality Event Put

If an Illegality Event occurs, a Noteholder may require the Issuer to redeem its Notes on the Illegality Event Redemption Date by delivering to the Principal Paying Agent a duly signed and completed put notice (for the time being current) obtainable from the specified office of the Principal Paying Agent (the **Illegality Event Put Notice**) in which the Noteholder may specify:

- (a) a bank account to which payment is to be made under this Condition 7.4; and
- (b) the relevant Illegality Event Redemption Date on which the Noteholder requires the Issuer to redeem the outstanding principal amount of its Notes together with:
 - (i) interest accrued to but excluding the Illegality Event Redemption Date; and
 - (ii) the applicable Break Costs (which amount shall be notified by the Agent Bank to the Issuer by no less than 5 Business Days before the Illegality Event Redemption Date) to the extent that the Illegality Event Redemption Date is not the last day of an Interest Period.

7.5 Partial Redemption for Excess Cashflow

- (a) If at any time a Lock Up Period has occurred and has continued for a continuous period of 24 months or more, the Issuer must partially redeem the Notes in an amount equal to the aggregate of:
 - (A) the amount of Excess Cashflow for the most recently concluded Excess Cashflow Calculation Period; *plus*
 - (B) Retained Excess Cash (if any); *less*

(C) EUR 3,000,000,

provided that:

- (i) such amount shall be deemed to be zero if it would otherwise be less than zero;
 - (ii) such amount shall be applied on a *pro rata* and *pari passu* basis to both Series of Notes and the partial redemption amount applicable to each Series of Notes shall be calculated by reference to the principal amount then outstanding under each Series of Note;
 - (iii) such amount shall be applied (A) first in payment of any interest accrued but unpaid on the Notes subject (whether in whole or in part) to a partial redemption pursuant to this Condition 7.5, and (B) second in payment of the outstanding principal amount in respect of such Notes; and
 - (iv) the Issuer shall not be obliged to make any such redemption if that Lock Up Period is not continuing on the date such prepayment is due to be made.
- (b) Any redemption of the Notes required under Condition 7.5(a) above in relation to an Excess Cashflow Calculation Period must be made within 14 days of the delivery of a Compliance Certificate pursuant to the Note Trust Deed in respect of the Relevant Period (as defined in the Note Trust Deed) corresponding to that Excess Cashflow Calculation Period.

7.6 Partial Redemption from Excess Insurance Proceeds

- (a) The Issuer must, following the receipt of any Insurance Proceeds by a member of the Group, partially redeem the Notes on the relevant Insurance Proceeds Redemption Date in an amount (the **Insurance Proceeds Redemption Amount**) equal to the amount of such Insurance Proceeds (excluding, for the avoidance of doubt, any Excluded Insurance Proceeds) actually received.
- (b) The Insurance Proceeds Redemption Amount shall be applied:
- (i) on a *pro rata* and *pari passu* basis to both Series of Notes and the partial redemption amount applicable to each Series of Notes shall be calculated by reference to the principal amount then outstanding under each Series of Notes; and
 - (ii) in respect of each Series of Notes: (A) first, in payment of any unpaid interest accrued on the portion of the relevant Notes which is subject to a partial redemption pursuant to this Condition 7.6, and (B) second, in partial redemption of the outstanding principal amount of the relevant Notes.
- (c) To the extent that the relevant Insurance Proceeds Redemption Date is not the last day of the then current Interest Period, any such partial redemption shall be made together with payment by the Issuer of the applicable Break Costs (which amount shall be notified by the Agent Bank to the Issuer by no less than 5 Business Days before the relevant Insurance Proceeds Redemption Date).

7.7 Redemption at the Option of the Issuer

- (a) The Issuer may, subject to paragraph (b) below, at any time redeem at its option all or part of any of the Floating Rate Notes together with any interest accrued thereon provided that:
- (i) the Issuer gives at least one month's notice to the Noteholders in accordance with Condition 13 (*Notices*) and to the Note Trustee and Principal Paying Agent (which notice shall be

irrevocable and shall specify the redemption amount for both Series of Notes and the date fixed for redemption); and

- (ii) any such redemption amount being in aggregate not less than €1,000,000 and being an integral multiple of €500,000, unless the Issuer elects to redeem the aggregate principal amount of all Floating Rate Notes then outstanding pursuant to this Condition 7.7 and such amount is less than €1,000,000 and/or is not an integral multiple of €500,000, in which case, this subparagraph (ii) shall not apply.

(b) Any optional redemption pursuant to this Condition 7.7 shall be:

- (i) applied on a *pro rata* and *pari passu* basis to both Series of Notes and the redemption amount applicable to each Series of Notes shall be calculated by reference to the principal amount then outstanding under each Series of Notes;
- (ii) subject to the payment of the applicable Make-Whole Amount if the relevant date fixed for such optional redemption is prior to the Refinancing Undertaking Commencement Date; and
- (iii) subject to the payment of any applicable Break Costs (which amount shall be notified by the Agent Bank to the Issuer by no less than 5 Business Days before the date fixed for redemption) if the relevant date fixed for such optional redemption is not the last day of an Interest Period.

7.8 Purchases

Each of the Obligors may at any time purchase Floating Rate Notes (provided that all unmatured Coupons appertaining to such Floating Rate Notes are purchased with the Floating Rate Notes) in any manner and at any price.

7.9 Cancellations

All Floating Rate Notes which are wholly redeemed will forthwith be cancelled, together with all relative unmatured Coupons attached to the Floating Rate Notes or surrendered with the Floating Rate Notes, and accordingly may not be held, reissued or resold.

7.10 Notices Final

Upon the expiry of any notice as is referred to in Conditions 7.2 (*Redemption for Taxation Reasons*), 7.3 (*Redemption on the occurrence of a Change of Control Event*), 7.4 (*Redemption for Illegality*), 7.5 (*Partial Redemption for Excess Cashflow*), 7.6 (*Partial Redemption from Excess Insurance Proceeds*) or 7.7 (*Redemption at the Option of the Issuer*) above, the Issuer shall be bound to redeem the Floating Rate Notes to which the notice refers in accordance with the terms of such Condition.

8. TAXATION

8.1 Payment without Withholding

All payments in respect of the Floating Rate Notes by or on behalf of the Issuer or any of the Guarantors shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature (**Taxes**) imposed or levied by or on behalf of the Relevant Jurisdictions, unless the withholding or deduction of the Taxes is required by law. In that event, the Issuer or, as the case may be, the relevant Guarantor will pay such additional amounts as may be necessary in order that the net amounts received by the

Noteholders and Couponholders after the withholding or deduction shall equal the respective amounts which would have been receivable in respect of the Floating Rate Notes or, as the case may be, Coupons in the absence of the withholding or deduction; except that no additional amounts shall be payable in relation to any payment in respect of any Floating Rate Note or Coupon:

- (a) presented for payment by or on behalf of, a holder who is liable to the Taxes in respect of the Floating Rate Note or Coupon by reason of his having some connection with the Relevant Jurisdiction other than the mere holding of the Floating Rate Note or Coupon; or
- (b) presented for payment by or on behalf of a holder 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) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (d) presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Floating Rate Note or Coupon to another Paying Agent in a Member State of the European Union; or
- (e) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that a holder would have been entitled to additional amounts on presenting the same for payment on the last day of the period of 30 days assuming, whether or not such is in fact the case, that day to have been a Presentation Date (as defined in Condition 6.5 (*Payment only on a Presentation Date*)).

8.2 Additional Amounts

Any reference in these Conditions to any amounts in respect of the Floating Rate Notes shall be deemed also to refer to any additional amounts which may be payable under this Condition.

9. PRESCRIPTION

Floating Rate Notes and Coupons will become void unless claims in respect of principal, interest and/or other amounts due thereunder are made within a period of five years after the date on which the relevant payment first became due.

10. EVENTS OF DEFAULT

10.1 Events of Default

Each of the events specified in Clause 12 (*Events of Default*) of the Note Trust Deed shall be an **Event of Default**, including (without limitation):

- (a) **(Non-payment)** Non-payment by an Obligor on the due date of any amount payable in respect of any of the Finance Documents unless:
 - (i) such default is caused by an administrative or technical error or a disruption event; and
 - (ii) payment is made within three Business Days of its due date.
- (b) **(Breach of financial covenants and indebtedness)** Any requirement of Schedule 3 to the Note Trust Deed (*Financial Covenants*) not being satisfied or any Obligor does not comply

with any provision of paragraph 15 (*Indebtedness*) of Part 1 (*General Undertakings of the Obligors*) Schedule 4 to the Note Trust Deed (*General Undertakings*).

- (c) (**Breach of other obligations**) The breach by an Obligor, the Passive Operator or the Parent of any provision of the Finance Documents (other than those referred to in sub-paragraphs (a) and (b) above) subject to any cure periods specified in the Note Trust Deed.
- (d) (**Misrepresentation**) Any representation or statement made or deemed to be made by an Obligor or the Passive Operator in the Finance Documents or any other document delivered by or on behalf of an Obligor or the Passive Operator under or in connection with any Finance Document is or proves to have been incorrect or misleading in any material respect when made or deemed to be made unless the event or circumstance giving rise to the representation being incorrect or misleading is capable of remedy and is remedied within the cure period specified in the Note Trust Deed.
- (e) (**Cross default**) Any Financial Indebtedness (as defined in the Note Trust Deed) of any member of the Group or the Passive Operator in excess of any threshold specified in the Note Trust Deed is not paid when due nor within any originally applicable grace period.
- (f) (**Insolvency**) A moratorium is declared in respect of any indebtedness of any member of the Group or the Passive Operator or a member of the Group or the Passive Operator is unable or admits inability to pay its debts as they fall due, suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness (other than with a Secured Creditor in relation to the Notes or the Hedging Liabilities but without prejudice to any Event of Default which may be continuing).
- (g) (**Insolvency proceedings**) Any corporate action, legal proceedings or other procedure or step is taken in relation to (i) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of any member of the Group or the Passive Operator, (ii) a composition, compromise, assignment or arrangement with any creditor of any member of the Group or the Passive Operator, (iii) the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of any member of the Group or the Passive Operator or any of its assets, or (iv) enforcement of any Security over any assets of any member of the Group.
- (h) (**Transaction Security**) At any time, any of the Transaction Security fails to have the ranking in priority which it is expressed to have in the Transaction Security Documents or is subject to any *pari passu* ranking Security.
- (i) (**Cessation of business and abandonment**) Any member of the Group suspends or ceases to carry on (or threatens to suspend or cease to carry on) all or a material part of its business except as permitted under the Finance Documents or the Group abandons all or a material part of the Project.

10.2 Delivery of Acceleration Notice and/or Enforcement Notice

If any Event of Default occurs and is continuing, the Note Trustee:

- (a) may, at any time, at its discretion; or

- (b) shall, if so requested by holders of more than 66 $\frac{2}{3}$ % in aggregate principal amount of both Series of Notes then outstanding or if so directed by an Extraordinary Resolution (as defined in Condition 14.1),

give notice to:

- (i) the Issuer and the Guarantors (an **Acceleration Notice**) declaring that both Series of Notes (and their relative Coupons) are, and they shall immediately become, due and repayable at their outstanding principal amount, together with any accrued interest and premium (if applicable) as provided in these Conditions or the Note Trust Deed; and/or
- (ii) the Security Trustee (an **Enforcement Notice**) instructing the Security Trustee to enforce the Transaction Security (and/or make a demand on any Guarantor) in accordance with the provisions of the Intercreditor Agreement, the Subordination Agreement and the Transaction Security Documents and exercise any and all of its rights, remedies and powers in relation to the Secured Liabilities (including under any Transaction Document),

provided, in each case, that the Note Trustee is indemnified and/or secured and/or prefunded to its satisfaction. Upon the receipt of an Acceleration Notice by the Issuer and the Guarantors, both Series of Notes (and their relative Coupons) are, and they shall immediately become, due and repayable at their outstanding principal amount, together with any accrued interest and premium (if applicable).

11. ENFORCEMENT

- (a) The Note Trustee may give instructions to the Security Trustee to exercise any and all of its rights, remedies and powers in relation to the Secured Liabilities (including under any Transaction Document) as a Secured Creditor Representative representing 100% of the principal amount of the Notes then outstanding under the Intercreditor Agreement, provided that the provisions of the Intercreditor Agreement shall determine whether or not further instructions will also be required from the other Secured Creditors.
- (b) The Note Trustee shall not be required to take any such proceedings or give such instructions or take any other action under these Conditions or the Finance Documents unless:
 - (i) it has been so directed by an Extraordinary Resolution (as defined in Condition 14.1) or so requested by Noteholders holding more than 66 $\frac{2}{3}$ % of the aggregate principal amount of the Notes then outstanding; and
 - (ii) it has been indemnified and/or secured and/or prefunded to its satisfaction.
- (c) Enforcement of the Transaction Security is subject to the terms of the Intercreditor Agreement and the Subordination Agreement and may only take place in accordance with the terms of the Intercreditor Agreement, the Subordination Agreement and the Transaction Security Documents.
- (d) No Noteholder or Couponholder may proceed directly against the Issuer or any of the Guarantors unless the Note Trustee, having become bound so to proceed and permitted so to do by the Intercreditor Agreement and the Subordination Agreement, fails to do so within a reasonable time and such failure is continuing.

12. REPLACEMENT OF FLOATING RATE NOTES AND COUPONS

Should any Floating Rate Note or Coupon be lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Principal Paying Agent upon payment by the claimant of the

expenses incurred in connection with the replacement and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Floating Rate Notes or Coupons must be surrendered before replacements will be issued.

13. NOTICES

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 the relevant authority on which the Floating Rate Notes are for the time being listed. 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 such newspapers. If publication as provided above is not practicable, notice will be given in such other manner, and shall be deemed to have been given on such date, as the Note Trustee may approve.

Until such time as definitive Floating Rate Notes are issued, there may, so long as any Global Notes representing the Floating Rate Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such publication in such newspaper(s) or such mailing by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the Noteholders. Any such notice shall be deemed to have been given to the Noteholders on the second day after the day on which the said notice was given to Euroclear and/or Clearstream Luxembourg.

Notices to be given by a Noteholder shall be in writing and given by lodging the same, together (in the case of any Floating Rate Note in definitive form) with the relevant Floating Rate Note or Floating Rate Notes, with the Principal Paying Agent. Whilst any Floating Rate Notes are represented by a Global Note, such Notice may be given by any Noteholder to the Principal Paying Agent through Euroclear and/or Clearstream, Luxembourg in such manner as the Principal Paying Agent, Euroclear and/or Clearstream Luxembourg, may approve for this purpose.

14. PASSING OF RESOLUTIONS BY NOTEHOLDERS, MODIFICATION, WAIVER, AUTHORISATION AND DETERMINATION

14.1 Passing of resolutions by Noteholders

- (a) The Note Trust Deed contains provisions for holders of the Notes to vote on any matter affecting their interests, including the modification or abrogation by Extraordinary Resolution (as defined below) of any of these Conditions, any of the provisions of the Note Trust Deed or any of the provisions of a Finance Document. No physical meeting will be required in respect of any Voting Matter and a holder of the Notes may only cast a Vote in respect of any Voting Matter by means of a Block Voting Instruction. Alternatively, Noteholders may pass a resolution in respect of a Voting Matter in writing if such resolution is signed by the relevant majority of Noteholders. The Note Trustee may, however, without the consent of the Issuer or the holders of the Notes, prescribe such further regulations regarding voting by the holders of the Notes in order to approve any resolution to be put to the holder of the Notes where the Note Trustee, in its sole discretion, considers to be appropriate to hold a meeting.
- (b) The Issuer or the Note Trustee may at any time, and the Note Trustee must (if it has been directed to do so by holders of Notes representing not less than 25% of the aggregate outstanding principal amount of the Notes) request that a Voting Matter be considered by the holders of the Notes. The Issuer or the Note Trustee shall send a notice (a **Voting Notice**) to the holders of each Series of Notes, specifying the Voting Date (which shall be no less than 10 and no more than 15 Business Days (as such term is defined in Schedule 9 (*Provisions for Voting*) of the Note Trust Deed after the

date of such Voting Notice) and Voting Matter(s) to be considered including the terms of any resolution to be proposed.

- (c) Each holder of Notes (i) shall have one vote in respect of each €1 of outstanding principal amount of Notes held or represented by him and (ii) must vote prior to the close of business (Amsterdam time) 24 hours prior to the Voting Date so that his votes can be included in a Block Voting Instruction which needs to be deposited at least 24 hours before the Voting Date. Upon the lapse of the Voting Period, the Note Trustee shall promptly notify the Issuer and the Security Trustee in writing of whether or not the holders of each affected Series of Notes then outstanding have passed an Extraordinary Resolution (as defined below) approving the Voting Matter.
- (d) In order for an extraordinary resolution (an **Extraordinary Resolution**) to be approved by the holder of Notes (subject as provided below), one or more holders of Notes representing 66 $\frac{2}{3}$ % or more of the aggregate principal amount of Notes for the time being outstanding, who for the time being are entitled to receive notice of a Voting Matter, need to have voted in favour of, or signed a written resolution adopting, such resolution, provided that in respect of any Voting Matter, the business of which includes any of the following matters (each being a **Basic Terms Modification**):
- (i) to change any date fixed for payment of any amount owing under any Finance Document including principal or interest in respect of any Series of Notes, to reduce or cancel the amount of principal or interest payable on any date in respect of any Series of Notes or to alter the method of calculating the amount of any payment in respect of any Series of Notes on redemption or maturity;
 - (ii) to alter the Notes Payment Priorities (other than in accordance with the provisions of the Finance Documents) insofar as such alteration would adversely affect any Series of Notes;
 - (iii) to alter the Enforcement Payment Priorities (other than in accordance with the provisions of the Finance Documents) insofar as such alteration would adversely affect any Series of Notes;
 - (iv) to change the majority required to pass an Extraordinary Resolution;
 - (v) to amend Schedule 9 of the Note Trust Deed (*Provisions for Voting*) or this Condition 14.1 (*Passing of resolutions by Noteholders*); or
 - (vi) to amend the terms of any Guarantee or Indemnity, to approve of any alteration to any Transaction Security or any minimum penetration guarantee, to approve the release of any Guarantee, Indemnity or Transaction Security or minimum penetration guarantee, in each case, other than as permitted under the Finance Documents
 - (vii) to change any Guarantor other than in accordance with Clause 17 (*Additional Guarantors*) of the Note Trust Deed;
 - (viii) to change the governing law or enforcement provisions in Clause 24 (*Governing Law and Jurisdiction*) of the Note Trust Deed or the equivalent provisions in any other Finance Document; and
 - (ix) to change any provision of the Intercreditor Agreement or Subordination Agreement,

one or more Noteholders representing 90% or more of the aggregate principal amount of the Notes outstanding for the time being, who, for the time being are entitled to receive notice of such Voting Matter, need to have voted in favour of, or signed a written resolution adopting, such resolution, provided that any of the matters referred to in subparagraphs (iii) and (vi) above shall be further

subject to the approval of the Majority Secured Creditors (as defined in the Intercreditor Agreement), or may also require the consent of the Hedge Counterparties, in each case, pursuant to the provisions of the Intercreditor Agreement.

- (e) Any resolution approved by the holders of the Notes in accordance with these Conditions and the provisions of the Note Trust Deed shall be binding on all holders of Notes whether or not they have cast a Vote and whether or not they voted in favour of the resolution, and on all relevant Couponholders.
- (f) So long as there is more than one Series of Notes outstanding, the foregoing provisions of this Condition shall have effect subject to the following modifications:
 - (i) a resolution which in the opinion of the Note Trustee directly or indirectly affects only one Series of Notes shall be deemed to have been duly approved if approved through a separate Vote of the holders of that Series of Notes;
 - (ii) a resolution which in the opinion of the Note Trustee directly or indirectly affects holders of both Series of Notes shall be deemed to have been duly approved if approved through a separate Vote of the holders of both Series of Notes; and
 - (iii) in respect of all such approvals, the preceding provisions of this Condition shall apply *mutatis mutandis* as though references therein to Notes, Noteholders and holders of Notes were references to the Series of Notes in question.

14.2 Modification, Waiver, Authorisation and Determination

- (a) The Note Trustee may agree, without the consent of the Noteholders or Couponholders, to any modification of any provisions of the Note Trust Deed, these Conditions or any other Finance Documents or instruct the Security Trustee to make any modification to any Transaction Document (as defined in the Intercreditor Agreement) to which the Security Trustee is or may be a party from time to time if in the opinion of the Note Trustee such modification is of a procedural, administrative or technical nature and not prejudicial to the interests of the Noteholders or is made to correct a manifest error or an error which is, in the opinion of the Note Trust Deed, proven. Any such modification shall be binding on the Noteholders and the Couponholders and, if the Note Trustee so requires, such modification shall be notified to the Noteholders as soon as possible in accordance with Condition 13 (*Notices*).
- (b) In all other cases, the Note Trustee may only amend or waive the terms of, or exercise any discretion to grant approval or consent under the Note Trust Deed, these Conditions or any other Finance Document, or instruct the Security Trustee to make any modification to any Transaction Document (as defined in the Intercreditor Agreement) to which the Security Trustee is or may be a party from time to time, or exercise any right to appoint or dismiss any agent under any Finance Document on the instruction of the Noteholders by way of an Extraordinary Resolution and shall in no circumstance exercise any powers conferred on it by these Conditions, the Note Trust Deed or any other Finance Document in contravention of any express direction given to the Note Trustee by the Noteholders by way of an Extraordinary Resolution or by a request of the Noteholders given under Condition 10.2(b) (*Delivery of Acceleration Notice and/or Enforcement Notice*).

15. PROTECTION AND INDEMNIFICATION OF THE NOTE TRUSTEE

The Note Trust Deed contains provisions for the indemnification of the Note Trustee and for its relief from responsibility and liability towards the Obligor, the Noteholders and the Couponholders, including (i) provisions relieving it from taking action unless indemnified and/or secured and/or pre-

funded to its satisfaction and (ii) provisions limiting or excluding its liability in certain circumstances.

16. GOVERNING LAW AND SUBMISSION TO JURISDICTION

16.1 Governing Law

The Floating Rate Notes the Coupons, the Note Trust Deed, the Agency Agreement, the Intercreditor Agreement (including the Guarantees) and the Subordination Agreement and any non-contractual obligations arising out of or in connection with them are governed by, and will be construed in accordance with, Dutch law.

16.2 Jurisdiction of the Dutch Courts

Each of the Issuer and the Guarantors has, in the Note Trust Deed, the Intercreditor Agreement and the Subordination Agreement, irrevocably agreed for the benefit of the Note Trustee, the Noteholders and the Couponholders that the courts of Amsterdam are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Note Trust Deed, the Intercreditor Agreement, the Subordination Agreement, the Floating Rate Notes or the Coupons (including a dispute relating to any non-contractual obligations arising out of or in connection with the Note Trust Deed, the Intercreditor Agreement, the Subordination Agreement, the Floating Rate Notes or the Coupons) and accordingly has submitted to the exclusive jurisdiction of the courts of The Netherlands.

17. DEFINITIONS

In these Conditions, (except where otherwise defined), the expression:

Acceptable Bank means:

- (a) any bank or financial institution which has a rating for its long-term unsecured and non credit-enhanced debt obligations of A- or higher by Standard & Poor's Rating Services or Fitch Ratings Ltd or A3 or higher by Moody's Investor Services Limited (provided that if the entity is rated by all three agencies, the second best rating shall be taken into account); or
- (b) any other bank or financial institution approved by the Note Trustee;

Additional Project means:

- (a) a project (by way of construction or acquisition) for the extension or expansion of a Project commenced at any time after the Signing Date if and to the extent that such project results in the total number of homes passed in relation to the Projects to exceed 174,572; or
- (b) a project, commencing after the Signing Date, for the construction or acquisition of a Fibre-to-the-Home network in a specified part of The Netherlands (which is not an Original Project);

Block Voting Instruction means a document:

- (b) in the English language issued by a Paying Agent;
- (c) certifying that: (i) if the Notes are in definitive form, the Deposited Notes have been deposited with such Paying Agent or to its order at a bank or other depositary, or (ii) if the Notes are represented by one or more global note(s)), the Deposited Notes have been

blocked in an account with a clearing system and will not be released until the earlier of: (A) the close of business (Amsterdam time) on the Voting Date, and (B) the surrender to such Paying Agent, not less than 24 hours before the Voting Date, of the receipt for the Deposited Notes and notification thereof by such Paying Agent to the Note Trustee;

- (d) certifying that the depositor of such Deposited Note or a duly authorised person on its behalf has instructed the relevant Paying Agent that the Votes attributable to such Deposited Notes are to be cast in a particular way on a Voting Matter and that, until the end of the Voting Period, such instructions may not be amended or revoked;
- (e) listing the aggregate principal amount and (if the Notes are in definitive form) the serial numbers of the Deposited Notes, distinguishing between those in respect of which instructions have been given to Vote for, or against, such Voting Matter, and
- (f) authorising the Note Trustee to vote in respect of the Deposited Notes in connection with such Voting Matter and in accordance with such instructions and the provisions of the Note Trust Deed;

Break Costs means the amount (if any) determined by the Agent Bank by which:

- (a) the interest (excluding Margin) which each Noteholder would have received for the period from the date of receipt of any principal amount of the Floating Rate Notes to the last day of the then current Interest Period;

exceeds
- (b) the amount which that Noteholder would be able to obtain by placing an amount equal to such amount received by it on deposit with a leading bank in the appropriate interbank market for a period starting on the Business Day following receipt and ending on the last day of the then current Interest Period;

Business Day means a day which is both a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in Amsterdam, Paris, Milan, Luxembourg and a TARGET2 Settlement Day;

Change of Control means:

- (a) KPN B.V. ceasing to directly or indirectly hold 51% or more of the issued share capital of Holdco;
- (b) the Initial Shareholders ceasing to control (jointly or KPN B.V. individually) Holdco;
- (c) the Issuer ceasing to control any of the Guarantors or ceasing to hold directly 100% of the issued share capital of each Guarantor; or
- (d) Holdco ceasing to control the Issuer, the Parent or the Passive Operator or hold directly or indirectly 100% of the issued share capital of the Issuer, the Parent or the Passive Operator,

and for this purpose, **control** means (i) the ability to cast or control the casting of majority of the votes that may be cast in a general meeting of the relevant entity or equivalent, or (ii) the ability to appoint or remove the majority of the members of the managing board of the relevant entity, or (iii) the ability to give directions in respect of the operating or financial policies of the relevant entity with which the directors or equivalent officers of the relevant entity are obliged to comply;

Change of Control Redemption Date means, in relation to a Change of Control, the date falling 15 Business Days after that Change of Control;

Closing Date means 1 October 2013;

Compliance Certificate means a compliance certificate to be delivered by the Issuer to the Note Trustee on a semi-annual basis setting out calculations as to its compliance with the financial covenants set out in the Note Trust Deed in respect of the relevant testing period and substantially in the form set out in Schedule 10 of the Note Trust Deed;

Default Rate of Interest means an interest rate that is 1.00% per annum higher than the then current Rate of Interest;

Deposited Notes means: (i) if the Notes are in definitive form, Notes which have been deposited with a Paying Agent or to its order at a bank or other depository, or (ii) if the Notes are represented by one or more global note(s), Notes blocked in an account with a clearing system, for the purposes of the issuance of a Block Voting Instruction;

Direct Agreement means the agreement entitled "Direct Agreement relating to certain rights of the Security Trustee in relation to the financing of the Project" dated on or about the Closing Date made between, among others, the Obligors, the Passive Operator and the Security Trustee;

Enforcement Payment Priorities means the order of application of payments received by the Security Trustee in connection with the enforcement of any Transaction Security as further set out in Clause 14.1 (*Order of Application*) of the Subordination Agreement;

Euro-zone means the region comprised of the member states of the European Union that have adopted the single currency in accordance with the Treaty establishing the European Community (signed in Rome on 25th March, 1957) as amended;

Excess Cashflow means, for any Excess Cashflow Calculation Period, Cashflow (as defined in the Note Trust Deed) for that Excess Cashflow Calculation Period less:

- (a) Net Debt Service (as defined in the Note Trust Deed) for that Excess Cashflow Calculation Period; and
- (b) the aggregate amount of any partial redemption of the Notes previously made pursuant to Condition 7.7 (Redemption at the Option of the Issuer) during that Excess Cashflow Calculation Period,

provided that if a Lock Up Period continues such that more than one partial redemption is required to be made under Condition 7.5 (*Partial Redemption for Excess Cashflow*) during that Lock Up Period, for each calculation of Excess Cashflow (other than the first such calculation), (i) Cashflow, (ii) Net Debt Service and (iii) the amount of any voluntary redemption to be deducted from Cashflow pursuant to paragraph (b) above, shall (for the purposes of such calculation) in each case exclude any amounts taken into account in determining the amount of Excess Cashflow in respect of the immediately preceding Excess Cashflow Calculation Period;

Excess Cashflow Calculation Period means each Relevant Period (as defined in the Note Trust Deed) ending on or after 31 December 2014;

Excluded Insurance Proceeds means property damage insurance proceeds received by any member of the Group which the Issuer notifies to the Note Trustee are, or are to be, applied in reinstatement

of the relevant asset in respect of which the relevant insurance claim was made as soon as possible, but in any event within six months of receipt of such insurance proceeds;

Finance Documents means:

- (a) the Notes;
- (b) the Note Trust Deed;
- (c) the Note Purchase Agreement;
- (d) the Agency Agreement;
- (e) the Intercreditor Agreement (including the Guarantees);
- (f) the Subordination Agreement;
- (g) each of the Transaction Security Documents;
- (h) the Hedging Agreements;
- (i) the Direct Agreement; and
- (j) each other document designated to be a “Finance Document” by the Note Trustee and the Issuer or otherwise under the Note Trust Deed;

Fixed Rate Notes means the €49,500,000 5.022 per cent. guaranteed secured notes due 2023 issued by the Issuer on or about the Closing Date;

Global Notes means the temporary global note or permanent global note representing all or some of the Floating Rate Notes and **Global Note** means either of them as the context may require;

Group means the Issuer and the Guarantors;

Hedge Counterparty means any person party to a Hedging Agreement with the Issuer in respect of the Issuer’s liabilities under or in connection with the Floating Rate Notes;

Hedging Agreement means any master agreement, confirmation or schedule or other agreement entered into, or to be entered into, by the Issuer and the Hedge Counterparty for the purpose of hedging the Issuer's liabilities under or in connection with the Floating Rate Notes;

Hedging Liabilities means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of each Obligor to the Hedge Counterparty under or in connection with the Hedging Agreement;

Holdco means Reggefiber Group B.V.;

Illegality Event is deemed to have occurred in respect of a Noteholder if it becomes unlawful in any applicable jurisdiction for that Noteholder (i) to perform its obligations under any of the Finance Documents or (ii) to hold any of the Floating Rate Notes after the Closing Date;

Illegality Event Redemption Date means the date specified by a Noteholder in its Illegality Event Put Notice or, if no date is specified, the next succeeding Interest Payment Date, in each case, being no sooner than the earlier of:

- (a) the last day of any applicable grace period permitted by law; and
- (b) the date falling 10 Business Days after the day on which the Noteholder has delivered the Illegality Event Put Notice to the Principal Paying Agent;

Indemnity means any indemnity given by any Obligor to a Secured Creditor under a Finance Document;

Initial Shareholders means KPN B.V. and Reggefiber Holding B.V.;

Insurance Proceeds Redemption Date means, in relation to the receipt of any Insurance Proceeds, the date falling 15 Business Days after the date of receipt of those Insurance Proceeds by a member of the Group;

Insurance Proceeds means property damage insurance proceeds received by any member of the Group in excess of EUR 1,000,000 in aggregate in any financial year, excluding any Excluded Insurance Proceeds;

Intercreditor Agreement means the document so entitled dated on or about the Closing Date between, among others, the Issuer, the Guarantors, the Note Trustee, the Security Trustee and the Hedge Counterparty;

Interest Determination Date means the second TARGET2 Settlement Day before the commencement of the Interest Period for which the rate will apply;

Interpolated Screen Rate means the rate which results from interpolating on a linear basis between:

- (a) the applicable Screen Rate for the longest period (for which that Screen Rate is available) which is less than the relevant Interest Period; and
- (b) the applicable Screen Rate for the shortest period (for which that Screen Rate is available) which exceeds the relevant Interest Period,

each as of approximately 11.00 a.m. (Brussels time) on the relevant Interest Determination Date;

Location Agreement means each of the location agreements made between the Passive Operator and:

- (a) KPN B.V.; and/or
- (b) KPN ITNS Networks B.V.; and
- (c) any Material Active Operator;

Lock Up Period means the period, determined under the Note Trust Deed, which:

- (a) commences on a date on which a Compliance Certificate is delivered by the Issuer to the Note Trustee which certifies that the Issuer's leverage ratio has exceeded the relevant level specified in the Note Trust Deed or that the Issuer's debt service cover ratio is lower than the relevant level specified in the Note Trust Deed; and
- (b) ending on the next date on which on which a Compliance Certificate is delivered by the Issuer to the Note Trustee which certifies that the Issuer's leverage ratio did not exceed the

relevant level specified in the Note Trust Deed and that the Issuer's debt service cover ratio was not lower than the relevant level specified in the Note Trust Deed.

Make-Whole Amount means an additional premium payable in respect of any early redemption of the Floating Rate Notes made pursuant to Conditions 7.3 or 7.7, calculated in each case in accordance with the Note Trust Deed;

Material Active Operator means the Passive Operator and any other active operator where the revenues generated from such active operator is equal to or greater than 25% of the total revenues of the Group and for this purpose, **total revenues** are the total revenues of the Group as determined on the basis of the most recent audited consolidated financial statements of the Issuer delivered under the Finance Documents;

Material ODF Agreement means an ODF Agreement between:

- (a) the Passive Operator and each of KPN B.V. as active operator and KPN ITNS Networks B.V. (created by KPN B.V. following acquisition of Reggefiber Wholesale B.V.); or
- (b) the Passive Operator and a Material Active Operator;

Maturity Date means 30 June 2023;

Note Purchase Agreement means a note purchase agreement dated on or about the Signing Date entered into between the Issuer and the initial purchaser(s) of the Notes;

Notes means the Fixed Rate Notes and the Floating Rate Notes;

Notes Liabilities means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of each Obligor to a holder of Notes and/or the Note Trustee under or in connection with the Notes and/or the Note Trust Deed;

Notes Payment Priorities means the order of application of payments received by the Note Trustee in connection with the Notes or the Note Trust Deed as further set out in Clause 8 (*Application of Moneys Received by the Note Trustee*) of the Note Trust Deed;

Obligors means the Issuer and the Guarantors and **Obligor** means any of them as the context may require;

ODF Agreement means each optical distribution frame agreement made between the Passive Operator and an Active Operator which sets out the terms and conditions under which such Active Operator obtains access to the Group's FttH network;

Original Projects means the Group's 18 Fiber-to-the-Home projects;

Parent means Reggefiber ttH B.V.;

Passive Operator means Reggefiber Operator B.V.;

Permitted Contributions means a (bridge) loan or equity contribution (as the case may be) made at any time by the Parent, one or more of the Shareholders or any subsidiary of a Shareholder to any member of the Group to finance a Project provided that:

- (a) any such loan or contribution (*storting*) made other than by way of a contribution on the shares of a member of the Group shall at all times after the date of the Subordination Agreement be subject to the subordination arrangements set out in the Subordination Agreement or other subordination arrangement satisfactory to the Note Trustee; and
- (b) any new shares issued and any receivable owed to the provider by a member of the Group shall be pledged in favour of the Security Trustee (except to the extent the contribution is made pursuant to a minimum penetration guarantee);

Project means the construction/rollout phase and passive operation of:

- (a) the Original Projects; and
- (b) each Additional Project owned by a member of the Group;

Reference Banks means the principal office in the Netherlands of ING Bank N.V., ABN AMRO Bank N.V., Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. and BNP Paribas or such other banks as may be appointed by the Note Trustee with the consent of the Issuer;

Refinancing Undertaking Commencement Date means the date falling 18 months prior to the Maturity Date;

Relevant Date means the date on which payment first becomes due but, if the full amount of the money payable has not been received by the Principal Paying Agent or the Note Trustee on or before the due date, it means the date on which, the full amount of the money having been so received, and notice to that effect has been duly given to the Noteholders by the Issuer in accordance with Condition 13 (*Notices*);

Relevant Jurisdiction means (i) The Netherlands or any political subdivision or any authority thereof or therein having power to tax or (ii) any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which the Issuer or, as the case may be, any of the Guarantors becomes subject in respect of payments made by it of principal and interest on the Floating Rate Notes, Coupons or the Guarantees;

Representative Amount means, in relation to any quotation of a rate for which a Representative Amount is relevant, an amount that is representative for a single transaction in the relevant market at the relevant time;

Retained Excess Cash means any amount of cash held by the Issuer which is, under the terms of the Finance Documents, freely available to be withdrawn and utilised to partially redeem the Notes as at the date on which a mandatory prepayment is due to be made under Condition 7.5, to the extent that such cash constituted Excess Cashflow in respect of the Excess Cashflow Calculation Periods which ended since the beginning of the relevant Lock Up Period;

Screen Rate means the euro interbank offered rate administered by the Banking Federation of the European Union (or any other person which takes over the administration of that rate) for the relevant period displayed on page EURIBOR01 of the Reuters screen (or any replacement Reuters page which displays that rate) or on the appropriate page of such other information service which publishes that rate from time to time in place of Reuters. If such page or service ceases to be available, the Agent Bank may specify another page or service displaying the relevant rate after consultation with the Issuer;

Secured Creditor Representative means:

- (a) in respect of the Notes, the Note Trustee; and
- (b) in respect of each Hedging Agreement, the relevant Hedge Counterparty;

Secured Creditors means the holders of the Notes, the Hedge Counterparties, the Note Trustee, the Security Trustee and the Paying Agents;

Secured Liabilities means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of each Obligor to any Secured Creditor under any Finance Document;

Security means any mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect;

Security Trustee means ABN AMRO Bank N.V. in its capacity as security trustee under the Intercreditor Agreement or its successor thereunder;

Series means either the Fixed Rate Notes or the Floating Rate Notes;

Shareholder means:

- (a) the Initial Shareholders; and
- (b) any person or institution which becomes a shareholder in Holdco after the Signing Date,

to the extent they (in)directly hold any portion of the Issuer's issued share capital;

Shareholder Funding means any Subordinated Debt or Permitted Contributions (excluding, for the avoidance of doubt, any amount outstanding under a minimum penetration guarantee);

Shareholder Funding Providers means each of:

- (a) the Parent; and
- (b) any other affiliate of the Parent or a Shareholder providing Subordinated Debt to the Issuer, provided that such party is bound by the subordination provisions contained in the Subordination Agreement;

Signing Date means 16 September 2013;

Subordinated Debt means any indebtedness owed by an Obligor to a Shareholder Funding Provider and which is subordinated pursuant to the terms of the Subordination Agreement;

Subordination Agreement means the document so entitled dated on or about the Closing Date between, among others, the Issuer, the Guarantors, the Note Trustee, the Shareholder Funding Providers and the Security Trustee;

TARGET2 Settlement Day means any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System is open;

Transaction Security means the security interests created or evidenced or expressed to be created or evidenced under or pursuant to the Transaction Security Documents, including without limitation, the security interests further described in Condition 4.1;

Transaction Security Documents means each of the transaction security documents entered into by an Obligor and/or a Third Party Security Provider in relation to the Secured Liabilities, including without limitation, the transaction security documents set out in Condition 4.1;

Vote means an instruction from a holder of Notes to the Note Trustee to vote on its behalf in respect of a Voting Matter, such instructions to be given in accordance with the Note Trust Deed;

Voting Closure Notice means, in respect of a Voting Matter, a notice from the Note Trustee to the Noteholders and the Issuer promptly following receipt of Votes from the required majority of Noteholders to pass (or reject) a resolution in relation to a Voting Matter;

Voting Date means the date set out in the relevant Voting Notice;

Voting Matter means any matter which is required to be approved or sanctioned by the Noteholders, or as the case may be, the holders of the Notes including, without limitation:

- (a) any directions required or entitled to be given by Noteholders, or as the case may be, the holders of the Notes pursuant to the Finance Documents; and
- (b) any other matter which requires the approval or consent of Noteholders, or as the case may be, the holders of the Notes;

Voting Notice means the date on which the Security Trustee has received votes sufficient to pass such resolution pursuant to the Intercreditor Agreement; and

Voting Period means the period ending on the Voting Date or, if earlier, the date of the Voting Closure Notice issued by the Security Trustee in respect of such Voting Matter (if applicable).

CONDITIONS OF THE FIXED RATE NOTES

The following is the text of the Conditions of the Fixed Rate Notes which (subject to modification) will be endorsed on each Note in definitive form (if issued):

The €49,500,000 Fixed Rate Guaranteed Secured Notes due 2023 (the **Fixed Rate Notes**) of Reggefiber Finance Holding Company 3 B.V. (the **Issuer**) are issued subject to, and with the benefit of, (i) a Note Trust Deed dated 1 October 2013 (the **Note Trust Deed**) made between the Issuer, NEM Assen B.V., NEM Borne B.V., NEM Bronckhorst B.V., NEM Brummen B.V., NEM Bunschoten B.V., NEM Dinkelland B.V., NEM Gemert-Bakel B.V., NEM Leusden B.V., NEM Nunspeet B.V., NEM Nijmegen 2 B.V., NEM Nijmegen West B.V., NEM Putten B.V., NEM Soest B.V., NEM Voorst B.V., NEM Vught B.V., NEM Winterswijk, Aalten en Groenlo B.V. and NEM Woudenberg B.V. as guarantors (together the **Original Guarantors** and each an **Original Guarantor** and the expression **Guarantors** shall include each additional person who becomes a Guarantor pursuant to the Intercreditor Agreement (as defined below)) and ABN AMRO Bank N.V. (the **Note Trustee**, which expression shall include its successor(s)) as note trustee for the holders of the Fixed Rate Notes (the **Noteholders**) and the holders of the interest coupons appertaining to the Fixed Rate Notes (the **Couponholders** and the **Coupons** respectively), (ii) an Intercreditor Agreement dated 1 October 2013 (the **Intercreditor Agreement**) between, among others, the Issuer, the Guarantors, the Security Trustee (as defined below) and the Note Trustee including the Guarantees (as defined below) set out therein and (iii) a Subordination Agreement dated 1 October 2013 (the **Subordination Agreement**) between, among others, the Issuer, the Guarantors, the Note Trustee, the Security Trustee and the Hedge Counterparty (as defined below). The payment of all principal and interest in respect of the Fixed Rate Notes and all other moneys payable by the Issuer or any of the Guarantors under or pursuant to the Note Trust Deed are secured by the Transaction Security (as defined below) created under the Transaction Security Documents (as defined below).

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of and definitions in the Note Trust Deed. Copies of (i) the Note Trust Deed, (ii) the Agency Agreement dated 1 October 2013 (the **Agency Agreement**) made between the Issuer, the Guarantors, ABN AMRO Bank N.V. as principal paying agent (the **Principal Paying Agent** and, together with any other paying agents appointed from time to time pursuant to the Agency Agreement, the **Paying Agents**) and as agent bank (the **Agent Bank**, which expression shall include its duly appointed successor), the Note Trustee and the Security Trustee, (iii) the Intercreditor Agreement (as defined below), (iv) the Subordination Agreement (as defined below) and (v) each Transaction Security Document (as defined below) are available for inspection during normal business hours by the Noteholders and the Couponholders at the registered office for the time being of the Note Trustee, being at the date of issue of the Fixed Rate Notes at Gustav Mahlerlaan 10, 1082 PP Amsterdam, the Netherlands and at the specified office of each of the Paying Agents. The Noteholders and the Couponholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Note Trust Deed, the Subordination Agreement and the Intercreditor Agreement applicable to them.

Unless otherwise stated, capitalised terms used but not defined in these Conditions have the meanings given to them in Condition 17 (*Definitions*).

1. FORM, DENOMINATION AND TITLE

1.1 Form and Denomination

The Fixed Rate Notes are in bearer form, serially numbered, in the denominations of €500,000 with Coupons attached on issue.

1.2 Title

Title to the Fixed Rate Notes and to the Coupons will pass by delivery.

1.3 Noteholder Absolute Owner

The Issuer, each of the Guarantors, any Paying Agent and the Note Trustee may (to the fullest extent permitted by applicable laws) deem and treat the bearer of any Fixed Rate Note or Coupon as the absolute owner for all purposes (whether or not the Fixed Rate Note or Coupon shall be overdue and notwithstanding any notice of ownership or writing on the Fixed Rate Note or Coupon or any notice of previous loss or theft of the Fixed Rate Note or Coupon or of any trust or interest therein) and shall not be required to obtain any proof thereof or as to the identity of such bearer.

2. STATUS OF THE FIXED RATE NOTES

The Fixed Rate Notes and the Coupons are direct, unconditional and unsubordinated obligations of the Issuer, secured in the manner described in Condition 4 (*Transaction Security*), and shall at all times rank *pari passu*, without any preference among themselves, with the obligations of the Issuer under or in connection with the Floating Rate Notes and the Hedging Liabilities.

3. GUARANTEES

3.1 Guarantees

The payment of principal and interest in respect of the Fixed Rate Notes and all other moneys payable by the Issuer under or pursuant to the Note Trust Deed have been unconditionally and irrevocably guaranteed by each of the Guarantors (the **Guarantees**) on the terms set out in the Intercreditor Agreement. The rights under the Guarantees (i) form an integral part of the Fixed Rate Notes, (ii) are of interest to a Noteholder only if, to the extent that, and for as long as, it holds a Fixed Rate Note and (iii) can only be transferred together with all other rights under the relevant Fixed Rate Note.

3.2 Status of the Guarantees

The obligations of each of the Guarantors under the relevant Guarantee constitute direct, unconditional and unsubordinated obligations of the relevant Guarantor, secured in the manner described in Condition 4 (*Transaction Security*), and shall at all times rank *pari passu* with the obligations of the Guarantors under or in connection with the Floating Rate Notes and the Hedging Liabilities.

4. TRANSACTION SECURITY

4.1 The Transaction Security

(a) As continuing security for the payment or discharge of the Secured Liabilities (including all moneys payable in respect of the Fixed Rate Notes, Coupons, the Guarantees and otherwise under the Finance Documents, and the remuneration, expenses and other claims of the Security Trustee and the Note Trustee), the Issuer and the Guarantors have granted (or will grant) the following security in favour of the Security Trustee who holds such Transaction Security for itself and for all other Secured Creditors:

(i) a first ranking pledge granted by the Issuer over its shares in each of the Guarantors;

- (ii) a first ranking right of mortgage granted by each Guarantor over its network assets (to be granted following the registration of the relevant network with the land registry), including, for the avoidance of doubt, any network assets relating to an Additional Project;
 - (iii) a first ranking pledge granted by each Obligor over its receivables under the services, maintenance and exploitation (BPN) agreement, management and services (DSO) agreement and minimum penetration guarantee to which it is party, and any other receivables to which it may be entitled;
 - (iv) a first ranking pledge granted by each Obligor over its rights under any agreement to which it is a party with a construction company in connection with the design and/or construction of a Project;
 - (v) a second ranking pledge granted by each Obligor over all of its bank accounts; and
 - (vi) an assignment granted by the Issuer in respect of its receivables under any Hedging Agreement.
- (b) As continuing security for the payment or discharge of the Secured Liabilities (including all moneys payable in respect of the Fixed Rate Notes, Coupons, the Guarantees and otherwise under the Finance Documents, and the remuneration, expenses and other claims of the Security Trustee and the Note Trustee), the Passive Operator has granted (or will grant) the following security in favour of the Security Trustee who holds such Transaction Security for itself and for all other Secured Creditors:
- (i) a first ranking pledge granted by the Passive Operator over its rights under each Material ODF Agreement and Location Agreement to the extent such agreement relates to the Projects owned by the Guarantors; and
 - (ii) a second ranking pledge granted by the Passive Operator over its bank accounts relating to the Project.
- (c) As continuing security for the payment or discharge of the Secured Liabilities (including all moneys payable in respect of the Fixed Rate Notes, Coupons, the Guarantees and otherwise under the Finance Documents, and the remuneration, expenses and other claims of the Security Trustee and the Note Trustee), the Parent and any other providers of Shareholder Funding from time to time (the **Additional Shareholder Funding Providers**, and together with the Parent and the Passive Operator, the **Third Party Security Providers**) have granted (or will grant) the following security in favour of the Security Trustee who holds such Transaction Security for itself and for all other Secured Creditors:
- (i) a first ranking pledge granted by the Parent over its shares in the Issuer;
 - (ii) a first ranking pledge granted by the Parent over its receivables (including interest and principal) under any Shareholder Funding; and
 - (iii) at such time as any Additional Shareholder Funding Provider makes any such Shareholder Funding available to the Group, a first ranking pledge granted by that Additional Shareholder Funding Provider over its receivables (including interest and principal) under such Shareholder Funding.
- (d) For the avoidance of doubt, none of the Third Party Security Providers are providing any guarantee or suretyship in respect of the Secured Liabilities. Accordingly, Noteholders will only have recourse through the Security Trustee to the specific rights or assets of the Third Party Security Provider

which are expressed to be subject to the Transaction Security provided by such Third Party Security Provider.

- (e) All Noteholders will share in the Transaction Security upon and subject to the terms of the Intercreditor Agreement and Subordination Agreement.

4.2 The Subordination Agreement, the Transaction Security Documents and the other Finance Documents

The Subordination Agreement also provides, among other things, that any proceeds received from enforcement of the Transaction Security will be shared equally and rateably in satisfaction of the Hedging Liabilities and the Notes Liabilities.

Each Noteholder, by subscribing to, purchasing or otherwise acquiring a Fixed Rate Note, is deemed:

- (a) to have authorised the Note Trustee and the Security Trustee to enter into each of the following documents (to the extent such entity is expressed to be party): (i) the Note Trust Deed, (ii) the Intercreditor Agreement, (iii) the Subordination Agreement, (iv) the Transaction Security Documents, (v) the Direct Agreement, and (vi) any other document or agreement relating to the Notes which is designated a "Transaction Document" under and for the purposes of the Note Trust Deed from time to time ; and
- (b) to be bound by the provision of the Note Trust Deed, the Intercreditor Agreement and the Subordination Agreement as they apply to the Noteholders.

4.3 Enforcement of the Transaction Security

- (a) No Noteholders or Couponholders may, individually or collectively, take any direct action to enforce the Transaction Security Documents. Noteholders and Couponholders may only act through the Note Trustee and require the Note Trustee to deliver an Enforcement Notice (as defined in Condition 10.2) to the Security Trustee following the occurrence and continuation of an Event of Default. The Note Trustee may direct the Security Trustee to take enforcement action under the Transaction Security Documents subject to the terms of the Intercreditor Agreement.
- (b) The Security Trustee may, without the consent of Noteholders or Couponholders, agree to a release of the Transaction Security provided that such release is in accordance with the terms set out in the Intercreditor Agreement.

5. INTEREST

5.1 Interest Rate and Interest Payment Dates

The Fixed Rate Notes bear interest on their outstanding principal amount from and including 1 October 2013 (the **Interest Commencement Date**) at the rate of 5.022 per cent. per annum, payable semi-annually in arrear on 30 June and 31 December in each year (each an **Interest Payment Date**). The first payment shall be made on 31 December 2013. The period from and including the Interest Commencement Date to but excluding the first Interest Payment Date, and each successive period from and including an Interest Payment Date to but excluding the next succeeding Interest Payment Date shall be referred to as an **Interest Period**.

5.2 Interest Accrual

Each Fixed Rate Note will cease to bear interest from and including the due date for redemption unless:

- (a) payment of the whole or part of the principal amount of, or any other amount due under, that Fixed Rate Note (each such amount being an overdue amount) is not made to the Note Trustee or the Principal Paying Agent on or before the relevant due date, in which case, interest shall continue to accrue at the Default Rate of Interest on the overdue amount up to but excluding the earlier of:
 - (i) the date on which the full overdue amount (together with any interest accrued thereon) is paid to the Noteholders; and
 - (ii) the seventh day after notice has been given to the Noteholders in accordance with Condition 13 that the full overdue amount (together with any interest accrued thereon up to and including such date) has been received by the Note Trustee or the Principal Paying Agent; or
- (b) upon due presentation, payment of an overdue amount is improperly withheld or refused, in which case, interest shall accrue on the overdue amount at the Default Rate of Interest from and including the date of such withholding or refusal up to and including the date on which, upon further presentation of the relevant Fixed Rate Note, payment of the full overdue amount (including any further interest accrued thereon) in euro is made.

5.3 Calculation of Broken Interest

When interest is required to be calculated in respect of a period of less than a full Interest Period, it shall be calculated on the basis of (a) the actual number of days in the period from and including the date from which interest begins to accrue (the **Accrual Date**) to but excluding the date on which it falls due divided by (b) 360 days.

6. PAYMENTS

6.1 Payments in respect of Fixed Rate Notes

Payments of principal and interest in respect of each Fixed Rate Note will be made against presentation and surrender (or, in the case of part payment only, endorsement) of the Fixed Rate Note, except that payments of interest due on an Interest Payment Date will be made against presentation and surrender (or, in the case of part payment only, endorsement) of the relevant Coupon, in each case at the specified office outside the United States of any of the Paying Agents.

6.2 Method of Payment

Payments will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee.

6.3 Missing Unmatured Coupons

Each Fixed Rate Note should be presented for payment together with all relative unmatured Coupons, failing which the full amount of any relative missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the full amount of the missing unmatured Coupon which the amount so paid bears to the total amount due) will be deducted from the amount due for payment. Each amount so deducted will be paid in the manner mentioned above against presentation

and surrender (or, in the case of part payment only, endorsement) of the relative missing Coupon at any time before the expiry of five years after the Relevant Date in respect of the relevant Fixed Rate Note (whether or not the Coupon would otherwise have become void pursuant to Condition 9 (*Prescription*)). Upon the date on which any Fixed Rate Note becomes due and repayable, all unmatured Coupons appertaining to the Fixed Rate Note (whether or not attached) shall become void and no payment shall be made in respect of such Coupons.

6.4 Payments subject to Applicable Laws

Payments in respect of principal and interest on the Fixed Rate Notes are subject in all cases to any fiscal or other laws and regulations applicable in the place of payment, but without prejudice to the provisions of Condition 8 (*Taxation*).

6.5 Payment only on a Presentation Date

A holder shall be entitled to present a Fixed Rate Note or Coupon for payment only on a Presentation Date and shall not, except as provided in Condition 5 (*Interest*), be entitled to any further interest or other payment if a Presentation Date is after the due date.

In this Condition:

Business Day means in relation to any place, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in that place; and

Presentation Date means a day which (subject to Condition 9 (*Prescription*)): (i) is or falls after the relevant due date, (ii) is a Business Day in the place of the specified office of the Paying Agent at which the Fixed Rate Note or Coupon is presented for payment, and (iii) in the case of payment by credit or transfer to a euro account as referred to above, is a TARGET2 Settlement Day.

6.6 Initial Paying Agents

The names of the initial Paying Agents and their initial specified offices are set out at the end of the Prospectus dated 1 October 2013 prepared by the Issuer in respect of the Notes. The Issuer reserves the right, subject to the prior written approval of the Note Trustee, at any time to vary or terminate the appointment of any Paying Agent and to appoint additional or other Paying Agents provided that:

- (a) there will at all times be a Principal Paying Agent;
- (b) there will at all times be at least one Paying Agent (which may be the Principal Paying Agent) having its specified office in a European city which so long as the Fixed Rate Notes are admitted to trading on NYSE Euronext in Amsterdam, the regulated market of Euronext Amsterdam N.V., shall be Amsterdam; and
- (c) the Issuer undertakes that it will ensure that it maintains a Paying Agent in a Member State of the European Union that is not obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive.

Notice of any termination or appointment and of any changes in specified offices will be given to the Noteholders promptly by the Issuer in accordance with Condition 13 (*Notices*).

7. REDEMPTION AND PURCHASE

7.1 Partial redemption on each Interest Payment Date

- (a) Subject to any adjustments made under paragraph (b) and unless previously redeemed or purchased and cancelled as provided in this Condition 7, on each Interest Payment Date, the Issuer will partially redeem the Fixed Rate Notes in the amount set out in the corresponding column in the table below.

Interest Payment Date	Repayment of Outstanding Principal Amount of the Fixed Rate Notes on the relevant Interest Payment Date (in euro)	Outstanding Principal Amount of the Fixed Rate Notes on the relevant Interest Payment Date prior to partial redemption (in euro)	Outstanding Principal Amount of the Fixed Rate Notes on the relevant Interest Payment Date after partial redemption (in euro)
31 December 2013	0	49,500,000	49,500,000
30 June 2014	782,100	49,500,000	48,717,900
31 December 2014	782,100	48,717,900	47,935,800
30 June 2015	1,089,000	47,935,800	46,846,800
31 December 2015	1,084,050	46,846,800	45,762,750
30 June 2016	1,222,650	45,762,750	44,540,100
31 December 2016	1,242,450	44,540,100	43,297,650
30 June 2017	1,341,450	43,297,650	41,956,200
31 December 2017	1,346,400	41,956,200	40,609,800
30 June 2018	1,425,600	40,609,800	39,184,200
31 December 2018	1,450,350	39,184,200	37,733,850
30 June 2019	1,529,550	37,733,850	36,204,300
31 December 2019	1,549,350	36,204,300	34,654,950
30 June 2020	1,633,500	34,654,950	33,021,450
31 December 2020	1,648,350	33,021,450	31,373,100
30 June 2021	1,737,450	31,373,100	29,635,650
31 December 2021	1,757,250	29,635,650	27,878,400
30 June 2022	1,846,350	27,878,400	26,032,050
31 December 2022	1,777,050	26,032,050	24,255,000
30 June 2023	24,255,000	24,255,000	0

- (b) Following any partial redemption of the Fixed Rate Notes pursuant to Conditions 7.5, 7.6 or 7.7, the repayment amounts payable on the subsequent Interest Payment Dates shall be reduced on a *pro rata* basis by the amount of such partial redemption. The Principal Paying Agent shall make any necessary adjustment to the table above to reflect such partial redemption and shall provide the Issuer, the Guarantors, the Note Trustee and the Noteholders with the adjusted amortisation table:
- (i) promptly, and in any case, by no later than 1 Business Days before the next succeeding Interest Payment Date, if the next succeeding Interest Payment Date is within 10 Business Days of such partial redemption; and
 - (ii) in any other case, within 10 Business Days of the relevant partial redemption.

7.2 Redemption for Taxation Reasons

If the Issuer satisfies the Note Trustee immediately before the giving of the notice referred to below that:

- (a) as a result of any change in, or amendment to, the laws or regulations of a Relevant Jurisdiction, or any change in the application or official interpretation of the laws or regulations of a Relevant Jurisdiction, which change or amendment becomes effective after the Closing Date, on the next Interest Payment Date either (i) the Issuer would be required to pay additional amounts as provided or referred to in Condition 8 (*Taxation*) or (ii) one or more of the Guarantor would be unable for reasons outside its control to procure payment by the Issuer and in making payment itself would be required to pay such additional amounts; and
- (b) the requirement cannot be avoided by the Issuer or, as the case may be, the relevant Guarantor(s) taking reasonable measures available to it,

the Issuer may at its option, having given not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 13 (*Notices*) (which notice shall be irrevocable), redeem all the Fixed Rate Notes, but not some only, on the next Interest Payment Date at their principal amount together with interest accrued to but excluding the date of redemption. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Note Trustee a certificate signed by the sole director of the Issuer or, as the case may be, the relevant Guarantor(s) stating that the requirement referred to in (a) above will apply on the next Interest Payment Date and cannot be avoided by the Issuer or, as the case may be, the relevant Guarantor(s) taking reasonable measures available to it, and the Note Trustee shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Noteholders and the Couponholders.

7.3 Redemption on the occurrence of a Change of Control Event

If a Change of Control occurs, the Issuer must:

- (a) promptly notify the Noteholders in accordance with Condition 13 (*Notices*) and the Note Trustee upon becoming aware of such Change of Control; and
- (b) unless waived by the relevant Noteholder, the Issuer must redeem or, at the Issuer's option, purchase (or procure the purchase of) the Fixed Rate Notes on the Change of Control Redemption Date at its outstanding principal amount with (or where purchased, together with an amount equal to):
 - (i) interest accrued to but excluding the Change of Control Redemption Date; and
 - (ii) the applicable Make-Whole Amount to the extent that the Change of Control Redemption Date is on a date prior to the Refinancing Undertaking Commencement Date.

7.4 Illegality Event Put

If an Illegality Event occurs, a Noteholder may require the Issuer to redeem its Notes on the Illegality Event Redemption Date by delivering to the Principal Paying Agent a duly signed and completed put notice (for the time being current) obtainable from the specified office of the Principal Paying Agent (the **Illegality Event Put Notice**) in which the Noteholder may specify:

- (a) a bank account to which payment is to be made under this Condition 7.4; and
- (b) the relevant Illegality Event Redemption Date on which the Noteholder requires the Issuer to redeem the outstanding principal amount of its Notes together with interest accrued to but excluding the Illegality Event Redemption Date.

7.5 Partial Redemption for Excess Cashflow

(a) If at any time a Lock Up Period has occurred and has continued for a continuous period of 24 months or more, the Issuer must partially redeem the Notes in an amount equal to the aggregate of:

- (A) the amount of Excess Cashflow for the most recently concluded Excess Cashflow Calculation Period; *plus*
- (B) Retained Excess Cash (if any); *less*
- (C) EUR 3,000,000,

provided that:

- (ii) such amount shall be deemed to be zero if it would otherwise be less than zero;
 - (iii) such amount shall be applied on a *pro rata* and *pari passu* basis to both Series of Notes and the partial redemption amount applicable to each Series of Notes shall be calculated by reference to the principal amount then outstanding under each Series of Note;
 - (iv) such amount shall be applied (A) first in payment of any interest accrued but unpaid on the Notes subject (whether in whole or in part) to a partial redemption pursuant to this Condition 7.5, and (B) second in payment of the outstanding principal amount in respect of such Notes; and
 - (v) the Issuer shall not be obliged to make any such redemption if that Lock Up Period is not continuing on the date such prepayment is due to be made.
- (b) Any redemption of the Notes required under Condition 7.5(a) above in relation to an Excess Cashflow Calculation Period must be made within 14 days of the delivery of a Compliance Certificate pursuant to the Note Trust Deed in respect of the Relevant Period (as defined in the Note Trust Deed) corresponding to that Excess Cashflow Calculation Period.

7.6 Partial Redemption from Excess Insurance Proceeds

- (a) The Issuer must, following the receipt of any Insurance Proceeds by a member of the Group, partially redeem the Notes on the relevant Insurance Proceeds Redemption Date in an amount (the **Insurance Proceeds Redemption Amount**) equal to the amount of such Insurance Proceeds (excluding, for the avoidance of doubt, any Excluded Insurance Proceeds) actually received.
- (b) The Insurance Proceeds Redemption Amount shall be applied:
 - (i) on a *pro rata* and *pari passu* basis to both Series of Notes and the partial redemption amount applicable to each Series of Notes shall be calculated by reference to the principal amount then outstanding under each Series of Notes; and
 - (ii) in respect of each Series of Notes: (A) first, in payment of any unpaid interest accrued on the portion of the relevant Notes which is subject to a partial redemption pursuant to this

Condition 7.6, and (B) second, in partial redemption of the outstanding principal amount of the relevant Notes.

7.7 Redemption at the Option of the Issuer

- (a) The Issuer may, subject to paragraph (b) below, at any time redeem at its option all or part of any of the Fixed Rate Notes together with any interest accrued thereon provided that:
- (i) the Issuer gives at least one month's notice to the Noteholders in accordance with Condition 13 (*Notices*) and to the Note Trustee and Principal Paying Agent (which notice shall be irrevocable and shall specify the redemption amount for both Series of Notes and the date fixed for redemption); and
 - (ii) any such redemption amount being in aggregate not less than €1,000,000 and being an integral multiple of €500,000, unless the Issuer elects to redeem the aggregate principal amount of all Fixed Rate Notes then outstanding pursuant to this Condition 7.7 and such amount is less than €1,000,000 and/or is not an integral multiple of €500,000, in which case, this subparagraph (ii) shall not apply.
- (b) Any optional redemption pursuant to this Condition 7.7 shall be:
- (i) applied on a *pro rata* and *pari passu* basis to both Series of Notes and the redemption amount applicable to each Series of Notes shall be calculated by reference to the principal amount then outstanding under each Series of Notes; and
 - (ii) subject to the payment of the applicable Make-Whole Amount if the relevant date fixed for such optional redemption is prior to the Refinancing Undertaking Commencement Date.

7.8 Purchases

Each of the Obligors may at any time purchase Fixed Rate Notes (provided that all unmatured Coupons appertaining to such Fixed Rate Notes are purchased with the Fixed Rate Notes) in any manner and at any price.

7.9 Cancellations

All Fixed Rate Notes which are wholly redeemed will forthwith be cancelled, together with all relative unmatured Coupons attached to the Fixed Rate Notes or surrendered with the Fixed Rate Notes, and accordingly may not be held, reissued or resold.

7.10 Notices Final

Upon the expiry of any notice as is referred to in Conditions 7.2 (*Redemption for Taxation Reasons*), 7.3 (*Redemption on the occurrence of a Change of Control Event*), 7.4 (*Redemption for Illegality*), 7.5 (*Partial Redemption for Excess Cashflow*), 7.6 (*Partial redemption from excess insurance proceeds*) or 7.7 (*Redemption at the Option of the Issuer*) above, the Issuer shall be bound to redeem the Fixed Rate Notes to which the notice refers in accordance with the terms of such Condition.

8. TAXATION

8.1 Payment without Withholding

All payments in respect of the Fixed Rate Notes by or on behalf of the Issuer or any of the Guarantors shall be made without withholding or deduction for, or on account of, any present or

future taxes, duties, assessments or governmental charges of whatever nature (**Taxes**) imposed or levied by or on behalf of the Relevant Jurisdictions, unless the withholding or deduction of the Taxes is required by law. In that event, the Issuer or, as the case may be, the relevant Guarantor will pay such additional amounts as may be necessary in order that the net amounts received by the Noteholders and Couponholders after the withholding or deduction shall equal the respective amounts which would have been receivable in respect of the Fixed Rate Notes or, as the case may be, Coupons in the absence of the withholding or deduction; except that no additional amounts shall be payable in relation to any payment in respect of any Fixed Rate Note or Coupon:

- (a) presented for payment by or on behalf of, a holder who is liable to the Taxes in respect of the Fixed Rate Note or Coupon by reason of his having some connection with the Relevant Jurisdiction other than the mere holding of the Fixed Rate Note or Coupon; or
- (b) presented for payment by or on behalf of a holder 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) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (d) presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Fixed Rate Note or Coupon to another Paying Agent in a Member State of the European Union; or
- (e) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that a holder would have been entitled to additional amounts on presenting the same for payment on the last day of the period of 30 days assuming, whether or not such is in fact the case, that day to have been a Presentation Date (as defined in Condition 6.5 (*Payment only on a Presentation Date*)).

8.2 Additional Amounts

Any reference in these Conditions to any amounts in respect of the Fixed Rate Notes shall be deemed also to refer to any additional amounts which may be payable under this Condition.

9. PRESCRIPTION

Fixed Rate Notes and Coupons will become void unless claims in respect of principal, interest and/or other amounts due thereunder are made within a period of five years after the date on which the relevant payment first became due.

10. EVENTS OF DEFAULT

10.1 Events of Default

Each of the events specified in Clause 12 (*Events of Default*) of the Note Trust Deed shall be an **Event of Default**, including (without limitation):

- (a) (**Non-payment**) Non-payment by an Obligor on the due date of any amount payable in respect of any of the Finance Documents unless:
 - (i) such default is caused by an administrative or technical error or a disruption event; and

- (ii) payment is made within three Business Days of its due date.
- (b) **(Breach of financial covenants and indebtedness)** Any requirement of Schedule 3 to the Note Trust Deed (*Financial Covenants*) not being satisfied or any Obligor does not comply with any provision of paragraph 15 (*Indebtedness*) of Part 1 (*General Undertakings of the Obligors*) Schedule 4 to the Note Trust Deed (*General Undertakings*).
- (c) **(Breach of other obligations)** The breach by an Obligor, the Passive Operator, the Parent or the Holdco of any provision of the Finance Documents (other than those referred to in subparagraphs (a) and (b) above) subject to any cure periods specified in the Note Trust Deed.
- (d) **(Misrepresentation)** Any representation or statement made or deemed to be made by an Obligor or the Passive Operator in the Finance Documents or any other document delivered by or on behalf of an Obligor or the Passive Operator under or in connection with any Finance Document is or proves to have been incorrect or misleading in any material respect when made or deemed to be made unless the event or circumstance giving rise to the representation being incorrect or misleading is capable of remedy and is remedied within the cure period specified in the Note Trust Deed.
- (e) **(Cross default)** Any Financial Indebtedness (as defined in the Note Trust Deed) of any member of the Group or the Passive Operator in excess of any threshold specified in the Note Trust Deed is not paid when due nor within any originally applicable grace period.
- (f) **(Insolvency)** A moratorium is declared in respect of any indebtedness of any member of the Group or the Passive Operator or a member of the Group or the Passive Operator is unable or admits inability to pay its debts as they fall due, suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness (other than with a Secured Creditor in relation to the Notes or the Hedging Liabilities but without prejudice to any Event of Default which may be continuing).
- (g) **(Insolvency proceedings)** Any corporate action, legal proceedings or other procedure or step is taken in relation to (i) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of any member of the Group or the Passive Operator, (ii) a composition, compromise, assignment or arrangement with any creditor of any member of the Group or the Passive Operator, (iii) the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of any member of the Group or the Passive Operator or any of its assets, or (iv) enforcement of any Security over any assets of any member of the Group.
- (h) **(Transaction Security)** At any time, any of the Transaction Security fails to have the ranking in priority which it is expressed to have in the Transaction Security Documents or is subject to any *pari passu* ranking Security.
- (i) **(Cessation of business and abandonment)** Any member of the Group suspends or ceases to carry on (or threatens to suspend or cease to carry on) all or a material part of its business except as permitted under the Finance Documents or the Group abandons all or a material part of the Project.

10.2 Delivery of Acceleration Notice and/or Enforcement Notice

If any Event of Default occurs and is continuing, the Note Trustee:

- (a) may, at any time, at its discretion; or
- (b) shall, if so requested by holders of more than 66 $\frac{2}{3}$ % in aggregate principal amount of both Series of Notes then outstanding or if so directed by an Extraordinary Resolution (as defined in Condition 14.1),

give notice to:

- (i) the Issuer and the Guarantors (an **Acceleration Notice**) declaring that both Series of Notes (and their relative Coupons) are, and they shall immediately become, due and repayable at their outstanding principal amount, together with any accrued interest and premium (if applicable) as provided in these Conditions or the Note Trust Deed; and/or
- (ii) the Security Trustee (an **Enforcement Notice**) instructing the Security Trustee to enforce the Transaction Security (and/or make a demand on any Guarantor) in accordance with the provisions of the Intercreditor Agreement, the Subordination Agreement and the Transaction Security Documents and exercise any and all of its rights, remedies and powers in relation to the Secured Liabilities (including under any Transaction Document),

provided, in each case, that the Note Trustee is indemnified and/or secured and/or prefunded to its satisfaction. Upon the receipt of an Acceleration Notice by the Issuer and the Guarantors, both Series of Notes (and their relative Coupons) are, and they shall immediately become, due and repayable at their outstanding principal amount, together with any accrued interest and premium (if applicable).

11. ENFORCEMENT

- (a) The Note Trustee may give instructions to the Security Trustee to exercise any and all of its rights, remedies and powers in relation to the Secured Liabilities (including under any Transaction Document) as a Secured Creditor Representative representing 100% of the principal amount of the Notes then outstanding under the Intercreditor Agreement, provided that the provisions of the Intercreditor Agreement shall determine whether or not further instructions will also be required from the other Secured Creditors.
- (b) The Note Trustee shall not be required to take any such proceedings or give such instructions or take any other action under these Conditions or the Finance Documents unless:
 - (i) it has been so directed by an Extraordinary Resolution (as defined in Condition 14.1) or so requested by Noteholders holding more than 66 $\frac{2}{3}$ % of the aggregate principal amount of the Notes then outstanding; and
 - (ii) it has been indemnified and/or secured and/or prefunded to its satisfaction.
- (c) Enforcement of the Transaction Security is subject to the terms of the Intercreditor Agreement and the Subordination Agreement and may only take place in accordance with the terms of the Intercreditor Agreement, the Subordination Agreement and the Transaction Security Documents.
- (d) No Noteholder or Couponholder may proceed directly against the Issuer or any of the Guarantors unless the Note Trustee, having become bound so to proceed and permitted so to do by the Intercreditor Agreement and the Subordination Agreement, fails to do so within a reasonable time and such failure is continuing.

12. REPLACEMENT OF FIXED RATE NOTES AND COUPONS

Should any Fixed Rate Note or Coupon be lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Principal Paying Agent upon payment by the claimant of the expenses incurred in connection with the replacement and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Fixed Rate Notes or Coupons must be surrendered before replacements will be issued.

13. NOTICES

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 the relevant authority on which the Fixed Rate Notes are for the time being listed. 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 such newspapers. If publication as provided above is not practicable, notice will be given in such other manner, and shall be deemed to have been given on such date, as the Note Trustee may approve.

Until such time as definitive Fixed Rate Notes are issued, there may, so long as any Global Notes representing the Fixed Rate Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such publication in such newspaper(s) or such mailing by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the Noteholders. Any such notice shall be deemed to have been given to the Noteholders on the second day after the day on which the said notice was given to Euroclear and/or Clearstream Luxembourg.

Notices to be given by a Noteholder shall be in writing and given by lodging the same, together (in the case of any Fixed Rate Note in definitive form) with the relevant Fixed Rate Note or Fixed Rate Notes, with the Principal Paying Agent. Whilst any Fixed Rate Notes are represented by a Global Note, such Notice may be given by any Noteholder to the Principal Paying Agent through Euroclear and/or Clearstream, Luxembourg in such manner as the Principal Paying Agent, Euroclear and/or Clearstream Luxembourg, may approve for this purpose.

14. PASSING OF RESOLUTIONS BY NOTEHOLDERS, MODIFICATION, WAIVER, AUTHORISATION AND DETERMINATION

14.1 Passing of resolutions by Noteholders

- (a) The Note Trust Deed contains provisions for holders of the Notes to vote on any matter affecting their interests, including the modification or abrogation by Extraordinary Resolution (as defined below) of any of these Conditions, any of the provisions of the Note Trust Deed or any of the provisions of a Finance Document. No physical meeting will be required in respect of any Voting Matter and a holder of the Notes may only cast a Vote in respect of any Voting Matter by means of a Block Voting Instruction. Alternatively, Noteholders may pass a resolution in respect of a Voting Matter in writing if such resolution is signed by the relevant majority of Noteholders. The Note Trustee may, however, without the consent of the Issuer or the holders of the Notes, prescribe such further regulations regarding voting by the holders of the Notes in order to approve any resolution to be put to the holder of the Notes where the Note Trustee, in its sole discretion, considers to be appropriate to hold a meeting.
- (b) The Issuer or the Note Trustee may at any time, and the Note Trustee must (if it has been directed to do so by holders of Notes representing not less than 25% of the aggregate outstanding principal amount of the Notes) request that a Voting Matter be considered by the holders of the Notes. The

Issuer or the Note Trustee shall send a notice (a **Voting Notice**) to the holders of each affected Series of Notes, specifying the Voting Date (which shall be no less than 10 and no more than 15 Business Days (as such term is defined in Schedule 9 (*Provisions for Voting*) of the Note Trust Deed) after the date of such Voting Notice) and Voting Matter(s) to be considered including the terms of any resolution to be proposed.

- (c) Each holder of Notes (i) shall have one vote in respect of each €1 of outstanding principal amount of Notes held or represented by him and (ii) must vote prior to the close of business (Amsterdam time) 24 hours prior to the Voting Date so that his votes can be included in a Block Voting Instruction which needs to be deposited at least 24 hours before the Voting Date. Upon the lapse of the Voting Period, the Note Trustee shall promptly notify the Issuer and the Security Trustee in writing of whether or not the holders of each affected Series of Notes then outstanding have passed an Extraordinary Resolution (as defined below) approving the Voting Matter.
- (d) In order for an extraordinary resolution (an **Extraordinary Resolution**) to be approved by the holder of Notes (subject as provided below), one or more holders of Notes representing 66⅔% or more of the aggregate principal amount of Notes for the time being outstanding, who for the time being are entitled to receive notice of a Voting Matter, need to have voted in favour of, or signed a written resolution adopting, such resolution, provided that in respect of any Voting Matter, the business of which includes any of the following matters (each being a **Basic Terms Modification**):
- (i) to change any date fixed for payment of any amount owing under any Finance Document including principal or interest in respect of any Series of Notes, to reduce or cancel the amount of principal or interest payable on any date in respect of any Series of Notes or to alter the method of calculating the amount of any payment in respect of any Series of Notes on redemption or maturity;
 - (ii) to alter the Notes Payment Priorities (other than in accordance with the provisions of the Finance Documents) insofar as such alteration would adversely affect any Series of Notes;
 - (iii) to alter the Enforcement Payment Priorities (other than in accordance with the provisions of the Finance Documents) insofar as such alteration would adversely affect any Series of Notes;
 - (iv) to change the majority required to pass an Extraordinary Resolution;
 - (v) to amend Schedule 9 of the Note Trust Deed (*Provisions for Voting*) or this Condition 14.1 (*Passing of resolutions by Noteholders*); or
 - (vi) to amend the terms of any Guarantee or Indemnity, to approve of any alteration to any Transaction Security or any minimum penetration guarantee, to approve the release of any Guarantee, Indemnity or Transaction Security or minimum penetration guarantee, in each case, other than as permitted under the Finance Documents
 - (vii) to change any Guarantor other than in accordance with Clause 17 (*Additional Guarantors*) of the Note Trust Deed;
 - (viii) to change the governing law or enforcement provisions in Clause 24 (*Governing Law and Jurisdiction*) of the Note Trust Deed or the equivalent provisions in any other Finance Document; and
 - (ix) to change any provision of the Intercreditor Agreement or Subordination Agreement,

one or more Noteholders representing 90% or more of the aggregate principal amount of the Notes outstanding for the time being, who, for the time being are entitled to receive notice of such Voting Matter, need to have voted in favour of, or signed a written resolution adopting, such resolution, provided that any of the matters referred to in subparagraphs (iii) and (vi) above shall be further subject to the approval of the Majority Secured Creditors (as defined in the Intercreditor Agreement), or may also require the consent of the Hedge Counterparties, in each case, pursuant to the provisions of the Intercreditor Agreement.

- (e) Any resolution approved by the holders of the Notes in accordance with these Conditions and the provisions of the Note Trust Deed shall be binding on all holders of Notes whether or not they have cast a Vote and whether or not they voted in favour of the resolution, and on all relevant Couponholders.
- (f) So long as there is more than one Series of Notes outstanding, the foregoing provisions of this Condition shall have effect subject to the following modifications:
 - (i) a resolution which in the opinion of the Note Trustee directly or indirectly affects only one Series of Notes shall be deemed to have been duly approved if approved through a separate Vote of the holders of that Series of Notes;
 - (ii) a resolution which in the opinion of the Note Trustee directly or indirectly affects holders of both Series of Notes shall be deemed to have been duly approved if approved through a separate Vote of the holders of both Series of Notes; and
 - (iii) in respect of all such approvals, the preceding provisions of this Condition shall apply *mutatis mutandis* as though references therein to Notes, Noteholders and holders of Notes were references to the Series of Notes in question.

14.2 Modification, Waiver, Authorisation and Determination

- (a) The Note Trustee may agree, without the consent of the Noteholders or Couponholders, to any modification of any provisions of the Note Trust Deed, these Conditions or any other Finance Documents or instruct the Security Trustee to make any modification to any Transaction Document (as defined in the Intercreditor Agreement) to which the Security Trustee is or may be a party from time to time if in the opinion of the Note Trustee such modification is of a procedural, administrative or technical nature and not prejudicial to the interests of the Noteholders or is made to correct a manifest error or an error which is, in the opinion of the Note Trust Deed, proven. Any such modification shall be binding on the Noteholders and the Couponholders and, if the Note Trustee so requires, such modification shall be notified to the Noteholders as soon as possible in accordance with Condition 13 (*Notices*).
- (b) In all other cases, the Note Trustee may only amend or waive the terms of, or exercise any discretion to grant approval or consent under the Note Trust Deed, these Conditions or any other Finance Document, or instruct the Security Trustee to make any modification to any Transaction Document (as defined in the Intercreditor Agreement) to which the Security Trustee is or may be a party from time to time, or exercise any right to appoint or dismiss any agent under any Finance Document on the instruction of the Noteholders by way of an Extraordinary Resolution and shall in no circumstance exercise any powers conferred on it by these Conditions, the Note Trust Deed or any other Finance Document in contravention of any express direction given to the Note Trustee by the Noteholders by way of an Extraordinary Resolution or by a request of the Noteholders given under Condition 10.2(b) (*Delivery of Acceleration Notice and/or Enforcement Notice*).

15. PROTECTION AND INDEMNIFICATION OF THE NOTE TRUSTEE

The Note Trust Deed contains provisions for the indemnification of the Note Trustee and for its relief from responsibility and liability towards the Obligors, the Noteholders and the Couponholders, including (i) provisions relieving it from taking action unless indemnified and/or secured and/or pre-funded to its satisfaction and (ii) provisions limiting or excluding its liability in certain circumstances.

16. GOVERNING LAW AND SUBMISSION TO JURISDICTION

16.1 Governing Law

The Fixed Rate Notes the Coupons, the Note Trust Deed, the Agency Agreement, the Intercreditor Agreement (including the Guarantees) and Subordination Agreement and any non-contractual obligations arising out of or in connection with them are governed by, and will be construed in accordance with, Dutch law.

16.2 Jurisdiction of the Dutch Courts

Each of the Issuer and the Guarantors has, in the Note Trust Deed, the Intercreditor Agreement and the Subordination Agreement irrevocably agreed for the benefit of the Note Trustee, the Noteholders and the Couponholders that the courts of Amsterdam are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Note Trust Deed, the Intercreditor Agreement, the Subordination Agreement, the Fixed Rate Notes or the Coupons (including a dispute relating to any non-contractual obligations arising out of or in connection with the Note Trust Deed, the Intercreditor Agreement, the Subordination Agreement, the Fixed Rate Notes or the Coupons) and accordingly has submitted to the exclusive jurisdiction of the courts of The Netherlands.

17. DEFINITIONS

In these Conditions, (except where otherwise defined), the expression:

Acceptable Bank means:

- (a) any bank or financial institution which has a rating for its long-term unsecured and non credit-enhanced debt obligations of A- or higher by Standard & Poor's Rating Services or Fitch Ratings Ltd or A3 or higher by Moody's Investor Services Limited (provided that if the entity is rated by all three agencies, the second best rating shall be taken into account); or
- (b) any other bank or financial institution approved by the Note Trustee;

Additional Project means:

- (a) a project (by way of construction or acquisition) for the extension or expansion of a Project commenced at any time after the Signing Date if and to the extent that such project results in the total number of homes passed in relation to the Projects to exceed 174,572; or
- (b) a project, commencing after the Signing Date, for the construction or acquisition of a Fibre-to-the-Home network in a specified part of The Netherlands (which is not an Original Project);

Block Voting Instruction means a document:

- (a) in the English language issued by a Paying Agent;

- (b) certifying that: (i) if the Notes are in definitive form, the Deposited Notes have been deposited with such Paying Agent or to its order at a bank or other depositary, or (ii) if the Notes are represented by one or more global note(s)), the Deposited Notes have been blocked in an account with a clearing system and will not be released until the earlier of: (A) the close of business (Amsterdam time) on the Voting Date, and (B) the surrender to such Paying Agent, not less than 24 hours before the Voting Date, of the receipt for the Deposited Notes and notification thereof by such Paying Agent to the Note Trustee;
- (c) certifying that the depositor of such Deposited Note or a duly authorised person on its behalf has instructed the relevant Paying Agent that the Votes attributable to such Deposited Notes are to be cast in a particular way on a Voting Matter and that, until the end of the Voting Period, such instructions may not be amended or revoked;
- (d) listing the aggregate principal amount and (if the Notes are in definitive form) the serial numbers of the Deposited Notes, distinguishing between those in respect of which instructions have been given to Vote for, or against, such Voting Matter, and
- (e) authorising the Note Trustee to vote in respect of the Deposited Notes in connection with such Voting Matter and in accordance with such instructions and the provisions of the Note Trust Deed;

Business Day means a day which is both a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in Amsterdam, Paris, Milan, Luxembourg and a TARGET2 Settlement Day;

Change of Control means:

- (a) KPN B.V. ceasing to directly or indirectly hold 51% or more of the issued share capital of Holdco;
- (b) the Initial Shareholders ceasing to control (jointly or KPN B.V. individually) Holdco;
- (c) the Issuer ceasing to control any of the Guarantors or ceasing to hold directly 100% of the issued share capital of each Guarantor; or
- (d) Holdco ceasing to control the Issuer, the Parent or the Passive Operator or hold directly or indirectly 100% of the issued share capital of the Issuer, the Parent or the Passive Operator,

and for this purpose, **control** means (i) the ability to cast or control the casting of majority of the votes that may be cast in a general meeting of the relevant entity or equivalent, or (ii) the ability to appoint or remove the majority of the members of the managing board of the relevant entity, or (iii) the ability to give directions in respect of the operating or financial policies of the relevant entity with which the directors or equivalent officers of the relevant entity are obliged to comply;

Change of Control Redemption Date means, in relation to a Change of Control, the date falling 15 Business Days after that Change of Control;

Closing Date means 1 October 2013;

Compliance Certificate means a compliance certificate to be delivered by the Issuer to the Note Trustee on a semi-annual basis setting out calculations as to its compliance with the financial covenants set out in the Note Trust Deed in respect of the relevant testing period and substantially in the form set out in Schedule 10 of the Note Trust Deed;

Default Rate of Interest means an interest rate that is 1.00% per annum higher than the then current Rate of Interest;

Deposited Notes means: (i) if the Notes are in definitive form, Notes which have been deposited with a Paying Agent or to its order at a bank or other depository, or (ii) if the Notes are represented by one or more global note(s), Notes blocked in an account with a clearing system, for the purposes of the issuance of a Block Voting Instruction;

Direct Agreement means the agreement entitled "Direct Agreement relating to certain rights of the Security Trustee in relation to the financing of the Project" dated on or about the Closing Date made between, among others, the Obligors, the Passive Operator and the Security Trustee;

Enforcement Payment Priorities means the order of application of payments received by the Security Trustee in connection with the enforcement of any Transaction Security as further set out in Clause 14.1 (*Order of Application*) of the Subordination Agreement;

Euro-zone means the region comprised of the member states of the European Union that have adopted the single currency in accordance with the Treaty establishing the European Community (signed in Rome on 25th March, 1957) as amended;

Excess Cashflow means, for any Excess Cashflow Calculation Period, Cashflow (as defined in the Note Trust Deed) for that Excess Cashflow Calculation Period less:

- (a) Net Debt Service (as defined in the Note Trust Deed) for that Excess Cashflow Calculation Period; and
- (b) the aggregate amount of any partial redemption of the Notes previously made pursuant to Condition 7.7 (*Redemption at the Option of the Issuer*) during that Excess Cashflow Calculation Period,

provided that if a Lock Up Period continues such that more than one partial redemption is required to be made under Condition 7.5 (*Partial Redemption for Excess Cashflow*) during that Lock Up Period, for each calculation of Excess Cashflow (other than the first such calculation), (i) Cashflow, (ii) Net Debt Service and (iii) the amount of any voluntary redemption to be deducted from Cashflow pursuant to paragraph (b) above, shall (for the purposes of such calculation) in each case exclude any amounts taken into account in determining the amount of Excess Cashflow in respect of the immediately preceding Excess Cashflow Calculation Period;

Excess Cashflow Calculation Period means each Relevant Period (as defined in the Note Trust Deed) ending on or after 31 December 2014;

Excluded Insurance Proceeds means property damage insurance proceeds received by any member of the Group which the Issuer notifies to the Note Trustee are, or are to be, applied in reinstatement of the relevant asset in respect of which the relevant insurance claim was made as soon as possible, but in any event within six months of receipt of such insurance proceeds;

Finance Documents means:

- (a) the Notes;
- (b) the Note Trust Deed;
- (c) the Note Purchase Agreement;

- (d) the Agency Agreement;
- (e) the Intercreditor Agreement (including the Guarantees);
- (f) the Subordination Agreement;
- (g) each of the Transaction Security Documents;
- (h) the Hedging Agreements;
- (i) the Direct Agreement; and
- (j) each other document designated to be a “Finance Document” by the Note Trustee and the Issuer or otherwise under the Note Trust Deed;

Floating Rate Notes means the €35,000,000 guaranteed secured notes due 2023 issued by the Issuer on or about the Closing Date;

Global Notes means the temporary global note or permanent global note representing all or some of the Fixed Rate Notes and **Global Note** means either of them as the context may require;

Group means the Issuer and the Guarantors;

Hedge Counterparty means any person party to a Hedging Agreement with the Issuer in respect of the Issuer’s liabilities under or in connection with the Floating Rate Notes;

Hedging Agreement means any master agreement, confirmation or schedule or other agreement entered into, or to be entered into, by the Issuer and the Hedge Counterparty for the purpose of hedging the Issuer's liabilities under or in connection with the Floating Rate Notes;

Hedging Liabilities means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of each Obligor to the Hedge Counterparty under or in connection with the Hedging Agreement;

Holdco means Reggefiber Group B.V.;

Illegality Event is deemed to have occurred in respect of a Noteholder if it becomes unlawful in any applicable jurisdiction for that Noteholder (i) to perform its obligations under any of the Finance Documents or (ii) to hold any of the Fixed Rate Notes after the Closing Date;

Illegality Event Redemption Date means the date specified by a Noteholder in its Illegality Event Put Notice or, if no date is specified, the next succeeding Interest Payment Date, in each case, being no sooner than the earlier of:

- (a) the last day of any applicable grace period permitted by law; and
- (b) the date falling 10 Business Days after the day on which the Noteholder has delivered the Illegality Event Put Notice to the Principal Paying Agent;

Indemnity means any indemnity given by any Obligor to a Secured Creditor under a Finance Document;

Initial Shareholders means KPN B.V. and Reggefiber Holding B.V.;

Insurance Proceeds Redemption Date means, in relation to the receipt of any Insurance Proceeds, the date falling 15 Business Days after the date of receipt of those Insurance Proceeds by a member of the Group;

Insurance Proceeds means property damage insurance proceeds received by any member of the Group in excess of EUR 1,000,000 in aggregate in any financial year, excluding any Excluded Insurance Proceeds;

Intercreditor Agreement means the document so entitled dated on or about the Closing Date between, among others, the Issuer, the Guarantors, the Note Trustee, the Security Trustee and the Hedge Counterparty;

Interest Determination Date means the second TARGET2 Settlement Day before the commencement of the Interest Period for which the rate will apply;

Location Agreement means each of the location agreements made between the Passive Operator and:

- (a) KPN B.V.; and/or
- (b) KPN ITNS Networks B.V.; and
- (c) any Material Active Operator;

Lock Up Period means the period, determined under the Note Trust Deed, which:

- (a) commences on a date on which a Compliance Certificate is delivered by the Issuer to the Note Trustee which certifies that the Issuer's leverage ratio has exceeded the relevant level specified in the Note Trust Deed or that the Issuer's debt service cover ratio is lower than the relevant level specified in the Note Trust Deed; and
- (b) ending on the next date on which on which a Compliance Certificate is delivered by the Issuer to the Note Trustee which certifies that the Issuer's leverage ratio did not exceed the relevant level specified in the Note Trust Deed and that the Issuer's debt service cover ratio was not lower than the relevant level specified in the Note Trust Deed.

Make-Whole Amount means an additional premium payable in respect of any early redemption of the Fixed Rate Notes made pursuant to Conditions 7.3 or 7.7, calculated in each case in accordance with the Note Trust Deed;

Material Active Operator means the Passive Operator and any other active operator where the revenues generated from such active operator is equal to or greater than 25% of the total revenues of the Group and for this purpose, **total revenues** are the total revenues of the Group as determined on the basis of the most recent audited consolidated financial statements of the Issuer delivered under the Finance Documents;

Material ODF Agreement means an ODF Agreement between:

- (a) the Passive Operator and each of KPN B.V. as active operator and KPN ITNS Networks B.V. (created by KPN B.V. following acquisition of Reggefiber Wholesale B.V.)); or
- (b) the Passive Operator and a Material Active Operator;

Maturity Date means 30 June 2023;

Note Purchase Agreement means a note purchase agreement dated on or about the Signing Date entered into between the Issuer and the initial purchaser(s) of the Notes;

Notes means the Fixed Rate Notes and the Floating Rate Notes;

Notes Liabilities means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of each Obligor to a holder of Notes and/or the Note Trustee under or in connection with the Notes and/or the Note Trust Deed;

Notes Payment Priorities means the order of application of payments received by the Note Trustee in connection with the Notes or the Note Trust Deed as further set out in Clause 8 (*Application of Moneys Received by the Note Trustee*) of the Note Trust Deed;

Obligors means the Issuer and the Guarantors and **Obligor** means any of them as the context may require;

ODF Agreement means each optical distribution frame agreement made between the Passive Operator and an Active Operator which sets out the terms and conditions under which such Active Operator obtains access to the Group's FttH network;

Original Projects means the Group's 18 Fiber-to-the-Home projects;

Parent means Reggefiber ttH B.V.;

Passive Operator means Reggefiber Operator B.V.;

Permitted Contributions means a (bridge) loan or equity contribution (as the case may be) made at any time by the Parent, one or more of the Shareholders or any subsidiary of a Shareholder to any member of the Group to finance a Project provided that:

- (a) any such loan or contribution (*storting*) made other than by way of a contribution on the shares of a member of the Group shall at all times after the date of the Subordination Agreement be subject to the subordination arrangements set out in the Subordination Agreement or other subordination arrangement satisfactory to the Note Trustee; and
- (b) any new shares issued and any receivable owed to the provider by a member of the Group shall be pledged in favour of the Security Trustee (except to the extent the contribution is made pursuant to a minimum penetration guarantee);

Project means the construction/rollout phase and passive operation of:

- (a) the Original Projects; and
- (b) each Additional Project owned by a member of the Group;

Refinancing Undertaking Commencement Date means the date falling 18 months prior to the Maturity Date;

Relevant Date means the date on which payment first becomes due but, if the full amount of the money payable has not been received by the Principal Paying Agent or the Note Trustee on or before the due date, it means the date on which, the full amount of the money having been so received, and notice to that effect has been duly given to the Noteholders by the Issuer in accordance with Condition 13 (*Notices*);

Relevant Jurisdiction means (i) The Netherlands or any political subdivision or any authority thereof or therein having power to tax or (ii) any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which the Issuer or, as the case may be, any of the Guarantors becomes subject in respect of payments made by it of principal and interest on the Fixed Rate Notes, Coupons or the Guarantees;

Representative Amount means, in relation to any quotation of a rate for which a Representative Amount is relevant, an amount that is representative for a single transaction in the relevant market at the relevant time;

Retained Excess Cash means any amount of cash held by the Issuer which is, under the terms of the Finance Documents, freely available to be withdrawn and utilised to partially redeem the Notes as at the date on which a mandatory prepayment is due to be made under Condition 7.5, to the extent that such cash constituted Excess Cashflow in respect of the Excess Cashflow Calculation Periods which ended since the beginning of the relevant Lock Up Period;

Secured Creditor Representative means:

- (a) in respect of the Notes, the Note Trustee; and
- (b) in respect of each Hedging Agreement, the relevant Hedge Counterparty;

Secured Creditors means the holders of the Notes, the Hedge Counterparties, the Note Trustee, the Security Trustee and the Paying Agents;

Secured Liabilities means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of each Obligor to any Secured Creditor under any Finance Document;

Security means any mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect;

Security Trustee means ABN AMRO Bank N.V. in its capacity as security trustee under the Intercreditor Agreement or its successor thereunder;

Series means either the Fixed Rate Notes or the Floating Rate Notes;

Shareholder means:

- (a) the Initial Shareholders; and
- (b) any person or institution which becomes a shareholder in Holdco after the Signing Date, to the extent they (in)directly hold any portion of the Issuer's issued share capital;

Shareholder Funding means Subordinated Debt or Permitted Contributions (excluding, for the avoidance of doubt, any amount outstanding under a minimum penetration guarantee);

Shareholder Funding Providers means each of:

- (a) the Parent; and

- (b) any other affiliate of the Parent or a Shareholder providing Subordinated Debt to the Issuer, provided that such party is bound by the subordination provisions contained in the Subordination Agreement;

Signing Date means 16 September 2013;

Subordinated Debt means any indebtedness owed by an Obligor to a Shareholder Funding Provider and which is subordinated pursuant to the terms of the Subordination Agreement;

Subordination Agreement means the document so entitled dated on or about the Closing Date between, among others, the Issuer, the Guarantors, the Note Trustee, the Shareholder Funding Providers and the Security Trustee;

TARGET2 Settlement Day means any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System is open;

Transaction Security means the security interests created or evidenced or expressed to be created or evidenced under or pursuant to the Transaction Security Documents, including without limitation, the security interests further described in Condition 4.1;

Transaction Security Documents means each of the transaction security documents entered into by an Obligor and/or a Third Party Security Provider in relation to the Secured Liabilities, including without limitation, the transaction security documents set out in Condition 4.1;

Vote means an instruction from a holder of Notes to the Note Trustee to vote on its behalf in respect of a Voting Matter, such instructions to be given in accordance with the Note Trust Deed;

Voting Closure Notice means, in respect of a Voting Matter, a notice from the Note Trustee to the Noteholders and the Issuer promptly following receipt of Votes from the required majority of Noteholders to pass (or reject) a resolution in relation to a Voting Matter;

Voting Date means the date set out in the relevant Voting Notice;

Voting Matter means any matter which is required to be approved or sanctioned by the Noteholders, or as the case may be, the holders of the Notes including, without limitation:

- (a) any directions required or entitled to be given by Noteholders, or as the case may be, the holders of the Notes pursuant to the Finance Documents; and
- (b) any other matter which requires the approval or consent of Noteholders, or as the case may be, the holders of the Notes;

Voting Notice means the date on which the Security Trustee has received votes sufficient to pass such resolution pursuant to the Intercreditor Agreement; and

Voting Period means the period ending on the Voting Date or, if earlier, the date of the Voting Closure Notice issued by the Security Trustee in respect of such Voting Matter (if applicable).

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

Each Temporary Global Note and each Permanent Global Note will contain provisions which apply to the relevant Series while they are in global form, some of which modify the effect of the Conditions of the relevant Series. The following is a summary of certain of those provisions as they relate to the Notes:

1. Exchange

Each Temporary Global Note is exchangeable in whole or in part for interests in the relevant Permanent Global Note on or after 10 November 2013, upon certification as to non-U.S. beneficial ownership in the form set out in the relevant Temporary Global Note. Each Permanent Global Note is exchangeable in whole but not in part (free of charge to the relevant Noteholders) for the definitive Notes described below if such Permanent Global Note is held on behalf of a clearing system and that 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 does in fact do so. Thereupon, a Noteholder may give notice to the Principal Paying Agent of its intention to exchange the Permanent Global Note for definitive Notes on or after the Exchange Date specified in the notice.

On or after the Exchange Date (as defined below) the holder of the relevant Permanent Global Note may surrender such Permanent Global Note to or to the order of the Principal Paying Agent. In exchange for the relevant Permanent Global Note, the Issuer shall deliver, or procure the delivery of, an equal aggregate principal amount of duly executed and authenticated definitive Notes (having attached to them all Coupons in respect of interest which has not already been paid on the relevant Permanent Global Note and a Talon for further Coupons) printed in accordance with any applicable legal and stock exchange requirements and in or substantially in the form set out in Schedule 7 to the Note Trust Deed. On exchange of the relevant Permanent Global Note, the Issuer will, if the Noteholder so requests, procure that it is cancelled and returned to the Noteholder together with any definitive Notes.

Exchange Date means 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 Principal Paying Agent is located and in the cities in which the relevant clearing system is located.

2. Payments

No payment will be made on the relevant Temporary Global Note unless exchange for an interest in the relevant Permanent Global Note is improperly withheld or refused. Payments of principal, premium and interest in respect of relevant 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 relevant Notes, surrender of such Global Note to or to the order of the Principal Paying 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 the relevant Global Note, which endorsement will be prima facie evidence that such payment has been made in respect of the relevant Notes. For the purpose of any payments made in respect of a Global Note, Condition 6.5 shall not apply, and all such payments shall be made on a Business Day (as defined in the relevant Conditions).

3. Notices

So long as the relevant Notes are represented by a Permanent Global Note and that Permanent Global Note is held on behalf of a clearing system, notices to Noteholders may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the relevant Conditions.

4. Prescription

Claims against the Issuer in respect of principal, premium and interest on the relevant Notes while the relevant Notes are represented by a Permanent Global Note will become void unless it is presented for payment within a period of five years after the date on which relevant payment first become due.

5. Voting

The holder of a Permanent Global Note shall (unless that Permanent Global Note represents only one Note) be treated as being two persons for the purposes of any voting requirements and, at any such vote, as having one vote in respect of each €1 in outstanding principal amount of the Notes.

6. Purchase and Cancellation

Cancellation of any Note required by the relevant Conditions to be cancelled following its purchase will be effected by reduction in the principal amount of the relevant Global Note.

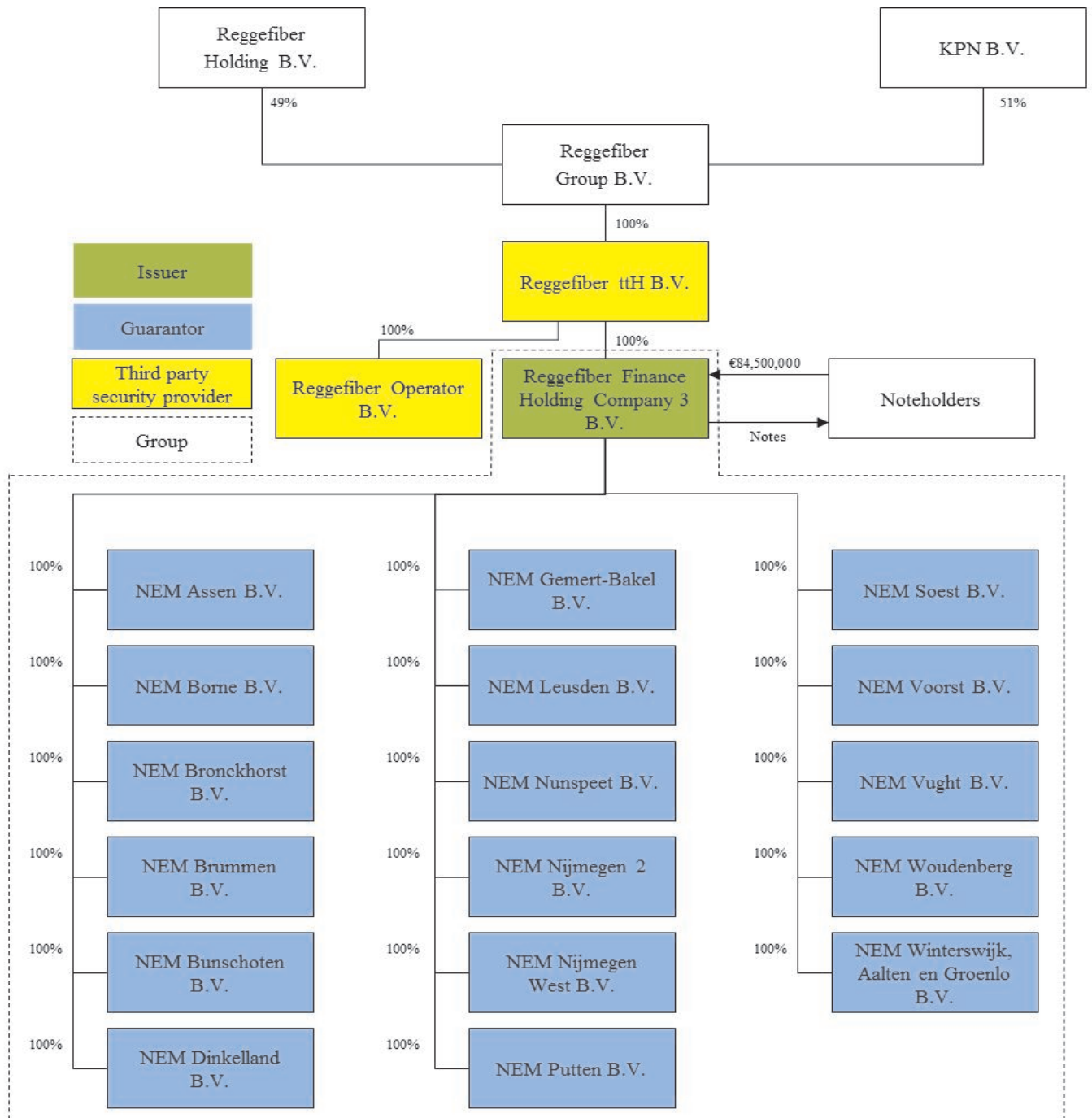
USE OF PROCEEDS

The net proceeds of the issue of the Notes (after payment of transaction costs incurred in connection with the issue of the Notes) will be applied by the Issuer:

- first, to repay the Issuer's €75,000,000 short-term senior debt (bridge) facility in full;
- second, to fund the blocked account of the Issuer with an amount of approximately €4,000,000 (final amount to be determined in accordance with the terms of the Note Trust Deed), such account to be secured in favour of the Security Trustee for the benefit of Noteholders and the other Secured Creditors;
- third, to fund a blocked account of the Issuer with an amount of approximately €2,300,000 as a reserve account for the interest rate risk associated with the refinancing of the final redemption payment; and
- fourth, the remainder of the net proceeds will be applied to finance the capital expenditure needs of the Group or refinance the capital expenditure of the Group incurred in the period from 1 January 2010 up to 1 October 2013 (which was pre-funded with equity) through the repayment of subordinated debt provided to members of the Group by the Parent, or payment of distributions to the Parent.

OVERVIEW OF THE FINANCING AND CORPORATE STRUCTURE

The following structure chart illustrates the simplified holding structure of the Group, the immediate holding company of the Issuer and the ultimate parent of the Group as at the date of this Prospectus.



As shown in the structure chart above:

- The Issuer is a special purpose vehicle whose entire share capital is owned by the Parent.
- The entire share capital of the Parent, Reggefiber ttH B.V., is owned by Holdco, Reggefiber Group B.V., which is the ultimate parent of the Issuer and the Guarantors. Holdco is owned by the following entities:
 - (a) Reggefiber Holding B.V. – 49 per cent. ownership in Holdco; and
 - (b) KPN B.V. – 51 per cent. ownership in Holdco.
- The Guarantors are special purpose vehicles whose entire share capital is owned by the Issuer. They will enter into the relevant Finance Documents as Guarantors and grant security over, among other things, their bank accounts, registered network assets and their rights certain project agreements, as further described in "*Overview of the Finance Documents—Transaction Security Documents*" and in Condition 4.1.

BUSINESS OVERVIEW

Introduction

The Reggefiber Joint Venture (being Reggefiber Group B.V. and its subsidiaries) is a leading provider of FttH networks in a number of municipalities in the Netherlands according to Glasmonitor's 2013 Fibre Monitor and a Research Brief (RB21212) published by Telecompaper. It is a joint venture between KPN B.V., a leading telecommunication service provider in the Netherlands, and Reggefiber Holding B.V. (**Reggeborgh**), a private investment company active in construction, energy, real estate and building and operation of optical fibre communication networks. The Reggefiber Joint Venture builds, owns and operates passive optical fibre networks in the Netherlands through separate ring-fenced projects which relate to a predefined region of the Netherlands; the Group, also known as "Reggefiber 3" is comprised of 18 such ring-fenced projects.

Vision

Due to the increasing number of information technology-related processes, society is increasingly dependent on information systems that require large volumes of data. Information technology enables companies and consumers to process more information at a rapid pace and, using complex applications, to shape the interactions of such information. Thus, the more possibilities this offers, the higher the demands on the technology. The bandwidth and high-grade infrastructure increase apace with the latest applications. Current cable networks are reaching the end of their capabilities and are being replaced step-by-step. The Reggefiber Joint Venture believes optical fibre represents the best available data technology.

Mission

The Reggefiber Joint Venture and the Group seeks to be a market leader in the field of optical fibre in the Netherlands and aims to offer Dutch households, end-users and service providers in the Netherlands access to affordable high-speed fibre optic broadband network.

History and development

Reggeborgh started its FttH business in late 2005 by combining the forces of a group of companies which mainly specialised in construction, operation and management of communication networks, and in particular, optical fibre networks in the Netherlands. At the end of 2008, KPN B.V. entered into a joint venture with Reggeborgh and formed Holdco as a joint venture company for the deployment of FttH networks in the Netherlands. As at the date of this Prospectus, KPN B.V. currently owns 51% and Reggeborgh owns 49% of the issued shares in Holdco, the ultimate parent of the Issuer and the Guarantors. See further "*Business Overview—Joint venture arrangement between KPN B.V. and Reggeborgh*".

Although at its inception, the Reggefiber Joint Venture was reinforced with external acquisitions, it has expanded organically ever since.

The Issuer was incorporated on 13 June 2012 under the laws of The Netherlands to act as holding company and financing vehicle for the Group. On 2 July 2012, it became the holding company of the Guarantors (the Guarantors were previously owned by the Parent).

Joint venture arrangement between KPN B.V. and Reggeborgh

Under the terms of a joint venture agreement between KPN B.V. and Reggeborgh, KPN B.V. has the option to purchase an additional 9% stake in Holdco, and Reggeborgh has the option to sell 9% of its interest in Holdco to KPN B.V. (the options are jointly referred to as the **Call/Put Arrangement**).

If either party exercises its option under the Call/Put Arrangement, KPN B.V. would be required to pay between EUR 116 million to EUR 161 million to acquire the additional 9% stake in Holdco, depending on the reduction of average per homes passed capital expenditure at the time of payment as compared to prior periods. Both options vest on the earlier of 1 January 2014 or upon the achievement of 1.5 million Homes Connected to the Reggefiber FttH network by the Reggefiber Joint Venture (as a whole), and are subject to the approval of the ACM. Such approval may not be forthcoming on a timely basis, if at all.

If either option is exercised and approved by the ACM, KPN B.V.'s ownership in Holdco will increase from 51% to 60%. Upon KPN B.V. reaching the 60% ownership threshold, Reggeborgh is then entitled to put the remaining 40% of its stake in Holdco to KPN B.V., for an amount totalling either (i) EUR 647 million for a period from three and a half years to five years after the date on which the Call/Put Arrangement has been exercised by either party, or (ii) the fair value of the remaining stake in Holdco for a period of seven years after the date KPN B.V. reaches the 60% ownership threshold, whichever is greater.

Business Model and Operations

In the context of the Group, each Guarantor has constructed (or is constructing), owns and manages one or more passive (dark fibre) FttH networks for the Dutch consumer market in an ODF-area which often represents a municipality. A FttH network starts from a City PoP in an ODF-area.

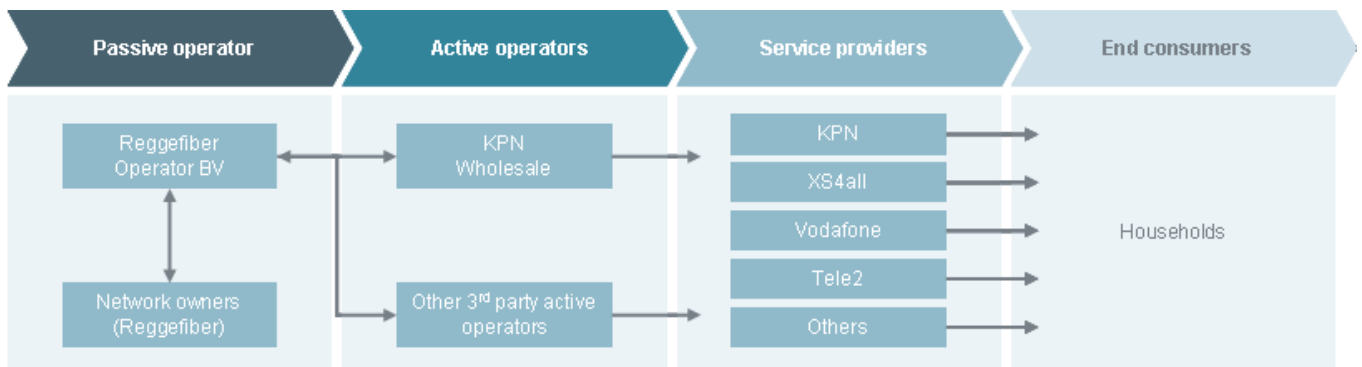
Because each of the Guarantors is a special purpose company with no employees of its own, the Passive Operator provides operation and maintenance services to each Guarantor under a service, maintenance and exploration agreement between the parties pursuant to which the Passive Operator is responsible for the operation and maintenance of the Guarantors' FttH networks.

The Guarantors' passive FttH networks are open access networks regulated by the ACM and access is provided to active operators on a non-discriminatory basis. Active Operators such as KPN Wholesale may obtain access to Reggefiber's passive FttH network by entering into one or more ODF Agreements with the Passive Operator. These ODF agreements and the tariffs that the Passive Operator may charge to an Active Operator under an ODF agreement are also regulated by the ACM. See further "*Business Overview—Regulation of tariffs chargeable by the Reggefiber Joint Venture*". The infrastructure provided by the Group to the Active Operators under an ODF agreement consists of connections between the City-PoP and the Area PoPs, connections between the Area PoPs and the households and co-location in both the City-Pop and Area PoP.

The Active Operators may then deliver wholesale optical-fibre services to the Service Providers under a wholesale agreement between the parties. Each of the Active Operators owns the equipment that transmit the signal (light) over the FttH network to which it has access and this enables the transmission of digital information over the FttH network.

The Service Providers in turn provide data services to end-consumers, including radio television, internet and/or telephone lines, over an Active Operator's active FttH network. Because there may be multiple Service Providers operating on the Group's FttH network, including KPN and Vodafone, end-consumers may be able to subscribe to a Service Provider of their choice. Thus, the Group's passive FttH network is a utility-type infrastructure that provides end-consumers with access to multiple data service providers.

Reggefiber's business model is further set out in the diagram below.



As at the end of 2012, there were approximately 151,000 Homes Passed and approximately 58,000 Homes Activated on the Group's FttH network, implying an overall average penetration of approximately 38% (i.e. Homes Activated as a percentage of Homes Passed). The Group expects to complete its FttH project in scope in 2013. Accordingly, the Group expects approximately 175,000 Homes Passed on its network by the end of 2013.

FttH Technology

Because maintenance to the FttH network is relatively limited (limited to maintenance activities such as fibre repair, maintaining the connection of the fibres to the active equipment and maintaining the PoPs), Reggefiber believes that potential revenue losses due to underperformance of the FttH caused by a lack of maintenance will be limited. In addition, failures can be rapidly spotted due to the continued monitoring by the Passive Operator and the redundant network-model adopted by Reggefiber (i.e. fibre pair and ring structure in a city-ring) ensures that services can be continued even in the case of a network failure.

Regulation of tariffs chargeable by Reggefiber

Tariffs chargeable by the Reggefiber Joint Venture are regulated by the ACM and the same regulation also applies to the Group. As a result, tariffs chargeable by the Guarantors to the Active Operators for access to the FttH network are subject to a regulatory cap and the revenue of the Guarantors is subject to ex ante regulation by the ACM. Such ex ante regulation has been imposed on the Group since the inception of the Reggefiber Joint Venture between Reggeborgh and KPN B.V. (see further "*Business Overview— Joint venture arrangement between KPN B.V. and Reggeborgh*") and the Reggefiber Joint Venture's regulatory framework was established at the end of 2008. Such ex ante regulation requires members of the Reggefiber Joint Venture to offer access to its optical distribution framework on a non-discriminatory basis to upstream active operators and for a regulatory cap to apply to the tariffs chargeable by members of the Reggefiber Joint Venture to the Active Operators for such access. Regulations require actual tariffs charged by members of the Reggefiber Joint Venture to Active Operators to be lower than or equal to the regulatory cap. The regulatory cap applicable to members of the Reggefiber Joint Venture will be reviewed by the ACM every three years, although the regulatory cap may be increased each year in line with increases in the consumer-price-index. In determining the regulatory cap, the ACM will assess whether the Reggefiber Joint Venture's consolidated internal rate of return (**IRR**) is higher than its risk-weighted-average-cost-of-capital (the **WACC**). If the Reggefiber Joint Venture's IRR is lower or equal to its WACC, then the regulatory cap will not be adjusted. The Reggefiber Joint Venture's current tariffs are below the regulatory cap and it has the right to increase its current tariffs until they reach the regulatory cap.

In calculating the Reggefiber Joint Venture's WACC, the following three elements are taken into account: the WACC of KPN's copper network, a risk premium for the systemic FttH risk that has not been quantified by ACM and a risk premium of 3.5% for asymmetric regulatory risk. Because the WACC is determined every 3 years, a change in the WACC could impact on the determination of the regulatory cap. In 2011, the Reggefiber Joint Venture's WACC (excluding a risk premium for the systemic or non-diversifiable FttH risk) was determined to be 9.39%. Because the Reggefiber Joint Venture is still rolling out its FttH network, its

actual IRR is significantly lower than its WACC of 9.39% (excluding the non-quantified risk premium for FttH risk).

The IRR is in turn dependent on key assumptions about the expected economic life of the investments, the expected take-up rate, the expected inflation rate and Reggefiber's expected capital expenditure and operational costs.

DESCRIPTION OF THE ISSUER

The Issuer, Reggefiber Finance Holding Company 3 B.V., was incorporated as a private company with limited liability under the laws of the Netherlands on 13 June 2012. The Issuer's statutory seat is in Rijssen, The Netherlands, and its registered address is Reggesingel 12, 7461BA Rijssen, The Netherlands, phone number +31 (0)5 4880 0800. The Issuer is registered in the Commercial Register of the Chamber of Commerce and Industry for East Netherlands (*Oost Nederland*) under number 55497926. The Issuer's most recent Articles of Association is dated 13 June 2012.

Corporate purpose

The principal objects (*vennootschappelijk doel*) of the Issuer are set out in Clause 2 of its Articles of Association and are (i) to obtain, dispose of, operate and administer assets (*vermogenswaarden*), (ii) to manage and/or to provide services to and/or to establish and/or to participate in and/or to cooperate with and/or to finance other companies and/or other businesses, regardless of the object or the legal entity, and (iii) to carry out all matters that are incidental or ancillary to the foregoing.

Furthermore, according to Clause 2.2 of its Articles of Association, the Issuer may provide security and/or guarantees (jointly, severally or otherwise), unless this is done with the view of assisting another person or entity to acquire shares in the Issuer.

The Issuer was incorporated as a special purpose company to act as a holding company and funding vehicle for the Group. The Issuer does not own or operate any of the operating assets of the Group. Consequently, the ability of the Issuer to meet its financial obligations is dependent on the receipt of dividends and distributions from, and receipt of intra-group advances by, the Guarantors.

Management Board

The Issuer has the following sole director:

<u>Name</u>	<u>Business Address</u>	<u>Principal Activities</u>
Reggefiber Group B.V.	Reggesingel 12, 7461 BA Rijssen, The Netherlands	Director

No actual or potential conflicts of interest exists at the date of this Prospectus between the duties of the director of the Issuer and the Issuer's interests or other duties.

Major Shareholders

The Issuer is wholly owned by the Parent and its issued share capital is €18,001 divided into 18,001 €1 ordinary shares. The share capital of the Issuer is fully paid as at the date of this Prospectus.

Financial Statements

The Issuer's audited consolidated financial statements for the period from 13 June 2012 to 31 December 2012 are included in Annex 1 "*Financial Statements*".

DESCRIPTION OF THE GUARANTORS

The Guarantors are NEM Assen B.V., NEM Borne B.V., NEM Bronckhorst B.V., NEM Brummen B.V., NEM Bunschoten B.V., NEM Dinkelland B.V., NEM Gemert-Bakel B.V., NEM Leusden B.V., NEM Nunspeet B.V., NEM Nijmegen 2 B.V., NEM Nijmegen West B.V., NEM Putten B.V., NEM Soest B.V., NEM Voorst B.V., NEM Vught B.V., NEM Woudenberg B.V. and NEM Winterswijk, Aalten en Groenlo B.V..

Each of the Guarantors was incorporated under Dutch law as a private company with limited liability. The statutory seat for each of the Guarantors is in Rijssen, The Netherlands and each of them is registered in the Commercial Register of the Chamber of Commerce and Industry for East Netherlands (*Oost Nederland*). Their registered address is Reggesingel 12, 7461 BA Rijssen, The Netherlands. The telephone number for each of the Guarantors is +31 (0)54 8800 800. The following table sets out specific information for each of the Guarantors.

Legal name of Guarantor	Date of incorporation	Registration number	Date of most recent Articles of Association
NEM Assen B.V.	6 September 2011	53492161	6 September 2011
NEM Borne B.V.	4 March 2011	52204529	4 March 2011
NEM Bronckhorst B.V.	9 November 2010	51247127	9 November 2010
NEM Brummen B.V.	4 March 2011	52207250	4 March 2011
NEM Bunschoten B.V.	8 March 2011	52234924	8 March 2011
NEM Dinkelland B.V.	4 March 2011	52203948	4 March 2011
NEM Gemert-Bakel B.V.	2 February 2011	51987880	2 February 2011
NEM Leusden B.V.	3 September 2010	50763679	3 September 2010
NEM Nunspeet B.V.	4 March 2011	52205258	4 March 2011
NEM Nijmegen 2 B.V.	8 August 2011	53319575	8 August 2011
NEM Nijmegen West B.V.	5 October 2011	53695283	5 October 2011
NEM Putten B.V.	4 March 2011	52206025	4 March 2011
NEM Soest B.V.	3 March 2011	52195473	3 March 2011
NEM Voorst B.V.	3 September 2010	50740539	3 September 2010
NEM Vught B.V.	30 March 2011	52412784	30 March 2011
NEM Woudenberg B.V.	4 May 2011	52662802	4 May 2011
NEM Winterswijk, Aalten en Groenlo B.V.	28 November 2008	08184718	28 November 2008

Corporate purpose

The principal objects (*vennootschappelijk doel*) of the Guarantors are set out in Clause 2 of the Articles of Association for each respective Guarantor and are (i) to set up, own, administer and operate a fibre-optic cable network and all related activities, (ii) to obtain, dispose of, operate and administer assets (*vermogenswaarden*), (iii) to manage and/or to provide services to and/or to establish and/or to participate in and/or to cooperate with and/or to finance other companies and/or other businesses, regardless of the object or the legal entity, and (iv) to carry out all matters that are incidental or ancillary to the foregoing.

Furthermore, according to Clause 2.2 of the relevant Articles of Association, the Guarantors may provide security and/or guarantees (jointly, severally or otherwise), unless this is done with the view of assisting another person or entity to acquire shares in the relevant Guarantor.

Each of the Guarantors was incorporated as a special purpose company to own, construct and procure the operation and maintenance of a fibre-optic network within a defined location in The Netherlands. None of the Guarantors have any subsidiaries or employees.

Management Board

Each of the Guarantors has the following sole director:

<u>Name</u>	<u>Business Address</u>	<u>Principal Activities</u>
Reggefiber Group B.V.	Reggesingel 12, 7461 BA Rijssen, The Netherlands	Director

No actual or potential conflicts of interest exists at the date of this Prospectus between the duties of the director of the Guarantors and their private interests or other duties.

Major Shareholders

Each of the Guarantors is wholly owned by the Issuer and its issued share capital of each of the Guarantors is €18,000 divided into 18,000 €1 ordinary shares. The share capital of each of the Guarantors is fully paid as at the date of this Prospectus.

Financial Statements

The Issuer became the sole shareholder of each of the Guarantors on 2 July 2012. In its capacity as sole shareholder, the Issuer has filed a 403-declaration for each of the Guarantors. Accordingly, the Guarantors are not required to publish individual audited financial statements. Instead, their financial information is consolidated with the financial statements of the Issuer. The Issuer's audited consolidated financial statements for the period from 13 June 2012 to 31 December 2012 are included in Annex 1 "*Financial Statements*".

Prior to 2 July 2012, each of the Guarantors were owned by the Parent (and therefore, indirectly by Holdco). Because Holdco has also filed a 403-declaration for each Guarantor, the Guarantors were not required to prepare individual audited financial statements for the fiscal period prior to 2 July 2012. The financial information of the Guarantors for the period from the date on which the relevant Guarantor was incorporated to 1 July 2012 were consolidated with the audited consolidated financial statements of Holdco.

OVERVIEW OF THE FINANCE DOCUMENTS

The following is a summary of the key Finance Documents. The information set out below does not purport to be complete and should be read in conjunction with, and is qualified in its entirety by, the terms of the key Finance Documents. Terms used but not defined in this summary have the meanings given to them in the relevant Finance Document.

NOTE TRUST DEED

General

The Note Trust Deed between the Issuer, the Guarantors, the Passive Operator, the Note Trustee and the Security Trustee will contain, among other things, the following:

- (a) the Issuer's covenant to the Note Trustee to pay the principal and interest on the Notes in accordance with the Conditions;
- (b) requirements in relation to Global Notes and Definitive Notes;
- (c) the covenants and undertakings of the Issuer and the Guarantors as further described below;
- (d) provisions governing the Note Trustee's power to agree, approve, authorise or waive any term, breach, proposed breach of any of the covenants or provisions of the Note Trust Deed or the Terms and Conditions;
- (e) provisions relating to voting by the Noteholders; and
- (f) the appointment, retirement, removal, remuneration, indemnification and liability of the Note Trustee.

Covenants of the Issuer and the Guarantors

So long as any Note, any Coupon or any other amount under a Finance Document is outstanding, each of the Obligors will covenant, among others, that:

- (a) **Negative Pledge:** not to create or permit to subsist any Security over any of its assets or, in circumstances where the arrangement or transaction is entered into primarily as a method of raising Financial Indebtedness or of financing the acquisition of an asset, to (i) sell, transfer or otherwise dispose of any of its assets on terms whereby they are or may be leased to or re-acquired by an Obligor or any other member of the Group, (ii) sell, transfer or otherwise dispose of any of its receivables on recourse terms (iii) enter into any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts or (iv) enter into any other preferential arrangement having a similar effect, subject to certain exceptions for permitted security, including, among others, the Transaction Security.
- (b) **No disposals:** not to enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to sell, lease, transfer or otherwise dispose of an asset, other than in respect of certain exceptions. Such exceptions to include disposal of stock in trade in the ordinary course of trading and on arm's length terms, assets in exchange for other assets that are comparable or superior, and the disposal of other assets subject to an aggregate limit.
- (c) **No merger:** not to enter into any amalgamation, demerger, merger or corporate reconstruction, with an exception to allow a Guarantor to amalgamate or merge with another Guarantor provided that

such amalgamation or merge does not negatively impact the interests of the Secured Creditors under the Finance Documents, the Transaction Security or the value of any guarantees provided under the Finance Documents or the Project Documents and is subject to any conditions to ensure the Secured Creditors are in the same position following such amalgamation or merger.

- (d) **Joint Ventures:** not to enter into, invest in or acquire (or agree to acquire) any shares, stocks, securities or other interest in any Joint Venture, or transfer any assets or lend to or guarantee or give an indemnity for or give Security for the obligations of a Joint Venture or maintain the solvency of or provide working capital to any Joint Venture (or agree to do any of the foregoing).
- (e) **Loans and Guarantees:** not to make any loans, grant any credit or give any guarantee or indemnity to or for the benefit of any person or otherwise voluntarily assume any liability whether actual or contingent in respect of any obligation of any person, other than certain exceptions, including, among others, loans, indemnities or guarantees made or granted pursuant to the Project Documents and guarantees or indemnities given under the Finance Documents.
- (f) **Subordinated Debt:** not to repay or prepay any principal amount or capitalised interest outstanding under any Subordinated Debt or pay any interest payable in connection with any Subordinated Debt except (i) subject to certain conditions, including compliance with certain financial covenant levels and (ii) when funded from the proceeds of the issuance of the Notes, subject to certain conditions and a monetary cap.
- (g) **Notification of Default:**
 - (i) each Obligor shall notify the Note Trustee of any Default (and steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence.
 - (ii) promptly upon request, the Issuer shall supply to the Note Trustee a certificate signed by two of its directors or senior officers on its behalf certifying that no Default is continuing (or if a Default is continuing, specifying the Default and the steps, if any, being taken to remedy it).
- (h) **Pari passu ranking:** to ensure that at all times any unsecured and unsubordinated claims of a Finance Party against it under the Finance Documents rank at least pari passu with the claims of all its other unsecured and unsubordinated creditors except those creditors whose claims are mandatorily preferred by laws of general application to companies.
- (i) **Implementation of Project:**
 - (i) to implement the Project in accordance with the Project Documents and not to carry on any business other than the implementation of the Project in accordance with the Project Document; and
 - (ii) to ensure construction and maintenance of the Project in accordance with good industry practice, the applicable insurances and all legal requirements and authorisations.
- (j) **No other agreements:** not to enter into any agreement other than the Finance Documents and the Project Documents or as otherwise permitted under the Finance Documents other than any agreement (on arm's length terms) required to be entered for the normal day-to-day operation of the Project.
- (k) **Bank accounts:** not to open or maintain any bank account other than the bank accounts in respect of which Transaction Security has been granted.

- (l) **Project Documents:** not to (and the Issuer shall ensure that no member of the Group shall) enter into any material agreement in relation to an Additional Project except:
 - (i) a purchase agreement for the acquisition of any Additional Project, or shares in a company which owns an Additional Project, permitted to be acquired; or
 - (ii) an agreement on substantially the same terms in all material respects as an existing Project Document.
- (m) **Treasury Transactions:** not to enter into any derivative transaction in connection with protection against or benefit from fluctuation in any rate or price, other than hedging transactions entered into in connection with hedging against actual or projected real interest exposures arising in the ordinary course of the business of the Group (and not for speculative purposes), with financial institutions that are in the business of regularly providing such hedging transactions and which hold a short term unsecured credit rating of at least a minimum required level on the date of entry into the relevant hedging transaction.

Additional Covenants of the Issuer

In addition to the general covenants referred to above, so long as any Note, any Coupon or any other amount under a Finance Document is outstanding, the Issuer will give, among others, the following undertakings:

- (a) **Financial Covenants:** to ensure that:
 - (i) the Leverage Ratio on each test date does not exceed the permitted maximum level applicable specified in the Note Trust Deed in respect of that test date; and
 - (ii) the Debt Service Cover Ratio is not less than the permitted minimum level specified in the Note Trust Deed in respect of any Relevant Period ending on or after 31 December 2014.
- (b) **Financial Statements:** to supply to the Note Trustee as soon as they become available but in any event within 120 days of the end of the relevant financial year:
 - (i) the Issuer's audited consolidated annual financial statements;
 - (ii) the Passive Operator's audited annual financial statements; and
 - (iii) Reggefiber Group B.V.'s audited annual consolidated financial statements.
- (c) **Information: miscellaneous:** to supply to the Note Trustee certain required information including (among other things) promptly following final completion of all Original Projects, a construction completion report setting out the final amounts of Capital Expenditure, Homes Connected and Homes Passed for the Original Projects, and, by the end of January of each calendar year, an annual budget, outlining planned revenue, operating costs, maintenance costs and Capital Expenditure for the Project.
- (d) **Change of business:** to ensure that no substantial change is made to the general nature of the business of the Issuer or the Group from that carried on at the Closing Date.
- (e) **No acquisitions:** not to (to procure that no other Obligor will) acquire or acquire an interest in any company, shares, securities or business undertaking, incorporate a company, acquire any assets or acquire or otherwise make any investments in debt or equity securities other than any cash equivalent investments, with certain limited exceptions. Such exceptions to include, subject to certain conditions, acquisition of the Notes, or of assets required in the ordinary course of business solely for

the construction and/or operation of any aspect of the Project and the acquisition of the entire ownership interest in a company that owns solely, or a business comprising solely, of a Fibre-to-the-Home network in the Netherlands.

- (f) **No Dividends:** not to pay, make or declare any dividend or other distribution except (i) for a payment from distributable reserves subject to certain conditions, including compliance with certain financial covenant levels and (ii) when funded from the proceeds of the issuance of the Notes, subject to certain conditions and a monetary cap.
- (g) **Financial Indebtedness:** to ensure that no member of the Group shall incur, create or permit to subsist or have outstanding any indebtedness for borrowed money or enter into any agreement or arrangement whereby it is entitled to incur, create or permit to subsist any indebtedness for borrowed money other than certain limited exceptions. Such exceptions to include, among others, indebtedness arising under or permitted by the Finance Documents, owed by one Obligor to another, arising under a Project Document or any Subordinated Debt, or with prior written consent of the Note Trustee.
- (h) **Share capital:** not to (and to ensure that no Obligor will) issue any new share capital, nor purchase or redeem any existing share capital, other than any shares issued in respect or for the purpose of a Permitted Contribution, provided that the conversion of equity to Subordinated Debt will be permitted in circumstances where such conversion takes place at par value, the holder of such equity (being the Parent) becomes the creditor of that Subordinated Debt and the Parent's rights in respect of that Subordinated Debt will, upon such conversion, be subject to security in favour of the Security Trustee to substantially the same extent as the relevant share capital of the Issuer was prior to its conversion.
- (i) **Accounting and management systems:** to (and to ensure that each Obligor, the Passive Operator and the Parent shall) maintain accounting and management systems in a form existing at the Closing Date.
- (j) **Treasury Transactions:** within 20 days of the Closing Date, to enter into certain interest rate hedging transactions satisfactory to the Issuer and the Note Trustee to protect against interest rate fluctuations in respect of the Floating Rate Notes.
- (k) **Security over networks:** within 10 Business Days of a notification to the Note Trustee of the registration of a network with the land register (*Kadaster*) to (and to procure that each Obligor will) grant, and perfect (to the satisfaction of the Security Trustee) Security in favour of the Security Trustee over such network and all assets related thereto.
- (l) **Project Documents:** not to (and to procure that no other Obligor will) amend, waive, terminate or assign any of the Project Documents or any provision thereof, with certain permitted exceptions. Such exceptions to include any amendment of any Location Agreement, to the extent that such amendment relates to the geographical scope of the relevant Project determined under that Location Agreement or any Construction Contract, or optical distribution frame agreement entered into after the Closing Date unless in each case such amendment, waiver or assignment has or is reasonably likely to have a Material Adverse Effect.
- (m) **Centre of main interest:** to ensure that its "centre of main interest" and that of each other Obligor remains at all times in the Netherlands and that none of the Obligors shall establish or open any branch office or other establishments.
- (n) **Refinancing:** to commence the process to refinance the Notes no later than the date falling 18 months prior to the Final Maturity Date and to use reasonable endeavours to refinance the Notes in full by the Final Maturity Date.

- (o) **Maintenance of listing:** to use its best endeavours to obtain and maintain the listing of the Notes of Euronext Amsterdam, or, if any Notes cease to be listed on Euronext Amsterdam, to use its best endeavours promptly to list the Notes on another European Union regulated market to be agreed between the Issuer and the Note Trustee.
- (p) **Compliance with listing:** to comply with the rules of the Stock Exchange and other wise to comply with any undertakings given by it from time to time to the Stock Exchange in connection with the listing of any Notes on that Stock Exchange and to furnish and procure to be furnished to the relevant Stock Exchange all of the information which the relevant Stock Exchange may require in connection with the listing on that Stock Exchange.
- (q) **Operations:** to ensure that on a consolidated basis the number of Homes Activated under all the Original Projects will at all times be equal to or exceed a minimum proportion of the number of Homes Connected under the Original Projects, with the ability to cure any breach of such undertaking through the delivery of an additional minimum penetration guarantee.

Additional Covenants of the Guarantors

In addition to the covenants set out above, so long as any Note, any Coupon or any other amount under a Finance Document is outstanding, each Guarantor will also undertake to transfer on a monthly basis the aggregate amount standing to the credit of all their bank accounts which in aggregate is in excess of a threshold level to a designated account of the Issuer.

Covenants of the Passive Operator

So long as any Note, or any Coupon or any other amount under a Finance Document is outstanding, the Passive Operator will covenant, among others:

- (a) **Change or cessation of business:** to ensure that no substantial change is made to the general nature of its business from that carried on at the Closing Date and not to cease to carry on all or substantially all of its business.
- (b) **Other activities:** not to engage in any activities and not to incur any liabilities in relation to other Fibre-to-the-Home projects (other than the Original Projects and the Additional Projects) which are materially different from the activities carried out in relation to, or liabilities incurred under, the Project.
- (c) **Financial Indebtedness:** not to incur, create or permit to subsist or have outstanding any Financial Indebtedness or enter into any agreement or arrangement whereby it is entitled to incur, create or permit to subsist any Financial Indebtedness.
- (d) **Direct Agreement:** other than with the consent of the Note Trustee, not to enter into an agreement similar in form and substance or purpose to the Direct Agreement with any third party on terms that are more favourable to that third party than the terms of the Direct Agreement.
- (e) **Negative pledge:**
 - (i) not to become party to any document pursuant to which Security is created over its shares; and
 - (ii) not to create or permit to subsist any Security or Quasi-Security over any of its assets which relate to the Project, other than in respect of a netting or set-off right or any Security or Quasi-Security arising under applicable general banking conditions of a bank, for any costs and fees charged in connection with the maintenance and administration of any bank account

with such bank, where Security has been created pursuant to a Security Document or in respect of any Security or Quasi-Security arising under any retention of title arrangement or arrangements in respect of goods supplied to the Passive Operator in the ordinary course of trading and on the supplier's standard or usual terms and not arising as a result of any default or omission by the Passive Operator.

(f) **Bank account:**

- (i) to maintain the specified separate bank account (the **Project Account**) for the cash flows relating to the Project and to ensure that (i) all amounts payable by active operators under each ODF Agreement and/or Location Agreement are paid into the Project Account and (ii) the Project Account will at all times remain subject only to the Transaction Security; and
- (ii) except with the prior written consent of the Note Trustee, only to withdraw amounts from the Project Account for the following purposes:
 - (A) to transfer the credit balance standing to the Project Account to the Guarantors;
 - (B) to settle the management fee payable by each Guarantor under each BPN Agreement; and
 - (C) to pay other fees or costs in relation to operational, management and service arrangements performed in relation to the Project and which it is permitted to charge to an Obligor, or deduct from payments it would otherwise make to an Obligor, all in accordance with the BPN Agreement.

(g) **Invoicing under ODF Agreements and/or Location Agreements:** to invoice on a monthly basis for all amounts due by any active operator under each ODF Agreement and/or Location Agreement.

(h) **Project Documents:** to perform its obligations under and in accordance with the Project Documents to which it is a party, not to enter into any agreement in relation to an Additional Project, except an agreement on substantially the same terms in all material respects as an existing Project Agreement, and not to amend, waive, terminate or assign any term or provision of any Project Document, other than to the extent that the Issuer is also permitted to amend, waive, terminate or assign any term or provision of any Project Document under the Note Trust Deed.

(i) **Claims or complaints:** promptly to deliver to the Investors any information on material claims and material formal complaints received from any Guarantor or active operator in relation to the Project.

Governing law

The Note Trust Deed (and any non-contractual obligations arising out of or in connection with it) shall be governed by Dutch law.

AGENCY AGREEMENT

The Agency Agreement will include, amongst other things the following provisions:

- (a) the duties of the Principal Paying Agent and the Paying Agents and the terms on which they are appointed, or on which such appointment may be resigned or terminated or any additional or successor Paying Agents may be appointed;
- (b) indemnity by the Issuer (failing whom, the Guarantors) of each Paying Agent against any claim, demand, action, liability, damages, cost, loss or expense incurred (otherwise than by reason of its

own wilful misconduct, gross negligence or fraud) as a result or arising out of or in relation to its acting as the agent of the Issuer and the Guarantors in relation to the Notes;

- (c) payment by the Issuer (failing whom, the Guarantors) of principal and/or interest in respect of the Notes, as the same becomes due and payable, to the Principal Paying Agent, before such payment becomes due and the manner and time of such payments;
- (d) payment by each Paying Agent of principal and interest to Noteholders in respect of the Notes in accordance with the Conditions;
- (e) provisions relating to the notification of the Note Trustee in the event that the Principal Paying Agent (i) does not receive on the due date for payment in respect of the Notes, the full amount payable, or (ii) receives such amount after the relevant due date for payment in respect of the Notes;
- (f) provisions relating to the authentication of the temporary Global Notes, the permanent Global Notes and the definitive Notes, the exchange of a temporary Global Note for a permanent Global Note, the exchange of a permanent Global Note for definitive Notes and the issue of replacement Notes and Coupons;
- (g) the keeping of records of the payment, redemption, replacement, cancellation and destruction of Notes; and
- (h) the fees and expenses of the Principal Paying Agent and the Paying Agents.

Governing law

The Agency Agreement (and any non-contractual obligations arising out of or in connection with it) shall be governed by Dutch law.

INTERCREDITOR AGREEMENT

Parties

The Note Trustee (on behalf of the Noteholders), Issuer, Guarantors, Hedge Counterparties, Security Trustee and Principal Paying Agent will be party to the Intercreditor Agreement.

Purpose

The Intercreditor Agreement provides for the appointment and rights and duties of the Security Trustee. It also establishes the Security Trustee's parallel debt claim for the outstanding amount due under the Secured Finance Documents (including, amongst others, the Notes) and also contains the guarantees from the Guarantors in favour of, and the sharing of the Transaction Security between, the Secured Creditors (including, amongst others, the Noteholders and the Hedge Counterparties).

The Intercreditor Agreement will not regulate amendments, waivers or releases in respect of the Finance Documents or any other underlying credit documents that may be entered into from time to time between a Secured Creditor and the Issuer and/or the Guarantors (the Note Documents and any other underlying credit documents from time to time being the **Underlying Credit Documents**), except for amendments and waivers in respect of the Transaction Security and the Intercreditor Agreement itself.

Amendments/Waivers and Releases under the Intercreditor Agreement or the Transaction Security Documents

No amendments, releases or waivers in respect of the Intercreditor Agreement or in respect of the Transaction Security Documents may be made except with the written agreement of the Majority Secured Creditors and subject to the Entrenched Rights of each Secured Creditor.

No amendments or waivers in respect of the Intercreditor Agreement or in respect of the Transaction Security Documents may be made except with the written agreement of the Issuer and the Guarantors.

Secured Creditors and Secured Creditor Representatives

All Secured Creditors must be party to the Intercreditor Agreement (either directly, or through, in the case of the Noteholders and Couponholders, the Note Trustee). The Intercreditor Agreement allows for the following creditors to accede to the Intercreditor Agreement as Secured Creditors by way of an accession deed:

- (a) transferees or assignees of the Secured Creditors;
- (b) any person which becomes a Hedge Counterparty; and
- (c) any person which becomes a Secured Creditor Representative in accordance with the terms of the relevant Finance Documents.

For the purposes of the Intercreditor Agreement, the Secured Creditors will be represented as follows by:

- (a) in respect of the Notes, the Note Trustee; and
- (b) in respect of a Hedging Agreement, the relevant Hedge Counterparty,

(each, a **Secured Creditor Representative**).

Each Secured Creditor Representative will be deemed to represent 100% of the Commitments of the relevant Secured Creditor Group for voting and decision making purposes under the Intercreditor Agreement (with such Secured Creditor Representative being directed in its actions as set out in the terms of the relevant Underlying Credit Documents).

Entrenched Rights

The Intercreditor Agreement provides that each of the following constitutes an "Entrenched Right" of the Secured Creditors:

- (a) any amendment or waiver which would result in an increase in or would adversely modify the obligations or liabilities of a Secured Creditor or materially reduce the rights of a Secured Creditor in each case under the Intercreditor Agreement;
- (b) any amendment or waiver which would result in any release of any of the Transaction Security (unless at least equivalent replacement security is taken at the same time or such release is permitted in accordance with the Intercreditor Agreement or the relevant Transaction Security Document);
- (c) in respect of the Transaction Security, any amendment or waiver which would adversely alter the rights of priority of or enforcement by a Secured Creditor;
- (d) any amendment or waiver which would change any of the Entrenched Rights; or
- (e) any amendment or waiver which would change the Secured Creditor decision-making process contained in the Intercreditor Agreement,

(in each case in the opinion of the Security Trustee).

If an Entrenched Right of a Secured Creditor is affected, the relevant Secured Creditor's approval must be obtained in accordance with the provisions of the relevant Underlying Credit Document before the proposed change can be made. No Entrenched Right will prevent enforcement or acceleration instructions given in accordance with the Intercreditor Agreement or the Subordination Agreement or prevent anything expressly permitted by the relevant Underlying Credit Documents.

The relevant Secured Creditors may agree to amend or waive the terms of the Underlying Credit Documents in accordance with the terms of those Underlying Credit Documents without the consent of any Secured Creditors that are not party to such documents.

Voting

The Intercreditor Agreement will specify that Secured Creditor Representatives may give instructions or directions in respect of:

- (a) the exercise by the Security Trustee of any of its rights, powers and discretions; and
- (b) subject to Entrenched Rights, amendments, waivers and releases under the Intercreditor Agreement and the Transaction Security Documents.

The Security Trustee may request and must, subject to being indemnified and/or secured and/or prefunded to its satisfaction act on instructions given by such Secured Creditor Representative or Secured Creditor Representatives representing at least in aggregate 66 2/3% of Total Commitments.

In relation to any consent, waiver, approval, discretion, determination, instruction or other decision or any other derivative thereof (the **decision**) to be made by the Security Trustee pursuant to the Intercreditor Agreement which requires a vote of some or all of the Secured Creditors, the Security Trustee shall notify the Issuer and the Guarantors and each Secured Creditor Representative of the matter in question and shall also inform each Secured Creditor Representative of the date on or before which votes must be provided in relation to the relevant decision (being 10 Business Days after the date upon which the Security Trustee gives such notice) (the **Decision Date**).

Each Secured Creditor Representative shall, by the Decision Date, provide to the Security Trustee a certificate setting out its vote(s) and directions to the Security Trustee as to the decision of its Secured Creditors, and the certificate shall include the Commitments in respect of the relevant Underlying Credit Document.

Commitments means:

- (a) prior to the taking of Enforcement Action:
 - (i) in respect of the Notes, the principal amount outstanding under the Notes;
 - (ii) in respect of any Hedging Agreement, zero; and
- (b) following the taking of Enforcement Action:
 - (i) in respect of the Notes, the principal amount outstanding under the Notes; and
 - (ii) in respect of any Hedging Agreement, the aggregate Positive Value of the Hedging Liabilities under such Hedging Agreement.

If a Secured Creditor Representative has not notified the Security Trustee of its instructions in relation to a decision by the Decision Date, then in respect of any decision which is required to be made by the Majority Secured Creditors, the Commitments in respect of the relevant Underlying Credit Document shall be excluded from:

- (a) the Total Commitments to be considered as voting in favour of the relevant decision (the numerator); and
- (b) the Total Commitments to be used for determining whether the requisite percentage of votes has been cast in favour of the matter in question (the denominator),

for the purpose of determining whether the requisite voting levels have been attained in relation to that decision, provided that such a reduction in voting entitlement shall not apply to any matter where an Entrenched Right is affected.

In respect of Underlying Credit Documents relating to the Notes, the holders of the Notes will be represented in their entirety by the Note Trustee, as applicable, and 100% of principal outstanding will be voted for or against based on the voting mechanics in the Note Trust Deed, as the case may be.

In respect of the Hedge Counterparties, each Hedge Counterparty will have no vote prior to the taking of Enforcement Action (save in respect of a veto in relation to amendments which would affect the relevant Entrenched Rights). Following the taking of Enforcement Action, each Hedge Counterparty will vote the aggregate Positive Value under the relevant Hedging Agreement.

Guarantee

Pursuant to the Intercreditor Agreement the Guarantors will unconditionally and irrevocably on a joint and several basis guarantee (amongst others) that if any Obligor does not pay any sum payable by it under the Note Trust Deed, the Notes, the Coupons or any other Finance Document at the time and on the date specified for such payment (whether on the normal due date, on acceleration or otherwise) they will pay or procure the payment of that sum.

The Guarantors' guarantee and indemnity will be a continuing guarantee and indemnity and shall remain in full force and effect until all amounts due in respect of the Notes, the Coupons or under the Note Trust Deed or any other Finance Document have been paid in full. The Guarantors shall not be discharged by anything other than a complete performance of the obligations under the Note Trust Deed, the Notes, the Coupons and the other Finance Documents and, following such discharge, the Guarantors shall be subrogated to all rights of the Note Trustee and the Noteholders against the Issuer in respect of any amounts paid by the Guarantors pursuant to the Note Trust Deed.

The Guarantors will, pursuant to the Transaction Security Document, secure their obligations under the Guarantee. Enforcement of the Transaction Security is subject to the Intercreditor Agreement. The payment obligations of the Guarantors in respect of the Guarantees constitute joint and several direct, secured, irrevocable and unconditional obligations of the Guarantors.

Governing Law

The Intercreditor Agreement (and any non-contractual obligations arising out of or in connection with it) shall be governed by Dutch law.

SUBORDINATION AGREEMENT

Parties

The Note Trustee (on behalf of the Noteholders), Hedge Providers, Intra-Group Lenders and Investor and Project Parties will be party to the Subordination Agreement (the **Lenders**).

The Subordination Agreement allows for transferees or assignees of the Hedge Providers, Intra-Group Lenders and Investor and Project Parties to accede to the Subordination Agreement by way of an accession undertaking. Following any change in the Note Trustee or the Principal Paying Agent, any new Note Trustee or Principal Paying Agent will also accede to the Subordination Deed.

Purpose

The Subordination Agreement will regulate the claims of the Lenders, stipulate when and how payments may be made to the Lenders and define the rights and obligations of each group of Lenders, including the right to enforce.

Claims of the Secured Creditors

Amounts received or recovered from time to time by the Security Trustee pursuant to the terms of any Transaction Document or in connection with the realisation or enforcement of all or any part of the Transaction Security are applied in the following order:

- (a) **first**, on a pro rata basis:
 - (i) in payment of all fees, costs, charges, expenses and liabilities (including any taxes required to be paid) incurred by or on behalf of the Security Trustee, any Receiver and any Delegate appointed by the Security Trustee in connection with carrying out its functions under the Subordination Agreement and the other Secured Finance Documents (including in connection with any realisation or enforcement of the Transaction Security) and any other amount payable to the Security Trustee under clauses 4 (Fees and Expenses) and 5 (Indemnities) of the Intercreditor Agreement; and
 - (ii) in payment or satisfaction of the fees, costs, charges, expenses and liabilities (including any taxes required to be paid) properly incurred by a Note Trustee and any Delegate appointed by it in carrying out its functions under this Subordination Agreement and/or the applicable Note Documents and any other amount payable to the Note Trustee;
- (b) **second**, on a pro rata basis in payment or satisfaction of the fees, costs, charges, expenses and liabilities properly incurred by the Principal Paying Agent in carrying out its functions under the Agency Agreement;
- (c) **third**, in payment of all costs and expenses reasonably incurred by the Security Trustee, the Note Trustee or any First Ranking Creditor in connection with any realisation or enforcement of the Transaction Security taken in accordance with the terms of the Subordination Agreement or any action taken at the request of the Security Trustee under Clause 9.5 (Lenders' actions) of the Subordination Agreement;
- (d) **fourth**, on a pro rata basis in payment to:
 - (i) the Note Trustee (on behalf of the Noteholders); and
 - (ii) each Hedge Provider,

for application (in the order of application set out in the relevant Secured Finance Documents) towards the discharge of the First Ranking Liabilities owing to such persons in such capacities;

- (e) **fifth**, if the Security Trustee shall have received written notice from the Obligors and the Note Trustee that none of the Obligors is under any further actual or contingent liability under any Secured Finance Document, in payment to any person to whom the Security Trustee is obliged to pay in priority to any Obligor, as notified in writing by any Obligor to the Security Trustee; and
- (f) **sixth**, provided the Security Trustee has received the written notice referred to in (e) above, the balance, if any, in payment to the relevant Obligor (as shall be confirmed in writing to the Security Trustee by that Obligor) for application by such Obligor in its discretion, including if applicable and so decided, towards discharge of the Investor and Project Party Liabilities or the Intra-Group Liabilities

Permitted Payments

The Obligors may only pay, prepay, repay, redeem or acquire the Noteholder Liabilities in accordance with the terms of the Finance Documents.

The Obligors may only pay, prepay, repay, redeem or acquire the Hedging Liabilities, the liabilities owed to the Investor and Project Parties and the liabilities owed to the Intra-Group Lenders if such action constitutes a "Permitted Payment" under the Subordination Agreement or with the prior consent of the Note Trustee.

Permitted Payments under the Subordination Agreement are:

- (a) in respect of payments to the Hedge Providers:
 - (i) a scheduled payment in respect of the Hedging Liabilities then due to the Hedge Providers and arising under the terms of the Hedging Agreements provided that at the time of payment no scheduled payment due from that Hedge Provider to the Issuer under the Hedging Agreements to which they are both party are due and unpaid; or
 - (ii) payments permitted pursuant to or required due to a compulsory termination of hedging under the Subordination Agreement;
- (b) in respect of payments to the Investors and Project Parties:
 - (i) payments in respect of Subordinated Debt expressly permitted under the Notes Trust Deed;
 - (ii) (in respect of any payment arising under or in connection with the terms of any Project Document) a payment in accordance with the relevant Project Document in respect of liabilities then due provided that no Event of Default has occurred and is continuing or would result from the making of the relevant payment; and
 - (iii) with prior consent of the Note Trustee;
- (c) in respect of payment to Intra-Group Lenders, any payments provided that (unless the Note Trustee has provided its prior consent) no such payment may be made if an Event of Default has occurred and is continuing in relation to the Finance Documents.

Enforcement

No Lender, Note Trustee, Principal Paying Agent or Security Trustee may take any Enforcement Action at any time unless such action constitutes a "Permitted Enforcement" or after the occurrence of an Insolvency Event. "Enforcement Action" as defined in the Subordination Agreement includes the acceleration of any liabilities or the declaration that any liabilities are prematurely due and payable, the taking of steps to enforce

or require the enforcement of any of the Transaction Security, and the making of any demand against an Obligor in relation to any guarantee, indemnity or other assurance against loss.

The following Enforcement Action is permitted:

- (a) the Note Trustee may take Enforcement Action at any time if entitled to do so under the terms of the Finance Documents;
- (b) the Hedge Providers may not take any Enforcement Action at any time except that they may (and shall if directed to by the Note Trustee) terminate or close out any hedging transaction under the Hedging Agreements prior to its stated maturity if:
 - (i) the Note Trustee has accelerated the Note liabilities or declared them prematurely due and payable;
 - (ii) the Issuer has defaulted on a payment due under the Hedging Agreements (after allowing any applicable notice or grace periods) and the default has continued unremedied or unwaived for more than 60 days after notice of that default has been given to the Note Trustee;
 - (iii) an Illegality, Tax Event or Tax Event Upon Merger (each as defined in the 2002 ISDA Master Agreement) has occurred in respect of any Hedging Agreement; or
 - (iv) the consent of the Note Trustee is obtained;
- (c) the Intra-Group Lender and Investor and Project Parties may only take Enforcement Action once all the First Ranking Liabilities have been repaid or discharged in full;
- (d) taking or making Permitted Payments.

After the occurrence of an Insolvency Event in respect of an Obligor, each Secured Creditor may exercise any right it may have in respect of that Obligor to accelerate any of its liabilities or declare them prematurely due and payable or payable on demand, prematurely close out or terminate a hedging liability, make a demand under any guarantee, indemnity or other assurance against loss, exercise any right of set off, take or receive any payment, or claim and prove in the liquidation of that Obligor for the liabilities owing to it.

The Security Trustee will enforce the Transaction Security only at the request of the Majority Secured Creditors in accordance with the Intercreditor Agreement. At all times after the request to commence enforcement has been issued, the Security Trustee will act on the directions of the Majority Secured Creditors who shall be entitled to give directions and do any other things in relation to the enforcement of the Transaction Security (including in connection with but not limited to, the disposal, collection or realisation of assets subject to the Transaction Security) that it considers appropriate including (without limitation) determining the timing and manner of enforcement against any particular person or asset.

Governing Law

The Subordination Agreement and any non-contractual obligations arising out of or in connection with it will be governed by Dutch law.

TRANSACTION SECURITY DOCUMENTS

The Issuer will grant, as security for the Secured Liabilities, (i) pledges over its shareholdings in each of the Guarantors and (ii) an assignment of its receivables under any hedging agreements to which it is a party (the **Hedging Security Agreement**).

Each Guarantor will grant, as security for the Secured Liabilities, a right of mortgage over its registered network assets (including any registered network assets relating to an Additional Project).

Each Obligor will grant, as security for the Secured Liabilities, pledges over (i) its receivables, (including receivables under the BPN Agreements, minimum penetration guarantees and DSO Agreements), (ii) its rights under the Construction Contracts and (iii) all of its bank accounts (including, in the case of the Issuer, the debt service reserve account and refinancing reserve account).

The Passive Operator will grant, as security for the Secured Liabilities, (i) a pledge over its rights under each Material ODF Agreement and Location Agreement to the extent related to the 18 Fiber-to-the-Home project owned by NEM subsidiaries; and (ii) a pledge over its bank accounts relating to the Project.

The Parent will grant, as third party security for the Secured Liabilities, (i) a first ranking pledge over its shareholding in the Issuer; and (ii) a pledge over any intra-group receivables (including interest and principal) owed to it under the Subordinated Debt and the Permitted Contributions (excluding, for the avoidance of doubt, any amount outstanding under a minimum penetration guarantee).

All security will be first-ranking security (other than the security over the bank accounts) granted in favour of the Security Trustee for the benefit of the Investors and each Hedge Counterparty.

Governing law

All Transaction Security will be governed by Dutch law, except for the Hedging Security Agreement, which will be governed by English law (to align with the governing law of the underlying hedging agreements).

TAXATION

Taxation in the Netherlands

General

The following summary outlines the principal Netherlands tax consequences of the acquisition, holding, settlement, redemption and disposal of the Notes, but does not purport to be a comprehensive description of all Netherlands tax considerations in relation thereto. This summary is intended as general information only and each prospective investor should consult a professional tax adviser with respect to the tax consequences of an investment in the Notes.

This summary is based on tax legislation, published case law, treaties, regulations and published policy, in each case as in force as of the date of this Prospectus, and does not take into account any developments or amendments thereof after that date whether or not such developments or amendments have retroactive effect.

This summary does not address the Netherlands tax consequences for:

- (i) holders of Notes holding a substantial interest (*aanmerkelijk belang*) or deemed substantial interest (*fictief aanmerkelijk belang*) in the Issuer and holders of Notes of whom a certain related person holds a substantial interest in the Issuer. Generally speaking, a substantial interest in the Issuer arises if a person, alone or, where such person is an individual, together with his or her partner (statutory defined term), directly or indirectly, holds or is deemed to hold (i) an interest of 5% or more of the total issued capital of the Issuer or of 5% or more of the issued capital of a certain class of shares of the Issuer, (ii) rights to acquire, directly or indirectly, such interest or (iii) certain profit sharing rights in the Issuer;
- (ii) investment institutions (*fiscale beleggingsinstellingen*);
- (iii) pension funds, exempt investment institutions (*vrijgestelde beleggingsinstellingen*) or other entities that are exempt from Netherlands corporate income tax; and
- (iv) persons to whom the Notes and the income from the Notes are attributed based on the separated private assets (*afgezonderd particulier vermogen*) provisions of the Netherlands Income Tax Act 2001 (*Wet inkomstenbelasting 2001*) and the Netherlands Gift and Inheritance Tax Act (*Successiewet 1956*).

Where this summary refers to the Netherlands, such reference is restricted to the part of the Kingdom of the Netherlands that is situated in Europe and the legislation applicable in that part of the Kingdom.

Withholding Tax

All payments made by the Issuer under the Notes may be made free of withholding or deduction for any taxes of whatsoever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein provided that the Notes do not in fact function as equity of the Issuer within the meaning of article 10, paragraph 1, under d of the Netherlands Corporate Income Tax Act 1969 (*Wet op de vennootschapsbelasting 1969*).

Corporate and Individual Income Tax

- (a) Residents of the Netherlands

If a holder is a resident or deemed to be a resident of the Netherlands for Netherlands tax purposes and is fully subject to Netherlands corporate income tax or is only subject to Netherlands corporate income tax in respect of an enterprise to which the Notes are attributable, income derived from the Notes and gains realised upon the redemption, settlement or disposal of the Notes are generally taxable in the Netherlands (at up to a maximum rate of 25%).

If an individual is a resident or deemed to be a resident of the Netherlands for Netherlands tax purposes (including an individual who has opted to be taxed as a resident of the Netherlands), income derived from the Notes and gains realised upon the redemption, settlement or disposal of the Notes are taxable at the progressive rates (at up to a maximum rate of 52%) under the Netherlands Income Tax Act 2001 (*Wet inkomstenbelasting 2001*), if:

- (i) the individual is an entrepreneur (*ondernemer*) and has an enterprise to which the Notes are attributable or the individual has, other than as a shareholder, a co-entitlement to the net worth of an enterprise (*medegerechtigde*), to which enterprise the Notes are attributable; or
- (ii) such income or gains qualify as income from miscellaneous activities (*resultaat uit overige werkzaamheden*), which include the performance by the individual of activities with respect to the Notes that exceed regular, active portfolio management (*normaal, actief vermogensbeheer*).

If neither condition (i) nor condition (ii) applies, an individual that holds the Notes, must determine taxable income with regard to the Notes on the basis of a deemed return on income from savings and investments (*sparen en beleggen*), rather than on the basis of income actually received or gains actually realised. This deemed return on income from savings and investments is fixed at a rate of 4% of the individual's yield basis (*rendementsgrondslag*) at the beginning of the calendar year (1 January), insofar as the individual's yield basis exceeds a certain threshold. The individual's yield basis is determined as the fair market value of certain qualifying assets held by the individual less the fair market value of certain qualifying liabilities on 1 January. The fair market value of the Notes will be included as an asset in the individual's yield basis. The 4% deemed return on income from savings and investments is taxed at a rate of 30%.

(b) Non-residents of the Netherlands

If a person is not a resident nor is deemed to be a resident of the Netherlands for Netherlands tax purposes (nor has opted to be taxed as a resident of the Netherlands), such person is not liable for Netherlands income tax in respect of income derived from the Notes and gains realised upon the settlement, redemption or disposal of the Notes, unless:

- (i) the person is not an individual and such person (1) has an enterprise that is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands to which permanent establishment or permanent representative the Notes are attributable, or (2) is (other than by way of securities) entitled to a share in the profits of an enterprise or a co-entitlement to the net worth of an enterprise, which is effectively managed in the Netherlands and to which enterprise the Notes are attributable.

This income is subject to Netherlands corporate income tax at up to a maximum rate of 25%.

- (ii) the person is an individual and such individual (1) has an enterprise or an interest in an enterprise that is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands to which permanent establishment or permanent representative the Notes are attributable, or (2) realises income or gains with respect to the Notes that qualify as income from miscellaneous activities (*resultaat uit overige werkzaamheden*) in the Netherlands, which activities include the performance of activities in the Netherlands with respect to the Notes which exceed regular, active portfolio management (*normaal, actief vermogensbeheer*), or (3) is (other than by way

of securities) entitled to a share in the profits of an enterprise which is effectively managed in the Netherlands and to which enterprise the Notes are attributable.

Income derived from the Notes as specified under (1) and (2) is subject to individual income tax at up to a maximum rate of 52%. Income derived from a share in the profits of an enterprise as specified under (3) that is not already included under (1) or (2) will be taxed on the basis of a deemed return on income from savings and investments (as described above under "Residents of the Netherlands"). The fair market value of the share in the profits of the enterprise (which includes the Notes) will be part of the individual's Netherlands yield basis.

Gift and Inheritance Tax

(a) Residents of the Netherlands

Generally, gift and inheritance tax will be due in the Netherlands in respect of the acquisition of the Notes by way of a gift by, or on behalf of, or on the death of, a holder that is a resident or deemed to be a resident of the Netherlands for the purposes of Netherlands gift and inheritance tax at the time of the gift or his or her death. A gift made under a condition precedent is deemed to be a made at the time the condition precedent is fulfilled and is subject to Netherlands gift and inheritance tax if the donor is, or is deemed to be a resident of the Netherlands at that time.

A holder of Netherlands nationality is deemed to be a resident of the Netherlands for the purposes of the Netherlands gift and inheritance tax if he or she has been resident in the Netherlands and dies or makes a gift within ten years after leaving the Netherlands. A holder of any other nationality is deemed to be a resident of the Netherlands for the purposes of the Netherlands gift tax if he or she has been resident in the Netherlands and makes a gift within a twelve months period after leaving the Netherlands. The same twelve-month rule may apply to entities that have transferred their seat of residence out of the Netherlands.

(b) Non-residents of the Netherlands

No gift or inheritance taxes will arise in the Netherlands in respect of the acquisition of the Notes by way of a gift by, or as a result of, the death of a holder that is neither a resident nor deemed to be a resident of the Netherlands for the purposes of Netherlands gift and inheritance tax, unless in the case of a gift of the Notes by, or on behalf of, a holder who at the date of the gift was neither a resident nor deemed to be a resident of the Netherlands, such holder dies within 180 days after the date of the gift, and at the time of his or her death is a resident or deemed to be a resident of the Netherlands. A gift made under a condition precedent is deemed to be made at the time the condition precedent is fulfilled.

Value Added Tax

In general, no value added tax will arise in respect of payments in consideration for the issue of the Notes or in respect of a cash payment made under the Notes, or in respect of a transfer of Notes.

Other Taxes and Duties

No registration tax, customs duty, transfer tax, stamp duty or any other similar documentary tax or duty will be payable in the Netherlands by a holder in respect of or in connection with the subscription, issue, placement, allotment, delivery or transfer of the Notes.

EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State or to certain

limited types of entities established in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

The European Commission has proposed certain amendments to the Directive, which may, if implemented, amend or broaden the scope of the requirements described above.

TRANSFER AND SELLING RESTRICTIONS

As a result of the following restrictions, purchasers of Notes are advised to consult legal counsel prior to making any purchase, offer, sale, resale or other transfer of such Notes.

United States

The Notes have not been and will not be registered under the Securities Act or under any securities laws of any state or other jurisdiction of the United States and are subject to U.S. tax law requirements. The Notes may not be offered, sold, transferred or delivered, directly or indirectly, within the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state and other securities laws of the United States. There will be no public offer of the Notes in the United States. The Notes are being offered and sold in offshore transactions in compliance with Regulation S.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this section have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

Each purchaser of Notes must be able to and will be deemed to have represented and agreed as follows:

1. It is acquiring the Notes in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S under the Securities Act.
2. It understands that such Notes are being offered only outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and that the Notes offered hereby have not been and will not be registered under the Securities Act and may not be offered, resold, pledged or transferred within the United States except pursuant to an exemption from registration under the Securities Act.
3. It agrees that it will deliver to each person to whom it transfers the Notes notice of any restrictions on transfer of such Notes.
4. It acknowledges that the Issuer and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements, and agrees that if any of the acknowledgements, representations or agreements deemed to have been made by it by its purchase of the Notes are no longer accurate, it shall promptly notify the Issuer. If it is acquiring any Notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such account and it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

In addition, until 40 days after the commencement of the offering of Notes, an offer or sale of Securities 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.

General

No action has been taken by the Issuer or any of the Guarantor that would, or is intended to, permit a public offer of the Notes in any country or jurisdiction where any such action for that purpose is required.

Persons into whose hands this Prospectus comes are required by the Issuer to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver the Notes or have in their possession or distribute such offering material, in all cases at their own expense.

GENERAL INFORMATION

Authorisation

1. The Management Board and the sole shareholder of the Obligors have respectively authorised the issue of the Notes (in the case of the Issuer), the giving of the Guarantees (in the case of the Guarantors), the granting of the relevant Transaction Security and the entry into and performance by the Obligors of the other Finance Documents to which they are party by resolutions dated 16 September 2013.

The Management Board and sole shareholder of the Passive Operator have respectively authorised the granting of the relevant Transaction Security and the entry into and performance by the Passive Operator of the other Finance Document to which it is party by resolutions dated 16 September 2013.

The Management Board and the sole shareholder of the Parent have respectively authorised the granting of the relevant Transaction Security to which it is party by resolutions dated 16 September 2013.

Listing

2. Application has been made to the AFM in its capacity as competent authority under the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) on prospectuses for securities to approve this document as a prospectus for the purposes of the Prospectus Directive and to Euronext Amsterdam N.V. for the Notes to be listed on Euronext Amsterdam. References in this Prospectus to the Notes being "listed" (and all related references) shall mean that the Notes have been listed and admitted to trading on Euronext Amsterdam. Euronext Amsterdam is a regulated market for the purposes of Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments.

Clearing Systems

3. The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The ISIN for the Floating Rate Notes is XS0955621759 and the Common Code is 095562175. The ISIN for the Fixed Rate Notes is XS0955623375 and the Common Code is 095562337.

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

Estimated Expenses

4. The expenses relating to the admission of the Notes to trading on Euronext Amsterdam are estimated to amount to €10,000.

No significant change

5. There has been no significant change in the financial position of the Group since 31 December 2012 and there has been no material adverse change in the prospects of the Group since 31 December 2012.

Litigation

6. None of the Obligors is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Obligors are aware) in the 12 months preceding the date of this document which may have or have in such period had a significant effect on the financial position or profitability of the Issuer, a Guarantor and/or the Group.

Yield

7. The yield of the Fixed Rate Notes is 5.022% per annum. Yield is calculated at the Closing Date on the basis of the issue price of the Fixed Rate Notes. It is not an indication of future yield.

Auditors

8. The auditors of the Obligors are KPMG Accountants N.V. (**KPMG**). The relevant auditors who have signed the opinion in respect of the Obligors are members of The Dutch Professional Organisation for Accountants. KPMG have audited the Issuer's consolidated financial statements, prepared in accordance with IFRS-EU for the financial year ended 31 December 2012, and issued a report without qualification for that financial year. The auditors of the Obligors have no material interest in any of them. The business address of KPMG is Laan van Langerhuize 1, 1186 DS Amstelveen, The Netherlands.

U.S. tax

9. The following legend will appear on all Notes and on all Coupons and Talons (if any) relating to such Notes: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in sections 165(j) and 1287(a) of the Internal Revenue Code."

Arranger transacting with the Issuer and its affiliates

10. The Sole Arranger has engaged, and may in the future engage, in investment banking and/or commercial banking transactions and may perform services for the Issuer and its affiliates in the ordinary course of business. In addition, in the ordinary course of its business activities, the Sole Arranger may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer's affiliates. The Sole Arranger acts in different capacities in respect of the Notes. As a lender under the Issuer's EUR 75,000,000 short-term senior (bridge) facility, the Sole Arranger will be repaid from the proceeds of the issuance of the Notes (See "*Use of Proceeds*"). Also, the Sole Arranger may act as hedge counterparty in respect of the Issuer's liabilities under the Floating Rate Notes. Such activities could present certain conflicts of interest.

Documents Available

11. For so long as any Note or Coupon is outstanding, copies of the following documents will be available for inspection from the registered office of the Issuer and from the specified office of the Principal Paying Agent for the time being in Amsterdam, The Netherlands:
 - (a) the Articles of Association of the Issuer and the Articles of Association of each of the Guarantors; and

- (b) the Note Trust Deed, the Agency Agreement, the Intercreditor Agreement, the Subordination Agreement, each of the Transaction Security Documents, Hedging Agreements, the Direct Agreement and the Note Purchase Agreement.

In addition, copies of this Prospectus is available on the AFM's website at <http://www.afm.nl/en/professionals/registers/>.

GLOSSARY

Active Operator	Each active operator that obtains access to Reggefiber's passive FttH network under an ODF agreement and delivers wholesale optical fibre services to the Service Providers.
Area PoP	Area point of presence; the first active aggregation point in a FttH network.
City PoP	City point of presence; aggregation point in a FttH network.
Connected Area	The connection area for the construction and roll-out of Glass Fibres and PoPs as described in the relevant Location Agreement.
FttH	Fibre-to-the-Home.
FttH network	The Fibre-to-the-Home network within a Connected Area.
FTU	A passive dispatch unit in an end-user location that forms the technical and legal separation between the Passive Operator's passive infrastructure and an Active Operator's network termination.
Glass Fibres	The passive glass fibre infrastructure that is made available to an Active Operator comprising (i) the IGP between the end-user location and an Area PoP, (ii) the passive infrastructure in the Area PoP itself, and (iii) the passive infrastructure between the Area PoP and agreed aggregation points.
Homes Activated	A home which is provided with a working connection through (i) an IGP of which one or both fibres are patched to the Active Operator's equipment and (ii) active equipment.
Homes Connected	Homes Activated and Homes Passed which have an FTU inside the relevant Home, which are ready to become Homes Activated.
Homes Passed	An IGP which is assembled to the ODF in the Area PoP, but may not yet be connected at the FTU of the end-user.
IGP	An individual glass fibre pair between the end-user location (i.e. the FTU) and an Area Pop.
Location Agreement	Each of the location agreements made between the Passive Operator and (i) KPN B.V. and/or (ii) KPN ITNS Networks B.V., and (iii) any other Active Operator where the revenues generated from such Active Operator is equal to or greater than 5% of the total revenue of the Group.
ODF	Optical distribution frame in an Area PoP to which IGP's are being connected.
PoPs	An Area PoP or a City PoP.
Service Provider	Each service provider that obtains access to an Active Operator's active FttH network under a wholesale agreement and delivers retail services to end-consumers.

ANNEX 1

FINANCIAL STATEMENTS

Financial Statements (for the year ended 31 December 2012)	F-Page number
Reggefiber Finance Holding Company 3 B.V. – Consolidated Balance Sheet (<i>Geconsolideerde balans</i>)	F-1
Reggefiber Finance Holding Company 3 B.V. – Consolidated Statement of Income (<i>Geconsolideerd overzicht van gerealiseerde en niet-gerealiseerde resultaten</i>)	F-2
Reggefiber Finance Holding Company 3 B.V. – Consolidated Statement of Equity (<i>Geconsolideerd mutatie overzicht van het eigen vermogen</i>)	F-3
Reggefiber Finance Holding Company 3 B.V. – Consolidated Statement	F-4
Reggefiber Finance Holding Company 3 B.V. – Explanatory Notes to the Consolidated Financial Statements (<i>Toelichtingen bij de geconsolideerde jaarrekening</i>)	F-5
KPMG’s Audit Report in respect of the consolidated financial statements of Reggefiber Finance Holding Company 3 B.V.	F-24

3.1 **Geconsolideerde balans**
(voor resultaatbestemming in EUR x 1.000)

ACTIVA	<i>Par.</i>	31-12-2012	13-06-2012
Glasvezelnetwerken	4.6	61.372	-
Glasvezelnetwerken in aanbouw	4.6	76.868	-
Materiële vaste activa		138.240	-
Actuele belastingvordering	4.8	885	-
Handels- en overige vorderingen	4.8	529	-
Geldmiddelen en kasequivalenten	4.8	14.541	18
Totaal vlottende activa		15.955	18
TOTAAL ACTIVA		154.195	18
EIGEN VERMOGEN			
Aandelenkapitaal	4.9	18	18
Agioreserve	4.9	31.815	-
Resultaat 2012	4.9	1.576	-
TOTAAL EIGEN VERMOGEN		33.409	18
VERPLICHTINGEN			
Leningen en overige financieringsverplichtingen	4.10	111.774	-
Vooruit ontvangen baten	4.11	5.628	-
Langlopende verplichtingen		117.402	-
Handelsschulden en overige te betalen posten	4.12	2.759	-
Vooruit ontvangen baten	4.11	625	-
Kortlopende verplichtingen		3.384	-
TOTAAL VERPLICHTINGEN		120.786	-
TOTAAL EIGEN VERMOGEN EN VERPLICHTINGEN		154.195	18

De toelichting op blz. 14 t/m 37 is integraal onderdeel van deze geconsolideerde jaarrekening.



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3.2 Geconsolideerde overzicht van gerealiseerde en niet-gerealiseerde resultaten
(in EUR x 1.000)

		13/6- 31/12/2012
GEREALISEERDE RESULTATEN	<i>Par.</i>	
Opbrengsten	4.16	6.052
Kostprijs omzet	4.17	810
Afschrijvingen, amortisaties en bijzondere waardeverminderingen	4.19	1.586
Overige bedrijfskosten	4.20	313
Som der bedrijfslasten		2.709
Resultaat uit bedrijfsactiviteiten		3.343
Financieringsbaten	4.21	32
Financieringslasten	4.21	(1.273)
Netto financieringslasten		(1.241)
Resultaat voor belastingen		2.102
Winstbelastingen	4.22	(526)
Resultaat over het jaar		1.576
NIET- GEREALISEERDE RESULTATEN		
Niet gerealiseerde resultaten over het jaar		-
Totaal gerealiseerde en niet-gerealiseerde resultaten over de verslagperiode toe te rekenen aan de aandeelhouders		1.576

De toelichting op blz. 14 t/m 37 is integraal onderdeel van deze geconsolideerde jaarrekening.



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3.3 Geconsolideerd mutatie overzicht van het eigen vermogen
(in EUR x 1.000)

	Aandelen kapitaal	Agio	Ingehouden winsten	Totaal
Stand per 13 juni 2012	18	-	-	18
Verworven bij inbreng	-	1.815	-	1.815
Resultaat	-	-	1.576	1.576
Agio storting	-	30.000	-	30.000
Stand per 31 december 2012	18	31.815	1.576	33.409

Het maatschappelijk kapitaal bestaat uit 90.000 aandelen van EUR 1,-. Het gestort en opgevraagd kapitaal bestaat uit 18.001 aandelen à EUR 1,- nominaal.

De agioreserve is voor EUR 1.815 ontstaan bij de inbreng van de deelnemingen door hogere stortingen van kapitaal dan het uitgegeven aandelenkapitaal en voor EUR 30.000 door een kapitaalstorting.

De ingehouden winsten betreffen de cumulatieve resultaten van de vennootschap.

Onder overige vermogenscomponenten is opgenomen de waardemutatie van als effectief beoordeelde afgeleide financiële instrumenten.

De toelichting op blz. 14 t/m 37 is integraal onderdeel van deze geconsolideerde jaarrekening.

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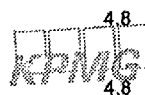
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3.4 Geconsolideerd kasstroomoverzicht

(in EUR x 1.000)

		13/6- 31/12/2012
	<i>Par</i>	
Resultaat over het jaar	3.2	1.576
Aanpassingen voor:		
- Winstbelastingen	4.22	526
- Netto financieringslasten	4.21	1.241
- Afschrijvingen, amortisatie en waardeverminderingen	4.19	1.586
- Vrijval vooruitontvangen omzet		(267)
Mutaties in het werkkapitaal gerelateerd aan:		
- Actuele belastingvordering	4.8	111
- Handels en overige vorderingen	4.8	(155)
- Handelsschulden en overige te betalen posten	4.12	492
- Vooruitontvangen baten	4.11	1.838
Kasstroom uit bedrijfsactiviteiten		6.948
Betaalde rente	4.21	(1.260)
Netto kasstroom uit bedrijfsactiviteiten		5.688
Mutatie investeringscrediteuren		(7.179)
Investeringen in materiële vaste activa	4.6	(21.245)
Hierin begrepen geactiveerde rente		1.996
Ontvangen rente		8
Bij inbreng deelneming ingebrachte liquide middelen		362
Kasstroom uit investeringsactiviteiten		(26.058)
Storting eigen vermogen	4.9	30.000
Aflossing lening aandeelhouders		(70.670)
Opgenomen leningen	4.10	75.000
Op leningen bijgeschreven rente	4.10	-
Ontvangen bedragen inzake de Voorschotregeling	4.10	563
Kasstroom uit financieringsactiviteiten		34.893
Netto kasstroom in het verslagjaar		14.523
Saldo geldmiddelen en kasequivalenten per begin verslagjaar	4.8	18
Saldo geldmiddelen en kasequivalenten per einde verslagjaar	4.8	



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4 Toelichtingen bij de geconsolideerde jaarrekening

4.1 Verslaggevende entiteit

Reggefiber Finance Holding Company 3 B.V. (hierna de Vennootschap), gevestigd te Rijssen, is een besloten vennootschap, waarvan de aandelen per balansdatum voor 100 % in bezit zijn van Reggefiber ttH B.V.

De vennootschap is opgericht op 13 juni 2012. Na de oprichting heeft de aandeelhouder activa ingebracht in de vorm van deelnemingen. De ingebrachte activa zijn bij inbreng gewaardeerd tegen reële waarde conform de regels voor overnames beschreven in paragraaf 4.3. De waarde die is ingebracht boven de waarde van het uitgegeven aandelenkapitaal is verantwoord als agio onder het eigen vermogen.

De geconsolideerde Jaarrekening 2012 van de Vennootschap omvat financiële gegevens van de Vennootschap en haar dochterondernemingen (tezamen te noemen de Groep). De financiële gegevens van de dochterondernemingen zijn in de cijfers opgenomen voor de periode dat de aandelen daadwerkelijk in bezit waren van de Vennootschap.

De Vennootschap en haar groepsmaatschappijen houden zich bezig met het aanleggen, exploiteren en beheren van glasvezelnetwerken alsmede met het verkrijgen, vervreemden, exploiteren en beheren van vermogenswaarden bij vennootschappen actief op dat gebied.

4.2 Gehanteerde grondslagen bij de opstelling van jaarrekening

Overeenstemmingsverklaring

De bij de opstelling van deze rapportage gehanteerde grondslagen zijn in overeenstemming met de International Financial Reporting Standards zoals aanvaard door de Europese Unie (EU-IFRS).

Nog niet toepaste standaarden of eerder toegepaste standaarden

De standaarden, wijzigingen op standaarden en interpretaties die in 2012 nog niet van kracht zijn en derhalve niet zijn toegepast op deze financiële rapportage zullen geen invloed van betekenis hebben op de financiële rapportage van de Groep.

Waarderingsbasis


De geconsolideerde jaarrekening 2012 is opgesteld op basis van historische kosten.

Functionele valuta en presentatievaluta

De geconsolideerde jaarrekening wordt gepresenteerd in euro's (EUR), de functionele valuta van de Vennootschap. Alle financiële informatie in euro's is afgerond op het dichtstbijzijnde duizendtal.

Gebruik van schattingen en oordelen

De opstelling van de geconsolideerde jaarrekening in overeenstemming met IFRS vereist dat de directie van de Vennootschap oordelen vormt en schattingen en veronderstellingen doet die van invloed zijn op de toepassing van grondslagen en de gerapporteerde waarde van activa en


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verplichtingen, en van baten en lasten. De daadwerkelijke uitkomsten kunnen afwijken van deze schattingen.

De schattingen en onderliggende veronderstellingen worden voortdurend beoordeeld. Herzieningen van schattingen worden opgenomen in de periode waarin de schattingen worden herzien en in toekomstige perioden waarvoor de herziening gevolgen heeft.

Informatie over de kritische oordelen bij de toepassing van de grondslagen die het meest van invloed zijn op de in de jaarrekening opgenomen bedragen is opgenomen in de toelichting in paragraaf 4.3 levensduur van materiële vaste activa.

Informatie over veronderstellingen en schattingsonzekerheden die een aanmerkelijk risico in zich bergen van een materiële aanpassing in het volgende boekjaar is opgenomen in de toelichting in paragraaf 4.7 toetsen op bijzondere waardevermindering.

4.3 Belangrijke grondslagen voor financiële verslaggeving

De hierna uiteengezette grondslagen voor financiële verslaggeving zijn consistent toegepast voor alle gepresenteerde perioden in de jaarrekening.

Consolidatiegrondslagen

Bedrijfscombinaties

Bedrijfscombinaties worden verantwoord op het moment dat zeggenschap toekomt aan de Vennootschap. Zeggenschap is de macht om het financiële en operationele beleid van een onderneming te sturen teneinde voordelen uit haar activiteiten te verwerven. Bij de beoordeling of sprake is van zeggenschap wordt rekening gehouden met potentiële stemrechten die op dat moment uitoefenbaar zijn. De overnamedatum is de datum waarop zeggenschap wordt overgedragen aan de overnemende partij.

De Groep waardeert goodwill als het verschil tussen de kostprijs van de overname en het belang van de groep in de netto reële waarde van de overgenomen identificeerbare activa, verplichtingen en de voorwaardelijke verplichtingen van de overgenomen partij. Is dat verschil negatief (negatieve goodwill), dan wordt dit onmiddellijk in de winst- en verliesrekening verantwoord.

De overgedragen vergoeding omvat de reële waarde van overgedragen activa, door de Groep aangegane verplichtingen aan de vorige eigenaars van de overgenomen partij, en de door de Groep uitgegeven eigen-vermogensinstrumenten. Daarnaast omvat de overgedragen vergoeding de reële waarde van eventuele voorwaardelijke vergoedingen en op aandelen gebaseerde betalingen van de overgenomen partij die bij de bedrijfscombinatie verplicht worden vervangen.

De Groep waardeert minderheidsbelangen op basis van haar verworven proportionele belang in de identificeerbare activa van de overgenomen partij.

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Dochterondernemingen

Dochterondernemingen zijn die entiteiten waarover de Groep zeggenschap heeft. De jaarrekeningen van dochterondernemingen zijn in de geconsolideerde jaarrekening opgenomen vanaf de datum waarop voor het eerst sprake is van zeggenschap tot aan het moment waarop deze eindigt. De grondslagen voor financiële verslaggeving van dochterondernemingen zijn waar nodig aangepast aan de door de Groep gehanteerde grondslagen.

Geassocieerde deelnemingen en entiteiten waarover gezamenlijk de zeggenschap wordt uitgeoefend
Geassocieerde deelnemingen zijn die entiteiten waarin de Groep invloed van betekenis heeft op het financiële en operationele beleid, maar waarover zij geen zeggenschap heeft. Invloed van betekenis wordt verondersteld te bestaan indien de Groep houder is van tussen de 20 en de 50 procent van de stemrechten van een andere entiteit.

Joint ventures zijn die entiteiten waarover de Groep gezamenlijke zeggenschap heeft, waarbij deze zeggenschap in een overeenkomst is vastgelegd en waarin strategische beslissingen over het financiële en operationele beleid met unanieme instemming worden genomen.


Geassocieerde deelnemingen en entiteiten waarover gezamenlijk de zeggenschap wordt uitgeoefend, worden verantwoord op basis van de 'equity'-methode en worden bij de eerste opname gewaardeerd tegen kostprijs. In de kostprijs van de investering zijn de transactiekosten inbegrepen. De geconsolideerde jaarrekening omvat het aandeel van de Groep in het totaalresultaat en de mutaties in het eigen vermogen van niet geconsolideerde investeringen verwerkt volgens de 'equity' methode, na correctie van de grondslagen in overeenstemming met de grondslagen van de Groep, vanaf de datum waarop de Groep voor het eerst invloed van betekenis heeft, tot aan de datum waarop voor het laatst sprake is van invloed van betekenis. Wanneer het aandeel van de Groep in de verliezen groter is dan de waarde van het belang in een investering verwerkt volgens de 'equity'-methode, wordt de boekwaarde van dat belang (inclusief eventuele langetermijninvesteringen) in de balans van de Groep afgeboekt tot nihil en worden verdere verliezen niet meer in aanmerking genomen behalve voor zover de Groep een verplichting is aangegaan of betalingen heeft verricht namens een volgens de 'equity'-methode verwerkte investering.


Eliminatie intercompanytransacties

Intragroepssaldi en -transacties, alsmede eventuele niet-gerealiseerde winsten en verliezen op transacties binnen de Groep of baten en lasten uit dergelijke transacties worden bij de opstelling van de geconsolideerde jaarrekening geëlimineerd. Niet-gerealiseerde winsten uit hoofde van transacties met geassocieerde deelnemingen en entiteiten waarover gezamenlijk de zeggenschap wordt uitgeoefend, verwerkt volgens de 'equity'-methode worden geëlimineerd naar rato van het belang dat de Groep in de investering heeft. Niet-gerealiseerde verliezen worden op dezelfde wijze geëlimineerd als niet-gerealiseerde winsten, maar slechts voor zover er geen aanwijzing is voor een bijzondere waardevermindering.

Vreemde valuta

Transacties luidend in vreemde valuta worden in de functionele valuta van de Groep omgerekend tegen de geldende wisselkoers op de transactiedatum. In vreemde valuta luidende monetaire activa


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en verplichtingen worden per balansdatum in de functionele valuta omgerekend tegen de op die datum geldende wisselkoers. Bij de omrekening optredende valutakoersverschillen worden in de winst- en verliesrekening opgenomen.

Financiële instrumenten- Niet afgeleide financiële activa

Leningen, vorderingen en deposito's worden door de Groep bij eerste opname verwerkt op de datum waarop deze ontstaan. Bij alle overige financiële activa (inclusief activa die zijn aangemerkt als gewaardeerd tegen reële waarde met verwerking van waardeveranderingen in de winst- en verliesrekening) vindt de eerste opname plaats op de transactiedatum waarop de Groep zich verbindt aan de contractuele bepalingen van het instrument.

De Groep neemt een financieel actief niet langer op in de balans als de contractuele rechten op de kasstromen uit het actief aflopen, of als de Groep de contractuele rechten op de ontvangst van de kasstromen uit het financieel actief overdraagt door middel van een transactie waarbij nagenoeg alle aan het eigendom van dit actief verbonden risico's en voordelen worden overgedragen. Indien de Groep een belang behoudt of creëert in de overgedragen financiële activa, dan wordt dit belang afzonderlijk als actief of verplichting opgenomen.

Financiële activa en verplichtingen worden uitsluitend gesaldeerd in de balans gepresenteerd indien de Groep een wettelijk afdwingbaar recht heeft op deze saldering en indien zij voornemens is om te salderen op nettobasis dan wel het actief en de verplichting gelijktijdig te realiseren.

De Groep bezit de volgende niet-afgeleide financiële activa: leningen, vorderingen en geldmiddelen en kasequivalenten. Dit zijn financiële instrumenten met vaste of bepaalde betalingen, die niet op een actieve markt zijn genoteerd. Dergelijke activa worden bij eerste opname gewaardeerd tegen reële waarde plus eventuele direct toerekenbare transactiekosten. Na eerste opname worden leningen en vorderingen gewaardeerd tegen geamortiseerde kostprijs met behulp van de effectieve-rentemethode verminderd met eventuele bijzondere waardeverminderingverliezen.

Geldmiddelen en kasequivalenten bestaan uit kas- en banksaldi en andere direct opvraagbare deposito's met een oorspronkelijke looptijd van drie maanden of minder.

Financiële instrumenten- Niet-afgeleide financiële verplichtingen

Niet-afgeleide financiële verplichtingen worden door de Groep bij eerste opname verwerkt op de datum waarop deze ontstaan. Bij alle overige financiële verplichtingen (inclusief verplichtingen die zijn aangemerkt als gewaardeerd tegen reële waarde met verwerking van waardeveranderingen in de winst- en verliesrekening) vindt de eerste opname plaats op de transactiedatum waarop de Groep zich verbindt aan de contractuele bepalingen van het instrument.

De Groep neemt een financiële verplichting niet langer op in de balans, zodra aan de prestatie ingevolge de verplichting is voldaan, deze is opgeheven of is verlopen.

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Financiële activa en verplichtingen worden uitsluitend gesaldeerd in de balans gepresenteerd indien de Groep een wettelijk afdwingbaar recht heeft op deze saldering en indien zij voornemens is om te salderen op nettobasis dan wel het actief en de verplichting gelijktijdig te realiseren.

De Groep bezit de volgende niet-afgeleide financiële verplichtingen: leningen en overige financieringsverplichtingen en handelsschulden en overige te betalen posten.

Dergelijke verplichtingen worden bij eerste opname gewaardeerd tegen reële waarde plus eventuele direct toerekenbare transactiekosten. Na eerste opname worden deze financiële verplichtingen gewaardeerd tegen geamortiseerde kostprijs met behulp van de effectieve-rentemethode.

Aandelenkapitaal

Uitgegeven aandelen worden geclassificeerd als eigen vermogen. De marginale kosten die rechtstreeks toerekenbaar zijn aan de uitgifte van gewone aandelen en aandelenopties worden verwerkt als aftrekpost op het eigen vermogen, na aftrek van eventuele fiscale effecten.

Materiële vaste activa

De materiële vaste activa worden gewaardeerd op verkrijgingsprijs onder aftrek van investeringsbijdragen van derden, verminderd met de cumulatieve afschrijvingen en indien van toepassing met bijzondere waardeverminderingen. De afschrijvingen worden gebaseerd op de geschatte economische levensduur en worden berekend op basis van een vast percentage van de verkrijgingsprijs, rekening houdend met een eventuele residuwaarde en het tijdstip van activering.

Glasvezelnetwerken

In de verkrijgingsprijs van glasvezelnetwerken worden de volgende posten opgenomen:

- a aanleg- en vergunningskosten;
- b grond en bouwkosten verdeelstations (PoP's);
- c kosten van het aansluiten van huishoudens, waaronder de fiber termination units;
- d kosten van ontwikkeling en management van projecten; en
- e bouwrente.

De glasvezelnetwerken worden afgeschreven over de economische levensduur die is geschat op 20 jaar na ingebruikname. Het moment van ingebruikname wordt bepaald door het moment waarop individuele aansluitingen worden geactiveerd. Tijdens de bouw en het eerste jaar na afsluiting van de bouw worden de afschrijvingen berekend over de actieve aansluitingen. Na dit eerste jaar worden de afschrijvingen lineair over de resterende 19 jaren berekend.

Verkoop

Winsten en verliezen op de verkoop van een materieel vast actief worden vastgesteld aan de hand van een vergelijking van de verkoopopbrengsten met de boekwaarde van de materiële vaste activa en worden netto verantwoord onder afschrijvingen, amortisaties en bijzondere waardeverminderingen in de winst- en verliesrekening.

Kosten na eerste opname

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De kostprijs van de vervanging van een deel van een materieel vast actief wordt in de boekwaarde van dat actief opgenomen indien het waarschijnlijk is dat de toekomstige economische voordelen met betrekking tot het actief aan de Groep zullen toekomen en de kostprijs van het actief betrouwbaar kan worden bepaald. De boekwaarde van het vervangen onderdeel wordt niet langer in de balans opgenomen. De kosten van het dagelijkse onderhoud van materiële vaste activa worden als last in het overzicht van de gerealiseerde en niet-gerealiseerde resultaten opgenomen wanneer zij worden gemaakt.

Bijzondere waardeverminderingen

Niet-afgeleide Financiële activa (inclusief vorderingen)

Een financieel actief dat niet tegen reële waarde wordt verwerkt in de winst- en verliesrekening wordt op iedere verslagdatum beoordeeld om te bepalen of er objectieve aanwijzingen bestaan dat het actief een bijzondere waardevermindering heeft ondergaan. Een financieel actief wordt geacht onderhevig te zijn aan een bijzondere waardevermindering indien er objectieve aanwijzingen zijn dat na de eerste opname van het actief zich een gebeurtenis heeft voorgedaan die een negatief effect heeft gehad op de verwachte toekomstige kasstromen van dat actief en waarvan een betrouwbare schatting kan worden gemaakt.

Objectieve aanwijzingen dat financiële activa (met inbegrip van aandelen) onderhevig zijn aan een bijzondere waardevermindering omvatten het niet nakomen van betalingsverplichtingen en achterstallige betaling door een debiteur, herstructurering van een aan de Groep toekomend bedrag onder voorwaarden die de Groep anders niet zou hebben overwogen, aanwijzingen dat een debiteur of emittent failliet zal gaan, en het verdwijnen van een actieve markt voor een bepaald effect. Daarnaast geldt voor een belegging in aandelen dat een significante of langdurige daling van de reële waarde ervan tot onder de kostprijs een objectieve aanwijzing is voor een bijzondere waardevermindering.

Aanwijzingen voor bijzondere waardeverminderingen van vorderingen en beleggingen in tot einde looptijd aangehouden effecten worden door de Groep zowel op het niveau van specifieke activa als op collectief niveau in aanmerking genomen. Van alle individueel significante vorderingen wordt beoordeeld of deze specifiek onderhevig zijn aan bijzondere waardevermindering. Alle individueel significante vorderingen en aangehouden effecten waarvan wordt bepaald dat deze niet specifiek onderhevig zijn aan bijzondere waardevermindering worden vervolgens collectief beoordeeld op een eventuele waardevermindering die zich al heeft voorgedaan maar nog niet is vastgesteld. Van individueel niet significante vorderingen wordt collectief beoordeeld of deze onderhevig zijn aan bijzondere waardevermindering door samenvoeging van vorderingen en tot einde looptijd aangehouden beleggingen met vergelijkbare risicokenmerken.

Bij de beoordeling van de collectieve waardevermindering gebruikt de Groep historische trends met betrekking tot de waarschijnlijkheid van het niet nakomen van betalingsverplichtingen, het tijdsbestek waarbinnen incassering plaatsvindt en de hoogte van gemaakte verliezen. De uitkomsten worden bijgesteld als de directie van de vennootschap van oordeel is dat de huidige economische en kredietomstandigheden zodanig zijn dat het waarschijnlijk is dat de daadwerkelijke verliezen hoger dan wel lager zullen zijn dan historische trends suggereren.

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Een bijzonder waardevermindingsverlies met betrekking tot een tegen geamortiseerde kostprijs gewaardeerd financieel actief wordt berekend als het verschil tussen de boekwaarde en de contante waarde van de verwachte toekomstige kasstromen, gediscoteerd tegen de oorspronkelijke effectieve rente van het actief. Verliezen worden opgenomen in de winst- en verliesrekening en worden tot uitdrukking gebracht in een voorzieningsrekening voor leningen en vorderingen. Rente op het aan een bijzondere waardevermindering onderhevige actief blijft worden opgenomen via oprenting van het actief. Wanneer een gebeurtenis na balansdatum leidt tot een verlaging van de bijzondere waardevermindering, wordt deze verlaging teruggenomen via de winst- en verliesrekening.

Opbrengsten

Algemeen

Onder de opbrengsten worden opgenomen de opbrengsten van de in het verslagjaar verleende diensten en verkochte goederen onder aftrek van kortingen en de over de omzet geheven belastingen.

ODF opbrengsten

De verleende diensten uit hoofde van de verhuurcontracten bestaan uit de beschikbaarstelling van het netwerk aan actieve operators en het aansluiten van individuele aansluitingen. Hiervoor worden éénmalige vergoedingen en maandelijkse huurbedragen in rekening gebracht. De éénmalige vergoedingen worden aan de resultaten toegerekend overeenkomstig de verwachte mutatiefrequentie. Voor actieve operators is dat 20 jaar en voor individuele aansluitingen is dat 10 jaar. De maandelijkse huurbedragen worden aan de resultaten toegerekend in de maand waar zij betrekking op hebben.

Leasebetalingen

Leasebetalingen uit hoofde van operationele leasing worden lineair over de leaseperiode in de winst- en verliesrekening opgenomen. Vergoedingen ontvangen als stimulering voor het sluiten van leaseovereenkomsten worden als integraal deel van de totale leasekosten in de winst- en verliesrekening verwerkt over de leasetermijn.

De Groep heeft geen overeenkomsten afgesloten die voldoen aan de definities van Financial lease overeenkomsten.

Financieringsbaten en -lasten

Financieringsbaten omvatten de rentebaten op geïnvesteerde gelden, positieve veranderingen in de reële waarde van op basis van de reële waarde in de winst- en verliesrekening opgenomen financiële activa, en winsten op afdekkingsinstrumenten die in de winst- en verliesrekening worden opgenomen. Rentebaten worden in de winst- en verliesrekening opgenomen naarmate deze opbouwen, door middel van de effectieve-rentemethode.

Financieringslasten omvatten de rentelasten op opgenomen gelden, negatieve veranderingen in de reële waarde van financiële activa gewaardeerd op basis van de reële waarde met verwerking van waardeveranderingen in de winst- en verliesrekening, bijzondere waardevermindingsverliezen op financiële activa en verliezen op afdekkingsinstrumenten die in de winst- en verliesrekening worden



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opgenomen. Financieringskosten die niet rechtstreeks zijn toe te kennen aan de verwerving, constructie of productie van een in aanmerking komend actief worden opgenomen in de winst- en verliesrekening met behulp van de effectieve-rentemethode.

Winstbelasting

Winstbelasting omvat de over de verslagperiode verschuldigde en verrekenbare winstbelastingen en uitgestelde winstbelastingen. De verschuldigde en uitgestelde winstbelasting wordt in de winst- en verliesrekening opgenomen, behoudens voor zover deze betrekking heeft op een bedrijfscombinatie of posten die rechtstreeks in het eigen vermogen of niet-gerealiseerde resultaten worden opgenomen.

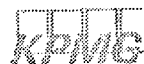
De over het boekjaar verschuldigde en verrekenbare belasting is de naar verwachting te betalen belasting over de belastbare winst over het boekjaar, berekend aan de hand van belastingtarieven die zijn vastgesteld op verslagdatum, dan wel waartoe materieel al op verslagdatum is besloten, en eventuele correcties op de over voorgaande jaren verschuldigde belasting.

Uitgestelde belastingverplichtingen worden opgenomen voor tijdelijke verschillen tussen de boekwaarde van activa en verplichtingen ten behoeve van de financiële verslaggeving en de fiscale boekwaarde van die posten. Uitgestelde belastingverplichtingen worden niet opgenomen voor de volgende tijdelijke verschillen: de eerste opname van activa of verplichtingen in een transactie die geen bedrijfscombinatie betreffen en noch de commerciële noch de fiscale winsten of verliezen beïnvloeden, en verschillen die verband houden met investeringen in dochterondernemingen en entiteiten waarover gezamenlijk de zeggenschap wordt uitgeoefend voor zover het waarschijnlijk is dat deze in de voorzienbare toekomst niet zullen worden afgewikkeld. Uitgestelde belastingverplichtingen worden gewaardeerd met behulp van de belastingtarieven die naar verwachting van toepassing zullen zijn bij terugname van de tijdelijke verschillen, op basis van de wetten die per verslagdatum zijn vastgesteld of materieel zijn vastgesteld. Uitgestelde belastingvorderingen en –verplichtingen worden gesaldeerd indien er een wettelijk afdwingbaar recht bestaat om de verschuldigde belastingvorderingen en –verplichtingen te salderen en deze vorderingen en verplichtingen samenhangen met door dezelfde belastingautoriteit opgelegde winstbelasting aan dezelfde belasting verschuldigde entiteit, dan wel op verschillende belasting verschuldigde entiteiten die voornemens zijn de verschuldigde belastingvorderingen en –verplichtingen te salderen of waarvan de belastingvorderingen en –verplichtingen gelijktijdig worden gerealiseerd.

Er wordt uitsluitend een uitgestelde belastingvordering opgenomen voor zover het waarschijnlijk is dat er in de toekomst belastbare winsten beschikbaar zullen zijn die voor de realisatie van het tijdelijke verschil kunnen worden aangewend. Uitgestelde belastingvorderingen worden per iedere verslagdatum herzien en verlaagd voor zover het niet langer waarschijnlijk is dat het daarmee samenhangende belastingvoordeel zal worden gerealiseerd.

4.4 Bepaling reële waarde

Een aantal grondslagen en de informatieverschaffing van de Groep vereisen de bepaling van de reële waarde van zowel financiële als niet-financiële activa en verplichtingen. Voor waarderings- en informatieverschaffingsdoeleinden is de reële waarde op basis van de volgende methoden bepaald.



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Bevestiging van de reële waarde van de Groep

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Indien van toepassing wordt nadere informatie over de uitgangspunten voor de bepaling van de reële waarde vermeld bij het onderdeel van deze toelichting dat specifiek op het betreffende actief of de betreffende verplichting van toepassing is.

Materiële vaste activa

De reële waarde van materiële vaste activa die ten gevolge van een bedrijfscombinatie zijn opgenomen, is gebaseerd op marktwaarde.

De reële waarde is het geschatte bedrag waarvoor een glasvezelnetwerk op de waardingsdatum kan worden verhandeld tussen een tot een transactie bereid zijnde koper en verkoper in een zakelijke, objectieve transactie voorafgegaan door gedegen onderhandeling waarbij de partijen goed geïnformeerd en tot een transactie bereid waren. Gezien de beperkte handelbaarheid van glasvezelnetwerken is voor het bepalen van de reële waarde gebruikgemaakt van waardingsmodellen die gebruikelijk zijn in de markt.

Handels- en overige vorderingen

De reële waarde van handels- en overige vorderingen wordt tegen de contante waarde van de toekomstige kasstromen geschat, die op hun beurt worden gediscoteerd tegen de marktrente per verslagdatum. Deze reële waarde wordt bepaald ten behoeve van de informatierschaffing.

Niet-afgeleide financiële verplichtingen

De reële waarde van niet-afgeleide financiële verplichtingen wordt bepaald ten behoeve van de informatierschaffing en berekend op basis van de contante waarde van toekomstige aflossingen en rentebetalingen, gediscoteerd tegen de marktrente per verslagdatum.

4.5 Financieel risicobeheer

De financiële resultaten van de Groep zijn onderhevig aan risico's.

Het risicobeleid van de Groep heeft als doel de risico's waarmee de Groep zich geconfronteerd ziet in kaart te brengen en te analyseren, passende risicolimieten en -controles te bepalen en de risico's en naleving van de limieten te bewaken. Beleid en systemen voor risicobeheer worden regelmatig geëvalueerd en waar nodig aangepast aan veranderingen in de marktomstandigheden en de activiteiten van de Groep. De Groep streeft ernaar om door middel van haar standaarden en procedures met betrekking tot training en management een gedisciplineerde en constructieve beheersingsomgeving te ontwikkelen waarin alle werknemers hun rol en verplichtingen begrijpen.



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Interestrisko

De aanleg van glasvezelnetwerken vindt plaats op basis van een business case. De maximum tarieven zijn gereguleerd en zijn vast met een jaarlijkse stijging op basis van consumentenprijs-indexcijfers. Ook de kosten zijn goed voorspelbaar. Een moeilijk te voorspellen parameter in de business case is de hoogte van de te betalen rente op lange termijn. Banken en andere vreemd vermogensverschaffers zijn bereid om financiering te verschaffen tegen variabele rente.

Om de toekomstige resultaten minder volatiel te maken voor renteschommelingen heeft Reggefiber een policy ontwikkeld om haar (toekomstige) variabele rentebetalingen te hedgen. Op dit moment zijn nog geen hedge contracten aangegaan.

Kredietrisico

Kredietrisico is het risico van financieel verlies voor de Groep indien een afnemer de aangegane contractuele verplichtingen niet nakomt. Kredietrisico's vloeien met name voort uit vorderingen op klanten. De relaties met klanten zijn door de aard van de contracten langdurig. De kredietrisico's wordt afgedekt door strikte procedures voor debiteurenbewaking en het voorafgaand toetsen van kredietwaardigheid van nieuwe afnemers en toeleveranciers. Waar nodig worden zekerheden gevraagd.

Liquiditeitsrisico

Liquiditeitsrisico is het risico dat de Groep problemen krijgt om te voldoen aan haar verplichtingen uit hoofde van in contanten of andere financiële activa af te wikkelen financiële verplichtingen. De uitgangspunten van het liquiditeitsrisicobeheer zijn dat er voor zover mogelijk voldoende liquiditeiten of liquiditeitsruimte wordt aangehouden om te kunnen voldoen aan de huidige en toekomstige financiële verplichtingen, in normale en moeilijke omstandigheden, en zonder dat daarbij onaanvaardbare verliezen worden gelopen of de reputatie van de Groep in gevaar komt.

De Groep investeert grootschalig in de uitrol van netwerken. Alvorens verplichtingen aan te gaan voor nieuwe projecten wordt een project definitie en besluitvormingsproces doorlopen bestaande uit een business case, offerteprocedure en een garantieprocedure. De garantieprocedure betekent dat een project alleen gestart wordt als zowel de financiering van de investering als de afname voldoende zeker zijn.

Operationeel risico

Operationeel risico is het risico van direct of indirect verlies als gevolg van een breed scala aan oorzaken die verband houden met de processen, werknemers en infrastructuur van de Groep of externe factoren, anders dan krediet- en liquiditeitsrisico's, die voortvloeien uit bijvoorbeeld wet- en regelgeving en algemeen aanvaarde zakelijke gedragsnormen. Operationele risico's vloeien voort uit alle activiteiten van de Groep.

De doelstelling van de Groep is het operationele risico dusdanig te beheersen dat vermeden wordt dat de Groep financiële verliezen of reputatieschade leidt, en hierbij tegelijkertijd te zorgen voor kostenbeheersing, waarbij echter beheersingsprocedures die eigen initiatief en creativiteit inperken worden vermeden.

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Het belangrijkste operationele risico is de bezetting van de netwerken. Voorafgaand aan de bouw van een netwerk wordt veelal een vraagbundelingsproject uitgevoerd, waarbij de interesse van de gebruikers gepeild wordt. Bij netwerken die op voorraad gebouwd worden, worden voorafgaand aan de bouw veelal afname garanties verkregen van de actieve operators.

De primaire verantwoordelijkheid voor de ontwikkeling en implementatie van beheersmaatregelen ter ondervanging van het operationele risico ligt bij het senior management van de afzonderlijke bedrijfsonderdelen. De uitoefening van deze verantwoordelijkheid wordt ondersteund door het programma PROFIT (PROfessionalisering FiberTeam). Hierin zijn voor alle onderdelen van de organisatie procedures en maatregelen opgenomen, die ten doel hebben de operationele risico's te beheersen. De werking van de procedures en maatregelen wordt regelmatig getoetst en gerapporteerd aan de directie van de Groep.

De OPTA en de NMa hebben met respectievelijk het tarievenbesluit en het concentratiebesluit de activiteiten van de Groep gereguleerd. De belangrijkste elementen van deze besluiten zijn:

- een tarievenbesluit in een kader waarbij lange termijn zekerheid gegeven is over de hoogte van de ODF tarieven;
- non-discriminatoire toegang tot de netwerken van de groep;

Het nakomen van deze besluiten is geborgd in de procedures van het programma Profit.

Bouwriscico

In het kader van de wet ketenaansprakelijkheid bestaat het risico dat de Groep aangesproken wordt voor de belastingschulden van haar aannemers. Tot en met 2012 is de Groep door de belastingdienst geclassificeerd als niet zijnde eigen bouwer, waardoor de Groep niet aansprakelijk is voor de belastingschulden van haar aannemers. Deze classificatie is door de belastingdienst herroepen met ingang van 2013. Teneinde het risico op daadwerkelijke aanspraken te minimaliseren zal de groep vanaf januari 2013 gebruik maken van de BTW verleggingsregeling en de regeling omtrent betalingen op G-rekeningen.



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4.6 Materiële vaste activa

	<i>Glasvezel netwerken in aanbouw</i>	<i>Glasvezel netwerken</i>	<i>Totaal</i>
Kostprijs			
Verworven bij inbreng	119.885	-	119.885
Verworven na inbreng	21.245	-	21.245
Gereed gemelde projecten	(63.266)	63.266	-
Stand per 31 december 2012	77.864	63.266	141.130
Afschrijvingen en bijzondere waardeverminderingen			
Verworven bij inbreng	1.304	-	1.304
Afschrijvingen boekjaar	1.211	375	1.586
Gereed gemelde projecten	(1.519)	1.519	-
Stand per 31 december 2012	996	1.894	2.890
Boekwaarde bij inbreng op 13 juni 2012	118.581	-	118.581
Boekwaarde per 31 december 2012	76.868	61.372	138.240

In het verslagjaar is voor een bedrag van EUR 2,0 mln aan geactiveerde bouwrente opgenomen in de investeringen. De betaalde rente over externe leningen bedraagt gemiddeld 4,1%.

4.7 Toetsen op bijzondere waardevermindering

Bedrijfswaarde

De berekende bedrijfswaarde van het netwerk is vergeleken met de boekwaarde. De uitkomsten van de berekeningen hebben niet geleid tot een bijzondere waardevermindering.

Voor de berekening van de bedrijfswaarde is het glasvezelnetwerk van de gehele Reggefiber Groep als één kasstroomgenererende eenheid gedefinieerd.

Belangrijke veronderstellingen

De toets op de bijzondere waardevermindering is gebaseerd op de realiseerbare waarde van de activa. Deze is berekend door de verwachte toekomstige kasstromen contant te maken tegen een disconteringsvoet voor belastingen. Deze bedraagt 8,3 % (2011 9,1%).

De gehanteerde disconteringsvoet is een maatstaf geschat op basis van de gewogen gemiddelde kapitaalkosten, waarbij is uitgegaan van een genormaliseerde vermogensverhouding van 75% vreemd vermogen en een risico opslag van 8%.

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De schattingen van de kasstromen in de eerstvolgende vijf jaar zijn gebaseerd op de bedrijfsplannen. Voor de daarop volgende 20 jaar is uitgegaan van een groei van 1,5% per jaar in lijn met de verwachte inflatie.

Gevoeligheidsanalyse

De belangrijkste parameter in de kasstroom is de bezetting van het netwerk. De huidige bezetting en de ontwikkeling daarvan is in lijn met de bedrijfsplannen. In het model zijn verschillende varianten van de berekening van de restwaarde van het netwerk opgenomen, variërend van zeer conservatief naar realistisch-optimistisch. Afhankelijk van het gekozen restwaardescenario ligt de bedrijfswaarde boven tot substantieel boven de boekwaarde en leidt een stijging van de WACC van 0,5% tot 3% (2011 0,4% tot 3%) of een daling van de bedrijfsopbrengsten van 4% tot 25% (2011 4% tot 25%) tot een bedrijfswaarde die lager is dan de boekwaarde.

4.8 **Vlottende activa**

Actuele belastingvorderingen

	31-12-2012	13-06-2012
Omzetbelasting	885	-
Totaal	885	-

Handels- en overige vorderingen

	31-12-2012	13-06-2012
Handelsdebiteuren	15	-
Verbonden maatschappijen	508	-
<i>Subtotaal Debiteuren</i>	<i>523</i>	<i>-</i>
Vooruitbetalingen en waarborgsommen	6	-
Totaal	529	-

Op de handelsdebiteuren is een voorziening voor oninbaarheid van EUR 0 in mindering gebracht wegens niet verhaalbare schades.

Onderstaande tabel geeft het kredietrisico van de onderneming weer.

	31-12-2012	13-06-2012
Niet vervallen	475	-
Vervallen korter dan 90 dagen	33	-
Vervallen ouder dan 90 dagen	15	-
Totaal	523	-

Voor de ODF contracten geldt een betalingstermijn van 60 dagen. Het merendeel van de post vervallen korter dan 90 dagen is kort na balansdatum voldaan. Er is geen voorziening voor oninbaarheid op vorderingen getroffen.



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Geldmiddelen en kasequivalenten

	31-12-2012	13-06-2012
Banksaldi	14.541	18

De geldmiddelen en kasequivalenten staan ter vrije beschikking van de Groep.

4.9 Eigen vermogen

Het eigen vermogen is toegelicht in paragraaf 3.3.

4.10 Leningen en overige financieringsverplichtingen

	31-12-2012	13-06-2012
Langlopende verplichtingen		
Kredietinstellingen variabele rente	74.348	-
Verbonden maatschappijen	36.863	-
Voorschotregeling	563	-
	111.774	-

Kredietinstellingen vaste en variabele rente

De totale faciliteit van deze lening bedraagt EUR 75 mln. Het nominaal opgenomen bedrag is EUR 75 mln. De faciliteit is beschikbaar gesteld tegen een gemiddelde variabele rente van gemiddeld Euribor + 1,0 %. De looptijd van de lening bedraagt ca 2 jaar.

Zekerheden

Voor de netwerken met een balanswaarde van EUR 138 mln is het recht van hypotheek verstrekt. De vorderingen en liquide middelen die aan deze projecten zijn verbonden zijn verpand aan de kredietinstellingen die de leningen hebben verstrekt.

Verbonden maatschappijen

De door de verbonden maatschappijen verstrekte kredieten zijn achtergesteld bij de verplichtingen aan de banken. De rente over deze kredieten bedraagt 6% en wordt bij de lening bijgeschreven.

Voorschotregeling

Met verschillende partijen is een voorschotregeling overeengekomen, die inhoudt dat deze partij een garantie geeft voor de bezetting van het netwerk in een in de overeenkomst bepaald gebied. Hierop rust een terugbetalingsverplichting tot maximaal het eerder ontvangen bedrag inclusief de bijgeschreven rente. Over het ontvangen voorschot wordt een rentevergoeding betaald. Op grond van de contractuele afspraken wordt het ontvangen voorschot niet binnen een jaar terugbetaald.

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Liquiditeit risico

Verplichtingen	Boekwaarde	Contractuele kasstroom	2013	2014-2017	2018 en later
Kredietinstellingen, leningen	74.348	76.362	1.495	74.867	-
Voorschotregeling	563	878	(390)	400	868
Verbonden maatschappijen	36.863	55.428	-	-	55.428
Handelsschulden en overige te betalen posten	2.759	2.759	2.759	-	-
Uitgaande kasstroom	114.533	135.427	3.864	75.267	56.296

De kasstroom van de kredietinstellingen leningen is berekend tegen het rentepercentage, die is gealloceerd aan deze leningen. De gecontracteerde opnamerechten zijn in dit overzicht als negatief opgenomen.

De kasstroom van de voorschotregeling is berekend op basis van de verwachte klant aansluitingen in de komende vijf jaar.

Renterisico

Op de verslagdatum zag het renteprofiel van de rentedragende financiële instrumenten van de groep er als volgt uit:

	31-12-2012	13-06-2012
Instrumenten met een vaste rente	37.426	-
Instrumenten met een variabele rente	74.348	-
	111.774	-

Rente wijzigingen van 1 % levert dus een resultaatmutatie op van EUR 0,6 mln.

Valutarisico

De Groep heeft geen verplichtingen of activa in buitenlandse valuta en loopt derhalve geen valutarisico's.

4.11 Vooruit ontvangen baten

	31-12-2012	13-06-2012
Langer dan 1 jaar	5.628	-
Korter dan 1 jaar	625	-



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4.12 Handelschulden en overige te betalen posten

	31-12-2012	13-06-2012
Handelsschulden derden	1.742	-
Handelsschulden verbonden maatschappijen	302	-
<i>Subtotaal handelschulden</i>	2.044	-
Overige	190	-
Te betalen belastingen	525	-
	2.759	-

4.13 Reële waarde versus boekwaarde

Ten aanzien van de niet-afgeleide financiële instrumenten wijkt de reële waarde niet materieel af van de boekwaarde.

4.14 Niet in de balans opgenomen verplichtingen

Belastingenschulden

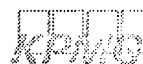
De huidige dochtermaatschappijen van Reggefiber Finance Holding Company 3 B.V. maakten tot 4 juli 2012 voor wat betreft de vennootschapsbelasting onderdeel uit van de fiscale eenheid Reggefiber Group B.V. Door de inbreng van de aandelen is deze fiscale eenheid verbroken. Voor de periode tot 4 juli 2012 zijn de vennootschappen hoofdelijk aansprakelijk voor belastingenschulden. De fiscale eenheid Reggefiber Group heeft geen belastbare winst.

Investeringsverplichtingen materiële vaste activa

De vennootschap is diverse aannemingsovereenkomsten voor de aanleg van netwerken aangegaan. De op 31 december 2012 resterende contractwaarde bedraagt EUR 18 mln, welke naar verwachting geheel vervalt in 2013.

Aansprakelijkheid bouwschade

Als opdrachtgever en vergunninghouder zijn Reggefiber Finance Holding Company 3 B.V. en haar dochterondernemingen aansprakelijk voor schade veroorzaakt door de bouw van netwerken. Deze aansprakelijkheid is in de aanneemcontracten verlegd naar de aannemers. Tevens maakt een bouwverzekering onderdeel uit van de aanneemcontracten.



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4.15 Transacties met verbonden partijen

Onder verbonden maatschappijen worden alle vennootschappen gerekend waar Reggefiber Group of één van haar aandeelhouders een overwegend belang in heeft dan wel deelnemingen van de vennootschap waarop de vennootschap invloed van betekenis heeft.

Transacties met verbonden maatschappijen worden waar mogelijk behandeld als transacties met derden. In klant/leveranciersrelaties maakt de Vennootschap geen onderscheid tussen verbonden maatschappijen en derden.

De transacties met verbonden partijen worden normaliter binnen twee maanden in contanten afgewikkeld.

Verhuur

Met Reggefiber Operator B.V. zijn voor de verschillende gebieden overeenkomsten voor Beheer en Exploitatie Passieve Netwerken afgesloten. Deze overeenkomsten voldoen aan de eisen gesteld door NMa en OPTA in het kader van de regulering.

Inkoop van diensten en investeringen

De Groep koopt verschillende diensten op het gebied van project management en uitrol in bij zustermaatschappijen ten behoeve van de bouw van de netwerken. Ook wordt de gezamenlijke inkoop van kwaliteitscontrole en diverse materialen via deze zustermaatschappijen gerealiseerd. Deze inkopen worden tegen kostprijs doorbelast. De bij verhuur genoemde Beheer overeenkomsten betreffen ook de inkoop van diensten voor het beheer van de netwerken.

	Transactie- waarde 2012	Uitstaand saldo 2012
Verhuur (inclusief voorschotregeling)	8.452	414
Inkoop van diensten en investeringen	(2.654)	(302)
	5.798	(112)

4.16 Opbrengsten

	13/06- 31/12/2012
Netto huur per actieve lijn	4.962
Netto huur toegang netwerken	647
Vrijval vooruitontvangen baten	268
Overige	175
	6.052

Het aantal actieve aansluitingen bedraagt 44,6% van het aantal gerealiseerde aansluitingen.

4.17 Kostprijs omzet

13/06-
31/12/2012

Vergoeding beheerkosten

810

4.18 Personeelskosten

De statutaire bestuurders hebben in het verslagjaar geen beloning ontvangen. De Groep heeft geen transacties gedaan met bestuurders. De Vereniging heeft geen personeel in dienst.

4.19 Afschrijvingen

13/06-
31/12/2012

Netwerken

1.586

Nadere toelichtingen op de afschrijvingen zijn opgenomen in paragraaf 4.6.

4.20 Overige bedrijfskosten

13/06-
31/12/2012

Algemene kosten

191

Verkoopkosten

122

313

4.21 Netto financieringslasten

13/06-
31/12/2012

Financieringsbaten

Rentebaten uit banktegoeden

32

32

Financieringslasten

Rente kredietinstellingen

(584)

Rente leningen verbonden maatschappijen

(2.684)

Rente voorschotregeling

(1)

Geactiveerde bouwrente

1.996

(1.273)

4.22 Winstbelastingen

13/06-
31/12/2012

Betaalbaar op aangifte

526

Belasting over resultaat verslagjaar

(526)



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Berekening belastingdruk		13/06- 31/12/2012
Netto resultaat		1.576
Winstbelastingen		(526)
Resultaat voor belasting		2.102
		%
Belasting op basis van belasting tarief	25,0	526

4.23 Gebeurtenissen na balansdatum

Het management heeft geen kennis genomen van gebeurtenissen na balansdatum, die invloed hebben op de jaarrekening van de groep.



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KPMG Accountant



Controleverklaring van de onafhankelijke accountant

Aan: de Algemene Vergadering van Aandeelhouders van Reggefiber Finance Holding Company 3 B.V.

Verklaring betreffende de jaarrekening

Wij hebben de in dit rapport opgenomen jaarrekening 2012 van Reggefiber Finance Holding Company 3 B.V. te Rijssen gecontroleerd. De jaarrekening omvat de geconsolideerde en de enkelvoudige jaarrekening. De geconsolideerde jaarrekening bestaat uit de geconsolideerde balans per 31 december 2012, het geconsolideerde overzicht van gerealiseerde en niet-gerealiseerde resultaten, het geconsolideerd mutatieoverzicht van het eigen vermogen en het geconsolideerd kasstroomoverzicht over 2012 en de toelichting, waarin zijn opgenomen een overzicht van de belangrijke grondslagen voor financiële verslaggeving en overige toelichtingen. De enkelvoudige jaarrekening bestaat uit de enkelvoudige balans per 31 december 2012 en de enkelvoudige winst-en-verliesrekening over 2012 met de toelichting, waarin zijn opgenomen een overzicht van de gehanteerde grondslagen voor financiële verslaggeving en andere toelichtingen.

Verantwoordelijkheid van de directie

De directie van de vennootschap is verantwoordelijk voor het opmaken van de jaarrekening die het vermogen en het resultaat getrouw dient weer te geven in overeenstemming met International Financial Reporting Standards zoals aanvaard binnen de Europese Unie en met Titel 9 Boek 2 van het in Nederland geldende Burgerlijk Wetboek (BW), alsmede voor het opstellen van het verslag van de directie in overeenstemming met Titel 9 Boek 2 BW. De directie is tevens verantwoordelijk voor een zodanige interne beheersing als het noodzakelijk acht om het opmaken van de jaarrekening mogelijk te maken zonder afwijkingen van materieel belang als gevolg van fraude of fouten.

Verantwoordelijkheid van de accountant

Onze verantwoordelijkheid is het geven van een oordeel over de jaarrekening op basis van onze controle. Wij hebben onze controle verricht in overeenstemming met Nederlands recht, waaronder de Nederlandse controlestandaarden. Dit vereist dat wij voldoen aan de voor ons geldende ethische voorschriften en dat wij onze controle zodanig plannen en uitvoeren dat een redelijke mate van zekerheid wordt verkregen dat de jaarrekening geen afwijkingen van materieel belang bevat.

Een controle omvat het uitvoeren van werkzaamheden ter verkrijging van controle-informatie over de bedragen en de toelichtingen in de jaarrekening.

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De geselecteerde werkzaamheden zijn afhankelijk van de door de accountant toegepaste oordeelsvorming, met inbegrip van het inschatten van de risico's dat de jaarrekening een afwijking van materieel belang bevat als gevolg van fraude of fouten. Bij het maken van deze risico-inschattingen neemt de accountant de interne beheersing in aanmerking die relevant is voor het opmaken van de jaarrekening en voor het getrouwe beeld daarvan, gericht op het opzetten van controlewerkzaamheden die passend zijn in de omstandigheden. Deze risico-inschattingen hebben echter niet tot doel een oordeel tot uitdrukking te brengen over de effectiviteit van de interne beheersing van de vennootschap. Een controle omvat tevens het evalueren van de geschiktheid van de gebruikte grondslagen voor financiële verslaggeving en van de redelijkheid van de door de directie van de vennootschap gemaakte schattingen, alsmede een evaluatie van het algehele beeld van de jaarrekening.

Wij zijn van mening dat de door ons verkregen controle-informatie voldoende en geschikt is om een onderbouwing voor ons oordeel te bieden.

Oordeel betreffende de geconsolideerde jaarrekening

Naar ons oordeel geeft de geconsolideerde jaarrekening een getrouw beeld van de grootte en de samenstelling van het vermogen van Reggefiber Finance Holding Company 3 B.V. per 31 december 2012 en van het resultaat en de kasstromen over 2012 in overeenstemming met International Financial Reporting Standards zoals aanvaard binnen de Europese Unie en met Titel 9 Boek 2 BW.

Oordeel betreffende de enkelvoudige jaarrekening

Naar ons oordeel geeft de enkelvoudige jaarrekening een getrouw beeld van de grootte en samenstelling van het vermogen van Reggefiber Finance Holding Company 3 B.V. per 31 december 2012 en van het resultaat over 2012 in overeenstemming met Titel 9 Boek 2 BW.

Verklaring betreffende overige bij of krachtens de wet gestelde eisen

Ingevolge artikel 2:393 lid 5 onder e en f BW vermelden wij dat ons geen tekortkomingen zijn gebleken naar aanleiding van het onderzoek of het verslag van de directie, voor zover wij dat kunnen beoordelen, overeenkomstig Titel 9 Boek 2 BW is opgesteld, en of de in artikel 2:392 lid 1 onder b tot en met h BW vereiste gegevens zijn toegevoegd. Tevens vermelden wij dat het verslag van de directie, voor zover wij dat kunnen beoordelen, verenigbaar is met de jaarrekening zoals vereist in artikel 2:391 lid 4 BW.

Amstelveen, 1 februari 2013

KPMG Accountants N.V.

R.J. Groot RA

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