**BASE PROSPECTUS DATED 28 APRIL 2022**

# TenneT Holding B.V.

*(Incorporated with limited liability in the Netherlands with its statutory seat in Arnhem)*

# EUR 25,000,000,000
# Euro Medium Term Note Programme
# Due from one month to 50 years from the date of original issue

Under the Euro Medium Term Note Programme (the "**Programme**") described in this base prospectus (the "**Base Prospectus**"), TenneT Holding B.V. (the "**Issuer**", which expression shall include any Substituted Debtor (as defined in Condition 11(c) of the Terms and Conditions of the Notes), or "**TenneT**"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue Euro Medium Term Notes (the "**Notes**"). The aggregate nominal amount of Notes outstanding will not at any time exceed EUR 25,000,000,000 (or the equivalent in other currencies).

This Base Prospectus has been approved by the Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten*, the "**AFM**"), as competent authority under Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). **The AFM only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the issuer that is the subject of this Base Prospectus or of the quality of the securities that are the subject of this Base Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes.**

Application may be made to Euronext Amsterdam N.V. ("**Euronext**") for Notes issued under the Programme to be listed on Euronext in Amsterdam ("**Euronext Amsterdam**"). References in this Base Prospectus to Notes being "listed" (and all related references) shall mean that such Notes have been listed and admitted to trading on Euronext Amsterdam. Euronext Amsterdam is a regulated market for the purposes of Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments ("**MiFID II**"). However, unlisted Notes may also be issued pursuant to the Programme and application may be made to other exchanges for Notes issued under the Programme to be listed on such other exchanges. The relevant Final Terms (as defined in "Overview of the Programme – Method of Issue") in respect of the issue of any Notes will specify whether or not an application will be made for such Notes to be listed on Euronext Amsterdam or on any other exchange.

Each Series (as defined in "Overview of the Programme – Method of Issue") of Notes in bearer form will be represented on issue by a temporary global note in bearer form (each a "**temporary Global Note**") or a permanent global note in bearer form (each a "**permanent Global Note**" and together with the temporary Global Note the "**Global Notes**"). If the Global Notes are stated in the applicable Final Terms to be issued in new global note ("**NGN**") form, the Global Notes will be delivered on or prior to the original issue date of the relevant Tranche (as defined in "Overview of the Programme – Method of Issue") to a common safekeeper (the "**Common Safekeeper**") for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, S.A. ("**Clearstream, Luxembourg**"). Notes in registered form will be represented by registered certificates (each a "**Certificate**"), one Certificate being issued in respect of each Noteholder's entire holding of Registered Notes (as defined in "Overview of the Programme – Form of Notes") of one Series. Registered Notes issued in global form will be represented by registered global certificates ("**Global Certificates**"). If a Global Certificate is held under the New Safekeeping Structure (the "**NSS**") the Global Certificate will be delivered on or prior to the original issue date of the relevant Tranche to a Common Safekeeper for Euroclear and Clearstream, Luxembourg.

Global Notes which are not issued in NGN form ("**Classic Global Notes**" or "**CGNs**") and Global Certificates which are not held under the NSS will be deposited on the issue date of the relevant Tranche with a common depositary on behalf of Euroclear and Clearstream, Luxembourg (the "**Common Depositary**").

The provisions governing the exchange of interests in Global Notes for other Global Notes and definitive Notes are described in "Summary of Provisions Relating to the Notes while in Global Form".

As at the date of this Base Prospectus, TenneT has a long term senior unsecured debt rating of "A-" by S&P Global Ratings Europe Limited ("**S&P**") and "A3" by Moody's Investors Service Limited ("**Moody's**"). The credit ratings included or referred to in this Base Prospectus will be treated for the purposes of Regulation (EC) No 1060/2009 on credit rating agencies as amended (the "**CRA Regulation**") as having been issued by S&P and Moody's upon registration or endorsement pursuant to the CRA Regulation. Each of Moody's and S&P is established in the European Union ("**EU**") and registered under the CRA Regulation, or the credit ratings assigned by such rating agency are endorsed by a credit rating agency established in the European Union and registered in accordance with the CRA Regulation. The European Securities and Markets Authority ("**ESMA**") has withdrawn the registration of United Kingdom based Moody's Investors Service Limited, but this entity took steps to ensure that an EU based credit rating agency is willing and able to endorse its credit ratings in accordance with the CRA Regulation. Further information relating to the registration of rating agencies under the CRA Regulation can be found on the website of the ESMA. Tranches of Notes (as defined in "*Overview of the Programme – Method of Issue*") to be issued under the Programme will be rated or unrated. Where a Tranche of Notes is to be rated, such rating will not necessarily be the same as the rating assigned to the Notes already issued. Whether or not a rating in relation to any Tranche of Notes will be treated as having been issued by a credit rating agency established in the European Union and registered under the CRA Regulation or as endorsed under the CRA Regulation by a credit rating agency established in the European Union and registered in accordance with the CRA Regulation will be disclosed in the relevant Final Terms.

A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. A suspension, reduction or withdrawal of the rating assigned to any Notes may adversely affect the market price of the Notes.

**This Base Prospectus will be valid as a base prospectus under the Prospectus Regulation for 12 months from 28 April 2022. The obligation to supplement this Base Prospectus in the event of significant new factors, material mistakes or material inaccuracies will not apply following the expiry of that period.**

Prospective investors should have regard to the factors described under the section headed "Risk Factors" in this Base Prospectus.

**Arranger for the Programme**

**ING**

**Dealers**

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| **BNP PARIBAS** | **Deutsche Bank** | **HSBC** |
| **ING** | **NatWest Markets** | **Rabobank** |

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## OVERVIEW OF THE PROGRAMME

*The following overview is qualified in its entirety by the remainder of this Base Prospectus. All capitalised terms that are not defined in this Overview will have the meanings given to them elsewhere in this Base Prospectus.*

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| **Issuer:** | TenneT Holding B.V. |
| **Legal Entity Identifier of the Issuer:** | 724500LTUWK3JQG63903 |
| **Website of the Issuer:** | www.tennet.eu |
| **Description:** | Euro Medium Term Note Programme. |
| **Size:** | Up to EUR 25,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate nominal amount of Notes outstanding at any one time. |
| **Arranger:** | ING Bank N.V. |
| **Dealers:** | BNP Paribas, Coöperatieve Rabobank U.A., Deutsche Bank Aktiengesellschaft, HSBC Continental Europe, ING Bank N.V. and NatWest Markets N.V.<br>The Issuer may from time to time terminate the appointment of any dealer under the Programme or appoint additional dealers either in respect of one or more Tranches or in respect of the whole Programme. References in this Base Prospectus to "Permanent Dealers" are to the persons listed above as Dealers and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and references to "Dealers" are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches. |
| **Fiscal Agent:** | The Bank of New York Mellon, London Branch. |
| **Method of Issue:** | The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each a "**Series**") having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a "**Tranche**") on the same or different issue dates. The specific terms of each Tranche (which will be completed, where necessary, with the relevant terms and conditions and, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be completed in the final terms (the "**Final Terms**"). |
| **Issue Price:** | Notes may be issued at their nominal amount or at a discount or premium to their nominal amount. |
| **Form of Notes:** | The Notes may be issued in bearer form ("**Bearer Notes**") or in registered form ("**Registered Notes**") only. Each Tranche of |

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| | Bearer Notes will be represented on issue by a temporary Global Note if (i) definitive Notes are to be made available to Noteholders following the expiry of 40 days after their issue date or (ii) such Notes have an initial maturity of more than one year and are being issued in compliance with the D Rules (as defined in "Overview of the Programme – Selling Restrictions" below), otherwise such Tranche will be represented by a permanent Global Note. Registered Notes will be represented by Certificates, one Certificate being issued in respect of each Noteholder's entire holding of Registered Notes of one Series. Certificates representing Registered Notes that are registered in the name of a nominee for one or more clearing systems are referred to as "Global Certificates". |
| **Clearing Systems:** | Clearstream, Luxembourg, Euroclear and, in relation to any Tranche, such other clearing system as may be agreed between the Issuer, the Fiscal Agent and the relevant Dealer(s). |
| **Initial Delivery of Notes:** | On or before the issue date for each Tranche, if the relevant Global Note is a NGN or the relevant Global Certificate is held under the NSS, the Global Note or Global Certificate will be delivered to a Common Safekeeper for Euroclear and Clearstream, Luxembourg. On or before the issue date for each Tranche, if the relevant Global Note is a CGN or the relevant Global Certificate is not held under the NSS, the Global Note representing Bearer Notes or the Global Certificate representing Registered Notes may be deposited with a common depositary for Euroclear and Clearstream, Luxembourg. Global Notes or Global Certificates may also be deposited with any other clearing system or may be delivered outside any clearing system provided that the method of such delivery has been agreed in advance by the Issuer, the Fiscal Agent and the relevant Dealer(s). Registered Notes that are to be credited to one or more clearing systems on issue will be registered in the name of nominees or a common nominee for such clearing systems. |
| **Currencies:** | Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in any currency agreed between the Issuer and the relevant Dealer(s). |
| **Maturities:** | Subject to compliance with all relevant laws, regulations and directives, any maturity between one month and 50 years. |
| **Specified Denomination:** | Notes will be in such denominations as may be specified in the relevant Final Terms save that (i) in the case of any Notes which are to be admitted to trading on a regulated market within the United Kingdom or the EEA or offered to the public in the United Kingdom or an EEA state in circumstances which require the publication of a prospectus under the Prospectus Regulation or under Regulation 2017/1129 as it forms part of UK law by virtue of the EUWA (as defined below) (the "**UK Prospectus** |

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| | **Regulation**"), the minimum specified denomination shall be EUR 100,000 (or its equivalent in any other currency as at the date of issue of the Notes) and (ii) unless otherwise permitted by then current laws and regulations, Notes which have a maturity of less than one year will have a minimum denomination of £100,000 (or its equivalent in other currencies). |
| **Fixed Rate Notes:** | Fixed interest will be payable in arrear on the date or dates in each year specified in the relevant Final Terms. |
| **Floating Rate Notes:** | Floating Rate Notes will bear interest determined separately for each Series as follows:<br>(i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as amended and updated as at the issue date of the first Tranche of the relevant Series), as published by the International Swaps and Derivatives Association, Inc. or<br>(ii) by reference to EURIBOR, SOFR or SONIA (or such other benchmark as may be specified in the relevant Final Terms) as adjusted for any applicable margin.<br>Interest periods will be specified in the relevant Final Terms. |
| **Benchmark Discontinuation** | In the case of Floating Rate Notes, if a Benchmark Event occurs, the Issuer shall use its reasonable endeavors to appoint an Independent Adviser (as defined in Condition 5(b)(iv) to determine a Successor Rate, failing which an Alternative Rate, and in either case, an Adjustment Spread, if any, and any Benchmark Amendments, as further described in Condition 5(b)(iv).<br>In the case of Floating Rate Notes where “Benchmark Discontinuation – ARRC SOFR” is specified in the applicable Final Terms, if the Issuer determines that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any determination of the Benchmark on any date, the Issuer will determine a Benchmark Replacement in accordance with the benchmark transition provisions, as further described in Condition 5(b)(v).<br>For the avoidance of doubt, this is additional to existing Floating Rate Note fallbacks described in Condition 5(b)(iii). |
| **Zero Coupon Notes:** | Zero Coupon Notes (as defined in "Terms and Conditions of the Notes") may be issued at their nominal amount or at a discount to it and will not bear interest. |

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| **Interest Periods and Interest Rates:** | The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period. All such information will be set out in the relevant Final Terms. |
| **Redemption:** | The relevant Final Terms will specify the basis for calculating the redemption amounts payable. Unless permitted by then current laws and regulations, Notes which have a maturity of less than one year must have a minimum redemption amount of £100,000 (or its equivalent in other currencies). |
| **Optional Redemption:** | The Final Terms issued in respect of each issue of Notes will state whether such Notes may be redeemed prior to their stated maturity at the option of the Issuer (either in whole or in part) and/or the holders, and if so the terms applicable to such redemption. In addition, the Issuer may at any time redeem all of the Notes prior to their stated maturity if at least 75 per cent. of the Notes of such Series have been redeemed or purchased and cancelled. |
| **Status of Notes:** | Senior Notes will constitute unsubordinated and unsecured obligations of the Issuer and Subordinated Notes will constitute subordinated obligations of the Issuer all as described in "Terms and Conditions of the Notes – Status". |
| **Negative Pledge:** | Applicable to Senior Notes only. See "Terms and Conditions of the Notes – Negative Pledge". |
| **Cross Default:** | Applicable to Senior Notes only. See "Terms and Conditions of the Notes – Events of Default". |
| **Ratings:** | Tranches of Notes will be rated or unrated. Where a Tranche of Notes is to be rated, such rating will be specified in the relevant Final Terms.<br>A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. |
| **Early Redemption:** | Except as provided in "Overview of the Programme – Optional Redemption" above, Notes will be redeemable at the option of the Issuer prior to maturity only for tax reasons. See "Terms and Conditions of the Notes – Redemption, Purchase and Options". |
| **Withholding Tax:** | All payments of principal and interest in respect of the Notes will be made free and clear of withholding taxes of the Netherlands, unless the withholding is required by law. In such event, the Issuer shall, subject to certain exceptions, pay such additional amounts as shall result in receipt by the Noteholder of such amounts as would have been received by it had no such |

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| | withholding been required, all as described in "Terms and Conditions of the Notes – Taxation". |
| **Governing Law:** | Dutch law. |
| **Listing and Admission to Trading:** | Application has been made to list Notes issued under the Programme on Euronext Amsterdam. Application may be made to other exchanges for Notes issued under the Programme to be listed on such other exchanges. As specified in the relevant Final Terms, a Series of Notes may be unlisted. |
| **Redenomination, Renominalisation and/or Consolidation** | Notes denominated in a currency of a country that subsequently participates in the third stage of European Economic and Monetary Union may be subject to redenomination, renominalisation and/or consolidation with other Notes then denominated in euro. The provisions applicable to any such redenomination, renominalisation and/or consolidation will be as specified in the relevant Final Terms. |
| **Selling Restrictions:** | The United States, the European Economic Area, the United Kingdom, the Netherlands, Japan and Switzerland. See "Subscription and Sale".<br><br>The Issuer is Category 1 for the purposes of Regulation S under the Securities Act, as amended.<br><br>The Notes will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) (the "**D Rules**") unless (i) the relevant Final Terms states that Notes are issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) (the "**C Rules**") or (ii) the Notes are issued other than in compliance with the D Rules or the C Rules but in circumstances in which the Notes will not constitute "registration required obligations" under the United States Tax Equity and Fiscal Responsibility Act of 1982 ("**TEFRA**"), which circumstances will be referred to in the relevant Final Terms as a transaction to which TEFRA is not applicable. |

# RISK FACTORS

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

*The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Notes issued under the Programme. All of these factors are contingencies which may or may not occur. Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.*

*If any of the following risks actually occur, the Issuer's business, results of operations or financial condition could be materially adversely affected, and could result in an inability to pay interest, principal or other amounts on or in connection with the Notes. The Issuer believes that the factors described below represent the material risks inherent in investing in Notes issued under the Programme, but the Issuer may be unable to pay interest, principal or other amounts on or in connection with any Notes for other reasons. The risks described below are not the only risks the Issuer faces. Additional risks and uncertainties not presently known to the Issuer or that it currently believes to be immaterial could also have a material impact on its business, results of operations or financial condition and may result in an inability to pay interest, principal or other amounts on or in connection with the Notes.*

*Although the most material risk factors have been presented first within each category, the order in which the remaining risks are presented is not necessarily an indication of the likelihood of the risks actually materialising, of the potential significance of the risks or of the scope of any potential negative impact to the Issuer's business, financial condition, results of operations and prospects. The Issuer may face a number of these risks described below simultaneously and some risks described below may be interdependent. While the risk factors below have been divided into categories with each risk being discussed in the most appropriate category, some risk factors could belong in more than one category and prospective investors should carefully consider all of the risk factors set out in this section.*

*Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus (including any documents incorporated by reference herein) and reach their own views prior to making any investment decision. Furthermore, before making an investment decision with respect to any Notes, prospective investors should consult their own stockbroker, bank manager, lawyer, auditor or other financial, legal and tax advisers and carefully review the risks associated with an investment in the Notes and consider such an investment decision in light of the prospective investor's personal circumstances.*

*Any references in this Base Prospectus to the* ***"Group"*** *are to the Issuer and its subsidiaries and affiliates taken as a whole. Any references in this Base Prospectus to* ***"TenneT TSO NL"*** *are to TenneT TSO B.V. including its subsidiaries and any references in this Base Prospectus to* ***"TenneT TSO Germany"*** *are to TenneT GmbH & Co KG including its subsidiaries. All capitalised terms that are not defined in these Risk Factors will have the meanings given to them elsewhere in this Base Prospectus.*

## Risks relating to the Issuer

## A. Risks relating to the Issuer's business operations

***Impact of Dutch and German regulatory frameworks on the Issuer's business financial conditions and net income***

The business, results of operations, revenue, profits, financial position, prospects and cash flows of the Issuer could be affected by the Dutch and German regulatory frameworks, which include both economic and environmental rules and regulations (see "*Business Description of the Issuer – Regulatory framework*").

The regulated activities of the Group, which produced 100% of the Group's consolidated underlying revenue last year, depend on licences, authorisations, exemptions and/or dispensations in order to operate its business. These licences, authorisations, exemptions and/or dispensations may be subject to withdrawal, amendments and/or additional conditions being imposed on the regulated activities of the Group. Given the dependency of the Group on its regulated business, the occurrence of any of these events, or a combination thereof, may result in the Group no longer being able to conduct its business or part thereof. This could have a material adverse effect on the revenue of the Group, potentially reducing it significantly, and therefore on the Issuer's profits and financial position.

The Issuer's income also depends on interest and dividends received from its subsidiaries, which payments are often not regulated. However, the Issuer's net income is to a large degree derived from the revenues of the regulated activities of its subsidiaries. Such activities of the Issuer's regulated subsidiaries depend on governmental regulations and European legislation, which implies that, in the end, the Issuer's net income is sensitive to regulatory amendments and decisions.

*Dutch regulatory and administrative decisions and proceedings*

The allowed income and tariffs of TenneT TSO NL are subject to incentive regulation by the Authority Consumer & Market (*Autoriteit Consument & Markt*, the "**ACM**") providing for a revenue cap (see "*Business Description of the Issuer – Regulatory framework – Tariff regulation*"). Within this regulatory framework, the ACM adopts various decisions regarding TenneT TSO NL. The business, financial condition and net income of TenneT TSO NL and the Issuer are sensitive to and may be materially affected by the outcome of such regulatory decisions and any related or other proceedings, inter alia when such decisions and proceedings are based on estimated data (such as inflation), historical data, assumptions, research, efficiency and productivity goals which may be too stringent, fail to acknowledge costs which TenneT TSO NL cannot avoid incurring and, consequently, deviate from actual values or costs made. In addition, changes in the value of the parameters or in the regulatory methodology used may impact the revenue levels of TenneT TSO NL and therefore potentially impact its cash flows, results of operations and financial position.

In general, the assessment of exposures and ultimate outcomes of regulatory decisions and legal and regulatory proceedings involves uncertainties and may be subject to change.

For example, TenneT TSO NL was involved in an ACM complaint procedure regarding a claim of an industrial customer due to an unplanned outage of the 150kV network. At the request of this industrial customer, the ACM decided that TenneT TSO NL did not comply with the obligation of (old) Article 31, paragraph 12 of the Dutch Electricity Act on redundancy requirements of the high voltage grids (except for the grid at sea). TenneT TSO NL filed an appeal against this ACM decision with the College van Beroep voor het bedrijfsleven (the "**CBb**"). The CBb ruled that TenneT TSO NL did comply with the redundancy criteria for the involved grid station, but confirmed the judgment of the ACM that TenneT TSO NL during this outage had not acted in accordance with the provisions in the Dutch Electricity Act, more specifically article 16 (grid operator task) of the Dutch Electricity Act. This CBb ruling has been used as a starting point in a civil law procedure regarding the question whether and to what extent TenneT TSO NL is obliged to compensate damages caused by the unplanned outage of the network. The court of first instance ruled that TenneT does not have to pay damages to the industrial customer.

In respect of a similar claim, the European Court of Justice and afterwards also the CBb established that a complaint made by a different entity against TenneT as the operator of a national grid following unplanned outage may not be dismissed for the sole reason that that party's installation is not connected to the national electricity system, but only to a regional system linked to the national system. The findings in both cases may have an impact on similar claims in the future.

*Dutch certifications as a TSO and interconnector operator*

TenneT TSO NL is currently certified as transmission system operator (a "**TSO**") for the Dutch national (extra) high voltage grid and as interconnector operator for its part of the NorNed Cable and the Cobra Cable and fully complies with all applicable requirements. In addition, TenneT TSO NL has been certified and appointed as the sole offshore grid operator in the Netherlands. There can be no assurance that either of these certifications will never be revoked and subsequently needs to be obtained again, *e.g.* because of non-compliance by TenneT TSO NL with certification requirements or change of conditions and/or regulation. This could have a material impact on the Issuer's business.

*German grid tariffs*

For an overview of the German regulatory framework and recent amendments thereto, reference is made to "*Business Description of the Issuer – Regulatory framework – Regulation of grid tariffs*".

The revenues of TenneT TSO Germany are derived from the operation of the transmission grid and are subject to regulation by the German Federal Network Agency (*Bundesnetzagentur*, "**BNetzA**"). Consequently, TenneT TSO Germany's overall business, financial condition and net income are – similar to TenneT TSO NL – sensitive to regulatory changes and decisions of the regulator. Such changes and decisions may impact the revenue levels of TenneT TSO Germany and may therefore impact its cash flows. For example, changes made to the regulatory framework in Germany in 2019 and BNetzA's preference to see adjustments being made to the intra group financing (which adjustments may impact the cost of debt) and changes made to Energiewirtschaftsgesetz ("**EnWG**") in Germany in 2021, which transfers the joint responsibility that TSOs have for new DC grid projects that cover multiple areas to the TSO in whose control area the southern grid interconnection point is located, may impact the revenue levels of TenneT TSO Germany and may therefore impact its cash flows (see risk factor "*Connection of offshore wind farms*"). For instance, a decrease has occurred in the return on equity, which decrease is mainly driven by a reduced regulatory rate of return on equity in Germany, starting with the new 5-year regulatory period in 2024 and other regulatory changes.

*Clean Energy Package*

The EU's Clean Energy Package has entered into force, requiring amongst others that TSOs provide to the market 70% of the total cross-border transmission capacity. The ACM approved a derogation of TenneT TSO NL from the Clean Energy Package and approved an action plan which gradually aims to fulfil the targets in the Netherlands by 2026. The German government introduced an action plan to gradually achieve the 70% target by 2026. Any delays of TenneT TSO NL and TenneT TSO Germany to fulfil the targets under these action plans could lead to material financial penalties.

**Connection of offshore wind farms**

For a description of the regulatory framework relating to the connection of offshore wind farms, see "*Business Description of the Issuer – Regulatory framework – Connection of offshore wind farms*".

The realisation of offshore grid connection systems extending from the offshore wind farms ("**OWF**") to the nearest technologically and economically feasible onshore grid connection point ("**OWF Connections**") requires large scale investments. As TenneT decided to make use of the grandfathering model introduced by the ordinance "Regulation for the calculation of the Offshore grid levy and adjustments to the regulatory framework" (*Verordnung zur Berechnung der Offshore-Netzumlage und zu Anpassungen im Regulierungsrecht*, "**ONU-VO**"), the regulatory treatment of investments depends on whether the respective projects are completed and commissioned before year-end 2019 or later. For new project investments, there is a risk that BNetzA does not approve certain capital expenditures, because they are higher than those of an "efficient and comparable grid operator" (section 3a paragraph 1 in conjunction with section 4 paragraph 1 StromNEV). That could lead to a material negative effect on the financial position of TenneT TSO Germany if those cost positions are not covered through other mechanisms.

Until 2018, BNetzA granted an OPEX lump sum for offshore assets of 3.4% during the investment measure phase. BNetzA has revised its decision to grant an OPEX lump sum for offshore assets. In its decision of 18 May 2020, the BNetzA revoked the lump sum for offshore assets with retroactive effect for the year 2018. On 16 June 2020, TenneT TSO GmbH and TenneT's offshore TSOs filed an appeal against the withdrawal of the OPEX lump sum rate for the year 2018. The statement of grounds of the appeal of TenneT Offshore 9. Beteiligungsgesellschaft mbH was submitted to the Düsseldorf Higher Regional Court (OLG Düsseldorf) on 18 August 2021. The court has set the date for the oral hearing for 27 April 2022. For TenneT TSO GmbH and the remaining TenneT Offshore TSOs the deadline for filing the statement of grounds of the appeal was extended until 20 July 2022. From 2019 on, operational expenses are reimbursed based on actuals. However, it cannot be ruled out that the actual operating costs will not be fully reimbursed due to insufficient verification.

In addition, several contractors of OWF Connections have filed judicial claims against certain subsidiaries of TenneT TSO Germany (see for pending procedures in this regard "*Business Description of the Issuer – Legal and arbitration proceedings – TenneT TSO Germany*"). In case of compensation payments to OWF operators, TenneT TSO Germany's operational costs will increase. However, in principle, TenneT TSO Germany is entitled – possibly with a time lag – to pass through compensation payments for delays and interruptions to the other TSOs and eventually to end consumers (so-called offshore liability balancing regime). For restrictions and limitations in this regard, inter alia in case of wilful misconduct or gross or simple negligence, see "*Business Description of the Issuer – Regulatory framework – Connection of offshore wind farms*". Although it cannot be entirely ruled out that certain delays will be found to have been caused by wilful misconduct or by gross or simple negligence (which would have an impact on the profits and financial position of TenneT TSO Germany), so far BNetzA has not found that TenneT TSO Germany acted negligently or wilfully in this respect. If and to the extent these claims were (partly) justified and the payments resulting therefrom could not be passed through to the end customers, the binding rulings may have a negative impact on the financial position of TenneT TSO Germany and the Group as a whole.

*Certification as a transmission system operator*

BNetzA certified TenneT TSO Germany as a transmission system operator by its decision dated 3 August 2015. Similar to TenneT TSO NL, there can be no assurance that the certification will never be revoked and subsequently needs to be obtained again, *e.g.* because of non-compliance by TenneT TSO Germany with certification requirements or change of conditions and/or regulation. This could have a material impact on the Issuer's business.

*System Responsibility*

As set out under "*Business Description of the Issuer – Regulatory framework – System responsibility*", the German Electricity Market Act (*Strommarktgesetz*) includes, *inter alia*, amendments in relation to redispatch measures and decommissioning of generation facilities, and costs incurred by TenneT TSO Germany resulting from such measures are normally recognised by BNetzA as grid-related costs subject to reimbursement under the incentive regulation regime. In this context, several lawsuits have been lodged against TenneT TSO Germany (see "*Business Description of the Issuer – Legal and arbitration* *proceedings – TenneT TSO Germany*"). These claims are still pending. According to decisions of the Court of First Instance, TenneT TSO Germany has to reimburse utilities for certain costs retroactively. It cannot be entirely ruled out that the outcome of these claims may have a negative impact on the financial position of TenneT TSO Germany. A settlement process between TSOs, BNetzA and power plant operators utility companies has been initiated and the redispatch cost recognition (Freiwillige Selbstverpflichtung ("**FSV**")) was adapted. For the further development and the introduction of incentives on redispatch see "*Business Description of the Issuer – Regulatory framework"*.

***Operational risks and risks related to material projects***

*Operational, technical and realisation risk*

The Issuer faces a substantial investment programme in the coming years to (i) connect renewable and conventional electricity production capacity to the grid; (ii) ensure optimal grid availability (security of supply); and (iii) drive the energy transition as a green grid operator and thought leader. The level, complexity and innovative character of these investment projects brings along operational risks. For example, the increased demand for additional (extra) high-voltage underground connections can affect the reliability of the transmission network. Technical problems with underground cables are more expensive and require longer time to repair than problems with overhead power lines. Besides that, the development of innovative instruments to increase flexibility and grid utilization is necessary for an affordable energy transition. However, this may lead to significant changes in grid operation and maintenance, *e.g.* due to increased volatility of renewable energy. Since late 2019 insurers have been offering less comprehensive conditions and lower risk shares and risk limits. The Issuer is looking into several solutions, among which is the creation of a captive insurance company.

Furthermore, there is a risk, amongst others, of insufficient supplier capacity, materials and human resources to realise the substantial investment programme. Additionally, the increasing number of construction and maintenance operations - in conjunction with the volatility of renewable energies - aggravates the outage planning. The development of several large projects simultaneously and the introduction of new combinations of existing technology in, amongst others, platform design, construction and installation of offshore high voltage direct current ("**HVDC**") converter stations increase realisation risks for projects. Due to the novelty and complexity of HVDC connections, further technical as well as operational issues might arise after the construction phase. Accordingly, should any such risks occur, these may result in increased costs, which may result in curtailment or suspension of the Issuer's related operations. As a result, the manifestation of such risks could have a material adverse effect on the Issuer's business, financial condition and net income. It is also reiterated that interruptions in the transmission network may lead to claims and investigations as well as reputational damage, so that the Issuer's business, financial condition and net income may also be affected in that way (see risk factors "*Dutch regulatory and administrative decisions and proceedings*" and "*Reputational damage*").

*Grid Performance, including risk of blackouts*

Due to more intensive grid usage, the introduction of new technologies, the market integration of European electricity markets and increased feed-in from renewable energy, combined with the grid condition, there is an increased risk of interruptions and/or outages within the grid of TenneT TSO NL and TenneT TSO Germany. Besides that, weaknesses in the market design may lead to a systematic shortage of electricity production and significant frequency deviations in the grid. Shortages can *e.g.* be caused by inaccurate forecasts on renewable power production, whereas different prices at the intraday market, compared to imbalance settlement prices, incentivise balancing parties to not compensate imbalances. Additionally, non-harmonized ramp-up and ramp-down times of different production entities may lead to frequency spikes. The Issuer manages these risks for example by speeding up replacements and investments in its current network, combined with improved information technology

("**IT**") systems to steer the network. Furthermore, a terrorist- or cyber-attack might cause a blackout. The Issuer manages these risks mainly by improving its security measures of its physical and non-physical critical systems. Next to that, extreme weather events and rising sea and ground water levels could impact the Issuer's system resilience, assets and supply chain. The Issuer manages these risks by taking mitigation measures during the design, construction and maintenance of its assets and by monitoring and diversifying its suppliers. To the extent the Issuer fails to manage these terrorist- and cyber-attack risks and risks related to extreme weather events, their occurrence might have material adverse effects on its business, financial condition and net income.

*Dependency on information technology systems*

The Issuer expects more technological and market developments in the upcoming decades, as a result of which international co-operation and disruptive innovation and digitalisation will be required to guarantee a secure and reliable supply of energy and to meet both the energy needs of society and the national and international carbon-reduction targets. Different sectors will most likely couple, *e.g.* energy from electricity, gas production, storages and distribution as well as mobility. New ground breaking-innovations or changes in the market design could have a material adverse effect on the Issuer's business, financial condition or results of operations. In addition, new market players in the fields of digitisation and digitalisation are expected to provide new services concerning energy data. Furthermore, the Issuer's operations and business processes depend on the availability of IT systems. Due to the nature of the Issuer's business, the availability of IT systems is of paramount importance and interruptions could have significant effects on the direct accessibility of electricity throughout the Netherlands as well as in Germany. The Issuer has in place IT solutions and information security management systems to ensure an uninterrupted operation of its IT systems. Risks are significant interruptions in the availability of IT systems, inability of the Issuer to adapt to the fast changes in the IT domain and technical problems compromising the accessibility or confidentiality of business-critical information. Decentralised renewable power production parties are usually connected to distribution system operator ("**DSO**") grids. As a result the Issuer may only have limited access to data. In addition, there is a risk that the Issuer could be the target of external attempts to gain unauthorised access to its IT systems. Each of these events could have a material adverse effect on the Issuer's business, financial condition or results of operations.

*Reputational damage*

The Issuer and its subsidiaries perform public tasks and have multiple stakeholders. Therefore, the Issuer carries an increased risk of reputational damage. The need for projects to build, maintain and replace the grid is expected to intensify. The Issuer has zero tolerance for harm to people from exposure to health and safety threats. A conflicting situation with the Issuers zero tolerance could arise where (sub) contractors intendedly or unintendedly have to balance safety requirements versus on-time project delivery. Not adhering to the Issuer's safety protocols could increase the risk of preventable injuries or fatalities. Part of the Issuer's investment programme is related to the development of the onshore grid. In case of any resistance from residents living closely to newly built onshore lines, investments can be delayed, which could affect future grid performance. Incidents or interruptions in the grid, stranded investments, delay of (large) projects or increased costs for society could also have negative effects on the Issuer's reputation, reducing political or public acceptance. The possibilities to engage external stakeholders, such as local authorities and citizens, in an efficient manner may be limited, due to restrictive governmental measures related to the COVID-19 pandemic, and delays in permitting processes cannot be ruled out. Furthermore, a changing energy landscape influenced by national, European and global political ambitions to meet and extend the 2030 climate ambition targets, accompanied by additional legal requirements with respect to environmental protection, increases the complexity of mid- and long-term planning. The Issuer's failure to comply with external declarations previously made could have a negative effect on its external credibility and reputation, which could have materially adverse consequences on the Issuer's business, financial position and net profits. Additionally, in Germany, a law (NABEG) empowers regulatory authorities to impose sanctions and penalties against TSOs.

*Geopolitical risk*

The Issuer faces a substantial investment programme in the coming years to connect renewable and conventional electricity production capacity to the grid and to ensure optimal grid availability (security of supply). To realize its investment programme, the Group might do business with suppliers or secure equipment from countries which are politically sensitive due to national security concerns in either the Netherlands or Germany. Ongoing geopolitical and trade uncertainty from a range of factors may have a material adverse impact on the ability to do business with suppliers or secure equipment from countries which are politically sensitive due to national security concerns and consequently on the Issuer's business, financial condition and net income. Ongoing geopolitical uncertainty from a range of factors may result in delays in projects, higher energy prices, higher costs for ancillary services and higher cost of supplies that are needed for maintenance and investment projects. In addition, government targets may change due to developments in the geopolitical landscape, which may have an impact on the Issuer's investment scheme. Furthermore, ongoing political uncertainty may also have an impact on stability and predictability of the infeed of electricity into the grid, which may have a material adverse impact on the security of supply and consequently on the Issuer's business, financial condition and net income.

***Scarcity of qualified short- and long-term staff***

As the operations of the Issuer are strongly technical in nature, the availability of sufficient qualified personnel is key to the Issuer's business, financial condition and income. The Issuer experiences increasing difficulties in attracting, on-boarding and retaining qualified (technical) personnel needed to support its operations. The Issuer's investment portfolio causes a high workload throughout the entire supply chain and together with the high degree of organisational complexity of the Issuer's projects, this may lead to the situation where a lack or loss of staff results in insufficient expertise and know-how and in unsatisfactory quality levels of the Issuer's operations, the inability to operate the Issuer's grid, delays in completion of infrastructure projects and maintenance, or failure to meet strategic objectives. The occurrence of one of such risks could have a material adverse effect on the Issuer's business, financial condition and net income.

***Impact of environmental issues relating to subsidiaries of Issuer on the Issuer's business, financial condition and net income***

As the environment is one of the focal points in the Issuer's internal and external activities, the Issuer has an established environmental policy in order to meet all applicable environmental standards.

The operations and properties of subsidiaries of the Issuer are subject to various local and EU laws and regulations concerning the protection of the environment, including regulation of air and water quality, controls of hazardous or toxic substances and guidelines regarding health and safety. Subsidiaries of the Issuer may be required to pay for clean-up costs (and in specific circumstances, for aftercare costs) for any contaminated property they currently own or have owned in the past.

Environmental laws can impose liability without regard to whether the owner or operator had knowledge of the release of substances or caused the release. Although the Issuer might have no knowledge of properties requiring immediate remediation or decontamination or other measures related to environmental obligations (except as provisioned for), environmental authorities may come to a different assessment. Third parties may also initiate proceedings to require decontamination. Hence, one or more of the Issuer's subsidiaries may be required to initiate costly, extensive and time-consuming clean ups at one or more of its properties, in addition to the risk of incremental penalty payments or other penalties.

Such requirements (imposed on the subsidiaries of the Issuer) could have a material adverse effect on the Issuer's business, financial condition and net income.

Although the Issuer strives to limit the impact on the environment to a maximum possible extent, due to the nature of its operations it, TenneT TSO NL and/or TenneT TSO Germany, cannot entirely exclude the generation of emissions, the creation of waste, the use of non-renewable materials or their infrastructure having a negative effect on biodiversity. A risk with respect to emissions in both the Netherlands and Germany is posed by the use of sulphur hexafluoride ("**SF6**") in the absence of technical alternatives for certain types of (extra) high-voltage switchgear. SF6 is a gas with greenhouse impact. It is used in closed systems, but it may be released through leakages and/or during maintenance work on the installation. Furthermore, the leakage of oil used in transformers and cables could have another negative local environmental impact of the Issuer's operations. Therefore, polyethylene cables, which do not contain any oil are used for almost all new projects.

Any of the above developments may affect the timing and amount of investments, could result in increased expenditures on the part of the Issuer and in potential liability risks relating to damages claimed by affected persons.

## B. Risks relating to the structure of the Issuer

***The Issuer is a holding company with no operations and relies on its operating subsidiaries to provide it with the funds necessary to meet its financial obligations***

The Issuer is a holding company with no material, direct business operations. The principal assets of the Issuer are the equity interests it directly or indirectly holds in its operating subsidiaries. As a result, the Issuer is dependent on loans, interest, dividends and other payments from its subsidiaries to generate the funds necessary to meet its financial obligations, including the payment of dividends to its shareholder and the payment of interest and principal to its creditors, including the holders of the Notes (the "**Noteholders**"). The ability of the Issuer's subsidiaries to make such distributions and other payments depends on their earnings and may be subject to statutory or contractual restrictions. In this respect, reference is made to "*Business Description of the Issuer – Regulatory framework*", under headings "*Dutch Decree on Financial Management*" and "*System responsibility*".

Due to the legal framework described under "*Business Description of the Issuer – Regulatory framework – System responsibility*", the ability of the Issuer to upstream cash from TenneT TSO Germany in order to meet its obligations under the Notes is restricted. In addition, in view of its position as an equity investor in its subsidiaries, the Issuer's right to receive assets upon their liquidation or reorganisation will be effectively subordinated to the claims of creditors of its subsidiaries. To the extent that the Issuer is recognised as a creditor of such subsidiaries, the Issuer's claims may still be subordinated to any security interest in or other lien on their assets and to any of their debt or other obligations that are senior to the Issuer's claims.

If the subsidiaries of the Issuer are for whatever reason not in a position to upstream funds to the Issuer or only upstream funds in a lesser amount than envisaged based on previous years and therefore the amounts that the Issuer receives from its subsidiaries may not be sufficient to meet its financial obligations, as a result of which the Issuer may not be able to fulfil its obligations under the Notes in full.

***Influence of the State of the Netherlands as the sole shareholder of the Issuer***

The Issuer is controlled by the State of the Netherlands (the "**State**"), being the sole shareholder of the shares in the share capital of the Issuer. The Issuer's current dividend policy is to pay 35% of the underlying distributable profit, after income allocated to project investors and distributions made to hybrid capital holders, as dividend to its shareholder. The State has a strong interest in maintaining a healthy financial profile for the Issuer. Through its role as sole shareholder, policymaker and legislator the State has a certain influence on the Issuer's operations, which depending on the circumstances may positively or negatively influence the Issuer's business, financial condition and net income.

On 18 October 2013, the Dutch government published its Policy on Government Participations 2013 (*Nota Deelnemingenbeleid 2013*, the "**Policy on Government Participations 2013**"). In the Policy on Government Participations 2013, the State resolved that it will seek further influence over the Issuer, *e.g.* in respect of important investments and in respect of the appointment of members of the management boards and supervisory boards of its participations (see "*Business Description of the Issuer – Corporate Governance*"). The Policy on Government Participations 2013 is currently being reviewed by the Dutch government.

The significant amount of investments (see "*Business Description of the Issuer - Funding*") is expected to require additional equity capital to maintain sufficient credit ratings for the Issuer and for its individual Subsidiaries. On 13 September 2019, the Dutch Minister of Finance informed the Dutch parliament (*Tweede Kamer*) in writing of the further capital needs by TenneT to protect its current credit ratings in view of TenneT's large and growing planned capex programme. A joint declaration of intent was signed by the Dutch and German state on 19 May 2020 to, among other things, further investigate the possibility of the German state taking a minority interest in the Issuer or TenneT TSO Germany. On 2 February 2021, the Dutch Minister of Finance informed the Dutch parliament that the Dutch state will reevaluate its initially preferred option and alternative options and that it has not extended the exclusivity period for negotiations with the German state. On 31 March 2021, the Dutch Minister of Finance updated the Dutch parliament regarding the Issuer's investment agenda and capital needs. The budget for the Netherlands, presented on 21 September 2021, sets out the equity contributions the Dutch State intends to make to the Issuer for investments in the Dutch electricity grid: EUR 4.25 billion over the 2023-2030 period. The equity contributions are conditional and will only be made available if and when the Issuer needs them to maintain its credit ratings. For the remaining equity requirements for the Issuer's investments in the German electricity grid, the Issuer is exploring several alternatives.

A change of ownership may have an impact on the credit profile of the Group or individual Subsidiaries. Also, the incurrence of debt in context of the capex programme will impact such credit profile and assessment of the Issuer and its group by rating agencies.

Potential conflicts of interest may exist between the objectives of the Group versus the political interest of the State. It cannot be assured that all decisions and actions taken by the State as the sole shareholder of the Issuer are fully compatible with the Issuer's interests. Such decisions and actions may require extensive investments from the Issuer (for example in relation to reaching sustainability targets in Dutch and German national energy policies) and may result in lower credit ratings, lower revenues or a lower profit margin which could have a material adverse effect on the Issuer's business, financial condition and net income.

In addition, there is a risk of a political conflict of interest regarding national energy strategy between the Netherlands and Germany, which could have a material adverse effect on the Issuer's business, financial condition and net income.

## C. Risks relating to the financing of the Issuer

***(Re-)financing risk***

The Issuer faces substantial financing needs in the coming years to fund its onshore and offshore investment projects in the Netherlands and Germany as well as international sub-sea (extra) high-voltage cables (see also "*Business Description of the Issuer - Funding*"). If the Issuer is unable to raise such financing, it might not be able to invest as scheduled. Any limitations on the Issuer's ability to invest as scheduled, could affect the Issuer's cash flows, and affect its ability to execute its strategic plans, which could have a material adverse effect on the Issuer's business, financial condition and net income.

Additionally, current and future problems that are and may be affecting the domestic and international debt and equity markets generally may adversely affect the availability and cost of funding for the Issuer. The envisaged capital expenditures and ensuing financing needs of the Issuer will require that it seeks external financing, either in the form of public or private financing or other arrangements, which may not be available at attractive terms or may not be available at all. Any limitations on the Issuer's envisaged capital expenditures could affect the Issuer's cash flows and affect its ability to execute its strategic plans, which could have a material adverse effect on the Issuer's business, financial condition and net income. If the debt and/or equity markets are not available for a prolonged period of time, the Issuer may find itself cut off from sufficient financing sources, which may lead to a situation where the Issuer can no longer pay its obligations – including under the Notes – when they fall due.

In order to mitigate the risk of the inability to secure timely financing, TenneT concluded a committed EUR 3,600,000,000 revolving credit facility (the "**RCF**") with a syndicate of twelve banks. The EUR 3,300,000,000 principal amount of the RCF matures in November 2026 and the EUR 300,000,000 principal amount of the RCF matures in November 2024. However, there can be no assurance that this amount will suffice in case capital markets close or do not have sufficient capital available for a prolonged period of time.

***Risk of lack of sustainable access to equity***

The significant amount of investments during the next ten or more years (see "*Business Description of the Issuer - Funding*") is expected to require additional equity to secure sufficient credit ratings. The Issuer is in discussions with the Dutch Ministry of Finance (see "*Risk Factors – Influence of the State of the Netherlands as the sole shareholder of the Issuer*") about the possible contribution of additional equity, and the level and timing thereof. There is a risk that the Issuer will be unable to raise equity or secure equity commitments in a timely fashion which could adversely affect its investment plans which could have a material adverse effect on the Issuer's business, financial condition or results of operations as well as the credit rating of the Issuer.

***Interest rate risk***

The Issuer is allowed under its current policy to partly finance itself with floating rate debt. As the reference interest rate on this debt can fluctuate, the Issuer is exposed to interest rate risk. In addition, interest rates on future debt issuances as a result of the Issuer's large financing needs are yet uncertain. Increasing interest rates will result in higher interest costs and may negatively affect the profitability of the Issuer. The Issuer's policy is to have between 50% and 100% of its debt portfolio financed on a fixed-rate basis or hedged through the use of interest rate swaps. On 31 December 2021, approximately 95% of the senior debt portfolio of the Issuer with an original maturity longer than 12 months was on a fixed rate basis. Adverse fluctuations and increases in interest rates, to the extent that they are not hedged, could have a material adverse effect on the Issuer's financial condition and net income.

***Credit and ESG rating risk***

Rating agencies have issued, and may in the future issue, credit ratings for the Issuer or one or more of its Subsidiaries. In addition, several parties conducted an Environmental, Social & Governance (ESG) evaluation and assigned the Issuer with a classification. There is no assurance that a rating or classification assigned to a Subsidiary would be equal to the corresponding rating or classification of the

Issuer. Furthermore, there is no assurance that any such ratings or classification will not be lowered or withdrawn by the relevant rating agency or the Issuer at any time if, in its judgment, circumstances so warrant. A decision by any rating agency to downgrade or withdraw the Issuer's current credit rating or its ESG classification (for whatever reason) could reduce the Issuer's funding options, increase its cost of borrowings and adversely affect its net income.

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

### A. Risks related to the structure of a particular issue of Notes

***An investor in Subordinated Notes assumes an enhanced risk of loss in the event of the Issuer's insolvency***

The Issuer may issue Notes under the Programme which are subordinated to the extent described in Condition 3 of the Terms and Conditions of the Notes (such Notes, "Subordinated Notes"). By virtue of such subordination, payments to a holder of Subordinated Notes will, in the events described in the relevant Condition, only be made after all obligations of the Issuer resulting from higher ranking claims with respect to the repayment of borrowed money and other unsubordinated claims have been satisfied. Furthermore, the Conditions do not limit the amount of the liabilities ranking senior to any Subordinated Notes which may be incurred or assumed by the Issuer from time to time, whether before or after the issue date of the relevant Subordinated Notes. There is a real risk that an investor in Subordinated Notes will lose all or some of his investment in the events described in the relevant Condition.

***If the Issuer has the right to redeem any Notes at its option, this may limit the market value of the Notes concerned and, if any Notes are redeemed prior to their maturity, an investor may not be able to reinvest the redemption proceeds in a manner which achieves the same effective return.***

The applicable Final Terms will indicate whether the Issuer has the right to redeem the Notes prior to maturity either at its option (an optional redemption feature) or upon the occurrence of an event specified in the Terms and Conditions of the Notes (an early redemption event). If the Notes are subject to early redemption due to an optional redemption feature and/or an early redemption event, this may negatively impact the market value of such Notes. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

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

If Issuer Call is specified in the applicable Final Terms and the Issuer elects to exercise its right to redeem such Notes, the Issuer may, at its discretion, make such redemption subject to one or more conditions precedent, in which case the notice of redemption shall state the applicable condition precedent(s) and that, in the Issuer's discretion, the Optional Redemption Date may be delayed until such time as any or all such conditions shall be satisfied (or waived by the Issuer in its sole discretion), or not occur at all if such conditions are not satisfied (or waived by the Issuer in its sole discretion). Accordingly, potential investors should be aware that any such notice of redemption in connection with the Issuer exercising its right to redeem Notes pursuant to an Issuer Call may be rescinded and redemption may not occur in the event that any or all such conditions shall not have been satisfied (or waived by the Issuer in its sole discretion) by the Optional Redemption Date, or by the Optional Redemption Date so delayed.

***Notes issued as Green Bonds may not be a suitable investment for all investors seeking exposure to green assets. Any failure to use the net proceeds of any Series of Green Bonds in connection with green projects, and/or any failure to meet, or to continue to meet, the investment requirements of certain environmentally focused investors with respect to such Green Bonds may affect the value and/or trading price of the Green Bonds, and/or may have consequences for certain investors with portfolio mandates to invest in green assets***

The Issuer may issue Notes under the Programme where the use of proceeds is specified in the applicable Final Terms to be for the financing and/or refinancing of specified "green" projects of the Issuer or any of its subsidiaries, in accordance with certain prescribed eligibility criteria prepared by the Issuer in the context of its Green Financing Framework (as defined and further described under "*Use of Proceeds*" below) as in such case shall be set out in item 4(i) of Part B (Reasons for the offer) of the applicable Final Terms (any Notes which have such a specified use of proceeds are referred to as "**Green Bonds**").

In connection with the issue of Green Bonds under the Programme, the Issuer may request a sustainability rating agency or sustainability consulting firm to issue a second-party opinion confirming that the Eligible Green Projects (as defined under "*Use of Proceeds*" below) have been defined in accordance with the broad categorisation of eligibility for green projects set out by the International Capital Market Association (ICMA) Green Bond Principles (GBP) and/or a second-party opinion regarding the suitability of the Notes as an investment in connection with certain environmental and green projects (any such second-party opinion, a "**Second-party Opinion**").

Potential investors should be aware that a Second-party Opinion will not be incorporated into, and will not form part of, the Base Prospectus or the applicable Final Terms which will complement the Base Prospectus. Any such Second-party Opinion may not reflect the potential impact of all risks related to the structure, market, additional risk factors discussed above and other factors that may affect the value of the Notes or the projects financed or refinanced toward an amount corresponding the net proceeds of the relevant issue of Notes in the form of "Green Bonds". A Second-party Opinion would not constitute a recommendation to buy, sell or hold securities and would only be current as of the date it is released.

While the ICMA Green Bond Principles do provide a high level framework, still there is currently no market consensus on what precise attributes are required for a particular project to be defined as "green", and therefore no assurance can be provided to potential investors that the green projects to be specified in the applicable Final Terms will meet all investors' expectations regarding sustainability performance or continue to meet the relevant eligibility criteria. Although applicable green projects are expected to be selected in accordance with the categories recognised by the ICMA Green Bond Principles, and are expected to be developed in accordance with applicable legislation and standards, there can be no guarantee that adverse environmental and/or social impacts will not occur during the design, construction, commissioning and/or operation of any such green projects. Where any negative impacts are insufficiently mitigated, green projects may become controversial, and/or may be criticised by activist groups or other stakeholders.

There is currently no clearly defined legal, regulatory or other definition of a "green bond" or market consensus as to what attributes are required for a particular project to be defined as "green", "environmental", "sustainable", "social" or any similar label, nor can any assurance be given that such a clear definition or consensus will develop over time. A basis for the determination of such a definition has been established in the EU with the publication in the Official Journal of the EU on 22 June 2020 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 (the "**Sustainable Finance Taxonomy Regulation**") on the establishment of a framework to facilitate sustainable investment (the "**EU Sustainable Finance Taxonomy**"). The EU Sustainable Finance

Taxonomy is subject to further development by way of the implementation by the European Commission through delegated regulations to establish technical screening criteria for all environmental objectives as one of the four criteria for the qualification of assets and financing as being environmentally sustainable set out in the Sustainable Finance Taxonomy Regulation. Nor has a formal verification regime been set up for the accreditation of external verifiers to assess alignment of green bond frameworks with the EU Green Bond Standards. Accordingly, no assurance is or can be provided to potential investors that the eligibility criteria for Eligible Green Projects will satisfy any requisite criteria determined under the Sustainable Finance Taxonomy Regulation or within the EU Sustainable Finance Taxonomy at any time for issuing "green", "environmental", "sustainable" or equivalently-labelled securities that will align with the European (or any other) framework for such securities.

While it is the intention of the Issuer to apply an amount equivalent to the net proceeds of any Series of Green Bonds for the financing and/or refinancing of green projects (as specified in the applicable Final Terms) and to comply with any allocation or impact reporting obligations in respect thereof, it would not be an event of default under the Green Bonds if (i) the Issuer would fail to do so or (ii) the Second-party Opinion were to be withdrawn. Any such event or any failure to meet, or to continue to meet, the investment requirements of certain environmentally focused investors with respect to such Green Bonds may affect the value and/or trading price of the Green Bonds, and/or may have consequences for certain investors with portfolio mandates to invest in green assets which may cause one or more of such investors to dispose of the Green Bonds held by them which may affect the value, trading price and/or liquidity of the relevant Series of Green Bonds and/or may have consequences for certain investors with portfolio mandates to invest in green assets.

Neither the Issuer nor the Dealers make any representation as to the suitability for any purpose of any Second-party Opinion or whether any Green Bonds fulfil the relevant environmental and sustainability criteria of any potential investor in the Notes. Prospective investors should have regard to the eligible green bond projects and eligibility criteria described in the applicable Final Terms. Each potential purchaser of any Series of Green Bonds should determine for itself the relevance of the information contained in this Base Prospectus and in the applicable Final Terms regarding the use of proceeds and its purchase of any Green Bonds should be based upon such investigation as it deems necessary.

In the event that any Series of Notes is listed or admitted to trading on the ESG Bonds segment of Euronext Amsterdam or any other dedicated "ESG", "green", "environmental", "sustainability", "social" or other equivalently-labelled segment of any stock exchange or securities market (whether or not regulated) or included in any index so labelled, no representation or assurance is given by the Issuer, the Arranger, the Dealers or any other person that such listing, admission or inclusion satisfies, whether in whole or in part, any present or future investor expectations or requirements with respect to investment criteria or guidelines with which any investor or its investments are required to comply under its own by-laws or other governing rules or investment portfolio mandates. Furthermore, it should be noted that the criteria for any such listing, admission to trading or inclusion in any index may vary from one stock exchange or securities market to another. Nor is any representation or assurance given or made by the Issuer, the Arranger, the Dealers or any other person that any such listing, admission to trading or inclusion in any index will be obtained in respect of any Series of Notes or, if obtained, that any such listing, admission to trading or inclusion in any index will be maintained during the life of that Series of Notes.

Potential investors should be aware that Green Bonds will either be Senior Notes or Subordinated Notes and should therefore also consider the relevant risk factors in relation to the "senior" or "subordinated" characteristics.

## B. Risks related to Interest Payments

The Issuer may issue Floating Rate Notes, the interest rate on which fluctuates according to fluctuations in a specified interest rate benchmark ("**Benchmarks**"). In the United Kingdom, the Financial Conduct Authority (the "**FCA**"), which regulates the London Interbank Offered Rate ("**LIBOR**"), previously announced that it does not intend to continue to persuade, or use its powers to compel, panel banks to submit rates for the calculation of LIBOR to the administrator of LIBOR after 2021. The continued publication of LIBOR on the current basis cannot be guaranteed after 2021. In March 2021, the FCA and ICE Benchmark Administration Limited ("**ICE**") (the administrator of LIBOR) announced that sterling, euro, Swiss franc and Japanese yen LIBOR panels, as well as panels for 1-week and 2-month US dollar LIBOR, will cease at end-2021, with the remaining US dollar LIBOR panels ceasing at end-June 2023. The FCA confirmed its decision to use its powers under the UK Benchmarks Regulation to require continued publication on a changed methodology (also known as a 'synthetic') basis for the 1-month, 3-month and 6-month sterling LIBOR settings and, until end-2022, the same Japanese yen LIBOR settings. The FCA indicated that these synthetic LIBOR rates are not intended for use in new contracts, but are available for some holders of 'legacy' LIBOR-referencing contracts. Permanent cessation occurred immediately after 31 December 2021 for all Euro and Swiss Franc LIBOR tenors and certain Sterling, Japanese Yen and US Dollar LIBOR settings and will immediately occur after 30 June 2023 for certain other USD LIBOR settings. In relation to the remaining LIBOR settings (1-month, 3-month and 6-month Sterling, US Dollar and Japanese Yen LIBOR settings), the FCA will consult on, or continue to consider the case for, using its powers to require ICE to continue their publication under a changed methodology for a further period after end-2021 (end-June 2023 in the case of US Dollar LIBOR). The FCA announcement states that consequently, these LIBOR settings will no longer be representative of the underlying market that such settings are intended to measure immediately after 31 December 2021, in the case of the Sterling and Japanese Yen LIBOR settings and immediately after 30 June 2023, in the case of the USD LIBOR settings. Any continued publication of the Japanese Yen LIBOR settings will also cease permanently at the end of 2022.

Similar regulatory developments in relation to other Benchmarks may lead to similar consequences for such other Benchmarks. Developments in this area are ongoing and could increase the costs and risks of administering or otherwise participating in the setting of a Benchmark, such that market participants are discouraged from continuing to administer or contribute to a Benchmark. These reforms and changes may also cause a Benchmark to perform differently than it has done in the past, to be discontinued or have other consequences which cannot be predicted. See also the risk factor headed "*Floating Rate Notes – Benchmark Unavailability and Discontinuation*" below.

Accordingly, in respect of any Notes referencing a relevant Benchmark, such reforms and changes in applicable regulation could have a material adverse effect on the trading market for, liquidity of, value of and return on such Notes (including potential rates of interest thereon). Moreover, any of the above matters or any other significant change to the setting or existence of any relevant reference rate could affect the ability of the Issuer to meet its obligations under such Notes or could have a material adverse effect on the value or liquidity of, and the amount payable under, such Notes. Investors should consider these matters when making their investment decision with respect to the relevant Notes.

***The market continues to develop in relation to SONIA and SOFR as reference rates for Floating Rate Notes***

Where the applicable Final Terms for a Series of Floating Rate Notes identifies that the Rate of Interest for such Notes will be determined by reference to SONIA or SOFR, the Rate of Interest will be determined on the basis of Compounded Daily SONIA, Compounded Daily SOFR or Weighted Average SOFR (as defined in the Conditions). Compounded Daily SONIA, Compounded Daily SOFR and

Weighted Average SOFR are backwards-looking, compounded, risk-free overnight rates which may behave materially differently to rates which are expressed on the basis of a forward looking term. Furthermore, SOFR is a secured rate that represents overnight secured funding transactions, and therefore will perform differently over time to unsecured rates. For example, since publication of SOFR began in April 2018 daily changes in SOFR have, on occasion, been more volatile than daily changes in comparable benchmarks or other market rates.

Accordingly, prospective investors in any Notes referencing Compounded Daily SONIA, Compounded Daily SOFR or Weighted Average SOFR should be aware that the market continues to develop in relation to SONIA and SOFR as reference rates in the capital markets and their adoption as an alternative to Sterling LIBOR and US dollar LIBOR, respectively. For example, market participants and relevant working groups are exploring alternative reference rates based on SONIA and SOFR, including term SONIA and SOFR reference rates (which seek to measure the market's forward expectation of an average SONIA or SOFR rate over a designated term).

The market or a significant part thereof may adopt an application of SONIA or SOFR that differs significantly from that set out in the Conditions as applicable to Notes referencing a SONIA or SOFR rate that are issued under this Base Prospectus. Furthermore, the Issuer may in the future issue Notes referencing SONIA or SOFR that differ materially in terms of interest determination when compared with any previous SONIA-, or SOFR-referenced Notes issued by it under the Programme. The continued development of SONIA and SOFR as interest reference rates for the Eurobond markets, as well as continued development of SONIA- or SOFR-based rates for such market and the market infrastructure for adopting such rates, could result in reduced liquidity or increased volatility or could otherwise affect the market price of any SONIA- or SOFR-referenced Notes issued under the Programme from time to time. The use of SONIA and SOFR as reference rates for Eurobonds continues to develop both in terms of the substance of the calculation and in the development and adoption of market infrastructure for the issuance and trading of bonds referencing SONIA or SOFR.

Furthermore, the Rate of Interest on Notes which reference SONIA or SOFR is only capable of being determined at the end of the relevant Observation Period and immediately prior to the relevant Interest Payment Date. It may be difficult for investors in Notes which reference SONIA or SOFR to estimate reliably the amount of interest which will be payable on such Notes, and some investors may be unable or unwilling to trade such Notes without changes to their IT systems, both of which factors could adversely impact the liquidity of such Notes. Further, if Notes referencing SONIA or SOFR become due and payable as a result of an Event of Default under Condition 10, or are otherwise redeemed early on a date which is not an Interest Payment Date, the final Rate of Interest payable in respect of such Notes shall be determined by reference to a shortened period ending immediately prior to the date on which the Notes become due and payable.

In addition, the manner of adoption or application of SONIA and SOFR reference rates in the Eurobond markets may differ materially compared with the application and adoption of SONIA and SOFR in other markets, such as the derivatives and loan markets. A potential mismatch between the adoption of SONIA or SOFR reference rates across these markets may impact any hedging or other financial arrangements which investors may put in place in connection with any acquisition, holding or disposal of Notes referencing SONIA or SOFR.

***The administrator of SONIA or SOFR may make changes that could change the value of SONIA or SOFR or discontinue SONIA or SOFR***

The Bank of England or The New York Federal Reserve (or a successor), as administrator of SONIA and SOFR, respectively, may make methodological or other changes that could change the value of

SONIA or SOFR, including changes related to the method by which SONIA or SOFR is calculated, eligibility criteria applicable to the transactions used to calculate SONIA or SOFR, or timing related to the publication of SONIA or SOFR. In addition, the administrator may alter, discontinue or suspend calculation or dissemination of SONIA or SOFR (in which case a fallback method of determining the interest rate on the Notes will apply). The administrator has no obligation to consider the interests of Noteholders when calculating, adjusting, converting, revising or discontinuing SONIA or SOFR. Such changes, alterations, discontinuation or suspension could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of SONIA or SOFR which could have a material adverse effect on the trading price of and return on Notes referencing SONIA or SOFR (including potential rates of interest thereon).

***Floating Rate Notes – Benchmark Unavailability and Discontinuation***

*(i) Temporary unavailability of the Relevant Screen Page*

The Terms and Conditions of the Notes provide for certain fallback arrangements if a published benchmark, including an inter-bank offered rate such as EURIBOR, SOFR, SONIA or other relevant reference rates becomes temporarily unavailable. Where the Rate of Interest (as defined in the Terms and Conditions of the Notes) is to be determined by reference to the Relevant Screen Page and the Relevant Screen Page is not available or the relevant rate does not appear on the Relevant Screen Page, the Terms and Conditions of the Notes provide for the Rate of Interest to be determined by the Calculation Agent by reference to quotations from banks communicated to the Calculation Agent.

Where such quotations are not available (as may be the case if the relevant banks are not submitting rates for the determination of such Original Reference Rate (as defined in the Terms and Conditions of the Notes)), the ultimate fallback for the purposes of calculation of interest for a particular Interest Period may result in the rate of interest for the last preceding Interest Period being used. This may result in the effective application of a fixed rate for Floating Rate Notes based on the rate which was last observed on the Relevant Screen Page or, as the case may be, the application of the initial Rate of Interest applicable to such Notes on the Interest Commencement Date (as defined in the Terms and Conditions of the Notes). Uncertainty as to the continuation of the Original Reference Rate, the availability of quotes from reference banks, and the rate that would be applicable if the Original Reference Rate is discontinued may adversely affect the trading market for, liquidity of, value of and return on, the relevant Notes. Moreover, any of the above matters or any other significant change to the setting or existence of any relevant reference rate could affect the ability of the Issuer to meet its obligations under such Notes or could have a material adverse effect on the value or liquidity of, and the amount payable under, such Notes.

*(ii) Benchmark Events*

If a Benchmark Event (as defined in Condition 8(g)) (which, amongst other events, includes the permanent discontinuation of an Original Reference Rate or an announcement that an Original Reference Rate will be permanently discontinued in the future) occurs, the Issuer shall use its reasonable endeavours to appoint an Independent Adviser (as defined in the Terms and Conditions of the Notes) as soon as reasonably practicable, to advise the Issuer in determining a Successor Rate or Alternative Rate (as defined in the Terms and Conditions of the Notes) to be used in place of the Original Reference Rate.

If a Successor Rate or Alternative Rate is determined by the Issuer (in consultation with an Independent Adviser if the Issuer has been able to appoint one), the Terms and Conditions of the Notes also provide that an Adjustment Spread (as defined in the Terms and Conditions of the Notes) may be determined by the Issuer (in consultation with an Independent Adviser if the Issuer has been able to appoint one) and applied to such Successor Rate or Alternative Rate.

Furthermore, if a Successor Rate or Alternative Rate for the Original Reference Rate is determined by the Issuer (in consultation with an Independent Adviser if the Issuer has been able to appoint one), the Terms and Conditions of the Notes provide that the Issuer may vary the Terms and Conditions of the Notes (Benchmark Amendments), as necessary to ensure the proper operation of such Successor Rate or Alternative Rate and/or (in either case) the applicable Adjustment Spread, without any requirement for consent or approval of the Noteholders.

The use of any Successor Rate or Alternative Rate (including with the application of an Adjustment Spread) may result in Notes linked to or referencing the Original Reference Rate performing differently (which may include payment of a lower Rate of Interest) than they would if the Original Reference Rate were to continue to apply in its current form.

If the Issuer is unable to appoint an Independent Adviser, the Issuer, acting in good faith, may still determine (i) a Successor Rate or Alternative Rate and (ii) in either case, an Adjustment Spread and/or any Benchmark Amendments without consultation with an Independent Adviser. Where, for the purposes of determining any Successor Rate, Alternative Rate, Adjustment Spread and/or Benchmark Amendments (as the case may be), the Issuer will act in good faith as an expert and take into account any relevant and applicable market precedents and customary market usage as well as any published guidance from relevant associations involved in the establishment of market standards and/or protocols in the international debt capital markets, the appointment of any Independent Advisor (including the associated remuneration of any Independent Advisor) or the making of any such determinations by the Issuer may lead to a conflict of interests of the Issuer and the Noteholders including with respect to certain determinations and judgments that the Issuer may make that may influence the amount receivable under the Notes.

*(iii) Benchmark Discontinuation – ARRC SOFR*

In the case of any Notes where "Benchmark Discontinuation – ARRC SOFR" is specified in the applicable Final Terms, if the Issuer determines that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any determination of the Benchmark on any date, the Issuer will determine a Benchmark Replacement in accordance with the benchmark transition provisions described in Condition 5(b)(v). After such an event, interest on the relevant Notes will no longer be determined by reference to the Benchmark, but instead will be determined by reference to the applicable Benchmark Replacement.

The determination of a Benchmark Replacement, the calculation of the interest rate on the relevant Notes by reference to a Benchmark Replacement (including the application of a Benchmark Replacement

Adjustment), any implementation of Benchmark Replacement Conforming Changes and any other determinations, decisions or elections that may be made under the terms of such Notes in connection with a Benchmark Transition Event, could adversely affect the value of such Notes, the return on such Notes and the price at which such Notes can be sold. Any Benchmark Replacement will likely be a relatively new market index that may be altered or discontinued.

*(iv) Potential for a fixed rate return*

The Issuer may be unable to appoint an Independent Adviser or the Independent Adviser may not be able to determine a Successor Rate or Alternative Rate in accordance with the Terms and Conditions of the Notes.

Where the Issuer is unable to appoint an Independent Adviser in a timely manner, or the Independent Adviser is unable to determine a Successor Rate or Alternative Rate before the next Interest Determination Date (as defined in the Terms and Conditions of the Notes), the Rate of Interest for the next succeeding Interest Period will be the Rate of Interest applicable as at the last preceding Interest Determination Date before the occurrence of the Benchmark Event, or, where the Benchmark Event occurs before the first Interest Determination Date, the Rate of Interest will be the initial Rate of Interest.

Where the Issuer has been unable to appoint an Independent Adviser, or the Independent Adviser has failed to determine a Successor Rate or Alternative Rate in respect of any given Interest Period, the Issuer will continue to attempt to appoint an Independent Adviser in a timely manner before the next succeeding Interest Determination Date to determine a Successor Rate or Alternative Rate to apply to the next succeeding and any subsequent Interest Periods, as necessary.

Applying the initial Rate of Interest, or the Rate of Interest applicable as at the last preceding Interest Determination Date before the occurrence of the Benchmark Event, will result in Notes linked to or referencing the relevant benchmark performing differently (which may include payment of a lower Rate of Interest) than they would do if the relevant benchmark were to continue to apply, or if a Successor Rate or Alternative Rate could be determined.

Due to the uncertainty concerning the availability of Successor Rates and Alternative Rates, the ability of an Independent Adviser or the Issuer (as applicable) to establish a fall-back interest rate for any Notes (including the possibility that a license or registration may be required for such Independent Advisor or the Issuer (as applicable) under applicable legislation to be able to calculate a Successor Rate or an Alternative Rate) and the potential for further regulatory developments, there is a risk that the relevant fallback provisions may not operate as intended at the relevant time.

If the Issuer is unable to appoint an Independent Adviser, or the Independent Adviser fails to determine a Successor Rate or Alternative Rate for the life of the relevant Notes, the initial Rate of Interest, or the Rate of Interest applicable as at the last preceding Interest Determination Date before the occurrence of the Benchmark Event, will continue to apply to maturity. This will result in the Floating Rate Notes, in effect, becoming fixed rate Notes. The effective application of a fixed rate to what was previously a Floating Rate Note could have a material adverse effect on the value of and return on any such Notes.

*(v) Floating Rate Notes – ISDA Determination*

Where ISDA Determination is specified as the manner in which the Rate of Interest in respect of Floating Rate Notes is to be determined, the Conditions provide that the Rate of Interest in respect of the Notes shall be determined by reference to the relevant Floating Rate Option in the ISDA Definitions. Where the Floating Rate Option specified is an inter-bank offered rate ("**IBOR**"), the Rate of Interest may be determined by reference to the relevant screen rate or the rate determined on the basis of quotations from certain banks. If the relevant IBOR is permanently discontinued and the relevant screen rate or quotations from banks (as applicable) are not available, the operation of these provisions may lead to uncertainty as to the Rate of Interest that would be applicable, and may, adversely affect the trading market for, liquidity of, value of and return on the relevant Floating Rate Notes. Moreover, any of the above matters or any other significant change to the setting or existence of any relevant reference rate could affect the ability of the Issuer to meet its obligations under such Notes or could have a material adverse effect on the value or liquidity of, and the amount payable under, such Notes.

***If the Notes include a feature to convert the interest basis from a fixed rate to a floating rate, or vice versa, this may affect the secondary market and the market value of the Notes concerned.***

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

***Zero Coupon Notes may be issued at a substantial discount or premium and may experience price volatility in response to changes in market interest rates***

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

Changes in market interest rates may have a stronger impact on the prices of Zero Coupon Notes than on the prices of conventional interest-bearing Notes because the discounted issue prices may be substantially below par. If market interest rates increase, Zero Coupon Notes can suffer higher price losses than other Notes having the same maturity and same credit rating.

## C. Risks related to the market in and pricing of the Notes

***An active secondary market in respect of the Notes may never be established or may be illiquid and this would adversely affect the value at which an investor could sell his Notes***

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

***Credit ratings assigned to the Issuer or any Notes may not reflect all the risks associated with an investment in those Notes***

The value of the Notes may be affected by the creditworthiness and the credit rating of the Issuer, the credit rating of the Notes and a number of additional factors, such as market interest and yield rates and the time remaining to the maturity date and more generally all economic, financial and political events in any country, including factors affecting capital markets generally and the stock exchanges on which the Notes are traded.

One or more independent credit rating agencies may assign credit ratings to the Issuer or an issue of Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes.

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

If the status of the rating agency rating the Notes changes, European regulated investors may no longer be able to use the rating for regulatory purposes and the Notes may have a different regulatory treatment. This may result in European regulated investors selling the Notes which may impact the value of the Notes and any secondary market. The price at which a Noteholder will be able to sell the Notes prior to maturity may be at a discount, which could be substantial, from the issue price or the purchase price paid by such purchaser.

***If an investor holds Notes which are not denominated in the investor's home currency, he will be exposed to movements in exchange rates adversely affecting the value of his holding. In addition, the imposition of exchange controls in relation to any Notes could result in an investor not receiving payments on those Notes***

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

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

***Investors who hold less than the minimum Specified Denomination may be unable to sell their Notes and may be adversely affected if definitive Notes are subsequently required to be issued***

In relation to any issue of Notes in bearer form which have denominations consisting of EUR 100,000 (or its equivalent) plus one or more higher integral multiples of another smaller amount, it is possible that the Notes may be traded in amounts that are not integral multiples of EUR 100,000 (or its equivalent). In such a case a Noteholder who, as a result of trading such amounts, holds a principal amount of less than EUR 100,000 (or its equivalent) in his account with the relevant clearing system at the relevant time will not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that its aggregate holding amounts to EUR 100,000 (or its equivalent) in order to receive such a definitive Note.

Therefore, if definitive Notes are issued, holders should be aware that definitive notes which have a denomination that is not an integral multiple of EUR 100,000 (or its equivalent) may be illiquid and difficult to trade.

## D. Risks related to legal matters

***The condition of the Notes contain provisions which may permit their modification without the consent of all investors***

The Conditions contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally and to obtain Written Resolutions on matters relating to the Notes from Noteholders without calling a meeting. A Written Resolution signed by or on behalf of the holders of not less than 90 per cent. in principal amount of the Notes of the relevant Series who for the time being are entitled to receive notice of a meeting in accordance with the provisions of the Agency Agreement and whose Notes are outstanding shall, for all purposes, take effect as an Extraordinary Resolution.

In certain circumstances, where the Notes are held in global form in the clearing systems, the Issuer will be entitled to rely upon:

(i) where the terms of the proposed resolution have been notified through the relevant clearing system(s), approval of a resolution proposed by the Issuer given by way of electronic consents communicated through the electronic communications systems of the relevant clearing systems in accordance with their operating rules and procedures by or on behalf of the holders of not less than 90 per cent. in nominal amount of the Notes of the relevant Series for the time being outstanding; and

(ii) where electronic consent is not being sought, consent or instructions given in writing directly to the Issuer by accountholders in the clearing systems with entitlements to such global note or certificate or, where the accountholders hold such entitlement on behalf of another person, on written consent from or written instruction by the person for whom such entitlement is ultimately beneficially held (directly or via one or more intermediaries), provided that the Issuer has obtained commercially reasonable evidence to ascertain the validity of such holding and taken reasonable steps to ensure such holding does not alter following the given of such consent/instruction and prior to effecting such resolution;

A Written Resolution or an electronic consent as described above may be effected in connection with any matter affecting the interests of Noteholders, including the modification of the Conditions, that would otherwise be required to be passed at a meeting of Noteholders satisfying the special quorum in accordance with the provisions of the Agency Agreement, and shall for all purposes take effect as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held. 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.

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

The structure of the issue of the Notes and the ratings which may be assigned to them are based on the law of the Netherlands in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible change to the law in the Netherlands, the official application, interpretation or the administrative practice in the Netherlands after the date of this Base Prospectus. Such changes in laws may include amendments to a variety of tools which may affect the rights of holders of securities issued by the Issuer, including the Notes. Any such change could materially adversely impact the value of any Notes affected by it.

***Risk of difference in insolvency law***

In the event that the Issuer becomes insolvent, insolvency proceedings will be generally governed by the insolvency laws of that Issuer's place of incorporation, which is the Netherlands. The insolvency laws of the Issuer's place of incorporation may be different from the insolvency laws of an investor's home jurisdiction and the treatment and ranking of holders of Notes issued by the Issuer and the Issuer's other creditors and shareholders under the insolvency laws of the Issuer's place of incorporation may be different from the treatment and ranking of holders of those Notes and the Issuer's other creditors and shareholders if the Issuer was subject to the insolvency laws of the investor's home jurisdiction. As a result, payments to holders of Notes. if the Issuer entered into Dutch insolvency proceedings, could be subject to delay and the recovery by holders in respect of the Notes could be impacted.

# IMPORTANT NOTICES

This Base Prospectus comprises a base prospectus for the purposes of the Prospectus Regulation.

The Issuer accepts responsibility for the information contained in this Base Prospectus and the Final Terms for each Tranche of Notes issued under the Programme which will complement this Base Prospectus. To the best of the knowledge of the Issuer, the information contained in this Base Prospectus is in accordance with the facts and makes no omission likely to affect its import.

This Base Prospectus is to be read in conjunction with all documents which are incorporated herein by reference (see "*Documents Incorporated by Reference*").

No person has been authorised to give any information or to make any representation other than those contained in this Base Prospectus in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Dealers or the Arranger (as defined in "*Overview of the Programme*"). Neither the delivery of this Base Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer since the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

To the fullest extent permitted by law, none of the Dealers or the Arranger accept any responsibility for the contents of this Base Prospectus or for any other statement, made or purported to be made by the Arranger or a Dealer or on its behalf in connection with the Issuer or the issue and offering of the Notes. The Arranger and each Dealer accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Base Prospectus or any such statement.

Neither this Base Prospectus nor any other information supplied in connection with the Programme should be considered as a recommendation by any of the Issuer, the Arranger or the Dealers that any recipient of this Base Prospectus or any other information supplied in connection with the Programme should purchase any Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Base Prospectus and its purchase of Notes should be based upon such investigation as it deems necessary. None of the Dealers or the Arranger undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Base Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers or the Arranger.

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 relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement or Final Terms which will complement this Base Prospectus; (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact such investment 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 relevant Notes, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency; (iv) understand thoroughly the terms of the relevant Notes and be familiar with the behaviour of any relevant indices and financial markets; and (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

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

None of the Arranger or the Dealers will verify or monitor the use of proceeds of any Notes. Application may be made for a Series of Notes to be displayed on the ESG Bonds segment of Euronext Amsterdam and no representation or assurance is given by the Issuer, the Arranger, the Dealers, or any other person that such display satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply. Furthermore, it should be noted that the criteria for any such display may vary from one stock exchange or securities market to another and may be subject to change. In addition, no representation or assurance is given or made by the Issuer, the Arranger, the Dealers or any other person that such display will be maintained during the life of any such Notes.

## OFFER RESTRICTIONS

This Base Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer or the Dealers to subscribe for, or purchase, any Notes.

The distribution of this Base Prospectus and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus comes are required by the Issuer, the Dealers and the Arranger to inform themselves about and to observe any such restriction. The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or with any securities regulatory authority of any State or other jurisdiction of the United States, and include Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons. The Notes are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S. For a description of certain restrictions on offers and sales of Notes and on distribution of this Base Prospectus, see "*Subscription and Sale*".

**MiFID II PRODUCT GOVERNANCE/PROFESSIONAL INVESTORS AND ECPs ONLY TARGET MARKET –** The Final Terms in respect of any Notes include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

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

**UK MiFIR PRODUCT GOVERNANCE/PROFESSIONAL INVESTORS AND ECPs ONLY TARGET MARKET –** The Final Terms in respect of any Notes include a legend entitled "UK MiFIR Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**"), is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules**.**

**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive 2016/97/EU (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

**PROHIBITION OF SALES TO UK RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK law by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**"); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (as amended, the "**FSMA**") and any rules or regulations made under the FSMA to implement Directive 2016/97/EU, where that customer would not qualify as a professional client as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK law ("**UK MiFIR**"); or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of UK law by virtue of the EUWA (the "**UK Prospectus Regulation**"). Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of UK law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

**In the case of any Notes which are to be admitted to trading on a regulated market within the United Kingdom or the European Economic Area or offered to the public in the United Kingdom or a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Regulation or Regulation 2017/1129 as it forms part of UK law by virtue of the EUWA, the minimum specified denomination shall be EUR 100,000 (or its equivalent in any other currency as at the date of issue of the Notes).**

This Base Prospectus has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area (each, a "**Member State**") will be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offers of Notes. Accordingly any person making or intending to make an offer in that Member State of Notes which are the subject of an offering contemplated in this Base Prospectus as complemented by the Final Terms in relation to the offer of those Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 1 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, in each case, in relation to such offer. Neither the Issuer nor any Dealer have authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

This Base Prospectus has been prepared on the basis that any offer of Notes in the UK will be made pursuant to an exemption under Regulation (EU) 2017/1129 as it forms part of UK law by virtue of the EUWA from the requirement to publish a prospectus for offers of Notes. Accordingly any person making or intending to make an offer in the UK of Notes which are the subject of an offering contemplated in this Base Prospectus as complemented by the Final Terms in relation to the offer of those Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Regulation (EU) 2017/1129 as it forms part of UK law by virtue of the EUWA, in each case, in relation to such offer. Neither the Issuer nor any Dealer have authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

The Notes have not been approved or disapproved by the United States Securities and Exchange Commission, any State securities commission in the United States or any other regulatory authority in the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the Notes or the accuracy or the adequacy of this Base Prospectus. Any representation to the contrary is a criminal offence in the United States.

## STABILISATION

**In connection with the issue of any Tranche, the Dealer or Dealers (if any) named as the stabilising manager(s) (the "Stabilising Manager(s)") (or any person acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche and 60 days after the date of the allotment of the relevant Tranche. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or any person acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.**

## ALTERNATIVE PERFORMANCE MEASURES

Certain alternative performance measures ("**APMs**") as described in the European Securities and Markets Authority Guidelines on Alternative Performance Measures (the "**ESMA Guidelines**") published on 5 October 2015 by the European Securities and Markets Authority and which came into force on 3 July 2016 are included or referred to in this Base Prospectus. APMs are not defined in accordance with IFRS accounting standards and are/non-GAAP measures used by the Issuer within its financial publications to supplement disclosures prepared in accordance with other regulations. The

Issuer considers that these measures provide useful information to enhance the understanding of financial performance. The APMs should be viewed as complementary to, rather than a substitute for, the figures determined according to other regulatory measures. An explanation of each such APM's components and calculation method can be found at pages 102-104 (*Regulatory deferral accounts: reconciliation to IFRS figures*) of the Issuer's Integrated Annual Report for the year ended 31 December 2020 and at pages 107-109 (*Regulatory deferral accounts: reconciliation to IFRS figures*) of the Issuer's Integrated Annual Report for the year ended 31 December 2021.

## FORWARD-LOOKING STATEMENTS

This Base Prospectus includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements may be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "projects", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Base Prospectus and include, but are not limited to, statements regarding the intentions of the Issuer beliefs or current expectations concerning, among other things, the business, results of operations, financial position and/or prospects of the Issuer.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Forward-looking statements are not guarantees of future performance and the financial position and results of operations of the Group, and the development of the markets and the industries in which members of the Group operate, may differ materially from those described in, or suggested by, the forward-looking statements contained in this Base Prospectus. In addition, even if the Group's results of operations and financial position, and the development of the markets and the industries in which the Group operates, are consistent with the forward-looking statements contained in this Base Prospectus, those results or developments may not be indicative of results or developments in subsequent periods. A number of risks, uncertainties and other factors could cause results and developments to differ materially from those expressed or implied by the forward-looking statements. See "*Risk Factors*" above.

## GENERAL

Amounts payable under the Notes may be calculated by reference to the Euro Interbank Offered Rate ("**EURIBOR**") which is provided by the European Money Markets Institute ("**EMMI**"), the Secured Overnight Financing Rate ("**SOFR**") which is provided by the Federal Reserve Bank of New York as administrator, the Sterling Overnight Index Average ("**SONIA**") which is provided by the Bank of England as administrator, or any other benchmark, in each case as specified in the applicable Final Terms. As at the date of this Base Prospectus, EMMI appears on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority ("**ESMA**") pursuant to Article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011) (the "**BMR**"). As at the date of this Base Prospectus, the Federal Reserve Bank of New York and the Bank of England do not appear on the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of the BMR. As far as the Issuer is aware, neither SOFR nor SONIA fall within the scope of the BMR by virtue of Article 2 of the BMR, and neither the Federal Reserve Bank of New York as administrator of SOFR nor the Bank of England as administrator of SONIA are required to be registered by virtue of Article 2 of the BMR. The applicable Final Terms may set out the name of the specific benchmark(s) (if other than EURIBOR, SOFR or SONIA) and the relevant administrator. In such a case they will further specify if the relevant administrator appears or does not appear on the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of the BMR.

The registration status of any administrator under the BMR is a matter of public record and, save where required by applicable law, the Issuer does not intend to update this Base Prospectus or any applicable Final Terms which will complement this Base Prospectus to reflect any change in the registration status of the administrator.

All references in this Base Prospectus to "euro", "EUR" and "€" refer to the lawful currency introduced at the start of the third stage of the European economic and monetary union pursuant to the Treaty establishing the European Community as amended by the Treaty on European Union, those to "U.S. dollars", "dollar", "U.S.$", "$" and "USD" refer to the lawful currency of the United States of America, and those to "Sterling", "£" and "GBP" refer to the lawful currency of the United Kingdom.

In the Base Prospectus and any document incorporated herein by reference, references to websites or uniform resource locators ("**URLs**") are deemed inactive textual references and are included for information purposes only. The contents of any such website or URL shall not form part of, or be deemed to be incorporated into, the Base Prospectus.

Any website referred to in this document does not form part of this Base Prospectus and has not been scrutinised or approved by the AFM.

# DOCUMENTS INCORPORATED BY REFERENCE

The following parts of the documents listed below, which have previously been published and filed with the AFM, shall be incorporated in and form part of this Base Prospectus and are correct as of their date:

1. page 3, pages 54-58 (inclusive) (*Secure sustainable financial performance and investor ratings*), pages 95-161 (inclusive) (*Financial statements*) and pages 163-171 (inclusive) *Independent auditor's report*) of the TenneT Integrated Annual Report 2021 (English version);

2. page 3, pages 48-51 (inclusive) (*Secure a solid financial performance and investor rating*), pages 89-154 (inclusive) (*Financial statements*) and pages 156-164 (inclusive) *Independent auditor's report*) of the TenneT Integrated Annual Report 2020 (English version); and

3. the terms and conditions of the Notes set out in previous base prospectuses: (i) dated 4 May 2021, pages 34-65 (inclusive) (as supplemented by a supplement dated 25 October 2021), (ii) dated 7 May 2020, pages 32-62 (inclusive) (as supplemented by a supplement dated 31 July 2020), (iii) dated 23 April 2019, pages 36-59 (inclusive), (iv) dated 3 May 2018, pages 35-58 (inclusive), (v) dated 10 April 2017, pages 34-57 (inclusive), (vi) dated 23 May 2016, pages 36-59 (inclusive), (vii) dated 12 May 2015, pages 33-56 (inclusive), (viii) dated 3 February 2011, pages 24-47 (inclusive), and (ix) dated 22 January 2010, pages 24-47 (inclusive), each prepared in relation to the Programme,

save that (i) after publication of the TenneT Integrated Annual Report 2021, the Issuer identified a misstatement in the consolidated statement of cash flows; the increase(/decrease) in account and other payables were reported as -/- EUR 319 million and should have been EUR 540 million, the purchase of tangible and intangible fixed assets were reported as -/- EUR 2.852 million and should have been -/- EUR 3.711 million; as a result, the consolidated statement of cash flows as included on pages 101 and 102 of the TenneT Integrated Annual Report 2021 shall be superseded by the consolidated statement of cash flows as included on page 38 of this Base Prospectus; and (ii) any statement contained in a document which is incorporated by reference in this Base Prospectus shall, to the extent applicable, be deemed to modify or supersede (whether expressly, by implication or otherwise) statements contained in a document which is incorporated by reference of an earlier date. Any statement so modified or superseded shall not be deemed, except as so modified or suspended, to constitute a part of this Base Prospectus. Those parts of the documents incorporated by reference in this Base Prospectus which are not specifically incorporated by reference in this Base Prospectus are either not relevant for prospective investors in the Notes or the relevant information is included elsewhere in this Base Prospectus. Any documents themselves incorporated by reference in the documents incorporated by reference in this Base Prospectus shall not form part of this Base Prospectus.

If at any time the Issuer shall be required to prepare a prospectus supplement pursuant to Article 23 of the Prospectus Regulation, the Issuer will prepare and make available an appropriate amendment or supplement to this Base Prospectus which, in respect of any subsequent issue of Notes to be listed and admitted to trading on Euronext Amsterdam, shall constitute a prospectus supplement as required by Article 23 of the Prospectus Regulation.

Copies of this Base Prospectus and of documents incorporated by reference in this Base Prospectus may be obtained (without charge) from the registered office of the Issuer and the Issuer's website (for this Base Prospectus and the previous base prospectuses https://www.tennet.eu/nl/bedrijf/investor-relations/emtn-programma/, and for the Integrated Annual Reports https://www.tennet.eu/company/investor-relations/financial-reports/).

*Consolidated statement of cash flows*

The consolidated statement of cash flows for the year ended 31 December 2021 is as follows (in EUR million).

| | Notes | 2021 | | 2020 | |
|---|---|---|---|---|---|
| Operational activities | | | | | |
| **Operating profit** | | | **-275** | | **1,356** |
| **Non-cash adjustments to reconcile profit to net cash flows:** | | | | | |
| Depreciation, amortisation and impairment of assets | 8,9,10 | 1,165 | | 1,074 | |
| Share in profit of joint ventures and associates | 12 | -61 | | -60 | |
| Dividends received from joint ventures and associates | 12 | 85 | | 31 | |
| Movements in provisions and other (financial) liabilities and assets | | -59 | | 101 | |
| | | | **1,130** | | **1,146** |
| **Working capital adjustments excluding EEG working capital:** | | | | | |
| (Increase)/decrease in account- and other receivables | 15 | -90 | | -85 | |
| (Increase)/decrease in inventories | | -18 | | 1 | |
| Increase/(decrease) in account- and other payables | 24 | 540 | | -13 | |
| Increase/(decrease) in contract liabilities | 21 | 52 | | 36 | |
| Increase/(decrease) in current financial liabilities | | 196 | | 6 | |
| **Cash generated from operation** | | | **680** | | **-55** |
| Income tax paid (net) | | | -246 | | -402 |
| **Net cash flows from operating activities excluding EEG working capital** | | | **1,289** | | **2,045** |
| **EEG working capital adjustments:** | | | | | |
| (Increase)/decrease in EEG receivables | 15 | 1,956 | | -1,625 | |
| (Increase)/decrease EEG deposits > 3 months | 15 | -472 | | - | |
| Increase/(decrease) in EEG payables | 24 | 2,961 | | -516 | |
| | | | **4,445** | | **-2,141** |
| **Net cash flows from operating activities** | | | **5,734** | | **-96** |
| Investing activities | | | | | |
| Purchase of tangible and intangible fixed assets | 8,10 | -3,711 | | -3,413 | |
| Proceeds from sale of tangible and intangible fixed assets | | 11 | | - | |
| Interest received | | 3 | | - | |
| Acquisition of subsidiary | | - | | -12 | |
| Capital contribution to joint ventures and associates | 12 | - | | -44 | |
| **Net cash flows used in investing activities** | | | **-3,697** | | **-3,469** |
| Financing activities | | | | | |
| **Net financing** | | | | | |
| Proceeds from borrowings | 20 | 3,481 | | 3,316 | |
| Repayment of borrowings | 20 | -2,243 | | -566 | |
| **Other financing activities** | | | | | |
| Payment of lease liabilities | 9 | -156 | | -169 | |
| Interest paid | | -174 | | -189 | |
| Dividends paid to ordinary shareholders of the company | 18 | -149 | | -112 | |
| Proceeds from issue of hybrid securities | 18 | - | | 1,000 | |
| Distribution on hybrid securities | 18 | -57 | | -39 | |
| Dividends paid and capital repayments to non-controlling interests | 19 | -76 | | -100 | |
| | | | **-612** | | **391** |
| **Net cash flows from financing activities** | | | **626** | | **3,141** |
| **Net change in cash and cash equivalents** | | | **2,663** | | **-424** |
| Cash and cash equivalents at 31 December | 16 | 3,140 | | 477 | |
| Cash and cash equivalents at 1 January | 16 | 477 | | 901 | |
| | | | **2,663** | | **-424** |

## TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions that, subject to completion and amendment and as supplemented or varied in accordance with the provisions of Part A of the relevant Final Terms, shall be applicable to the Notes in definitive form (if any) issued in exchange for the Global Note(s) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of Part A of the Final Terms or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Bearer Notes or on the Certificates relating to such Registered Notes. All capitalised terms that are not defined in these Conditions will have the meanings given to them in Part A of the relevant Final Terms. Those definitions will be endorsed on the definitive Notes or Certificates, as the case may be. References in the Conditions to "**Notes**" are to the Notes of one Series only, not to all Notes that may be issued under the Programme. The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "Summary of Provisions Relating to the Notes while in Global Form" below.*

This Note is one of a series of Notes issued by TenneT Holding B.V. (the "**Issuer**", which expression shall include any Substituted Debtor pursuant to Condition 11(c)) pursuant to the Agency Agreement (as defined below). References herein to the "**Notes**" shall be references to the Notes of this Series (as defined below) and shall mean (i) in relation to any Notes represented by a global Note, units of the lowest Specified Denomination in the Specified Currency, (ii) definitive Notes issued in exchange (or part exchange) for a global Note and (iii) any global Note. The Notes and the Coupons (as defined below) have the benefit of an amended and restated agency agreement (as amended or supplemented as at the Issue Date, the "**Agency Agreement**") dated 28 April 2022 between the Issuer, The Bank of New York Mellon, London Branch as fiscal agent, The Bank of New York Mellon SA/NV, Luxembourg Branch as registrar and the other agents named in it. The fiscal agent, the paying agents, the registrar, the transfer agents and the calculation agent(s) for the time being (if any) are referred to below respectively as the "**Fiscal Agent**", the "**Paying Agents**" (which expression shall include the Fiscal Agent), the "**Registrar**", the "**Transfer Agents**" and the "**Calculation Agent(s)**". The Noteholders (as defined below), the holders of the interest coupons (the "**Coupons**") relating to interest bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the "**Talons**") (the "**Couponholders**") are deemed to have notice of all of the provisions of the Agency Agreement applicable to them.

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

Copies of the Agency Agreement are available for inspection at the specified offices of each of the Issuer, the Paying Agents, the Registrar and the Transfer Agents.

### 1 Form, Denomination and Title

The Notes are issued in bearer form ("**Bearer Notes**") or in registered form ("**Registered Notes**") in each case in the Specified Denomination(s) shown hereon provided that in the case of any Notes which are to be admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a Base Prospectus under the Prospectus Regulation, the minimum Specified Denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the relevant Notes).

All Registered Notes shall have the same Specified Denomination.

This Note is a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note or a combination of any of the foregoing, depending upon the Interest and Redemption/Payment Basis shown hereon.

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

Registered Notes are represented by registered certificates ("**Certificates**") and, save as provided in Condition 2(c), each Certificate shall represent the entire holding of Registered Notes by the same holder.

Title to the Bearer Notes and the Coupons and Talons shall pass by delivery. Title to the Registered Notes shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the "**Register**"). Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Note, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it (or on the Certificate representing it) or its theft or loss (or that of the related Certificate) and no person shall be liable for so treating the holder.

In these Conditions, "**Noteholder"** means the bearer of any Bearer Note or the person in whose name a Registered Note is registered (as the case may be), "**holder**" (in relation to a Note, Coupon or Talon) means the bearer of any Bearer Note, Coupon or Talon or the person in whose name a Registered Note is registered (as the case may be) and capitalised terms have the meanings given to them hereon, the absence of any such meaning indicating that such term is not applicable to the Notes.

## 2 No Exchanges of Notes and Transfers of Registered Notes

(a) **No Exchange of Notes:** Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of another Specified Denomination. Bearer Notes may not be exchanged for Registered Notes.

(b) **Transfer of Registered Notes:** One or more Registered Notes may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate, (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Noteholders. A copy of the current regulations will be made available by the Registrar to any Noteholder upon request.

(c) **Exercise of Options or Partial Redemption in Respect of Registered Notes:** In the case of an exercise of an Issuer's or Noteholders' option in respect of, or a partial redemption of, a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

(d) **Delivery of New Certificates:** Each new Certificate to be issued pursuant to Conditions 2(b) or (c) shall be available for delivery within three business days of receipt of the form of transfer or Exercise Notice (as defined in Condition 6(e)) and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such form of transfer, Exercise Notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer, Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Agent (as defined in the Agency Agreement) the costs of such other method of delivery and/or such insurance as it may specify. In this Condition (d), "**business day**" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

(e) **Transfer Free of Charge:** Transfers of Notes and Certificates on registration, transfer, partial redemption or exercise of an option shall be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require).

(f) **Closed Periods:** No Noteholder may require the transfer of a Registered Note to be registered (i) during the period of 15 days ending on the due date for redemption of that Note, (ii) during the period of 15 days before any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 6(d) or 6(f), (iii) after any such Note has been called for redemption or (iv) during the period of seven days ending on (and including) any Record Date.

## 3 Status

(a) **Status of Senior Notes:** The Senior Notes (being those Notes that specify their status as Senior) and the Coupons relating to them constitute (subject to Condition 4) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Senior Notes and the Coupons relating to them shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4, at all times rank at least equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Issuer, present and future.

(b) **Status of Subordinated Notes:** The Subordinated Notes (being those Notes that specify their status as Subordinated) and the Coupons relating to them constitute subordinated obligations of the Issuer and rank *pari passu* and without any preference among themselves. In the event of the bankruptcy, insolvency, winding up or dissolution of the Issuer, the payment obligations of the Issuer under the Subordinated Notes and the Coupons relating to them shall rank in right of payment after unsubordinated unsecured creditors of the Issuer but at least *pari passu* with all other subordinated obligations of the Issuer that are not expressed by their terms to rank junior to the Subordinated Notes and in priority to the claims of shareholders of the Issuer.

## 4 Negative Pledge

So long as any Senior Note or Coupon remains outstanding the Issuer will not, and will ensure that none of its Material Subsidiaries will create, or have outstanding any mortgage, charge, lien, pledge or other security interest, upon the whole or any part of its present or future undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness or to secure any guarantee or indemnity in respect of any Relevant Indebtedness, unless the Issuer shall, in the case of the granting of the security, before or at the same time, and in any other case, promptly, procure that all amounts payable under the Senior Notes are secured equally and rateably or that such other security or other arrangement is provided as shall be approved by an Extraordinary Resolution of the Senior Noteholders.

In these Conditions:

(i) "**Relevant Indebtedness**" means any indebtedness which is in the form of publicly issued securities including, *inter alia*, bonds, notes or debentures, which for the time being are, or are intended to be or capable of being, quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market; and

(ii) "**Subsidiary**" means any entity whose financial statements at any time are required by law or in accordance with generally accepted accounting principles to be fully consolidated with those of the Issuer; and

(iii) "**Material Subsidiary**" means, at any time, any Subsidiary of the Issuer whose net turnover (consolidated in the case of a company which itself has Subsidiaries) represents not less than 25 per cent. of the consolidated total net turnover of the Issuer and its Subsidiaries taken as a whole, as calculated by reference to the then most recent financial statements (consolidated or, as the case may be, unconsolidated) of such Subsidiary and the then most recent consolidated financial statements of the Issuer and its Subsidiaries taken as a whole, provided that if a Subsidiary has been acquired since the date as at which the then most recent consolidated financial statements of the Issuer and its Subsidiaries taken as a whole were prepared, the financial statements shall be adjusted in order to take into account the acquisition of that Subsidiary (that adjustment being certified by a director of the Issuer as representing an accurate reflection of the revised net turnover of the Issuer and its Subsidiaries taken as a whole); and

(iv) "**outstanding**" means, in relation to the Notes of any Series, all the Notes issued other than (a) those that have been redeemed in accordance with the Conditions, (b) those in respect of which the date for redemption has occurred and the redemption moneys (including all interest accrued on such Notes to the date for such redemption and any interest payable after such date) have been duly paid to the Fiscal Agent as provided in the Agency Agreement and remain available for payment against presentation and surrender of Notes, Certificates and/or Coupons, as the case may be, (c) those which have become void or in respect of which claims have become prescribed, (d) those which have been purchased and cancelled as provided in the Conditions, (e) those mutilated or defaced Bearer Notes that have been surrendered in exchange for replacement Notes, (f) (for the purpose only of determining how many Notes are outstanding and without prejudice to their status for any other purpose) those Bearer Notes alleged to have been lost, stolen or destroyed and in respect of which replacement Notes have been issued, (g) any temporary global Note to the extent that it shall have been exchanged for a permanent global Note and any global

Note to the extent that it shall have been exchanged for one or more definitive Notes, in either case pursuant to its provisions; provided that, for the purposes of (i) ascertaining the right to attend and vote at any meeting of Noteholders and (ii) the determination of how many Notes are outstanding for the purposes of Conditions 10 and 11 and Schedule 3 to the Agency Agreement, those Notes that are beneficially held by, or are held on behalf of, the Issuer, or any of its Subsidiaries and not cancelled shall (unless and until ceasing to be so held) be deemed not to be outstanding. Save for the purposes of the proviso herein, in the case of any Notes represented by a new global Note, the Fiscal Agent shall rely on the records of Euroclear and Clearstream, Luxembourg in relation to any determination of the nominal amount outstanding of each new global Note; and

(v) "**Extraordinary Resolution**" means a resolution passed at a meeting duly convened and held in accordance with the Agency Agreement by a majority of at least 75 per cent of the votes cast.

## 5 Interest and other Calculations

(a) **Interest on Fixed Rate Notes:** Each Fixed Rate Note bears interest on its outstanding nominal amount from and including the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 5(f).

(b) **Interest on Floating Rate Notes:**

(i) *Interest Payment Dates:* Each Floating Rate Note bears interest on its outstanding nominal amount from and including the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 5(f). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which falls the number of months or other period shown hereon as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

(ii) *Business Day Convention:* If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

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

(A) ISDA Determination for Floating Rate Notes

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

(x) the Floating Rate Option is as specified hereon

(y) the Designated Maturity is a period specified hereon and

(z) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified hereon.

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

(B) Screen Rate Determination for Floating Rate Notes (other than Floating Rate Notes referencing SOFR or SONIA)

(x) Where Screen Rate Determination is specified hereon as the manner in which the Rate of Interest is to be determined and the Reference Rate specified in the applicable Final Terms is not SOFR or SONIA, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be either:

(1) the offered quotation; or

(2) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at either 11.00 a.m. (Brussels time) (or such other time as may be specified in the applicable Final Terms) on the Interest Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

(y) If the Rate of Interest cannot be determined in accordance with the foregoing sub-paragraph (x) and provided that such failure is not due to the occurrence of a Benchmark Event (as defined in Condition 5(g)), the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

(aa) If the Reference Rate from time to time in respect of Floating Rate Notes is specified hereon as being other than EURIBOR, the Rate of Interest in respect of such Notes will be determined as follows:

(1) if the Reference Rate is a composite quotation or customarily supplied by one entity or the Calculation Agent as the Reference Rate which appears on the Relevant Screen Page as at 11:00 a.m. in the principal financial centre of the relevant currency (such as London, or Amsterdam in respect of the Euro-zone (where Euro-zone means the region comprised of the countries whose lawful currency is the euro)) on the relevant Interest Determination Date;

(2) in any other case (other than referred to in sub-paragraph (3) below), by the Calculation Agent as the arithmetic mean of the Reference Rate which appear on the Relevant Screen Page as at the time specified in the preceding paragraph on the relevant Interest Determination Date; or

(3) in accordance with such other procedures as may be specified in the applicable Final Terms.

(C) Screen Rate Determination for Floating Rate Notes referencing SOFR – Non-Index Determination

(x) *Compounded Daily SOFR*

Where Screen Rate Determination is specified hereon as the manner in which the Rate of Interest is to be determined and the Reference Rate specified in the applicable Final Terms is Compounded Daily SOFR and "Index Determination" is specified as 'Not Applicable' in the relevant Final Terms, the Rate of Interest for each Interest Period will, subject as provided below, be Compounded Daily SOFR with respect to such Interest Period plus or minus (as indicated in the applicable Final Terms) the applicable Margin all as determined by the Calculation Agent (or any other party named in the applicable Final Terms).

"**Compounded Daily SOFR**" means, with respect to an Interest Period, the rate of return of a daily compound interest investment during the Observation Period corresponding to such Interest Period (with the daily U.S. dollars secured overnight financing rate as reference rate for the calculation of interest) as calculated by the Calculation Agent as at the relevant Interest Determination Date in accordance with the following formula (and the resulting percentage will be rounded if necessary to the nearest fifth decimal place, with 0.000005 being rounded upwards):

$$\left(\prod_{i=1}^{d_o}\left(1+\frac{SOFR_i \times n_i}{360}\right)-1\right)\times\frac{360}{d}$$

where:

"**d**" is the number of calendar days in:

a. where "Lag" or "Lock-out" is specified as the Observation Method in the applicable Final Terms, the relevant Interest Period; or

b. where "Shift" is specified as the Observation Method in the applicable Final Terms, the relevant Observation Period;

"**$d_o$**" means:

a. where "Lag" or "Lock-out" is specified as the Observation Method in the applicable Final Terms, the number of U.S. Government Securities Business Days in the relevant Interest Period; or

b. where "Shift" is specified as the Observation Method in the applicable Final Terms, the number of U.S. Government Securities Business Days in the relevant Observation Period;

"**i**" is a series of whole numbers from one to "$d_o$", each representing the relevant U.S. Government Securities Business Day in chronological order from, and including, the first U.S. Government Securities Business Day in:

a. where "Lag" or "Lock-out" is specified as the Observation Method in the applicable Final Terms, the relevant Interest Period; or

b. where "Shift" is specified as the Observation Method in the applicable Final Terms, the relevant Observation Period;

"**Lock-out Period**" means the period from, and including, the day following the Interest Determination Date to, but excluding, the corresponding Interest Payment Date;

"**New York Fed's Website**" means the website of the Federal Reserve Bank of New York (or a successor administrator of SOFR) or any successor source;

"**$n_i$**" for any U.S. Government Securities Business Day "i", means the number of calendar days from, and including, such U.S. Government Securities Business Day "i" up to, but excluding, the following U.S. Government Securities Business Day;

"**Observation Period**" means the period from, and including, the date falling "p" U.S. Government Securities Business Days prior to the first day of the relevant Interest Period to, but excluding, the date which is "p" U.S. Government Securities Business Days prior to the Interest Payment Date for such Interest Period (or the date falling "p" U.S. Government Securities Business Days prior to such earlier date, if any, on which the Notes become due and payable);

"**p**" means:

a. where "Lag" is specified as the Observation Method in the applicable Final Terms, the number of U.S. Government Securities Business Days specified as the "Lag Period" in the applicable Final Terms (which shall not, without the prior agreement of the Calculation Agent be less than five, or shall, if no such number is so specified, be five U.S. Government Securities Business Days);

b. where "Lock-out" is specified as the Observation Method in the applicable Final Terms, zero U.S. Government Securities Business Days; or

c. where "Shift" is specified as the Observation Method in the applicable Final Terms, the number of U.S. Government Securities Business Days specified as the "Observation Period" in the applicable Final Terms (which shall not, without the prior agreement of the Calculation Agent be less than five, or shall, if no such number is specified, be five U.S. Government Securities Business Days);

"**Reference Day**" means each U.S. Government Securities Business Day in the relevant Interest Period, other than any U.S. Government Securities Business Day in the Lock-out Period;

"**SOFR**" in respect of any U.S. Government Securities Business Day ("**USBDx**"), is a reference rate equal to the daily secured overnight financing rate as provided by the Federal Reserve Bank of New York, as the administrator of such rate (or any successor administrator of such rate) on the New York Fed's Website, in each case at or around 3.00 p.m. (New York City time) on the U.S. Government Securities Business Day immediately following such USBDx;

"**$SOFR_i$**" means the SOFR for:

a. where "Lag" is specified as the Observation Method in the applicable Final Terms, the U.S. Government Securities Business Day falling "p" U.S. Government Securities Business Days prior to the relevant U.S. Government Securities Business Day "i";

b. where "Lock-out" is specified as the Observation Method in the applicable Final Terms:

(i) in respect of each U.S. Government Securities Business Day “i” that is a Reference Day, the SOFR in respect of the U.S. Government Securities Business Day immediately preceding such Reference Day; or

(ii) in respect of each U.S. Government Securities Business Day “i" that is not a Reference Day (being a U.S. Government Securities Business Day in the Lock-out Period), the SOFR in respect of the U.S. Government Securities Business Day immediately preceding the last Reference Day of the relevant Interest Period (such last Reference Day coinciding with the Interest Determination Date); or

c. where “Shift” is specified as the Observation Method in the applicable Final Terms, the relevant U.S. Government Securities Business Day “i”;

“**U.S. dollar**” means the currency of the United States of America; and

“**U.S. Government Securities Business Day**” means any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

(y) *Weighted Average SOFR*

Where Screen Rate Determination is specified hereon as the manner in which the Rate of Interest is to be determined and the Reference Rate specified in the applicable Final Terms is Weighted Average SOFR and “Index Determination” is specified as ‘Not Applicable’ in the relevant Final Terms, the Rate of Interest for each Interest Period will, subject as provided below, be Weighted Average SOFR with respect to such Interest Period plus or minus (as indicated in the applicable Final Terms) the applicable Margin all as determined by the Calculation Agent (or any other party named in the applicable Final Terms).

"**Weighted Average SOFR**" means:

(A) where “Lag” is specified as the Observation Method in the applicable Final Terms, the arithmetic mean of the SOFR in effect for each calendar day during the relevant Observation Period, calculated by multiplying each relevant SOFR by the number of calendar days such rate is in effect, determining the sum of such products and dividing such sum by the number of calendar days in the relevant Observation Period. For these purposes, the SOFR in effect for any calendar day which is not a U.S. Government Securities Business Day shall be deemed to be the SOFR in effect for the U.S. Government Securities Business Day immediately preceding such calendar day; and

(B) where “Lock-out” is specified as the Observation Method in the applicable Final Terms, the arithmetic mean of the SOFR in effect for each calendar day during the relevant Interest Period, calculated by multiplying each relevant SOFR by the number of days such rate is in effect, determining the sum of such products and dividing such sum by the number of calendar days in the relevant Interest Period, ***provided however that*** for any calendar day of such Interest Period falling in the Lock-out Period, the relevant SOFR for each day during that Lock-out Period will be deemed to be the SOFR in effect for the Reference Day immediately preceding the first day of such Lock-out Period. For these purposes, the SOFR in effect for any calendar day which is not a U.S. Government Securities Business Day shall, subject to the proviso above, be deemed to be the SOFR in effect for the U.S. Government Securities Business Day immediately preceding such calendar day.

Defined terms used in this Condition 5(b)(iii)(C)(y) and not otherwise defined herein have the meanings given to them in Condition 5(b)(iii)(C)(x).

(z) *SOFR Unavailable*

Subject to Condition 5(b)(iv) (*Benchmark Discontinuation*), if, where any Rate of Interest is to be calculated pursuant to Conditions 5(b)(iii)(C)(x) or 5(b)(iii)(C)(y), in respect of any U.S. Government Securities Business Day in respect of which an applicable SOFR is required to be determined, such SOFR is not available, such SOFR shall be the SOFR for the first preceding U.S. Government Securities Business Day in respect of which the SOFR was published on the New York Fed's Website.

(D) Screen Rate Determination for Floating Rate Notes referencing SOFR – Index Determination

(x) Where Screen Rate Determination is specified hereon as the manner in which the Rate of Interest is to be determined and the Reference Rate specified in the applicable Final Terms is Compounded Daily SOFR and "Index Determination" is specified as 'Applicable' in the relevant Final Terms, the Rate of Interest for each Interest Period will, subject as provided below, be the sum of Compounded SOFR with respect to such Interest Period plus or minus (as indicated in the applicable Final Terms) the applicable Margin all as determined by the Calculation Agent (or any other party named in the applicable Final Terms).

"**Compounded SOFR**" means, with respect to an Interest Period, the rate (expressed as a percentage and rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) determined by the Calculation Agent in accordance with the following formula:

$$\left(\frac{SOFR\ Index_{End}}{SOFR\ Index_{Start}} - 1\right) \ x\ \frac{360}{d_c}$$

where:

"**$d_c$**" is the number of calendar days from, and including, the day in relation to which SOFR $\text{Index}_{\text{Start}}$ is determined to, but excluding, the day in relation to which SOFR $\text{Index}_{\text{End}}$ is determined;

"**Relevant Number**" is the number specified as such in the applicable Final Terms (which shall not, without the prior agreement of the Calculation Agent be less than five, or shall, if no such number is specified, be five);

"**SOFR**" means the daily secured overnight financing rate as provided by the SOFR Administrator on the SOFR Administrator's Website;

"**SOFR Administrator**" means the Federal Reserve Bank of New York (or a successor administrator of SOFR);

"**SOFR Administrator's Website**" means the website of the SOFR Administrator, or any successor source;

"**SOFR Index**", with respect to any U.S. Government Securities Business Day, means the SOFR index value as published by the SOFR Administrator as such index appears on the SOFR Administrator's Website at or around 3.00 p.m. (New York time) on such U.S. Government Securities Business Day (the "**SOFR Determination Time**");

"**SOFR Index$_{Start}$**", with respect to an Interest Period, is the SOFR Index value for the day which is the Relevant Number of U.S. Government Securities Business Days preceding the first day of such Interest Period;

"**SOFR Index$_{End}$**", with respect to an Interest Period, is the SOFR Index value for the day which is the Relevant Number of U.S. Government Securities Business Days preceding (A) the Interest Payment Date for such Interest Period, or (B) such other date on which the relevant payment of interest falls due (but which by its definition or the operation of the relevant provisions is excluded from such Interest Period); and

If, as at any relevant SOFR Determination Time, the relevant SOFR Index is not published or displayed on the SOFR Administrator's Website by the SOFR Administrator, the Compounded SOFR for the applicable Interest Period for which the relevant SOFR Index is not available shall be "Compounded Daily SOFR" determined in accordance with Condition 5(b)(iii)(C)(x) above as if "Index Determination" were specified in the applicable Final Terms as being 'Not Applicable', and for these purposes: (i) the "Observation Method" shall be deemed to be "Shift" and (ii) the "Observation Period" shall be deemed to be equal to the Relevant Number of U.S. Government Securities Business Days, as if such alternative elections had been made in the applicable Final Terms.

Defined terms used in this Condition 5(b)(iii)(D) and not otherwise defined herein have the meanings given to them in Condition 5(b)(iii)(C).

(y) In the event that the Rate of Interest cannot be determined in accordance with the foregoing provisions, the Rate of Interest shall be:

(i) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin, Maximum Rate of Interest and/or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin, Maximum Rate of Interest and/or Minimum Rate of Interest (as the case may be) relating to the relevant Interest Period, in place of the Margin, Maximum Rate of Interest and/or Minimum Rate of Interest (as applicable) relating to that last preceding Interest Period); or

(ii) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to such Series of Notes for the first scheduled Interest Period had the Notes been in issue for a period equal in duration to the first scheduled Interest Period but ending on (and excluding) the Interest Commencement Date (applying the Margin and, if applicable, any Maximum Rate of Interest and/or Minimum Rate of Interest, applicable to the first scheduled Interest Period).

(z) If the relevant Series of Notes becomes due and payable in accordance with Condition 10, the final Rate of Interest shall be calculated for the Interest Period to (but excluding) the date on which the Notes become so due and payable, and such Rate of Interest shall continue to apply to the Notes for so long as interest continues to accrue thereon as provided in Condition 5(d).

(E) Screen Rate Determination for Floating Rate Notes referencing Compounded Daily SONIA – Non-Index Determination

(x) Where Screen Rate Determination is specified hereon as the manner in which the Rate of Interest is to be determined and the Reference Rate specified in the applicable Final Terms is Compounded Daily SONIA and "Index Determination" is specified as 'Not Applicable' in the relevant Final Terms, the Rate of Interest for each Interest Period will, subject as provided below, be Compounded Daily SONIA with respect to such Interest Period plus or minus (as indicated in the applicable Final Terms) the applicable Margin all as determined by the Calculation Agent (or any other party named in the applicable Final Terms).

"**Compounded Daily SONIA**" means, with respect to an Interest Period, the rate of return of a daily compound interest investment during the Observation Period corresponding to such Interest Period (with the daily Sterling overnight reference rate as reference rate for the calculation of interest) as calculated by the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) as at the relevant Interest Determination Date in accordance with the following formula (and the resulting percentage will be rounded if necessary to the nearest fifth decimal place, with 0.000005 being rounded upwards):

$$\left[\prod_{i=1}^{d_o}\left(1+\frac{SONIA_{i\text{-}pLBD} \times n_i}{365}\right)-1\right] \times \frac{365}{d}$$

where:

"**d**" is the number of calendar days in:

a. where "Lag" is specified as the Observation Method in the applicable Final Terms, the relevant Interest Period; or

b. where "Shift" is specified as the Observation Method in the applicable Final Terms, the relevant Observation Period;

"$\mathbf{d_o}$" means:

c. where “Lag” is specified in as the Observation Method in the applicable Final Terms, the number of London Banking Days in the relevant Interest Period; or

d. where “Shift” is specified as the Observation Method in the applicable Final Terms, the number of London Banking Days in the relevant Observation Period;

“**i**” is a series of whole numbers from one to $d_o$, each representing the relevant London Banking Day in chronological order from, and including, the first London Banking Day in:

e. where “Lag” is specified in as the Observation Method in the applicable Final Terms, the relevant Interest Period; or

f. where “Shift” is specified in as the Observation Method in the applicable Final Terms, the relevant Observation Period;

“**London Banking Day**” or “**LBD**” means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

“$\mathbf{n_i}$” for any London Banking Day “i”, means the number of calendar days from (and including) such London Banking Day “i” up to (but excluding) the following London Banking Day;

“**Observation Period**” means the period from (and including) the date falling “p” London Banking Days prior to the first day of the relevant Interest Period to (but excluding) the date falling “p” London Banking Days prior to (A) (in the case of an Interest Period) the Interest Payment Date for such Interest Period or (B) (in the case of any other Interest Period) the date on which the relevant payment of interest falls due;

“**p**” means:

g. where “Lag” is specified as the Observation Method in the applicable Final Terms, the number of London Banking Days by which an Observation Period precedes the corresponding Interest Period, being the number of London Banking Days specified as the “Lag Period (p)” in the applicable Final Terms (which shall not, without the prior agreement of the Calculation Agent be less than five, or shall, if no such number is so specified, be five London Banking Days); or

h. where “Shift” is specified as the Observation Method in the applicable Final Terms, the number of London Banking Days by which an Observation Period precedes the corresponding Interest Period, being the number of London Banking Days specified as the “Shift Period (p)” in the applicable Final Terms (which shall not, without the prior agreement of the Calculation Agent be less than five, or shall, if no such number is so specified, be five London Banking Days);

the “**SONIA reference rate**”, in respect of any London Banking Day (“$\mathbf{LBD_x}$”), is a reference rate equal to the daily Sterling Overnight Index Average (“**SONIA**”) rate for such $LBD_x$ as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page (or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors) on the London Banking Day immediately following $LBD_x$; and

"**$SONIA_{i-pLBD}$**" means:

i. where "Lag" is specified as the Observation Method in the applicable Final Terms, in respect of any London Banking Day falling in the relevant Observation Period, the SONIA reference rate for the London Banking Day falling "p" London Banking Days prior to the relevant London Banking Day "i"; or

j. where "Shift" is specified as the Observation Method in the applicable Final Terms, the SONIA reference rate for the relevant London Banking Day "i".

If, in respect of any London Banking Day in the relevant Observation Period, the applicable SONIA reference rate is not made available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, then (unless the Calculation Agent (or other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) has been notified of any Successor Rate or Alternative Rate (and any related Adjustment Spread and/or Benchmark Amendments) pursuant to Condition 5(b)(iv) (*Benchmark Discontinuation*), if applicable) the SONIA reference rate in respect of such London Banking Day shall be: (i) the Bank of England's Bank Rate (the "**Bank Rate**") prevailing at 5.00 p.m. (or, if earlier, close of business) on such London Banking Day; plus (ii) the mean of the spread of the SONIA reference rate to the Bank Rate over the previous five London Banking Days on which a SONIA reference rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads).

(F) Screen Rate Determination for Floating Rate Notes referencing Compounded Daily SONIA – Index Determination

(x) Where Screen Rate Determination is specified hereon as the manner in which the Rate of Interest is to be determined and the Reference Rate specified in the applicable Final Terms is Compounded Daily SONIA and "Index Determination" is specified as 'Applicable' in the relevant Final Terms, the Rate of Interest for each Interest Period will, subject to Condition 5(b)(iv) (*Benchmark Discontinuation*) and as provided below, be the SONIA Compounded Index Rate with respect to such Interest Period plus or minus (as indicated in the applicable Final Terms) the relevant Margin.

"**SONIA Compounded Index Rate**" means, with respect to an Interest Period, the rate of return of a daily compound interest investment during the Observation Period corresponding to such Interest Period (with the daily Sterling overnight reference rate as reference rate for the calculation of interest) (expressed as a percentage and rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) and will be calculated by the Calculation Agent (or any other party named in the applicable Final Terms) on the Interest Determination Date in accordance with the following formula:

$$\left(\frac{SONIA\ Compounded\ Index_{END}}{SONIA\ Compounded\ Index_{START}} - 1\right) \times \left(\frac{365}{d}\right)$$

where:

"**London Banking Day**" and "**Observation Period**" have the meanings set out under "*Screen Rate Determination for Floating Rate Notes referencing Compounded Daily SONIA – Non-Index Determination*" above;

"**d**" means the number of calendar days in the relevant Observation Period;

"**p**" means the number of London Banking Days included in the SONIA Compounded Index Observation Period specified in the relevant Final Terms (which shall not, without the prior agreement of the Calculation Agent be less than five, or shall, if no such number is specified, be five London Banking Days);

"**SONIA Compounded Index**" means the index known as the SONIA Compounded Index administered by the Bank of England (or any successor administrator thereof);

"**SONIA Compounded Index$_{Start}$**" means, with respect to an Interest Period, the SONIA Compounded Index Value on the first day of the relevant Observation Period;

"**SONIA Compounded Index$_{End}$**" means the SONIA Compounded Index Value on the last day of the relevant Observation Period; and

"**SONIA Compounded Index Value**" means, in relation to any London Banking Day, the value of the SONIA Compounded Index as published on the Relevant Screen Page on such London Banking Day or, if the value of the SONIA Compounded Index cannot be obtained from the Relevant Screen Page, as published on the Bank of England's website at www.bankofengland.co.uk/boeapps/database/ (or such other page or website as may replace such page for the purposes of publishing the SONIA Compounded Index) in respect of the relevant London Banking Day.

Subject to Condition 5(b)(iv) (*Benchmark Discontinuation*), if the SONIA Compounded Index Value is not available in relation to any Interest Period on the Relevant Screen Page or the Bank of England's website (or such other page or website referred to in the definition of "SONIA Compounded Index Value" above) for the determination of either or both of SONIA Compounded Index$_{START}$ and SONIA Compounded Index$_{END}$, the Rate of Interest for such Interest Period shall be "Compounded Daily SONIA" determined in accordance with Condition 5(b)(iii)(E) above plus or minus (as indicated in the relevant Final Terms) the applicable Margin and as if Index Determination were specified in the applicable Final Terms as being "Not Applicable", and for these purposes: (A) (i) the "Observation Method" shall be deemed to be "Shift" and (ii) the "Observation Period" shall be deemed to be equal to the "SONIA Compounded Index Observation Period", as if those alternative elections had been made in the applicable Final Terms; and (B) the “Relevant Screen Page” shall be deemed to be the “Relevant Fallback Screen Page” specified in the relevant Final Terms.

**(G) Linear Interpolation**

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

"**Applicable Maturity**" means: (a) in relation to Screen Rate Determination, the period of time designated in the Reference Rate, and (b) in relation to ISDA Determination, the Designated Maturity.

*(iv) Benchmark Discontinuation*

(A) Independent Adviser

If a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to advise the Issuer in determining a Successor Rate, failing which an Alternative Rate (in accordance with Condition 5(b)(iv)(B)) and, in either case, an Adjustment Spread and any Benchmark Amendments (in accordance with Condition 5(b)(iv)(D)). In making such determination, the Issuer shall act in good faith as an expert. In the absence of fraud, the Issuer and the Independent Adviser, as applicable, shall have no liability whatsoever to the Issuer, the Calculation Agent, the Noteholders or the Couponholders for any determination made by it or for any advice given to the Issuer in connection with any determination made by the Issuer, pursuant to this Condition 5(b)(iv).

If (i) the Issuer is unable to appoint an Independent Adviser; or (ii) if the Issuer fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this condition 5(b)(iv)(A) prior to the date which is 10 business days prior to the relevant Interest Determination Date, the Rate of Interest applicable to the next succeeding Interest Accrual Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the immediately preceding Interest Accrual Period. If there has not been a first Interest Payment Date, the Rate of Interest shall be the initial Rate of Interest determined using the Original Reference Rate last displayed on the relevant Screen Page prior to the relevant Interest Determination Date. Where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period shall be substituted in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period. For the avoidance of doubt, this paragraph shall apply to the relevant next succeeding Interest Accrual Period only and any subsequent Interest Accrual Periods are subject to the subsequent operation of, and to adjustment as provided in, the first paragraph of this Condition 5(b)(iv)(A).

(B) Successor Rate or Alternative Rate

If the Issuer, following consultation with the Independent Adviser, determines that:

a) there is a Successor Rate, then such Successor Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 5(b)(iv)); or

b) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 5(b)(iv)).

(C) Adjustment Spread

The Adjustment Spread (or the formula or methodology for determining the Adjustment Spread) shall be applied to the Successor Rate or the Alternative Rate (as the case may be).

(D) Benchmark Amendments

If any Successor Rate or Alternative Rate and, in either case, the applicable Adjustment Spread is determined in accordance with this Condition 5(b)(iv) and the Issuer, following consultation with the Independent Adviser, determines (i) that amendments to these Conditions and/or the Agency Agreement are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and/or (in either case) the applicable Adjustment Spread (such amendments, the "Benchmark Amendments") and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 5(b)(iv)(E), without any requirement for the consent or approval of Noteholders, vary these Conditions and/or the Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice.

At the request of the Issuer, but subject to receipt by the Agents of a certificate signed by two authorised signatories of the Issuer pursuant to Condition 5(b)(iv)(E), the Agents shall (at the expense of the Issuer), without any requirement for the consent or approval of the Noteholders, be obliged to concur with the Issuer in effecting any Benchmark Amendments (including, inter alia, by the execution of an agreement supplemental to or amending the Agency Agreement), provided that no Agent shall be obliged so to concur if in the opinion of such Agent doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to it in these Conditions or the Agency Agreement (including, for the avoidance of doubt, any supplemental agency agreement) in any way.

Notwithstanding any other provision of this Condition 5(b)(iv), none of the Agents is obliged to concur with the Issuer or the Independent Adviser in respect of any changes or amendments as contemplated under this Condition 5(b)(iv) to which, in the sole opinion of the relevant Agent would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the relevant Agent in these Conditions and/or the Agency Agreement.

In connection with any such variation in accordance with this Condition 5(b)(iv)(D), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

(E) Notices, etc.

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 5(b)(iv) will be notified at least 10 business days prior to the relevant Interest Determination Date by the Issuer to the Agents. In accordance with Condition 13, notice shall be provided to the Noteholders promptly thereafter. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

No later than notifying the Agents of the same, the Issuer shall deliver to the Agents a certificate signed by two authorised signatories of the Issuer:

a) confirming (i) that a Benchmark Event has occurred, (ii) the Successor Rate or, as the case may be, the Alternative Rate, (iii) the applicable Adjustment Spread and (iv) the specific terms of the Benchmark Amendments (if any), in each case as determined in accordance with the provisions of this Condition 5(b)(iv); and

b) certifying that the Benchmark Amendments (if any) are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and (in either case) the applicable Adjustment Spread.

The Agents shall be entitled to rely on such certificate (without liability to any person) as sufficient evidence thereof. The Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) and without prejudice to each Agent's ability to rely on such certificate as aforesaid) be binding on the Issuer, the Agents and the Noteholders.

Notwithstanding any other provision of this Condition 5(b)(iv), if following the determination of any Successor Rate, Alternative Rate, Adjustment Spread or Benchmark Amendments (if any), in the Calculation Agent's opinion there is any uncertainty between two or more alternative courses of action in making any determination or calculation under this Condition 5(b)(iv), the Calculation Agent shall promptly notify the Issuer thereof and the Issuer shall direct the Calculation Agent in writing as to which alternative course of action to adopt. If the Calculation Agent is not promptly provided with such direction, or is otherwise unable (other than due to its own gross negligence, wilful default or fraud) to make such calculation or determination for any reason, it shall notify the Issuer thereof and the Calculation Agent shall be under no obligation to make such calculation or determination and (in the absence of such gross negligence, wilful default or fraud) shall not incur any liability for not doing so.

(F) Survival of Original Reference Rate

Without prejudice to the obligations of the Issuer under Condition 5(b)(iv)(A), (B), (C) and (D), the Original Reference Rate and the fallback provisions provided for in Condition 5(b)(iii)(B) will continue to apply unless and until the Calculation Agent has been notified of the Successor Rate or the Alternative Rate (as the case may be), and any Adjustment Spread and Benchmark Amendments, in accordance with Condition 5(b)(iv)(E).

(G) Definitions:

As used in this Condition 5(b)(iv):

"**Adjustment Spread**" means either (a) a spread (which may be positive, negative or zero) or (b) a formula or methodology for calculating a spread, in each case to be applied to the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

(i) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or (if no such recommendation has been made, or in the case of an Alternative Rate)

(ii) the Issuer, following consultation with the Independent Adviser, determines, is customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate; or (if the Issuer determines that no such spread is customarily applied)

(iii) the Issuer, following consultation with the Independent Adviser, determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or (if the Issuer determines that no such industry standard is recognised or acknowledged)

(iv) the Issuer, acting in good faith, in a commercially reasonable manner and following consultation with an Independent Adviser (if appointed), determines to be appropriate.

"**Agents**" means the Fiscal Agent, the Calculation Agent and the Paying Agents.

"**Alternative Rate**" means an alternative benchmark or screen rate which the Issuer, following consultation with the Independent Adviser, determines in accordance with Condition 5(b)(iv)(B) is customarily applied in the international debt capital markets transactions for the purposes of determining rates of interest (or the relevant component part thereof) in the same Specified Currency as the Notes.

"**Benchmark Amendments**" has the meaning given to it in Condition 5(b)(iv)(D).

"**Benchmark Event**" means:

(1) the Original Reference Rate ceasing to be published for a period of at least 5 Business Days or ceasing to exist; or

(2) a public statement by the administrator of the Original Reference Rate that it has ceased or that it will cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or

(3) a public statement by the supervisor of the administrator of the Original Reference Rate, that the Original Reference Rate has been or will be permanently or indefinitely discontinued; or

(4) a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will be prohibited from being used either generally or in respect of the Notes;

(5) it has become unlawful for any Paying Agent, Calculation Agent, the Issuer or other party to calculate any payments due to be made to any Noteholder using the Original Reference Rate; or

(6) if “Pre-cessation Trigger” is specified as being applicable in the applicable Final Terms, a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate is or will be (or is or will be deemed by such supervisor to be) no longer representative of its relevant underlying market,

provided that the Benchmark Event shall occur (i) in the case of sub-paragraph (2), (3) and (4), on the date of the cessation of publication of the Original Reference Rate, the discontinuation of the Original Reference Rate, or the prohibition of use of the Original Reference Rate, as the case may be, and not the date of the relevant public statement, and (ii) in case of sub-paragraph (6), on the date with effect from which the Original Reference Rate will no longer be (or will be deemed by the relevant supervisor to no longer be) representative of its relevant underlying market and which is specified in the relevant public statement, and, in each case if different, not the date of the relevant public statement.

The occurrence of a Benchmark Event shall be determined by the Issuer and promptly notified to the Agents. For the avoidance of doubt, none of the Agents shall have any responsibility for making such determination.

"**business day**" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the Calculation Agent.

"**Independent Adviser**" means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer under Condition 5(b)(iv)(A), and shall not be the Fiscal Agent or the Calculation Agent.

"**Original Reference Rate**" means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof) on the Notes.

"**Relevant Nominating Body**" means, in respect of a benchmark or screen rate (as applicable):

(i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or

(ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof.

"**Successor Rate**" means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

*(v) Benchmark Discontinuation – ARRC SOFR*

This Condition 5(b)(v) shall apply to Notes only if "Benchmark Discontinuation – ARRC - SOFR" is specified in the applicable Final Terms.

**(1) Benchmark Replacement**

If the Issuer determines on or prior to the relevant Reference Time that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred in respect of any determination of the Benchmark on any date, the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to the Notes in respect of such determination on such date and for all determinations on all subsequent dates.

**(2) Benchmark Replacement Conforming Changes**

In connection with the implementation of a Benchmark Replacement, the Issuer will have the right to make Benchmark Replacement Conforming Changes from time to time, without any requirement for the consent or approval of Noteholders.

At the request of the Issuer, but subject to receipt by the Agents of a certificate signed by two authorised signatories of the Issuer pursuant to Condition 5(b)(v)(4), the Agents shall (at the expense of the Issuer), without any requirement for the consent or approval of the Noteholders, be obliged to concur with the Issuer in effecting any Benchmark Replacement Conforming Changes (including, inter alia, by the execution of an agreement supplemental to or amending the Agency Agreement), provided that no Agent shall be obliged so to concur if in the opinion of such Agent doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to it in these Conditions or the Agency Agreement (including, for the avoidance of doubt, any supplemental agency agreement) in any way.

**(3) Decisions and Determinations**

Any determination, decision or election that may be made by the Issuer pursuant to this Condition 5(b)(v), including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection:

(i) will be conclusive and binding absent manifest error;

(ii) will be made in the sole discretion of the Issuer; and

(iii) notwithstanding anything to the contrary in the documentation relating to the Notes, shall become effective without consent from the holders of the Notes or any other party.

The Agents shall not be liable for, and may rely on, any determination, decision or election made by the Issuer pursuant to this Condition 5(b)(v).

**(4) Notices, etc:**

Any Benchmark Replacement and the specific terms of any Benchmark Replacement Conforming Changes determined under this Condition 5(b)(v) will be notified at least 10 business days prior to the relevant Interest Determination Date by the Issuer to the Agents. In accordance with Condition 13, notice shall be provided to the Noteholders promptly thereafter. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Replacement Conforming Changes, if any.

No later than notifying the Agents of the same, the Issuer shall deliver to the Agents a certificate signed by two authorised signatories of the Issuer:

a) confirming (i) that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred, (ii) the relevant Benchmark Replacement and (iii) where applicable, the specific terms of any Benchmark Replacement Conforming Changes, in each case as determined in accordance with the provisions of this Condition 5(b)(v); and

b) certifying that the Benchmark Replacement Conforming Changes (if applicable) are appropriate to reflect the adoption of the relevant Benchmark Replacement.

The Agents shall be entitled to rely on such certificate (without liability to any person) as sufficient evidence thereof. The Benchmark Replacement and the Benchmark Replacement Conforming Changes (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Benchmark Replacement and the Benchmark Replacement Conforming Changes (if any) and without prejudice to each Agent's ability to rely on such certificate as aforesaid) be binding on the Issuer, the Agents and the Noteholders.

**(5) Definitions**

As used in this Condition 5(b)(v):

"**Benchmark**" means, initially, Compounded SOFR or Weighted Average SOFR, as specified in the applicable Final Terms; provided that if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to Compounded SOFR or Weighted Average SOFR (or the published daily SOFR used in the calculation thereof) or the then-current Benchmark, then "**Benchmark**" shall mean the applicable Benchmark Replacement;

"**Benchmark Replacement**" means the first alternative set forth in the order below that can be determined by the Issuer as of the Benchmark Replacement Date:

(i) the sum of (a) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark and (b) the Benchmark Replacement Adjustment;

(ii) the sum of (a) the ISDA Fallback Rate and (b) the Benchmark Replacement Adjustment; or

(iii) the sum of (a) the alternate rate of interest that has been selected by the Issuer as the replacement for the then-current Benchmark giving due consideration to any industry-accepted rate of interest as a replacement for the then-current Benchmark for U.S. dollar-denominated floating rate notes at such time and (b) the Benchmark Replacement Adjustment;

"**Benchmark Replacement Adjustment**" means the first alternative set forth in the order below that can be determined by the Issuer as of the Benchmark Replacement Date:

(i) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement; or

(ii) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, the ISDA Fallback Adjustment; or

(iii) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Issuer giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated floating rate notes at such time;

"**Benchmark Replacement Conforming Changes**" means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the timing and frequency of determining rates and making payments of interest) that the Issuer decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Issuer decides that adoption of any portion of such market practice is not administratively feasible or if the Issuer determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the Issuer determines is reasonably necessary);

"**Benchmark Replacement Date**" means the earliest to occur of the following events with respect to the then-current Benchmark (including the daily published component used in the calculation thereof):

(i) in the case of clause (i) or (ii) of the definition of "Benchmark Transition Event", the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of the Benchmark (or such component) permanently or indefinitely ceases to provide the Benchmark (or such component); or

(ii) in the case of clause (iii) of the definition of "Benchmark Transition Event", the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, if the event that gives rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination;

"**Benchmark Transition Event**" means the occurrence of one or more of the following events with respect to the then-current Benchmark (including the daily published component used in the calculation thereof):

(i) a public statement or publication of information by or on behalf of the administrator of the Benchmark (or such component) announcing that such administrator has ceased or will cease to provide the Benchmark (or such component), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or

(ii) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark (or such component), the central bank for the currency of the Benchmark (or such component), an insolvency official with jurisdiction over the administrator for the Benchmark (or such component), a resolution authority with jurisdiction over the administrator for the Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark (or such component), which states that the administrator of the Benchmark (or such component) has ceased or will cease to provide the Benchmark (or such component) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or

(iii) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative;

"**ISDA Definitions**" means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time;

"**ISDA Fallback Adjustment**" means the spread adjustment, (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark;

"**ISDA Fallback Rate**" means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

"**Reference Time**" with respect to any determination of the Benchmark means (1) if the Benchmark is Compounded SOFR, the Relevant Time, and (2) if the Benchmark is not Compounded SOFR, the time determined by the Issuer after giving effect to the Benchmark Replacement Conforming Changes;

"**Relevant Governmental Body**" means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto; and

"**Unadjusted Benchmark Replacement**" means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

(c) **Zero Coupon Notes:** Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 6(b)(1)).

(d) **Accrual of Interest:** Interest shall cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (both before and after judgment) at the Rate of Interest in the manner provided in this Condition 5 to the Relevant Date (as defined in Condition 8).

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

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

(ii) If any Maximum or Minimum Rate of Interest or Redemption Amount is specified hereon, then any Rate of Interest or Redemption Amount shall be subject to such maximum or minimum, as the case may be

(iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 of a percentage point being rounded up), (y) all figures shall be rounded to seven significant figures (provided that if the eighth significant figure is a 5 or greater, the seventh significant shall be rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with half a unit being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes "**unit**" means the lowest amount of such currency that is available as legal tender in the country (or countries) of such currency.

(f) **Interest Rates Positive**: Unless specified otherwise in the applicable Final Terms, the rate of interest payable in respect of the Notes shall never be less than zero. If the method for determining the rate of interest applicable to the Notes would result in a negative figure, the applicable rate of interest will be deemed to be zero.

(g) **Calculations:** The amount of interest payable per Calculation Amount in respect of any Note for any Interest Accrual Period shall be equal to the product of the Rate of Interest, the Calculation Amount specified hereon, and the Day Count Fraction for such Interest Accrual Period, unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Accrual Period, in which case the amount of interest payable per Calculation Amount in respect of such Note for such Interest Accrual Period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable per Calculation Amount in respect of such Interest Period shall be the sum of the Interest Amounts payable in respect of each of those Interest Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.

(h) **Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts and Optional Redemption Amounts:** The Calculation Agent shall, as soon as practicable on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount to be notified to the Fiscal Agent, the Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 5(b)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 10, the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

(i) **Definitions:** In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

"**Business Day**" means:

1. in the case of a currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency and/or

2. in the case of euro, a day on which the TARGET System is operating (a "**TARGET Business Day**") and/or

3. in the case of a currency and/or one or more Business Centres, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres and/or

4. in relation to Floating Rate Notes where the Reference Rate is specified in the relevant Final Terms as Compounded Daily SOFR or Weighted Average SOFR, a U.S. Government Securities Business Day.

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

1. if "**Actual/Actual**" or "**Actual/Actual - ISDA**" is specified hereon, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in

a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365)

2. if "**Actual/365 (Fixed)**" is specified hereon, the actual number of days in the Calculation Period divided by 365

3. if "**Actual/365 (Sterling)**" is specified hereon, the actual number of days in the Calculation Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366

4. if "**Actual/360**" is specified hereon, the actual number of days in the Calculation Period divided by 360

5. if "**30/360**", "**360/360**" or "**Bond Basis**" is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{M_2}$" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{D_1}$" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case $D_1$ will be 30; and

"$\mathbf{D_2}$" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and $D_1$ is greater than 29, in which case $D_2$ will be 30

6. if "**30E/360" or "Eurobond Basis**" is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{M_2}$" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**$D_1$**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case $D_1$ will be 30; and

"**$D_2$**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case $D_2$ will be 30

7. if "**30E/360 (ISDA)**" is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"**$Y_1$**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**$Y_2$**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**$M_1$**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**$M_2$**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**$D_1$**" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case $D_1$ will be 30; and

"**$D_2$**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case $D_2$ will be 30

8. if "**Actual/Actual-ICMA**" is specified hereon,

   (a) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and

   (b) if the Calculation Period is longer than one Determination Period, the sum of:

      (x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and

      (y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year

   where:

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

   "**Determination Date**" means the date(s) specified as such hereon or, if none is so specified, the Interest Payment Date(s)

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

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

"**Interest Amount**" means:

1. in respect of an Interest Accrual Period, the amount of interest payable per Calculation Amount for that Interest Accrual Period and which, in the case of Fixed Rate Notes, and unless otherwise specified hereon, shall mean the Fixed Coupon Amount or Broken Amount specified hereon as being payable on the Interest Payment Date ending the Interest Period of which such Interest Accrual Period forms part; and

2. in respect of any other period, the amount of interest payable per Calculation Amount for that period

"**Interest Commencement Date**" means the Issue Date or such other date as may be specified hereon

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

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

"**Interest Period Date**" means each Interest Payment Date

"**ISDA Definitions**" means the 2006 ISDA Definitions (as amended and updated as at the Issue Date of the first Tranche of the Notes), as published by the International Swaps and Derivatives Association, Inc.

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

"**Reference Banks**" means the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in each case selected by the Issuer (acting in good faith) or as specified hereon

"**Reference Rate**" means the rate specified as such hereon

"**Relevant Screen Page**" means such page, section, caption, column or other part of a particular information service as may be specified hereon

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

"**TARGET System**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November 2007 or any successor thereto.

(j) **Calculation Agent:** The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for them hereon and for so long as any Note is outstanding (as defined in the Agency Agreement). Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Accrual Period or to calculate any Interest Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall appoint a leading bank or financial institution engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

## 6 Redemption, Purchase and Options

(a) **Final Redemption:** Unless previously redeemed, purchased and cancelled as provided below, each Note shall be finally redeemed on the Maturity Date specified hereon at its Final Redemption Amount (which, unless otherwise provided, is its nominal amount).

(b) **Early Redemption:**

1. *Zero Coupon Notes*:

(A) The Early Redemption Amount payable in respect of any Zero Coupon Note upon redemption of such Note pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10 shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified hereon.

(B) Subject to the provisions of sub-paragraph (C) below, the Amortised Face Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown hereon, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.

(C) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph shall continue to be made (both before and after judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 5(c).

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

2. *Other Notes:* The Early Redemption Amount payable in respect of any Note (other than Notes described in (1) above), upon redemption of such Note pursuant to Condition 6(c) or 6(f) or upon it becoming due and payable as provided in Condition 10, shall be the Final Redemption Amount.

(c) **Redemption for Taxation Reasons:** The Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date (if this Note is a Floating Rate Note) or, at any time, (if this Note is not a Floating Rate Note), on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Early Redemption Amount (as described in Condition 6(b) above) (together with interest accrued to the date fixed for redemption), if (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8 as a result of any change in, or amendment to, the laws or regulations of the Netherlands or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes, and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this Condition 6(c), the Issuer shall deliver to the Fiscal Agent a certificate signed by two managing directors (*bestuurders*) or other duly authorised representatives of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

(d) **Redemption at the Option of the Issuer (Issuer Call):** If Issuer Call is specified hereon, the Issuer may, on giving not less than 10 nor more than 30 days' irrevocable notice to the Noteholders (or such other notice period as may be specified hereon) redeem all or, if so provided, some of the Notes on any Optional Redemption Date. Any such redemption of Notes shall be at their Optional Redemption Amount together with interest accrued to but excluding the Optional Redemption Date(s). Any such redemption or exercise must, if applicable, relate to Notes of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed specified hereon and no greater than the Maximum Redemption Amount to be redeemed specified hereon. Any such redemption may, at the Issuer's discretion, be subject to one or more conditions precedent, in which case the notice of redemption shall state the applicable condition precedent(s) and that, in the Issuer's discretion, the Optional Redemption Date may be delayed until such time as any or all such conditions shall be satisfied (or waived by the Issuer in its sole discretion), or such redemption may not occur in the event that any or all such conditions shall not have been satisfied (or waived by the Issuer in its sole discretion) by the Optional Redemption Date, or by the Optional Redemption Date so delayed.

For the purposes of this Condition 6(d) only, the "**Optional Redemption Amount**" will either be:

(i) the specified percentage of the nominal amount of the Notes stated in the applicable Final Terms which shall be a nominal amount of not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms: or

(ii) if Make-Whole Amount is specified in the applicable Final Terms, will be an amount which is the higher of:

(a) 100 per cent. of the Early Redemption Amount of the Note to be redeemed; or

(b) as determined by the Reference Dealers (as defined below), the sum of the then current values of the remaining scheduled payments of principal and interest to maturity (or, if Par Call Period is specified in the applicable Final Terms, to the Par Call Period Commencement Date) (not including any interest accrued on the Notes to, but excluding, the relevant Optional Redemption Date) discounted to the Optional Redemption Date on an annual basis (based on the actual number of days elapsed divided by 365 or (in the case of a leap year) by 366) at the Reference Bond Rate (as defined below) plus the Redemption Margin,

plus, in each case, any interest accrued on the Notes to, but excluding, the Optional Redemption Date;

"**Par Call Period Commencement Date**" has the meaning given to it in the applicable Final Terms;

"**Par Call Period**" has the meaning given to it in the applicable Final Terms;

"**Redemption Margin**" shall be as set out in the applicable Final Terms;

"**Reference Bond**" shall be as set out in the applicable Final Terms;

"**Reference Dealers**" shall be as set out in the applicable Final Terms; and

"**Reference Bond Rate**" means with respect to the Reference Dealers and the Optional Redemption Date, the average of the five quotations of the mid-market annual yield to maturity of the Reference Bond or, if the Reference Bond is no longer outstanding, a similar security in the reasonable judgment of the Reference Dealers at 11.00 a.m. London time on the third business day in London preceding the Optional Redemption Date quoted in writing to the Issuer by the Reference Dealers.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption the notice to Noteholders shall also contain the certificate numbers of the Bearer Notes, or in the case of Registered Notes shall specify the nominal amount of Registered Notes drawn and the holder(s) of such Registered Notes, to be redeemed, which shall have been drawn in such place and in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices, subject to compliance with any applicable laws and stock exchange or other relevant authority requirements.

If Issuer Refinancing Call is specified hereon, the Issuer may, having given (A) not less than 10 nor more than 30 days' notice or such other period of notice as is specified in the applicable Final Terms to the Noteholders in accordance with Condition 14 and (B) not less than 10 days before the giving of the notice referred to in (A), notice to the Fiscal Agent, (both of which notices shall be irrevocable), at any time on or after the Issuer Refinancing Call Period Commencement Date as is specified in the applicable Final Terms redeem all, but not less than all, Notes then outstanding on such redemption date (the "**Refinancing Repurchase Date**") at their nominal amount together, if appropriate, with interest accrued to (but excluding) the Refinancing Repurchase Date.

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

To exercise such option the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Coupons and unexchanged Talons) with any Paying Agent or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice ("**Exercise Notice**") in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the notice period. No Note or Certificate so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

(f) **Redemption of the Notes (Other)**: The Issuer may at any time, on giving not less than 10 nor more than 30 days' notice to the Noteholders in accordance with Condition 14, redeem all but not some only of the Notes for the time being outstanding at their Early Redemption Amount (as described in Condition 6(b) above) (together with interest accrued to the date fixed for redemption) if, prior to the date of such notice, 75 per cent. or more in nominal amount of the Notes of such Series have been redeemed or purchased and cancelled.

(g) **Change of Control:** If Change of Control Put Event is specified hereon and a Change of Control Put Event occurs, the holder of any such Note will have the option (a "**Change of Control Put Option**") (unless prior to the giving of the relevant Change of Control Put Event Notice (as defined below) the Issuer has given notice of redemption under Condition 6(c), 6(d) or 6(f) above) to require the Issuer to redeem or, at the Issuer's option, purchase (or procure the purchase of) that Note on the Change of Control Put Date (as defined below) at its principal amount together with interest accrued to (but excluding) the Change of Control Put Date.

A "**Change of Control Put Event**" will be deemed to occur if the State of the Netherlands ceases to: (i) own directly or indirectly (through any municipality, governmental body and/or governmental organisation and/or, in the case of a substitution of the Issuer in accordance with Condition 11(c), through any other directly or indirectly government owned or controlled entity) more than 50 per cent. of the total issued share capital of the Issuer or (ii) have the power directly or indirectly (through any municipality, governmental body and/or governmental organisation and/or, in the case of a substitution of the Issuer in accordance with Condition 11(c), through any other directly or indirectly government owned or controlled entity) to cast, or control the casting of, more than 50 per cent. of the maximum number of votes that might be cast at general meetings of the Issuer (each such event being, a "**Change of Control**"). For the purpose of this definition, "control" (*beschikking*), "share" (*aandeel*) and "votes" (*stemmen*) have the meanings given to them in Chapter 5.3 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*).

Promptly upon the Issuer becoming aware that a Change of Control Put Event has occurred the Issuer shall give notice (a "**Change of Control Put Event Notice**") to the Noteholders in accordance with Condition 14 specifying the nature of the Change of Control Put Event and the procedure for exercising the Change of Control Put Option.

To exercise the Change of Control Put Option, the holder of a Bearer Note must deliver such Note to the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the period (the "**Change of Control Put Period**") of 30 days after a Change of Control Put Event Notice is given, accompanied by a duly signed and completed notice of exercise in the form (for the time being current) obtainable from the specified office of any Paying Agent (a "**Change of Control Put Notice**"). The Note should be delivered together with all Coupons appertaining thereto maturing after the date which is seven days after the expiration of the Change of Control Put Period (the "**Change of Control Put Date**"), failing which the Paying Agent will require payment from or on behalf of the Noteholder of an amount equal to the face value of any missing such Coupon. Any amount so paid will be reimbursed to the Noteholder against presentation and surrender of the relevant missing Coupon (or any replacement therefor issued pursuant to Condition 12) at any time after such payment, but before the expiry of the period of five years from the date on which such Coupon would have become due, but not thereafter. The Paying Agent to which such Note and Change of Control Put Notice are delivered will issue to the Noteholder concerned a non-transferable receipt in respect of the Note so delivered. Payment in respect of any Note so delivered will be made, if the holder duly specified a bank account in the Change of Control Put Notice to which payment is to be made, on the Change of Control Put Date by transfer to that bank account and, in every other case, on or after the Change of Control Put Date against presentation and surrender or (as the case may be) endorsement of such receipt at the specified office of any Paying Agent. A Change of Control Put Notice, once given, shall be irrevocable. For the purposes of these Conditions, receipts issued pursuant to this Condition 6(g) shall be treated as if they were Notes.

To exercise the Change of Control Put Option, the holder of a Registered Note must deposit the Certificate evidencing such Note(s) with the Registrar or any Transfer Agent at its specified office, together with a duly signed and completed Change of Control Put Notice obtainable from the Registrar or any Transfer Agent within the Change of Control Put Period. No Certificate so deposited and option so exercised may be withdrawn without the prior consent of the Issuer. Payment in respect of any Certificate so deposited will be made, if the holder duly specified a bank account in the Change of Control Put Notice to which payment is to be made, on the Change of Control Put Date by transfer to that bank account and, in every other case, by cheque drawn on a Bank (as defined below) and mailed to the holder (or to the first named of joint holders) of such Note at its address appearing in the Register.

The Issuer shall redeem or purchase (or procure the purchase of) the relevant Notes on the Change of Control Put Date unless previously redeemed (or purchased) and cancelled.

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

(i) **Cancellation:** All Notes purchased by or on behalf of the Issuer or any of its subsidiaries may be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Coupons and all unexchanged Talons to the Fiscal Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar and, in each case, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

## 7 Payments and Talons

(a) **Bearer Notes:** Payments of principal and interest in respect of Bearer Notes shall, subject as mentioned below, be made against presentation and surrender of the relevant Notes (in the case of payments of principal and, in the case of interest, as specified in Condition 7(f)(5)) or Coupons (in the case of interest, save as specified in Condition 7(f)(5)), as the case may be, at the specified office of any Paying Agent outside the United States by a cheque payable in the relevant currency drawn on, or, at the option of the holder, by transfer to an account denominated in such currency with, a Bank. "**Bank**" means a bank in the principal financial centre for such currency or, in the case of euro, in a city in which banks have access to the TARGET System.

(b) **Registered Notes:**

(i) Payments of principal in respect of Registered Notes shall be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in paragraph (ii) below.

(ii) Interest on Registered Notes shall be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof (the "**Record Date**"). Payments of interest on each Registered Note shall be made in the relevant currency by cheque drawn on a Bank and mailed to the holder (or to the first-named of joint holders) of such Note at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a Bank.

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

(d) **Payments Subject to Laws:** All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment, but without prejudice to the provisions of Condition 8. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(e) **Appointment of Agents:** The Fiscal Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent initially appointed by the Issuer and their respective specified offices are listed below. The Fiscal Agent, the Paying Agents, the Registrar, Transfer Agents and the Calculation Agent(s) act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, any other Paying Agent, the Registrar, any Transfer Agent or the Calculation Agent(s) and to appoint additional or other Paying Agents or Transfer Agents, provided that the Issuer shall at all times maintain (i) a Fiscal Agent, (ii) a Registrar in relation to Registered Notes, (iii) a Transfer Agent in relation to Registered Notes, (iv) one or more Calculation Agent(s) where the Conditions so require, (v) Paying Agents having specified offices in at least two major European cities and (vi) such other agents as may be required by any other stock exchange on which the Notes may be listed.

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

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders.

(f) **Unmatured Coupons and unexchanged Talons:**

1. Upon the due date for redemption of Bearer Notes which comprise Fixed Rate Notes, those Notes should be surrendered for payment together with all unmatured Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unmatured Coupon (or, in the

case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 5 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 9).

2. Upon the due date for redemption of any Bearer Note comprising a Floating Rate Note unmatured Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.

3. Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.

4. Where any Bearer Note that provides that the relative unmatured Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmatured Coupons, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.

5. If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate representing it, as the case may be. Interest accrued on a Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note or Certificate representing it, as the case may be.

(g) **Talons:** On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Fiscal Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 9).

(h) **Non-Business Days:** If any date for payment in respect of any Note or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, "**business day**" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the relevant place of presentation, in such jurisdictions as shall be specified as "**Financial Centres**" hereon and:

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

(ii) (in the case of a payment in euro) which is a TARGET Business Day.

## 8 Taxation

All payments of principal and interest by or on behalf of the Issuer in respect of the Notes and the Coupons shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the Netherlands or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts as shall result in receipt by the Noteholders and the Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable:

(a) **Other connection:** to, or to a third party on behalf of, a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of his having a connection with the Netherlands other than the mere holding of the Note or Coupon;

(b) **Dutch Withholding Tax Act 2021:** in respect of any withholding tax due under the Dutch Withholding Tax Act 2021 (*Wet bronbelasting* 2021); or

(c) **Presentation more than 30 days after the Relevant Date:** with respect to any Note or Coupon presented (or in respect of which the Certificate representing it is presented) for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on presenting it for payment on the thirtieth such day.

As used in these Conditions, "**Relevant Date**" in respect of any Note or Coupon means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note (or relative Certificate) or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation. References in these Conditions to (i) "principal" shall be deemed to include any premium payable in respect of the Notes, all Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 6, (ii) "**interest**" shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 5 and (iii) "**principal**" and/or "**interest**" shall be deemed to include any additional amounts that may be payable under this Condition.

## 9 Prescription

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

## 10 Events of Default

If any of the following events ("**Events of Default**") occurs and is continuing, the holder of any Note may give written notice to the Fiscal Agent at its specified office that such Note is immediately repayable, whereupon the Early Redemption Amount of such Note together (if applicable) with accrued interest to the date of payment shall become immediately due and payable, unless such event of default shall have been remedied prior to the receipt of such notice by the Fiscal Agent:

(a) **Subordinated Notes:** In the case of the Subordinated Notes:

1. **Non-Payment:** default is made for more than 14 days in the payment on the due date of interest or principal in respect of any of the Notes or

2. **Insolvency:** suspension of payments (*surseance van betaling*) or bankruptcy (*faillissement*) proceedings are initiated or applied for by the Issuer, any of its Material Subsidiaries or by a third party in respect of the Issuer or any of its Material Subsidiaries, and, in the case of a third party application, not discharged within 60 days, or the Issuer or any of its Material Subsidiaries is (or is, or could be, deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts under any applicable law, stops, suspends or threatens to stop or suspend payment of all or any part of (or of a particular type of) its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared or comes into effect in respect of or affecting all or any part of (or of a particular type of) the debts of the Issuer or any of its Material Subsidiaries, or any such measures are officially decreed, under any applicable law.

(b) **Senior Notes:** In the case of Senior Notes:

1. **Non-Payment**: default is made for more than 14 days in the payment on the due date of interest or principal in respect of any of the Notes or

2. **Breach of Other Obligations**: the Issuer does not perform or comply with any one or more of its other obligations in the Notes which default is incapable of remedy or is not remedied within 30 days after notice of such default shall have been given to the Fiscal Agent at its specified office by any Noteholder or

3. **Cross-Default**: (A) any other present or future indebtedness of the Issuer or any of its Material Subsidiaries for or in respect of moneys borrowed or raised becomes (or becomes capable of being declared) due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (howsoever described), or (B) any such indebtedness is not paid when due or, as the case may be, within any originally applicable grace period, or (C) the Issuer or any of its Material Subsidiaries fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised; provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this paragraph (3) have occurred equals or exceeds EUR 100,000,000 or its equivalent (on the basis of the middle spot rate for the relevant currency against the euro as quoted by any leading bank on the day on which this paragraph operates), unless the Issuer or such Material Subsidiary is contesting in good faith before a competent court that such indebtedness, guarantee or indemnity amount, as the case may be, is due in which case such default will only become effective (subject to the following proviso) when such court has set out a definitive ruling that such indebtedness, guarantee or indemnity amount, as the case may be, is due provided that, in any event, such default shall become effective six months after a notice is given to the Issuer by a holder of a Note that such Note is repayable pursuant to this Condition 10 or

4. **Enforcement Proceedings**: an *executoriaal beslag* (executory attachment) or a *conservatoir beslag* (interlocutory attachment) is made, or an other attachment, distress, execution or other legal process under any law is levied, enforced or sued out on or against the whole or a substantial part of the property, assets or revenues of the Issuer or any of its Material Subsidiaries and is not cancelled, withdrawn, discharged or stayed within 30 days or

5. **Insolvency**: suspension of payments (*surseance van betaling*) or bankruptcy (*faillissement*) proceedings are initiated or applied for by the Issuer, any of its Material Subsidiaries or by a third

party in respect of the Issuer or any of its Material Subsidiaries, and, in the case of a third party application, not discharged within 60 days, or the Issuer or any of its Material Subsidiaries is (or is, or could be, deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts under any applicable law, stops, suspends or threatens to stop or suspend payment of all or any part of (or of a particular type of) its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared or comes into effect in respect of or affecting all or any part of (or of a particular type of) the debts of the Issuer or any of its Material Subsidiaries, or any such measures are officially decreed, under any applicable law or

6. **Winding-up or cession of business**: an order is made or an effective resolution passed for the winding-up, administration, dissolution or liquidation (*ontbinding, vereffening*) of the Issuer or any of its Material Subsidiaries, or the Issuer or any of its Material Subsidiaries shall apply or petition for a winding-up or administration order in respect of itself or ceases or threaten to ceases to carry on all or a substantial part of its business or operations, in each case except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger, demerger or consolidation (i) on terms approved by an Extraordinary Resolution (as defined in the Agency Agreement) of the Noteholders or (ii) in the case of a Material Subsidiary, under a solvent winding-up pursuant to a shareholders' resolution whereby the undertaking and assets of the Material Subsidiary are transferred to or otherwise vested in, and its liabilities are assumed by, the Issuer or another of its Material Subsidiaries or

7. **Authorisation and Consents**: the failure of any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order (i) to enable the Issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under the Notes, (ii) to ensure that those obligations are legally binding and enforceable and (iii) to make the Notes admissible in evidence in the courts of the Netherlands is not taken, fulfilled or done where such failure would result in a material adverse effect on the ability of the Issuer to perform its obligations under the Notes or

8. **Illegality**: it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under any of the Notes.

## 11 Meeting of Noteholders and Modifications

(a) **Meetings of Noteholders:** The Agency Agreement contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Agency Agreement) of a modification of any of these Conditions. Such a meeting may be convened by Noteholders holding not less than 10 per cent. in nominal amount of the Notes for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons holding or representing a clear majority in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting two or more persons being or representing Noteholders whatever the nominal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to amend the dates of maturity or redemption of the Notes or any date for payment of interest or Interest Amounts on the Notes, (ii) to reduce or cancel the nominal amount of, or any premium payable on redemption of, the Notes, (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Notes, (iv) if a Minimum and/or a Maximum Rate of Interest or

Redemption Amount is shown hereon, to reduce any such Minimum and/or Maximum, (v) to vary any method of, or basis for, calculating the Final Redemption Amount, the Early Redemption Amount or the Optional Redemption Amount, including the method of calculating the Amortised Face Amount, (vi) to vary the currency or currencies of payment or denomination of the Notes, or (vii) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution, in which case the necessary quorum shall be two or more persons holding or representing not less than 75 per cent. or at any adjourned meeting not less than 25 per cent. in nominal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders.

The Agency Agreement provides that a resolution in writing signed by or on behalf of the holders of not less than 90 per cent. in nominal amount of the Notes outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

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

(c) **Substitution of the Issuer:**

(i) The Issuer may, and the Noteholders and Couponholders hereby irrevocably agree in advance that the Issuer may without any further consent of the Noteholders or Couponholders being required, when no payment of principal of any of the Notes or interest on any of the Notes is in default, be replaced and substituted by any directly or indirectly (i) wholly owned Subsidiary of the Issuer in the circumstances set out under (i)(A)(x) below or (ii) any Subsidiary of the Issuer in the circumstances set out under (i)(A)(y) below (the "**Substituted Debtor**") as principal debtor in respect of the Notes and the relative Coupons provided that such documents shall be executed by the Substituted Debtor and the Issuer as may be necessary to give full effect to the substitution (together the "**Substitution Documents**") and:

(A) either:

(x) (without limiting the generality of the foregoing) pursuant to the Substitution Documents (i) the Substituted Debtor shall undertake in favour of each Noteholder and Couponholder to be bound by the Terms and Conditions and the provisions of the Agency Agreement as fully as if the Substituted Debtor had been named in the Notes, the relative Coupons and the Agency Agreement as the principal debtor in respect of the Notes and the relative Coupons in place of the Issuer and (ii) the Issuer shall guarantee, which guarantee shall be unconditional and irrevocable, (the "**Guarantee**") in favour of each Noteholder and holder of the relative Coupons the payment of all sums payable (including any additional amounts payable pursuant to Condition 8) in respect of the Notes and the relative Coupons;

or

(y) (i) the Notes are rated immediately before such substitution of the Issuer has taken place (such rating or ratings including at least one rating solicited by the Issuer) and the solicited ratings of the Notes immediately after the Issuer has been substituted by the Substituted Debtor or if applicable after the end of a rating agency review period in relation to the substitution of the Issuer would be at least equivalent to the solicited ratings of the Notes immediately before such substitution of the Issuer has taken place, (ii) the Substituted Debtor is directly or indirectly majority owned by the Issuer, and (iii) such Substituted Debtor is carrying out, or directly or indirectly has a controlling interest in all or substantially all of the Issuer's Subsidiaries carrying out, all or substantially all of the Issuer's group's TSO business activities in Germany (including the offshore wind farm connection business);

(B) where the Substituted Debtor is incorporated, domiciled or resident for taxation purposes in a territory other than the Netherlands, the Substitution Documents shall contain a covenant and/or such other provisions as may be necessary to ensure that each Noteholder and Couponholder has the benefit of a covenant in terms corresponding to the provisions of Condition 8 with the substitution of the references to the Netherlands with references to the territory in which the Substituted Debtor is incorporated, domiciled and/or resident for taxation purposes. The Substitution Documents shall also contain a covenant by the Substituted Debtor and the Issuer to indemnify and hold harmless each Noteholder and Couponholder against all liabilities, costs, charges and expenses (provided that insofar as the liabilities, costs, charges and expenses are taxes or duties, the same arise by reason of a law or regulation having legal effect or being in reasonable contemplation thereof on the date such substitution becomes effective) which may be incurred by or levied against such holder as a result of any substitution pursuant to this Condition and which would not have been so incurred or levied had such substitution not been made (and, without limiting the foregoing, such liabilities, costs, charges and expenses shall include any and all taxes or duties which are imposed on any such Noteholder or Couponholder by any political sub-division or taxing authority of any country in which such Noteholder or Couponholder resides or is subject to any such tax or duty and which would not have been so imposed had such substitution not been made);

(C) the Substitution Documents shall contain a warranty and representation by the Substituted Debtor and the Issuer (a) that each of the Substituted Debtor and the Issuer has obtained all necessary governmental and regulatory approvals and consents for such substitution and the performance of its obligations under the Substitution Documents, and that all such approvals and consents are in full force and effect and (b) that the obligations assumed by each of the Substituted Debtor and the Issuer under the Substitution Documents are all valid and binding in accordance with their respective terms and enforceable by each Noteholder;

(D) each stock exchange which has Notes listed thereon shall have confirmed that following the proposed substitution of the Substituted Debtor for the Issuer, the Notes would continue to be listed on such stock exchange;

(E) the Issuer shall have delivered to the Fiscal Agent or procured the delivery to the Fiscal Agent of a legal opinion from the internal legal adviser to the Issuer to the effect that the Substitution Documents (including the Guarantee, if applicable) constitute legal, valid and binding obligations of the Issuer, such opinion to be dated not more than three days prior to the date of substitution of the Substituted Debtor for the Issuer and to be available for inspection by Noteholders and Couponholders at the specified office of the Fiscal Agent; and

(F) the Issuer shall have delivered to the Fiscal Agent or procured the delivery to the Fiscal Agent of a legal opinion from a reputable firm of Dutch lawyers (and, if applicable, from a leading firm of local lawyers acting for the Substituted Debtor) to the effect that the Substitution Documents (including the Guarantee, if applicable) constitute legal, valid and binding obligations of the Substituted Debtor and, if applicable, the Issuer under Dutch law, such opinion to be dated not more than three days prior to the date of substitution of the Substituted Debtor for the Issuer and to be available for inspection by Noteholders and Couponholders at the specified office of the Fiscal Agent.

(ii) In connection with any substitution effected pursuant to this Condition, neither the Issuer nor the Substituted Debtor need to have any regard to the consequences of any such substitution for individual Noteholders or Couponholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory and no Noteholder or Couponholder, except as provided in Condition 11(c)(i)(B), shall be entitled to claim from the Issuer or any Substituted Debtor under the Notes and the relative Coupons any indemnification or payment in respect of any tax or other consequences arising from such substitution.

(iii) In respect of any substitution pursuant to this Condition in respect of the Subordinated Notes of any Series, the Substitution Documents referred to in Condition 11(c)(i) above shall provide for such further amendment of the Terms and Conditions of the Subordinated Notes as shall be necessary or desirable to (i) effectuate such substitution under terms commercially and economically similar to the Conditions and (ii) ensure that the Subordinated Notes of such series constitute subordinated obligations of the Substituted Debtor and that the Guarantee, if applicable constitutes a subordinated obligation of the Issuer, in each case subordinated to no greater than the same extent as the Issuer's obligations prior to its substitution and shall further provide that the Substituted Debtor will only be obliged to make payments of principal in respect of the Subordinated Notes of such Series to the extent that the Issuer would have been so obliged under Condition 3 of the Terms and Conditions had it remained as principal obligor under the Subordinated Notes.

(iv) With respect to Subordinated Notes, the Issuer shall be entitled, by notice to the Noteholders given in accordance with Condition 14, at any time to (x) effect a substitution which does not comply with paragraph (iii) above provided that the terms of such substitution have been approved by an Extraordinary Resolution of the Noteholders or (y) waive all and any rights to effect a substitution of the principal debtor pursuant to this Condition. Any such notice of waiver shall be irrevocable.

(v) Upon the execution of the Substitution Documents as referred to in Condition 11(c)(i) above, and subject to the notice as referred to in Condition 11(c)(vii) below having been given, the Substituted Debtor shall be deemed to be named in the Notes and the relative Coupons as the principal debtor in place of the Issuer and the Notes and the relative Coupons shall thereupon be deemed to be amended to give effect to the substitution. The execution of the Substitution Documents shall operate to release the Issuer as issuer from all of its obligations as principal debtor in respect of the Notes and the relative Coupons save that any claims under the Notes and the relative Coupons arising against the Issuer prior to its release shall inure to the benefit of Noteholders and Couponholders.

(vi) The Substitution Documents shall be deposited with and held by the Fiscal Agent for so long as any Notes or Coupons remain outstanding and for so long as any claim made against the Substituted Debtor by any Noteholder or Couponholder in relation to the Notes or the relative Coupons or the Substitution Documents is not finally adjudicated, settled or discharged. The Substituted Debtor and the Issuer shall acknowledge in the Substitution Documents the right of every Noteholder or Couponholder to the production of the Substitution Documents for the enforcement of any of the Notes or the relative Coupons or the Substitution Documents.

(vii) Not later than 15 days after the execution of the Substitution Documents, the Substituted Debtor shall give notice thereof to the Noteholders in accordance with Condition 14.

(viii) Upon the notice referred to in Condition 11(c)(vii) above being given and without prejudice to the efficacy of the substitution the Issuer and the Substituted Debtor will use best efforts to provide such information in respect of the Substituted Debtor as may reasonably be requested by a Noteholder or Couponholder as part of its on-boarding procedures.

## 12 Replacement of Notes, Certificates, Coupons and Talons

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

## 13 Further Issues

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

## 14 Notices

Notices to the holders of Registered Notes shall be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. Notices to the holders of Bearer Notes shall be valid if published in a daily newspaper of general circulation in the Netherlands (which is expected to be *Het Financieele Dagblad*). If any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above.

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

## 15 Currency Indemnity

Any amount received or recovered in a currency other than the currency in which payment under the relevant Note or Coupon is due (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the insolvency, winding-up or dissolution of the Issuer or otherwise) by any Noteholder or Couponholder in respect of any sum expressed to be due to it from the Issuer shall only constitute a discharge to the Issuer to the extent of the amount in the currency of payment under the relevant Note or Coupon that the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If the amount received or recovered is less than the amount expressed to be due to the recipient under any Note or Coupon, the Issuer shall indemnify it against any loss sustained by it as a result. In any event, the Issuer shall indemnify the recipient against the cost of making any such purchase. For the purposes of this Condition, it shall be sufficient for the Noteholder or Couponholder, as the case may be, to demonstrate that it would have suffered a loss had an actual purchase been made. These indemnities constitute a separate and independent obligation from the Issuer's other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Noteholder or Couponholder and shall continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note or Coupon or any other judgment or order.

## 16 Governing Law and Jurisdiction

(a) **Governing Law:** The Notes, the Coupons and the Talons and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, Dutch law.

(b) **Jurisdiction:** The District Court of Amsterdam and its appellate courts are to have (non-exclusive) jurisdiction to settle any disputes that may arise out of or in connection with any Notes, Coupons or Talons and accordingly any legal action or proceedings arising out of or in connection with any Notes, Coupons or Talons ("**Proceedings**") may be brought in such courts. This submission is made for the benefit of each of the holders of the Notes, Coupons and Talons and shall not affect the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

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

## 1 Initial Issue of Notes

If the Global Notes or the Global Certificates are stated in the applicable Final Terms to be issued in NGN form or to be held under the NSS (as the case may be), the Global Notes or the Global Certificates will be delivered on or prior to the original issue date of the Tranche to a Common Safekeeper. Depositing the Global Notes or the Global Certificates with the Common Safekeeper does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue, or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

Global notes which are issued in CGN form and Global Certificates which are not held under the NSS may be delivered on or prior to the original issue date of the Tranche to a Common Depositary.

If the Global Note is a CGN, upon the initial deposit of a Global Note with a common depositary for Euroclear and Clearstream, Luxembourg (the "**Common Depositary**") or registration of Registered Notes in the name of any nominee for Euroclear and Clearstream, Luxembourg and delivery of the relative Global Certificate to the Common Depositary, Euroclear or Clearstream, Luxembourg will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid. If the Global Note is an NGN, the nominal amount of the Notes shall be the aggregate amount from time to time entered in the records of Euroclear or Clearstream, Luxembourg. The records of such clearing system shall be conclusive evidence of the nominal amount of Notes represented by the Global Note and a statement issued by such clearing system at any time shall be conclusive evidence of the records of the relevant clearing system at that time.

Notes that are initially deposited with the Common Depositary may also be credited to the accounts of subscribers with (if indicated in the relevant Final Terms) other clearing systems through direct or indirect accounts with Euroclear and Clearstream, Luxembourg held by such other clearing systems. Conversely, Notes that are initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream, Luxembourg or other clearing systems.

## 2 Relationship of Accountholders with Clearing Systems

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

## 3 Exchange

### 3.1 Temporary Global Notes

Each temporary Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date:

(i) if the relevant Final Terms indicate that such Global Note is issued in compliance with the C Rules or in a transaction to which TEFRA is not applicable (as to which, see "*Overview of the Programme – Selling Restrictions*"), in whole, but not in part, for the Definitive Notes defined and described below; and

(ii) otherwise, in whole or in part upon certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement for interests in a permanent Global Note or, if so provided in the relevant Final Terms, for Definitive Notes.

### 3.2 Permanent Global Notes

Each permanent Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole but not, except as provided under paragraph 3.4 below, in part for Definitive Notes:

(i) if the permanent Global Note is held on behalf of Euroclear or Clearstream, Luxembourg or an Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so; or

(ii) if principal in respect of any Notes is not paid when due, by the holder giving notice to the Fiscal Agent of its election for such exchange.

In the event that a Global Note is exchanged for Definitive Notes, such Definitive Notes shall be issued in Specified Denomination(s) only. A Noteholder who holds a principal amount of less than the minimum Specified Denomination will not receive a definitive Note in respect of such holding and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more Specified Denominations.

### 3.3 Permanent Global Certificates

If the Final Terms state that the Notes are to be represented by a permanent Global Certificate on issue, the following will apply in respect of transfers of Notes held in Euroclear or Clearstream, Luxembourg or an Alternative Clearing System. These provisions will not prevent the trading of interests in the Notes within a clearing system whilst they are held on behalf of such clearing system, but will limit the circumstances in which the Notes may be withdrawn from the relevant clearing system.

Transfers of the holding of Notes represented by any Global Certificate pursuant to Condition 2(b) may only be made in part:

(i) if the relevant 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; or

(ii) if principal in respect of any Notes is not paid when due; or

(iii) with the consent of the Issuer,

provided that, in the case of the first transfer of part of a holding pursuant to paragraph 3.3(i) or 3.3(ii) above, the Registered Holder has given the Registrar not less than 30 days' notice at its specified office of the Registered Holder's intention to effect such transfer.

### 3.4 Partial Exchange of Permanent Global Notes

For so long as a permanent Global Note is held on behalf of a clearing system and the rules of that clearing system permit, such permanent Global Note will be exchangeable in part on one or more occasions for Definitive Notes if principal in respect of any Notes is not paid when due.

### 3.5 Delivery of Notes

If the Global Note is a CGN, on or after any due date for exchange, the holder of a Global Note may surrender such Global Note or, in the case of a partial exchange, present it for endorsement to or to the order of the Fiscal Agent. In exchange for any Global Note, or the part thereof to be exchanged, the Issuer will (i) in the case of a temporary Global Note exchangeable for a permanent Global Note, deliver, or procure the delivery of, a permanent Global Note in an aggregate nominal amount equal to that of the whole or that part of a temporary Global Note that is being exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a permanent Global Note to reflect such exchange or (ii) in the case of a Global Note exchangeable for Definitive Notes, deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Notes or if the Global Note is a NGN, the Issuer will procure that details of such exchange be entered *pro rata* in the records of the relevant clearing system. In this Base Prospectus, "**Definitive Notes**" means, in relation to any Global Note, the definitive Bearer Notes for which such Global Note may be exchanged (if appropriate, having attached to them all Coupons in respect of interest that have not already been paid on the Global Note and a Talon). Definitive Notes will be security printed in accordance with any applicable legal and stock exchange requirements in or substantially in the form set out in the Schedules to the Agency Agreement. On exchange in full of each permanent Global Note, the Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant Definitive Notes.

### 3.6 Exchange Date

"**Exchange Date**" means, in relation to a temporary Global Note, the day falling after the expiry of 40 days after its issue date and, in relation to a permanent Global Note, a day falling not less than 60 days, or in the case of failure to pay principal in respect of any Notes when due 30 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 Fiscal Agent is located and in the city in which the relevant clearing system is located.

## 4 Amendment to Conditions

The temporary Global Notes, permanent Global Notes and Global Certificates contain provisions that apply to the Notes that they represent, some of which modify the effect of the terms and conditions of the Notes set out in this Base Prospectus. The following is a summary of certain of those provisions:

### 4.1 Payments and Record Date

No payment falling due after the Exchange Date will be made on any Global Note unless exchange for an interest in a permanent Global Note or for Definitive Notes is improperly withheld or refused. Payments on any temporary Global Note issued in compliance with the D Rules before the Exchange Date will only be made against presentation of certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement. All payments in respect of Notes represented by a Global Note in CGN form will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of that Global Note to or to the order of the Fiscal Agent or such other Paying Agent as shall have been notified to the Noteholders for such purpose. If the Global Note is a CGN, a record of each payment so made will be endorsed on each Global Note, which endorsement will be *prima facie* evidence that such payment has been made in respect of the Notes. Condition 7(e)(vii) and Condition 8(d) will apply to the Definitive Notes only. If the Global Note is a NGN or if the Global Certificate is held under the NSS, the Issuer shall procure that details of each such payment shall be entered *pro rata* in the records of the relevant clearing system and in the case of payments of principal, the nominal amount of the Notes recorded in the records of the relevant clearing system and represented by the Global Note or the Global Certificate will be reduced accordingly. Payments under a NGN will be made to its holder. Each payment so made will discharge the Issuer's obligations in respect thereof. Any failure to make the entries in the records of the relevant clearing system shall not affect such discharge. For the purpose of any payments made in respect of a Global Note, the relevant place of presentation shall be disregarded in the definition of "business day" set out in Condition 7(h) (*Non-Business Days*).

All payments in respect of Notes represented by a Global Certificate will be made to, or to the order of, the person whose name is entered in the Register at the close of business on the record date which shall be on the Clearing System Business Day immediately prior to the date for payment, where "**Clearing System Business Day**" means Monday to Friday inclusive, except 25 December and 1 January.

### 4.2 Prescription

Claims against the Issuer in respect of Notes that are represented by a permanent Global Note will become void unless it is presented for payment within a period of five years from the date the relevant payment first became due.

### 4.3 Meetings

The holder of a permanent Global Note or of the Notes represented by a Global Certificate shall (unless such permanent Global Note or Global Certificate represents only one Note) be treated as being two persons for the purposes of any quorum requirements of a meeting of Noteholders and, at any such meeting, the holder of a permanent Global Note shall be treated as having one vote in respect of each integral currency unit of the Specified Currency of the Notes. (All holders of Registered Notes are entitled to one vote in respect of each integral currency unit of the Specified Currency of the Notes comprising such Noteholder's holding, whether or not represented by a Global Certificate.)

### 4.4 Cancellation

Cancellation of any Note represented by a permanent Global Note that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the nominal amount of the relevant permanent Global Note.

### 4.5 Purchase

Notes represented by a permanent Global Note may only be purchased by the Issuer or any of its subsidiaries if they are purchased together with the rights to receive all future payments of interest (if any) thereon.

### 4.6 Issuer's Option

Any option of the Issuer provided for in the Conditions of any Notes while such Notes are represented by a permanent Global Note shall be exercised by the Issuer giving notice to the Noteholders within the time limits set out in and containing the information required by the Conditions, except that the notice shall not be required to contain the serial numbers of Notes drawn in the case of a partial exercise of an option and accordingly no drawing of Notes shall be required. In the event that any option of the Issuer is exercised in respect of some but not all of the Notes of any Series, the rights of accountholders with a clearing system in respect of the Notes will be governed by the standard procedures of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) or any other Alternative Clearing System (as the case may be).

### 4.7 Noteholders' Options

Any option of the Noteholders provided for in the Conditions of any Notes while such Notes are represented by a permanent Global Note may be exercised by the holder of the permanent Global Note giving notice to the Fiscal Agent within the time limits relating to the deposit of Notes with a Paying Agent set out in the Conditions substantially in the form of the notice available from any Paying Agent, except that the notice shall not be required to contain the serial numbers of the Notes in respect of which the option has been exercised, and stating the nominal amount of Notes in respect of which the option is exercised and at the same time, where the permanent Global Note is a CGN, presenting the permanent Global Note to the Fiscal Agent, or to a Paying Agent acting on behalf of the Fiscal Agent, for notation. Where the Global Note is a NGN or where the Global Certificate is held under the NSS, the Issuer shall procure that details of such exercise shall be entered *pro rata* in the records of the relevant clearing system and the nominal amount of the Notes recorded in those records will be reduced accordingly.

### 4.8 NGN nominal amount

Where the Global Note is a NGN, the Issuer shall procure that any exchange, payment, cancellation, exercise of any option or any right under the Notes, as the case may be, in addition to the circumstances set out above shall be entered in the records of the relevant clearing systems and upon any such entry being made, in respect of payments of principal, the nominal amount of the Notes represented by such Global Note shall be adjusted accordingly.

### 4.9 Events of Default

Each Global Note provides that the holder may cause such Global Note, or a portion of it, to become due and repayable in the circumstances described in Condition 10 by stating in the notice to the Fiscal Agent the nominal amount of such Global Note that is becoming due and repayable. If principal in respect of any Note is not paid when due, the holder of a Global Note or Registered Notes represented by a Global Certificate may elect for direct enforcement rights against the Issuer under the terms of direct rights set out in the Global Note to come into effect in relation to the whole or a part of such Global Note or one or more Registered Notes in favour of the persons entitled to such part of such Global Note or such Registered Notes, as the case may be, as accountholders with a clearing system. Following any such acquisition of direct rights, the Global Note or, as the case may be, the Global Certificate and the corresponding entry in the register kept by the Registrar will become void as to the specified portion or Registered Notes, as the case may be. However, no such election may be made in respect of Notes represented by a Global Certificate unless the transfer of the whole or a part of the holding of Notes represented by that Global Certificate shall have been improperly withheld or refused.

### 4.10 Notices

So long as any Notes are represented by a Global Note and such Global Note is held on behalf of a clearing system, notices to the holders of Notes of that Series 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 Conditions or by delivery of the relevant notice to the holder of the Global Note.

## 5 Electronic Consent and Written Resolution

While any Global Note is held on behalf of, or any Global Certificate is registered in the name of any nominee for, a clearing system, then:

(a) approval of a resolution proposed by the Issuer given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than 90 per cent. in nominal amount of the Notes outstanding (an "**Electronic Consent**", as defined in the Fiscal Agency Agreement) shall, for all purposes (including matters that would otherwise require an Extraordinary Resolution to be passed at a meeting for which the Special Quorum was satisfied), take effect as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held, and shall be binding on all Noteholders and holders of Coupons and Talons whether or not they participated in such Electronic Consent; and

(b) where Electronic Consent is not being sought, for the purpose of determining whether a Written Resolution has been validly passed, the Issuer shall be entitled to rely on consent or instructions given in writing directly to the Issuer by (a) accountholders in the clearing system with entitlements to such Global Note or Global Certificate and/or, where (b) the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person for whom such entitlement is held. For the purpose of establishing the entitlement to give any such consent or instruction, the Issuer shall be entitled to rely on any certificate or other document issued by, in the case of (a) above, Euroclear, Clearstream, Luxembourg or any other relevant alternative clearing system (the "**relevant clearing system**") and, in the case of (b) above, the relevant clearing system and the accountholder identified by the relevant clearing system for the purposes of (b) above. Any resolution passed in such manner shall be binding on all Noteholders and Couponholders, even if the relevant consent or instruction proves to be defective. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or Clearstream, Luxembourg's CreationOnline system) in accordance with its usual procedures and in which the accountholder of a particular principal or nominal amount of the Notes is clearly identified together with the amount of such holding. The Issuer shall not be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

## USE OF PROCEEDS

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

An example of such particular identified use of proceeds may be, if so designated in the relevant Final Terms, the allocation of net proceeds from the Issue of a certain Tranche of Notes to a sub portfolio (the "**Green Project Portfolio**") with the special purpose to finance, refinance and/or invest in Eligible Green Projects (as defined below) meeting the Eligibility Criteria (as defined below) or other energy projects meeting certain defined criteria as set out in the applicable Final Terms.

### Usage for Eligible Green Projects

"**Eligible Green Projects**" means projects relating to the activities as described in the table below and set out in further detail by the Issuer in its Green Financing Framework:

| | |
|---|---|
| **Electricity network**<br>(Operation of Issuer's grid) | Transmission infrastructure or equipment in an electricity system in a country that transports at least 50% of renewable electricity and complies with at least one of the following criteria:<br>a) the system is the interconnected European system, i.e. the interconnected control areas of Member States, Norway, Switzerland and the United Kingdom, and its subordinated systems;<br>b) more than 67% of newly enabled generation capacity in the system is below the generation threshold value of 100 gCO2e/kWh measured on a life cycle basis in accordance with electricity generation criteria, over a rolling five-year period;<br>c) the average system grid emissions factor, calculated as the total annual emissions from power generation connected to the system, divided by the total annual net electricity production in that system, is below the threshold value of 100 gCO2e/kWh measured on a life cycle basis in accordance with electricity generation criteria, over a rolling five-year period.<br><br>Infrastructure dedicated to creating a direct connection or expanding an existing direct connection between a substation or network and a power production plant that is more greenhouse gas intensive than 100 gCO2e/kWh measured on a life cycle basis is not compliant |
| **Connection services**<br>(Investment program to make the Issuer's grid ready for the zero CO2 economy) | Construction/installation and operation of equipment and infrastructure where the main objective is an increase of the transmission of renewable electricity generation. |
| **Interconnectors**<br>(The Issuer's interconnection with the European grid to secure supply and serve the electricity market) | Construction and operation of interconnectors between transmission systems, provided that one of the systems is compliant under the EU Taxonomy. |

"**Eligibility Criteria**" means the criteria prepared by the Issuer in the context of the Green Financing Framework. A second party consultant (*e.g.* ISS ESG) will review the selected Eligible Green Projects and issue a second party opinion based on the Eligibility Criteria. The second party-opinion will be made available on the Issuer's website (www.tennet.eu).

"**Green Financing Framework**" means the green financing framework prepared by the Issuer as a structure for verifying the sustainability quality of the projects to be financed through its Green Financing Instruments. The Green Financing Framework is aligned with the Green Bond Principles (GBP) published by the International Capital Markets Association (ICMA) in June 2021 and the Green Loan Principles (GLP) published by the Loan Market Association (LMA) in February 2021. The Green Financing Framework is available on the Issuer's website. For the avoidance of doubt, the Green Financing Framework has not been and will not be incorporated by reference in and, therefore, does not and will not form part of this Base Prospectus.

The Issuer intends to allocate an amount equivalent to the net proceeds from the Green Financing Instruments to the Green Project Portfolio, selected in accordance with the use of proceeds criteria and evaluation and selection process. Tracking will be facilitated through the portfolio approach. The Issuer strives to maintain a level of allocation for the Green Project Portfolio which, after adjustments for intervening circumstances including, but not limited to, sales and repayments, matches or exceeds the balance of net proceeds from its outstanding green financing instruments. Additional Eligible Green Projects will be added to the Issuer's Green Project Portfolio to the extent required to ensure that the net proceeds from the outstanding green financing instruments will be allocated to Eligible Green Projects. Whilst any green financing instrument net proceeds remain unallocated, the Issuer will hold and/or invest, at its own discretion, in its treasury liquidity portfolio, in cash or other short term and liquid instruments, the balance of net proceeds not yet allocated to the Green Project Portfolio.

With the projects included in the Green Project Portfolio, the Issuer expects to make a significant contribution to two Sustainable Development Goals ("**SDGs**") set by the United Nations, namely SDG 7 (affordable and clean energy) and SDG 13 (climate action). The Issuer's objectives with the Eligible Green Projects and the activities “Electricity Network”, “Connection Services” and/or “Interconnectors” are to ensure access to affordable, reliable, sustainable and modern energy for all (SDG 7) and to ensure a transition to a sustainable energy system at socially acceptable costs while maintaining the security of supply (SDG 13). The Issuer expects the Green Project Portfolio to have a positive impact on the use of renewable energy and the reduction of CO2 emissions. In this respect, the Issuer reported the expected environmental impact of the projects included in the Green Project Portfolio for the reporting year 2021 to be (i) equivalent to enabling 8.2 million households to switch to 100% renewable energy (based on the yearly average electricity consumption of one German / Dutch household and full capacity), and (ii) a potential avoidance of 9.5 million tonnes of CO2 emissions (based on full capacity, compared to the average carbon impact of the grid in Germany / the Netherlands).

The Issuer is expected to issue a report, among others and as set out in more detail in the Green Financing Framework, on (i) the allocation of proceeds of instruments issued under the Green Financing Framework, (ii) the yearly Capex on the Green Project Portfolio, (iii) the advancement of the Eligible Green Projects in the building phase, (iv) environmental impact indicators, (v) operational and social indicators and (vi) significant controversies. This report will be issued once a year together with the Issuer's annual report until all Notes which were issued for the purpose of financing, refinancing and or/investing in Eligible Green Projects are repaid in full or until the maturity date of these Notes. The report will be reviewed by a second party consultant or with limited assurance by an independent auditor. In addition, the Issuer is expected to provide regular information through its website (www.tennet.eu) to investors on the environmental outcomes of the Eligible Green Projects.

*None of the Dealers will verify or monitor the proposed use of proceeds of Notes issued under the Programme.*

# BUSINESS DESCRIPTION OF ISSUER

## Introduction

The Issuer was incorporated as a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) under the laws of the Netherlands on 28 April 1994 and operates under the laws of the Netherlands. The Issuer has its corporate seat in Arnhem, the Netherlands and has its registered office at Utrechtseweg 310, 6812 AR Arnhem, the Netherlands (telephone number +31 26 373 1111). The Issuer is registered with the Dutch Chamber of Commerce under registration number 09083317. The Issuer's legal entity identifier (LEI) is 724500LTUWK3JQG63903.

## Objects

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

"2.1. The objects of the company are to, directly or indirectly, participate in or to take an interest in any other way in, and to conduct the management of other business enterprises with objects as described in this paragraph and paragraph 2 of this article or objects which are similar or related thereto, furthermore to finance third parties and to provide security or undertake the obligations of third parties in any way, as well as to do everything that is in conformance with the provisions of this article or related or conducive thereto in the broadest sense.

2.2. The objects of the other business enterprises mentioned in paragraph 1 of this article may include:

(a) to provide for the transport and dispatch of electrical energy;

(b) to install, operate, manage and/or maintain networks intended for the transport of electricity, including connections that cross national borders as well as to measure the electrical energy supplied to and/or withdrawn from these networks;

(c) to render system services and other services for the electricity supply within the Netherlands and abroad;

(d) to conduct operations and/or to promote market forces in the area of energy and the environment, including but not limited to operating exchanges and other trading and market places, registering and issuing rights and certificates and issuing subsidies and other payments;

(e) to lease, to allow third parties to use or to make available in any other way facilities, goods and/or rights, including networks connected by optical fibre cables and telecommunication equipment and areas belonging to masts and buildings;

(f) to conduct operations related or connected to the above objects as well as to perform all other tasks charged to the company in or pursuant to any statutory scheme or designation from competent authorities; and

as well as to do everything that is in conformance with the above objects or related or conducive to the above objects in the broadest sense.

As long as the company is part of a group with the transmission system operator it is not permitted to engage in acts or activities that may be contrary to the interest of the operation of electricity transmission systems."

## Capitalisation and Group Structure

The authorised share capital of the Issuer is EUR 500,000,000, comprising of one million registered shares with a nominal value of EUR 500 each. A total of two hundred thousand registered shares have been issued, all of which are fully paid.

The Issuer's sole shareholder is the State of the Netherlands, represented by the Ministry of Finance (as opposed to the Ministry of Economic Affairs being the legislator in respect of the energy sector). On 18 October 2013, the Dutch government published its Policy on Government Participations 2013. In this policy the State categorised its participations in three categories:

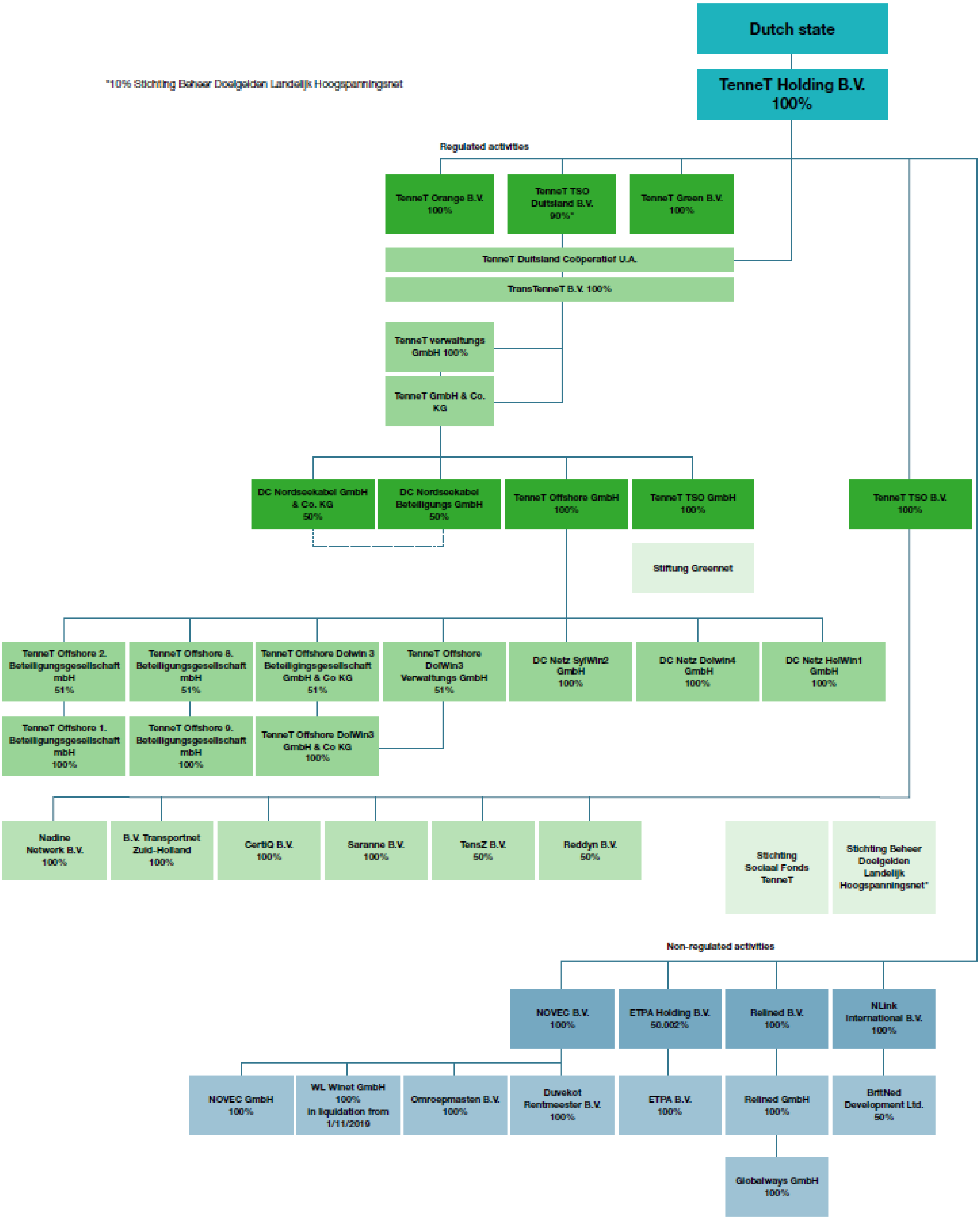
1. predetermined temporary state-ownership;
2. permanent state-ownership; and
3. non-permanent state-ownership.

The category "permanent state-ownership" contains participations in respect of which the Dutch government deems it important that the State maintains a controlling influence by means of at least a majority stake. It does not entail that there cannot be any additional private or public shareholders. However, the State must maintain a controlling interest. The State's participation in the Issuer has been placed in the "permanent state-ownership" category. The Dutch government will not seek private parties to make risk-bearing investments in the Issuer's Dutch activities. However, the Dutch government may review the possibility of entering into strategic cooperations with other transmission system operators certified under the European rules by means of cross-participations. No such transaction will, however, take place before the Second Chamber of the Dutch Parliament has been consulted.

In the Policy on Government Participations 2013, the State announced that (i) for the time being, it wishes to retain full ownership of the Issuer and (ii) it will hold annual reviews of the State's participations. Every participation (including the Issuer), shall be evaluated at least once every seven years in order to determine whether it is still feasible and in the public interest for the State to keep a majority interest in such participation. Such review will focus on an assessment of (i) the public framework, (ii) corporate governance, (iii) the economic position, (iv) the strategic environment of the participation and (v) the manner in which public interest are met. Furthermore, the Policy on Government Participations 2013 provides that the State will seek to increase its influence over certain of the Issuer's business decisions and the Issuer's corporate governance (see "*Risk factors – Risks relating to structure of the Issuer – Influence of the State of the Netherlands as the sole shareholder of the Issuer*" and "*Business Description of the Issuer – Corporate Governance*"). It is noted that the business of the Issuer is regulated by the European Union's third package on the internal energy market (including the third EU Electricity Directive 2009/72/EC) and the Electricity Act 1998 (this act, as amended from time to time, the "**Electricity Act**") (as amended to implement the aforesaid Electricity Directive 2009/72/EC).

The current Group structure, headed by the Issuer, was established in 2005 through a number of mergers and demergers with the objective to separate regulated and non-regulated activities of the Group in accordance with Article 17a of the Electricity Act. All Dutch regulated activities of the Group are performed by either TenneT TSO NL or one of its subsidiaries. With a few exceptions, TenneT TSO NL and its subsidiaries are not allowed to perform activities that could create competition with third parties. Any permitted unregulated activities are performed by subsidiaries (excluding TenneT TSO NL and its subsidiaries) and participations positioned directly under the Issuer or directly or indirectly under such subsidiaries. The unregulated activities of these subsidiaries are not allowed to conflict with the – regulated – interests of TenneT TSO NL. All German regulated activities are performed by TenneT TSO Germany and its subsidiaries.

The legal structure of the Group as of 1 January 2022 is as follows (minority participations excluded):



## History and development of the Issuer

The history and development of the Issuer is inextricably linked with the history and development of the Dutch and German electricity markets.

*Dutch electricity market*

The Dutch electricity market is regulated by the Electricity Act. Many provisions of the Electricity Act are detailed in subordinate legislation laid down by the Crown, the Minister of Economic Affairs & Climate and the ACM. The ACM is the national regulatory authority and has comprehensive *ex ante* and *ex post* regulatory powers, which include the adoption of binding conditions and tariffs for third party network access.

Under the Electricity Act and European legislation, generation and supply activities on the one hand and network operation activities on the other may not be integrated in one legal entity. When the Electricity Act was implemented in 1998, the generation companies and the distribution companies had to transfer the operation and management of their electricity networks to separate limited liability companies. These separate limited liability companies must operate independently and provide non-discriminatory network access against regulated tariffs and conditions. TenneT TSO NL and its predecessors have been fully unbundled since they started operations under the Electricity Act.

Transmission system operators must operate, maintain and develop their grids in an efficient, safe, reliable and environmental friendly manner. The Dutch electricity network is laid out in a "cascade" of voltage levels. The national transmission network is operated at 220 kV or 380 kV (extra high voltage) and at a voltage level of 110 kV or 150 kV (high voltage). Distribution networks are operated at levels of up to 50 kV.

All Dutch regulated activities of the Group are performed by TenneT TSO NL and its subsidiaries. TenneT TSO NL operates substantially all networks with a voltage level of 110 kV, 150 kV, 220 kV or 380 kV. The lower voltage networks are operated by various regional distribution network companies.

Electricity Directive (EU) 2019/944 requires that an operator is certified by the national regulatory authority before it is designated as a transmission system operator. By decision of 18 December 2013, the ACM has certified TenneT TSO NL as the transmission system operator for the Dutch National HV Grid (as defined below) and on 1 May 2015 as an interconnector operator for its part of the NorNed Cable. In addition, TenneT TSO NL has been certified and designated as transmission system operator for the Dutch offshore grid on 13 June 2016 and 5 September 2016, respectively, as well as the interconnector operator of the Cobra Cable (certification on 26 November 2018 and designation on 30 January 2019).

TenneT TSO NL's tasks can be distinguished in system operation tasks, aimed at maintaining the balance of the Dutch electricity system and contributing to the maintenance of the balance of connected systems in Europe on the one hand, and the transmission task to provide non-discriminatory access to its networks on the basis of civil law contracts on the other. TenneT TSO NL's tasks are subject to published tariffs and conditions adopted by the ACM. Also on regional network operators rests the latter task in respect of their respective grids. Some of the tasks imposed on TenneT TSO NL are described in more detail in "*Description of the Issuer – Business – Dutch regulated activities*" below.

In December 2016, the Minister of Economic Affairs published a legislative proposal, which includes amendments to the Gas Act (*Gaswet*) and the Electricity Act (*wetsvoorstel 'Voortgang Energietransitie'*), which proposal has been approved by Dutch parliament (*Tweede Kamer*) on 30 January 2018 and by the Dutch senate (*Eerste Kamer*) on 3 April 2018. The amendments will limit the scope of the activities that the Issuer is allowed to perform outside its statutory tasks as a TSO. In addition, the amendments will limit the scope of the activities of other Group companies. The amendments will also offer TenneT TSO NL the possibility to enter into cross-participations with other TSO's. In 2021, the consultation of interested parties on the new Energy Act has taken place, which will enable the Ministry of Economic Affairs and Climate to implement the Clean Energy Package of the European Commission. The Energy Act is a high level framework that should be complemented by additional lower legislation. The drafts of the Energy Act do not have a material impact on TenneT TSO NL's license to operate as TSO in the Dutch electricity market.

*Offshore grid*

In 2014, the Issuer presented a concept for connecting offshore wind in the Netherlands. This concept provides direct connection of offshore wind turbines to five newly designed standard TenneT 700 MW platforms. The offshore platforms will be connected to the onshore grid via 220 kV alternating current cable connections and may serve one or more offshore wind farm developers, thereby reducing the total number of required platforms. This concept has become known as the standardized 700 MW AC offshore grid concept which will be used as standard for the currently foreseen five offshore TenneT platforms in the Dutch part of the North Sea until 2023.

Following the amendment of the Electricity Act on 1 April 2016, TenneT TSO NL has been certified by the regulator ACM and designated by the Dutch Ministry of Economic Affairs and Climate Policy as offshore grid operator in the Netherlands.

In March 2018, the Dutch government presented the Offshore Wind Energy Roadmap 2030. To meet the governmental targets until 2030, another 6.1 GW offshore wind development is foreseen (resulting in a total of 10.6 GW offshore wind). The Development Framework published by the Ministry of Economic Affairs and Climate in December 2019 confirms three new standardized 700 MW AC offshore grid concepts will be realised prior to 2030. Additionally, the 4 GW wind area "IJmuiden Ver" will be developed using a new standard of 2 GW HVDC grid concept, also prior to 2030. At this moment, it is expected that the Dutch government will adjust the wind energy development plan in 2022 to increase the foreseen 10.6 GW offshore wind by approximately 10 GW to a total of approximately 21 GW in 2030.

***German Electricity Grid Market***

The German electricity grid market is subject to a comprehensive regulatory regime governed by numerous acts and ordinances which are subject to constant modifications and amendments. The main pieces of legislation are the German Energy Industry Act (*Energiewirtschaftsgesetz*, "**EnWG**") and several ordinances, most notably the Ordinance on Incentive Regulation (*Anreizregulierungsverordnung*, "**ARegV**"), the Ordinance on Grid Tarifs (*Stromnetzentgeltverordnung*, "**StromNEV**") and the Ordinance on Grid Access (*Stromnetzzugangsverordnung*, "**StromNZV**"). BNetzA is the competent regulatory authority *vis-à-vis* TenneT TSO Germany. Main areas of regulation are grid access including grid access terms and conditions such as grid tariffs (subject to incentive regulation), grid connection, grid development and grid system services. This regulatory approach is currently subject to proceedings at the European Court of Justice, in which the Advocates General opinions were published in January 2021. The judgment of the European Court of Justice was published on 2 September 2021. In its judgement the European Court of Justice fully upholds EU Commission's action against the Federal Republic of Germany and regards BNetzA's exclusive competence as infringed. The ruling is likely to lead to fundamental changes in national German energy law in the medium term. Such changes may impact the revenue levels of TenneT TSO Germany and may therefore impact its cash flows. Based on the current view of the Federal Network Agency (BNetzA) and the current case law of the Düsseldorf Higher Regional Court (OLG Düsseldorf) and the Federal Court of Justice (BGH), until the necessary reorganization of the legal framework, the existing regulations of the EnWG and the network charge and network access ordinances continue to apply.

Similar to Dutch requirements, German electricity grid operators have to be unbundled from other business operations of a vertically integrated energy utility. In order to guarantee a transparent, non-discriminatory operation of the electricity grid, the EnWG not only provides for separate accounting but also for legal, operational and informational unbundling. In addition, based on the European Union's unbundling rules (introduced by the third legislative energy law package in article 43 et seqq. of EU Directive 2019/944) and corresponding rules in the German statutory framework, TSOs are subject to certain unbundling obligations. In this respect, TSOs have to be certified in order to ensure compliance with applicable unbundling requirements. TenneT TSO Germany was certified by BNetzA on 3 August 2015.

TenneT TSO Germany is under a general obligation to operate a safe, reliable and efficient transmission grid on a non-discriminatory basis. Furthermore, TenneT TSO Germany is required to maintain, develop and optimise its grid meeting the demands (*bedarfsgerechter Ausbau*) to the extent this is economically reasonable. To this effect, the four German electricity TSOs which operate control areas, namely TenneT TSO Germany, Amprion GmbH, 50Hertz Transmission GmbH and TransnetBW GmbH, are under an obligation to issue an (integrated onshore and offshore) network development plan ("**NEP**") every two years.

The NEP must include all measures required for an optimisation, reinforcement and expansion of the transmission grid necessary to meet transmission demands for the period of ten to fifteen years as well as fifteen to twenty years, respectively. Following a consultation process, the network development plan needs to be approved by BNetzA. On this basis, the federal requirement plan (*Bundesbedarfsplan*) is adopted by the German legislator at least every four years which is binding for the TSOs.

The site development plan (FEP) issued by the Federal Maritime and Hydrographic Agency ("**BSH**") defines the areas for offshore wind energy spatially and temporally. The BSH has been responsible for the development and preliminary investigation of areas for the construction and operation of offshore wind energy on the basis of the Wind Energy at Sea Act (WindSeeG) in an overall planning process. The plan was developed for the first time in 2018 and 2019 and published in June 2019. It is updated every four years or when changes are necessary

The extra high voltage grid in Germany (380-kV and 220-kV) is operated by the four abovementioned TSOs which have interconnected their transmission grids through national interconnector lines to form the German interconnected system (*Verbundnetz*). This interconnected system together with parts of Denmark, Luxembourg and Austria form the "German control block".

Similar to TenneT TSO NL's tasks, TenneT TSO Germany is required to maintain the balance of the German transmission grid system within its control area (*Regelzone*) and thereby contribute to the balancing of the interconnected systems in Europe. TenneT TSO Germany is not active in any downstream (distribution) grid operations. In addition, TenneT TSO Germany is required to grant third party access to its transmission grid on an economically reasonable, non-discriminatory and transparent basis. The ARegV provides for an incentive regulation framework which governs the allowed revenues from which grid access tariffs are consequently derived. This includes also the framework of so-called investment measures providing timely reimbursement, particularly for grid extension and grid restructuring measures. From 2024 on – with a transitional phase until 2029 – the investment measure scheme will be replaced by a so-called "capital cost adjustment" as a part of a new reimbursement mechanism ("Kapitalkostenabgleich"). In this new mechanism there is no differentiation between replacement and expansion investments, and the reimbursements of investment costs will be determined and adjusted annually. The treatment of investment measures and the reimbursement of investments for offshore projects finished and commissioned before year-end 2019 that are treated under the grandfathering model remains materially the same as before the introduction of the ONU-VO. Offshore projects finished and commissioned after year-end 2019 will be treated under the new regulatory regime. Further, TenneT TSO Germany is required to grant grid connections to grid users such as large industrial customers and power plants on a non-discriminatory basis. This includes the obligation to construct and operate OWF connections necessary to connect OWFs in the North Sea to the German onshore electricity grid system.

Continuous investments in the (expansion of the) grid infrastructure as well as network-related or market-related measures are employed to avoid potential or to counter existing congestions in the transmission grid. Such measures include, *inter alia*, the competence to prohibit the permanently or temporarily decommission of electricity generation or storage facilities if such facilities are deemed "system-relevant", and furthermore the application of so-called redispatch measures.

***History of the Issuer***

Under the Electricity Act 1989 (*Elektriciteitswet 1989*), the operation and maintenance of the electricity transmission system in the Netherlands was based on a systemic cooperation between four vertically integrated electricity companies, owned by provinces and municipalities. The embodiment of this cooperation was N.V. Samenwerkende Elektriciteits-productiebedrijven ("**Sep**"). The four electricity companies were N.V. Elektriciteitsbedrijf Zuid-Holland, N.V. Elektriciteits-Productiemaatschappij Oost- en Noord-Nederland, N.V. Elektriciteits-Productiemaatschappij Zuid-Nederland and Energieproduktiebedrijf UNA (together: the "**Sep Shareholders**"). Each of the Sep Shareholders owned 25% of the shares in Sep. Sep owned 67% of the 220/380 kV grid as well as the cross-border interconnections. The remaining part of the 220/380 kV grid was owned by Sep Shareholders, but put at Sep's disposal to enable it to manage the 220/380 kV grid in its entirety. On 28 April 1994, Sep incorporated Dutch Electricity Consulting Services B.V. ("**DELCOS**") as its 100% subsidiary. DELCOS has undergone several name changes and is currently named TenneT Holding B.V.

In 1998, the Electricity Act entered into force. The Electricity Act created a legal basis for a gradual liberalisation of the electricity market (completed in July 2004). It furthermore compelled majority owners of the transmission and distribution electricity grids (therefore including Sep) to appoint separate legal entities as grid managers and to transfer to these legal entities the management of the grids. These entities were from then on exclusively charged with the fulfilment of statutory tasks relating to the operation, maintenance, renewal and extension of the grids.

For the 220/380 kV grid as well as the cross-border interconnections of 500 V and higher, the Electricity Act introduced the function of national grid manager. The national grid manager's tasks include transmission system services, which means that it is the national TSO as well. As owner of 67% of the 220/380 kV grid, Sep was obliged to appoint the national grid manager. Sep appointed DELCOS on 21 October 1998. Until that appointment, DELCOS had not performed any holding activities or any other activities and was a subsidiary of Sep.

On the same date, Sep transferred the beneficial ownership of the 220/380 kV grid and of the cross-border connections of 500 V and higher (to the extent owned by Sep) to DELCOS and granted DELCOS an option to also request the legal ownership thereof. DELCOS was renamed TenneT, Manager Landelijk Elektriciteitsnet B.V. on 21 October 1998 and renamed TenneT, Transmission System Operator B.V. ("**TenneT, Transmission System Operator**") on 14 January 1999.

On 2 February 2001, a demerger of Sep (in the meantime renamed B.V. Nederlands Elektriciteit Administratiekantoor, "**NEA**") was effectuated whereby Saranne B.V. ("**Saranne**") was incorporated. At this occasion, NEA transferred its legal ownership of the 67% part of the 220/380 kV grid as well as of the cross-border interconnections of 500 V and higher to Saranne, leaving the option for TenneT, Transmission System Operator to request a transfer of the legal ownership to it intact. All shares in the capital of Saranne were issued to NEA. On 25 October 2001, NEA transferred all shares in TenneT, Transmission System Operator and all shares in Saranne to the State of the Netherlands.

On 18 December 2003, TenneT, Transmission System Operator acquired all shares in the capital of B.V. Transportnet Zuid-Holland ("**TZH**"), owning the entire 150 kV grid and part of the 380 kV in the province of Zuid-Holland. At the time TenneT neither owned nor managed any other 110 kV or 150 kV grid.

On 19 December 2005, TenneT, Transmission System Operator was converted into a holding company and renamed TenneT Holding B.V. The holding structure came into existence by way of a de-merger whereby TenneT TSO NL was incorporated. As a de-merged company, TenneT TSO NL obtained all assets of the Issuer, including the beneficial ownership of the 220/380 kV grid (with the exception of those parts that were still owned by the former Sep Shareholders or their legal successors) and the cross-border interconnections of 500 V and higher.

In November 2006, an amendment to the Electricity Act was enacted pursuant to which the "national electricity (extra) high voltage grid" – which pursuant to the Electricity Act is to be managed by the national grid manager – has been redefined so as to include the 110 kV and 150 kV grids in addition to the 220 kV and 380 kV grids and the cross-border interconnections of 500 V and higher. This amendment entered into force on 1 January 2008. As a consequence, TenneT TSO NL, being the legally appointed national grid manager of the national electricity (extra) high voltage grid, from 1 January 2008 had to take over the management of the 110 kV and 150 kV grids from the relevant regional grid managers. In 2009, TenneT TSO NL acquired the high voltage grids still owned by Enexis B.V., Liander N.V. and Delta N.V. In 2015, TenneT TSO NL acquired the 150 kV grid formerly owned by Stedin B.V. TenneT TSO NL at the moment owns all of the national electricity grids of 110 kV and higher (excluding the 150 kV "Randmeren" grid still owned by or through Liander N.V. and certain exemption holders) and has a legal monopoly with respect to the management of the National HV Grid on the basis of the Electricity Act. The maintenance of the grids is performed by joint ventures that TenneT TSO NL entered into with Stedin (TensZ B.V.) and Liander (Reddyn B.V.). TenneT TSO NL also manages and directly owns the cross-border interconnectors with alternating current and has a 50 per cent interest in the NorNed Cable.

In July 2012, in order to implement the third Electricity EU Directive (2009/72/EC), an amendment to the Electricity Act was enacted pursuant to which the "national electricity (extra) high voltage grid" was redefined, including the cross-border interconnections with alternating current (AC) (hereinafter together defined as the "**National HV Grid**"). A separate definition for managers of interconnectors, *i.e.* cross-border interconnections with direct current, has furthermore been introduced.

The Issuer indirectly wholly owns the subsidiary transpower GmbH & Co. KG (subsequently renamed TenneT GmbH & Co KG), a limited partnership (*Kommanditgesellschaft*) organised under the laws of Germany, acquired from E.ON AG, with economic effect as of 1 January 2010, all of the issued and outstanding shares of the German extra high voltage grid operator transpower stromübertragungs GmbH (subsequently renamed TenneT TSO GmbH), a limited liability company (*Gesellschaft mit beschränkter Haftung*) organised under the laws of Germany, as well as, indirectly, all of the issued and outstanding shares of Transpower Offshore GmbH (which subsequently became a sister company of TenneT TSO GmbH and was renamed TenneT Offshore GmbH), at the time a wholly-owned subsidiary of Transpower Stromübertragungs GmbH organised as a limited liability company under the laws of Germany (the "**Acquisition**").

In December 2012, the Issuer and Mitsubishi Corporation concluded their partnership with respect to two OWF Connections, BorWin1 and BorWin2. In that perspective, external investors have 49% of the voting interest and 69% of the economic interest in the German special purpose vehicle TenneT Offshore 2. Beteiligungsgesellschaft mbH. In April 2013, Mitsubishi Corporation acquired two further OWF Connections, HelWin2 and DolWin2. In that perspective external investors have 49% of the voting interest and 63% of the economic interest in the German special purpose vehicle TenneT Offshore 8. Beteiligungsgesellschaft mbH. In February 2014, the Issuer and Copenhagen Infrastructure Partners ("**CIP**") agreed on a joint investment in the offshore grid connection DolWin3. In that perspective CIP has 49% of the voting interest and 67% of the economic interest (adjusted for certain regulatory effects) in the German special purpose vehicle TenneT Offshore DolWin3 Beteiligungs GmbH & Co. KG and TenneT Offshore DolWin3 Verwaltungs GmbH.

In 2015, partner companies StattnetSF, KfW and TenneT TSO Germany made a final investment decision to establish an interconnector between Norway and Germany under the project name "NordLink" and construction started in 2016. Ownership of the interconnector is equally split between KfW and TenneT TSO Germany owning the Southern part through a jointly owned company and Statnett SF owning the Northern part through a wholly-owned Norwegian company.

In 2020, together with Swissgid AG and Terna SPA, TenneT established Equigy B.V. ("**Equigy**") as a joint operation. Equigy enables owners of small-scale assets to play a key role in transforming the energy sector by optimising their interaction with the grid. In February 2021, Austrian Power Grid AG joined the crowd balancing platform Equigy.

***Corporate Governance***

The Dutch Corporate Governance Code (the "**Corporate Governance Code**") applies to listed companies. The Issuer, even though not a listed company, decided to comply with the Corporate Governance Code for the sake of transparency. Also, the State, as sole shareholder of the Issuer, set out in the Policy on Government Participations 2013 that it expects the Issuer to comply with the Corporate Governance Code or to explain, where applicable, why the Issuer does not comply with the relevant best-practices thereof.

In light of the above, a large number of the principles of the Corporate Governance Code have been integrated in the corporate governance structure of the Issuer and the Issuer complies with most provisions of the Code. In each annual report, the Issuer explains why certain principles and best-practice provision of the Corporate Governance Code do not apply to the Issuer or why and to what extent the Issuer decided not to adopt the principles and best practice provisions. More information on the Issuer's corporate governance arrangements can be found on its website: (http://www.tennet.eu/nl/nl/corporate-governance.html).

The Issuer is structured as a large company (*structuurvennootschap*) within the meaning of Section 2:264 Dutch Civil Code. The Issuer complies with the “large company regime” (*structuurregime*). The Issuer complies with the obligations regarding the corporate governance structure as provided for in the Electricity Act. The Issuer has a statutory executive board (*raad van bestuur*, the "**Executive Board**"). In accordance with the large company regime, the Issuer has a supervisory board (*raad van commissarissen*, the "**Supervisory Board**"). For certain decisions the Executive Board requires prior approval of the Supervisory Board. Also, for certain decisions, the prior approval of the general meeting of shareholders is necessary. In practice, this means that, the Issuer's only shareholder, the State, represented by the Ministry of Finance, must approve certain decisions, including, but not limited to, decisions relating to significant investments, a major change in the identity or nature of the Issuer or its enterprises, and the entering into and termination of important joint ventures. In addition, the general meeting of shareholders can, *inter alia*, amend the Issuer's articles of association and appoint the members of the Executive Board and Supervisory Board, subject to the conditions and procedures laid down in the Issuer's articles of association.

## Executive Board

The members of the Issuer's Executive Board are as follows:

| Name | Position | Positions outside the Issuer |
|---|---|---|
| Ms M.J.J. (Manon) van Beek | Chair Executive Board and Chief Executive Officer | Chair Supervisory Board (Aufsichtsrat) of TenneT TSO GmbH<br>Member Board TenneT Verwaltungs GmbH<br>Chair Supervisory Board Kanker.nl foundation<br>Chair Board Giving Back foundation<br>Chair Board Refugee Talent Hub foundation |

| Name | Position | Positions outside the Issuer |
|---|---|---|
| | | General Member Board of German-Dutch Chamber of Commerce DNHK<br><br>Council of the Thinktank Agora Energiewende |
| Mr M.C. (Maarten) Abbenhuis | Chief Operating Officer | Member Board TenneT TSO B.V.<br><br>Member Board TenneT TSO GmbH<br><br>Formal representative Vereniging Nederlandse EnergieData Uitwisseling (NEDU)<br><br>Member Board Netbeheer Nederland B.V.<br><br>Representative of the shareholder TSCNET Services GmbH |
| Ms. A.C.H. (Arina) Freitag | Chief Financial Officer | Member Board TenneT TSO B.V.<br><br>Member Board TenneT TSO GmbH<br><br>Member Supervisory Board of Stiftung GreenneT<br><br>Member Board Flexcess GmbH |
| Mr T.C. (Tim) Meyerjürgens | Chief Operating Officer | Member Board TenneT TSO B.V.<br><br>Member Board TenneT TSO GmbH<br><br>Member Board TenneT Verwaltungs GmbH<br><br>Member Board TenneT Offshore GmbH<br><br>Member Executive Board Wind Energy Association Bremerhaven<br><br>Member Advisory Board Offshore Wind Energy MBA<br><br>Member Board of Trustees German Offshore Wind Energy Foundation<br><br>Member Advisory Board Federal Association of Wind Farms Offshore<br><br>Member Board of Directors FGH (Forschungsgemeinschaft für Elektrische Anlagen und Stromwirtschaft e. V.)<br><br>Member Board of Trustees FGE (Forschungsgesellschaft Energie e. V.)<br><br>Member of the German National Committee of CIGRE |

| Name | Position | Positions outside the Issuer |
|---|---|---|
| | | Member Supervisory Board of Stiftung GreenneT |

The Issuer's registered address serves as the business address for each member of the Executive. See "*Description of the Issuer – Introduction*" above.

There are no existing or potential conflicts of interest between the duties of each of the members of the Executive Board and his private interest and/or other duties.

## Supervisory Board

The members of the Supervisory Board of the Issuer are as follows:

| Name | Position | Positions outside the Issuer, TenneT TSO NL or TenneT TSO Germany |
|---|---|---|
| Mr A.F. (Ab) van der Touw | Chair | Member Board Deutsch-Niederländische Handelskammer |
| | | Chair Supervisory Board Universiteit Leiden |
| | | Chair Board Dutch Bach Association |
| | | Chair Supervisory Board Fonds Slachtofferhulp |
| | | Chair Supervisory Board NIBA |
| | | Member Board GAK Foundation |
| | | (External) member Ondernemingskamer Gerechtshof 's Gravenhage |
| | | Chair Advisory Counsel Ministry of Defence |
| | | Chair Advisory Counsel Ministry of Infrastructure |
| | | Chair Supervisory Board, Platform voor Techniek Talent |
| | | Member Supervisory Board Van Leeuwen Buizen Groep B.V. |
| Ms E.M. (Edna) Schöne | Member | Member Executive Board Euler Hermes A.G. |
| | | Member of the Board 'Lateinamerikaverein' |
| | | Member of the Executive Committee 'Ostausschuss der deutschen Wirtschaft' |
| | | Member of the Executive Committee International Chamber of Commerce Germany |
| | | Member of Unternehmens-beirat KfW Ipex |

| Name | Position | Positions outside the Issuer, TenneT TSO NL or TenneT TSO Germany |
|---|---|---|
| Ms E. (Essimari) Kairisto | Member | Member Supervisory Board Fortum Oyi<br>Member Supervisory Board Freudenberg SE<br>Member Supervisory Board Applus+ Services SA<br>Chair Deutsch-Finnische- Gesellschaft e.V.<br>Member Supervisory Board Iveco Group N.V. |
| Mr A.C.C. (Stijn) van Els | Member | Commercial Director at Havenbedrijf Rotterdam N.V.<br>Member Advisory Council Ministry of Infrastructure<br>Chair Supervisory Board IDA Foundation<br>Chair Supervisory Board EVOS B.V.<br>Honorary consul general of the Bundesrepublik Deutschland in Rotterdam |
| Ms L.J. (Laetitia) Griffith | Vice-chair | Chair Supervisory Board of Holding Nationale Goede Doelen Loterij N.V./ Postcode Loterij<br>Chair Board of Nederlands Filmfonds<br>Member of the Supervisory Board of Gassan Diamonds B.V.<br>Member of the Supervisory Board of ABN AMRO Bank N.V.<br>Member of the Aufsichtsrat TenneT TSO GmbH<br>Chair Stichting Nederlands Vioolconcours |

The Issuer's registered address serves as the business address for each member of the Supervisory Board. See "*Description of the Issuer – Introduction*" above.

There are no existing or potential conflicts of interest between the duties of each of the members of the Supervisory Board of the Issuer and his private interest and/or other duties.

The Supervisory Board has installed an Audit, Risk and Compliance Committee (the "**Audit Committee**"). The Supervisory Board has appointed Ms E. Kairisto (chair), ms E.M. Schöne and Mr A.F. van der Touw to form the Audit Committee. The Audit Committee's tasks include overseeing the (quality of the) Issuer's financial reporting, its financial reporting policy and procedures, the (quality of the) internal risk management and control systems, and the independent external audit of the financial statements. The duties of the Audit Committee are set out in the Audit Committee regulations, which can be found on the Issuer's website (www.tennet.eu).

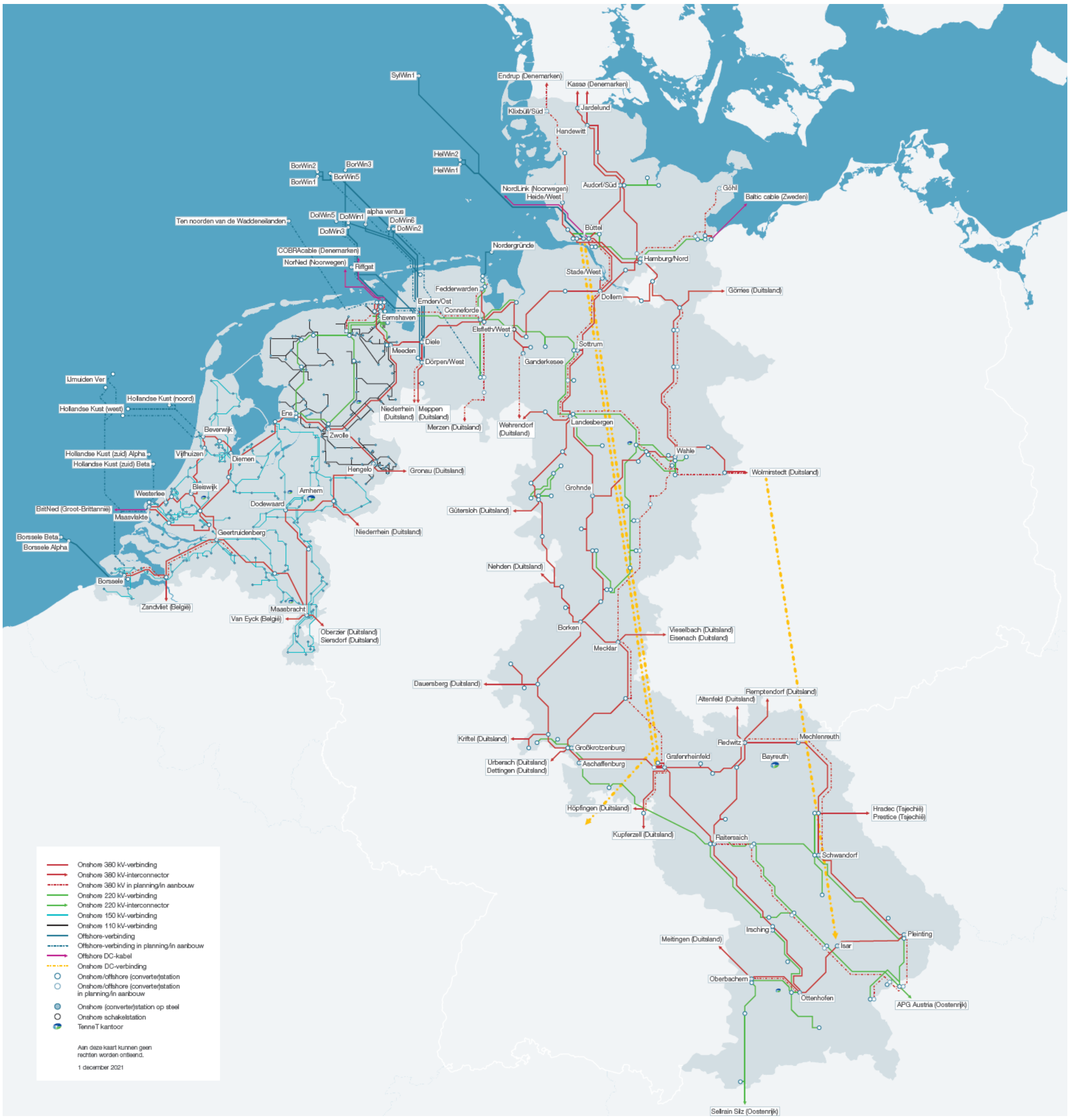
The Supervisory Board has appointed Ms L.J. Griffith (chair), Mr A.C.C. van Els, and Mr A.F. van der Touw to form the remuneration and appointments committee (the "**Remuneration Committee**"). The Remuneration Committee is charged with making proposals concerning the remuneration policy to be pursued, the remuneration of individual board members and the preparation of a remuneration report. The Remuneration Committee also defines criteria for the appointment of board members and supervises the procedure for the appointment of new board members. The duties of the Remuneration Committee are set out in the Remuneration Committee regulations which can be found on the Issuer's official website (www.tennet.eu).

The Supervisory Board has installed a Strategic Investment Committee (the "**SIC**"). The Supervisory Board has appointed Mr A.C.C. van Els (chair), Ms E. Kairisto and Ms E.M. Schöne to form the SIC. The SIC advises the Supervisory Board regarding strategic investments and prepares decision making of the Supervisory Board. The SIC examines whether investment submissions of the Executive Board fit into the economic, financial and technical goals of TenneT. The duties of the SIC are set out in the SIC regulations which can be found on the Issuer's official website (www.tennet.eu).

## Business

The Group performs regulated activities in the Netherlands and Germany and unregulated activities in a number of North-western European countries.

A map of the 110/150 kV and 220/380 kV grids managed by TenneT TSO NL and the 220/380 kV grids managed by TenneT TSO Germany is reproduced in the following figure.



SylWin1
Endrup (Denemarken)
Kassø (Denemarken)
Klixbüll/Süd
Jardelund
Handewitt
HelWin2
HelWin1
BorWin2
BorWin3
BorWin1
BorWin5
NordLink (Noorwegen)
Heide/West
Audorf/Süd
Göhl
Baltic cable (Zweden)
Ten noorden van de Waddeneilanden
DolWin5
DolWin1
alpha ventus
DolWin6
DolWin2
DolWin3
Büttel
Nordergründe
COBRAcable (Denemarken)
NorNed (Noorwegen)
Riffgat
Hamburg/Nord
Stade/West
Fedderwarden
Emden/Ost
Conneforde
Dollern
Görries (Duitsland)
Eemshaven
Elsfleth/West
Diele
Meeden
Sottrum
Dörpen/West
Ganderkesee
IJmuiden Ver
Hollandse Kust (noord)
Hollandse Kust (west)
Niederrhein (Duitsland)
Meppen (Duitsland)
Merzen (Duitsland)
Wehrendorf (Duitsland)
Landesbergen
Ens
Zwolle
Beverwijk
Hollandse Kust (zuid) Alpha
Hollandse Kust (zuid) Beta
Vijfhuizen
Diemen
Wahle
Hengelo
Gronau (Duitsland)
Wolmirstedt (Duitsland)
Bleiswijk
Westerlee
Arnhem
Dodewaard
Grohnde
BritNed (Groot-Brittannië)
Maasvlakte
Gütersloh (Duitsland)
Borssele Beta
Borssele Alpha
Geertruidenberg
Niederrhein (Duitsland)
Nehden (Duitsland)
Borssele
Zandvliet (België)
Maasbracht
Van Eyck (België)
Oberzier (Duitsland)
Siersdorf (Duitsland)
Borken
Vieselbach (Duitsland)
Eisenach (Duitsland)
Mecklar
Dauersberg (Duitsland)
Remptendorf (Duitsland)
Altenfeld (Duitsland)
Kriftel (Duitsland)
Redwitz
Mechlenreuth
Großkrotzenburg
Urberach (Duitsland)
Dettingen (Duitsland)
Aschaffenburg
Grafenrheinfeld
Bayreuth
Höpfingen (Duitsland)
Hradec (Tsjechië)
Prestice (Tsjechië)
Kupferzell (Duitsland)
Raitersaich
Schwandorf
Irsching
Meitingen (Duitsland)
Pleinting
Isar
Oberbachern
Ottenhofen
APG Austria (Oostenrijk)
Sellrain Silz (Oostenrijk)
Onshore 380 kV-verbinding
Onshore 380 kV-interconnector
Onshore 380 kV in planning/in aanbouw
Onshore 220 kV-verbinding
Onshore 220 kV-interconnector
Onshore 150 kV-verbinding
Onshore 110 kV-verbinding
Offshore-verbinding
Offshore-verbinding in planning/in aanbouw
Offshore DC-kabel
Onshore DC-verbinding
Onshore/offshore (converter)station
Onshore/offshore (converter)station in planning/in aanbouw
Onshore (converter)station op steel
Onshore schakelstation
TenneT kantoor
Aan deze kaart kunnen geen rechten worden ontleend.
1 december 2021

***Strategy***

As the TSO for the Netherlands and a large part of Germany, as well as the first cross-border TSO for Europe, the Issuer plays a pivotal role in a sector that affects society at many levels. The Issuer's mission as a leading TSO is to create stakeholder value. The Issuer aims to do this via the following four strategic pillars:

- **Energise its people and organisation** with an inclusive and safe environment where people enjoy coming to work. The Issuer is building a leadership model that empowers, inspires and creates growth opportunities, so everyone can perform at their best and work as one.
- **Drive the energy transition** as a green grid operator and thought leader, developing innovative instruments and establishing a key role in the energy data world.
- **Secure supply today and tomorrow** by maintaining the grid to meet reliability targets and operating it to its maximum capability. The Issuer will design solutions for balancing the grid in the future, while meeting societal objectives and realising its grid projects as promised.
- **Safeguard its financial health** by implementing a regulatory framework to support its strategy and by delivering a return in line with what its capital providers expect, as well as by raising the necessary external financing.

***Regulatory framework***

The Dutch and German regulatory frameworks and their general impact on the business, results of operations, revenue, profits, financial position, prospects and cash flows of TenneT TSO NL and the Issuer can be described as follows. Reference is also made to "*Risk factors – Risks relating to the Issuer's business operations – Impact of Dutch and German regulatory frameworks on the Issuer's business financial conditions and net income*".

**Dutch regulatory framework**

In 2021, approximately 29% of the Issuer's underlying consolidated revenues were generated by TenneT TSO NL and its subsidiaries. The revenues of TenneT TSO NL are subject to *ex ante,* and to some extent *ex post*, regulation by the ACM. Therefore, the Dutch regulatory framework has a substantial effect on the dividend and interest income of the Issuer.

*Tariff regulation*

The tariffs of TenneT TSO NL are subject to *ex ante* – and to some extent: *ex post* – incentive regulation by the ACM providing for a revenue cap. This applies to both its onshore and its offshore activities. Within the regulatory framework, the ACM adopts various decisions regarding TenneT TSO NL, including method decisions, x-factor decisions and tariff decisions. The first step is a method decision, in which the ACM determines the economic framework for the statutory tasks of TenneT TSO NL for a period of 3 to 5 years. An important part of a method decision is the setting of parameters, of which the most important ones are the individual efficiency factor of TenneT TSO NL ("**theta**"), which reflects TenneT TSO NL's efficiency as compared to, and which is determined in comparison with, other European transmission operators, the sector productivity factor ("**frontier shift**") and the WACC. Other important elements are the value of the regulated asset base, estimations of expected investments and the depreciation periods used for the various assets. After the method decisions, the second step is the so-called x-factor decision, in which the ACM determines the efficiency deduction that TenneT TSO NL must apply to its revenues and (consequently) its tariffs for a period of 3 to 5 years. The last step, which is taken annually, is a tariff decision in which the ACM sets the tariffs TenneT TSO NL may charge for its statutory tasks. For risks relating to regulatory decisions by the ACM, see

"*Risk factors – Risks relating to the Issuer's business operations – Impact of Dutch and German regulatory frameworks on the Issuer's business financial conditions and net income*".

*Ex post tariff recalculations*

The Electricity Act provides for the possibility of correcting TenneT TSO NL's tariffs *ex post* under specific circumstances. Revenue surpluses and deficits resulting from differences between expected (*ex ante*) and realised (*ex post*) electricity transmission volumes by TenneT TSO NL are incorporated in tariffs of subsequent year(s) on a t+2 basis. TenneT TSO NL therefore should not run any transmission volume risk in the long run. However, in the short run TenneT TSO NL's reported income is affected by fluctuations in volumes. In addition some other cost items are recalculated. Realised expenses for cross border tariffs (inter-TSO compensation) are fully passed through in the tariffs for subsequent years; this leads to recalculations of future tariffs without any regulatory risk for TenneT TSO NL. The method decisions for the current regulatory period (2022-2026) give the ACM certain discretionary powers to correct TenneT TSO NL's tariffs *ex post*. Apart from the method decisions, there is also a general possibility for the ACM under the Electricity Act to recalculate tariff income, *e.g.* for matters which had not been foreseen at the time of the relevant method decision.

*Tariff regulation for the current regulatory period (2022-2026)*

During 2020 and 2021, the ACM has held numerous consultation meetings to prepare for the next regulatory period. The new method decision regarding TenneT TSO NL will apply for a period of five years (2022-2026). For this new regulatory period, the ACM decided to change the methodology for establishing the risk free rate in the WACC. Following the consultation input of market parties for the gas TSO Gasunie Transport Services B.V. ("**GTS**"), the ACM has decided to replace the estimated (risk free) rate[1] for equity and debt by the actual (risk free) rate in the respective year of the next regulatory period. This would likely negatively impact TenneT's cash flows (and may therefore decrease the revenue of the Issuer in the Netherlands) in the foreseeable future due to the continuing decline in risk free rates (see "*Risk Factors – Impact of Dutch and German regulatory frameworks on the Issuer's business financial conditions and net income – Dutch regulatory and administrative decisions and proceedings*").

The ACM decided to maintain the current real WACC system. However, due to financing issues of Grid Operators in light of the energy transition, the ACM decided to lower the inflation estimate from 1.8% to 0.9%, which effectively means that assets are inflated by 0.9% less and the adjusted real WACC is 0.9% higher. This new system will in principle only apply for the next regulatory period. The adjusted real WACC for new assets will be 1.9% in the years 2022-2026.

The ACM increases the beta of TenneT TSO NL's offshore investments to reflect the risk of the size of the investment portfolio in relation to the existing regulatory asset base. This will amount to an increase in the WACC for TenneT TSO NL's offshore investments of 0.5% resulting in the adjusted real WACC for new assets offshore of 2.4% in the years 2022-2026.

The ACM has conducted a European Benchmark study (TCB18). As a result of this study, the model and methodology of the benchmark have been significantly revised compared to the previous benchmark, and TenneT was deemed 71.5% efficient. In the final method decision relating to the next regulatory period, the ACM decided to increase TenneT's efficiency score following errors in the model and calculations (score after corrections: 86.6%) and adding a 2.5% uncertainty margin, resulting in a 89.1% efficiency score. Furthermore, the ACM has decided to honour the grace period of 15 years that started in 2010 and lasts until 2025. Therefore, TenneT's efficiency score would decline from 97.28% in 2022 to 89.1% in 2025. On average this would amount

[1] Debt is based on the cost of debt of a peer group (obligation-index of European utilities with a single A-rating) and transaction costs on top of the utility-index rate.

to an efficiency percentage of 92.37%. Such decrease in TenneT's efficiency score will lead to a decreased revenue.

In future regulatory periods, the efficiency of offshore investments may also be assessed using an international TSO benchmark.

The ACM is transitioning to a system of balancing existing investments and estimating investments after the photo year (both replacement and expansion investments). This effectively implies that for all existing assets, the actual regulatory depreciation and WACC in the respective year of the regulatory period are reimbursed, and thus not based on the photo year anymore.

The ACM decided to estimate TenneT's new investments based on a 3 year historic average. To compensate for any deviations between estimated and actual investments, the ACM decided to replace the estimated values with the actual values for all investments with a service life exceeding 10 years in subsequent years. Furthermore, the ACM decided to apply this approach also to offshore and system operations.

The ACM decided to adjust the OPEX budget, which is based on a 3 year historic average for the expected development in acquisition values following the aforementioned method of balancing existing investments and estimating new investments.

With respect to the regulation of energy and power, the ACM decided to ensure a full pass through for system operations costs of energy and power. For energy and power related to the transportation task (redispatch, losses and reactive power), the ACM decided to maintain the maximum exposure of 5% on the budget for these procurement costs.

The ACM decided to determine the frontier shift for the regulatory period 2022-2026 following the existing methodology where the frontier shift is based on the weighted average productivity growth of eight relevant sectors. This results in a frontier shift of 0.5% for onshore and 0.2% for offshore.

For the offshore grid, the ACM decided to estimate the directly attributable OPEX of operating a grid connection system. All other OPEX is based on historic averages (2018-2020). Network losses for the offshore grid will be fully reimbursed as no reliable estimate can be made.

The ACM has also revisited its assumptions on the useful life for offshore investments. For grid connection systems which relate to a wind area which auction has not been completed (starting from HKW alpha), the useful life will be increased to 30 years. For Borssele, Hollandse Kust Zuid and Hollandse Kust Noord the useful life remains 20 years. In absence of a benchmark, the project specific efficiency assessment will be applied in the regulatory method.

TenneT TSO NL filed the grounds of appeal with the CBb against certain elements of the Method Decisions for the period 2022-2026. The appeal procedure is pending and is expected to be heard towards the end of 2022 with the (interim) judgment being rendered in 2023.

The ACM has not published a framework for assessing gross negligence of TenneT TSO NL in respect to compensation payments for delays in commissioning and non-availability of the offshore grid. Based on the Electricity Act, any liability of TenneT TSO NL as offshore system operator to electricity producers can be recouped through future tariffs, including any liability for simple negligence, and liability for gross negligence exceeding EUR 10 million a year. ACM will assess compensation payments on a case by case basis in the annual income decisions of the offshore system operator.

On 22 December 2015, the ACM published the regulatory framework for interconnectors, consisting of a competence agreement (*Bevoegdhedenovereenkomst*) and an incentive decision (*Stimuleringsbesluit*) regarding the Cobra cable and the Doetinchem-Wesel interconnector. The interconnectors will be financed through the transmission tariffs. TenneT TSO NL will receive a return on the investments equal to the regulatory WACC.

The ACM also stated that the efficiency of the interconnectors is assessed on a project specific basis for a certain period instead of assessing its efficiency by means of the international benchmark (for the Cobra cable 10 years after completion (until 2030 at the latest) and for the Doetinchem-Wesel interconnector as long as the costs have not been assessed in the benchmark). There are also specific agreements on the operational expenditure remuneration of the Cobra cable during that period. The ACM distinguishes between offshore and onshore to reflect the differences in underlying cost structure (offshore: lump sum remuneration of 3.4% of the total investment costs and a recalculation afterwards of 50% of the difference between budget and realised costs; onshore: lump sum remuneration of 1%). For the Doetinchem-Wesel interconnector, the ACM indicated that it accepts the additional costs for the use of Wintrack pylons – a new type of (extra) high-voltage pylon – as a country specific circumstance, which implies that the additional costs would be excluded from the efficiency assessment to ensure a fair comparison.

**German regulatory framework**

*Revenue structure and grid tariffs*

In 2021, approximately 71% of the Issuer's underlying consolidated revenues (excluding selling electricity from renewable energy sources or from revenues resulting from balancing of cogeneration volumes) were generated by TenneT TSO Germany and its affiliated entities. The revenues of TenneT TSO Germany are derived from the operation of the transmission grid and are subject to regulation by BNetzA. For risks relating to regulatory changes and decisions of the regulator, see "*Risk factors – Risks relating to the Issuer's business operations – German grid tariffs*".

*Regulation of grid tariffs*

The revenues of TenneT TSO Germany are influenced by the regulatory framework as well as decisions and determinations by BNetzA. The German Energy Industry Act ("**EnWG**"), the ARegV and the Ordinance on Tariffs for the Electricity Grid Access ("**StromNEV**") provide the main statutory framework for the regulation of network operators' revenues. Pursuant to the ordinance "Regulation for the calculation of the Offshore grid levy and adjustments to the regulatory framework" (ONU-VO), effective as of 22 March 2019, major amendments were made to the regulatory framework in Germany in 2019. The main adjustments of the ONU-VO relate to the OPEX-lump sum for the onshore grid, the time span for investment measures and the treatment of CAPEX and OPEX for the offshore grid.

In 2021, the ARegV has been amended. The main contents of this amendment are the introduction of efficiency incentives for both distribution and transmission system operators and the new treatment of CAPEX for transmission system operators described below.

The amendment of the ARegV may affect the revenues of TenneT TSO Germany. Based on the allowed revenues established by BNetzA the grid operators calculate a unified grid tariff element for all four TSOs and an individual grid tariff element for each TSO. As of 2023 the TSOs grid tariffs are entirely unified, so that there is just one single TSO grid tariff for all of Germany. The grid tariff calculation is based on the revenue cap, which is set by BNetzA, which is dependent on a series of formal regulatory decisions and assessments. BNetzA sets the revenue cap based on, first, an initial cost level (Ausgangsniveau) which is assessed in a photo year before each regulatory period and, second, an efficiency comparison between the TSOs. The initial cost level also includes an imputed return on equity applicable for the relevant regulatory period. The revenue cap is set for a regulatory period and also includes yearly adjustments with regard to inflation and a sectorial productivity factor.

The calculation of the initial cost base level for the revenue cap of the current regulatory period is based on the operational and capital grid costs incurred in the third closed business year (so called "photo year") of the prior regulatory period. The year 2016 is the photo year for the current third regulatory period 2019-2023 and 2021 is the photo year for the upcoming period as of 2024. Thus, the revenue cap determined by BNetzA reflects remuneration for both operational and capital expenditures. In this respect, capital expenditures comprise in particular imputed depreciation for the regulated asset base, imputed return on equity and – to the extent consistent with market rates – the actual costs of debt.

With the amendment of the ARegV, the treatment of the CAPEX for DSO and TSO will be almost completely standardized from 2024 and the concept of the capital cost adjustment mechanism ("**Kapitalkostenabgleich**"), which has previously only been used for DSOs, will also be introduced for TSOs. The Kapitalkostenabgleich concept implies that each year, the regulatory asset base is increased by new expansion and replacement investments (CAPEX) and decreased by asset disposals and depreciation. The regulatory renumeration for capital costs is then calculated using the adjusted asset base on an annual basis. TSOs can still apply for investment measures until 31 March 2022. There is a transition period for approved investment measures until 2028. In the regulatory period starting 2024, the concepts of Kapitalkostenabgleich and investment measures will be applied in parallel. However, the capital cost reduction is suspended for that period. TSOs have the right to choose which concept they want to apply.

Furthermore, the 2021 ARegV amendment introduced incentives on redispatch. The incentive mechanism is designed as a limited bonus/malus scheme. From 2022 on there is set a reference value for all redispatch costs of all 4 German TSOs. If the actuals are higher than the reference value, then the TSOs have to bear a 6% share of the difference between the actuals and the reference value (malus), up to a cap of EUR 30 million (cap). Vice versa, if the actuals are below the reference value, the TSOs are allowed to keep a 6% share of the difference as a bonus. For the years 2022 and 2023 the scheme is applied just with a capped bonus of 12%, without this bonus being capped at a certain monetary amount. From 2024 on the mechanism is applied symmetrical with bonus and malus. The reference value is calculated based on the actual costs of the five previous years (for the years until 2026 there is an additional premium because of the Minimum Remaining Available Margin (MinRAM) obligations in the Clean Energy Package for the capacity allocation along the interconnectors between countries). The bonus/malus is allocated to the 4 TSOs pro rata to the end consumption (TenneT Germany's share approx. 30%).

For the offshore grid a new regulatory framework is implemented through the ONU-VO, however TenneT TSO Germany decided to apply a grandfathering model for projects finished and commissioned until year-end 2019.

For all projects finished and commissioned after year-end 2019, the new regulatory framework will be applicable.

In any case OPEX will generally be treated based on actual costs. Under the new regulatory framework CAPEX will be reimbursed without a time delay. Furthermore, an incentive regulation (*e.g.* benchmark, productivity factor, clawback, etc.) will not be applicable under this new system anymore.

For CAPEX treated under the grandfathering model, the rules remains basically the same as prior to the ARegV-Novelle (IMA logic, photo year mechanism), therefore also the incentive regulation would still be applicable in this case.

At the beginning of 2019, TenneT TSO Germany received from BNetzA the formal decision for the determination of the yearly revenue cap for the onshore grid for the third regulatory period, which is based on the prior cost assessment. In 2021, TenneT and BNetzA reached a common understanding regarding the assessment of the offshore grid connection costs (CAPEX and OPEX) in 2019, including the general calculation logic and principles until the end of the current regulatory period (2023). An annual efficiency check of OPEX will remain until 2023.

Irrespective of the regulatory treatment of the offshore expenditures under the grandfathering rule (incentive regulation) or the new offshore regime, the revenues are financed by the offshore levy, which is unified for all grid customers and is formally a separate levy besides the grid tariffs.

For the current third regulatory period, BNetzA has determined the following rates of return on equity (which is capped at a maximum of 40% of total capital): 5.12% (before corporate tax, after trade tax) apply to so-called "old assets", *i.e.* assets commissioned prior to 1 January 2006. This reflects a real interest rate (*Realzins*) applying to acquisition and production costs subject to indexation to reflect the current value of the assets (*Tagesneuwerte*). An imputed interest rate of 6.91% (before corporate tax, after trade tax) applies to so-called "new assets", *i.e.* assets commissioned on or after 1 January 2006. This reflects a nominal interest rate (*Nominalzins*) applying to historical acquisition and production costs (*Herstellungs- und Anschaffungskosten*) of the respective assets. The decision of BNetzA has been appealed by various grid operators, including TenneT TSO Germany, but in July 2019 the Federal High Court of Justice in Germany confirmed the decision of the BNetzA. Therefore the determined rates of return on equity are applicable for the third regulatory period.

On 14 July 2021, BNetzA has published its expert opinions for the consultation of the RoE (<40%) for the 4th regulatory period (2024-2028). The RoE (<40%) in the draft determination is 4.6% before tax (3.74% after tax). Due to the criticism of the grid operators during the consultation, the BNetzA decided to raise the RoE (<40%) to 5.07% before tax (4.13% after tax) in the final determination, which was published on 20 October 2021. All German TSOs (including TenneT TSO Germany) and several other grid operators filed an appeal against the final determination on 9 December 2021.

At the beginning of 2020, BNetzA confirmed the regulatory recognition of TenneT's cost of debt for the IMAs 2013-2019. With effect from 1 January 2021, the BNetzA adjusted the definition for calculating the costs of investment measures. The adjustments mainly concern the recognition of interest on group loans. In the medium term, TenneT assumes that TenneT's revenues will not be significantly affected by the change. Since the new definition offers a comparatively large amount of room for interpretation, TenneT has filed an appeal against the definition. The court ruling was announced on 23 March 2022. With regard to the rules and definitions envisaged by BNetzA on group financing and the treatment of hybrid bonds, the court reversed BNetzA's determination. An appeal to the Federal Court of Justice (BGH) will be allowed.

BNetzA is obliged to determine individual efficiency factors for grid operators prior to the onset of the subsequent regulatory period. Historically, for TSOs, this has been achieved via a European efficiency benchmarking. For the current regulatory period BNetzA used a different method, a reference grid analysis. Irrespective of the methodology applied, costs qualified as permanently non-influenceable (*dauerhaft nicht beeinflussbare Kostenanteile*) are not subject to individual efficiency review. Thus, only those costs which potentially qualify as influenceable costs shall be subject to an efficiency benchmarking review. As a result of such review the efficiency score divides the potentially influenceable costs within efficient costs, respectively temporarily non-influenceable costs (*vorübergehend nicht beeinflussbare Kostenanteile*), and inefficient costs, respectively influenceable costs (*beeinflussbare Kostenanteile*). The individual efficiency score for TenneT TSO Germany is set to 99.92% for the current regulatory period by BNetzA. Furthermore, both influenceable and temporarily non-influenceable costs are adjusted by a sectorial productivity factor and the consumer price index. For the third regulatory period BNetzA was entitled for the first time to assess and determine the sectorial productivity factor. In prior periods the factor was stipulated by law. For the electricity sector BNetzA determined a sectorial productivity factor of 0.9% per annum, which is lower than the factor for the second regulatory period amounting to 1.5% per annum. However, compared to the sectorial productivity factor for gas, which was set by BNetzA to 0.49% per annum for the third regulatory period, the factor of 0.9% per annum is relatively high. TenneT TSO Germany and many other DSOs and TSOs started an appeal procedure against the determination of the sectorial productivity factor. With decisions from 16 March 2022, the Düsseldorf Higher Regional Court revoked the BNetzA's decision and obliged the authority to reassess the determination of the general sectoral productivity factor for electricity grid operators (Xgen-Strom) for the 3rd regulatory period, taking into account the court's interpretation of the law. An appeal to the BGH is possible.

Contrary to influenceable and temporarily non-influenceable costs, permanently non-influenceable costs of TenneT TSO Germany are neither subject to individual efficiency targets nor to the sectorial productivity factor. Rather, such costs are comprehensively recognised under the revenue cap of TenneT TSO Germany. Hence, any increase or decrease of permanently non-influenceable costs will be taken into account by amending the revenue cap on a yearly basis during a regulatory period either without delay (*e.g.* for investment measures) or with a delay of two years (*e.g.* for certain grid system services). Most importantly, permanently non-influenceable costs comprise those costs recognised under approved investment measures for, *inter alia*, the construction of new (additional) transmission lines and underground cables.

*Connection of offshore wind farms*

On 28 December 2012, the German legislator introduced a "system change" in relation to the development and construction of OWF Connections. TenneT TSO Germany as the responsible TSO is obliged to realise OWF Connections to the German coast of the North Sea. Offshore grid expansion is based on the grid development plan (NEP) and the site development plan (FEP). This statutory framework further provides for a binding completion date of OWF Connections. To that effect, TenneT TSO Germany has to publish on its website a preliminary completion date which becomes binding 30 months prior to the envisaged completion. On the basis of planned OWFs and OWF Connections as well as under consideration of the statutory offshore grid expansion target, BNetzA allocates offshore grid connection capacities to OWFs by way of formal administrative decision. With the Wind Energy at Sea Act amended in December 2020, the German government increased the connection capacity to 20 GW in total by 2030 and 40 GW by 2040. The new German government which is in power since December 2021 now assesses a further acceleration of the offshore grid expansion and foresees in its coalition agreement targets of 30 GW by 2030, 40 GW by 2035 and 70 GW by 2045.

OWF Connections are normally constructed under turnkey construction agreements (so-called EPC-contracts) which are in most cases concluded between TenneT Offshore GmbH or subsidiaries of TenneT Offshore GmbH as contractees and consortiums as contractors.

TenneT TSO Germany is entitled to pass through the approved costs resulting from the construction, operation and maintenance of the OWF Connections to the other TSOs (so-called horizontal cost balancing). Respective pass through amounts are proportional to the end consumers' share of energy consumption within the respective control areas of the TSOs. Although such horizontal cost balancing does not require any formal *ex ante* approval by BNetzA or a contractual arrangement between the TSOs, the TSOs nevertheless agreed on a horizontal balancing agreement in 2009 which was amended in 2013. Due to regulatory changes within the Offshore-regulation (ONU-VO) a new balancing agreement was signed in 2019 between the four TSOs.

In particular under the former regulatory regime which was replaced on 28 December 2012 the construction of several OWF Connections was delayed. As a consequence of such delays, in particular operators and developers of OWFs which received an unconditional grid connection commitment before 29 August 2012 under the former regulatory regime (so-called "old cases") may, in principle, initiate abuse proceedings against TenneT TSO Germany and/or claim damages in civil court proceedings. As part of the statutory regime effective as of 28 December 2012, the legislator also implemented an offshore liability regime. The liability regime limits the monetary impact on TenneT TSO Germany of claims regarding delays and interruptions of OWF Connections. It applies, in principle, to both OWFs which fall exclusively under the new regime as well as OWFs which received an unconditional grid connection commitment by 29 August 2012 under the former, now repealed regime (old cases).

Under this liability regime, OWF operators may claim compensation amounting to 90% of the feed-in remuneration from the eleventh day of the (continuous) delay or interruption of the OWF Connection, or as of day nineteen if multiple short interruptions add up to more than eighteen days during a calendar year. Alternatively, OWF operators can opt for a prolonged period with subsidized feed-in tariffs. If the TSO acted wilfully, the compensation would increase to 100% of lost feed-in remuneration as of day one. In case of interruptions due to maintenance work which adds up to ten days during a calendar year, the concerned OWF operators can also request compensation as of day eleven. Any further claims by OWF developers/operators for pecuniary losses other than such compensation for lost feed-in remuneration are explicitly excluded under the new statutory framework. To some extent, it is uncertain whether TenneT TSO Germany is entitled to reduce the compensation by a "correction factor" which reflects the so-called "wake effect", *i.e.* the reduced (actual) feed-in by offshore turbines because of shadowing effects of other turbines. In view of the Issuer, the current practice of TenneT TSO Germany is in line with the approach of BNetzA.

TenneT TSO Germany is, in principle, entitled – possibly with a time lag – to pass through compensation payments for delays of and interruptions in the construction of OWF Connections to the other TSOs and eventually to end consumers (so-called offshore liability balancing regime). In October 2013, BNetzA issued guidelines clarifying the criteria which have to be fulfilled to be entitled to pass through compensation payments. The amounts passed through have to be proportional in relation to the end consumers' share of energy consumption within the respective control areas of the TSOs. Subsequently, the TSOs are entitled to refinance their share of the compensation payments (and also their offshore investments) based on the ONU-VO by charging an offshore grid levy to end consumers. However, the right for TenneT TSO Germany as the connecting TSO to put compensation payments into the levy is excluded or limited (i) if the delay or interruption is caused wilfully or (ii) if not all feasible and reasonable preventive or remediation measures have been taken.

Moreover, if delays or interruptions are caused by any degree of negligence of TenneT TSO Germany, the compensation amount subject to the offshore liability balancing regime has to be reduced by a deductible amount (*Eigenanteil*) for TenneT TSO Germany. However, the applicable provisions limit such deductible amount in the event of delayed connection or unavailability during operations to EUR 17.5 million per connection per (damaging) event in case of simple negligence and to EUR 110 million per year in total, irrespective of whether (several) delays or interruptions have been caused by simple or gross negligence.

Judicial claims (including claims relating to delays in the construction of OWF Connections) and other risks regarding the connection of offshore wind farms are set out under "*Risk factors – Risks relating to the Issuer's business operations – Connection of offshore wind farms*" and "*Business Description of the Issuer – Legal and arbitration proceedings – TenneT TSO Germany*".

*German certifications*

Pursuant to the European and German legislative framework, TenneT TSO Germany – as well as other TSOs – was obligated to apply for certification as a transmission system operator to BNetzA. For certification, TSOs must demonstrate compliance with unbundling requirements including, *inter alia*, sufficient financial capability and reliability. BNetzA certified TenneT TSO Germany by its decision dated 3 August 2015. For risks relating to these certifications, see "*Risk factors – Risks relating to the Issuer's business operations – German certifications*".

*System responsibility*

In general, grid operators are obligated to operate and maintain a safe, reliable and efficient grid on a non-discriminatory basis. To this effect TenneT TSO Germany is responsible for a control area (Regelzone) and under the obligation to continuously ensure the capability and reliability of the transmission grid system. This requires, in particular, continuous investments in the grid as well as network-related or market-related measures. Such measures include, inter alia, congestion management measures to renewable energy facilities and redispatch-measures, i.e. the adjustment of feed-in from electricity generation or storage facilities. The legal framework applying to such system services has been amended by the Electricity Market Act (Strommarktgesetz) which entered into effect on 30 July 2016. The law includes, inter alia, amendments in relation to redispatch-measures and decommissioning of generation facilities. A further amendment "Network Expansion Acceleration Act for Transmission Networks" (NABEG 2.0) of 17 May 2019 merged the system services of redispatch and feed-in management to one joint service "Redispatch 2.0" (since October 2021, the energy industry is in the process of implementing Redispatch 2.0 in line with guidance provided by the BNetzA). Additionally this amendment increased the number of controllable units in the TenneT control zone, because it adopted an obligation for all units (installations for generation or storage) with a rated output of 100 kW (before 10 MW) and those which are controllable at any time to follow the commands from the TSO. For judicial claims relating to system responsibility, see "*Risk factors – Risks relating to the Issuer's business operations – System Responsibility*" and "*Business Description of the Issuer – Legal and arbitration proceedings – TenneT TSO Germany*".

*German Limited Liability Companies Act*

The Issuer is a holding company with no material, direct business operations. The principal assets of the Issuer are the equity interests it directly or indirectly holds in its operating subsidiaries. As a result, the Issuer is dependent on loans, interest, dividends and other payments from its subsidiaries to generate the funds necessary to meet its financial obligations, including the payment of dividends to its shareholder and the payment of interest and principal to its creditors, including the Noteholders.

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

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

The potential impact of these rules is set out under "*Risk factors – Risks relating to the structure of the Issuer – The Issuer is a holding company with no operations and relies on its operating subsidiaries to provide it with the funds necessary to meet its financial obligations*".

***Dutch regulated activities***

Within the Group, TenneT TSO NL and its subsidiaries carry out the activities that are regulated under the Electricity Act. According to the Electricity Act, the activities of the other subsidiaries and participations of the Issuer, which perform the unregulated activities within the Group, may not conflict with the regulated activities.

The activities of TenneT TSO NL's subsidiaries are discussed in "*Description of the Issuer – Business – Subsidiary overview – Dutch regulated activities*" below. The principal activities of TenneT TSO NL are:

(I) to provide onshore and offshore grid connections to the National HV Grid;

(II) to provide onshore and offshore transmission services;

(III) to provide onshore and offshore system services;

(IV) to manage the cross-border interconnections; and

(V) to provide connection and transmission services to OWFs.

*Grid connection*

TenneT TSO NL must provide physical connection to the National HV Grid to final customers, to distribution grids and lines as well as conventional and renewable energy generation facilities at technical and economic conditions that are reasonable, non-discriminatory, and transparent. TenneT TSO NL must also grant third-party access to its grid on an economically reasonable, non-discriminatory and transparent basis. Grid connection is granted in accordance with binding conditions and tariffs adopted by the ACM pursuant to EC Regulation no. 2019/943 (Regulation on the internal market for electricity, which replaced the Electricity Regulation (EC/714/2009) on January 1 2020) and the Electricity Act (regulated third party access).

*Transmission services*

Under the Dutch regulatory framework, TenneT TSO NL must operate a safe, reliable and efficient transmission over the National HV Grid on a non-discriminatory basis. TenneT TSO NL is responsible for repairing, replacing parts of and expanding its networks and ensuring appropriate transmission capacity and reliability of the grid system at all times. TenneT TSO NL procures energy to compensate for grid losses resulting from the transmission of electricity through its transmission grid system.

*System services*

The principal system service is the continuous balancing of demand and supply through the deployment of automatic response power and reserve capacity services. In order to continuously balance demand and supply of electricity, TenneT TSO NL primarily relies on the use of different types of control energy.

*Management of cross-border interconnections*

TenneT TSO NL is exclusively charged with the management of cross-border interconnections with alternating current. The management includes applying non-discriminatory and transparent transfer capacity allocation mechanisms as prescribed by the regulations (EC Regulation no. 2019/943, the Electricity Act and implementing regulations). These mechanisms include the auctions performed by Joint Allocation Office S.A. ("**JAO**"). JAO is a joint service company of twenty Transmission System Operators in seventeen countries. JAO's principle activity is facilitating the yearly, monthly and daily auctions of transmission rights between 27 countries in Europe and acting as a fall-back for the coupling of the electricity markets in Europe. Furthermore, TenneT TSO NL operates the so-called NorNed Cable, an interconnector with direct current between Norway and the Netherlands. Also, since 2019 TenneT TSO NL – together with the Danish TSO Energinet.dk – operates a 700 MW HVDC interconnector between the Netherlands and Denmark (the "**COBRAcable**"). Landing points for the approximately 350 kilometres long subsea cable are in Endrup (Denmark) and Eemshaven (Netherlands). Each of the two TSOs has a 50 per cent. stake in the COBRAcable project.

*Connection to and take-off of energy produced by OWFs*

TenneT is designated as the sole operator of the offshore grid. TenneT TSO has the obligation to connect offshore wind farms to this offshore grid, in accordance with a development framework determined by the

Ministry of Economic Affairs & Climate. A failure to comply with the obligation to timely construct and operate OWF connections might result in claims for damages by the respective operators of OWFs. However, the Electricity Ac reduces such liability risks significantly. Any liability of TenneT TSO NL as offshore system operator to the offshore electricity producers can be recouped through future tariffs, including any liability for simple negligence, and liability for gross negligence exceeding EUR 10 million a year. In principle, TenneT TSO NL must bear the costs relating to the construction of the grid connection. However, the costs resulting from such investments will be recouped through subsidies from the State or, if the investments cannot be recouped from the subsidy, are recouped through the onshore tariffs. As indicated in the Climate Agreement 2019, the costs for the additional 6.1 GW offshore wind development is expected to be reimbursed through the onshore transmission tariffs.

### *German regulated activities*

The principal regulated activities of TenneT TSO Germany as one of the four TSO's in Germany are:

(a) to provide onshore and offshore grid connections;

(b) to provide onshore and offshore transmission services;

(c) to provide onshore and offshore system services;

(d) to manage the cross-border interconnections;

(e) to provide preferential grid connection to and take off electricity produced from renewable energy sources or cogeneration plants; and

(f) to provide connection to and take-off energy produced by OWFs.

*Grid connection*

Operators of high voltage electricity grids in Germany are obligated to provide physical connection to their grid to final customers, to same level or downstream electricity supply grids, lines as well as conventional and renewable energy generation facilities at technical and economic conditions that are reasonable, non-discriminatory, and transparent. In this respect, renewable energy facilities may have to be given priority in the event of congestion. In addition and in accordance with regulated third-party rules, TenneT TSO Germany must also grant third-party access to their grid on an economically reasonable, non-discriminatory and transparent basis.

*Transmission services*

Under the German regulatory framework, TenneT TSO Germany is obliged to operate a safe, reliable and efficient transmission grid on a non-discriminatory basis. TenneT TSO Germany is required to maintain, develop and optimise its grid meeting these demands (*bedarfsgerechter Ausbau*) to the extent this is economically reasonable. In particular, the transmission grid system operators need to contribute to supply security through ensuring appropriate transmission capacity and reliability of the grid system.

*System services*

In order to continuously balance demand and supply of electricity, TenneT TSO Germany primarily relies on the use of different types of control reserves (frequency containment reserve, automatic frequency restoration reserve and manual frequency restoration reserve). The procurement of these reserves by tender is regulated by BNetzA. Insofar, BNetzA has obligated the four German electricity TSOs to establish a single balancing market. The procurement and use of reserves is conducted within national and international cooperation as well as in compliance with national and European law. As a further system service, TenneT carries out so-called redispatch measures in case of congestion. This reduces the feed-in on one side of the bottleneck and increases it on the other. In addition, TenneT TSO Germany procures energy to compensate for grid losses resulting from the transmission of electricity through its transmission grid system.

*Management of cross-border interconnections*

TenneT TSO Germany operates a number of cross-border interconnections to the Netherlands as well as Denmark, Sweden, Austria and the Czech Republic. Their management involves non-discriminatory and transparent transfer capacity allocation mechanisms under the EnWG and pertinent European legislation. To this end and similar to TenneT TSO NL, TenneT TSO Germany holds a (minority) participation in JAO S.A., a service company that organizes auctions for cross border transmission capacity.

*Preferential grid connection to and take-off of electricity produced from renewable energy sources or cogeneration plants*

With regard to electricity generated from renewable energy sources, grid operators are under the statutory obligation to immediately optimise, strengthen and expand their grid upon request and as far as economically reasonable to ensure the purchase, transmission and distribution of electricity generated by renewable energies. In addition, grid operators are regulated to provide preferential treatment to electricity produced by renewable energy sources or cogeneration plants over fossil-fuel electricity generation.

*Connection to and take-off of energy produced by OWFs*

In addition, TenneT TSO Germany is obliged to connect OWFs to its transmission grid. To fulfil this obligation transpower offshore GmbH was founded (renamed in TenneT Offshore GmbH). TenneT Offshore GmbH or its subsidiaries have carved out, OWF Connections into special purpose vehicles in order to sell equity interests in these entities. A failure to comply with the obligation to timely construct and operate OWF Connections might result in claims for damages by the respective operators of OWFs. However, the amended legal framework effective as of 28 December 2012 reduces such liability risks significantly (for details see above under "*Business Description of the Issuer – Regulatory framework – Connection of offshore wind farms*"). In principle, TenneT TSO Germany must bear the costs relating to the construction of the grid connection (exemption are the Offshore TSOs, where this obligation is transferred). However, the costs resulting from such investments will be recouped through the offshore grid levy to the extent these costs are approved by BNetzA (for details see above under "*Business Description of the Issuer – Regulatory framework – Connection of offshore wind farms*"). In addition, a horizontal cost balancing scheme between the four German TSOs applies. This scheme has been amended in order to include the aforementioned separate project entities (in which TenneT Offshore GmbH or its subsidiaries hold the controlling interest), which function as a single-line TSOs (so-called "TSO light").

### *Unregulated activities*

The unregulated activities of the Group are performed by subsidiaries (excluding TenneT TSO NL, TenneT TSO Germany and their subsidiaries) directly owned by the Issuer and their subsidiaries and participations. The aim of these activities is to support the energy and telecommunication sectors and to ensure their efficient operation. The Issuer employs unambiguous criteria for the selection of new activities. Only activities that support the improvement of the transparency and efficiency of the Dutch energy or telecommunication market, or that support the sustainability and supply of energy are pursued. Furthermore, according to the Electricity Act these activities must not put the statutory tasks of TenneT TSO NL at risk or conflict with the quality and independence of TenneT TSO NL.

The principal unregulated activities of the Group are:

(I) to facilitate spot, short-term and long-term trading in electricity (see the description of Holding des Gestionnaires de Réseau de Transport d'Électricité S.A.S. ("**HGRT**") and ETPA Holding B.V. in "*Description of the Issuer – Business – Subsidiary overview – unregulated activities*");

(II) to manage and operate a commercially operated interconnector between the Netherlands and the United Kingdom (see the description of NLink International B.V. in "*Description of the Issuer – Business – Subsidiary overview – unregulated activities*"); and

(III) to facilitate distribution of radio and TV signals via the air and for telecom purposes (see the descriptions of NOVEC B.V. and Relined B.V. in "*Description of the Issuer – Business – Subsidiary Overview – unregulated activities*").

***Subsidiary overview – Dutch regulated activities***

*TenneT TSO NL*

TenneT TSO NL is the Dutch national electricity transmission system operator for the onshore and offshore grid and the high-voltage direct current interconnectors. TenneT TSO NL's tasks include maintaining the security of supply and promoting the production of electricity from sustainable sources. In addition, TenneT TSO NL is responsible for market integration, ensuring stable prices and energy flows. The activities of TenneT TSO NL are described in more detail under the heading "*Dutch regulated activities*" above.

Since the State of the Netherlands is the sole shareholder of the Issuer, and TenneT TSO NL is wholly-owned by the Issuer, TenneT TSO NL is indirectly wholly-owned by the State. The Electricity Act provides that 100% of the shares of the grid administrator of the national electricity grid of the Netherlands must be directly or indirectly owned by the State. A change of the Electricity Act would be necessary, and therefore a parliamentary vote required, for a transfer, directly or indirectly, of the shares in TenneT TSO NL, as long as TenneT TSO NL is administrator of the National HV Grid. Notwithstanding the foregoing, the Electricity Act provides that the shares of the grid administrator of the national electricity grid of the Netherlands may directly or indirectly be owned by a foreign institution which, on the basis of national statutory rules, is charged with the administration of a transmission system as referred to in Article 2, paragraph 4 of the third Electricity EU Directive (2009/72/EC), or by a direct or indirect shareholder of that foreign institution, if at least 75% of the shares of the grid administrator and the predominant control over the grid administrator directly or indirectly remain with the State and certain other conditions are met.

TenneT TSO NL has the following subsidiaries:

*Nadine Netwerk B.V.*

Nadine Netwerk B.V. was incorporated in 2008. Nadine Netwerk B.V. owns the 110/150 kV and 220/380 kV grids acquired from Liander N.V. Being part of the National HV Grid, these grids are managed by TenneT TSO NL. Through its 100% shareholding in Nadine Netwerk B.V., TenneT TSO NL has full control over the assets owned by Nadine Netwerk B.V. The 150 kV grid, subject to a cross border lease, was not acquired by Nadine Netwerk B.V. from Liander N.V. TenneT TSO NL has concluded a sub management agreement with Liander N.V. with respect to this grid.

*B.V. Transportnet Zuid-Holland ("**TZH**")*

TZH was incorporated in 1999. The shares in the capital of TZH were acquired by TenneT, Transmission System Operator B.V. in 2003 and were transferred to TenneT TSO NL as part of the de-merger in December 2005 (see "*Description of the Issuer – History*" above). TZH owns the 150 kV grid and part of the 380 kV grid in the province of Zuid-Holland. Being part of the National HV Grid, these grids are managed by TenneT TSO NL. Through its 100% shareholding in TZH, TenneT TSO NL has full control over the assets owned by TZH. As of

1 January 2015, TZH also owns the Dordrecht and Rotterdam 150 kV grid formerly owned and managed by Stedin Netbeheer B.V.

*Reddyn B.V.*

Reddyn B.V. was incorporated by TenneT TSO NL and Liander N.V. in 2011, which both hold a 50% interest in the company. Reddyn B.V. is a joint service provider that works for TenneT TSO NL and Liander N.V. exclusively. It provides the construction, management, maintenance and fault-clearing service for high-voltage and (complex) mid-voltage assets of the present and former (110/150 kV) Liander grids.

*TensZ B.V.*

Tensz B.V. was incorporated by TenneT TSO NL and Stedin Netbeheer B.V. in 2015, which both hold a 50% interest in the company. TensZ B.V. is a joint service provider that works for TenneT TSO NL and Stedin Netbeheer B.V. exclusively. It provides the maintenance and fault-clearing service for high-voltage and (complex) mid-voltage assets of the present and former (150 kV) Stedin grid.

*CertiQ B.V.*

CertiQ B.V. (formerly named Groencertificatenregister B.V.) was incorporated by TenneT, Transmission System Operator B.V. in 2001. The shares in the capital of CertiQ B.V. were transferred to TenneT TSO NL as part of the de-merger in December 2005 (see "*Description of the Issuer – History*" above).

CertiQ B.V. issues guarantees of origin as proof that volumes of electricity exported to the grid have been generated in a sustainable way or by means of high efficiency combined heat and power ("**CHP**") plants. The guarantees of origin take the form of electric registrations in an electronic account in the name of the relevant account holder. Guarantees of origin are tradable. Their validity expires one year after their first registration. Investments in sustainable energy capacity (or high efficient CHP plants) qualify for feed-in subsidies from the Dutch government under the Promotion of Sustainable Energy Production (*Stimulering Duurzame Energieproductie*, "**SDE**") grant scheme provided the sustainable quality of production is evidenced by guarantees of origin. As of 1 January 2015, pursuant to the Electricity Act and the Dutch Heating Supply Act (*Warmtewet*), the Minister of Economic Affairs has been charged with the issuance of guarantees of origin and has the authority to delegate its powers to a non-subordinated party. As of 2 January 2015, the National HV Grid manager (*i.e.* TenneT TSO NL), in its capacity as managing director of CertiQ B.V., has been delegated the respective power.

*Saranne B.V.*

Saranne B.V. was incorporated in 2001 upon the consummation of the de-merger of Sep (see "*Description of the Issuer – History*" above). Saranne B.V. is legal owner of the 220/380 kV grid formerly owned by Sep. TenneT TSO NL is the beneficial owner of these grids (see "*Description of the Issuer – History*" above) and, through its 100% shareholding in Saranne B.V. (see "*Description of the Issuer – Capitalisation and Group Structure*" and "*– History*" above), indirectly has full legal ownership.

In addition to these subsidiaries, TenneT TSO NL holds the following non-controlling interests:

- JAO S.A.: 5% (see also "*Description of the Issuer – Business – Dutch regulated activities*" above).
- Energie Data Services Nederland (EDSN) B.V.: 12.5% plus one share. The remaining shares are held by N.V. Nederlandse Gasunie (12.5% plus one share), Liander 17% and by other regional gas and electricity grid administrators.
- Beheerder Afsprakenstelsel (BAS) B.V.: 25%.
- TSCNET Services GmbH: 7.14%. The remaining voting shares are held by 50Hertz Transmission GmbH, Amprion GmbH, Austrian Power Grid AG, ČEPS a.s., ELES sistemski operater prenosnega

elektroenergetskega omrežja d.o.o., Croatian Transmission System Operator Ltd., National Power Grid Company Transelectrica S.A, Slovenská elektrizačná prenosová sústava, a.s., Swissgrid AG, TenneT TSO GmbH, TransnetBW GmbH, Polskie Sieci Elektroenergetyczne S.A.,. and MAVIR Hungarian Independent Transmission Operator Company Ltd.

- Equigy B.V.: 20%, the remaining shares are held by Swissgrid AG, Terna SPA, TenneT TSO GmbH, TransnetBW GmbH and Austrian Power Grid AG.

*Stichting Beheer Doelgelden Landelijk Hoogspanningsnet*
Stichting Beheer Doelgelden Landelijk Hoogspanningsnet ("**Stichting Beheer Doelgelden**") is a foundation established under Dutch law for the management of the "allocated funds" received from TenneT TSO NL in its capacity as administrator of the National HV Grid. These allocated funds comprise proceeds of imbalance settlements (see the description of the "system services" of TenneT TSO NL in "*Description of the Issuer – Business – Dutch regulated activities*" above) and proceeds that TenneT TSO NL receives from market-based allocation of cross-border electricity transfer capacity (including proceeds from explicit or implicit auctions of interconnector capacity). TenneT TSO NL is not allowed to use the allocated funds for other objectives than set forth in Regulation (EU) 2019/943 and the Electricity Act. According to the relevant "*bevoegdhedenovereenkomst*" with the ACM funds of Stichting Beheer Doelgelden will be used for tariff reductions.

### *Subsidiary Overview – German regulated activities*

The following (indirect) subsidiaries of the Issuer perform regulated activities in Germany:

*TenneT TSO Germany*
The activities of TenneT TSO Germany are described above under "*German regulated activities*" and in this section under the header TenneT Offshore GmbH.

*DC Nordseekabel GmbH & Co KG*
The Issuer has constructed – together with the Norwegian TSO Statnett SF and the German KfW –a 1,400 MW HVDC interconnector between Germany and Norway ('**NordLink**"). Landing points for the approximately 623 kilometres long interconnector is in Tonstad in Vest-Agder (Norway) and Wilster in Schleswig-Holstein (Germany). The final investment decision between the three project partners Statnett SF, KfW and TenneT TSO Germany was made in 2015 and construction started in 2016. NordLink is in operation since 2021. On the German side, the Issuer and KfW will (indirectly) jointly own (the southern) 50% of the project through their joint venture company DC Nordseekabel GmbH & Co KG, which was incorporated in April 2013. Statnett SF owns (the northern) 50% of the project. The southern part of NordLink owned by DC Nordseekabel GmbH & Co KG is solely operated by TenneT TSO Germany and, furthermore, the southern part belongs to TenneT TSO Germany's regulated asset base.

In addition to these subsidiaries, TenneT TSO Germany holds the following non-controlling interests:

- JAO S.A.: 5% (see also "*Description of the Issuer – Business – Dutch regulated activities*" above).

- TSCNET Services GmbH: 7.7%. The remaining shares are held by 50Hertz Transmission GmbH, Amprion GmbH, Austrian Power Grid AG, ČEPS a.s., ELES sistemski operater prenosnega elektroenergetskega omrežja d.o.o., Croatian Transmission System Operator Ltd., National Power Grid Company Transelectrica S.A, Slovenská elektrizačná prenosová sústava, a.s., Swissgrid AG, TenneT TSO B.V., TransnetBW GmbH, Polskie Sieci Elektroenergetyczne S.A.,. and MAVIR Hungarian Independent Transmission Operator Company Ltd.

- Flexcess GmbH: 50%. The remaining shares are held by TransnetBW GmbH.

- Equigy B.V.: 10% (see also "*Description of the Issuer – Business – Subsidiary Overview – Dutch regulated activities*" above).

*TenneT Offshore GmbH*

TenneT Offshore GmbH directly or via subsidiaries operates and manages (including the planning and construction of) OWF Connections.

TenneT Offshore GmbH has sold equity interests in subsidiaries to setup partnerships for OWF Connections. In this respect, reference is made to the Copenhagen Infrastructure Partners and Mitsubishi Corporation partnerships as described in "*Description of the Issuer – History and development of the Issuer – History of the Issuer*" above.

***Subsidiary overview – unregulated activities***

No German subsidiary of TenneT is engaged in unregulated business activities. However, some German group companies merely function as a holding company without operative business as such.

*HGRT*

HGRT holds a 49% interest in EPEX Spot SE. EPEX Spot SE is the exchange platform for the power spot market in France, Germany, Austria, Switzerland, Netherlands, Belgium and the United Kingdom. TenneT Holding B.V. has a 34% interest in HGRT.

*NOVEC B.V.*

The Issuer is the sole shareholder of NOVEC B.V. NOVEC B.V. rents out and manages antenna sites (in high voltage pylons and ground based towers) for mobile telecom purposes and distributing radio and TV signals via the air. NOVEC B.V. has an interest of 25% in Open Tower Company B.V., with Stichting Depositary APG Infrastructure Pool 2016 participating for the remaining 75%. Open Tower Company B.V has an interest of (i) 100% in Mobile Radio Networks Vehicle B.V., which develops new telecom masts to be rented out to the Dutch operators and owns a number of masts acquired in 2009, 2010 and 2011, and (ii) 100% in OTC Networks BV which provides indoor mobile networks of telecom providers. In the Netherlands, NOVEC B.V. has (i) a 100% interest in Omroepmasten B.V., which owns (regulated) broadcasting masts, (ii) a 100% interest in Duvekot Rentmeester B.V., which offers clients estate administration and consultancy services and (iii) a 40% interest in WL Winet B.V., which offers services with respect to telecom and data networks. In Germany, NOVEC B.V. has (i) a 100% interest in WL Winet GmbH (expected to be liquidated in 2021), which also offers services with respect to telecom and data networks, and (ii) a 100% interest in NOVEC GmbH, which rents out and manages antenna sites for mobile telecom purposes.

*NLink International B.V.*

The Issuer is the sole shareholder of NLink International B.V. NLink International B.V. was established to develop and build international submarine cables. BritNed Development Ltd is a 50/50 joint venture of NLink International B.V. and National Grid International. BritNed Development Ltd has its registered office in London and was set up to develop, build and operate an interconnector between the Netherlands and the UK. BritNed Development Ltd is considered a non-regulated activity by the ACM due to the fact that it was classified as such by its UK counterparty, Ofgem.

The third Electricity EU Directive (2009/72/EC) requires that an operator is certified by the national regulatory authority, not only before it is approved and designated as transmission system operator, but also before it is approved and designated as an operator for interconnectors. BritNed Development Ltd has been certified by both the Ofgem and the ACM. BritNed Development has consequently been designated by the Minister of Economic Affairs as interconnector operator.

*Relined B.V.*

The Issuer is the sole shareholder of Relined B.V., which operates the fibre-optic infrastructure of the (extra) high voltage grid of TenneT TSO NL, the Dutch railway network and excess capacity of other fibre networks. Relined B.V. has a 100% interest in Relined GmbH, which rents out dark fibre in Germany. In 2020, Relined GmbH acquired 100% of the shares of Globalways GmbH, which rents out dark fiber in Germany.

*ETPA Holding B.V.*

The Issuer has a 50.002% interest in ETPA Holding B.V., an energy trading platform for the private sector which aims to be easily accessible for smaller parties as well.

*Venture capital funds - SET Ventures Fund II, III and The Westly Group Fund III and IV*

The Issuer has a 8.2% limited partnership share in SET Ventures Fund II and 5.1% limited partnership share in SET Ventures Fund III. SET Ventures invest in European early growth-stage companies that can impact the future of the energy markets worldwide. Further, the Issuer has a 4.62% limited partnership share in The Westly Group Fund III and a 1.83% limited partnership share in The Westly Group Fund IV, both venture capital funds with focus on investing in innovative companies in the energy, transportation and smart building sectors.

***Other Subsidiaries***

TenneT TSO Duitsland B.V., TenneT Orange B.V., TenneT Green B.V., TenneT Duitsland Coöperatief U.A., TransTenneT B.V., TenneT Verwaltungs GmbH and TenneT GmbH & Co. KG are (intermediate) (holding) companies which do not engage in any operating activities themselves.

## Legal and arbitration proceedings

The following governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which TenneT is aware), during a period of the previous twelve months may have, or have had in the recent past significant effects on TenneT and/or the Group's financial position or profitability. TenneT determines on the basis of applicable accounting principles whether or not it needs to form a provision in its financial statements for threatened or pending proceedings. With respect to total amounts of provisions taken by TenneT in relation to legal, regulatory and arbitration proceedings, see note 22 of TenneT's financial statements included in the TenneT Integrated Annual Report 2021 *(*see *"Documents Incorporated by Reference")*.

***TenneT TSO NL***

TenneT is aware of the following governmental, legal or arbitration proceedings in respect of TenneT TSO NL.

TenneT TSO NL was involved in an ACM complaint procedure regarding a claim of an industrial customer due to an unplanned outage of the 150kV network. At the request of this industrial customer, the ACM decided that TenneT TSO NL did not comply with the obligation of (old) Article 31, paragraph 12 of the Dutch Electricity Act on redundancy requirements of the high voltage grids (except for the grid at sea). TenneT TSO NL filed an appeal against this ACM decision with the CBb. The CBb ruled that TenneT TSO NL did comply with the redundancy criteria for the involved grid station, but confirmed the judgment of the ACM that TenneT TSO NL during this outage had not acted in accordance with the provisions in the Dutch Electricity Act, more specifically article 16 (grid operator task) of the Dutch Electricity Act. This CBb ruling has been used as a starting point in a civil law procedure regarding the question whether and to what extent TenneT TSO NL is obliged to compensate damages caused by the unplanned outage of the network. The court of first instance ruled that TenneT does not have to pay damages to the industrial customer.

In respect of a similar claim, the European Court of Justice and afterwards also the CBb established that a complaint made by a different entity against TenneT as the operator of a national grid following unplanned outage may not be dismissed for the sole reason that that party's installation is not connected to the national electricity system, but only to a regional system linked to the national system. The findings in both cases may have an impact on similar claims in the future.

TenneT TSO NL is also currently involved in a claim procedure because of alleged wrongful termination of construction contracts and in a counter claim procedure against this counter party regarding financial settlement & damages due to the alleged non-fulfilment of the construction contracts.

Lastly, TenneT TSO NL filed grounds of appeal with the CBb against the Method Decisions for the period 2022-2026. For a description of the content of the Method Decisions themselves, see "*Business description of the Issuer – Tariff regulation for the current regulatory period (2022-2026)*". The following elements of the Method Decisions are challenged: (i) the benchmark: TenneT claims the efficiency should be assessed at 100% as the benchmark is not sufficiently robust and results are biased against TenneT, (ii) the SO regulation fixed budget: TenneT wants to hold on to the rolling forward budget for System Operations costs as applied in the previous regulatory period (2017-2021), (iii) TenneT considers that the efficiency assessment offshore for the Borssele project should be set at 100% instead of 98%, (iv) TenneT finds the return on equity to be set too low due to quantitative easing and inconsistencies in the WACC-methodology. The appeal procedure is pending.

***TenneT TSO Germany***

TenneT TSO Germany and certain subsidiaries of TenneT TSO Germany are involved in several court and administrative proceedings.

In its decision of 18 May 2020, the BNetzA revoked the lump sum for offshore assets with retroactive effect for the year 2018. On 16 June 2020, TenneT TSO GmbH and TenneT's offshore TSOs filed an appeal against the withdrawal of the OPEX lump sum rate for the year 2018. The statement of grounds of the appeal of TenneT Offshore 9. Beteiligungsgesellschaft mbH was submitted to the Düsseldorf Higher Regional Court (OLG Düsseldorf) on 18 August 2021. The court has set the date for the oral hearing for 27 April 2022. For TenneT TSO GmbH and the remaining TenneT Offshore TSOs the deadline for filing the statement of grounds of the appeal was extended until 20 July 2022.

On 14 July 2021, BNetzA has published its expert opinions for the consultation of the RoE (<40%) for the 4th regulatory period (2024-2028). The RoE (<40%) in the draft determination is 4.6% before tax (3.74% after tax). Due to the criticism of the grid operators during the consultation, the BNetzA decided to raise the RoE (<40%) to 5.07% before tax (4.13% after tax) in the final determination, which was published on 20 October 2021. All German TSOs (including TenneT TSO Germany) and several other grid operators filed an appeal against the final determination on 9 December 2021.

At the beginning of 2020, BNetzA confirmed the regulatory recognition of TenneT's cost of debt for the IMAs 2013-2019. With effect from 1 January 2021, the BNetzA adjusted the definition for calculating the costs of investment measures. The adjustments mainly concern the recognition of interest on group loans. In the medium term, TenneT assumes that TenneT's revenues will not be significantly affected by the change. Since the new definition offers a comparatively large amount of room for interpretation, TenneT has filed an appeal against the definition. The court ruling was announced on 23 March 2022. With regard to the rules and definitions envisaged by BNetzA on group financing and the treatment of hybrid bonds, the court reversed BNetzA's determination. An appeal to the Federal Court of Justice (BGH) will be allowed.

BNetzA is obliged to determine individual efficiency factors for grid operators prior to the onset of the relevant regulatory period (as further described in "*Business description of Issuer – Business – Regulatory framework – German regulatory framework*"). In this context, influenceable and temporarily non-influenceable costs are adjusted by a sectorial productivity factor and the consumer price index. For the third regulatory period BNetzA was entitled for the first time to assess and determine the sectorial productivity factor. In prior periods the factor was stipulated by law. For the electricity sector BNetzA determined a sectorial productivity factor of 0.9% per annum, which is lower than the factor for the second regulatory period amounting to 1.5% per annum. However, compared to the sectorial productivity factor for gas, which was set by BNetzA to 0.49% per annum for the third regulatory period, the factor of 0.9% per annum is relatively high. TenneT TSO Germany and many other DSOs and TSOs started an appeal procedure against the determination of the sectorial productivity factor. With decisions from 16 March 2022, the Düsseldorf Higher Regional Court revoked the BNetzA's decision and obliged the authority to reassess the determination of the general sectoral productivity factor for electricity grid operators (Xgen-Strom) for the 3rd regulatory period, taking into account the court's interpretation of the law. An appeal to the BGH is possible.

Furthermore, several proceedings have been lodged in relation to OWF Connections.

For example, in February 2016, the contractor of OWF Connection DolWin1 filed a judicial claim against TenneT Offshore GmbH (formerly operating under TenneT Offshore 7. Beteiligungsgesellschaft mbH). The contractor applies for allegedly outstanding payments and challenges the offset of those payments against the contractee's claim for penalty payments and liquidated damages resulting from delay. Furthermore, the contractor applies for additional payments and compensation payments as well as the transfer of security bonds (*Sicherheitsbürgschaften*). TenneT Offshore GmbH believes that the claim is unjustified and filed counterclaims to enforce warranty claims and to get costs reimbursed. The claim is still pending.

In January 2017, the consortium of contractors of OWF Connections BorWin2, HelWin1 and SylWin1 filed judicial claims for each project against the respective contractees TenneT Offshore 1. Beteiligungsgesellschaft mbH and TenneT Offshore GmbH. In each claim the consortium contractor applies primarily for allegedly outstanding payments and challenges the offset of those payments against the contractee's claim for penalty payments resulting from delays. TenneT Offshore 1. Beteiligungsgesellschaft mbH and TenneT Offshore GmbH, respectively, believe that the claims are unjustified and filed counterclaims to enforce warranty claims and to get costs reimbursed. The claims are still pending.

In December 2017 a judicial claim was filed by the contractor of OWF Connection DolWin2 against TenneT Offshore 9. Beteiligungsgesellschaft mbH. The contractor mainly claims an adjustment of the contract price due to a change in circumstances or, if that relief is not granted, declaration of additional costs. The court has issued a final judgment dismissing all of contractor's claims. The judgment is not legally binding yet, as contractor and TenneT Offshore 9. Beteiligungsgesellschaft mbH exercised the right to appeal. TenneT Offshore 9. Beteiligungsgesellschaft mbH believes that the claims are unjustified.

As a consequence of the delay of the construction of several OWF Connections, certain operators and developers may, in principle, initiate abuse proceedings against TenneT TSO Germany and/or claim damages in civil court proceedings (for more background, see "*Business Description of the Issuer – Regulatory framework – Connection of offshore wind farms*").

In this respect, a judicial claim was lodged in December 2016 by the operator of OWF "Global Tech I" against TenneT TSO Germany and TenneT Offshore 1. Beteiligungsgesellschaft mbH. The operator claims a substantial amount of additional compensation payments under the liability regime arguing primarily that TenneT TSO Germany and/or its contractors have intentionally delayed the construction of the OWF Connection BorWin2 and that TenneT TSO Germany has incorrectly applied the statutory compensation rules. TenneT TSO Germany believes that the claim is unjustified. The court has issued a partial judgment concerning only those claims which are not subject to the allegation of intent, and not concerning claims subject to the allegation of intent, which was overwhelmingly, but not entirely, in TenneT TSO Germany´s favour. Global Tech I, TenneT TSO Germany, and TenneT TSO Germany's general contractor have filed an appeal against the judgment.

In order to claim compensation under the liability regime, the OWF operator must demonstrate that the OWF has achieved actual operational readiness (or assumed operational readiness as specified by law) during the phase of interruption or delay. In this respect, the operator of OWF "Bard Offshore I" has filed a judicial claim against TenneT TSO Germany and TenneT Offshore 1. Beteiligungsgesellschaft mbH, a subsidiary of TenneT Offshore GmbH. The claim is mainly based on allegedly outstanding compensation and feed-in payments in the period between 2012 and 2015. The claimant argues, inter alia, that compensation also has to be paid if the lack of the actual operational readiness results (directly or indirectly) from the interruption caused by the TSO. In light of the allegations pertaining to negligence or gross negligence for certain periods of network interruption, an expert has examined the question of the possibility ex ante to foresee and avoid certain network connection disruptions in relation to damage to property. TenneT TSO Germany believes that the findings of the expert show that the claim is unjustified. However, in a judgment the court of first instance ruled that TenneT TSO Germany and TenneT Offshore 1. Beteiligungsgesellschaft mbH are obliged to compensate the property damage, acknowledging, however, that the expert opinion had come to a different conclusion. TenneT TSO Germany and TenneT Offshore 1. Beteiligungsgesellschaft mbH disagree with this part of the decision and are likely to file an appeal against it. With respect to all other claims subject to the decision, the court ruled in favour of TenneT TSO Germany and TenneT Offshore 1. Beteiligungsgesellschaft mbH and rejected the claimant's claims.

The operator of the OWF "Trianel Windpark Borkum – Phase 1" filed a claim against TenneT TSO Germany regarding allegedly outstanding compensation payments in the period 2013 until 2014 based on the delay of the OWF connection DolWin1. The claimant argues that different calculation principles should be applied to the calculation of compensation of OWF. For instance, from the perspective of the OWF, TenneT TSO Germany is not entitled to reduce the compensation on basis of the so called "Wake effect".

All of the above legal proceedings are still pending. If and to the extent the claims were (partly) justified and the payments resulting therefrom could not be passed through to the end customers, the binding rulings may have, or have had in the recent past significant effects on the Issuer and/or Group’s financial position or profitability.

## Financial policy

The Issuer balances the objectives of generating a return on invested capital at least equal to the regulated return with aiming for a financial profile consistent with a "single-A" category senior unsecured rating. The Issuer has a financial policy aimed at mitigating financial risks.

The principal financial objectives are:

***Generate a return on invested capital at least equal to the regulated return***

In order to achieve this objective, the Issuer aims to (1) create and maintain a capital structure which enables the Issuer to achieve an optimal cost of capital and (2) provide the shareholder with a reasonable return on its investment in line with the risk profile of the Issuer.

***Protect shareholder capital and operating results against financial risk***

The Issuer's policy is to maintain sufficient liquidity to meet its short-term obligations at all times. In addition, it is the Issuer's policy to maintain solvency levels which enables it to absorb unexpected losses. This requires the availability of sufficient equity capital. In order to limit refinancing risk, the Issuer aims to diversify maturities of financing instruments. If and when appropriate, the Issuer hedges financial risks, such as interest rate risk, through appropriate hedging arrangements.

***Obtain and maintain access to financial markets at favourable conditions***

The Issuer targets a credit profile in line with a "single-A" category senior unsecured rating profile in order to secure good access to a wide range of financial markets. The Issuer aims to diversify sources of funding.

## Funding

At the date of this Base Prospectus, the Issuer expects investments in fixed assets, onshore and offshore, across the Group to grow to approximately EUR 6 billion per annum by 2025. The level, timing and costs of these investments are subject to many uncertainties, such as, among others, timing and capacity of new electricity generation, the granting of permits by governmental bodies, commodity prices, number and capacity of suppliers and contractors, legislative and regulatory developments and the Group's ability to arrange for the required funding. To fund these investments the Issuer expects to have all or part of the following debt funding sources available:

(i) internally generated cash flows;

(ii) EUR 3,600,000,000 committed revolving credit facility;

(iii) EUR 300,000,000 committed credit facilities maturing in February 2023;

(iv) EUR 700,000,000 committed credit facilities maturing in December 2024;

(v) EUR 3,300,000,000 commercial paper programme;

(vi) public or private debt issuances under the Issuer's EUR 25,000,000,000 EMTN Programme;

(vii) various uncommitted bank- and credit lines totalling EUR 950,000,000 as at 31 December 2021;

(viii) issue of perpetual capital securities;

(ix) borrowing debt via other instruments such as "Schuldscheindarlehen","Namenschuldverschreibung", loans from the European Investment Bank and/or US Private Placements;

As at 31 December 2021, the Issuer had no financial (ratio) covenants in any of its credit agreements.

# TAXATION

This paragraph outlines the principal Dutch tax consequences of the acquisition, holding, settlement, redemption and disposal of the Notes or the Coupons. It does not present a comprehensive or complete description of all aspects of Dutch tax law which could be of relevance to a holder of Notes (a "**Noteholder**") or Couponholder. For Dutch tax purposes, a Noteholder or Couponholder may include an individual, or an entity, that does not hold the legal title of the Notes or the Coupons, but to whom, or to which nevertheless the Notes or the Coupons are, or income from the Notes or Coupons is, attributed based either on this individual or entity owning a beneficial interest in the Notes or Coupons or based on specific statutory provisions. These include statutory provisions under which Notes or Coupons are attributed to an individual who is, or who has directly or indirectly inherited from a person who was, the settlor, grantor or similar originator of a trust, foundation or similar entity that holds the Notes or the Coupons.

This paragraph is intended as general information only. A prospective Noteholder or Couponholder should consult his own tax adviser regarding the tax consequences of any acquisition, holding or disposal of Notes or Coupons.

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

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

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

(i) who is an individual and for whom the income or capital gains derived from the Notes or the Coupons are attributable to employment activities, the income from which is taxable in the Netherlands;

(ii) has a substantial interest (*aanmerkelijk belang*) or a fictitious substantial interest (*fictief aanmerkelijk belang*) in the Issuer within the meaning of chapter 4 of the Dutch Income Tax Act 2001 (*Wet inkomstenbelasting 2001*). Generally, a Noteholder or Couponholder has a substantial interest in the Issuer if the Noteholder or Couponholder, alone or – in the case of an individual – together with a partner for Dutch tax purposes, or any relative by blood or by marriage in the ascending or descending line (including foster children) of the Noteholder or Couponholder or the partner, owns or holds, or is deemed to own or hold, certain rights to shares, including rights to directly or indirectly acquire shares, directly or indirectly representing 5% or more of the Issuer's issued capital as a whole or for any class of shares or profit participating certificates (winstbewijzen) relating to 5% or more of the Issuer's annual profits or 5% or more of the Issuer's liquidation proceeds;

(iii) that is an entity which under the Dutch Corporate Income Tax Act 1969 (Wet op de vennootschapsbelasting 1969) (the "CITA"), is not subject to Dutch corporate income tax or is in full or in part exempt from Dutch corporate income tax (such as a qualifying pension fund); or

(iv) that is an investment institution (beleggingsinstelling) as described in Section 6a or 28 CITA.

**Withholding Tax**

A Noteholder or Couponholder will not be subject to withholding or deduction for, or on account of, any Dutch Taxes, unless a Noteholder or the Couponholder is a Related Entity and:

(i) is resident in a state that qualifies as a low taxed jurisdiction or a jurisdiction that is listed on the European Union list of non-cooperative jurisdictions ("Listed Jurisdictions"); or

(ii) is resident in another state, but the interest under the Notes or Coupons is allocated by the Noteholder or the Couponholder to a permanent establishment situated in one of the Listed Jurisdictions; or

(iii) holds the interest in the Issuer with the main purpose, or one of the main purposes, to avoid taxation due on the interest received in respect of the Notes or Coupons by another entity and holds the interest, or is deemed to hold the interest, as part of an artificial arrangement or transaction (or a series of artificial arrangements or composite of transactions);

(iv) is resident in a state, under the laws of that state, not being one of the Listed Jurisdictions, and that state does not treat such Noteholder or Couponholder as the beneficiary to payments under the Notes or the Coupons because that state considers another entity in which the Noteholder holds an interest as the beneficiary of such payments, and is not able to make use of an applicable rebuttal scheme; or

(v) under the laws of the state in which the Noteholder or Couponholder is incorporated ("Incorporation State"), not being one of the Listed Jurisdictions, it is not considered the beneficiary to payments under the Notes because such beneficiary, under the laws of Incorporation State, is not considered a resident of the Incorporation State while such beneficiary is not considered a resident of another state under the laws of that other state either.

If the conditions above are satisfied, interest, including original issue discount, under the Notes or Coupons will be subject to a Dutch withholding tax at a rate of 25.8%.

An entity is considered a Related Entity if:

(i) it has a Qualifying Interest in the Issuer;

(ii) the Issuer has a Qualifying Interest in the Noteholder or the Couponholder; or

(iii) a third party has a Qualifying Interest in both the Issuer and the entity holding the Notes or the Coupons.

The term Qualifying Interest means a direct or indirectly held interest – either by the entity individually or jointly if the Noteholder or the Couponholder is part of a collaborating group (*samenwerkende groep*) – that enables such entity or the collaborating group to exercise a decisive influence over another entities' decisions, such as the Issuer or the Noteholder or the Couponholder, as the case may be, that it can determine the other entities' activities.

A jurisdiction is considered low taxed if it is designated as such in an annually updated ministerial decree of the Dutch Ministry of Finance. At the date of this Base Prospectus, the designated low taxed jurisdictions are the American Virgin Islands, American Samoa, Anguilla, the Bahamas, Bahrain, Barbados, Bermuda, the British Virgin Islands, Guernsey, Fiji, Guam, the Isle of Man, Jersey, the Cayman Islands, Palau, Panama, Samoa, Trinidad and Tobago, Turkmenistan, the Turks and Caicos Islands, Vanuatu and the United Arab Emirates.

**Taxes on Income and Capital Gains**

***Residents of the Netherlands***

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

(i) individuals who are resident or deemed to be resident in the Netherlands ("**Dutch Individuals**"); and

(ii) entities or enterprises that are subject to the CITA and are resident or deemed to be resident in the Netherlands ("**Dutch Corporate Entities**").

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

Dutch Individuals engaged or deemed to be engaged in an enterprise or in miscellaneous activities (*resultaat uit overige werkzaamheden*) are generally subject to income tax at statutory progressive rates with a maximum of 49.5% with respect to any benefits derived or deemed to be derived from the Notes or the Coupons, including any capital gains realized on their disposal, that are attributable to:

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

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

Generally, the Notes or the Coupons held by a Dutch Individual who is not engaged or deemed to be engaged in an enterprise or in miscellaneous activities, or who is so engaged or deemed to be engaged but the Notes or the Coupons are not attributable to that enterprise or miscellaneous activities, will be subject annually to an income tax imposed on a fictitious yield on the Notes or the Coupons. The Notes or the Coupons held by this Dutch Individual will be taxed under the regime for savings and investments (*inkomen uit sparen en beleggen*). Irrespective of the actual income or capital gains realized, the annual taxable benefit of the assets and liabilities of a Dutch Individual that are taxed under this regime, including the Notes and the Coupons, is set at a percentage of the positive balance of the fair market value of these assets, including the Notes and the Coupons, and the fair market value of these liabilities. The percentage, which is annually indexed, increases:

(i) from 1.82% over the first EUR 50,650 of this positive balance;
(ii) to 4.37% over any excess positive balance between EUR 50,650.01 up to and including EUR 950,000; and
(iii) to a maximum of 5.53% over any excess positive balance of EUR 950,000.01 or higher.

These percentages will be reassessed each year and the amounts under (i) to (iii) will be adjusted for inflation each year. No taxation occurs if this positive balance does not exceed a certain threshold (*heffingvrij vermogen*). The fair market value of assets, including the Notes and the Coupons, and liabilities that are taxed under this regime is measured, in general, exclusively on 1 January of every calendar year. The tax rate under the regime for savings and investments is a flat rate of 31%.

Based on a decision by the Dutch Supreme Court of 24 December 2021 (ECLI:NL:HR:2021:1963), taxation under the regime for savings and investments in its current form, as described in the above paragraph, may under specific circumstances contravene Article 1 of the First Protocol to the European Convention on Human Rights (protection of property) in combination with Article 14 of the European Convention on Human Rights (protection from discrimination). Holders of the Company's shares are advised to consult their own tax advisor to analyze if such specific circumstances are applicable and if so, how to ensure that tax is levied in accordance with the decision of the Dutch Supreme Court.

*Dutch Corporate Entities*

Dutch Corporate Entities are generally subject to corporate income tax at statutory rates up to 25.8% with respect to any benefits derived or deemed to be derived from the Notes or the Coupons, including any capital gains realized on their disposal.

***Non-residents of the Netherlands***

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

(i) individuals who are not resident and not deemed to be resident in the Netherlands ("**Non-Dutch Individuals**"); and

(ii) entities that are not resident and not deemed to be resident in the Netherlands ("**Non-Dutch Corporate Entities**").

*Non-Dutch Individuals*

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

(i) the Non-Dutch Individual derives profits from an enterprise, whether as entrepreneur or pursuant to a co-entitlement to the net worth of this enterprise other than as an entrepreneur or a shareholder, which enterprise is, in whole or in part, carried on through a permanent establishment (*vaste inrichting*) or a permanent representative (*vaste vertegenwoordiger*) in the Netherlands, to which the Notes or the Coupons are attributable;

(ii) the Non-Dutch Individual derives benefits from miscellaneous activities carried on in the Netherlands in respect of the Notes or the Coupons, including (without limitation) activities which are beyond the scope of active portfolio investment activities; or

(iii) the Non-Dutch Individual is entitled to a share in the profits of an enterprise, other than by way of securities, which enterprise is effectively managed in the Netherlands and to which enterprise the Notes or the Coupons are attributable.

*Non-Dutch Corporate Entities*

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

(i) the Non-Dutch Corporate Entity derives profits from an enterprise, which enterprise is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands, to which the Notes or the Coupons are attributable; or

(ii) the Non-Dutch Corporate Entity is entitled to a share in the profits of an enterprise or a co-entitlement to the net worth of an enterprise, other than by way of securities, which enterprise is effectively managed in the Netherlands and to which enterprise the Notes or the Coupons are attributable.

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

**Dutch Gift Tax or Inheritance Tax**

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

(i) at the time of the gift or death of the Noteholder or Couponholder, the Noteholder or Couponholder is resident, or is deemed to be resident, in the Netherlands;

(ii) the Noteholder or Couponholder dies within 180 days after the date of the gift of the Notes or Coupons while being, or being deemed to be, resident in the Netherlands at the time of his death but not at the time of the gift; or

(iii) the gift of the Notes or the Coupons is made under a condition precedent and the Noteholder or Couponholder is resident, or is deemed to be resident, in the Netherlands at the time the condition is fulfilled.

### Other Taxes and Duties

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

### Residency

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

# SUBSCRIPTION AND SALE

## Summary of Dealer Agreement

Subject to the terms and on the conditions contained in an amended and restated dealer agreement dated 28 April 2022 (the "**Dealer Agreement**") between the Issuer, the Permanent Dealers and the Arranger, the Notes will be offered on a continuous basis by the Issuer to the Permanent Dealers. However, the Issuer has reserved the right to sell Notes directly on its own behalf to Dealers that are not Permanent Dealers. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer(s). The Notes may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Dealer Agreement also provides for Notes to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers.

The Issuer will pay each relevant Dealer a commission as agreed between them in respect of Notes subscribed by it. The Issuer has agreed to reimburse the Arranger for certain of its expenses incurred in connection with the establishment of the Programme and the Dealers for certain of their activities in connection with the Programme. The commissions in respect of an issue of Notes on a syndicated basis will be stated in the relevant Final Terms.

The Issuer has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Dealer Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

## Selling Restrictions

### United States

The Notes have not been and will not be registered under the Securities Act. Notes in bearer form having a maturity of more than one year are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons. Each of the Dealers has represented and agreed that it has not offered, sold or delivered and will not offer, sell or deliver a Note in bearer form within the United States or to U.S. persons except as permitted by the Dealer Agreement. The Notes are being offered and sold outside the United States in reliance on Regulations S under the Securities Act, as amended.

In addition, until 40 days after the commencement of the offering, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

This Base Prospectus has been prepared by the Issuer for use in connection with the offer and sale of the Notes outside the United States. The Issuer and the Dealers reserve the right to reject any offer to purchase the Notes, in whole or in part, for any reason. This Base Prospectus does not constitute an offer to any person in the United States. Distribution of this Base Prospectus by any non-U.S. person outside the United States to any U.S. person or to any other person within the United States, is unauthorised and any disclosure without the prior written consent of the Issuer of any of its contents to any such U.S. person or other person within the United States, is prohibited.

Terms used in this paragraph and not otherwise defined herein have the meanings given to them by Regulation S.

### Prohibition of Sales to EEA Retail Investors

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

a) the expression "**retail investor**" means a person who is one (or more) of the following:

i. a retail client as defined in point (11) of Article 4(1) of MiFID II; or

ii. a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

iii. not a qualified investor as defined in the Prospectus Regulation; and

b) the expression "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

**Prohibition of Sales to UK Retail Investors**

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

a) the expression "**retail investor**" means a person who is one (or more) of the following:

i. a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK law by virtue of the EUWA; or

ii. a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (8) of Article 2(1) of UK MiFIR; or

iii. not a qualified investor as defined in Regulation (EU) 2017/1129 as it forms part of UK law by virtue of the EUWA; and

b) the expression "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

**United Kingdom**

Each Dealer has represented and agreed that:

(i) in relation to any Notes which have a maturity of less than one year, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of section 19 of the FSMA by the Issuer;

(ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and

(iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

**The Netherlands**

Each Dealer has represented and agreed that bearer zero coupon Notes in definitive form on which interest does not become due and payable during their term but only at maturity and other Notes that qualify as saving certificates (*spaarbewijzen*) as defined in the Dutch Savings Certificates Act (*Wet inzake spaarbewijzen*, the "**SCA**") may only be transferred or accepted, directly or indirectly, within, from or into the Netherlands through the mediation of either the Issuer or a member of Euronext with due observance of the provisions of the SCA and its implementing regulations (including identification and registration requirements)(as amended). However, no such mediation is required in respect of (i) the initial issue of such Notes to the first holders thereof, (ii) the transfer and acceptance by individuals who do not act in the conduct of a profession or business, and (iii) the issue and trading of such Notes if they are physically issued outside the Netherlands and are not distributed in the Netherlands in the course of primary trading or immediately thereafter.

**Japan**

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "Financial Instruments and Exchange Act"). Accordingly, each Dealer has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

**Switzerland**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not publicly offered, sold or advertised any Notes directly or indirectly, in, into or from Switzerland and that the Notes will not be admitted to trading on the SIX Swiss Exchange or on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this Base Prospectus nor any other offering or marketing material relating to any Notes constitutes a prospectus as such term is understood pursuant to article 652a or article 1156 of the Swiss Code of Obligations or a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange or any other regulated trading facility in Switzerland or pursuant to the Swiss Financial Services Act ("**FinSA**"), and neither this Base Prospectus nor any other offering or marketing material relating to such Notes may be publicly distributed or otherwise made publicly available in Switzerland.

**General**

These selling restrictions may be modified by the agreement of the Issuer and the Dealers following a change in a relevant law, regulation or directive. Any such modification will be set out in a supplement to this Base Prospectus.

No representation is made that any action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of the Base Prospectus or any other offering material or any Final Terms which will complement the Base Prospectus, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed that it shall, to the best of its knowledge, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes the Base Prospectus, any other offering material or any Final Terms which will complement the Base Prospectus.

## FORM OF FINAL TERMS

The form of Final Terms that will be issued in respect of each Tranche, subject only to the deletion of non-applicable provisions, is set out below:

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

**[UK MiFIR PRODUCT GOVERNANCE/PROFESSIONAL INVESTORS AND ECPs ONLY TARGET MARKET –** Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in Regulation No 600/2014 as it forms part of UK law by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**") ("**UK MiFIR**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. Any [person subsequently offering, selling or recommending the Notes (a "**distributor**")][distributor] should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the UK MiFIR Product Governance Rules is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

**PROHIBITION OF SALES TO EEA RETAIL INVESTORS –** The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of [Directive 2014/65/EU (as amended, "**MiFID II**")][MiFID II]; (ii) a customer within the meaning of Directive 2016/97/EU (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

**PROHIBITION OF SALES TO UK RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK law by virtue of the [European Union (Withdrawal) Act 2018 (the "**EUWA**")][EUWA]; (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (as amended, the "**FSMA**") and any rules or regulations made under the FSMA to implement Directive 2016/97/EU, where that customer would not qualify as a professional client as defined in point (8) of Article 2(1) of [Regulation (EU) No 600/2014 as it forms part of UK law, "**UK MiFIR**"][UK MiFIR]; or (iii) not a qualified investor as defined in article 2 of

[Regulation (EU) 2017/1129][the Prospectus Regulation] as it forms part of UK law by virtue of the EUWA (the "**UK Prospectus Regulation**"). Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of UK law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

## Final Terms dated [DATE]

**TenneT Holding B.V.**
Legal entity identifier (LEI): 724500LTUWK3JQG63903
Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
under the **€25,000,000,000 Euro Medium Term Note Programme**

## PART A – CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Notes (the "**Conditions**") set forth in the base prospectus dated 28 April 2022 [and the supplement[s] to it dated [date]] which [together] constitute[s] a base prospectus (the "**Base Prospectus**") for the purposes of the Prospectus Regulation. This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Base Prospectus in order to obtain all the relevant information. The Base Prospectus has been published on https://www.tennet.eu/nl/bedrijf/investor-relations/emtn-programma/.]

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

[Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Notes (the "**Conditions**") set forth in the prospectus dated [22 January 2010/3 February 2011/12 May 2015/23 May 2016/10 April 2017/3 May 2018/23 April 2019/7 May 2020/4 May 2021] which are incorporated by reference in the Base Prospectus dated 28 April 2022 (the "**Base Prospectus**"). This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Base Prospectus dated 28 April 2022 [and the supplement[s] to it dated [date]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation in order to obtain all the relevant information, save in respect of the Conditions which are extracted from the prospectus dated [original date] [and the supplement[s] to it dated [date]]. The Base Prospectus has been published on https://www.tennet.eu/nl/bedrijf/investor-relations/emtn-programma/.]

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

**[UK MiFIR PRODUCT GOVERNANCE/PROFESSIONAL INVESTORS AND ECPs ONLY TARGET MARKET –** Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in Regulation 600/2014 as it forms part of UK law by virtue of the EUWA ("**UK MiFIR**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor"**) should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the UK MiFIR Product Governance Rules is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[[specify benchmark] is provided by [administrator legal name]][repeat as necessary]. [[administrator legal name] [appears]/[does not appear]][repeat as necessary] in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of the BMR.

[As far as the Issuer is aware, [[insert benchmark(s)] [does/do] not fall within the scope of the BMR by virtue of Article 2 of that regulation] OR [the transitional provisions in Article 51 of the BMR apply], such that [insert names(s) of administrator(s)] [is/are] not currently required to obtain authorisation or registration (or, if located outside the European Union, recognition, endorsement or equivalence).]]

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

| | | |
|---|---|---|
| 1 | Issuer: | TenneT Holding B.V. |
| 2 | (i) Series Number: | [ ] |
| | (ii) Tranche Number: | [ ] |
| | (iii) Date on which the Notes become fungible: | [Not Applicable/The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the [*insert description of the Series*] on [*insert date*/the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph [22] below [which is expected to occur on or about [*insert date*]]].]<br><br>(*N.B. Notes can only be fungible with Notes issued under this Base Prospectus and with Notes issued under the base prospectus dated 22 January 2010, 3 February 2011, 12 May 2015, 23 May 2016, 10 April 2017, 3 May 2018, 23 April 2019, 7 May 2020 and/or 4 May 2021*) |
| 3 | Specified Currency or Currencies: | [ ] |
| 4 | Aggregate Nominal Amount: | [ ] |
| | (i) Series: | [ ] |
| | (ii) Tranche: | [ ] |
| 5 | Issue Price: | [ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] (*if applicable*)] |
| 6 | (i) Specified Denominations: | [ ]<br>*[Where multiple denominations above EUR 100,000 (or equivalent) are being used the following sample wording should be followed: [EUR 100,000] and integral multiples of [EUR 1,000] in excess thereof [up to and including EUR 199,000]. No Notes in definitive form will be issued with a denomination above [EUR 199,000]]*.] [In case Subordinated Notes are sold into Italy, EUR 200,000 minimum denomination to be considered]*<br>**[Delete if Notes being issued in registered form.]*<br>*Notes (including Notes denominated in Sterling) in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of S 19 FSMA and which have a maturity of less than one year must have a minimum redemption value of £100,000 (or its equivalent in other currencies).* |
| | (ii) Calculation Amount: | [ ][Not Applicable] |
| 7 | (i) Issue Date: | [ ] |
| | (ii) Interest Commencement Date: | [*Specify*/Issue Date/Not Applicable] |
| 8 | Maturity Date: | [*Specify date or (for Floating Rate Notes)* Interest Payment Date falling in or nearest to *[specify relevant month and year]*] |

| | | |
|---|---|---|
| 9 | Interest Basis: | [[ ] per cent. fixed rate]<br>[[EURIBOR/SOFR/SONIA] +/– [ ] per cent. floating rate]<br>[Zero Coupon]<br>(further particulars specified below) |
| 10 | Redemption/Payment Basis: | Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [100] per cent. of their nominal amount.*(N.B. The Issuer does not intend to issue Notes that constitute derivative securities for the purposes of the Prospectus Regulation. If, however, the Final Redemption Amount is less than 100% of the nominal value, the Notes will constitute derivative securities for the purposes of the Prospectus Regulation and the requirements of Annex 17 to the Commission Delegated Regulation (EU) 2019/980 will apply and the Issuer will prepare and publish a series prospectus).* |
| 11 | Change of Interest Basis: | [*specify the date when any fixed to floating rate change occurs or refer to paragraphs 14 and 15 below and identity these*]<br>[Not Applicable] |
| 12 | Put/Call Options: | [Investor Put]<br>[Change of Control Put]<br>[Issuer Call]<br>[Issuer Refinancing Call]<br>[(further particulars specified below)] |
| 13 | (i) Status of the Notes: | [Senior/Subordinated] |
| | [(ii) [Date [Board] approval for issuance of Notes obtained: | [ ] [and [ ], respectively]]<br>*(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)* |

## PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

| | | |
|---|---|---|
| 14 | **Fixed Rate Note Provisions** | [Applicable/Not Applicable]<br>*(If not applicable, delete the remaining sub-paragraphs of this paragraph)* |
| | (i) Rate(s) of Interest: | [From (and including) [ ] up to (but excluding) [ ]] [[ ] per cent. per annum] [payable [annually/semi-annually/quarterly/monthly/*other (specify)*] in arrear] on each Interest Payment Date |
| | (ii) Interest Payment Date(s): | [ ] in each year, commencing on [ ], up to and including [the Maturity Date/*specify other*]<br>*(NB: In the case of long or short coupons the following sample wording should be followed: There will be a [short/long] [first/last] coupon)* |
| | (iii) Fixed Coupon Amount(s): | [ ] per Calculation Amount |
| | (iv) Broken Amount(s): | [[ ] per [Specified Denomination/Calculation Amount], in respect of the [short/long] coupon payable on the Interest Payment Date falling [in/on] [ ].] [The Broken Amount |

| | | |
|---|---|---|
| | | payable on the Interest Payment Date in respect of the [short/long] coupon shall be an amount equal to the [Specified Denomination/Calculation Amount] multiplied by the Rate of Interest multiplied by the Day Count Fraction with the resultant figure being rounded to the nearest sub-unit of the Specified Currency, half of any such sub-unit being rounded [upwards/downwards].] [Not Applicable] |
| | (v) Day Count Fraction: | [30/360 / Actual/Actual (ICMA/ISDA) / *include any other option from the Conditions*] |
| | (vi) Determination Dates: | [[ ] in each year (*insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA)*)] [Not Applicable] |
| 15 | **Floating Rate Note Provisions** | [Applicable/Not Applicable]<br>(*If not applicable, delete the remaining sub-paragraphs of this paragraph*) |
| | (i) Interest Period(s): | [[●] [, subject to adjustment in accordance with the Business Day Convention set out in (v) below/, not subject to any adjustment[, as the Business Day Convention in (v) below is specified to be Not Applicable]] |
| | (ii) Specified Interest Payment Dates: | [[●] in each year[, subject to adjustment in accordance with the Business Day Convention set out in (v) below/, not subject to any adjustment[, as the Business Day Convention in (v) below is specified to be Not Applicable]] |
| | (iii) Interest Period Date: | [Not Applicable]/ [[●] in each year[, subject to adjustment in accordance with the Business Day Convention set out in (v) below/, not subject to any adjustment[, as the Business Day Convention in (v) below is specified to be Not Applicable]] |
| | (iv) First Interest Payment Date: | [ ] |
| | (v) Business Day Convention: | [Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention] [Not Applicable] |
| | (vi) Business Centre(s): | [ ] |
| | (vii) Manner in which the Rate(s) of Interest is/are to be determined: | [Screen Rate Determination/ISDA Determination] |
| | (viii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Fiscal Agent): | [ ] |
| | (ix) Screen Rate Determination: | |

| | |
|---|---|
| – Reference Rate: | [Compounded Daily SONIA]/[Compounded Daily SOFR]/[Weighted Average SOFR]/[[ ] month [EURIBOR] *specify reference rate*] |
| – Interest Determination Date(s): | [ ]<br>[*If SONIA insert:* The [●] London Banking Day (as defined in the Conditions) falling after the last day of the relevant Observation Period]<br>[*If Compounded Daily SOFR or Weighted Average SOFR insert:* The [●] U.S. Government Securities Business Day (as defined in the Conditions) falling after the last day of the relevant Observation Period] |
| – Relevant Screen Page(s) [and relevant time]: | [ ]<br>[[•] a.m./p.m. ([•] time)]<br>(*Only applicable in case relevant time is other than 11:00 a.m. Brussels time as specified in Condition 5(b)(iii)[(B)]*) |
| - [Index Determination: | [Applicable/Not Applicable]] |
| - [Relevant Number: | [5/●] U.S. Government Securities Business Days]] |
| - [Observation Method: | [Lag/Lock-out/Shift]] |
| - [Lag Period (p): | [5/●] [London Banking Days][U.S. Government Securities Business Days]] |
| - [Shift Period (p): | [5/●] [London Banking Days][U.S. Government Securities Business Days]] |
| - [SONIA Compounded Index Observation Period: | [5/●] London Banking Days] |
| - [Relevant Fallback Screen Page: | [●]] |
| - [Calculation Agent: | [ ]]<br>(*Only applicable in case other than Calculation Agent*) |
| - [Benchmark Discontinuation: | ARRC – SOFR] |
| (x) ISDA Determination: | |
| – Floating Rate Option: | [ ] |
| – Designated Maturity: | [ ] |
| – Reset Date: | [ ] |
| (xi) Linear Interpolation: | Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)] |
| (xii) Margin(s): | [+/-][ ] per cent. per annum |
| (xiii) Minimum Rate of Interest: | [ ] per cent. per annum |
| (xiv) Maximum Rate of Interest: | [ ] per cent. per annum |
| (xv) Day Count Fraction: | [ ] |

| | | |
|---|---|---|
| | (xvi) Pre-Cessation Trigger: | [Applicable/Not Applicable] |
| 16 | **Zero Coupon Note Provisions** | [Applicable/Not Applicable]<br>(*If not applicable, delete the remaining sub-paragraphs of this paragraph*) |
| | (i) Amortisation Yield: | [ ] per cent. per annum |
| | (ii) [Day Count Fraction in relation to Early Redemption Amounts: | [30/360 / Actual/Actual (ICMA/ISDA) / *include any other option from the Conditions*]] |

## PROVISIONS RELATING TO REDEMPTION

| | | |
|---|---|---|
| 17 | **Issuer Call Option** | [Applicable/Not Applicable]<br>*(If not applicable, delete the remaining sub-paragraphs of this paragraph)* |
| | (i) Optional Redemption Date(s): | [ ] |
| | (ii) Optional Redemption Amount(s): (*Either a specified amount or an election that redemption should be calculated as a Make-Whole Amount*) | [[●] per Calculation Amount] [Make-Whole Amount] [in the case of the Optional Redemption Date(s) falling [on [ ]]/[in the period (the "**Par Call Period**") from and including [*insert date*] (the "**Par Call Period Commencement Date**") to but excluding [date]] [and [[ ] per Calculation Amount] [in the case of the Optional Redemption Date(s) falling [on [ ]/in the period from and including [date] to but excluding [date]] |
| | [(iii) Redemption Margin: (*Only applicable to Make-Whole Amount redemption*) | [[●] per cent.] [Not Applicable]] |
| | [(iv) Reference Bond: (*Only applicable to Make-Whole Amount redemption*) | [*insert applicable reference bond*] [Not Applicable]] |
| | [(v) Reference Dealers; (*Only applicable to Make-Whole Amount redemption*) | [[●]][Not Applicable]] |
| | (vi) If redeemable in part: | [Applicable/Not Applicable]<br>*(If not applicable, delete the remaining sub-paragraphs of this paragraph)* |
| | (a) Minimum Redemption Amount: | [ ] per Calculation Amount |
| | (b) Maximum Redemption Amount: | [ ] per Calculation Amount |
| | (vii) Notice period: | [ ] days |
| 18 | **Issuer Refinancing Call** | [Applicable/Not Applicable]<br>(*If not applicable, delete the remaining sub-paragraphs of this paragraph*) |
| | (i) Notice period: | [ ] days<br>[ ] |

| | | |
|---|---|---|
| | (ii) Issuer Refinancing Call Period Commencement Date | |
| 19 | **Investor Put Option** | [Applicable/Not Applicable]<br>(*If not applicable, delete the remaining sub-paragraphs of this paragraph*) |
| | (i) Optional Redemption Date(s): | [ ] |
| | (ii) Optional Redemption Amount(s) of each Note: | [ ] per Calculation Amount |
| | (iii) Notice period: | [ ] |
| 20 | **Change of Control Put Event** | [Applicable/Not Applicable] |
| 21 | **Final Redemption Amount of each Note** | [ ] [Par] per Calculation Amount |
| 22 | **Early Redemption Amount** | |
| | Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption: | [ ] [Par] per Calculation Amount |

## GENERAL PROVISIONS APPLICABLE TO THE NOTES

| | | |
|---|---|---|
| 23 | Form of Notes: | **Bearer Notes:**<br>[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]<br>[Temporary Global Note exchangeable for Definitive Notes on [●] days' notice] [In relation to any issue of Notes which are a "Global Note exchangeable for Definitive Notes" in circumstances other than "in the limited circumstances specified in the Global Note", such Notes may only be issued in denominations equal to, or greater than, EUR 100,000 (or equivalent) and integral multiples thereof]<br>[Permanent Global Note exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]<br>[Not Applicable]<br>**Registered Notes:**<br>Regulation S Global Note (EUR [●] nominal amount) registered in the name of a nominee for [a common depositary for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg (that is, held under the NSS)][Not Applicable] |
| 24 | New Global Note: | [Yes] [No] |

| | | |
|---|---|---|
| 25 | Financial Centre(s): | [Not Applicable/*give details. Note that this paragraph relates to the date and place of payment, and not the end dates of interest periods for the purpose of calculating the amount of interest, to which sub-paragraphs15(vi) relates*] |
| 26 | Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature): | [No/Yes. As the Notes have more than 27 coupon payments, talons may be required if, on exchange into definitive form, more than 27 coupon payments are left.] |

## [THIRD PARTY INFORMATION

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

Signed on behalf of TenneT Holding B.V.:

By:

............................................................

Duly authorised

## PART B – OTHER INFORMATION

### 1 LISTING AND ADMISSION TO TRADING

| | | |
|---|---|---|
| (i) | Admission to trading: | [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the regulated market of Euronext Amsterdam [*specify other*] with effect from [ ].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the regulated market of Euronext Amsterdam [*specify other]*] with effect from [ ].] [Not Applicable.]<br>*(Where documenting a fungible issue need to indicate that original securities are already admitted to trading.)* |
| (ii) | Estimate of total expenses related to admission to trading: | [ ] |

### 2 [RATINGS

Ratings:

[[The Notes to be issued [have been rated/are expected to be rated]/[The following ratings reflect ratings assigned to Notes of this type issued under the Programme generally]]:

[S & P: [ ]]

[Moody's: [ ]]

[[Other]: [ ]]

[and endorsed by [*insert details*]]

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

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

*Insert one (or more) of the following options, as applicable:*

[[*Insert full legal name of credit rating agency/ies*] [is]/[are] established in the European Union and [has]/[have each] applied for registration under Regulation (EC) No 1060/2009, although the result of such application has not yet been determined.]

[[*Insert full legal name of credit rating agency/ies*] [is]/[are] established in the European Union and registered under Regulation (EC) No 1060/2009.]

[[*Insert credit rating agency/ies*] [is]/[are] not established in the European Union and [has]/[have] not applied for registration under Regulation (EC) No 1060/2009.]

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

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

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business. (*Amend as appropriate if there are other interests*)]

*[(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 23 of the Prospectus Regulation.)]*

## 4 USE OF PROCEEDS, REASONS FOR THE OFFER AND ESTIMATED NET PROCEEDS

| | |
|---|---|
| (i) Use of proceeds, reasons for the offer: | [ ] |

(S*ee "Use of Proceeds" wording in Base Prospectus – if there is a particular identified use of proceeds, this will need to be included here.*) [in case proceeds are to be allocated to the Green Project Portfolio with the special purpose to finance, refinance and/or invest in Eligible Green Projects meeting the Eligibility Criteria, insert the below paragraphs. In case proceeds are to be allocated with the special purpose to finance, refinance and/or invest in other sustainable energy projects meeting certain criteria, specify these criteria herein]

*[Net proceeds from the Issue of the Notes will be allocated to a sub portfolio (the* ***"Green Project Portfolio"****) with the special purpose to finance, refinance and/or invest in Eligible Green Projects (as defined below) meeting the Eligibility Criteria (as defined below).*

***"Eligible Green Projects"*** *means projects relating to the Electricity Network, Connection Services and Interconnectors as set out in further detail by the Issuer in its Green Financing Framework.*

***"Eligibility Criteria"*** *means the criteria prepared by the Issuer. A second party consultant (e.g. ISS ESG) will review the selected Eligible Green Projects and issue a second party* *opinion based on the Eligibility Criteria. The second party-opinion will be made available on the Issuer's website (www.tennet.eu).*

*The Issuer intends to allocate an amount equivalent to the net proceeds from the Green Financing Instruments to the Green Project Portfolio, selected in accordance with the use of proceeds criteria and evaluation and selection process. Tracking will be facilitated through the portfolio approach. The Issuer will strive to maintain a level of allocation for the Green Project Portfolio which, after adjustments for intervening circumstances including, but not limited to, sales and repayments, matches or exceeds the balance of net proceeds from its outstanding green financing instruments. Additional Eligible Green Projects will be added to the Issuer's Green Project Portfolio to the extent required to ensure that the net proceeds from the outstanding green financing instruments will be allocated to Eligible Green Projects. Whilst any green financing instrument net proceeds remain unallocated, the Issuer will hold and/or invest, at its own discretion, in its treasury liquidity portfolio, in cash or other short term and liquid instruments, the balance of net proceeds not yet allocated to the Green Project Portfolio.*

*The Issuer is expected to issue a report, among others and as set out in more detail in the Green Financing Framework, on (i) the allocation of proceeds of instruments issued under the Green Financing Framework, (ii) the yearly Capex on the Green Project Portfolio, (iii) the advancement of the Eligible Green Projects in the building phase, (ii) environmental impact indicators, (v) operational and social indicators and (vi) significant controversies. This report will be issued once a year together with the Issuer's annual report until all Notes which were issued for the purpose of financing, refinancing and or/investing in Eligible Green Projects are repaid in full or until the maturity date of these Notes. The report will be reviewed by a second party consultant or with limited assurance by an independent auditor. In addition, the Issuer is expected to provide regular information through its website (www.tennet.eu) to investors on the environmental outcomes of the Eligible Green Projects.]*

| | |
|---|---|
| (ii) Estimated net proceeds | [●] |

**5 [*Fixed Rate Notes only* – YIELD**

| | |
|---|---|
| Indication of yield: | [ ] |
| | The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.] |

## 6 OPERATIONAL INFORMATION

| | |
|---|---|
| ISIN: | [ ] |
| Common Code: | [ ] |
| Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking, S.A. and the relevant identification number(s): | [Not Applicable/*give name(s) and number(s) [and address(es)]*] |
| Delivery: | Delivery [against/free of] payment |
| Names and addresses of additional Paying Agent(s) (if any): | [ ] |
| [Deemed delivery of clearing system notices for the purposes of Condition 14]: | [Any notice delivered to Noteholders through the clearing systems will be deemed to have been given on the [second][business] day after the day on which it was given to [Euroclear Bank SA/NV and Clearstream Banking, S.A.] |
| Intended to be held in a manner which would allow Eurosystem eligibility: | [Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper)] [*include this text for registered notes*] and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]/<br>[No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper) [*include this text for registered notes*]. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]] |
| [Trade date] | [ ]<br>*(include in settlement instructions or here*) |

## 7 DISTRIBUTION

| | | |
|---|---|---|
| (i) | Method of distribution: | [Syndicated/Non-syndicated] |
| (ii) | If syndicated: | [Not Applicable/*give names*] |
| | (A) Names of Managers: | |
| | (B) Stabilising Manager(s) (if any) | [Not Applicable/*give names*] |
| (iii) | If non-syndicated, name of Dealer | [Not Applicable/*give name*] |
| (iv) | U.S. Selling Restrictions: | [Reg. S Compliance Category [1]; TEFRA C/ TEFRA D/ TEFRA not applicable] |

# GENERAL INFORMATION

(1) This Base Prospectus has been approved by the Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten*, the "**AFM**"), as competent authority under the Prospectus Regulation. The AFM only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the issuer that is the subject of this Base Prospectus or of the quality of the securities that are the subject of this Base Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes.

(2) This Base Prospectus will be valid as a base prospectus under the Prospectus Regulation for 12 months from 28 April 2022. The obligation to supplement this Base Prospectus in the event of significant new factors, material mistakes or material inaccuracies will not apply following the expiry of that period.

(3) Application may be made to Euronext for Notes issued under the Programme to be admitted to listing on Euronext Amsterdam. The listing of the Notes on Euronext Amsterdam will be expressed as a percentage of their nominal amount (exclusive of accrued interest). It is expected that each Tranche of the Notes which is to be admitted to listing on Euronext Amsterdam will be admitted separately as and when issued, subject only to the issue of a temporary or permanent Global Note (or one or more Certificates) in respect of each Tranche. Prior to official listing and admission to trading, however, dealings may be permitted by Euronext in accordance with its rules. Transactions will normally be effected for delivery on the third working day after the day of the transaction. However, unlisted Notes may also be issued pursuant to the Programme.

(4) The Issuer has obtained all necessary consents, approvals and authorisations in the Netherlands in connection with the 2022 update of the Programme, which was authorised by resolutions of the Managing Board of the Issuer passed on 9 December 2021.

(5) The Issuer accepts responsibility for the information contained in this Base Prospectus and the Final Terms for each Tranche of Notes issued under the Programme which will complement this Base Prospectus. To the best of the knowledge of the Issuer, the information contained in this Base Prospectus is in accordance with the facts and makes no omission likely to affect its import.

(6) There has been no material adverse change in the prospects of the Issuer or of the Group since 31 December 2021. There has been no significant change in the financial position or financial performance of the Issuer or of the Group since 31 December 2021.

(7) Except as disclosed under "*Risk factors – Risks relating to the Issuer's business operations – Impact of Dutch and German regulatory frameworks on the Issuer's business financial conditions and net income*" under the headings "*Regulatory decisions and proceedings*", "*Connection of offshore windfarms*" and "*System Responsibility*" and under "*Business Description of the Issuer*" under the headings ""*Tariff regulation for the current regulatory period (2022-2026)*" and "*Legal and arbitration proceedings*" above neither the Issuer nor any of its subsidiaries is aware of any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during a period covering at least the previous 12 months preceding the date of this Base Prospectus which may have or have had in the recent past significant effects on the financial position or profitability of the Issuer or the Group.

(8) Each Bearer Note having a maturity of more than one year, Coupon and Talon will bear the following legend: "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".

(9) Notes have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems (which are the entities in charge of keeping the records). The Common Code, the International Securities Identification Number (ISIN) and (where applicable) the identification number for any other relevant clearing system for each Series of Notes will be set out in the relevant Final Terms.

The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L-1855 Luxembourg. The address of any alternative clearing system will be specified in the applicable Final Terms.

(10) The website of the Issuer is www.tennet.eu. The information on www.tennet.eu does not form part of this Base Prospectus, except where that information has been incorporated by reference into this Base Prospectus.

(11) There are no material contracts entered into other than in the ordinary course of the Issuer's business, which could result in any member of the Group being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to noteholders in respect of the Notes being issued.

(12) Where information in this Base Prospectus has been sourced from third parties, this information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from the information published by such third parties no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of third party information is identified where used.

(13) The issue price and the amount of the relevant Notes will be determined, before filing of the relevant Final Terms of each Tranche, based on the prevailing market conditions. The Issuer does not intend to provide any post-issuance information in relation to any issues of Notes.

(14) For the period of 12 months following the date of this Base Prospectus, copies of the following documents will, when published, be available for inspection from the Issuer's website (for the articles of association: https://www.tennet.eu/nl/bedrijf/profiel/corporate-governance/, for the annual reports and annual financial statements: https://www.tennet.eu/company/investor-relations/financial-reports/, and for the this Base Prospectus or further prospectus: https://www.tennet.eu/nl/bedrijf/investor-relations/emtn-programma/):

(i) the articles of association (*statuten*) of the Issuer and the English translation thereof;

(ii) the annual reports of the Issuer for the years ended 31 December 2020 and 31 December 2021 (containing the audited financial statements of the Issuer, which include the consolidated financial statements), in each case together with the audit reports prepared in connection therewith;

(iii) the most recently available published audited consolidated annual financial statements of the Issuer and the most recently available published interim financial statements of the Issuer (if any);

(iv) each Final Terms (save that Final Terms relating to a Note which is neither admitted to trading on a regulated market within the European Economic Area or the United Kingdom nor offered in the European Economic Area or the United Kingdom in circumstances where a prospectus is required to be published under the Prospectus Regulation or the UK Prospectus Regulation, as applicable, will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer and the Fiscal Agent as to its holding of Notes and identity);

(v) a copy of this Base Prospectus together with any supplement to this Base Prospectus or further prospectus; and

(vi) all reports, letters and other documents, balance sheets, valuations and statements by any expert any part of which is extracted or referred to in this Base Prospectus.

(15) For the period of 12 months following the date of this Base Prospectus, the Agency Agreement (which includes the form of the Global Notes, the definitive Bearer Notes, the Certificates, the Coupons and the Talons) will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection at the office of each of the Issuer, the Paying Agents, the Registrar and the Transfer Agents.

(16) The auditor of Deloitte Accountants B.V. has audited and issued an unqualified independent auditor's report on the consolidated financial statements of the Issuer for the year ended on 31 December 2021 and for the year ended on 31 December 2020.

The auditor of Deloitte Accountants B.V. is a member of the Koninklijke Nederlandse Beroepsorganisatie van Accountants (NBA), which is a member of International Federation of Accountants (IFAC). The independent auditor's reports have been included in this Base Prospectus, through incorporation by reference, with the consent of Deloitte Accountants B.V.

(17) Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services to the Issuer and/or its affiliates in the ordinary course of business.

(18) Certain of the Dealers and their affiliates may have positions, deal or make markets in the Notes issued under the Programme, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer and its affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities.

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

**REGISTERED OFFICE OF THE ISSUER**

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**DEALERS**

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The Netherlands

**Deutsche Bank Aktiengesellschaft**
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**HSBC Continental Europe**
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**ING Bank N.V.**
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The Netherlands

**NatWest Markets N.V.**
Claude Debussylaan 94
1082 MD Amsterdam
The Netherlands

**FISCAL AGENT, PRINCIPAL PAYING AGENT, TRANSFER AGENT AND CALCULATION AGENT**

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London E14 5AL
United Kingdom

**REGISTRAR**

**The Bank of New York Mellon SA/NV, Luxembourg Branch**
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2-4 rue Eugene Ruppert
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**INDEPENDENT AUDITORS**

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## LEGAL ADVISERS

***To the Issuer***

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***To the Dealers***

**Linklaters LLP**

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