



## STEDIN HOLDING N.V.

*(incorporated as a public company with limited liability in The Netherlands with its statutory seat in Rotterdam, The Netherlands)*

**EUR 2,000,000,000**

### **Euro Medium Term Note Programme**

This base prospectus (the "**Base Prospectus**") has been approved by The Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*, the "**AFM**"), which is the competent authority in The Netherlands for the purposes of Directive 2003/71/EC (as amended, including by Directive 2010/73/EU, the "**Prospectus Directive**") and relevant implementing measures in The Netherlands, as a base prospectus issued in compliance with the Prospectus Directive and relevant implementing measures in The Netherlands for the purpose of giving information with regard to the issue of notes ("**Notes**") issued under the Euro Medium Term Note Programme (the "**Programme**") by Stedin Holding N.V. (the "**Issuer**") described in this Base Prospectus during the period of twelve months after the date hereof. The Notes will have a minimum maturity of one year and a maximum maturity of forty years. The aggregate nominal amount of all Notes from time to time outstanding will not exceed Euro 2,000,000,000 (or its equivalent in any other currency calculated as described in this Base Prospectus).

Application has been made to Euronext Amsterdam N.V. for Notes to be issued under the Programme up to the expiry of 12 months from the Publication Date (as defined below) to be admitted to listing and trading on Euronext in Amsterdam ("**Euronext**"), the regulated market of Euronext Amsterdam N.V. Euronext is a regulated market for the purpose of the Markets in Financial Instruments Directive (2004/39/EC). The Programme also permits Notes to be issued on the basis that they will not be admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system or to be admitted to listing, trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems as may be agreed with the Issuer.

No Notes may be issued under the Programme with a denomination of less than Euro 100,000 (or its equivalent in any other currency).

**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.**

*Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the ability of the Issuer to fulfil its obligations under the Notes are discussed under "Risk Factors" below.*

#### **Arranger**

**Rabobank**

#### **Dealers**

**ABN AMRO**

**BNP PARIBAS**

**ING**

**Rabobank**

**MUFG**

**NatWest Markets**

This Base Prospectus can be obtained by e-mail through [treasury@stedin.net](mailto:treasury@stedin.net) as of 6 October 2017 (the "**Publication Date**"). Furthermore, copies of this Base Prospectus will be available, free of charge, during normal office hours at the Issuer's head office, Blaak 8, 3011 TA Rotterdam, The Netherlands and will be published in electronic form on <http://www.stedin.net/over-stedin/over-stedin-groep/investor-relations-in-english>.

## IMPORTANT NOTICES

### Responsibility for this Base Prospectus

Stedin Holding N.V. (the "**Issuer**") accepts responsibility for the information contained in this Base Prospectus and any Final Terms and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Base Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

Each Tranche (as defined herein) of Notes will be issued on the terms set out herein under "*Terms and Conditions of the Notes*" (the "**Conditions**") as amended and/or supplemented by a document specific to such Tranche called final terms (the "**Final Terms**"). Any such supplement, amendment, replacement and/or completion will only be made in accordance with the Prospectus Directive unless such supplement, amendment, replacement and/or completion of the Final Terms is done in relation to an issue of Notes under the Programme which Notes are not listed on a regulated market in a Member State (as defined below) and which falls outside the scope of the Prospectus Directive.

### Other relevant information

This Base Prospectus must be read and construed together with any amendments or supplements hereto and with any information incorporated by reference herein and, in relation to any Tranche of Notes, must be read and construed together with the relevant Final Terms.

The Issuer has confirmed to the Dealers named under "*Subscription and Sale*" below that this Base Prospectus contains all information which is (in the context of the Programme, the issue, offering and sale of the Notes) material; that such information is true and accurate in all material respects and is not misleading in any material respect; that any opinions, predictions or intentions expressed herein are honestly held or made and are not misleading in any material respect; that this Base Prospectus does not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in the context of the Programme, the issue, offering and sale of the Notes) not misleading in any material respect; and that all proper enquiries have been made to verify the foregoing.

### Unauthorised information

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other document entered into in relation to the Programme or any information supplied by the Issuer or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuer or any Dealer.

Neither the Dealers nor any of their respective affiliates have authorised the whole or any part of this Base Prospectus and none of them makes any representation or warranty or accepts any responsibility or liability as to the accuracy or completeness of the information contained in or incorporated by reference in this Base Prospectus or any other information provided by the Issuer in connection with the Programme. Neither the delivery of this Base Prospectus or any Final Terms nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that the information contained in this Base Prospectus is true subsequent to 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, or any event reasonably likely to involve any adverse change, in the prospects or financial or trading position of the Issuer since the date thereof or, if later, 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 at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

### Restriction on distribution

The distribution of this Base Prospectus and any Final Terms and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus or any Final Terms comes are required by the Issuer and the Dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of this Base Prospectus or any Final Terms and other offering material relating to the Notes, see "*Subscription and Sale*". In particular, 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 are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Security Act ("**Regulation S**")).

Neither this Base Prospectus nor any Final Terms constitutes an offer or an invitation to subscribe for or purchase any Notes and should not be considered as a recommendation by the Issuer, the Dealers or any of them that any recipient of this Base Prospectus or any Final Terms should subscribe for or purchase any Notes. Each recipient of this Base Prospectus or any Final Terms shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer.

## **IMPORTANT – EEA RETAIL INVESTORS**

If the Final Terms in respect of any Notes includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the Notes are not intended, from 1 January 2018, to be offered, sold or otherwise made available to and, with effect from such date, 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 ("**MiFID II**"); (ii) a customer within the meaning of Directive 2002/92/EC ("**IMD**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the "**Prospectus Directive**"). Consequently no key information document required by Regulation (EU) No 1286/2014 (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.

### **Programme limit**

The maximum aggregate principal amount of Notes outstanding at any one time under the Programme will not exceed EUR 2,000,000,000 and for this purpose, any Notes denominated in another currency shall be translated into euro at the date of the agreement to issue such Notes (calculated in accordance with the provisions of the Dealer Agreement). The maximum aggregate principal amount of Notes which may be outstanding at any one time under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Dealer Agreement as defined under "*Subscription and Sale*".

### **Certain definitions**

In this Base Prospectus, unless otherwise specified, references to a "**Member State**" are references to a Member State of the European Economic Area, references to "**U.S.\$**", "**U.S. dollars**" or "**dollars**" are to United States dollars, references to "**€**", "**EUR**" or "**euro**" are to the single currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended.

Certain figures included in this Base Prospectus have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

### **Ratings**

Tranches of Notes issued under the Programme will be rated or unrated. Where a Tranche of Notes is rated, such rating will not necessarily be the same as the rating(s) assigned to Notes already issued. Where a Tranche of Notes is rated, the applicable rating(s) will be specified in the relevant Final Terms. Whether or not each credit rating applied for in relation to a relevant Tranche of Notes will be (1) issued by a credit rating agency established in the EEA and registered under the Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended (the "**CRA Regulation**"), or (2) issued by a credit rating agency which is not established in the EEA but will be endorsed by a credit rating agency which is established in the EEA and registered under the CRA Regulation or (3) issued by a credit rating agency which is not established in the EEA but which is certified under the CRA Regulation will be disclosed in the Final Terms.

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

## CONTENTS

	<b>Page</b>
IMPORTANT NOTICES.....	iii
RISK FACTORS.....	2
KEY FEATURES OF THE PROGRAMME.....	12
INFORMATION INCORPORATED BY REFERENCE.....	16
FINAL TERMS.....	17
FORMS OF THE NOTES.....	18
TERMS AND CONDITIONS OF THE NOTES.....	23
FORM OF FINAL TERMS.....	48
SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM.....	59
DESCRIPTION OF THE ISSUER.....	61
USE OF PROCEEDS.....	83
TAXATION.....	84
SUBSCRIPTION AND SALE.....	87
GENERAL INFORMATION.....	91
INDEX OF DEFINED TERMS.....	93

## RISK FACTORS

*An investment in Notes involves certain risks including those described below. Prospective investors should carefully consider the matters and information set forth below regarding the factors that may affect the ability of the Issuer to fulfil its obligations under the Notes. In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below. Most of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. If any of the following risks actually occurs, the trading price of the Notes could decline and an investor could lose all or part of its investment. Additional risks not currently known to the Issuer or risks that the Issuer presently deems immaterial may subsequently harm the Issuer and affect an investor's investment.*

*The Issuer believes that the factors described below represent the material risks inherent in investing in Notes issued under the Programme, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and reach their own views prior to making any investment decision.*

*The purchase of certain Notes may be suitable only for investors who have the knowledge and experience in financial and business matters necessary to enable them to evaluate the risks and the merits of an investment in the Notes. Prospective investors should make such inquiries as they deem necessary without relying on the Issuer or any Dealer and before making an investment decision with respect to any Notes, prospective investors should consult their own stockbroker, bank manager, lawyer, accountant or other financial, legal and tax advisers and carefully review the risks entailed by an investment in the Notes and consider such an investment decision in the light of the prospective investor's personal circumstances.*

*Words and expressions defined in the "Terms and Conditions of the Notes" below or elsewhere in this Base Prospectus have the same meanings in this section.*

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

#### ***Risks related to the Issuer being a holding company***

Stedin Holding N.V. is the holding company which owns directly 100 per cent of the shares in Stedin Netbeheer B.V. and indirectly 100 per cent of the shares in Enduris B.V.; both of whom are regulated Dutch grid companies (the "**Grid Companies**"). The Grid Companies account for more than 90 per cent. of the consolidated revenue, annual profit and total assets of the Issuer as at 30 June 2017. The main income of the Issuer is dividend income from the Grid Companies. The Grid Companies may be unable to generate sufficient cash flows to distribute dividends.

#### ***Risk related to the Dutch Regulatory Framework***

The regulated activities of the Issuer and its subsidiaries (together "**Stedin Group**") depend on governmental licenses, authorisations, exemptions and/or dispensations in order to operate its business. These governmental licenses, authorisations, exemptions and/or dispensations may be subject to withdrawal, amendment and/or additional conditions being imposed on the regulated activities of Stedin Group which could affect the revenues, profits and financial position of the Issuer.

As a consequence of the strong dependence on governmental regulations and European legislation, the Issuer's revenues, profits, cash flows and financial position may be affected by changes to the regulatory environment.

The Energy Department of the Dutch Authority for Consumers and Markets (*Autoriteit Consument & Markt*, the "**ACM**") supervises the correct implementation of the Electricity Act 1998 (*Elektriciteitswet 1998*) and the Gas Act (*Gaswet*). The ACM ensures the effective and efficient functioning of the energy market and the protection of customer interests through the implementation of various regulatory instruments. This includes safeguarding access to networks, maintaining sufficient transparency (access to essential information) and protecting consumers against potential malpractices.

The ACM monitors the capability of the Grid Companies to meet the financial requirements for managing the electricity and gas grid, including required and planned investments. The Grid Companies submit their statutory and regulatory financial statements to the ACM annually, including results, assets and infrastructure related activities (maintenance and investments). Furthermore end-user tariffs for the distribution of electricity and gas (which generates the revenues for the Grid Companies) are controlled by the ACM and depend on a series of consecutive regulatory decisions, in particular the Regulation Method Decision, the Efficiency Discount Decision (x-factor), Quality Factor Decision (q-factor) and the Accounting Volume Decision, which are applicable to a certain price control period (the “**Method Decisions**”), and finally the annual tariff decisions.

The Method Decisions for the new regulatory period published by the ACM at the end of 2016 apply for the longest legally possible period of 5 years. By opting for this long term, the ACM aims to stimulate Dutch grid operators to operate efficiently and also to offer customers as much tariff stability as possible.

For the current regulation period (2017 – 2021), the Efficiency Discount Decision (x-factor) will lead to annually decreasing transport tariffs for gas and electricity. As the Issuer's revenue significantly depends on the transport tariffs (as determined by the regulatory framework described above) this is expected to have a negative impact on its financial position and cash flows.

The level of permitted revenues of the Grid Companies includes a component based on the real weighted average costs of capital (“**WACC**”). The variables used to calculate the WACC consist of estimates for the cost of equity, the cost of debt, the relative percentages of debt and equity in the capital structure, the corporate tax rate and the consumer price index. The cost of equity represents the expected return on investment for the shareholders. The Issuer is the sole direct and indirect shareholder of the Grid Companies. The cost of debt represents the expected cost of debt for a company with an "A" credit rating. As is the case for almost all other cost factors, the ACM bases the WACC on data which precede the regulation period for which the WACC is determined. Thus, the WACC may incorrectly reflect the costs of capital which the Grid Companies will effectively incur during the relevant regulation period. For the current tariff regulation period (2017 - 2021), the estimated cost of equity is set at 5.02 per cent. while the cost of debt develops from 3.58 per cent. at the theoretical starting point of 2016 to 2.29 per cent. in 2021. In addition, the actual capitalisation of the Grid Manager may differ from the 50/50 debt/equity ratio assumed in the Method Decisions, which would also have an impact on the profitability of the Grid Companies. Finally, the actual corporate tax rate may deviate from the corporate tax rate assumed in the Method Decisions, which would have an impact on the profitability of the Grid Companies.

Changes to both the Electricity Act and Gas Act currently await discussion in parliament. Such changes may or may not be implemented depending on the outcome of such discussions and the overarching political environment. Any such changes may have an impact on the Issuer's revenues, profits, cash flows and financial position.

#### ***Risk related to the profits in the metering domain***

The tariffs that grid operators charge for the rent of small volume meters are regulated and based on the ministerial regulation on metering tariffs (*Regeling meettarieven*). This regulation specifies how the ACM determines these tariffs. At present, the maximum tariffs that grid operators are allowed to charge are based on the average tariffs of 2005 plus an annual adjustment for inflation using the consumer price index. The ACM has been monitoring the costs of carrying out the process of metering since 2011 for the electricity meters and 2012 for the gas meters. The differences observed by the ACM each year between the tariff revenues on the one hand and the operating costs, depreciation and taking into account the applicable WACC on the other hand are labelled as surplus profit. The Minister of Economic Affairs and the grid operators expect that these surplus profits will be sufficient to cover the costs attributable to smart meters in the period until 2020. The ministerial regulation on metering tariffs ensures that the tariffs paid by consumers will not exceed the amount that is necessary to cover the costs for the roll out of these smart meters. To achieve this, the ACM may include surplus profits in its future decisions on tariffs. Based on current estimates, the surplus profit realised by Stedin Group is sufficient to finance the extra regulatory costs for the rollout of smart meters without tariff increases. For this reason, Stedin Group has kept the metering tariff at the same level since 2015 and has not made any corrections for inflation. It is possible that the ACM will adjust the tariff in connection with a difference between income and costs in previous years. Based on current knowledge, we expect this will result in a tariff reduction due to surplus profits remaining at that moment. It is estimated that the surplus profits up to and including 2016 roughly amount to EUR 160 million. This amount is expected to decrease due to the cost of the rollout of the



smart meters that will be higher than the tariff revenues the coming years. This will therefore have an impact on the revenue, profits and financial position of the Issuer.

#### ***Risk related to energy transition on electricity and gas infrastructure***

The Issuer continuously monitors and analyses the main trends in relation to the energy transition from fossil energy sources to sustainable energy sources (e.g. wind and solar energy). This knowledge enables Stedin Group to respond to developments in a timely manner, without having to make investments that prove to be unnecessary at a later stage.

The load on the electricity network is increasing due to further electrification and more local production (e.g. roof solar panels and heat pumps). In the future, this could result in a network overload. Stedin Group is investigating possibilities to optimise the use of the electricity grids and to expand them as efficiently as possible where necessary. Flexibility, for example in the form of storage and controlling demand, plays an important role in this respect.

Gas networks are being displaced due to electrification of the supply of heating, as well as collective heating networks. The risk of impairment of the gas networks and the risk of price increases for customers who continue to use gas are important areas of attention.

Failure to timely address the impact of energy transition from fossil energy sources to sustainable energy sources could result in future additional investments at a possibly higher cost in order to continue meeting the energy demand in the future. The failure to take action at the appropriate time may consequently have an impact on the Issuer's revenues, profits, cash flows and financial position.

#### ***Risk related to significant infrastructure defects***

The Issuer's highest priority with respect to the electricity grids is preventing interruptions in supply through measures such as station automation for grid control, replacement of fault-sensitive components and preventing damage resulting from excavation. In addition, the Issuer endeavours to replace components that will no longer be available in the near future and it is taking steps to enhance the reliability of public lighting networks.

With respect to the gas networks, maintenance has the highest priority of the Issuer in order to prevent gas leaks and maintain the supply of gas. This maintenance focuses primarily on the replacement of connections that are in substandard condition and the replacement of distribution pipelines that are reaching the end of their expected useful lifespan. The replacement of pipelines prevents gas leaks and more costly repairs. To prevent inconvenience and to reduce total costs, activities are carried out simultaneously with work on other infrastructure (roads, railways, sewers), where possible.

Stedin Group aims to achieve lower interruption duration on its networks than its own norm and below the national average. Nevertheless, interruption may result in additional costs (e.g. repair, reconstruction, and claimed damage) and therefore may negatively influence the net profit, cash flows and the financial position of the Issuer.

#### ***Risk related to Business continuity & IT/cyber security***

The continuity of the service provided by the Issuer could be threatened by situations such as large-scale interruptions in IT systems or unavailability of people or buildings. Such situations may affect the customers in the form of an interruption in the supply of energy, untimely invoices or a lower level of service and may affect Stedin Group with additional cost and delays in the incoming cash flows. Furthermore, cyber-attacks aimed at Stedin Group could also result in financial, operational or reputational damage.

#### ***Political risk***

The uncertainty related to the political decision-making about issues such as the restructuring and sector ordering (acquisition of smaller grid companies by the larger grid companies and/or asset swaps between some large grid companies in The Netherlands) of the grid companies might have an effect on the development of Stedin Group. This may result in financial, operational or reputational damage for the Stedin Group.

### ***Counterparty risk***

Counterparty risk is the risk that a trading counterparty cannot or will not meet its delivery or payment obligations. This risk is primarily encountered in interest rate and foreign currency hedge transactions. This risk is for the Issuer mainly related to cross currency interest rate swaps which the Issuer has executed to hedge the currency and interest rate risk on (US) private placements. If such counterparty risk materialises, this may negatively influence the net profit, cash flows and the financial position of the Issuer.

### ***Market risk***

Due to the type of business in general, the financial position and (operating) cash flows of the Issuer may be adversely affected by changes in market prices of:

- commodities (e.g. energy); and
- financials (e.g. interest rates, exchange rates, inflation).

The commodity price risk relates mainly to the procurement of electricity due to the fact that the grid operators have to replace electricity that is lost during the distribution (technical loss, measurement failures and energy theft). The annual average grid losses of Stedin Group are estimated at approximately 1 TWh.

The typical characteristics of commodity markets - in particular illiquidity, from time to time - may cause considerable changes in commodity prices and therefore may influence the cash flows and financial position of the Issuer.

### ***Financial market conditions in general***

The Issuer finances itself by use of financial markets. Therefore, the Issuer is sensitive to general financial market conditions.

The future financing needs of the Issuer may require the Issuer to seek external financing, either in the form of public or private financing or other arrangements, which may not be available on attractive terms or may not be available at all. As a consequence, the Issuer's profits, cash flows and financial position may be adversely affected by financial market conditions.

### ***Risk related to changes in rating method***

The Issuer's current credit rating has been issued by credit rating agency Standard & Poor's Rating Services ("**S&P**"). There is a the risk of a negative adjustment of the credit rating of the Issuer resulting from changes implemented by S&P with respect to rating criteria, rating method or assumptions. A lower credit rating could affect the Issuer's access to capital and money markets, financing costs and the terms and conditions imposed by parties in the business sector, which in turn may have an adverse impact on the Issuer's revenues, profits, cash flows and financial position. The risk of changes in the Issuer's credit rating is mitigated by means of regular scenario planning and stress testing, assessments carried out and advice provided by experts and periodic information exchange with S&P.

### ***Risk relating to the Notes***

#### ***There is no active trading market for the Notes***

The Notes are new securities which may not be widely distributed and for which there is currently no active trading market. If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. Although application has been made for the Notes to be admitted to listing on Euronext, there is no assurance that such application will be accepted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for the Notes.

### ***The Notes may be redeemed prior to maturity***

In the event that the Issuer would be obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of The Netherlands or any political subdivision thereof or any authority therein or thereof having power to tax, the Issuer may redeem all outstanding Notes in accordance with the Conditions.

In addition, the Conditions provide that the Notes are redeemable at the Issuer's option in certain other circumstances and accordingly the Issuer may choose to redeem the Notes at times when prevailing interest rates may be relatively low. In such circumstances an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate at the same level as that of the Notes. Potential investors should consider reinvestment risk in light of other investments available at that time.

An optional redemption feature of Notes is likely to limit their market value. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

### ***Exchange rate risks and exchange controls***

The Issuer will pay principal and interest on the Notes in the Specified Currency (as defined in the Terms and Conditions of the Notes). 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.

### ***Legal investment considerations may restrict certain investments***

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

### ***Modification and waivers***

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

The Notes and these Conditions may be amended without the consent of the Noteholders to correct a manifest error. In addition, the parties to the Agency Agreement may agree to modify any provision thereof, without the consent of the Noteholders, if it is of a formal, minor or technical nature, it is made to correct a manifest error or it is, in the opinion of such parties, not materially prejudicial to the interests of the Noteholders.

### ***Potential Conflicts of Interest***

Potential conflicts of interest may exist between the Issuer, the Calculation Agent and the Noteholders, including (but not limited to) with respect to certain determinations and judgements that the Calculation

Agent may make pursuant to the Conditions that may influence any interest amount due on, and for the amount receivable upon redemption of, the Notes.

The Issuer and its affiliates may engage in trading activities (including hedging activities) related to any Notes and any other instruments or derivative products for their proprietary accounts or for other accounts under their management. The Issuer and its affiliates may also issue other derivative instruments in respect of or related to any Notes. The Issuer and its affiliates may carry out activities that minimise its and/or their risks related to the Notes, including effecting transactions for their own account or for the account of their customers.

#### ***Actions taken by the Calculation Agent may affect the Notes***

The Calculation Agent is the agent of the Issuer and not the agent of the Noteholders. The Issuer may itself act as the Calculation Agent. The Calculation Agent will have discretion to make such adjustments to the Notes as it considers appropriate in certain circumstances (as set out in the Conditions or the applicable Final Terms). In making these adjustments the Calculation Agent is entitled to exercise substantial discretion and may be subject to conflicts of interest in exercising this discretion. The Calculation Agent is not required to make adjustments with respect to each and every corporate action or other event or circumstance entitling it to make an adjustment.

#### ***Taxation***

The return on an investment in Notes may be affected by taxes imposed in connection with the acquiring, holding or disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes. Potential investors of Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries (see *Terms and Conditions of the Notes – Condition 11 (Taxation)*, and *Taxation*).

#### ***The proposed financial transactions tax ("FTT")***

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**Participating Member States**"). However, Estonia has since stated that it will not participate.

The Commission's Proposal has a very broad scope and could, if introduced, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a Participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between the Participating Member States and the scope of any such tax is uncertain. It may therefore be altered prior to any implementation. Additional EU Member States may decide to participate.

***Because the Global Notes are held by or on behalf of Euroclear and Clearstream, Luxembourg, investors will have to rely on their procedures for transfer, payment and communication with the Issuer***

The Notes which are in NGN form (as specified in the applicable Final Terms), will be held by a common safekeeper for Euroclear and/or Clearstream, Luxembourg and the Notes which are not in NGN form (as specified in the applicable Final Terms) will initially be held by a common depositary for Euroclear and/or Clearstream, Luxembourg, or in either case by or on behalf of any other agreed clearing system, and in each case in the form of a Global Note which will be exchangeable for Definitive Notes only in the limited circumstances as more fully described in the relevant Global Note and in "*Summary of provisions relating to the Notes whilst in global form*" below. Euroclear and Clearstream, Luxembourg will maintain

records of the beneficial interests in the Global Notes. While the Notes are represented by the Global Notes, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg.

The Issuer will discharge its payment obligations under the Notes by making payments to the common safekeeper or common depositary for Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in a Global Note must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes.

#### ***Notes in NGN form***

Notes may be issued in NGN form, and with the intention that they be deposited as eligible collateral in respect of monetary policy of the central banking system for the Euro (the "**Eurosystem**") and intra-day credit operations by the Eurosystem with one of the international central securities depositories and/or central securities depositories that fulfil the minimum standard as common safekeeper required for such institutions by the European Central Bank. This form of Notes and intention do not, however, necessarily mean that each Note in NGN form will be recognised as such eligible collateral, either upon issuance or at any or all times during their existence. Such recognition will depend upon satisfaction of all Eurosystem eligibility criteria at the relevant time and there can be no assurance that such Notes will be so recognised. Notes which do not qualify as eligible collateral for Eurosystem purposes may be of less value to investors than those which do.

#### ***Minimum Denomination***

The Notes have a minimum denomination of EUR 100,000. The Conditions provide that, for so long as the Notes are represented by a Global Note and Euroclear and Clearstream, Luxembourg (or other relevant clearing system) so permit, the Notes will be tradable in nominal amounts (a) equal to, or integral multiples of, the minimum denomination, and (b) the minimum denomination plus integral multiples of an amount lower than the minimum denomination.

Definitive Notes will only be issued if (a) Euroclear or Clearstream, Luxembourg (or other relevant clearing system) is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or (b) any of the circumstances described in Condition 12 (*Events of Default*) occurs. If Definitive Notes are issued, such Notes will be issued in respect of all holdings of Notes equal to or greater than the minimum denomination. However, Noteholders should be aware that Definitive Notes that have a denomination that is not an integral multiple of the minimum denomination may be illiquid and difficult to trade. Definitive Notes will in no circumstances be issued to any person holding Notes in an amount lower than the minimum denomination. Any remaining principal amount of such Notes will be cancelled and holders will have no rights against the Issuer (including rights to receive principal or interest or to vote) in respect of such Notes.

#### ***Settlement Risk***

Settlement of the Notes is subject to all applicable laws, regulations and practices in force at the relevant time and neither the Issuer nor any Paying Agent shall incur any liability whatsoever if it is unable to effect the transactions contemplated as a result of any such laws, regulations or practices. Neither the Issuer nor any Paying Agent shall under any circumstances be liable for any acts or defaults of any clearing system in relation to the performance of its duties in relation to the Notes.

#### ***The return on an investment in Notes will be affected by charges incurred by investors***

An investor's total return on an investment in any Notes will be affected by the level of fees charged by the nominee service provider and/or relevant clearing systems used by the investor. Such a person or institution may charge fees for the opening and operation of an investment account, transfers of Notes, custody services and on payments of interest, principal and other amounts. Potential investors are therefore advised to investigate the basis on which any such fees will be charged on the relevant Notes.

### ***Obligations under the Notes***

The Notes will not represent an obligation or be the responsibility of the Arranger or the Dealers or any other party to the Programme, their officers, members, directors, employees, security holders or incorporators, other than the Issuer. The Issuer will be liable solely in its corporate capacity for its obligations in respect of the Notes, and such obligations will not be the obligations of its officers, members, directors, employees, security holders or incorporators.

### ***The value of the Notes may fluctuate***

The value of the Notes may move up and down between their date of purchase and their maturity date. Holders of the Notes may sustain a total loss of their investment depending on the factors stated below. Prospective purchasers should therefore ensure that they understand fully the nature of the Notes before they invest in the Notes.

Several factors, many of which are beyond the Issuer's control, will influence the value of the Notes at any time, including (but not limited to) the following:

- (a) *General economic conditions.* The market for debt securities is influenced by economic and market conditions, interest rates, currency exchange rates and inflation rates in Europe and other countries and areas. There can be no assurance that events occurring elsewhere will not cause market volatility or that such volatility will not adversely affect the price of Notes or that economic and market conditions will not have any other adverse effect.
- (b) *Interest Rates.* Investors in Notes are exposed to the risk that subsequent changes in interest rates may adversely affect the value of the Notes. Investments in the Notes may involve interest rate risk with respect to the currency of denomination of the Notes. A variety of factors influences interest rates such as macro-economic, governmental, speculative and market sentiment factors. Such fluctuations may have an impact on the value of the Notes.
- (c) *Exchange Rates.* Even where payments in respect of the Notes are not expressly linked to a rate or rates of exchange between currencies, the value of the Notes could, in certain circumstances, be affected by such factors as fluctuations in the rates of exchange between any currency in which any payment in respect of the Notes is to be made, appreciation or depreciation of any such currencies and any existing or future governmental or other restrictions on the exchangeability of such currencies. There can be no assurance that rates of exchange between any relevant currencies which are current rates at the date of issue of any Notes will be representative of the relevant rates of exchange used in computing the value of the relevant Notes at any time thereafter.

### ***The Notes may not be a suitable investment for all investors***

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

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the 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.

#### ***Credit ratings may not reflect all risks***

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

There is no assurance that a rating will remain for any given period of time or that a rating will not be lowered or withdrawn by the relevant rating agency if, in its judgement, circumstances in the future so warrant. Any adverse change in an applicable credit rating could adversely affect the trading price for the Notes issued under the Programme. In the event that a rating assigned to the Notes or the Issuer is subsequently lowered for any reason, no person or entity is obliged to provide any additional support or credit enhancement with respect to the Notes and the market value of the Notes is likely to be adversely affected.

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

#### ***Risks related to the structure of a particular issue of Notes***

A wide range of Notes may be issued under the Programme. A number of these Notes may have features, which contain particular risks for potential investors. Set out below is a description of the most common of such features:

##### ***Interest rate risks***

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes.

##### ***Noteholders will not be able to calculate in advance their rate of return on Floating Rate Notes***

A key difference between Floating Rate Notes and Fixed Rate Notes is that interest income on Floating Rate Notes cannot be anticipated. Due to varying interest income, investors are not able to determine a definite yield of Floating Rate Notes at the time they purchase them, so that their return on investment cannot be compared with that of investments having longer fixed interest periods. If the terms and conditions of the Notes provide for frequent interest payment dates, investors are exposed to the reinvestment risk if market interest rates decline. That is, investors may reinvest the interest income paid to them only at the relevant lower interest rates then prevailing. In addition, the Issuer's ability to issue Fixed Rate Notes may affect the market value and secondary market (if any) of the Floating Rate Notes (and *vice versa*).

##### ***Zero coupon Notes are subject to higher price fluctuations than non-discounted Notes***

Changes in market interest rates generally have a substantially stronger impact on the prices of zero coupon Notes than on the prices of ordinary notes because the discounted issue prices are substantially

below par. If market interest rates increase, zero coupon Notes can suffer higher price losses than other notes having the same maturity and credit rating.

#### *Fixed/Floating Rate Notes*

Fixed/Floating Rate Notes may bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Where the Issuer has the right to effect such a conversion, this will affect the secondary market and the market value of the Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate in such circumstances, 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 in such circumstances, the fixed rate may be lower than then prevailing rates on its Notes.

#### *Notes issued at a substantial discount or premium*

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

#### *Change of law*

The conditions of the Notes are based on the laws 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 judicial decision or change to Netherlands law or administrative practice after the date of this Base Prospectus.



## KEY FEATURES OF THE PROGRAMME

*This general description of the key features of the Programme must be read as an introduction to this Base Prospectus and any decision to invest in the Notes should be based on a consideration of the Base Prospectus as a whole, including any information incorporated by reference. The following does not purport to be complete and is taken from, and is qualified by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms.*

*Words and expressions defined in the "Terms and Conditions of the Notes" below or elsewhere in this Base Prospectus have the same meanings in this section.*

- Issuer:** Stedin Holding N.V.
- Stedin Holding N.V. (the "**Issuer**") was established as a public limited liability company (*naamloze vennootschap*) for an unlimited term under the laws of The Netherlands on 5 June 2000. It has its registered seat in Rotterdam, The Netherlands, and its principal place of business at Blaak 8, 3011 TA Rotterdam, The Netherlands. The Issuer is registered in the Trade Register at the Dutch Chamber of Commerce under number 24306393.
- Risk Factors:** Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the abilities of the Issuer to fulfil its obligations under the Notes are discussed under "*Risk Factors*" above.
- Arranger:** Coöperatieve Rabobank U.A.
- Dealers:** ABN AMRO Bank N.V.  
BNP Paribas  
Coöperatieve Rabobank U.A.  
ING Bank N.V.  
MUFG Securities EMEA plc  
The Royal Bank of Scotland Plc (trading as NatWest Markets)  
and any other Dealer appointed from time to time by the Issuer either generally in respect of the Programme or in relation to a particular Tranche of Notes.
- Principal Paying Agent:** ABN AMRO Bank N.V.
- Listing and Trading:** Applications may be made for Notes to be admitted during the period of twelve months after the date hereof to listing on the official list and to trading on Euronext.
- The Programme also permits Notes to be issued on the basis that they will not be admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system or to be admitted to listing, trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems as may be agreed with the Issuer.
- Clearing Systems:** Euroclear Bank SA/NV as operator of the Euroclear System ("**Euroclear**") and/or Clearstream Banking, S.A., Luxembourg ("**Clearstream, Luxembourg**") and/or, in relation to any Tranche of Notes, any other clearing system as may be specified

in the relevant Final Terms.

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

**Initial Programme Amount:**

Up to EUR 2,000,000,000 (or its equivalent in any other currency calculated as described in this Base Prospectus) aggregate principal amount of Notes outstanding at any one time.

**Issuance in Series:**

Notes will be issued in Series. Each Series may comprise one or more Tranches issued on different issue dates. The Notes of each Series will all be subject to identical terms, except that the issue date and the amount of the first payment of interest may be different in respect of different Tranches. The Notes of each Tranche will all be subject to identical terms in all respects save that a Tranche may comprise Notes of different denominations.

**Forms of Notes:**

Notes may only be issued in bearer form. Each Tranche of Notes will initially be in the form of either a Temporary Global Note or a Permanent Global Note, in each case as specified in the relevant Final Terms. Each Global Note which is not intended to be issued in new global note form (a "CGN"), as specified in the relevant Final Terms, will be deposited on or around the relevant issue date with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and each Global Note which is intended to be issued in new global note form (an "NGN"), as specified in the relevant Final Terms, will be deposited on or around the relevant issue date with a common safekeeper for Euroclear and/or Clearstream, Luxembourg. Each Temporary Global Note will be exchangeable for a Permanent Global Note or for Definitive Notes in accordance with its terms.

If the TEFRA D Rules are specified in the relevant Final Terms as applicable, certification as to non-U.S. beneficial ownership will be a condition precedent to any exchange of an interest in a Temporary Global Note or receipt of any payment of interest in respect of a Temporary Global Note. Each Permanent Global Note will be exchangeable for Definitive Notes in accordance with its terms. Definitive Notes will, if interest-bearing, have Coupons attached and, if appropriate, a Talon for further Coupons.

**Currencies:**

Notes may be denominated in any currency or currencies, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.

Payments in respect of Notes may, subject to such compliance, be made in and any currency other than the currency in which such Notes are denominated.

**Status of the Notes:**

Notes will be issued on an unsubordinated basis. Such Notes will constitute unsubordinated and, subject to the Negative Pledge, unsecured obligations of the Issuer which (a) rank *pari passu* amongst themselves, and (b) will at all times rank at least *pari passu* with all other present and future unsubordinated and unsecured obligations of the Issuer, save for such obligations as

may be preferred by mandatory provisions of law.

- Issue Price:** Notes may be issued at any price as specified in the relevant Final Terms. The price and amount of Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions.
- Maturities:** The Notes will have a minimum maturity of one year and a maximum maturity of forty years, subject, in relation to specific currencies, to compliance with all applicable legal and/or regulatory and/or central bank requirements.
- Redemption:** Notes may be redeemable at par or at such other Redemption Amount as may be specified in the relevant Final Terms.
- Optional Redemption:** Notes may be redeemed before their stated maturity at the option of the Issuer (either in whole or in part) and/or at the option of the Noteholders to the extent (if at all) specified in the relevant Final Terms, as described in Condition 9(c) (A) (*Redemption at the option of the Issuer*), Condition 9(c) (B) (*Issuer Refinancing Call*), Condition 9(c) (C) (*Make-whole Redemption by the Issuer*) and Condition 9(e) (*Redemption at the option of the Noteholders*).
- Unless otherwise specified in the relevant Final Terms, the Issuer may redeem, in whole or in part, the Notes then outstanding at any time prior to their stated maturity, at their relevant Make-whole Redemption Amount as specified in the relevant Final Terms.
- Tax Redemption:** Except as described in "*Optional Redemption*" above, early redemption will only be permitted for tax reasons as described in Condition 9(b) (*Redemption for tax reasons*).
- Interest:** Notes may be interest-bearing or non-interest bearing. Interest (if any) may accrue at a fixed rate or a floating rate and the method of calculating interest may vary between the issue date and the maturity date of the relevant Series.
- Denominations:** No Notes may be issued under the Programme which have a minimum denomination of less than EUR 100,000 (or its equivalent in any other currency). Subject thereto, Notes will be issued in such denominations as may be specified in the relevant Final Terms, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.
- Negative Pledge:** The Notes will have the benefit of a negative pledge as described in Condition 5 (*Negative Pledge*).
- Cross Default:** The Notes will have the benefit of a cross default as described in Condition 12 (*Events of Default*).
- Taxation:** All payments in respect of Notes will be made free and clear of withholding taxes of The Netherlands, unless the withholding is required by law. In that event, the Issuer will (subject as provided in Condition 11 (*Taxation*)) pay such additional amounts as will result in the Noteholders receiving such amounts as they would have received in respect of such Notes had no such withholding been required.

**Governing Law:**

The Notes and any non-contractual obligations arising out of or in connection therewith will be governed by, and construed in accordance with, the laws of The Netherlands.

**Ratings:**

Tranches of Notes issued under the Programme will be rated or unrated. Where a Tranche of Notes is rated, such rating will not necessarily be the same as the rating(s) assigned to Notes already issued. Where a Tranche of Notes is rated, the applicable rating(s) will be specified in the relevant Final Terms. Whether or not each credit rating applied for in relation to a relevant Tranche of Notes will be (1) issued by a credit rating agency established in the EEA and registered under the CRA Regulation, or (2) issued by a credit rating agency which is not established in the EEA but will be endorsed by a CRA which is established in the EEA and registered under the CRA Regulation or (3) issued by a credit rating agency which is not established in the EEA but which is certified under the CRA Regulation will be disclosed in the Final Terms.

**Selling Restrictions:**

For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of offering material in the United States of America, the European Economic Area (including a prohibition of sales to EEA retail investors), the United Kingdom, France, The Netherlands and Japan, see "*Subscription and Sale*" below.

## INFORMATION INCORPORATED BY REFERENCE

The following information shall be deemed to be incorporated in, and to form part of, this Base Prospectus:

- (1) the most recent articles of association of the Issuer;
- (2) the audited consolidated financial statements (including the auditors' report thereon and notes thereto) of the Issuer in respect of the years ended 2015 and 2016 (set out on pages 89 to 150 and 41 to 111 respectively, of the 31 December 2015 and 31 December 2016 annual reports of the Issuer);
- (3) the audited special purpose consolidated balance sheet as at 1 February 2017 of the Issuer. This special purpose consolidated balance sheet has been prepared for the purpose of professional debt investors and/or professional counterparties in order to assist them in forming an opinion on the capital structure of the Issuer directly after the unbundling of Eneco Holding N.V., as at 31 January 2017;
- (4) the auditors' report dated 29 September 2017 in respect of the audited special purpose consolidated balance sheet as at 1 February 2017 of the Issuer; and
- (5) the Issuer's unaudited condensed consolidated interim financial statements for the six-month period ended on 30 June 2017.

Copies of the documents specified above as containing information incorporated by reference in this Base Prospectus may be inspected, free of charge, at the registered office of the Issuer, or at <http://www.stedin.net/>. Information on the aforementioned website does not form part of this Base Prospectus and may not be relied upon in connection with any decision to invest in the Notes.

Any information contained in any of the documents specified above which is not incorporated by reference in this Base Prospectus is either not relevant to investors or is covered elsewhere in this Base Prospectus.

## **FINAL TERMS**

In this section the expression "necessary information" means, in relation to any Tranche of Notes, the information necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and of the rights attaching to the Notes. In relation to the different types of Notes which may be issued under the Programme the Issuer has included in this Base Prospectus all of the necessary information except for information relating to the Notes which is not known at the date of this Base Prospectus and which can only be determined at the time of an individual issue of a Tranche of Notes.

Any information relating to the Notes which is not included in this Base Prospectus and which is required in order to complete the necessary information in relation to a Tranche of Notes will be contained in the relevant Final Terms.

For a Tranche of Notes which is the subject of Final Terms, those Final Terms will, for the purposes of that Tranche only, supplement this Base Prospectus and must be read in conjunction with this Base Prospectus. The terms and conditions applicable to any particular Tranche of Notes which is the subject of Final Terms are the Conditions described in the relevant Final Terms as supplemented to the extent described in the relevant Final Terms.

## FORMS OF THE NOTES

Each Tranche of Notes will initially be in the form of either a temporary global note (the "**Temporary Global Note**"), without interest coupons, or a permanent global note (the "**Permanent Global Note**"), without interest coupons, in each case as specified in the relevant Final Terms. Each Temporary Global Note or, as the case may be, Permanent Global Note (each a "**Global Note**") which is not intended to be issued in new global note ("**NGN**") form, as specified in the relevant Final Terms, will be deposited on or around the issue date of the relevant Tranche of the Notes with a depository or a common depository for Euroclear Bank SA/NV as operator of the Euroclear System ("**Euroclear**") and/or Clearstream Banking, S.A., Luxembourg ("**Clearstream, Luxembourg**") and/or any other relevant clearing system (each a "**Relevant Clearing System**") and each Global Note which is intended to be issued in NGN form, as specified in the relevant Final Terms, will be deposited on or around the issue date of the relevant Tranche of the Notes with a common safekeeper for Euroclear and/or Clearstream, Luxembourg.

On 13 June 2006 the European Central Bank (the "**ECB**") announced that Notes in NGN form are in compliance with the "Standards for the use of EU securities settlement systems in ESCB credit operations" of the central banking system for the Euro (the "**Eurosystem**"), **provided that** certain other criteria are fulfilled. At the same time the ECB also announced that arrangements for Notes in NGN form will be offered by Euroclear and Clearstream, Luxembourg as of 30 June 2006 and that debt securities in global bearer form issued through Euroclear and Clearstream, Luxembourg after 31 December 2006 will only be eligible as collateral for Eurosystem operations if the NGN form is used.

The relevant Final Terms will also specify whether United States Treasury Regulation §1.163-5(c)(2)(i)(C) (the "**TEFRA C Rules**") or United States Treasury Regulation §1.163-5(c)(2)(i)(D) (the "**TEFRA D Rules**") are applicable in relation to the Notes or, if the Notes do not have a maturity of more than one year, that neither the TEFRA C Rules nor the TEFRA D Rules are applicable.

### **Temporary Global Note exchangeable for Permanent Global Notes**

If the relevant Final Terms specifies the form of Notes as being "Temporary Global Note exchangeable for a Permanent Global Note", then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for interests in a Permanent Global Note, without interest coupons, not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. No payments will be made under the Temporary Global Note unless exchange for interests in the Permanent Global Note is improperly withheld or refused. In addition, interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever any interest in the Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the Issuer shall procure (in the case of first exchange) the delivery of a Permanent Global Note to the bearer of the Temporary Global Note or (in the case of any subsequent exchange) an increase in the principal amount of the Permanent Global Note in accordance with its terms against:

- (i) presentation and (in the case of final exchange) presentation and surrender of the Temporary Global Note to or to the order of the Principal Paying Agent; and
- (ii) receipt by the Principal Paying Agent of a certificate or certificates of non-U.S. beneficial ownership.

The principal amount of Notes represented by the Permanent Global Note shall be equal to the aggregate of the principal amounts specified in the certificates of non-U.S. beneficial ownership **provided, however, that** in no circumstances shall the principal amount of Notes represented by the Permanent Global Note exceed the initial principal amount of Notes represented by the Temporary Global Note.

If:

- (a) the Permanent Global Note has not been delivered or the principal amount thereof increased by 5.00 p.m. (Amsterdam time) on the seventh day after the bearer of the Temporary Global Note has requested exchange of an interest in the Temporary Global Note for an interest in a Permanent Global Note; or

- (b) the Temporary Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Temporary Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer of the Temporary Global Note in accordance with the terms of the Temporary Global Note on the due date for payment,

then at 5.00 p.m. (Amsterdam time) on such seventh day (in the case of (a) above) or at 5.00 p.m. (Amsterdam time) on such due date (in the case of (b) above) (the "**Relevant Time**") each Relevant Account Holder shall directly acquire, without the need for any further action on behalf of any person, against the Issuer all those rights ("**Direct Rights**") which such Relevant Account Holder would have had if, immediately before the Relevant Time, it held and owned duly executed and authenticated Definitive Notes and (if applicable) Coupons, Coupon sheets and/or Talons in respect of each Note represented by such Temporary Global Note which such Relevant Account Holder has credited to its securities account with the Relevant Clearing System at the Relevant Time including, without limitation, the right to receive all payments due at any time in respect of such Definitive Notes other than any corresponding payments already made under such Temporary Global Note, and the bearer of such Temporary Global Note will have no further rights thereunder.

The Permanent Global Note will become exchangeable, in whole but not in part only and at the request of the bearer of the Permanent Global Note, for Bearer Notes in definitive form (each a "**Definitive Note**"):

- (a) on the expiry of such period of notice as may be specified in the Final Terms; or
- (b) at any time, if so specified in the Final Terms; or
- (c) if the Final Terms specifies "*in the limited circumstances described in the Permanent Global Note*", then if either of the following events occurs:
  - (i) Euroclear or Clearstream, Luxembourg, or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or
  - (ii) any of the circumstances described in Condition 12 (*Events of Default*) occurs.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the Final Terms), in an aggregate principal amount equal to the principal amount of Notes represented by the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Principal Paying Agent within 30 days of the bearer requesting such exchange.

If:

- (a) Definitive Notes have not been duly delivered by 5.00 p.m. (Amsterdam time) on the thirtieth day after the bearer has requested exchange of the Permanent Global Note for Definitive Notes; or
- (b) the Permanent Global Note was originally issued in exchange for part only of a Temporary Global Note representing the Notes and Relevant Accountholders obtained Direct Rights as defined in such Temporary Global Note in accordance with its terms; or
- (c) the Permanent Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Permanent Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer in accordance with the terms of the Permanent Global Note on the due date for payment,

then at 5.00 p.m. (Amsterdam time) on such thirtieth day (in the case (a) above) or at 5.00 p.m. (Amsterdam time) on the date such Temporary Global Note becomes void (in the case of (b) above) or at 5.00 p.m. (Amsterdam time) on such due date (in the case of (c) above) (the "**Relevant Time**") each Relevant Account Holder shall directly acquire, without the need for any further action on behalf of any



person, against the Issuer all those rights ("**Direct Rights**") which such Relevant Account Holder would have had if, immediately before the Relevant Time, it held and owned duly executed and authenticated Definitive Notes and (if applicable) Coupons, Coupon sheets and/or Talons in respect of each Note represented by such Permanent Global Note which such Relevant Account Holder has credited to its securities account with the Relevant Clearing System at the Relevant Time including, without limitation, the right to receive all payments due at any time in respect of such Definitive Notes other than any corresponding payments already made under such Permanent Global Note, and the bearer of such Permanent Global Note will have no further rights thereunder.

#### **Temporary Global Note exchangeable for Definitive Notes**

If the relevant Final Terms specifies the form of Notes as being "*Temporary Global Note exchangeable for Definitive Notes*" and also specifies that the TEFRA C Rules are applicable or that neither the TEFRA C Rules or the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole but not in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes.

If the relevant Final Terms specifies the form of Notes as being "*Temporary Global Note exchangeable for Definitive Notes*" and also specifies that the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever the Temporary Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Temporary Global Note to the bearer of the Temporary Global Note against the surrender of the Temporary Global Note to or to the order of the Principal Paying Agent within 30 days of the bearer requesting such exchange.

If:

- (a) Definitive Notes have not been duly delivered by 5.00 p.m. (Amsterdam time) on the thirtieth day after the bearer has requested exchange of the Temporary Global Note for Definitive Notes; or
- (b) the Temporary Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Temporary Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer in accordance with the terms of the Temporary Global Note on the due date for payment,

then at 5.00 p.m. (Amsterdam time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (Amsterdam time) on such due date (in the case of (b) above) (the "**Relevant Time**") each Relevant Account Holder shall directly acquire, without the need for any further action on behalf of any person, against the Issuer all those rights ("**Direct Rights**") which such Relevant Account Holder would have had if, immediately before the Relevant Time, it held and owned duly executed and authenticated Definitive Notes and (if applicable) Coupons, Coupon sheets and/or Talons in respect of each Note represented by such Temporary Global Note which such Relevant Account Holder has credited to its securities account with the Relevant Clearing System at the Relevant Time including, without limitation, the right to receive all payments due at any time in respect of such Definitive Notes other than any corresponding payments already made under such Temporary Global Note, and the bearer of such Temporary Global Note will have no further rights thereunder.

#### **Permanent Global Note exchangeable for Definitive Notes**

If the relevant Final Terms specifies the form of Notes as being "*Permanent Global Note exchangeable for Definitive Notes*", then the Notes will initially be in the form of a Permanent Global Note which will be exchangeable in whole, but not in part, for Definitive Notes:

- (a) on the expiry of such period of notice as may be specified in the relevant Final Terms; or

- (b) at any time, if so specified in the relevant Final Terms; or
- (c) if the relevant Final Terms specifies "*in the limited circumstances described in the Permanent Global Note*", then if either of the following events occurs:
  - (i) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or
  - (ii) any of the circumstances described in Condition 12 (*Events of Default*) occurs.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the Final Terms), in an aggregate principal amount equal to the principal amount of Notes represented by the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Principal Paying Agent within 30 days of the bearer requesting such exchange.

If:

- (a) Definitive Notes have not been duly delivered by 5.00 p.m. (Amsterdam time) on the thirtieth day after the bearer has requested exchange of the Permanent Global Note for Definitive Notes; or
- (b) the Permanent Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Permanent Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer in accordance with the terms of the Permanent Global Note on the due date for payment,

then at 5.00 p.m. (Amsterdam time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (Amsterdam time) on such due date (in the case of (b) above) (the "**Relevant Time**") each Relevant Account Holder shall directly acquire, without the need for any further action on behalf of any person, against the Issuer all those rights ("**Direct Rights**") which such Relevant Account Holder would have had if, immediately before the Relevant Time, it held and owned duly executed and authenticated Definitive Notes and (if applicable) Coupons, Coupon sheets and/or Talons in respect of each Note represented by such Permanent Global Note which such Relevant Account Holder has credited to its securities account with the Relevant Clearing System at the Relevant Time including, without limitation, the right to receive all payments due at any time in respect of such Definitive Notes other than any corresponding payments already made under such Permanent Global Note, and the bearer of such Permanent Global Note will have no further rights thereunder.

For the purposes of this section "*Form of the Notes*", "**Relevant Account Holder**" means any account holder with a Relevant Clearing Systems which at the Relevant Time has credited to its securities account with such Relevant Clearing System Notes represented by a Global Note or any relevant part of it.

#### **Terms and Conditions applicable to the Notes**

The terms and conditions applicable to any Definitive Note will be endorsed on that Note and will consist of the terms and conditions set out under "*Terms and Conditions of the Notes*" below and the provisions of the relevant Final Terms which supplement, amend and/or replace those terms and conditions.

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.

#### **Legend concerning United States persons**

In the case of any Tranche of Notes having a maturity of more than one year, the Notes in global form, the Notes in definitive form and any Coupons and Talons appertaining thereto will bear a legend to the following effect:

"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."

## TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions which, as supplemented, amended, replaced and/or completed by the relevant Final Terms, will be endorsed on each Note in definitive form 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.

### 1. Introduction

- (a) **Programme:** Stedin Holding N.V. (the "**Issuer**") has established a Euro Medium Term Note Programme (the "**Programme**") for the issuance of up to EUR 2,000,000,000 in aggregate principal amount of notes (the "**Notes**").
- (b) **Final Terms:** Notes issued under the Programme are issued in series (each a "**Series**") and each Series may comprise one or more tranches (each a "**Tranche**") of Notes. Each Tranche is the subject of final terms (the "**Final Terms**") which supplements these terms and conditions (the "**Conditions**"). The terms and conditions applicable to any particular Tranche of Notes are these Conditions as supplemented by the relevant Final Terms. In the event of any inconsistency between these Conditions and the relevant Final Terms, the relevant Final Terms shall prevail.
- (c) **Agency Agreement:** The Notes are the subject of an agency agreement dated 6 October 2017 (the "**Agency Agreement**") between the Issuer, ABN AMRO Bank N.V. as principal paying agent (the "**Principal Paying Agent**", which expression includes any successor principal paying agent appointed from time to time in connection with the Notes) and the paying agents named therein (together with the Principal Paying Agent, the "**Paying Agents**", which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes).
- (d) **The Notes:** All subsequent references in these Conditions to "Notes" are to the Notes which are the subject of the relevant Final Terms. Copies of the relevant Final Terms are available for viewing at the Issuer's head office, Blaak 8, 3011 TA Rotterdam, The Netherlands and will be published in electronic form on <http://www.stedin.net>.
- (e) **Summaries:** Certain provisions of these Conditions are summaries of the Agency Agreement and are subject to their detailed provisions. The holders of the Notes (the "**Noteholders**") and the holders of the related interest coupons, if any, (the "**Couponholders**" and the "**Coupons**", respectively) are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement applicable to them. Copies of the Agency Agreement are available for inspection by Noteholders during normal business hours at the Specified Offices of each of the Paying Agents, the initial Specified Offices of which are set out below.

### 2. Interpretation

- (a) **Definitions:** In these Conditions the following expressions have the following meanings:
  - "**Accrual Yield**" has the meaning given in the relevant Final Terms;
  - "**Additional Business Centre(s)**" means the city or cities specified as such in the relevant Final Terms;
  - "**Additional Financial Centre(s)**" means the city or cities specified as such in the relevant Final Terms;
  - "**Business Day**" means:
    - (i) in relation to any sum payable in euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Centre; and

- (ii) in relation to any sum payable in a currency other than euro, a day on which commercial banks and foreign exchange markets settle payments generally in Amsterdam, in the Principal Financial Centre of the relevant currency and in each (if any) Additional Business Centre;

**"Business Day Convention"**, in relation to any particular date, has the meaning given in the relevant Final Terms and, if so specified in the relevant Final Terms, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

- (i) **"Following Business Day Convention"** means that the relevant date shall be postponed to the first following day that is a Business Day;
- (ii) **"Modified Following Business Day Convention"** or **"Modified Business Day Convention"** means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;
- (iii) **"Preceding Business Day Convention"** means that the relevant date shall be brought forward to the first preceding day that is a Business Day;
- (iv) **"FRN Convention"**, **"Floating Rate Convention"** or **"Eurodollar Convention"** means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Final Terms as the Specified Period after the calendar month in which the preceding such date occurred **provided, however, that:**
  - (a) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
  - (b) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and
  - (c) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and
- (v) **"No Adjustment"** means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

**"Calculation Agent"** means the Principal Paying Agent or such other Person specified in the relevant Final Terms as the party responsible for calculating the Rate(s) of Interest and Interest Amount(s) and/or such other amount(s) as may be specified in the relevant Final Terms;

**"Calculation Amount"** has the meaning given in the relevant Final Terms;

**"Control"** means the power to direct the management and policies of an entity, whether through the ownership of voting capital, by contract or otherwise;

**"Coupon Sheet"** means, in respect of a Note, a coupon sheet relating to the Note;

**"Day Count Fraction"** means, in respect of the calculation of an amount for any period of time (the **"Calculation Period"**), such day count fraction as may be specified in these Conditions or the relevant Final Terms and:

- (i) if "**Actual/Actual (ICMA)**" is so specified, means:
- (a) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
  - (b) where the Calculation Period is longer than one Regular Period, the sum of:
    - (A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
    - (B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (a) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;
- (ii) if "**Actual/365**" or "**Actual/Actual (ISDA)**" is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the 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);
- (iii) if "**Actual/365 (Fixed)**" is so specified, means the actual number of days in the Calculation Period divided by 365;
- (iv) if "**Actual/360**" is so specified, means the actual number of days in the Calculation Period divided by 360;
- (v) if "**30/360**" is so specified, 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<sub>1</sub>**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y<sub>2</sub>**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M<sub>1</sub>**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M<sub>2</sub>**" is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

"**D<sub>1</sub>**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

"**D<sub>2</sub>**" 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<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30";

- (vi) if "30E/360" or "Eurobond Basis" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

"Y<sub>1</sub>" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D<sub>1</sub>" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

"D<sub>2</sub>" 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<sub>2</sub> will be 30; and

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

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

where:

"Y<sub>1</sub>" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D<sub>1</sub>" 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<sub>1</sub> will be 30; and

"D<sub>2</sub>" 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<sub>2</sub> will be 30,

**provided, however, that** in each such case the number of days in the Calculation Period is calculated from and including the first day of the Calculation Period to but excluding the last day of the Calculation Period;

**"Early Redemption Amount (Tax)"** means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

**"Early Termination Amount"** means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, these Conditions or the relevant Final Terms;

**"EBITDA"** means in respect of an individual member of the Group, the net pre-taxation profits of that member of the Group, for a period of 12 months preceding the then latest audited consolidated accounts of the Group, adjusted by:

- (i) adding back net interest payable in respect of the period of 12 months preceding the then latest audited consolidated accounts of the Group only;
- (ii) taking no account of any exceptional or extraordinary items;
- (iii) (to the extent included) excluding any amount attributable to minority interests and any net pre-taxation profits of a Project Company in carrying on a Project;
- (iv) adding back depreciation and amortisation;
- (v) including the net pre-taxation profits (adding back the items referred to in subparagraphs (i) and (iv) above) of a member of the Group or business or assets acquired during that period of 12 months preceding the then latest audited consolidated accounts of the Group;
- (vi) excluding the net pre-taxation profit (adding back the items referred to in subparagraphs (i) and (iv) above) or loss attributable to or of any member of the Group or to or of any business or assets sold during that period of 12 months preceding the then latest audited consolidated accounts of the Group; and
- (vii) taking no account of any revaluation of an asset or any loss or gain over book value arising on the disposal of an asset (otherwise than in the ordinary course of trading) by a member of the Group during that period of 12 months preceding the then latest audited consolidated accounts of the Group;

**"EURIBOR"** means, in respect of any specified currency and any specified period, the interest rate benchmark known as the Euro zone interbank offered rate which is calculated and published by a designated distributor (currently Thomson Reuters) in accordance with the requirements from time to time of the European Money Markets Institute based on estimated interbank borrowing rates for a number of designated currencies and maturities which are provided, in respect of each such currency, by a panel of contributor banks (details of historic EURIBOR rates can be obtained from the designated distributor);

**"Euronext"** means Euronext, the regulated market of Euronext Amsterdam N.V.;

**"Extraordinary Resolution"** means (a) a resolution passed at a meeting of the Noteholders duly convened and held in accordance with the provisions of the Agency Agreement by a majority consisting of not less than 75 per cent. of the persons voting on the resolution upon a show of hands or, if a poll was duly demanded, by a majority consisting of not less than 75 per cent. of the votes given on the poll or (b) a resolution in writing signed by or on behalf of all the Noteholders, which resolution in writing may be contained in one document or in several documents in similar form each signed by or on behalf of one or more of the Noteholders;

**"Final Redemption Amount"** means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

**"First Interest Payment Date"** means the date specified in the relevant Final Terms;



"**Fitch**" means Fitch Ratings Limited and including any successor to its rating business;

"**Fixed Coupon Amount**" has the meaning given in the relevant Final Terms;

"**Group**" means the Issuer and its Subsidiaries;

"**Interest Amount**" means, in relation to a Note and an Interest Period, the amount of interest payable in respect of that Note for that Interest Period;

"**Interest Commencement Date**" means the Issue Date of the Notes or such other date as may be specified as the Interest Commencement Date in the relevant Final Terms;

"**Interest Determination Date**" has the meaning given in the relevant Final Terms;

"**Interest Payment Date**" means the First Interest Payment Date and any other date or dates specified as such in, or determined in accordance with the provisions of, the relevant Final Terms and, if a Business Day Convention is specified in the relevant Final Terms:

- (a) as the same may be adjusted in accordance with the relevant Business Day Convention; or
- (b) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Final Terms as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case);

"**Interest Period**" means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date;

"**ISDA Definitions**" means the 2000 ISDA Definitions (the "**2000 ISDA Definitions**") or the 2006 ISDA Definitions (the "**2006 ISDA Definitions**") (each as amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the relevant Final Terms) as published by the International Swaps and Derivatives Association, Inc.);

"**Issue Date**" has the meaning given in the relevant Final Terms;

"**LIBOR**" means, in respect of any specified currency and any specified period, the interest rate benchmark known as the London interbank offered rate which is calculated and published by a designated distributor (currently Thomson Reuters) in accordance with the requirements from time to time of ICE Benchmark Administration Limited (or any other person which takes over the administration of that rate) based on estimated interbank borrowing rates for a number of designated currencies and maturities which are provided, in respect of each such currency, by a panel of contributor banks (details of historic LIBOR rates can be obtained from the designated distributor);

"**Margin**" has the meaning given in the relevant Final Terms;

"**Material Company**" means any of the Issuer and a Material Subsidiary;

**"Material Subsidiary"** means, at any time, a Subsidiary of the Issuer if the gross assets, turnover or EBITDA of that Subsidiary (on a consolidated basis) then equal or exceed 5 per cent. of the gross assets, turnover or EBITDA of the Group (on a consolidated basis).

For this purpose:

- (a) subject to paragraph (b) below:
  - (i) the contribution of a Subsidiary of the Issuer will be determined from its financial statements which were consolidated into the latest audited consolidated financial statements of the Issuer; and
  - (ii) the financial condition of the Group will be determined from the latest audited consolidated financial statements of the Issuer;
- (b) if a subsidiary of the Issuer becomes a member of the Group after the date on which the latest audited consolidated financial statements of the Issuer were prepared:
  - (i) the contribution of the Subsidiary will be determined from its latest financial statements; and
  - (ii) the financial condition of the Group will be determined from the latest audited consolidated financial statements of the Issuer but adjusted to take into account any subsequent acquisition or disposal of a business or a company (including that Subsidiary);
- (c) if a Material Subsidiary disposes of all or substantially all of its assets to another member of the Group, it will immediately cease to be a Material Subsidiary and the other member of the Group (if it is not the Issuer or already a Material Subsidiary) will immediately become a Material Subsidiary;
- (d) a Subsidiary of the Issuer (if it is not already a Material Subsidiary) will become a Material Subsidiary on completion of any other intra-Group transfer or reorganisation if it would have been a Material Subsidiary had the intra-Group transfer or reorganisation occurred on the date of the latest audited consolidated financial statements of the Issuer; and
- (e) except as specifically mentioned in paragraph (c) above, a member of the Group will remain a Material Subsidiary until the next audited consolidated financial statements of the Issuer show otherwise under paragraph (a) above.

If there is a dispute as to whether or not a member of the Group is a Material Subsidiary, a certificate of the auditors of the Issuer will be, in the absence of manifest error, conclusive.

**"Maturity Date"** has the meaning given in the relevant Final Terms;

**"Maximum Redemption Amount"** has the meaning given in the relevant Final Terms;

**"Minimum Redemption Amount"** has the meaning given in the relevant Final Terms;

**"Moody's"** means Moody's Investors Service Limited and including any successor to its rating business;

**"Optional Redemption Amount (Call)"** means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

**"Optional Redemption Amount (Put)"** means in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

**"Optional Redemption Date (Call)"** has the meaning given in the relevant Final Terms;

**"Optional Redemption Date (Put)"** has the meaning given in the relevant Final Terms;

**"Participating Member State"** means a Member State of the European Communities which adopts the euro as its lawful currency in accordance with the Treaty;

**"Payment Business Day"** means:

- (i) if the currency of payment is euro, any day which is:
  - (A) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
  - (B) in the case of payment by transfer to an account, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or
- (ii) if the currency of payment is not euro, any day which is:
  - (A) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
  - (B) in the case of payment by transfer to an account, a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre;

**"Permitted Merger"** means a statutory merger (*juridische fusie*) or legal division (*splitsing*) or similar transaction (including, for the avoidance of doubt, a transfer of shares (*overdracht van aandelen*) and asset sales and purchases (*activa en passiva transacties*) involving any of the Material Subsidiaries of the Issuer, or between the Issuer and any of its Material Subsidiaries, in relation to a reorganisation of the Issuer's Group, where the surviving or resulting company assumes all of the rights and obligations of the Issuer with respect to the Notes or, in the case of any Material Subsidiary, another Material Subsidiary takes over that part of the business which such initial Material Subsidiary ceases to carry on;

**"Person"** means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

**"Principal Financial Centre"** means, in relation to any currency, the principal financial centre for that currency **provided, however, that:**

- (i) in relation to euro, it means the principal financial centre of such Member State of the European Communities as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent; and
- (ii) in relation to Australian dollars, it means either Sydney or Melbourne and, in relation to New Zealand dollars, it means either Wellington or Auckland; in each case as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent;

**"Project"** means a project that is similar or complementary to the ordinary business of the Group;

**"Project Company"** means a limited partnership, cooperative or limited liability company which is a member of the Group and which:

- (i) is incorporated as a special purpose vehicle for the purposes of carrying out a Project;
- (ii) does not carry on any other business other than that Project; and
- (iii) has (and, any third party in connection with the Project has) no recourse to any other member of the Group for that Project except (a) as permitted hereunder or (b) in relation to any other Project Company;

**"Put Option Notice"** means a notice which must be delivered to a Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

**"Put Option Receipt"** means a receipt issued by a Paying Agent to a depositing Noteholder upon deposit of a Note with such Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

**"Rate of Interest"** means the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Notes specified in the relevant Final Terms or calculated or determined in accordance with the provisions of these Conditions and/or the relevant Final Terms;

**"Redemption Amount"** means, as appropriate, the Final Redemption Amount, the Early Redemption Amount (Tax), the Optional Redemption Amount (Call), the Optional Redemption Amount (Put), the Early Termination Amount or such other amount in the nature of a redemption amount as may be specified in, or determined in accordance with the provisions of, the relevant Final Terms;

**"Reference Banks"** has the meaning given in the relevant Final Terms or, if none, four major banks selected by the Calculation Agent in the market that is most closely connected with the Reference Rate;

**"Reference Price"** has the meaning given in the relevant Final Terms;

**"Reference Rate"** means EURIBOR or LIBOR as specified in the relevant Final Terms in respect of the currency and period specified in the relevant Final Terms or another rate as specified in the Final Terms;

**"Regular Period"** means:

- (i) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;
- (ii) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **"Regular Date"** means the day and month (but not the year) on which any Interest Payment Date falls; and
- (iii) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **"Regular Date"** means the day and month (but not the year) on which any Interest Payment Date falls other than the

**"Relevant Date"** means, in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable

has not been received in the Principal Financial Centre of the currency of payment by the Principal Paying Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders;

"**Relevant Financial Centre**" has the meaning given in the relevant Final Terms;

"**Relevant Indebtedness**" means any indebtedness which is in the form of or represented by any bond, note or other instrument which is, or is capable of being, listed, quoted or traded on any stock exchange or in any securities market (including, without limitation, any over-the-counter market);

"**Relevant Screen Page**" means the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the relevant Final Terms, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

"**Relevant Time**" has the meaning given in the relevant Final Terms;

"**Reserved Matter**" means any proposal to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes, to alter the method of calculating the amount of any payment in respect of the Notes or the date for any such payment, to change the currency of any payment under the Notes or to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution;

"**Security Interest**" means any mortgage or pledge, including, without limitation, any security right analogous to any of the foregoing which is vested under the laws of any jurisdiction;

"**Specified Currency**" has the meaning given in the relevant Final Terms;

"**Specified Denomination(s)**" has the meaning given in the relevant Final Terms;

"**Specified Office**" has the meaning given in the Agency Agreement;

"**Specified Period**" has the meaning given in the relevant Final Terms;

"**S&P**" means Standard & Poor's Rating Services and including any successor to its rating business;

"**Subsidiary**" means an entity of which a person has direct or indirect Control or owns directly or indirectly more than 50 per cent. of the voting capital or similar right of ownership, but in all cases excluding any entity in which a minority interest is held and over which entity the holder of such minority interest exercises joint control;

"**Talon**" means a talon for further Coupons;

"**TARGET2**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007;

"**TARGET Settlement Day**" means any day on which TARGET2 is open for the settlement of payments in euro;

"**Treaty**" means the Treaty establishing the European Communities, as amended; and

"**Zero Coupon Note**" means a Note specified as such in the relevant Final Terms.

- (b) **Interpretation:** In these Conditions:
- (i) if the Notes are Zero Coupon Notes, references to Coupons and Couponholders are not applicable;
  - (ii) if Talons are specified in the relevant Final Terms as being attached to the Notes at the time of issue, references to Coupons shall be deemed to include references to Talons;
  - (iii) if Talons are not specified in the relevant Final Terms as being attached to the Notes at the time of issue, references to Talons are not applicable;
  - (iv) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 11 (*Taxation*), any premium payable in respect of a Note and any other amount in the nature of principal payable pursuant to these Conditions;
  - (v) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 11 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Conditions;
  - (vi) references to Notes being "outstanding" shall be construed in accordance with the Agency Agreement;
  - (vii) if an expression is stated in Condition 2(a) to have the meaning given in the relevant Final Terms, but the relevant Final Terms gives no such meaning or specifies that such expression is "not applicable" then such expression is not applicable to the Notes; and
  - (viii) any reference to the Agency Agreement shall be construed as a reference to the Agency Agreement, as the case may be, as amended and/or supplemented up to and including the Issue Date of the Notes.

3. **Form, Denomination and Title**

The Notes are in bearer form in the Specified Denomination(s) with Coupons and, if specified in the relevant Final Terms, Talons attached at the time of issue. In the case of a Series of Notes with more than one Specified Denomination, Notes of one Specified Denomination will not be exchangeable for Notes of another Specified Denomination. Title to the Notes and the Coupons will pass by delivery. The holder of any Note or Coupon shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or any notice of any previous loss or theft thereof) and no Person shall be liable for so treating such holder.

4. **Status**

The Notes constitute unconditional obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

5. **Negative Pledge**

So long as any Note remains outstanding, the Issuer shall not and the Issuer shall procure that none of its Subsidiaries will, create or permit to subsist any Security Interest upon the whole or any part of its present or future undertaking, assets or revenues to secure any Relevant Indebtedness without (a) at the same time or prior thereto securing the Notes equally and rateably therewith or (b) providing such other security for the Notes as may be approved by an Extraordinary Resolution of Noteholders.

6. **Fixed Rate Note Provisions**

- (a) **Application:** This Condition 6 (*Fixed Rate Note Provisions*) is applicable to the Notes only if the Fixed Rate Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) **Accrual of interest:** The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrears on each Interest Payment Date, subject as provided in Condition 10 (*Payments*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 6 (*Fixed Rate Note Provisions*) (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Principal Paying Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).
- (c) **Fixed Coupon Amount:** The amount of interest payable in respect of each Note for any Interest Period shall be the relevant Fixed Coupon Amount and, if the Notes are in more than one Specified Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.
- (d) **Calculation of interest amount:** The amount of interest payable in respect of each Note for any period for which a Fixed Coupon Amount is not specified shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount. For this purpose a "sub-unit" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

7. **Floating Rate Note Provisions**

- (a) **Application:** This Condition 7 (*Floating Rate Note Provisions*) is applicable to the Notes only if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) **Accrual of interest:** The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrears on each Interest Payment Date, subject as provided in Condition 10 (*Payments*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Principal Paying Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).
- (c) **Screen Rate Determination:** If Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be determined by the Calculation Agent on the following basis:
  - (i) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears

on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;

- (ii) if Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight-line linear interpolation by reference to two rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date, where:
  - (A) one rate shall be determined as if the relevant Interest Period were the period of time for which rates are available next shorter than the length of the relevant Interest Period; and
  - (B) the other rate shall be determined as if the relevant Interest Period were the period of time for which rates are available next longer than the length of the relevant Interest Period;

**provided, however, that** if no rate is available for a period of time next shorter or, as the case may be, next longer than the length of the relevant Interest Period, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate;

- (iii) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
- (iv) if, in the case of (i) above, such rate does not appear on that page or, in the case of (iii) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Calculation Agent will:
  - (A) request the principal Relevant Financial Centre office of each of the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Interest Determination Date to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and
  - (B) determine the arithmetic mean of such quotations; and
- (v) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Calculation Agent) quoted by major banks in the Principal Financial Centre of the Specified Currency, selected by the Calculation Agent, at approximately 11.00 a.m. (local time in the Principal Financial Centre of the Specified Currency) on the first day of the relevant Interest Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time,

and the Rate of Interest for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; **provided, however, that** if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to the Notes during such Interest Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Notes in respect of a preceding Interest Period.

- (d) **ISDA Determination:** If ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be the sum of the Margin and the relevant ISDA Rate where "**ISDA Rate**" in relation to any Interest Period means a rate equal to the Floating Rate (as defined in the relevant ISDA Definitions) that would be



determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the relevant ISDA Definitions and under which:

- (i) the Floating Rate Option (as defined in the relevant ISDA Definitions) is as specified in the relevant Final Terms;
- (ii) the Designated Maturity (as defined in the relevant ISDA Definitions) is a period specified in the relevant Final Terms;
- (iii) the relevant Reset Date (as defined in the relevant ISDA Definitions) is either (A) if the relevant Floating Rate Option is based on the London inter-bank offered rate (LIBOR) for a currency, the first day of that Interest Period or (B) in any other case, as specified in the relevant Final Terms; and
- (iv) if Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight-line linear interpolation by reference to two rates based on the relevant Floating Rate Option, where:
  - (A) one rate shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period; and
  - (B) the other rate shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period

**provided, however, that** if there is no rate available for a period of time next shorter than the length of the relevant Interest Period or, as the case may be, next longer than the length of the relevant Interest Period, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

- (e) **Maximum or Minimum Rate of Interest:** If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Final Terms, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified.
- (f) **Calculation of Interest Amount:** The Calculation Agent will, as soon as practicable after the time at which the Rate of Interest is to be determined in relation to each Interest Period, calculate the Interest Amount payable in respect of each Note for such Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of the relevant Note divided by the Calculation Amount. For this purpose a "**sub-unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.
- (g) **Calculation of other amounts:** If the relevant Final Terms specifies that any other amount is to be calculated by the Calculation Agent, the Calculation Agent will, as soon as practicable after the time or times at which any such amount is to be determined, calculate the relevant amount. The relevant amount will be calculated by the Calculation Agent in the manner specified in the relevant Final Terms.
- (h) **Publication:** The Calculation Agent will cause each Rate of Interest and Interest Amount determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Paying Agents and each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation as soon as practicable after such determination but (in the case of each

Rate of Interest, Interest Amount and Interest Payment Date) in any event not later than the first day of the relevant Interest Period. Notice thereof shall also promptly be given to the Noteholders. The Calculation Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period. If the Calculation Amount is less than the minimum Specified Denomination the Calculation Agent shall not be obliged to publish each Interest Amount but instead may publish only the Calculation Amount and the Interest Amount in respect of a Note having the minimum Specified Denomination.

- (i) **Notifications etc:** All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Paying Agents, the Noteholders and the Couponholders and (subject as aforesaid) no liability to any such Person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

#### 8. **Zero Coupon Note Provisions**

- (a) **Application:** This Condition 8 (*Zero Coupon Note Provisions*) is applicable to the Notes only if the Zero Coupon Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) **Late payment on Zero Coupon Notes:** If the Redemption Amount payable in respect of any Zero Coupon Note is improperly withheld or refused, the Redemption Amount shall thereafter be an amount equal to the sum of:
  - (i) the Reference Price; and
  - (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price on the basis of the relevant Day Count Fraction from (and including) the Issue Date to (but excluding) whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Principal Paying Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

#### 9. **Redemption and Purchase**

- (a) **Scheduled redemption:** Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their Final Redemption Amount on the Maturity Date, subject as provided in Condition 10 (*Payments*).
- (b) **Redemption for tax reasons:** The Notes may be redeemed at the option of the Issuer in whole, but not in part:
  - (i) at any time (if the Floating Rate Note Provisions are not specified in the relevant Final Terms as being applicable); or
  - (ii) on any Interest Payment Date (if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable),

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 (Tax), together with interest accrued (if any) to the date fixed for redemption, if:

- (A) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 11 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of The Netherlands or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation

of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the date of issue of the first Tranche of the Notes; and

- (B) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

**provided, however, that** no such notice of redemption shall be given earlier than:

- (1) where the Notes may be redeemed at any time, 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due; or
- (2) where the Notes may be redeemed only on an Interest Payment Date, 60 days prior to the Interest Payment Date occurring immediately before the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Principal Paying Agent (A) a certificate signed by an authorised signatory 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 of and (B) 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. Upon the expiry of any such notice as is referred to in this Condition 9(b), the Issuer shall be bound to redeem the Notes in accordance with this Condition 9(b).

- (c) (A) *Redemption at the option of the Issuer:* If the Call Option is specified in the relevant Final Terms as being applicable, the Notes may be redeemed at the option of the Issuer in whole or, if so specified in the relevant Final Terms, in part on any Optional Redemption Date (Call) at the relevant Optional Redemption Amount (Call) on the Issuer's giving not less than 15 nor more than 30 days' notice or such other period of notice as is specified in the applicable Final Terms to the Noteholders (which notice shall be irrevocable and shall oblige the Issuer to redeem the Notes or, as the case may be, the Notes specified in such notice on the relevant Optional Redemption Date (Call) at the Optional Redemption Amount (Call) plus accrued interest (if any) to such date).

- (B) *Issuer Refinancing Call:* If Issuer Refinancing Call is specified in the relevant Final Terms as being applicable, the Issuer may, having given:

- (i) not less than 15 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 19 (*Notices*); and
- (ii) not less than 15 days before the giving of the notice referred to in (i), notice to the Principal Paying Agent,

(both of which notices shall be irrevocable), at any time, or from time to time, on or after the date specified in the applicable Final Terms (being three months prior to the Maturity Date of the Notes) redeem all or some only of the 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.

(C) *Make-whole Redemption by the Issuer*: Unless specified as not being applicable in the relevant Final Terms, the Issuer may, having given:

- (i) not less than 15 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 19 (*Notices*); and
- (ii) not less than 15 days before the giving of notice referred to in (i) above, notice to the Principal Paying Agent, the Quotation Agent and such other parties as may be specified in the Final Terms,

(which notices shall be irrevocable and shall specify the date fixed for redemption (each such date, a "**Make-whole Redemption Date**") redeem, in whole, or in part, the Notes then outstanding at any time prior to their Maturity Date at their relevant Make-whole Redemption Amount.

"**Calculation Date**" means the third Business Day prior to the Make-whole Redemption Date.

"**Make-whole Redemption Amount**" means the sum of:

- (i) the greater of (x) the Final Redemption Amount of the Notes so redeemed and (y) the sum of the then present values of the remaining scheduled payments of principal and interest on such Notes (excluding any interest accruing on the Notes to, but excluding, the relevant Make-whole Redemption Date) whereby such remaining scheduled payments of principal and interest shall be discounted to the relevant Make-whole Redemption Date on either an annual, a semi-annual or a quarterly basis (as specified in the relevant Final Terms) at the Make-whole Redemption Rate plus a Make-whole Redemption Margin; and
- (ii) any interest accrued but not paid on the Notes to, but excluding, the Make-whole Redemption Date,

as determined by the Quotation Agent and as notified on the Calculation Date by the Quotation Agent to the Issuer, the Principal Paying Agent and such other parties as may be specified in the Final Terms.

"**Make-whole Redemption Margin**" means the margin specified as such in the relevant Final Terms.

"**Make-whole Redemption Rate**" means the average of the four quotations given by the Reference Dealers of the mid-market yield to maturity of the Reference Security on the third Business Day preceding the Make-whole Redemption Date at 11:00 a.m. (Central European Time ("**CET**")) ("**Reference Dealer Quotation**").

"**Quotation Agent**" means any Dealer or any other international credit institution or financial services institution appointed by the Issuer for the purpose of determining the Make-whole Redemption Amount, in each case as such Quotation Agent is identified in the relevant Final Terms.

"**Reference Dealers**" means each of the four banks, as specified in the relevant Final Terms, selected by the Quotation Agent, which are primary European government security dealers, and their respective successors, or market makers in pricing corporate bond issues.

"**Reference Screen Rate**" means the screen rate specified as such in the relevant Final Terms.

"**Reference Security**" means the security specified as such in the relevant Final Terms. If a Reference Security is no longer outstanding, a Similar Security will be chosen by the Quotation Agent at 11:00 a.m. (CET) on the third Business Day preceding the Make-

whole Redemption Date, quoted in writing by the Quotation Agent to the Issuer and published in accordance with Condition 19 (*Notices*).

"**Similar Security**" means a reference bond or reference bonds issued by the same issuer as the Reference Security having actual or interpolated maturity comparable with the remaining term of the Notes that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Notes.

The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Quotation Agent shall (in the absence of manifest error) be final and binding upon all parties.

- (d) **Partial redemption:** If the Notes are to be redeemed in part only on any date in accordance with Condition 9(c) (A) (*Redemption at the option of the Issuer*), Condition 9(c) (B) (*Issuer Refinancing Call*), Condition 9(c) (C) (*Make-whole Redemption by the Issuer*), the Notes to be redeemed shall be selected by the drawing of lots in such place as the Principal Paying Agent approves and in such manner as the Principal Paying Agent considers appropriate, subject to compliance with applicable law, the rules of each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation and the notice to Noteholders referred to in Condition 9(c) (A) (*Redemption at the option of the Issuer*), Condition 9(c) (B) (*Issuer Refinancing Call*), Condition 9(c) (C) (*Make-whole Redemption by the Issuer*), shall specify the serial numbers of the Notes so to be redeemed. If any Maximum Redemption Amount or Minimum Redemption Amount is specified in the relevant Final Terms, then the Optional Redemption Amount (Call) shall in no event be greater than the maximum or be less than the minimum so specified.
- (e) **Redemption at the option of Noteholders:**
- (i) If the Put Option is specified in the relevant Final Terms as being applicable, the Issuer shall, at the option of the holder of any Note redeem such Note on the Optional Redemption Date (Put) specified in the relevant Put Option Notice at the relevant Optional Redemption Amount (Put) together with interest (if any) accrued to such date.
- (ii) In order to exercise the option contained in this Condition 9(e), the holder of a Note must, not less than 15 nor more than 30 days before the relevant Optional Redemption Date (Put), deposit with any Paying Agent such Note together with all unmatured Coupons relating thereto and a duly completed Put Option Notice in the form obtainable from any Paying Agent. The Paying Agent with which a Note is so deposited shall deliver a duly completed Put Option Receipt to the depositing Noteholder. No Note, once deposited with a duly completed Put Option Notice in accordance with this Condition 9(e), may be withdrawn; **provided, however, that** if, prior to the relevant Optional Redemption Date (Put), any such Note becomes immediately due and payable or, upon due presentation of any such Note on the relevant Optional Redemption Date (Put), payment of the redemption moneys is improperly withheld or refused, the relevant Paying Agent shall mail notification thereof to the depositing Noteholder at such address as may have been given by such Noteholder in the relevant Put Option Notice and shall hold such Note at its Specified Office for collection by the depositing Noteholder against surrender of the relevant Put Option Receipt. For so long as any outstanding Note is held by a Paying Agent in accordance with this Condition 9(e), the depositor of such Note and not such Paying Agent shall be deemed to be the holder of such Note for all purposes.
- (f) **No other redemption:** The Issuer shall not be entitled to redeem the Notes otherwise than as provided in paragraphs (a) to (e) above.

- (g) **Early redemption of Zero Coupon Notes:** Unless otherwise specified in the relevant Final Terms, the Redemption Amount payable on redemption of a Zero Coupon Note at any time before the Maturity Date shall be an amount equal to the sum of:
- (i) the Reference Price; and
  - (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Note becomes due and payable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the Final Terms for the purposes of this Condition 9(g) or, if none is so specified, a Day Count Fraction of 30E/360.

- (h) **Purchase:** The Issuer or any of its Subsidiaries may at any time purchase Notes in the open market or otherwise and at any price, **provided that** all unmatured Coupons are purchased therewith.
- (i) **Cancellation:** All Notes so redeemed or purchased by the Issuer or any of its Subsidiaries and any unmatured Coupons attached to or surrendered with them shall be cancelled and may not be reissued or resold.

#### 10. **Payments**

- (a) **Principal:** Payments of principal shall be made only against presentation and (**provided that** payment is made in full) surrender of Notes at the Specified Office of any Paying Agent outside the United States by cheque drawn in the currency in which the payment is due on, or by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency (in the case of a sterling cheque, a town clearing branch of a bank in the City of London).
- (b) **Interest:** Payments of interest shall, subject to paragraph (h) below, be made only against presentation and (**provided that** payment is made in full) surrender of the appropriate Coupons at the Specified Office of any Paying Agent outside the United States in the manner described in paragraph (a) above.
- (c) **Payments in New York City:** Payments of principal or interest may be made at the Specified Office of a Paying Agent in New York City if (i) the Issuer has appointed Paying Agents outside the United States with the reasonable expectation that such Paying Agents will be able to make payment of the full amount of the interest on the Notes in the currency in which the payment is due when due, (ii) payment of the full amount of such interest at the offices of all such Paying Agents is illegal or effectively precluded by exchange controls or other similar restrictions and (iii) payment is permitted by applicable United States law.
- (d) **Payments subject to fiscal laws:** All payments in respect of the Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 11 (*Taxation*). No commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.
- (e) **Deductions for unmatured Coupons:** If the relevant Final Terms specifies that the Fixed Rate Note Provisions are applicable and a Note is presented without all unmatured Coupons relating thereto:
- (i) if the aggregate amount of the missing Coupons is less than or equal to the amount of principal due for payment, a sum equal to the aggregate amount of the missing Coupons will be deducted from the amount of principal due for payment; **provided, however, that** if the gross amount available for payment is

less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of such missing Coupons which the gross amount actually available for payment bears to the amount of principal due for payment;

- (ii) if the aggregate amount of the missing Coupons is greater than the amount of principal due for payment:
  - (A) so many of such missing Coupons shall become void (in inverse order of maturity) as will result in the aggregate amount of the remainder of such missing Coupons (the "**Relevant Coupons**") being equal to the amount of principal due for payment; **provided, however, that** where this sub-paragraph would otherwise require a fraction of a missing Coupon to become void, such missing Coupon shall become void in its entirety; and
  - (B) a sum equal to the aggregate amount of the Relevant Coupons (or, if less, the amount of principal due for payment) will be deducted from the amount of principal due for payment; **provided, however, that**, if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of the Relevant Coupons (or, as the case may be, the amount of principal due for payment) which the gross amount actually available for payment bears to the amount of principal due for payment.

Each sum of principal so deducted shall be paid in the manner provided in paragraph (a) above against presentation and (**provided that** payment is made in full) surrender of the relevant missing Coupons.

- (f) ***Unmatured Coupons void:*** If the relevant Final Terms specifies that this Condition 10(f) is applicable or that the Floating Rate Note Provisions are applicable, on the due date for final redemption of any Note or early redemption in whole of such Note pursuant to Condition 9(b) (*Redemption for tax reasons*), Condition 9(c) (A) (*Redemption at the option of the Issuer*), Condition 9(c) (B) (*Issuer Refinancing Call*), Condition 9(c) (C) (*Make-whole Redemption by the Issuer*), Condition 9(e) (*Redemption at the option of the Noteholders*) or Condition 12 (*Events of Default*), all unmatured Coupons relating thereto (whether or not still attached) shall become void and no payment will be made in respect thereof.
- (g) ***Payments on business days:*** If the due date for payment of any amount in respect of any Note or Coupon is not a Payment Business Day in the place of presentation, the holder shall not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.
- (h) ***Payments other than in respect of matured Coupons:*** Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Notes at the Specified Office of any Paying Agent outside the United States (or in New York City if permitted by paragraph (c) above).
- (i) ***Partial payments:*** If a Paying Agent makes a partial payment in respect of any Note or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.
- (j) ***Exchange of Talons:*** On or after the maturity date of the final Coupon which is (or was at the time of issue) part of a Coupon Sheet relating to the Notes, the Talon forming part of such Coupon Sheet may be exchanged at the Specified Office of the Principal Paying Agent for a further Coupon Sheet (including, if appropriate, a further Talon but excluding any Coupons in respect of which claims have already become void pursuant to Condition 13 (*Prescription*)). Upon the due date for redemption of any Note, any

unexchanged Talon relating to such Note shall become void and no Coupon will be delivered in respect of such Talon.

## 11. Taxation

- (a) **Gross up:** All payments of principal and interest in respect of the Notes and the Coupons by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of The Netherlands or any political subdivision therein or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments, or governmental charges is required by law. In that event, the Issuer shall pay such additional amounts as will result in receipt by the Noteholders and the Couponholders after such withholding or deduction 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 in respect of any Note or Coupon presented for payment:
- (i) by or on behalf of a holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of its having some connection with the jurisdiction by which such taxes, duties, assessments or charges have been imposed, levied, collected, withheld or assessed other than the mere holding of the Note or Coupon; or
  - (ii) more than 30 days after the Relevant Date except to the extent that the holder of such Note or Coupon would have been entitled to such additional amounts on presenting such Note or Coupon for payment on the last day of such period of 30 days.
- (b) **Taxing jurisdiction:** If the Issuer becomes subject at any time to any taxing jurisdiction other than The Netherlands, references in these Conditions to The Netherlands shall be construed as references to The Netherlands and/or such other jurisdiction.

## 12. Events of Default

If any of the following events occurs and is continuing:

- (i) if default is made in the payment of any principal or interest due in respect of the Notes or any of them and the default continues for a period of 14 days; or
- (ii) if the Issuer fails to perform or observe any of its other obligations under the Conditions and (except in any case where the failure is incapable of remedy when no such continuation or notice as is hereinafter mentioned will be required) the failure continues for a period of 30 days next following the service by a Noteholder on the Issuer of notice requiring the same to be remedied; or
- (iii) if any other loan or debt of a Material Company, in each case having an outstanding aggregate principal amount of at least EUR 50,000,000 (or its equivalent in any other currency or currencies), shall become due and payable prior to the stated maturity thereof following a default or any security therefore becomes enforceable or a Material Company fails to make repayment of any such loan or debt at the maturity thereof or at the expiration of any grace period originally applicable thereto or any guarantee of any loan, debt or other moneys given by a Material Company shall not be honoured when due and called;
- (iv) if any order is made by any competent court or resolution passed for the winding-up or dissolution and liquidation (*ontbinding en vereffening*) of a Material Company, save in connection with a Permitted Merger or save for the purposes of reorganisation on terms previously approved by an Extraordinary Resolution; or
- (v) if a Material Company ceases or threatens to cease to carry on the whole or a substantial part of its business, save in connection with a Permitted Merger or any announcement of,



or a step preparatory to, a Permitted Merger or save for the purposes of reorganisation on terms previously approved by an Extraordinary Resolution; or

- (vi) if bankruptcy (*faillissement*) or moratorium of payments (*surseance van betaling*) proceedings are initiated or applied for, or a similar measure under foreign law is taken by a Material Company, or bankruptcy (*faillissement*) proceedings are initiated or applied for, or a similar measure under foreign law is taken, in respect of a Material Company by a third party and such action is not dismissed within 14 days, or a Material Company ceases or threatens to cease to pay its debts or admits to be, is or is deemed insolvent or unable to pay its debts pursuant to or for the purposes of any applicable law in its jurisdiction of incorporation; or
- (vii) if any Material Company offers a compromise (*akkoord*) relating to its payment difficulties to its creditors or negotiates with its creditors another arrangement relating to its payment difficulties, or such measures are officially decreed, under any applicable law;
- (viii) if an 'executory attachment' (*executoriaal beslag*) or similar measure under foreign law is made on a material part of the assets of any Material Company or an 'interlocutory attachment' (*conservatoir beslag*) or similar measure under foreign law is made thereon and, in either case, is not cancelled or withdrawn within 30 days after the making thereof; or
- (ix) if at any time it is or becomes unlawful for the Issuer to perform or comply with any or all of its obligations under or in respect of the Notes or any of the obligations of the Issuer thereunder are not or cease to be legal, valid, binding and enforceable,

then any Note may, by written notice addressed by the holder thereof to the Issuer and delivered to the Issuer or to the Specified Office of the Principal Paying Agent, be declared immediately due and payable, whereupon it shall become immediately due and payable at its Early Termination Amount together with accrued interest (if any) without further action or formality.

### 13. **Prescription**

Claims for principal shall become void unless the relevant Notes are presented for payment within five years of the appropriate Relevant Date. Claims for interest shall become void unless the relevant Coupons are presented for payment within five years of the appropriate Relevant Date.

### 14. **Replacement of Notes and Coupons**

If any Note or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Principal Paying Agent (and, if the Notes are then admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent in any particular place, the Paying Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system), subject to all applicable laws and competent authority, stock exchange and/or quotation system requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes or Coupons must be surrendered before replacements will be issued.

### 15. **Agents**

In acting under the Agency Agreement and in connection with the Notes and the Coupons, the Paying Agents act solely as agents of the Issuer and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders or Couponholders.

The initial Paying Agents and their initial Specified Offices are listed below. The initial Calculation Agent (if any) is specified in the relevant Final Terms. The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent and to appoint a successor

Principal Paying Agent or Calculation Agent and additional or successor paying agents; **provided, however, that:**

- (a) the Issuer shall at all times maintain a Principal Paying Agent; and
- (b) if a Calculation Agent is specified in the relevant Final Terms, the Issuer shall at all times maintain a Calculation Agent; and
- (c) if and for so long as the Notes are admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent in any particular place, the Issuer shall maintain a Paying Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system.

Notice of any change in any of the Paying Agents or in their Specified Offices shall promptly be given to the Noteholders.

16. **Meetings of Noteholders; Modification**

- (a) **Meetings of Noteholders:** The Agency Agreement contains provisions for convening meetings of Noteholders to consider matters relating to the Notes, including the modification of any provision of these Conditions. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuer and shall be convened by it upon the request in writing of Noteholders holding not less than 5 per cent. of the aggregate principal amount of the outstanding Notes. The quorum at any meeting convened to vote on an Extraordinary Resolution will be two or more Persons holding or representing more than fifty per cent. of the aggregate principal amount of the outstanding Notes or, at any adjourned meeting, two or more Persons being or representing Noteholders whatever the principal amount of the Notes held or represented; **provided, however, that** Reserved Matters may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders at which two or more Persons holding or representing not less than two-thirds or, at any adjourned meeting, one-third of the aggregate principal amount of the outstanding Notes form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders and Couponholders, whether present or not.

In addition, a resolution in writing signed by or on behalf of all Noteholders who for the time being are entitled to receive notice of a meeting of Noteholders will take effect as if it were an Extraordinary Resolution. 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:** The Notes and these Conditions may be amended without the consent of the Noteholders or the Couponholders to correct a manifest error, determined solely by the Issuer. In addition, the parties to the Agency Agreement may agree to modify any provision thereof, but the Issuer shall not agree, without the consent of the Noteholders, to any such modification unless it is of a formal, minor or technical nature, it is made to correct a manifest error or it is, in the opinion of the Issuer, not materially prejudicial to the interests of the Noteholders.

17. **Further Issues**

The Issuer may from time to time, without the consent of the Noteholders or the Couponholders, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest) so as to form a single series with the Notes.

18. **Notices**

All notices regarding the Notes shall be published (i) in at least one daily newspaper of wide circulation in The Netherlands and (ii) if and for so long as the Notes are listed on Euronext, in such form as the rules of that exchange require. Any such notice will be deemed to have been

given on the date of the first publication in all the newspapers in which such publication is required to be made.

While all the Notes are represented by a Permanent Global Note (or by a Permanent Global Note and/or a Temporary Global Note) and the Permanent Global Note is (or the Permanent Global Note and/or the Temporary Global Note are) deposited with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system or a common safekeeper, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and, in any case, such notices shall be deemed to have been given to the Noteholders on the date of delivery to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, except that, for so long as such Notes are admitted to trading on Euronext and it is a requirement of applicable law or regulations, such notices shall be published in accordance with the paragraph above.

Notices to be given by any holder of the Notes shall be in writing and given by lodging the same, together with the relative Note or Notes, with the Principal Paying Agent. Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Agent through Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Agent and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

19. **Currency Indemnity**

If any sum due from the Issuer in respect of the Notes or the Coupons or any order or judgment given or made in relation thereto has to be converted from the currency (the "**first currency**") in which the same is payable under these Conditions or such order or judgment into another currency (the "**second currency**") for the purpose of (a) making or filing a claim or proof against the Issuer, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to the Notes, the Issuer shall indemnify each Noteholder, on the written demand of such Noteholder addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Principal Paying Agent, against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which such Noteholder may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

This indemnity constitutes a separate and independent obligation of the Issuer and shall give rise to a separate and independent cause of action.

20. **Rounding**

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions or the relevant Final Terms), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.), (b) all United States dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (c) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount, and (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

21. **Governing Law and Jurisdiction**

- (a) **Governing law:** The Agency Agreement, the Notes, the Coupons and the Talons and any non-contractual obligations arising out of or in connection therewith, are governed by, and shall be construed in accordance with the laws of The Netherlands.
- (b) **Submission to jurisdiction:** The Issuer submits for the exclusive benefit of the Noteholders and the Couponholders to the jurisdiction of the court of first instance

*(Rechtbank)* of Amsterdam, The Netherlands and its appellate courts. Without prejudice to the foregoing, the Issuer further irrevocably agrees that any suit, action or proceedings arising out of or in connection with the Agency Agreement, the Notes, the Coupons and the Talons may be brought in any other court of competent jurisdiction.

## FORM OF FINAL TERMS

*The Final Terms in respect of each Tranche of Notes will be substantially in the following form, duly supplemented (if necessary), amended (if necessary), replaced (if necessary) and completed to reflect the particular terms of the relevant Notes and their issue. Text in this section appearing in italics does not form part of the form of the Final Terms but denotes directions for completing the Final Terms.*

**Final Terms dated [•]**

**Stedin Holding N.V.**

*(incorporated as a public company with limited liability in The Netherlands with its statutory seat in Rotterdam, The Netherlands)*

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]**

**under the EUR 2,000,000,000 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 Conditions (the "**Conditions**") set forth in the Base Prospectus dated 6 October 2017 [and the supplemental Base Prospectus dated [•]] which [together] constitute[s] a base prospectus (the "**Base Prospectus**") for the purposes of the Prospectus Directive. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive. These Final Terms contain the final terms of the Notes and must be read in conjunction with such Base Prospectus [as so supplemented].

The expression "**Prospectus Directive**" means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU) and includes any relevant implementing measure in the Relevant Member State.

Full information on the Issuer and the offer of the Notes described herein is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus [and the supplemental Base Prospectus] can be obtained by e-mail through [treasury@stedin.net](mailto:treasury@stedin.net) and will be published in electronic form on <http://www.stedin.net>. Furthermore, copies of the Base Prospectus [and the supplemental Base Prospectus] will be available, free of charge, during normal office hours at the Issuer's head office, Blaak 8, 3011 TA Rotterdam, The Netherlands.

### [PROHIBITION OF SALES TO EEA RETAIL INVESTORS

The Notes are not intended, from 1 January 2018, to be offered, sold or otherwise made available to and, with effect from such date, 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 ("**MiFID II**"); (ii) a customer within the meaning of Directive 2002/92/EC ("**IMD**"), 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 Directive. Consequently no key information document required by Regulation (EU) No 1286/2014 (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.]<sup>1</sup>

*[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs. Italics denote guidance for completing the Final Terms.]*

*[When completing any final terms, consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.]*

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<sup>1</sup> [Include where Part B item 8(vi) of the Final Terms specifies "Applicable".]

1. (i) Issuer: Stedin Holding N.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 23 below [which is expected to occur on or about [insert date]]].]
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] (in the case of fungible issues only, if applicable)]
6. (i) Specified Denominations: [•]  
*Where multiple denominations above EUR 100,000 (or equivalent) are being used the following sample wording should be followed: "[EUR 100,000] (or the relevant higher denomination) and integral multiples of [EUR 1,000] in excess thereof up to and including [EUR 199,000] (or twice the relevant higher denomination minus the smallest denomination). No Notes in definitive form will be issued with a denomination above [EUR 199,000] (or twice the relevant higher denomination minus the smallest denomination)"*  
 (ii) Calculation Amount: [•] (If only one Specified Denomination, the Specified Denomination. If more than one Specified Denomination insert the largest common factor)
7. (i) Issue Date: [•]  
 (ii) Interest Commencement Date: [Issue Date / specify / Not Applicable (for Zero Coupon Notes)]
8. Maturity Date: [Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]
9. Interest Basis: [• per cent. Fixed Rate]  
 [[Specify reference rate] +/- • per cent. Floating Rate]  
 [Zero Coupon]

(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]
11. Change of Interest Basis: [Applicable/Not applicable][specify the date when any fixed to floating rate change occurs or refer to paragraphs 14 and 15 below and specify there]
12. Put/Call Options: [Investor Put]  
[Issuer Call]  
[Issuer Refinancing Call]  
[Make-whole Redemption Call]  
[(further particulars specified below)]
13. (i) Status of the Notes: Senior
- (ii) [Date [Board] approval for issuance of Notes obtained: for [•] [and [•], respectively
- (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]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Rate[(s)] of Interest: [•] per cent. per annum payable in arrear on each Interest Payment Date
- (ii) Interest Payment Date(s): [•] in each year
- (iii) Fixed Coupon Amount[(s)]: [•] per Calculation Amount
- (iv) Broken Amount(s): [•] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [•]
- (v) Day Count Fraction: [Actual/Actual (ICMA)] [Actual/365 or Actual/Actual (ISDA)] [Actual/365 (Fixed)] [Actual/360] [30/360 or 360/360] [30E/360 or Eurobond Basis] [30E/360 (ISDA)]
- (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))*
15. **Floating Rate Note Provisions** [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Interest Period(s) [•] [subject to adjustment in accordance with the Business Day Convention specified in (iv) below]/[not subject to any adjustment, as the Business Day Convention in [(iv)] is specified to

- be Not Applicable]
- (ii) Specified Period: [•]
- (iii) [First Interest Payment Date]: [•]
- (iv) Business Day Convention: [Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/ FRN Convention / Floating Rate Convention / Eurodollar Convention][Not Applicable]
- (v) Additional Business Centre(s): [Not Applicable/*give details*]
- (vi) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination]
- (vii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Principal Paying Agent): [[*Name*] shall be the Calculation Agent (*no need to specify if the Principal Paying Agent is to perform this function*)]
- (viii) Screen Rate Determination:
- Reference Rate: [[•] month LIBOR / EURIBOR]
  - Interest Determination Date(s): [•]
  - Relevant Screen Page: [*For example, Reuters LIBOR 01/ EURIBOR 01*]
- (ix) ISDA Determination:
- Floating Rate Option: [•]
  - Designated Maturity: [•]
  - Reset Date: [•]
  - ISDA Definitions [2000 ISDA Definitions / 2006 ISDA Definitions]
- (x) 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*)]
- (xi) Margin(s): [+/-][•] per cent. per annum
- (xii) Minimum Rate of Interest: [•] per cent. per annum
- (xiii) Maximum Rate of Interest: [•] per cent. per annum
- (xiv) Day Count Fraction: [Actual/Actual (ICMA)] [Actual/365 or Actual/Actual (ISDA)] [Actual/365 (Fixed)] [Actual/360] [30/360 or 360/360] [30E/360 or Eurobond Basis] [30E/360 (ISDA)]

16. **Zero Coupon Note Provisions**

[Applicable/Not Applicable]

*(If not applicable, delete the remaining sub-*



*paragraphs of this paragraph)*

- (i) [Amortisation/Accrual] Yield: [•] per cent. per annum
- (ii) [Reference Price: [•]]
- (iii) Day Count Fraction [Actual/Actual (ICMA)] [Actual/365 or Actual/Actual (ISDA)] [Actual/365 (Fixed)] [Actual/360] [30/360 or 360/360] [30E/360 or Eurobond Basis] [30E/360 (ISDA)]

**PROVISIONS RELATING TO REDEMPTION**

17. **Call Option** [Applicable/Not Applicable]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

- (i) Optional Redemption Date(s): [•]
- (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [•] per Calculation Amount
- (iii) If redeemable in part:
  - (a) Minimum Redemption Amount: [•] per Calculation Amount
  - (b) Maximum Redemption Amount [•] per Calculation Amount
  - (iv) Notice period: [•]

*(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent)*

18. **Issuer Refinancing Call** [Applicable / not applicable]

*(if not applicable delete the remaining sub-paragraphs of this paragraph)*

- (i) Date from which Issuer Refinancing Call may be exercised: [•]  
*(insert date three months prior to Maturity Date of the Notes)*
- (ii) Notice period: [•]

*(N.B. When setting notice periods, the Issuer will consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent)*

- (iii) If redeemable in part:
- (a) Minimum Redemption Amount: [•] per Calculation Amount
- (b) Maximum Redemption Amount: [•] per Calculation Amount
19. **Make-whole Redemption Call** [Application/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Notice Period: [•]
- (N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent.)*
- (ii) Parties to be notified by Issuer of Make-whole Redemption Date and Make-whole Redemption Amount in addition to those set out in Condition 9(c) (C): [•]/Not Applicable]
- (iii) Discounting basis for purposes of calculating sum of the present values of the remaining scheduled payments of principal and interest on Redeemed Notes in the determination of the Make-whole Redemption Amount: [Annual/Semi-Annual/Quarterly]
- (iv) Make-Whole Redemption Margin: [•]
- (v) Quotation Agent: [•]/[Not Applicable]
- (vi) Reference Dealers: [give details]
- (vii) Reference Screen Rate: [give details]
- (viii) Reference Security: [give details]
20. **Put Option** [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Optional Redemption Date(s): [•]
- (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [•] per Calculation Amount
- (iii) Notice period: [•]

21. **Final Redemption Amount of each Note** [•][Par] per Calculation Amount

*(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent.)*

22. **Early Redemption Amount** [•][Par] per Calculation Amount

Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions):

#### **GENERAL PROVISIONS APPLICABLE TO THE NOTES**

23. Form of Notes: **Bearer Notes:**

[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]

[Temporary Global Note exchangeable for Definitive Notes]

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

*(N.B. The exchange on [•] days' notice/ at any time should not be expressed to be applicable if the Specified Denomination of the Notes in sub paragraph 6(i) includes language to the following effect: "[EUR 100,000] and integral multiples of [EUR 1,000] in excess thereof up to and including [EUR 199,000]." Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Global Note exchangeable for Definitive Notes).*

[Definitive Notes]

24. New Global Note: [Yes/No]

*(If "No" is specified here ensure that "Not Applicable" is specified for Eurosystem eligibility in the relevant paragraph of paragraph 6 of Part B of the Final Terms and if "Yes" is specified here ensure that the appropriate specification is made in respect of Eurosystem eligibility in the relevant paragraph of paragraph 6 of Part B of the Final Terms.)*

25. Additional Financial Centre(s) or other special provisions relating to payment dates: [Not Applicable/Amsterdam/*give details*.  
*Note that this paragraph relates to the date and place of payment, and not interest period end dates, to which sub paragraph 15(v) relates*]
26. Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. *If yes, give details*]
27. [Consolidation provisions: Not Applicable/The provisions [in Condition 18 (*Further Issues*)] [annexed to this Final Terms] apply]

### 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 **Stedin Holding N.V.**:

By: .....  
Duly authorised

## PART B – OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

- (i) Listing: [Euronext in Amsterdam / None]
- (ii) Admission to trading: [Application is has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on Euronext in Amsterdam 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 Euronext in Amsterdam with effect from [ ].]
- [Not Applicable.]
- (Where documenting a fungible issue need to indicate that original Notes are already admitted to trading.)*
- (iii) Estimated Total Expenses relating to admission to trading: [•]

### 2. RATINGS

- Ratings: [The Notes to be issued [have been / are expected to be] rated:
- [S & P: [•]]
- [Moody's: [•]]
- [Fitch: [•]]
- [[Other]: [•]]
- [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 entity) is established in the EEA and registered under Regulation (EU) No 1060/2009, as amended.]*
- [(Insert full legal name of credit rating agency entity) is not established in the EEA and has applied for registration under Regulation (EU) No 1060/2009, as amended, although notification of the corresponding registration decision has not yet been provided by the European Securities and Markets Authority].]*

[(Insert full legal name of credit rating agency entity) is established in the EEA and is neither registered nor has it applied for registration under Regulation (EU) No 1060/2009, as amended.]

[(Insert full legal name of credit rating agency entity) is not established in the EEA but the rating is has given to the Notes is endorsed by (insert full legal name of credit rating agency entity), which is established in the EEA and registered under Regulation (EU) No 1060/2009, as amended.]

[(Insert full legal name of credit rating agency entity) is not established in the EEA, but is certified under Regulation (EU) No 1060/2009, as amended.]

[(Insert full legal name of credit rating agency entity) is not established in the EEA and is not certified under Regulation (EU) No 1060/2009, as amended, and the rating it has given to the Notes is not endorsed by a credit rating agency established in the EEA and registered under the CRA Regulation.]

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 following statement:

"Save as discussed in ["*Subscription and Sale*"], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer."

[(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)]

4. **REASONS FOR THE OFFER]**

Reasons for the offer: [•]

(See "*Use of Proceeds*" wording in Base Prospectus – if reasons for offer different from general financing purposes will need to include those reasons here.)  
[(In case Green Bonds are issued the category of Green Project must be specified)]

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**

(i) ISIN Code: [•]

(ii) Common Code: [•]

(iii) [other relevant code]: [•]

- (iv) New Global Note intended to be held in a manner which would allow Eurosystem eligibility: [Yes/No]
- [Note that the designation "Yes" simply means that the Notes are intended upon issue to be deposited with Euroclear or Clearstream, Luxembourg as common safe-keeper 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 the Eurosystem eligibility criteria have been met.] /
- [No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with Euroclear or Clearstream, Luxembourg as common safe-keeper. 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.]
- (v) 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)]
- (vi) Delivery: Delivery [against/free of] payment
- (vii) Names and addresses of additional Paying Agent(s) (if any): [•]

## 7. DISTRIBUTION

- (i) Method of distribution: [Syndicated/Non-syndicated]
- (ii) If syndicated, names and addresses of Managers: [Not Applicable/give names]
- (iii) Stabilising Manager(s) (if any): [Not Applicable/give name]
- (iv) If non-syndicated, name and address of Dealer: [Not Applicable/give name]
- (v) U.S. Selling restrictions [Reg. S Compliance Category; TEFRA C/TEFRA D/ TEFRA not applicable]
- (vi) Prohibition of Sales to EEA Retail Investors: [Applicable / Not Applicable]

*(If the offer of the Notes is concluded prior to 1 January 2018, or on and after that date the Notes clearly do not constitute "packaged" products, "Not Applicable" should be specified. If the offer of the Notes will be concluded on or after 1 January 2018 and the Notes may constitute "packaged" products and no KID will be prepared, "Applicable" should be specified.)*

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

### Clearing System Accountholders

Each Global Note will be in bearer form. Consequently, in relation to any Tranche of Notes represented by a Global Note, references in the Terms and Conditions of the Notes to "Noteholder" are references to the bearer of the relevant Global Note which, for so long as the Global Note is held by a depositary or a common depositary, in the case of a CGN, or a common safekeeper, in the case of an NGN for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, will be that depositary or common depositary or, as the case may be, common safekeeper.

Each of the persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Global Note (each an "Accountholder") must look solely to Euroclear and/or Clearstream, Luxembourg and/or such other relevant clearing system (as the case may be) for such Accountholder's share of each payment made by the Issuer to the bearer of such Global Note and in relation to all other rights arising under the Global Note. The extent to which, and the manner in which, Accountholders may exercise any rights arising under the Global Note will be determined by the respective rules and procedures of Euroclear and Clearstream, Luxembourg and any other relevant clearing system from time to time. For so long as the relevant Notes are represented by the Global Note, Accountholders shall have no claim directly against the Issuer in respect of payments due under the Notes and such obligations of the Issuer will be discharged by payment to the bearer of the Global Note.

In case of Notes which have a denomination consisting of the minimum Specified Denomination plus a higher integral multiple of another smaller amount, it is possible that the Notes may be traded in amounts in excess such minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. So long as such Notes are represented by a Temporary Global Note or Permanent Global Note and the relevant clearing system(s) so permit, these Notes will be tradable only in the minimum Specified Denomination increased with integral multiples of another smaller amount, notwithstanding that Definitive Notes shall only be issued up to, but excluding, twice the minimum Specified Denomination.

### Conditions applicable to Global Notes

Each Global Note will contain provisions which modify the Terms and Conditions of the Notes as they apply to the Global Note. The following is a summary of certain of those provisions:

**Payments:** All payments in respect of the Global Note will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Global Note to or to the order of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the Notes. On each occasion on which a payment of principal or interest is made in respect of the Global Note, the Issuer shall procure that in respect of a CGN the payment is noted in a schedule thereto and in respect of an NGN the payment is entered *pro rata* in the records of Euroclear and Clearstream, Luxembourg.

**Exercise of put option:** In order to exercise the option contained in Condition 9(e) (*Redemption at the option of Noteholders*) the bearer of the Permanent Global Note must, within the period specified in the Conditions for the deposit of the relevant Note and put notice, give written notice of such exercise to the Principal Paying Agent specifying the principal amount of Notes in respect of which such option is being exercised. Any such notice will be irrevocable and may not be withdrawn.

**Partial exercise of call option:** In connection with an exercise of the option contained in Condition 9(c) (A) (*Redemption at the option of the Issuer*), Condition 9(c) (B) (*Issuer Refinancing Call*) or Condition 9(c) (C) (*Make-whole Redemption by the Issuer*), in relation to some only of the Notes, the Permanent Global Note may be redeemed in part in the principal amount specified by the Issuer in accordance with the Conditions and the Notes to be redeemed will not be selected as provided in the Conditions but in accordance with the rules and procedures of Euroclear and Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in principal amount, at their discretion).



**Notices:** Notwithstanding Condition 19 (*Notices*), while all the Notes are represented by a Permanent Global Note (or by a Permanent Global Note and/or a Temporary Global Note) and the Permanent Global Note is (or the Permanent Global Note and/or the Temporary Global Note are) deposited with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system or a common safekeeper, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with Condition 19 (*Notices*) on the date of delivery to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, except that, for so long as such Notes are admitted to trading on Euronext and it is a requirement of applicable law or regulations, such notices shall be published (i) in at least one daily newspaper of wide circulation in The Netherlands and (ii) if and for so long as the Notes are listed on Euronext in such form as the rules of that exchange require.

## DESCRIPTION OF THE ISSUER

### **Incorporation, Address Details and Share capital**

The Issuer's legal and commercial name is Stedin Holding N.V. (until 31 January 2017 named Eneco Holding N.V.).

The Issuer was established as a public limited liability company (*naamloze vennootschap*) for an unlimited term under the laws of The Netherlands on 5 June 2000. It has its registered seat in Rotterdam, The Netherlands, and its principal place of business at Blaak 8, 3011 TA Rotterdam, The Netherlands and the telephone number of its principal place of business is +31 88 89 63 963. The Issuer is registered in the Trade Register at the Dutch Chamber of Commerce under number 24306393.

The Issuer's authorised share capital is €2 billion, divided into 20 million shares with a nominal value of €100 each. At 30 June 2017, 4,970,978 shares had been issued and fully paid. The Issuer has only issued ordinary shares. Stedin Holding N.V. is currently 100 per cent. owned by 53 municipalities in The Netherlands and privatisation is not permitted under Dutch law.

### **History and Development of Stedin Group**

Stedin Group's origin dates back to the middle of the nineteenth century.

In The Netherlands, utility companies were traditionally owned by municipalities and provinces. Since the 1980's, significant voluntary consolidation has occurred in order to improve efficiency of operations. In 1995, the utility companies of the municipalities of The Hague, Dordrecht and Rotterdam merged to create the integrated utility company Eneco. REMU, a major energy distributor for the province of Utrecht, was acquired in 2003. In the period 2000-2007 a number of small Dutch energy companies and grids have been acquired.

### **Unbundling**

In April 2007, the unbundling of the energy generation and supply from the distribution activities became mandatory pursuant to a ministerial decision on the basis of the Electricity Act 1998 and Gas Act (containing the unbundling provisions of the 'independent network management act' (*Wet Onafhankelijk Netbeheer*, also known as the Unbundling Act)).

Following this decision, legal proceedings were initiated to contest the validity of the unbundling provisions. As a consequence of a ruling of the Court of Appeal (*Gerechtshof*) in The Hague in June 2010, the unbundling provisions were not in force. However, the Dutch State appealed to this ruling with the Dutch Supreme Court (*Hoge Raad*). Following a decision by the Court of Justice of the European Union on prejudicial questions asked by the Dutch Supreme Court, the Supreme Court had to determine whether the alleged restrictions on the free movement of capital and freedom of establishment, contained in the unbundling provisions, were appropriate to the objectives pursued. The Dutch Supreme Court issued a ruling on the forced unbundling of Dutch integrated energy companies on 26 June 2015 and stated that the relevant unbundling provisions are not in conflict with European Union legislation on the free movement of capital and freedom of establishment. The Supreme Court referred judgement on whether the unbundling provisions constitute an infringement of the right to the protection of property described in the First Protocol to the European Convention on Human Rights, to the Court of Appeal in Amsterdam. In November 2016, the Court of Appeal dismissed the appeal. This ended the legal proceedings against the unbundling provisions, and consequently unbundling was inevitable.

Although at the time the legal proceedings were still pending before the Court of Appeal in Amsterdam, the ACM issued an enforcement decree in December 2015, forcing Eneco Holding N.V. to unbundle by ultimately 31 January 2017.

On 31 January 2017, Eneco Holding N.V. was unbundled to create the energy company Eneco Groep N.V. ("**Eneco Group**") and the network group with the grid operator, Stedin Group, by distributing all the shares in Eneco Group as a dividend in kind to the shareholders of Eneco Holding N.V.

Eneco Group and Stedin Group both have the same 53 municipal shareholders who, until the unbundling, were shareholders of the then integrated company Eneco Holding N.V. On 31 January 2017, Eneco Holding N.V. was renamed Stedin Holding N.V.

The only remaining relationships between Eneco Group and Stedin Group consist of (i) a €200 million loan provided by Eneco Group to Stedin Group (see also the paragraph “*Capital market and money market activities*” below) and (ii) a regular business relationship that Stedin Group has with all energy companies who are using the grids of Stedin Group. These include activities relating to invoicing and collecting amounts from consumers.

### ***Recent acquisition and divestments***

On 13 June 2017, the Issuer acquired 100 per cent. of the share capital of Zeeuwse Netwerkhouding N.V. from Provinciale Zeeuwse Energie Maatschappij N.V. for an amount of €455 million. In addition €150 million of long-term interest-bearing debt was taken over. The acquisition of the Zeeuwse Netwerkhouding N.V. (referred to as De Netwerkgroep (“**DNWG**”)) includes Zeeuwse Netwerkhouding N.V.’s subsidiaries Enduris B.V. (grid manager) and DNWG Infra (infrastructure services).

DNWG operates in the province of Zeeland where Enduris B.V. manages the energy network for 200,000 households and businesses. The grid operator Enduris B.V. has about 15,000 kilometres of electricity cables and gas pipelines in the province Zeeland. DNWG’s 636 permanent employees work in the Enduris B.V. and DELTA Infra business units. This acquisition has increased the scale of Stedin Group’s operations by approximately 10 per cent. and since the acquired networks connect to Stedin Group’s existing ones there is ample room for synergies. DNWG is currently positioned as a separate part of Stedin Group.

On 31 March 2017, Stedin Group divested CityTec as it was no longer part of Stedin Group’s long-term strategic objectives. CityTec is active in the field of public lighting, traffic control systems and parking systems. The sale price has not been made public but can be considered as non-material in relation to the size of the Issuer.

The network in Weert (Limburg, The Netherlands) was sold to Enexis Netbeheer for an amount of €60 million on 1 July 2017. Stedin Group owned and managed the networks in the municipality of Weert while Enexis Netbeheer managed all the other gas and electricity networks in the province of Limburg. The sale of the network area makes public network management in Limburg more transparent to all stakeholders.

### **Business of the Issuer**

The Issuer is the holding company of Stedin Group. Stedin Group is one of the three largest regional energy utility companies in The Netherlands (Source: *Energietrends 2016*, a publication of ECN, *Energie-Nederland* and *Netbeheer Nederland*).

Stedin Group consists of the operating entities Stedin, Joulz and DNWG, each using their knowledge and professionalism to ensure continuity in electricity and gas grids, energy installations and meters in the Stedin Group service area and beyond. The mission of Stedin Group is: sustainable energy for everyone.

Stedin Group’s two principal units are the grid operators Stedin and Enduris. Both are responsible for a safe, reliable andordable energy supply by constructing, managing and future-proofing the electricity and gas networks and by facilitating the energy market. Stedin operates in the provinces of Zuid-Holland, Utrecht and parts of Friesland and Noord-Holland whereby Enduris operates in the province of Zeeland.

Stedin and Enduris operate alongside five other regional grid operators in a regulated market. Each regional grid operator is a monopolist in its area of operations. The regulatory framework defines the rules by which the grid operators have to perform their activities.

### **The regulatory framework**

The Energy Department of the ACM supervises the correct implementation of the Electricity Act 1998 (*Elektriciteitswet 1998*) and the Gas Act (*Gaswet*). The ACM ensures the effective and efficient functioning of the energy market and the protection of customer interests through the implementation of various regulatory instruments. This includes safeguarding access to networks, maintaining sufficient transparency (access to essential information) and protecting consumers against potential malpractices.

The ACM monitors the capability of the Grid Companies to meet the financial requirements for managing the electricity and gas grid, including required and planned investments. The Grid Companies submit

their statutory and regulatory financial statements to the ACM annually, including results, assets and infrastructure related activities (maintenance and investments). Furthermore end-user tariffs for the distribution of electricity and gas (which generates the revenues for the Grid Companies) are controlled by the ACM and depend on a series of consecutive regulatory decisions, in particular the Regulation Method Decision, the Efficiency Discount Decision (x-factor), Quality Factor Decision (q-factor) and the Accounting Volume Decision, which are applicable to a certain price control period, and finally the annual tariff decisions.

The Method Decisions for the new regulatory period published by the ACM at the end of 2016 apply for the longest legally possible period of 5 years. By opting for this long term, the ACM aims to stimulate Dutch grid operators to operate efficiently and also to offer customers as much tariff stability as possible.

For the current regulation period (2017 – 2021), the Efficiency Discount Decision (x-factor) will lead to annually decreasing transport tariffs for gas and electricity. As the Issuer's revenue significantly depends on the transport tariffs (as determined by the regulatory framework described above) this will have a negative impact on its financial position and cash flows.

The level of permitted revenues of the Grid Companies includes a component based on the real weighted average costs of capital (WACC). The variables used to calculate the WACC consist of estimates for the cost of equity, the cost of debt, the relative percentages of debt and equity in the capital structure, the corporate tax rate and the consumer price index. The cost of equity represents the expected return on investment for the shareholders. The Issuer is the sole direct and indirect shareholder of the Grid Companies. The cost of debt represents the expected cost of debt for a company with an "A" credit rating. As is the case for almost all other cost factors, the ACM bases the WACC on data preceding the regulation period for which the WACC is determined. Thus, the WACC may incorrectly reflect the costs of capital which the Grid Companies will effectively incur during the relevant regulation period. For the current tariff regulation period (2017 - 2021), the estimated cost of equity is set at 5.02 per cent. while the cost of debt develops from 3.58 per cent. at the theoretical starting point of 2016 to 2.29 per cent. in 2021. In addition, the actual capitalisation of the Grid Manager may differ from the 50/50 debt/equity ratio assumed in the Method Decisions, which would also have an impact on the profitability of the Grid Companies. Finally, the actual corporate tax rate may deviate from the corporate tax rate assumed in the Method Decisions, which would have an impact on the profitability of the Grid Companies.

Changes to both the Electricity Act and Gas Act currently await discussion in parliament. Such changes may or may not be implemented depending on the (new) Dutch political landscape.

*An overview of Stedin Group operating area for Gas and Electricity are displayed below:*

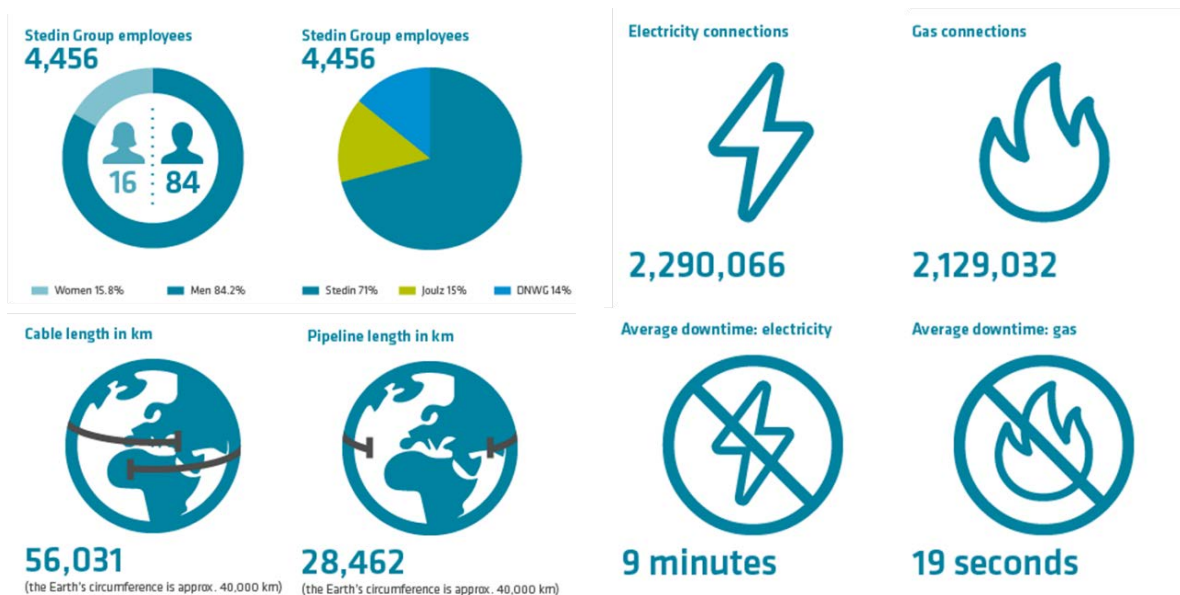
**Stedin Groep service area: gas**



**Stedin Groep service area: electricity**



*Key figures of Stedin Group are presented below:*



Note: above figures relate to the first half of 2017 or the position at 30 June.

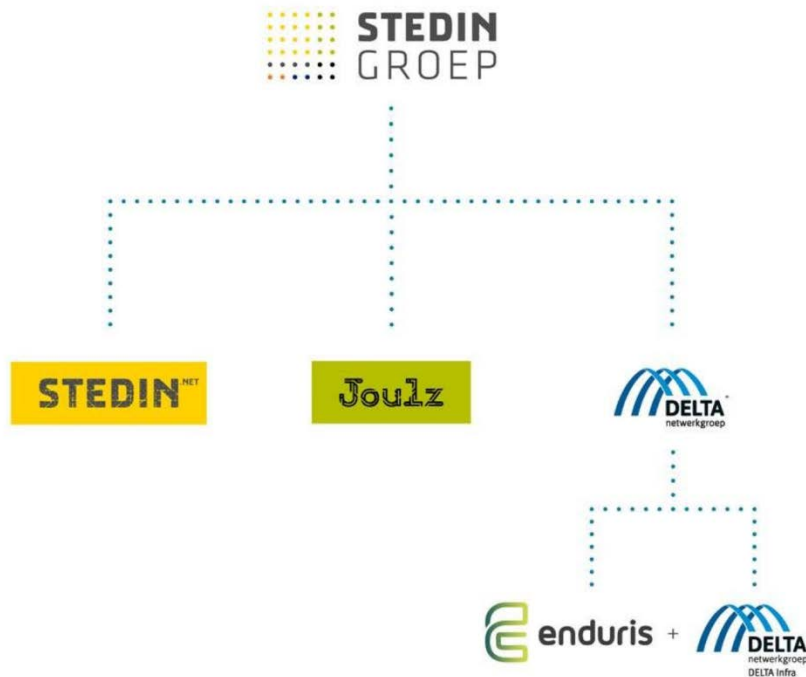
#### **Organisational structure Stedin Group**

Stedin Holding N.V. holds full ownership of the regulated grid operators Stedin Netbeheer and Enduris and the non-regulated infrastructure specialists Joulz and DNWG Infra.

The grid operators, Stedin Netbeheer B.V. and Enduris B.V. have several asset companies as subsidiaries, owning gas and electricity networks. In accordance with the Electricity Act 1998 (*Elektriciteitswet 1998*) and the Gas Act (*Gaswet*), the grid operator is responsible for the management, distribution, maintenance and quality of the electricity and gas distribution networks to provide a safe, reliable and affordable energy supply for the more than 2.2 million customers. A main part of constructing the infrastructure is conducted by Joulz and DNWG Infra.

Joulz and DNWG Infra are active in the non-regulated market and provide various products and services to the business market in the area of energy infrastructure and energy management:

- construction and management of electricity grids;
- metering services and energy management;
- realisation of alternative energy infrastructure, such as steam networks.



Simplified Corporate Structure Stedin Group as at the date of this Base Prospectus

**Subsidiaries of Stedin Holding N.V.** (in alphabetic order)

- De Netwerkgroep Infra B.V.
- De Netwerkgroep Infra Water B.V.
- De Netwerkgroep Staff B.V.
- Enduris B.V.
- Joulz Diensten B.V.
- Joulz Energy Solutions B.V.
- Joulz Infradiensten B.V.
- Joulz Meetbedrijf B.V.
- Joulz Stoomnetwerken B.V.
- N.V. Stedin Netten Noord-Holland
- N.V. Stedin Noord-Oost Friesland
- Stedin Netbeheer B.V.
- Stedin Netten B.V.
- Stedin Operations B.V.
- Zeeuwse Netwerkhouding N.V.

The Issuer also participates in three joint ventures: Utility Connect B.V., Tenzs B.V. and TeslaN B.V. Utility Connect is active in the field of reading measurement data from smart meters using the data bandwidth of a CDMA-based telecommunications network. Tenzs is the management organisation of Tennet and Stedin for joint assignments related to management and maintenance of medium-voltage and high-voltage grids and installations. TeslaN performs similar activities as Tenzs only between Tennet and Enduris.

**Strategy**

It is the objective of Stedin Group to actively enable the transition to renewable energy together with its customers, market parties and other stakeholders. To achieve the objectives Stedin Group primarily focusses on continuously improving its core services and products, and excellent customer service. Stedin Group has a social responsibility, namely the realisation, management and maintenance of a reliable, secure, affordable and sustainable energy infrastructure for its customers.

Stedin Group acts as an independent party. It explicitly opts for cooperation with market parties, which it fully facilitates in developing new products and services, to enable the future energy supply together. This includes proactively sharing data about the network.

In compliance with this independent role, Stedin Group exerts modesty in taking up activities that place Stedin Group in competition with market parties. These activities must demonstrably contribute to its core task, or provide for a gap in the market for which Stedin Group is uniquely positioned.

Stedin Group also adopted the 'One Planet Thinking' concept and implemented the derived responsibilities in its business management. This means that it actively seeks to reduce its environmental footprint by actively managing the use of energy and raw materials.

### **Trend Information**

2017 is the first year for Stedin Group separate from Eneco Group (the energy company), but the individual companies within Stedin Group have a long-established track record.

However, due to the energy transition, there is also a degree of uncertainty about the future. The Dutch Government wants to meet the terms of the Paris Climate Agreement by 2050, meaning that The Netherlands will be climate neutral within 33 years. To achieve this target, natural gas will have to be phased out completely as a source of energy over the next few decades and there will have to be additional investments in the electricity network. Stedin Group assumes that the costs of the energy transition will continue to be included in the regulatory framework and can be considered societal costs.

#### *Smarter energy system*

An energy system that is increasingly supplied by sustainable sources of energy should adapt to the vagaries of nature. There is an increased use of electrical equipment, such as electric vehicles and heat pumps, instead of equipment powered by fossil fuels. Energy is also being fed back into the grid because of the use of for example solar panels. These developments are putting extra stress on the electricity grid and can create bottlenecks in the system. The speed of the developments in the energy sector is uncertain and therefore if Stedin Group can postpone a 40 year investment by a couple of years, it will create some flexibility to find the best solution. This will result in sustainable energy remaining available and affordable for everyone. Consequently, Stedin Group is looking for partners to make the energy system smarter and also to create flexible solutions that can align supply and demand.

Stedin Group has become a partner in the Universal Smart Energy Framework ("USEF") that makes it possible to trade in flexibility in energy consumption and which sets out the roles and responsibilities of the relevant market parties (in Europe). Stedin Group is successfully using the USEF model in practice in the Hoog Dalem district of Gorinchem. USEF allows the residents to make the best possible use of sustainable energy at home. Since the energy generated is not fed back into the grid, the local electricity grid is not overloaded.

#### *Green Deal*

On 8 March 2017, the Dutch Minister of Economic Affairs, signed a Green Deal with thirty municipalities, provinces and grid operators. This Green Deal commits all parties to work with local residents on gas-free housing estates and to make homes, buildings and the energy infrastructure in The Netherlands more sustainable. The parties have to demonstrate how they are actually working towards gas-free housing estates in practice and, for example, in which situations current legislation and regulations form an obstacle for the transition.

#### *End of mandatory gas connections*

The challenge of the transition to sustainable alternatives for natural gas is considerable and so the construction of new gas networks should be avoided. Consequently, Stedin Group is calling on the House of Representatives of The Netherlands to make progress on ending the mandatory connection of newly-built homes to the gas network. There are now enough sustainable alternatives for heating buildings and providing hot water.

#### *Making existing buildings sustainable*

Partly because of the Green Deal, municipalities and housing associations are increasingly designating areas where natural gas must make way for sustainable alternatives. Therefore, Stedin Group has a map on its website clarifying where it will be replacing gas mains in the next few years. This gives insight in

the leadtimes for the conversion. Stedin Group also offers municipalities a method known as Infrastructure Footprint for drawing a comprehensive balance and making an impact analysis by neighbourhood or district. This gives information on feasible alternative energy provision and what this means for the social cost.

*Substitution of natural gas for bio-gas*

Biogas from fermentation is a way of producing sustainable green energy alongside wind and solar power. On 1 January 2017, a 5.5-kilometer-long bio-gas main was opened from a fermentation plant in Beltrum to the private company Friesland Campina in Borculo (Gelderland, the Netherlands). Joulz was involved in the design and construction of the gas main and will manage it for the next twelve years.

The key conclusion is that Stedin Group will continue pursuing its mission to facilitate ‘Sustainable energy for everyone’. Stedin Group has about 4,500 employees working to achieve this goal. Stedin Group believes it is its responsibility to ensure that all customers can have sustainable energy where they live, work and do business. Stedin Group, is making the energy system more sustainable while keeping it robust and affordable. Grid operators Stedin Netbeheer B.V. and Enduris B.V. and specialist infrastructure companies Joulz and DELTA Infra work together within Stedin Group to achieve this.

**Management of Stedin Holding N.V.**

The members of the Management Board of the Issuer are appointed by its Supervisory Board. The Management Board is ultimately responsible for the performance of Stedin Group. It develops the corporate strategy and long-term planning, monitors the risk profile, directs the business and corporate management, and approves the key performance indicators and the business plans of the business units. In addition, the Management Board manages on the basis of clear mandates from the Supervisory Board and prepares the financial statements.



Please find below an overview of the members of the Management Board of the Issuer:

<b>Name</b>	<b>Responsibility</b>	<b>Additional functions</b>	<b>Biography</b>
M.W.M. (Marc) van der Linden (1972)  Chairman of the Board of Management Stedin Holding N.V. (CEO)	Corporate Strategy, Corporate Affairs, Human Resource Management, Communication & Public Affairs, Health Safety Security & Environment (HSSE), Asset Management, Data Office, Legal Affairs & Compliance.		Marc van der Linden was appointed member of the Board of Management on 1 February 2017. Prior to this appointment, Mr. van der Linden was member of the Board of Directors of Eneco since 2012. He joined Eneco in 1997 and held the positions of business analyst, product manager at Eneco Warmte (Heating), director of Eneco Energy Projects, director of Eneco Installatiebedrijven (Installation Companies) and director of the Business Unit Wind. Prior to joining Eneco Mr. van der Linden worked at Van Gansewinkel Groep. He holds a degree in Economics from Tilburg University.
G. (Gerard) Vesseur (1954)  Member of the Board of Management Stedin Holding N.V. (CFO)	Control & Risk, Finance & Accounting, IT, Purchase, Treasury, Internal Audit.	Board member Oikocredit Nederland	Gerard Vesseur was appointed member of the Board of Management on 1 February 2017. Prior to this appointment, Mr. Vesseur was the Finance Director of Stedin. He joined Eneco in 1998 and held the positions of Director of Finance and Director of Control & Risk within Eneco Holding and Director of Finance of Joulz. Prior to joining Eneco Mr. Vesseur worked at Global Knowledge and Arthur Andersen. He is a Dutch Chartered Accountant.
J.A.M. (Judith) Koole (1969)  Member of the Board of Management Stedin Holding N.V. (COO)	Construction & Replacement, Customer & Market, Malfunction & Maintenance, Safety Health Environment & Quality		Judith Koole was appointed member of the Board of Directors on 1 February 2017. Prior to this appointment, Mrs. Koole was Director Customer and Market of Stedin Netbeheer B.V. She joined Stedin in 2012 and held the positions of Manager Program board and Manager ReVision (merger Stedin/Joulz). Prior to joining Stedin Mrs. Koole worked at Delta and SITA (SUEZ). She holds a degree in French, supplemented with business administration, from Radboud University.

There are no conflicts of interest between the duties of the members of the Management Board or the members of the Supervisory Board to the Issuer and their private interests or other duties.

The Issuer is subject to the Dutch statutory rules applicable to large companies (*structuurvennootschap*). Stedin Group complies with the rules for good corporate governance as recorded in the Dutch Corporate Governance Code, except for some rules which specifically relate to listed companies. Since the Issuer is not listed on a stock exchange, several stipulations of the Corporate Governance Code are not applicable to the Issuer. In cases where no specific decree applies, the relevant best practice criteria are implemented.

The Issuer's web site (<http://www.stedin.net>) includes information on Stedin Group's corporate governance. Information on the aforementioned website does not form part of this Base Prospectus and may not be relied upon in connection with any decision to invest in the Notes.

### **Supervisory board**

As a two-tier board company, the Issuer has conferred important powers on the Supervisory Board. The Supervisory Board supervises all the Management Board's activities and advises the Management Board regarding strategic matters. The Supervisory board has set up two committees: a Remuneration, Selection & Appointment committee and an Audit committee.

The Audit committee supervises all major financial matters and meets at least quarterly for this purpose. The Audit committee meets with the external auditor at least twice each year. The Supervisory Board submits the financial statements to the General meeting of shareholders for determination.

The Remuneration, Selection & Appointment committee advises on the remuneration of the members of the Executive Board and handles the selection and appointment of the members of the Executive board.

Please find below an overview of the members of the Issuer's Supervisory Board:

<b>Name</b>	<b>Positions</b>	<b>Previous main positions</b>
P.E.G. (Pieter) Trienekens (1950) Chairman of the Supervisory Board since 31 January 2017	Chairman of the General Meeting of Shareholders	Managing Director a.i. Stedin Netbeheer B.V.
	Member of the Remuneration, Selection & Nomination Committee	Independent consultant
	Member of the Supervisory Board Cuculus GmbH	Member of the Board of Directors Nederlandse Gasunie
	Member of the Supervisory Board DNV Kema	Policy advisor Ministry of Economic Affairs
J.P. (Tineke) Bahlmann (1950) Member of the Supervisory Board since 31 January 2017	Member of the Audit Committee Stedin Holding	Member of the Supervisory Board Stedin Netbeheer B.V., ING
	Parttime Professor Business Economics Utrecht University	Chairman of the Commissariaat voor de Media
	Among others: chairman of the Supervisory Board of RET, Maasstad Ziekenhuis Rotterdam, Centrum Beeldende Kunst Rotterdam, Max Havelaar, Member of the advisory board of SVB	Director Strategy at Rabobank.
		Independent organisation advisor
J.T.H.M. (Jules) Kortenhorst (1961) Member of the Supervisory Board since 31 January 2017	CEO Rocky Mountain Institute	Member of the Supervisory Board of Stedin Netbeheer B.V.
	Member of the Remuneration, Selection & Nomination Committee	Entrepreneur
		Member of Dutch Parliament CDA
		Managing director Europese Klimaat Stichting
D. (Dick) van Well (1948) Member of the Supervisory Board since 31 January 2017	Member of the Audit Committee	Shell in Hong Kong and Bulgary
	Member of the Remuneration, Selection & Nomination Committee	Member of the Supervisory Board Stedin Netbeheer B.V.
	Member of the Supervisory Board of Directors Dura Vermeer Groep N.V. and APG Groep N.V.	Chairman of the Board of Directors Dura Vermeer

<b>Name</b>	<b>Positions</b>	<b>Previous main positions</b>
T.W. (Theo) Eysink (1966) Member of the Supervisory Board since 31 January 2017	EVP Corporate Control KPN  Chairman of the Audit Committee  Member of the Supervisory Board Amvest Vastgoed B.V.  Chairman of the Board Verbond van Verzekeraars (chairman since 2013)  Member of the Board Vrije Universiteit Medisch Centrum	VP Finance Bombardier Transportation holding  Financial positions at Arthur Andersen, KLM Catering, Spui groep and Electrabel

The Secretary of the Company and Manager Corporate Affairs is S.N. (Suzanne) van Nieuwenhuijzen, (1972).

The address of both the Management Board and Supervisory Board is Blaak 8, 3011 TA Rotterdam, The Netherlands.

### **Major shareholders**

The shareholders of the Issuer are 53 municipalities in The Netherlands, including the municipalities of Rotterdam (31.7 per cent.), The Hague (16.6 per cent.) and Dordrecht (9.1 per cent.). The remaining 50 municipalities each own less than 5.0 per cent. of the shares. No single shareholder has a controlling interest in the Issuer. However, the three largest shareholders have a majority interest in the Issuer of 57.4 per cent.

### **Litigation**

Stedin Group has received a limited number of claims from customers with private networks demanding restitution of connection and transmission charges. These claims relate to the ruling of the Trade and Industry Appeals Tribunal (*College van Beroep voor het bedrijfsleven*, "CBB") that, according to the legal definition of the term 'connection' that applied until 1 January 2014, direct current grid-to-grid connections did not qualify as a connection.<sup>2</sup> This ruling has led to questions in relation to civil law that have not yet been answered. Based on the recent ruling of the CBB regarding the USG case,<sup>3</sup> the claims on the basis of the Dobbestroom-case with the most potential are no longer valid. At present, Stedin Group is investigating three connections that could possibly qualify as 'connection' on the basis of the Dobbestroom-case. Based, in part, on external legal advice it has received, Stedin Group does not consider it probable that these claims will have a negative outcome.

### **Capital market and money market activities**

As at 30 June 2017 a €500 million perpetual hybrid loan extended to the Issuer was outstanding and the equivalent of €90 million of senior debt extended to the Issuer was outstanding under (US) private placements.

The remainder of the senior debt is arranged at the Issuer-level by various bilateral loan contracts. A number of loans with specific characteristics are mentioned in more details below:

As part of the unbundling from the Eneco Group, the Issuer received a €200 million loan from Eneco Group which has to be repaid in two tranches (in 2018 and 2020).

The Issuer also has entered into a €450 million bridge loan in connection with the acquisition of Zeeuwse Netwerkhouding N.V. in June 2017. This loan will be repaid by the proceeds of the issue of bonds under

<sup>2</sup> CBB 24 January 2014, ECLI:NL:CBB:2014:14 (*Dobbestroom*).

<sup>3</sup> CBB 1 December 2016, ECLI:NL:CBB:2016:350 (*USG*)

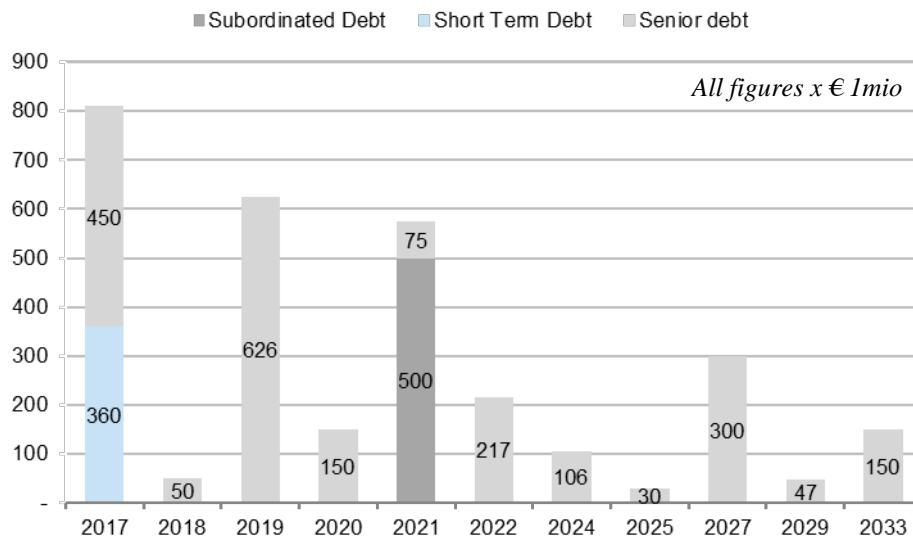
the Programme.

As part of the acquisition of Zeeuwse Netwerkhouding N.V. as described above, the Issuer became the borrower under €150 million bilateral external loans.

The Issuer also has a €750 million ECP programme. An amount of €360 million was issued under the ECP programme as at 30 June 2017.

The Issuer has available a committed backup revolving credit facility for an amount of €600 million with six banks. The facility is available until July 2022. The facility is undrawn.

*The maturity profile of the external debt is shown in the graph below.*



### ***Financing and banking policy***

Stedin Group has access to the capital and money markets, optimises its financing structure and costs in conjunction with financial parameters set by the regulator in each regulatory period and minimises its financing risks. The financing policy is designed to ensure timely and permanent financing and is approved by Supervisory Board.

Stedin Group maintains long-term relationships with at least 5 banks to secure the availability of adequate stand-by banking facilities. These banks are Dutch banks as well international banks which have adequate standing, offer a wide range of products and have strong credit ratings.

The financing and banking policy is implemented by its treasury department which duties include amongst others:

- advising on and effecting external and internal funding transactions;
- conduct of day-to-day cash management;
- mitigating exchange-rate, inflation and interest-rate risks; and
- maintaining contacts with banks, rating agencies and other financial stakeholders regarding treasury-related matters.

The treasury department has no profit target and is a value-added centre. It uses a conservative financial policy regarding open financial positions and derivatives. The treasury department acts in accordance with its mandate as described in the "Treasury charter".

### **Credit rating**

The Issuer has a public rating by S&P since 2001. In S&P's report of 29 September 2017, the "A- with a stable outlook" long-term corporate credit ratings of each of the Issuer and Stedin Netbeheer B.V. have been affirmed. The stable outlook reflects S&P's view that the Issuer will be able to maintain a 11.5%-13% ratio of funds from operations to debt over the medium term.

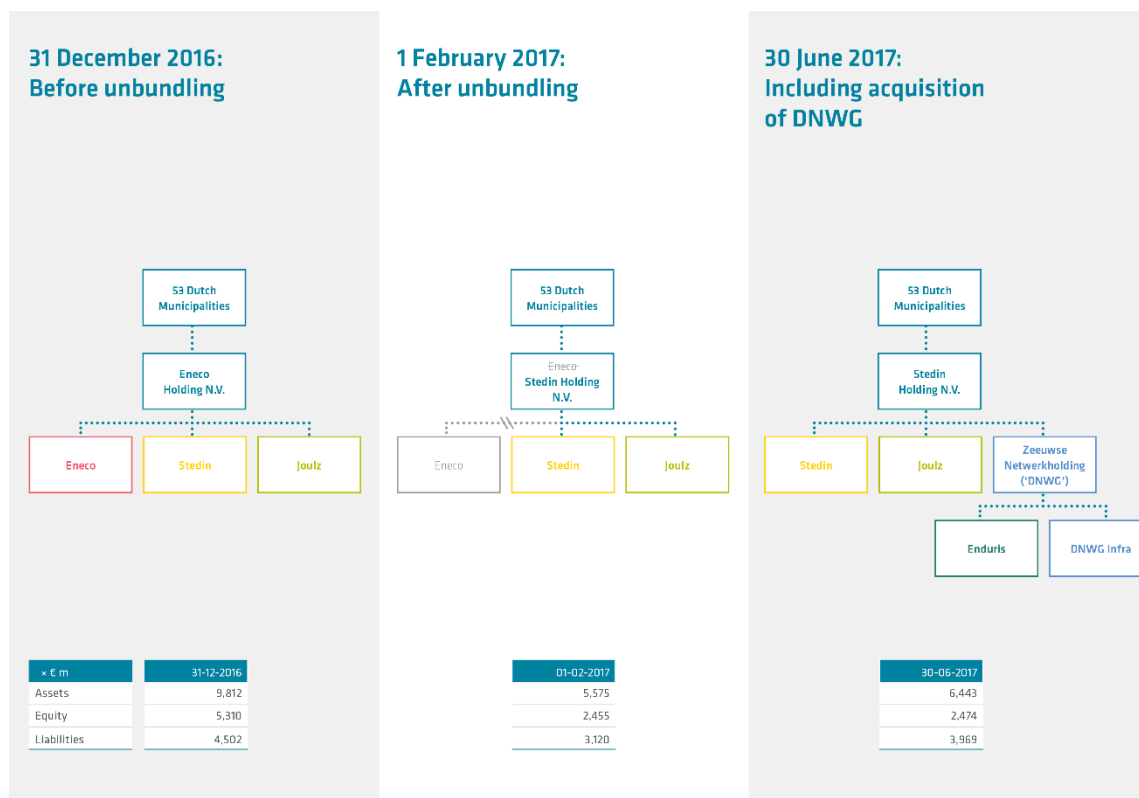
The Issuer has a long-term credit rating target of an A rating profile (minimum of an A/A2 rating with a stable outlook) which provides a buffer in relation to the minimum statutory required creditworthiness of an 'investment grade rating (BBB/Baa2)' for the Issuer, as stated in the Financial Management of Grid Managers Decree (*Besluit Financieel Beheer Netbeheerders*).

### **Dividend policy**

The dividend policy of the Issuer is based on a pay-out ratio of 50 per cent., defined as a percentage of the consolidated annual profit of the Issuer for the year.

## Selected Financial Information relating to Stedin Holding N.V.

The overview included below sets out Stedin Group's recent organisational changes in three phases. Each phase corresponds with the incorporated Financial Information and a selection of the key financial figures per each publication date.



## Selected Financial Information relating to the years ended 31 December 2015 and 2016

The following tables set out in summary form balance sheet and income statement information relating to the Issuer. Such information is derived from the audited consolidated financial statements of the Issuer as at and for the years ended 31 December 2015 and 31 December 2016. The audited consolidated financial statements of the Issuer were prepared before unbundling and presented as the Eneco Holding N.V. financial statements. The Issuer's financial statements included in this Base Prospectus have been prepared in accordance with International Financial Reporting Standards, as adopted by the EU ("**IFRS**"). Such financial statements, together with the independent auditors reports of Deloitte Accountants B.V. and the accompanying notes, have been incorporated by reference in this Base Prospectus.

In connection with the preparation for the unbundling, which involved distribution of the shares of the energy company to the shareholders, the net result of the energy company is recognised in the audited consolidated financial statements as at and for the year ended 31 December 2016 as 'result after tax from discontinued operations'. The related assets are recognised in the audited consolidated financial statements as at and for the year ended 31 December 2016 as 'assets held for distribution to shareholders'.

The financial information presented should be read in conjunction with such financial statements, reports and the notes thereto.

## Consolidated balance sheet Stedin Holding N.V. (formerly known as Eneco Holding N.V.)

x €1 million	31-12-2016	31-12-2015
<b>Non-current assets</b>		
Property, plant and equipment .....	5,205	7,487
Intangible assets .....	10	315
Associates and joint ventures .....	-	61
Deferred income tax assets .....	-	5
Financial assets .....		
- Derivative financial instruments .....	42	184
- Other financial assets .....	6	42
<b>Total non-current assets</b>	<b>5,263</b>	<b>8,094</b>
<b>Current assets</b>		
Assets held for distribution to shareholders .....	4,234	-
Assets held for sale .....	64	325
Intangible assets .....	-	23
Inventories .....	29	71
Trade receivables .....	105	604
Current tax receivable .....	6	-
Other receivables .....	34	196
Derivative financial instruments .....	-	221
Cash and cash equivalents .....	77	367
<b>Total current assets</b>	<b>4,549</b>	<b>1,807</b>
<b>Total assets</b>	<b>9,812</b>	<b>9,901</b>
<b>Equity</b>		
Equity attributable to shareholders .....	4,806	4,845
Perpetual subordinated bonds .....	501	501
Non-controlling interests .....	3	4
<b>Total equity</b>	<b>5,310</b>	<b>5,350</b>
<b>Non-current liabilities</b>		
Provisions for employee benefits .....	18	34
Other provisions .....	13	82
Deferred income tax liabilities .....	207	431
Derivative financial instruments .....	47	141
Interest-bearing debt .....	1,394	1,789
Other liabilities .....	395	438
<b>Total non-current liabilities</b>	<b>2,074</b>	<b>2,915</b>
<b>Current liabilities</b>		
Liabilities held for distribution to shareholders .....	1,896	-
Liabilities held for sale .....	5	18
Provisions for employee benefits .....	2	8
Other provisions .....	-	5
Derivative financial instruments .....	-	164
Interest-bearing debt .....	250	54
Current income tax liabilities .....	-	87
Trade and other liabilities .....	275	1,300
<b>Total current liabilities</b>	<b>2,428</b>	<b>1,636</b>
<b>Total equity and liabilities</b>	<b>9,812</b>	<b>9,901</b>

The "Assets held for distribution to shareholders" and "Liabilities held for distribution to shareholders" relate to assets and liabilities of the energy company Eneco. This company was distributed as dividend in kind to the Issuer's shareholders as part of the unbundling as at 31 January 2017.



## Consolidated income statement Stedin Holding N.V. (formerly known as Eneco Holding N.V.)

x €1 million	2016	2015
Net sales .....	991	989
Cost of sales .....	143	142
<b>Gross margin</b> .....	<b>848</b>	<b>847</b>
Other revenues .....	182	159
<b>Gross margin and other operating revenues</b> .....	<b>1,030</b>	<b>1,006</b>
Employee benefits expenses .....	155	166
Cost of contracted work and other external costs .....	400	312
Depreciation and impairment of property, plant and equipment .....	243	234
Amortisation and impairment of intangible assets .....	2	2
Other operating expenses .....	16	13
<b>Operating expenses</b> .....	<b>816</b>	<b>727</b>
<b>Operating profit</b> .....	<b>214</b>	<b>279</b>
Financial income .....	2	1
Financial expenses .....	-77	-78
<b>Profit before income tax</b> .....	<b>139</b>	<b>202</b>
Income tax .....	-34	-51
Profit after income tax from continued operations .....	105	151
Profit after income tax from discontinued operations .....	94	57
<b>Profit after income tax</b> .....	<b>199</b>	<b>208</b>
<b>Profit distribution:</b>		
Profit after income tax attributable to holders of perpetual subordinated bonds .....	12	12
Profit after income tax attributable to non-controlling interests .....	-	-
Profit after income tax attributable to shareholders .....	187	196
	<b>199</b>	<b>208</b>

The “Profit after income tax from discontinued operations” relate to assets and liabilities of the energy company Eneco. This company was distributed as dividend in kind to the Issuer’s shareholders as part of the unbundling as at 31 January 2017.

*Selected Financial Information Stedin Holding N.V. as at 1 February 2017 after unbundling*

**Consolidated balance sheet Stedin Holding N.V.**

<b>x €1 million</b>	<b>1-2-2017</b>
<b>Non-current assets</b>	
Property, plant and equipment .....	5,210
Intangible assets .....	10
Associates and joint ventures .....	-
Deferred income tax assets .....	1
Financial assets .....	
- Derivative financial instruments .....	34
- Other financial assets .....	8
<b>Total non-current assets</b>	<b>5,263</b>
<b>Current assets</b>	
Assets held for sale .....	64
Inventories .....	28
Trade receivables .....	148
Current tax receivable .....	10
Other receivables .....	36
Cash and cash equivalents .....	26
<b>Total current assets</b>	<b>312</b>
<b>Total assets</b>	<b>5,575</b>
<b>Equity</b>	
Equity attributable to shareholders .....	1,952
Perpetual subordinated bonds .....	503
<b>Total equity</b>	<b>2,455</b>
<b>Non-current liabilities</b>	
Provisions for employee benefits .....	18
Other provisions .....	13
Deferred income tax liabilities .....	205
Derivative financial instruments .....	36
Interest-bearing debt .....	1,585
Other liabilities .....	401
<b>Total non-current liabilities</b>	<b>2,258</b>
<b>Current liabilities</b>	
Liabilities held for sale .....	5
Provisions for employee benefits .....	3
Interest-bearing debt .....	608
Trade and other liabilities .....	246
<b>Total current liabilities</b>	<b>862</b>
<b>Total equity and liabilities</b>	<b>5,575</b>

The most important transactions in January 2017 due to the unbundling as of 31 January 2017 are summarized below:

- On 6, 24 and 26 January 2017, the Issuer issued commercial paper for a total amount of €300 million with maturity dates of 27 November 2017, 6 and 22 December 2017 respectively;
- On 27 January 2017, the Issuer (as borrower) entered into a financing agreement for loans at arm's length terms for a total of €200 million with N.V. Eneco Beheer;
- On 30 January 2017, during an Extraordinary General Meeting, the shareholders have resolved to distribute the Eneco energy activities to the shareholders as a 'dividend in kind'. This was executed by the transfer of shares in Eneco Group N.V. to the existing 53 municipal shareholders of Eneco Holding N.V.;
- The distribution of the 'dividend in kind' has resulted in the divestment (and release) of the balance sheet line items reflecting the assets and liabilities held for distribution to shareholders. The net amount of these line items decreased the equity of Stedin Group; and

- In preparation of the divestment, intercompany balances were settled except for aforementioned financing agreement of €200 million, which had been reclassified to external debt to N.V. Eneco Beheer as mentioned above.

The aforementioned transactions are disclosed in the financial statements 2016 of the Issuer in note 33 'Events after the reporting date'.

All other movements in the balance sheets as at 1 February 2017 compared to 31 December 2016 result from regular business operations.

#### ***Selected Financial Information relating to the six-month period ended 30 June 2017***

The financial statements information relating to the six-month period ended 30 June 2017 have not been audited. The interim financial statements have been prepared in compliance with IAS 34 'Interim Financial Reporting' and present the consolidated balance sheet and consolidated cash flow statement in condensed form. These financial statements should be read in conjunction with the 2016 annual financial statements of Eneco Holding N.V., which were prepared in compliance with the International Financial Reporting Standards (IFRS), as adopted by the European Commission, in force at 31 December 2016 and with the provisions of Part 9, Book 2 of the Dutch Civil Code.

#### **Profit after income tax**

Profit after income tax from continued operations for the six-month period ended 30 June 2017 was €33 million (first half of 2016: €58 million). This lower profit was according to plan. Revenue was down mainly because of lower rates following the 2017 tariff decision by the ACM. The sufferance tax on underground energy infrastructure (*precario*) rose further partly because it is being levied by more municipalities.

Operating expenses were higher because of an increase in the number of employees as a result of the unbundling, non-recurring unbundling costs, increased activity for offering and installing smart meters, greater construction and replacement of networks and expansion of ICT activities.

The unbundling of Eneco Holding N.V. led to a result from discontinued operations of €356 million. There was also a book loss of €18 million on the sale of CityTec. Including these results from discontinued operations, profit after income tax for the first six months amounted to €371 million (2016: €139 million).

#### **Investments**

Investments in Property, Plant and Equipment the first half of 2017 were lower than in the previous year at €206 million (first half of 2016: €227 million). These investments were mainly in the gas and electricity distribution networks and the installation of smart meters.

#### **Unbundling the energy company and grid operator**

On 31 January 2017, Eneco Holding N.V. was unbundled into Eneco Group (the energy company) and Stedin Group (the network group with the grid operator) by distributing all the shares in Eneco Groep N.V. held by Eneco Holding N.V. as a dividend in kind to the shareholders of Eneco Holding N.V.

Before the unbundling, the energy company was revalued to fair value, resulting in an upward revaluation by €300 million. The energy company's profit after tax in 2017 up to unbundling on 31 January 2017 was €56 million. Consequently, Stedin Group's profit after income tax for the first half of 2017 was positively affected by €356 million. The shareholders had been notified at the time of the unbundling that no dividend would be distributed on this part of the profit after tax.

#### **Acquisition of network activities in Zeeland**

As described above, on 13 June 2017, Stedin Holding N.V. purchased the entire share capital of Zeeuwse Netwerkhouding N.V. (DNWG) from PZEM (formerly DELTA) and so acquired full control. From the second half of 2017, DNWG's results will be consolidated with those of Stedin Group. DNWG's balance sheet at 30 June 2017 has been incorporated in the consolidated balance sheet of Stedin Holding N.V.

## Consolidated income statement Stedin Holding N.V.

Stedin Group has changed the presentation of its consolidated income statement as a result of being unbundled from the energy company Eneco on 31 January 2017. The presentation has been brought more in line with the way in which other Dutch grid operators present their results. The move to this type of presentation improves the information on the composition of and changes in operating expenses.

The main changes to the comparative figures are:

- Revenues from network management are presented in ‘revenues’;
- Employee benefits are presented before capitalisation of own production (formerly netted) and now include costs of external employees;
- Capitalised employee benefits and other expenses are presented separately as ‘capitalised own production’;
- ‘Cost of contracted work and other external costs’ is broken down into expenses relating to network maintenance and other operating expenses relating to the entire Group.

The result from discontinued operations is shown as a single figure in the income statement as ‘Profit after income tax from discontinued operations’ and so does not form part of the operating profit. The comparative figures in the income statement have been restated accordingly as if these operations had been terminated at the start of the previous reporting period.

x €1 million	First half 2017	First half 2016
Revenues	545	550
Other revenues	23	28
<b>Total Revenues</b>	<b>568</b>	<b>578</b>
Operating expenses		
Employee benefit expenses	171	160
Cost of contracted work and other external costs	141	140
Other operating expenses	109	104
<b>Total cost of sales, contracted work and operating expenses</b>	<b>421</b>	<b>404</b>
Depreciation, amortisation and impairment of non-current assets	123	114
Less: Capitalised own production	-63	-54
<b>Total operating expenses</b>	<b>481</b>	<b>464</b>
<b>Operating profit</b>	<b>87</b>	<b>114</b>
Financial income and expenses	-41	-37
<b>Profit before income tax</b>	<b>46</b>	<b>77</b>
Income tax	-13	-19
<b>Profit after income tax from continued operations</b>	<b>33</b>	<b>58</b>
Profit after income tax from discontinued operations	338	81
<b>Profit after income tax</b>	<b>371</b>	<b>139</b>
<b>Profit distribution:</b>		
Profit after income tax attributable to holders Stedin Holding N.V. perpetual subordinated bonds	6	6
Profit attributable to shareholders of Stedin Holding N.V.	365	133
<b>Profit after income tax</b>	<b>371</b>	<b>139</b>

## Consolidated balance sheet

x €1 million	30-6-2017	31-12-2016
<b>Non-current assets</b>		
Property, plant and equipment .....	5,973	5,205
Intangible assets.....	104	10
Financial assets.....	49	48
<b>Total non-current assets</b>	<b>6,126</b>	<b>5,263</b>
<b>Current assets</b>		
Assets held for distribution to shareholders .....	-	4,234
Assets held for sale .....	66	64
Inventories .....	35	29
Trade receivables .....	140	105
Other receivables .....	50	40
Cash and cash equivalents.....	26	77
<b>Total current assets</b> .....	<b>317</b>	<b>4,549</b>
<b>Total assets</b> .....	<b>6,443</b>	<b>9,812</b>
<b>Equity</b>		
Equity attributable to shareholders.....	1,965	4,806
Perpetual subordinated bonds .....	509	501
Non-controlling interests.....	-	3
<b>Total equity</b> .....	<b>2,474</b>	<b>5,310</b>
<b>Non-current liabilities</b>		
Provisions for employee benefits .....	20	18
Other provisions.....	25	13
Deferred income tax liabilities .....	235	207
Derivative financial instruments .....	47	47
Interest-bearing debt .....	1,944	1,394
Other liabilities .....	598	395
<b>Total non-current liabilities</b> .....	<b>2,869</b>	<b>2,074</b>
<b>Current liabilities</b>		
Liabilities held for distribution to shareholders .....	-	1,896
Liabilities held for sale.....	6	5
Provisions for employee benefits .....	3	2
Interest-bearing debt .....	814	250
Current income tax liabilities .....	48	-
Trade and other liabilities .....	229	275
<b>Total current liabilities</b> .....	<b>1,100</b>	<b>2,428</b>
<b>Total equity and liabilities</b> .....	<b>6,443</b>	<b>9,812</b>

## Consolidated cash flow statement<sup>4</sup>

x €1 million	First half 2017	First half 2016
<b>Profit after income tax</b> .....	<b>371</b>	<b>139</b>
Adjusted for:		
Result from unbundling of Eneco Group .....	-356	-
<b>Adjusted profit after income tax</b> .....	<b>15</b>	<b>139</b>
Adjusted for:		
Cash flow from business operations.....	-30	-41
<b>Cash flow from operating activities</b> .....	<b>-15</b>	<b>98</b>
Investments in property, plant and equipment.....	-206	-227
Acquisition of subsidiaries.....	-455	-6
Other .....	10	1
<b>Cash flow from investment activities</b> .....	<b>-651</b>	<b>-232</b>
Dividend payments .....	-99	-98
Movement interest-bearing debt.....	701	167
<b>Cash flow from financing activities</b> .....	<b>602</b>	<b>69</b>
<b>Movements in cash and cash equivalents</b> .....	<b>-64</b>	<b>-65</b>
Balance of cash and cash equivalents at 1 January.....	77	367
Balance of cash and cash equivalents in acquired subsidiaries.....	13	-
<b>Balance of cash and cash equivalents at 30 June</b> .....	<b>26</b>	<b>302</b>

<sup>4</sup> The comparative financial numbers of first half 2016 in the cash flow statement show the consolidated cash flows of the Grid Companies and the Eneco energy company.

## Alternative performance measures

This section provides further information relating to alternative performance measures ("APMs") for the purposes of the guidelines (the "Guidelines") published by the European Securities and Markets Authority ("ESMA"). Certain of the financial measures used by Stedin Group and included in this Base Prospectus can be characterised as APMs. The APMs are included in this Base Prospectus to allow potential Noteholders to better assess the Stedin Group's performance and business and are set out below further clarifications as to the meaning of such measures (and any associated terms) and tables which illustrate the basis for their calculations and provide comparative data for such measures for the previous financial periods.

Such APMs are not presented in accordance with IFRS and are unaudited. However, the Issuer believes that such APMs are commonly used by investors and as such useful for disclosure. The presentation of these APMs may not be comparable to similarly titled measures reported by other companies due to differences in the ways the measures are calculated.

### Definitions

**EBITDA** Operating profit plus depreciation, amortization and impairment of non-current assets

*This is used to measure performance from operational activities.*

**Solvency Ratio** Total equity divided by total assets

*This ratio measures the ability of the Stedin Group to meet its debt and other obligations*

### Illustrative tables

#### EBITDA

x €1 million	First half 2017	First half 2016
Operating profit	87	114
Depreciation, amortization and impairment of non-current assets	123	114
EBITDA	210	228

#### Solvency Ratio

x €1 million	30-6-2017	31-12-2016
Total equity	2,474	5,310
Total Assets	6,443	9,812
Solvency	38.4%	54.1%

## USE OF PROCEEDS

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

In particular, if so specified in the applicable Final Terms, the Issuer will apply the net proceeds from an offer of Notes specifically for projects and activities that promote climate and other environmental purposes ("**Green Projects**"). Such Notes may also be referred to as "Green Bonds". If such Green Bonds will be issued, the applicable Final Terms will specify for which category of Green Projects the proceeds of the Green Bonds will be used.



## TAXATION

The following is a general description of certain Dutch tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes, whether in those countries or elsewhere. Prospective purchasers of Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries. This summary is based upon the law as in effect on the date of this Base Prospectus and is subject to any change in law that may take effect after such date.

### TAXATION IN THE NETHERLANDS

The following summary of certain Dutch taxation matters is based on the laws and practice in force as of the date of this Base Prospectus and is subject to any changes in law and the interpretation and application thereof, which changes could be made with retroactive effect. The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to acquire, hold or dispose of a Note or Coupon, and does not purport to deal with the tax consequences applicable to all categories of investors, some of which may be subject to special rules.

For the purpose of the paragraph "*Taxes on Income and Capital Gains*" below, it is assumed that a holder of a Note, being an individual or a non-resident entity, does not have nor will have a substantial interest (*aanmerkelijk belang*), or - in the case of a holder of a Note being an entity - a deemed substantial interest, in the Issuer and that no connected person (*verbonden persoon*) to the holder of a Note has or will have a substantial interest in the Issuer.

Generally speaking, an individual has a substantial interest in the Issuer if (a) such individual, either alone or together with his partner, directly or indirectly has, or is deemed to have or (b) certain relatives of such individual or his partner directly or indirectly have or are deemed to have, (I) the ownership of, a right to acquire the ownership of, or certain rights over, shares representing 5 per cent. or more of either the total issued and outstanding capital of the Issuer or the issued and outstanding capital of any class of shares of the Issuer, or (II) the ownership of, or certain rights over, profit participating certificates (*winstbewijzen*) that relate to 5 per cent or more of either the annual profit or the liquidation proceeds of the Issuer.

Generally speaking, a non-resident entity has a substantial interest in the Issuer if such entity, directly or indirectly has (I) the ownership of, a right to acquire the ownership of, or certain rights over, shares representing 5 per cent. or more of either the total issued and outstanding capital of the Issuer or the issued and outstanding capital of any class of shares of the Issuer, or (II) the ownership of, or certain rights over, profit participating certificates (*winstbewijzen*) that relate to 5 per cent. or more of either the annual profit or the liquidation proceeds of the Issuer. An entity holding a Note has a deemed substantial interest in the Issuer if such entity has disposed of or is deemed to have disposed of all or part of a substantial interest on a non-recognition basis.

For the purpose of this summary, the term "**entity**" means a corporation as well as any other person that is taxable as a corporation for Dutch corporate tax purposes.

Where this summary refers to a holder of a Note, an individual holding a Note or an entity holding a Note, such reference is restricted to an individual or entity holding legal title to as well as an economic interest in such Note or otherwise being regarded as owning a Note for Dutch tax purposes. It is noted that for purposes of Dutch income, corporate, gift and inheritance tax, assets legally owned by a third party such as a trustee, foundation or similar entity, may be treated as assets owned by the (deemed) settlor, grantor or similar originator or the beneficiaries in proportion to their interest in such arrangement.

Where the summary refers to "**The Netherlands**" or "**Dutch**" it refers only to the European part of the Kingdom of the Netherlands.

*Investors should consult their professional advisers on the tax consequences of their acquiring, holding and disposing of a Note or Coupon.*

## **Withholding tax**

All payments made by the Issuer of interest and principal under a Note can be made free of withholding or deduction of any taxes of whatsoever nature imposed, levied, withheld or assessed by The Netherlands or any political subdivision or taxing authority thereof or therein.

## **Taxes on income and capital gains**

### ***Residents***

#### *Resident entities*

An entity holding a Note which is, or is deemed to be, resident in The Netherlands for corporate tax purposes and which is not tax exempt, will generally be subject to corporate tax in respect of income or a capital gain derived from a Note at the prevailing statutory rate.

#### *Resident individuals*

An individual holding a Note who is, or is deemed to be resident in The Netherlands for Dutch income tax purposes will be subject to income tax in The Netherlands in respect of income or a capital gain derived from a Note at rates up to 52 per cent. if:

- (i) the income or capital gain is attributable to an enterprise from which the holder derives profits (other than as a shareholder); or
- (ii) the income or capital gain qualifies as income from miscellaneous activities (*belastbaar resultaat uit overige werkzaamheden*) as defined in the Income Tax Act (*Wet inkomstenbelasting 2001*), including, without limitation, activities that exceed normal, active asset management (*normaal, actief vermogensbeheer*).

If neither condition (i) nor (ii) applies, an individual holding a Note will be subject to income tax on the basis of a deemed return, regardless of any actual income or capital gain derived from a Note. For the year 2017 the deemed return ranges from 2.87 per cent. to 5.39 per cent. of the value of the individual's net assets as at the beginning of the relevant fiscal year (including the Note). The applicable rates will be updated annually on the basis of historic market yields. Subject to application of certain allowances, the deemed return will be taxed at a rate of 30 per cent.

### ***Non-residents***

A holder of a Note which is not, and is not deemed to be treated as, resident in The Netherlands for the relevant tax purposes will not be subject to taxation in The Netherlands on income or a capital gain derived from a Note unless:

- (i) the income or capital gain is attributable to an enterprise or part thereof which is either effectively managed in The Netherlands or carried on through a permanent establishment (*vaste inrichting*) or permanent representative (*vaste vertegenwoordiger*) taxable in The Netherlands and the holder of a Note derives profits from such enterprise (other than by way of the holding of securities); or
- (ii) the holder is an individual and the income or capital gain qualifies as income from miscellaneous activities (*belastbaar resultaat uit overige werkzaamheden*) in The Netherlands as defined in the Income Tax Act (*Wet inkomstenbelasting 2001*), including, without limitation, activities that exceed normal, active asset management (*normaal, actief vermogensbeheer*).

## **Gift and inheritance taxes**

Dutch gift or inheritance taxes will not be levied on the occasion of the transfer of a Note by way of gift by, or on the death of, a holder of a Note, unless:

- (i) the holder of a Note is, or is deemed to be, resident in The Netherlands for the purpose of the relevant provisions; or

- (ii) the transfer is construed as an inheritance or gift made by, or on behalf of, a person who, at the time of the gift or death, is or is deemed to be resident in The Netherlands for the purpose of the relevant provision.

**Value added tax**

There is no Dutch value added tax payable by a holder of a Note in respect of payments in consideration for the acquisition of a Note, payments of interest or principal under a Note, or payments in consideration for a disposal of a Note.

**Other taxes and duties**

There is no Dutch registration tax, stamp duty or any other similar Dutch tax or duty payable in The Netherlands by a holder of a Note in respect of or in connection with the execution, delivery and/or enforcement by legal proceedings (including any foreign judgement in the courts of The Netherlands) of a Note or the performance of the Issuer's obligations under a Note.

**Residence**

A holder of a Note will not be, and will not be deemed to be, resident in The Netherlands for Dutch tax purposes and, subject to the exceptions set out above, will not otherwise become subject to Dutch taxation, by reason only of acquiring, holding or disposing of a Note or the execution, performance, delivery and/or enforcement of a Note.

## SUBSCRIPTION AND SALE

Notes may be sold from time to time by the Issuer to ABN AMRO Bank N.V., BNP Paribas, Coöperatieve Rabobank U.A., ING Bank N.V., MUFG Securities EMEA plc and The Royal Bank of Scotland Plc. (trading as NatWest Markets) (the "**Initial Dealers**") and any other Dealer appointed from time to time by the Issuer either generally in respect of the Programme or in relation to a particular Tranche of Notes (together, the "**Dealers**"). The arrangements under which Notes may from time to time be agreed to be sold by the Issuer to, and purchased by, Dealers are set out in a Dealer Agreement dated 6 October 2017 (the "**Dealer Agreement**") and made between the Issuer and the Dealers. Any such agreement will, *inter alia*, make provision for the form and terms and conditions of the relevant Notes, the price at which such Notes will be purchased by the Dealers and the commissions or other agreed deductibles (if any) payable or allowable by the Issuer in respect of such purchase. The Dealer Agreement makes provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of Notes.

**United States of America:** *Regulation S Category 2; TEFRA D or TEFRA C as specified in the relevant Final Terms or neither if TEFRA is specified as not applicable in the relevant Final Terms.*

The Notes have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

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

Each Dealer has represented, warranted and undertaken that, except as permitted by the Dealer Agreement, it, its affiliates (if any) or any person acting on its or their behalf, will not offer, sell or deliver Notes, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Notes comprising the relevant Tranche, as determined and certified to the Principal Paying Agent or the Issuer by such Dealer (or, in the case of a sale of a Tranche of Notes to or through more than one Dealer, by each of such Dealers as to the Notes of such Tranche purchased by or through it, in which case the Principal Paying Agent or the Issuer shall notify each such Dealer when all such Dealers have so certified) within the United States or to, or for the account or benefit of, U.S. persons, and such Dealer will have sent to each dealer to which it sells Notes during the distribution compliance period relating thereto a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in the preceding sentence have the meanings given thereto in Regulation S.

In addition, until 40 days after the commencement of the offering of Notes comprising any Tranche, any 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.

Further each Dealer agrees and represents (and each additional Dealer named in the relevant Final Terms will be required to represent and agree) that:

- (i) except to the extent permitted under U.S. Treasury Regulations section 1.163-5(c)(2)(i)(D) (the "**D Rules**"), it has not offered or sold, and during the restricted period it will not offer or sell, Notes to a person who is within the United States or its possessions or to a U.S. person, and that it has not delivered and will not deliver with the United States or its possessions Definitive Notes that are sold during the restricted period;
- (ii) it has and throughout the restricted period it will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Notes are aware that such Notes may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a U.S. person (except to the extent permitted under the D Rules);

- (iii) if it is a U.S. person, it is acquiring the Notes for purposes of resale in connection with their original issuance, and if it retains Notes for its own account, it will do so in accordance with the requirements of the D Rules; and
- (iv) with respect to each affiliate or distributor that acquires Notes from the Dealer for the purpose of offering or selling such Notes during the restricted period, the Dealer either repeats and confirms the representations and agreements contained in paragraphs (i), (ii) and (iii) above on such affiliate's or distributor's behalf or agrees that it will obtain from such distributor for the benefit of the relevant Issuer the representations and agreements contained in such paragraphs; and
- (v) it shall obtain for the benefit of the relevant Issuer the representations, undertakings and agreements contained in sub-clauses (i), (ii), (iii), (iv) and (v) of this paragraph from any person other than its affiliate with whom it enters into a written contract, (a "**distributor**" as defined in U.S. Treasury Regulation section 1.163-5(c)(2)(i)(D)(4)), for the offer or sale during the restricted period of the Notes.

Terms used in these paragraphs have the meanings given to them by the D Rules.

Where the rules under U.S. Treasury Regulations section 1.163-5(c)(2)(i)(C) (the "**C Rules**") are specified in the relevant Final Terms as being applicable in relation to any Notes, the Notes must, in connection with their original issuance, be issued and delivered outside the United States and its possessions and, accordingly, each Dealer represents and agrees (and each additional Dealer named in the Final Terms will be required to represent and agree) that, in connection with the original issuance of the Notes:

- (i) it has not offered, sold or delivered, and will not offer, sell or deliver, directly or indirectly, any Notes within the United States or its possessions; and
- (ii) it has not communicated, and will not communicate, directly or indirectly, with a prospective purchaser if such Dealer or such prospective purchaser is within the United States or its possessions and will not otherwise involve the United States office of such Dealer in the offer and sale of Notes.

#### **Prohibition of Sales to EEA Retail Investors**

From 1 January 2018, unless the Final Terms in respect of any Notes specifies the "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", 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 completed by the Final Terms in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

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

Prior to 1 January 2018, and from that date if the Final Terms in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", in relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each Dealer has represented, warranted and agreed, and each further Dealer appointed

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

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

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

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

### **United Kingdom**

Each Dealer has represented, warranted and agreed that:

- (a) **Financial promotion:** 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 Financial Services and Markets Act 2000 (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
- (b) **General compliance:** 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**

Zero Coupon Notes (as defined below) in definitive form may only be transferred and accepted, directly or indirectly, within, from or into The Netherlands through the mediation of either the Issuer or a member of Euronext Amsterdam N.V. in full compliance with the Dutch Savings Certificates Act (*Wet inzake Spaarbewijzen*) of 21 May 1985 (as amended). No such mediation is required in respect of (a) the transfer and acceptance of Zero Coupon Notes in definitive form between individuals not acting in the conduct of a business or profession, or (b) the transfer and acceptance of Zero Coupon Notes within, from or into The Netherlands if all Zero Coupon Notes (either in definitive form or as rights representing an interest in the Zero Coupon Note in global form) of any particular Series or Tranche are issued outside The Netherlands and are not distributed into The Netherlands in the course of their initial distribution or immediately thereafter. In the event that the Savings Certificates Act applies, certain identification requirements in relation to the issue and transfer of, and payments on, Zero Coupon Notes have to be complied with and, in addition thereto, if such Zero Coupon Notes in definitive form do not qualify as commercial paper traded between professional borrowers and lenders within the meaning of the agreement of 2 February 1987, attached to the Royal Decree of 11 March 1987, (*Staatscourant 129*) (as amended), each transfer and acceptance should be recorded in a transaction note, including the name and address of each party to the transaction, the nature of the transaction and the details and serial numbers of such Notes. For purposes of this paragraph "**Zero Coupon Notes**" means Notes that are in bearer form

and that constitute a claim for a fixed sum against the Issuer and on which interest does not become due during their tenor or on which no interest is due whatsoever.

### **France**

Each Joint Lead Manager has represented and agreed that it has not offered or sold and will not offer or sell, directly or indirectly, any Notes to the public in France and has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Base Prospectus or any other offering material relating to the Notes, except to (i) persons providing investment services relating to portfolio management for the account of third parties (*personnes fournissant le service de gestion de portefeuille pour compte de tiers*), and/or (ii) qualified investors (*investisseurs qualifiés*) acting for their own account, other than individuals, all as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 of the *French Code monétaire et financier*.

### **Japan**

The Notes have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended) and, accordingly, each Dealer has undertaken that it will not offer or sell any Notes directly or indirectly, in Japan or to, or for the benefit of, any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese Person except under circumstances which will result in compliance with all applicable laws, regulations and guidelines promulgated by the relevant Japanese governmental and regulatory authorities and in effect at the relevant time. For the purposes of this paragraph, "**Japanese Person**" shall mean any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

### **General**

Each Dealer has represented, warranted and agreed that it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in or from which it purchases, offers, sells or delivers Notes or possesses, distributes or publishes this Base Prospectus or any Final Terms or any related offering material, in all cases at its own expense. Other persons into whose hands this Base Prospectus or any Final Terms comes are required by the Issuer and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or possess, distribute or publish this Base Prospectus or any Final Terms or any related offering material, in all cases at their own expense.

The Dealer Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date hereof, of applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in the paragraph headed "*General*" above.

Selling restrictions may be supplemented or modified with the agreement of the Issuer. Any such supplement or modification may be set out in the relevant Final Terms (in the case of a supplement or modification relevant only to a particular Tranche of Notes) or in a supplement to this Base Prospectus.

## GENERAL INFORMATION

### Authorisation

1. The Programme was authorised by a resolution of the Issuer's Managing Board dated 19 September 2017. The Issuer has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes.

### Legal and Arbitration Proceedings

2. There are no governmental, legal or arbitration proceedings, (including any such proceedings which are pending or threatened, of which the Issuer is aware), which may have, or have had during the 12 months prior to the date of this Base Prospectus, a significant effect on the financial position or profitability of the Issuer and its Subsidiaries, other than the legal proceedings described in the paragraphs "Unbundling" and "Litigation" in the section Description of the Issuer.

### Significant/Material Change

3. There has been no material adverse change in the prospects of the Issuer since 31 December 2016 nor has there been any significant change in the financial or trading position of the Issuer since 30 June 2017, other than the restructuring per 1 February 2017 as discussed in the paragraph "Unbundling" in the section Description of the Issuer above and save as disclosed in the paragraph "Recent acquisitions and divestments" in the section Description of the Issuer above.

### Auditors

4. The consolidated financial statements of the Issuer for the years ended 31 December 2015 and 31 December 2016, and the consolidated special purpose balance sheet of the Issuer per 1 February 2017 which are incorporated by reference in this Base Prospectus, have been audited without qualification by Deloitte Accountants B.V., Wilhelminakade 1, 3072 AP Rotterdam, The Netherlands, independent auditors. The registered auditors (*register accountants*) of Deloitte Accountants B.V. are members of NBA (*Nederlandse Beroepsorganisatie van Accountants*).

### Documents on Display

5. Copies of the following documents may be inspected during normal business hours at the Issuer's head office at Blaak 8, 3011 TA Rotterdam, The Netherlands for 12 months from the date of this Base Prospectus:
  - (a) the deed of incorporation of the Issuer;
  - (b) the most recent articles of association of the Issuer;
  - (c) the audited consolidated financial statements of the Issuer for the years ended 31 December 2015 and 31 December 2016;
  - (d) the audited special purpose audited consolidated balance sheet as at 1 February 2017 of the Issuer. This special purpose consolidated balance sheet has been prepared for the purpose of professional debt investors and/or professional counterparties in order to assist them in forming an opinion on the capital structure of the Issuer directly after the unbundling of Eneco Holding N.V., as at 31 January 2017;
  - (e) the auditors' report dated 29 September 2017 in respect of the audited special purpose consolidated balance sheet as at 1 February 2017 of the Issuer;
  - (f) the Issuer's unaudited condensed consolidated interim financial statements for the six-month period ended on 30 June 2017;
  - (g) the Agency Agreement (which contains the forms of the Notes in global and definitive form); and



- (h) an ICSDs Agreement, which is entered into between the Issuer and Euroclear and/or Clearstream, Luxembourg with respect to the settlement in Euroclear and/or Clearstream, Luxembourg of Notes in New Global Note form.

#### **Material Contracts**

- 6. There are no material contracts that are not entered into in the ordinary course of business, which could result in any group member being under an obligation or entitlement that is material to the Issuer's ability to meet its obligation to security holders in respect of the securities being issued.

#### **Post-issuance information**

- 7. The Issuer does not intend to provide any post-issuance information in relation to any issues of Notes.

#### **Clearing of the Notes**

- 8. The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate common code and the International Securities Identification Number in relation to the Notes of each Tranche will be specified in the relevant Final Terms. The relevant Final Terms shall specify any other clearing system as shall have accepted the relevant Notes for clearance together with any further appropriate information.

#### **Dealers transacting with the Issuer**

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

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

## INDEX OF DEFINED TERMS

<p>2000 ISDA Definitions..... 28</p> <p>2006 ISDA Definitions..... 28</p> <p>30/360..... 25</p> <p>30E/360 ..... 26</p> <p>30E/360 (ISDA) ..... 26</p> <p>Accountholder ..... 59</p> <p>Accrual Yield ..... 23</p> <p>ACM..... 2</p> <p>Actual/360 ..... 25</p> <p>Actual/365 ..... 25</p> <p>Actual/365 (Fixed) ..... 25</p> <p>Actual/Actual (ICMA)..... 25</p> <p>Actual/Actual (ISDA)..... 25</p> <p>Additional Business Centre(s)..... 23</p> <p>Additional Financial Centre(s) ..... 23</p> <p>AFM ..... 1</p> <p>Agency Agreement..... 23</p> <p>Base Prospectus ..... 1, 48</p> <p>Business Day ..... 23</p> <p>Business Day Convention..... 24</p> <p>C Rules ..... 88</p> <p>Calculation Agent..... 24</p> <p>Calculation Amount ..... 24</p> <p>Calculation Date ..... 39</p> <p>Calculation Period..... 24</p> <p>CBb ..... 71</p> <p>CET ..... 39</p> <p>CGN ..... 13</p> <p>Clearstream, Luxembourg ..... 12, 18</p> <p>Conditions ..... iii, 23, 48</p> <p>Control..... 24</p> <p>Coupon Sheet ..... 24</p> <p>Couponholders..... 23</p> <p>Coupons..... 23</p> <p>CRA Regulation ..... iv</p> <p>D Rules ..... 87</p> <p>D<sub>1</sub>..... 25, 26</p> <p>D<sub>2</sub>..... 25, 26</p> <p>Day Count Fraction ..... 24</p> <p>Dealer Agreement..... 87</p> <p>Dealers..... 87</p> <p>Definitive Note ..... 19</p> <p>Direct Rights ..... 19, 20, 21</p> <p>distributor ..... 88</p> <p>dollars ..... iv</p> <p>Dutch ..... 84</p> <p>Early Redemption Amount (Tax)..... 27</p> <p>Early Termination Amount..... 27</p> <p>EBITDA ..... 27</p> <p>ECB ..... 18</p> <p>EEA ..... iv, 48</p> <p>entity..... 84</p> <p>EUR..... iv</p> <p>euro..... iv</p> <p>Eurobond Basis..... 26</p> <p>Euroclear ..... 12, 18</p> <p>Eurodollar Convention ..... 24</p> <p>Euronext ..... 27</p>	<p>Euronext Amsterdam ..... 1</p> <p>Eurosystem..... 8, 18</p> <p>Extraordinary Resolution ..... 27</p> <p>Final Redemption Amount..... 27</p> <p>Final Terms ..... iii, 23</p> <p>first currency ..... 46</p> <p>First Interest Payment Date..... 27</p> <p>Fixed Coupon Amount..... 28</p> <p>Floating Rate Convention ..... 24</p> <p>Following Business Day Convention..... 24</p> <p>FRN Convention ..... 24</p> <p>FSMA ..... 89</p> <p>Global Note..... 18</p> <p>Green Projects..... 83</p> <p>Group ..... 28</p> <p>IFRS ..... 74</p> <p>IMD..... iv</p> <p>Initial Dealers..... 87</p> <p>Insurance Mediation Directive..... 88</p> <p>Interest Amount ..... 28</p> <p>Interest Commencement Date ..... 28</p> <p>Interest Determination Date ..... 28</p> <p>Interest Payment Date ..... 28</p> <p>Interest Period..... 28</p> <p>Investor's Currency ..... 6</p> <p>ISDA Definitions ..... 28</p> <p>ISDA Rate..... 35</p> <p>Issue Date..... 28</p> <p>Issuer..... 1, iii, 12, 23</p> <p>Japanese Person ..... 90</p> <p>M<sub>1</sub> ..... 25, 26</p> <p>M<sub>2</sub> ..... 25, 26</p> <p>Make-whole Redemption Amount..... 39</p> <p>Make-whole Redemption Date ..... 39</p> <p>Make-whole Redemption Margin ..... 39</p> <p>Make-whole Redemption Rate..... 39</p> <p>Margin..... 28</p> <p>Material Company ..... 28</p> <p>Material Subsidiary ..... 29</p> <p>Maturity Date..... 29</p> <p>Maximum Redemption Amount ..... 29</p> <p>Member State ..... iv</p> <p>MiFID II..... iv, 48, 88</p> <p>Minimum Redemption Amount ..... 29</p> <p>Modified Business Day Convention ..... 24</p> <p>Modified Following Business Day Convention ..... 24</p> <p>NGN..... 13, 18</p> <p>No Adjustment ..... 24</p> <p>Noteholder ..... 59</p> <p>Notes ..... 1, 23</p> <p>offer of Notes to the public ..... 89</p> <p>Optional Redemption Amount (Call)..... 29</p> <p>Optional Redemption Amount (Put) ..... 30</p> <p>Optional Redemption Date (Call) ..... 30</p> <p>Optional Redemption Date (Put)..... 30</p> <p>Participating Member State..... 30</p> <p>Paying Agents ..... 23</p>
---	---

Payment Business Day .....	30	Relevant Implementation Date.....	89
Permanent Global Note .....	18	Relevant Indebtedness .....	32
Permitted Merger.....	30	Relevant Member State.....	88
Person .....	30	Relevant Screen Page.....	32
Preceding Business Day Convention.....	24	Relevant Time.....	19, 20, 21, 32
PRIIPs Regulation .....	iv, 48	Reserved Matter .....	32
Principal Financial Centre .....	30	second currency .....	46
Principal Paying Agent.....	23	Securities Act.....	iv
Programme .....	1, 23	Security Interest .....	32
Prospectus Directive.....	1, iv, 48, 88, 89	Series.....	23
Publication Date .....	ii	Similar Security .....	40
Put Option Notice.....	31	Specified Currency.....	32
Put Option Receipt .....	31	Specified Denomination(s) .....	32
Quotation Agent .....	39	Specified Office .....	32
Rate of Interest .....	31	Specified Period.....	32
Redemption Amount .....	31	Subsidiary .....	32
Reference Banks.....	31	sub-unit .....	34, 36
Reference Dealer Quotation .....	39	Talon .....	32
Reference Dealers.....	39	TARGET Settlement Day .....	32
Reference Price.....	31	TARGET2.....	32
Reference Rate .....	31	TEFRA C Rules .....	18
Reference Screen Rate.....	39	TEFRA D Rules .....	18
Reference Security .....	39	Temporary Global Note .....	18
Refinancing Repurchase Date .....	38	The Netherlands .....	84
Regular Date.....	31	Tranche .....	23
Regular Period.....	31	Treaty .....	32
Regulation S .....	iv	U.S. dollars .....	iv
Relevant Account Holder .....	21	U.S.\$ .....	iv
Relevant Clearing System .....	18	Y <sub>1</sub> .....	25, 26
Relevant Coupons.....	42	Y <sub>2</sub> .....	25, 26
Relevant Date .....	31	Zero Coupon Note.....	33
Relevant Financial Centre .....	32	Zero Coupon Notes .....	89

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