

BASE PROSPECTUS



VIER GAS TRANSPORT GMBH

(incorporated with limited liability in Essen, Federal Republic of Germany)

EUR 5,000,000,000

Euro Medium Term Note Programme

Under the Euro Medium Term Note Programme (the "**Programme**"), Vier Gas Transport GmbH (the "**Issuer**"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue notes (the "**Notes**"). The aggregate nominal amount of Notes outstanding will not at any time exceed EUR 5,000,000,000 (or the equivalent in other currencies).

This base prospectus (the "**Base Prospectus**") has been approved by the Luxembourg *Commission de Surveillance du Secteur Financier* (the "**CSSF**"), which is the Luxembourg competent authority for the purpose of Directive 2003/71/EC, as amended, (the "**Prospectus Directive**") and relevant implementing measures in Luxembourg, as a base prospectus issued in compliance with Article 5.4 of the Prospectus Directive and relevant implementing measures in Luxembourg for the purpose of giving information with regard to the issue of Notes issued under the Programme described in this Base Prospectus during the period of twelve months after the date hereof. This Base Prospectus will be published in electronic form on the website of the Issuer and on the website of the Luxembourg Stock Exchange (www.bourse.lu). The CSSF assumes no responsibility for the economic and financial soundness of the transactions contemplated by this Base Prospectus or the quality or solvency of the Issuer in accordance with Article 7(7) of the Luxembourg Prospectus Act 2005, as amended. Applications have been made for such Notes to be admitted during the period of twelve months after the date hereof to listing on the official list and to trading on the regulated market of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments. 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.

The Programme has been rated A- by Standard & Poor's Credit Market Services Europe Limited ("**S&P**"). S&P is established in the European Union and is registered under the Regulation (EC) No. 1060/2009 (as amended) (the "**CRA Regulation**") and is included in the list of credit rating agencies published by the European Securities and Markets Authority ("**ESMA**") on its website in accordance with the CRA Regulation. Notes issued under this Programme may be rated or unrated. Where a Tranche of notes is rated, such rating will not necessarily be the same as the rating assigned to the Programme by S&P.

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 abilities of the Issuer to fulfil its obligations under the Notes are discussed under "Risk Factors" below.

Joint Arrangers and Dealers

COMMERZBANK

CRÉDIT AGRICOLE CIB

RBC CAPITAL MARKETS

**SOCIÉTÉ GÉNÉRALE CORPORATE & INVESTMENT
BANKING**

Dealers

BNP PARIBAS

ING

SCOTIABANK

SEB

UNICREDIT BANK

17 May 2013

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IMPORTANT NOTICES

The Issuer accepts responsibility for the information contained in this Base Prospectus and the Final Terms for each Tranche of Notes issued under the Programme and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Base Prospectus and the Final Terms for each Tranche of Notes issued under the Programme 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 completed by a document specific to such Tranche called final terms (the "**Final Terms**"). This Base Prospectus must be read and construed together with any supplement hereto and with any information incorporated by reference herein and, in relation to any Tranche of Notes which is the subject of the Final Terms, must be read and construed together with the relevant Final Terms.

The Issuer has confirmed to the Dealers (the "**Dealers**") named under "*Subscription and Sale*" below that this Base Prospectus contains all information which is (in the context of the Programme and 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 and 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.

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 as to the accuracy or completeness of the information contained in this Base Prospectus. 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.

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**") and Bearer Notes are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or, in the case of Bearer Notes, delivered within the United States or to U.S. persons.

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.

The maximum aggregate principal amount of Notes outstanding at any one time under the Programme will not exceed EUR 5,000,000,000 (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*".

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 currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the euro, as amended.

This Base Prospectus has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive each, a "**Relevant Member State**" will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of Notes which are the subject of an offering contemplated in this Base Prospectus as completed by Final Terms or a Drawdown Prospectus in relation to the offer of those Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer. The expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

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

RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Notes issued under the Programme. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the Issuer may be unable to pay interest, principal or other amounts on or in connection with any Notes for other reasons 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 (including any documents incorporated by reference herein) and reach their own views prior to making any investment decision.

Factors that may affect the Issuer's ability to fulfil its obligations under or in connection with Notes issued under the Programme

The Issuer is a holding company with no material operations and relies on its subsidiaries to provide itself with funds necessary to meet its financial obligations

The Issuer is a holding company with no material, direct operations. The Issuer's principal asset is the equity interest it holds in Open Grid Europe GmbH ("OGE"). As a result, the Issuer's ability to pay interest on and repay principal of the Notes and its other indebtedness is dependent upon the operations of its direct and indirect subsidiaries and the distributions, transfers and advances or other payments of funds the Issuer receives. The Issuer cannot provide any assurance that it will receive sufficient funds to make payments on the Notes when due. The Issuer's subsidiaries are separate and distinct legal entities and they will have no direct obligation, contingent or otherwise, to pay amounts due under the Notes. Accordingly, all risk factors that have an impact on OGE (described in more detail below) have an impact on the Issuer.

Factors which are material for the purposes of assessing the regulatory, environmental and legal risks associated with Notes issued under the Programme

Risks relating to the regulatory framework in Germany concerning the unbundling of gas TSOs and certification as a TSO

Amendments to the Energy Industry Act (*Energiewirtschaftsgesetz* - "EnWG") adopted in 2011 to implement the third energy law package of the European Union (*Europäische Union* - "EU") introduced stricter rules on unbundling for gas transmission system operators ("TSOs") belonging to a vertically integrated energy undertaking to achieve an effective separation of transmission system operation and energy production and/or supply. According to the rules, the same person or persons are not entitled either directly or indirectly to exercise control over an undertaking performing any of the functions of generation or supply, of gas or electricity, and at the same time directly or indirectly exercise control or exercise any right over a gas or electricity TSO or over a transmission system, and vice versa.

The less intrusive options for compliance with the amendments to the EnWG, such as, in particular, the independent transmission operator ("ITO") structure, may only be implemented where the transmission system belonged to a vertically integrated energy undertaking on 3 September 2009. Where the ITO option is available, the TSO remains part of the vertically integrated energy undertaking, but has to abide by strict rules to ensure that the generation/supply and transmission network operations are conducted strictly independently. The gas TSO needs to be equipped with all physical, human, financial and technical resources necessary for fulfilling the gas TSO's statutory obligations.

Only TSOs complying with the necessary legal requirements will be certified and designated as a TSO by the Federal Network Agency (*Bundesnetzagentur* - "BNetzA") which is required under the EnWG for the operation of the transmission network. OGE was the first gas TSO in Germany to decide to set itself up as an ITO and, within this regulatory framework, to independently perform all tasks required for its business. OGE has applied for certification, but the certification process is still on-going. The draft decision will be sent to the EU Commission for review of the statement within a period of two months (extended to a period of four months if the Agency for Cooperation of Energy Regulators is involved). After receiving the EU Commission statement, BNetzA has to finalize its decision within two months. OGE's expectation is that BNetzA's final decision on its

certification should be received in summer 2013. If the BNetzA considers that OGE has not complied with the necessary legal requirements it could (i) refuse to grant the certification, or (ii) grant the certification applying auxiliary conditions to it or applying supervisory measures (e.g. issue binding instructions or prohibition orders) or (iii) apply other enforcement measures, which could theoretically include withdrawal of the network operating licence, although such a withdrawal would be unlikely in practice. Such measures would have a material adverse impact on OGE and the Issuer, including the Issuer's ability to meet its obligations under the Notes.

The regulatory framework in Germany governing the tariffs of OGE includes certain factors which may negatively impact the Issuer's ability to meet its debt service obligations

The tariffs charged by OGE as a TSO are subject to regulation by the BNetzA. The decisions made and the actions taken by the BNetzA under the current regulatory framework may have a negative impact on OGE. In particular, such decisions or actions may be based on false assumptions, defective research or unreasonable efficiency goals and may fail to approve costs which OGE cannot avoid incurring.

The primary source of revenue for OGE are network tariffs for access to its network. These tariffs are based largely on a cost assessment of the business in the calendar year three years prior to the start of the relevant regulatory period (the "**Base Year**"), which is used in the calculation of an annual revenue cap for each year of the regulatory period. The current regulatory period lasts from 2013 to 2017 (the "**Second Regulatory Period**") and its revenue cap is based on the costs of the Base Year 2010.

The total approved costs in a Base Year are either classified as permanently non-influenceable costs or as influenceable costs. As a second step, an individual efficiency factor is determined by the BNetzA for each TSO based on an efficiency benchmarking (currently of 12 German gas TSOs) in which the influenceable costs (input parameters) of the TSOs and the structural parameters of the individual grids (output parameters) are compared with each other. This efficiency factor may range from 60 to 100 per cent. and describes the share of costs that is determined as inefficient compared to the most efficient TSO (100 per cent. displays the full efficiency).

In 2012, OGE completed the cost audit procedure of the BNetzA, determining the cost base level of the Base Year 2010 upon which the stipulation of the revenue cap is grounded. This cost base level (including volatile costs such as fuel energy costs and the costs of flow commitments) is the basis for the subsequent efficiency benchmarking process. Although a final approval of the revenue cap valid for 2013 should have been due in the third quarter of 2012 allowing a regular tariff determination for 2013, the efficiency benchmarking proceedings are currently still in the hearing phase. Due to this delay of BNetzA's final approval, the tariff determination for 2013 has been carried out based on a preliminary revenue cap. The final decision by the BNetzA is expected for the end of the second quarter of 2013. The final decision by the BNetzA on the efficiency factor and the ultimate revenue cap for the Second Regulatory Period will have material influence on the profitability of OGE and which could, in turn, have a material adverse effect on the business operations, the results and the financial position of OGE.

Future changes to the regulatory framework may have a negative impact on OGE

The regulatory framework governing the activities of OGE is subject to extensive European and national legislation. New EU-directives and -regulations or the amendment of existing legislation, the transposition into German law of such legislation and the interpretation by the German regulatory authorities might have a negative impact on several aspects of the regulatory framework and hence the profitability of OGE. Furthermore, amendments of national acts and ordinances might affect the business, results of operations and the financial condition of OGE.

Since 1 January 2010, OGE has been subject to the incentive regulation regime and several legislative processes have been initiated to adjust the Ordinance on Gas Network Tariffs (*Gasnetzentgeltverordnung* – "**GasNEV**") and the Ordinance on Incentive Regulation (*Anreizregulierungsverordnung* – "**ARegV**"). These legislative initiatives were mainly driven by the need to clarify specific aspects of the regulatory framework that have been subject to court proceedings or to provide appropriate rulings for investments necessary for the energy paradigm shift (i.e. the shift in focus of the German regulatory environment to more renewable sources of energy). In March 2013, the Federal Ministry of Economics and Technology announced the start of a legislative procedure for 2013 that, inter alia, foresees adjustments of the GasNEV and the ARegV. Two main aspects of the network cost calculation are considered for adjustment: the calculation of the return on equity (for equity above the capped imputed equity ratio of 40 per cent.) and the price index series for the determination of repurchase values of historic assets (commissioned before 2006). The proposed legislative adjustments would reduce costs of capital referring to historic assets through lower applied average interest rates for return on equity above 40 per

cent. and reduced index factors mainly for steel pipelines. Thus, historic assets would be partially devalued which would work as a countermeasure against the facilitated cost approval of new investments. It is intended to pass these measures by June 2013. The announced adjustments could lead to changes to the conducted cost audit procedure, by which the cost base level of the Base Year 2010 is determined, and therefore have a negative impact on the revenue cap and OGE's profitability as early as the Second Regulatory Period, i.e. as of 1 January 2013.

Dependence on licences and authorisations

OGE and its subsidiaries, participations and joint ventures are dependent on licences, authorisations, exemptions and/or dispensations in order to operate their business. These licences, authorisations, exemptions and/or dispensations may be subject to amendments and/or additional conditions being imposed on OGE and its subsidiaries, participations and joint ventures. The imposing of additional conditions and/or revoking of licences, etc. may cause operational problems and delays in ongoing projects and operations which could, in turn, have a material adverse effect on the business operations, the results and the financial position of OGE.

OGE may incur significant costs to manage potential environmental and public health risks and to accommodate city planning constraints

OGE's operations and assets are subject to European, national and regional regulations dealing with, *inter alia*, environmental matters, city planning and zoning, building and environmental permits and rights of way. These regulations are often complex and subject to continual change (resulting in a potentially stricter regulatory framework or enforcement policy). OGE's operations may be potentially hazardous and subject to the risk of liability arising from environmental damage or pollution. The most significant environmental issues faced by OGE are those related to the environmental impact of pipeline construction, the storage and management of certain hazardous materials required for the pipeline operations and plant maintenance, the management of hazardous waste and the reduction of natural gas and other emissions released into the atmosphere as a result of daily operations. Compliance with such regulations may impose significant additional costs on OGE, including expenses related to the implementation of preventative or remedial measures or the adoption of additional preventative measures to comply with the future changes in laws or regulations. Additional costs may also be incurred by OGE in respect of, *inter alia*, compensation for the impact of the infrastructure on the environment, actual or potential liability claims, and the defence of OGE in legal or administrative procedures or settlement of third party claims. Opposition to actions or programmes in connection with environmental, city planning or zoning matter may require OGE to incur additional costs for enquiries or publicity measures. The handling of existing remediation projects might also lead to additional costs for OGE due, for example, to possible obligations to carry out extensive research measures. Such risks may have a material adverse effect on the business operations, the results and the financial position of OGE.

Possible retroactive changes to, or different interpretations of, applicable laws, additional tax assessments, anticorruption laws and antitrust laws, may have a negative impact on OGE

The Issuer and OGE consistently strive to adhere to all laws, regulations and official decisions. However, in some circumstances, especially where a law or regulation is subject to different interpretations, the Issuer and OGE may inadvertently violate their obligations and may be liable for substantial administrative fines. In particular, tax laws and their interpretation by the tax authorities and courts are subject to changes, potentially with retroactive effect. Such changes may have a negative impact on the Issuer and OGE. Furthermore, the Issuer's and the OGE's interpretation may not correspond with that of the relevant authorities at the time of potential controls. Tax audits may result in a higher taxable income or in a lower amount of carried forward tax losses being available to the Issuer and OGE.

Factors which are material for the purpose of assessing business operational risks associated with the Issuer and OGE

A reduction in gas consumption may have a negative impact on OGE

An economic slowdown or a shift from gas to renewables as a source of energy may lead to a decline in demand for gas and gas transmission. A slowing economy would mean that industries faced lower demand and would therefore lower their production resulting in a reduced need for gas and gas transport as an input in their production process. As OGE's network tariffs in any given year are based on a revenue cap and a forecast of marketed gas transportation capacities, should actual marketed transportation capacities be lower than forecast, OGE's revenues would be negatively impacted in that year as the variance will only be recovered in future years.

Provided the revenue cap will not be modified, a lower demand of transportation capacities may lead to an increase of transport tariffs. As a consequence, transport customers affected by such an increase in transport tariffs would have an extraordinary termination right which could have at least a temporary adverse affect on OGE's transport revenues, which could in turn affect the Issuer's ability to meet its obligations under the Notes.

Political and governmental instability and/or international political conflicts could create an uncertain operating environment or have a material adverse effect on demand for OGE's network capacity

Any future political and governmental instability and/or international political conflicts in gas producing countries could result in changes to such countries gas export policies and potential restrictions on the export of gas therefrom. For example, in 2009 gas disputes between a Ukrainian oil and gas company and a Russian gas supplier over natural gas supplies, prices and debts resulted in supply disruptions in many European countries. A significant reduction in gas exports from the gas producing countries could have a material adverse affect on demand for OGE's network capacity. In addition, political and governmental instability in the gas producing countries would create an uncertain operating environment for OGE and could hinder OGE's long-term planning. Such risks may have a material adverse effect on the business operations, the results and the financial position of OGE.

Risks related to network development and expansion requirements

As a TSO, OGE is obliged to maintain and develop its network in order to continuously ensure the capability of the network to satisfy demand for the transmission of gas, and, in particular, to contribute to supply security by having appropriate transmission capacity. The customers of OGE expect to have access to a reliable level of capacity to dispatch gas at all times. Any inability of OGE to make the necessary investments to maintain sufficient capacity on the network may lead to financial penalties being payable by OGE due to, *inter alia*, damages claims by customers. In order to meet these obligations, OGE expects that network expansion will require substantial capital expenditure in the next few years (see "*(Re-)financing risks*" below). One of the main risks related to such large infrastructural projects is the long and often laborious procedures to obtain the necessary licenses and permits. This could lead to delays of projects. Such a risk may have a material adverse effect on the business operations, the results and the financial position of OGE.

(Re-)financing risks

The transaction by which the Issuer acquired OGE and its subsidiaries included substantial financial leverage to finance the transaction. In addition, due to OGE's ongoing and future investment programmes pursuant to the network development plans, an increase in OGE's indebtedness is likely (see "*Risks related to network development and expansion requirements*" above). Moreover, in the event that the pipeline companies in which OGE has participations are unable to refinance the external facilities required to fund their investment projects in a timely manner or at reasonable costs, OGE may be required to provide such pipeline companies with bridging loans jointly with its co-shareholders or on a stand-alone basis. OGE is also a partner of the joint venture NetConnect Germany GmbH & Co KG ("**NCG KG**") which, pursuant to the EnWG, is legally obliged to procure balancing energy for the NetConnect Germany Market Area (the "**NCG Market Area**"). NCG KG may, under certain circumstances, face customer insolvencies, resulting in non-fulfilment of payment claims, or fail to generate sufficient revenues with its customers necessary to procure the required balancing energy. If, in that case, NCG KG was not able to obtain bank loans to cover its financial requirements, its partners, including OGE, have agreed and are contractually obliged to provide financial support to NCG KG, for example by way of loans. Volatility in and temporary closing of the capital markets or a reduction in the credit ratings assigned to the Issuer may hinder the Issuer and/or OGE in securing timely financing of major projects, refinancing existing debt at reasonable costs or providing funding to the pipeline companies and/or NCG KG.

Dependence on key customers

A small number of key customers are responsible for a significant part of OGE's revenues. In 2012, OGE's top 5 customers were responsible for approximately 56 per cent. of OGE's transport revenues. As a regulated entity, OGE's revenues are primarily determined by its cost base, regulated asset value and efficiency factor determined by BNetzA. However, changes to the booking behaviour of one or more of OGE's key customers away from long-term bulk capacity bookings to short-term bookings through auctions, the termination of transport capacity bookings by one or more of such customers or the insolvency of one or more of such customers would have at least a temporary adverse affect on OGE's transport revenues, which could in turn affect the Issuer's ability to meet its obligations under the Notes.

In the event of transmission disruptions, breakdown of the network, or non-implementation of emergency measures as prescribed by law, OGE may be held liable for damages by its customers and/or third parties or incur additional costs

Transmission disruptions or system breakdowns that affect OGE's network may result in a failure of OGE to maintain a sufficient and reliable network capacity and to transport gas to customers and may expose OGE to liability claims and litigation. Such events may be caused by operational hazards or unforeseen events including but not limited to, accidents, breakdowns or failure of equipment or processes resulting from unexpected material defects or fatigue, major system or network imbalances, human errors, IT systems and processes failures, performance below expected levels of capacity and efficiency, natural events such as heavy storms, thunderstorms, earthquakes or landslides and other unforeseen events. OGE may also be liable if emergency measures have not been carried out dutifully. The probability of one or more of the aforementioned events may increase if OGE is unable to make necessary investments in the network, which can be the result of a number of factors, including liquidity, contractor or material constraints, or if competent authorities or other third parties hinder the approval of the necessary operational procedures and/or investments proposed in OGE's development plans. Such risks may have a material adverse effect on the business operations, the results and the financial position of OGE.

A failure of OGE's information technology systems and processes or a breach of their security measures may have a negative impact on OGE

OGE uses complex information technology ("IT") systems and processes to operate and control its pipeline network. The reliability and continuity thereof are essential for an efficient and reliable operation of the network. Although OGE continuously takes measures to improve its IT systems and processes, there is no guarantee that important system hardware and software failures, viruses, accidents or security breaches will not occur and these could impair OGE's ability to provide all or part of the services it is required to provide by law or under the contracts to which it is a party which could, in turn, could have a material adverse effect on the business operations, the results and the financial position of OGE.

Acts of terrorism, sabotage or crime may adversely affect the operations of OGE

OGE's gas network and assets are widely spread geographically and potentially exposed to acts of terrorism, sabotage or crime. Such events could negatively affect OGE's networks or operations and may cause network failures or system breakdowns. Network failures or system breakdowns could, in turn, have a material adverse effect on OGE's financial condition and results of operation through the reduction of revenues and the incurrence of costs for damages due to the unavailability of some or all of the network, particularly if the destruction caused by acts of terrorism, sabotage or crime are of major importance.

Accidents at OGE's facilities and involving OGE's assets may have serious consequences

Accidents that may occur at OGE's facilities or in connection with the use of certain of OGE's assets may result in the harm and death of humans, and other serious consequences. As such, OGE may be exposed to potential claims resulting in significant liabilities, use of financial and management resources and possible harm to its reputation.

Any decisions made or actions taken within companies in which OGE has a minority participation (and thus no control) may result in higher costs, lower revenues or a lower profit margin concerning such companies

In the course of its business, OGE engages in economic activities with other companies through collaborations or joint ventures. As OGE does not hold a controlling interest in such joint ventures or collaborations, OGE cannot ensure that all decisions taken within such joint ventures or collaborations are approved by OGE or in its interests. In such cases, the decisions made or actions taken may result in higher costs, lower revenues or a lower profit margin concerning OGE's joint ventures or collaborations. Such risks could have an adverse effect on the business operations, the results and the financial position of OGE which could, in turn, affect the Issuer's ability to meet its obligations under the Notes.

A lack of or loss of highly qualified staff may result in insufficient experience and knowhow to meet OGE's strategic objectives

OGE pursues an active human resources policy that aims at maintaining an adequate level of expertise and knowhow in a tight labour market in view of the highly specialised nature of its business. OGE may, however, experience difficulties in attracting and retaining highly qualified staff required to support its obligations,

implement its investment programme and develop new business fields. Such a lack or loss of highly qualified staff may result in insufficient expertise and knowhow, in unsatisfactory quality levels and in the ability to maintain or operate the network or complete infrastructure projects on time or meet strategic objectives. Such risks could have an adverse effect on the business operations, the results and the financial position of OGE which could, in turn, affect the Issuer's ability to meet its obligations under the Notes.

OGE may not have adequate insurance coverage

OGE has put in place insurance contracts necessary to operate its business in line with current industry standards. OGE cannot provide an assurance that such insurance will prove to be sufficient and, therefore, adequate insurance may not be available for certain risks whether due to faults, natural disasters, other causes such as damage to the network, third party losses, damages or disruptions claims in excess of insurance coverage, or losses as a result of terrorism, sabotage, crime, etc. Any uninsured financial losses or claims could have a material impact on the business operations, the results and the financial position of OGE.

Legal proceedings may result in increased financial liabilities for OGE

In the ordinary course of business, various legal claims and proceedings are pending or threatened against OGE and its subsidiaries and participations. The amounts claimed may be substantial and OGE is unable to predict with certainty the ultimate outcome of such claims and proceedings. In most instances OGE has established provisions for pending litigation, which management believes are adequate to meet such legal claims and proceedings. After counsel advice, it is not expected that the ultimate outcome of any matter currently threatened or pending against OGE or any of its subsidiaries and participations will have a material effect on the financial position of OGE. Of particular note are the two special abuse proceedings in which OGE is involved with the BNetzA. The storage operator Astora GmbH Co. & KG ("**Astora**") has lodged an appeal in order to obtain certain firm freely allocable capacities resulting from OGE network expansion. BNetzA has decided primarily in favour of Astora but against Astora with regard to the necessary quality of the capacities. As a result, OGE shall establish the network connection and expand the network in order to provide the firm (uninterruptible) capacities requested by Astora. However, although the capacities to be made available by OGE must be firm, they may have allocation restrictions. As such, Astora's claim with regard OGE's network expansion generating firm freely allocable (no fixed entry and exit point) capacities was partly rejected. In addition, the storage operator E.ON Gas Storage GmbH ("**EGS**") has lodged an appeal in order to (a) oblige OGE to publish the existing storage connection to the OGE grid as a storage connection point (and not as currently as a cross-border-point) with retroactive effect to 1 January 2013 and (b) obtain firm freely allocable capacities resulting from OGE network expansion. The hearing date in this proceeding will be 4 July 2013.

An appeal will be filed to the Higher Regional Court and, if Astora is ultimately successful, OGE could be forced to provide firm freely allocable capacity for Astora by expanding its network. In that case, OGE's investment obligations could grow to up to EUR 1.5 billion. In addition, OGE is also involved in a lawsuit filed in 2012 by RWE Supply & Trading ("**RWE**") against Thyssengas GmbH ("**Thyssengas**") claiming an amount of EUR 38.65 million based on the alleged unjustified use of balancing energy between October 2008 and June 2009. The Issuer's audited consolidated financial statements for the period from 12 April 2012 to 31 December 2012 include a provision in this respect. OGE, as balancing energy manager for the Thyssengas market area during that period, received a third party notice and stepped into the lawsuit in support of Thyssengas. A successful direct claim against OGE currently appears unlikely.

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

Risks relating to the Notes

There may not be an Active Trading Market for the Notes

The Notes are new securities which may not be widely distributed and for which there may not be an 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 applications may be made for the Notes to be admitted to the official list of and traded on the regulated market of the Luxembourg Stock Exchange, there is no assurance that such applications 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 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 Germany 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, if in the case of any particular Tranche of Notes the relevant Final Terms specifies that the Notes are redeemable at the Issuer's option in certain other circumstances 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 as high as that of the relevant Notes.

Investors Will Have to Rely on the Procedures of Euroclear and Clearstream, Luxembourg

The Notes will be represented by the Global Notes except in certain limited circumstances described in the Permanent Global Note. The Global Notes will be deposited with a common depositary for Euroclear and Clearstream, Luxembourg. Except in certain limited circumstances described in the Permanent Global Note, investors will not be entitled to receive definitive Notes. 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 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.

Holders of beneficial interests in the Global Notes will not have a direct right to vote in respect of the Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg to appoint appropriate proxies. Similarly, holders of beneficial interests in the Global Notes will not have a direct right under the Global Notes to take enforcement action against the Issuer in the event of a default under the Notes but will have to rely upon their rights under the Deed of Covenant.

Modification and Waiver

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

Change of Law

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

Denominations

In relation to any issue 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 of the minimum specified denomination that are not integral multiples of the minimum specified denomination (or its equivalent). In such a case a Holder of Notes who, as a result of trading such amounts, holds a principal amount of less than the minimum specified denomination may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and may need to purchase a principal amount of Notes such that its holding amounts to the minimum specified denomination.

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

Risks Related to the Market Generally

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk and interest rate risk:

Exchange Rate Risks and Exchange Controls

The Issuer will pay principal and interest on the Notes in a specified currency (the "**Specified Currency**"). This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may change significantly (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 (i) the Investor's Currency-equivalent yield on the Notes, (ii) the Investor's Currency-equivalent value of the principal payable on the Notes and (iii) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose 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.

Fixed Rate Notes are Subject to 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.

Risk associated with Index-Linked Notes in particular

Prospective investors of Index-Linked Notes should be familiar with investments in global capital markets and with derivatives and indices in general. Prospective investors should understand that global economic, financial and political developments, among other things, may have a material effect on the performance of the Index. In the unlikely event that rate of inflation in the European Monetary Union excluding tobacco, expressed as an index and published by Eurostat is a negative figure (i.e. deflation), the redemption amount payable by the Issuer might be substantially less than the Issue or purchase Price invested by the Noteholder and may even be zero in which case the Noteholder may lose his entire investment.

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 which 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.

FATCA Withholding

Whilst the Notes are in global form and held within Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme (together, the "**ICSDs**"), in all but the most remote circumstances, it is not expected that FATCA (as defined in "*Taxation – FATCA Withholding*") will affect the amount of any payment received by the ICSDs (see "*Taxation – FATCA Withholding*"). However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA), provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. Investors should consult their own tax adviser to obtain a more detailed explanation of FATCA and how FATCA may affect them. The Issuer's obligations under the Notes are discharged once it has paid the common depository or common safekeeper for the ICSDs (as bearer or registered holder of the Notes) and the Issuer has therefore no

responsibility for any amount thereafter transmitted through hands of the ICSDs and custodians or intermediaries. Please see “*Taxation – FATCA Withholding*” for more information on this legislation.

GENERAL DESCRIPTION OF THE PROGRAMME

The following general description of the Programme does not purport to be complete and is taken from, and is in its entirety 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 general description of the Programme.

Issuer:	Vier Gas Transport GmbH
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 " <i>Risk Factors</i> " above.
Joint Arrangers and Dealers:	Commerzbank Aktiengesellschaft, Crédit Agricole Corporate and Investment Bank, RBC Europe Limited and Société Générale.
Dealers:	BNP Paribas, ING Bank N.V., Scotiabank Europe plc, Skandinaviska Enskilda Banken AB (publ) and UniCredit Bank AG. Additional Dealers may be appointed from time to time by the Issuer either generally in respect of the Programme or in relation to a particular Tranche of Notes.
Fiscal Agent:	Deutsche Bank AG, London Branch.
Luxembourg Listing Agent:	Deutsche Bank Luxembourg S.A.
Final Terms or Drawdown Prospectus:	Notes issued under the Programme may be issued either (1) pursuant to this Base Prospectus and associated Final Terms or (2) pursuant to a Drawdown Prospectus. The terms and conditions applicable to any particular Tranche of Notes will be the Terms and Conditions of the Notes as completed to the extent described in the relevant Final Terms or, as the case may be the relevant Drawdown Prospectus.
Listing and Trading:	Applications have been 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 the regulated market of the Luxembourg Stock Exchange. 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 and/or Clearstream, Luxembourg and/or, in relation to any Tranche of Notes, any other clearing system as may be specified in the relevant Final Terms.
Initial Programme Amount:	Up to EUR 5,000,000,000 (or its equivalent in other currencies) 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 be issued in bearer form or in registered form.

Each Tranche of Bearer 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 "**Classic Global Note**" or "**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 (a "**New Global Note**" or "**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, if so specified in the relevant Final Terms, for Definitive Notes. 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.

Each Tranche of Notes represented by a Global Registered Note will either be: (a) in the case of a Note which is not to be held under the new safekeeping structure ("**New Safekeeping Structure**" or "**NSS**"), registered in the name of a common depositary (or its nominee) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and the relevant Global Registered Note will be deposited on or about the issue date with the common depositary; or (b) in the case of a Note to be held under the New Safekeeping Structure, be registered in the name of a common safekeeper (or its nominee) for Euroclear and/or Clearstream, Luxembourg and the relevant Global Registered Note will be deposited on or about the issue date with the common safekeeper for Euroclear and/or Clearstream, Luxembourg.

Currencies:

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

Status of the Notes:

Notes will be issued on an unsubordinated basis.

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:	Any maturity, subject 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 (including by reference to an index in the case of Index-Linked Notes) in accordance with the conditions and 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 the Noteholders to the extent (if at all) specified in the relevant Final Terms.
Tax Redemption:	Except as described in " <i>Optional Redemption</i> " above, early redemption will only be permitted for tax reasons as described in Condition 10(b) (<i>Redemption and Purchase - Redemption for tax reasons</i>).
Interest:	Notes may be interest-bearing or non-interest bearing. Interest (if any) may accrue at a fixed rate or a floating rate or other variable rate or be index-linked 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 (a) have a minimum denomination of less than EUR 100,000 (or nearly equivalent in another currency), or (b) carry the right to acquire shares (or transferable securities equivalent to shares) issued by the Issuer or by any entity to whose group the Issuer belongs. 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 (<i>Negative Pledge</i>).
Cross Acceleration:	The Notes will have the benefit of a cross acceleration as described in Condition 14 (<i>Events of Default</i>).
Taxation:	All payments in respect of Notes will be made free and clear of withholding taxes of Germany unless the withholding is required by law. In that event, the Issuer will (subject as provided in Condition 13 (<i>Taxation</i>)) 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:	English law.
Enforcement of Notes in Global Form:	In the case of Global Notes, individual investors' rights against the Issuer will be governed by a Deed of Covenant dated 17 May 2013, a copy of which will be available for inspection at the specified office of the Fiscal Agent.
Ratings:	The Programme has been rated A- by Standard & Poor's. Standard & Poor's is established in the European Union and is

registered under the Regulation (EC) No. 1060/2009 (as amended) (the "**CRA Regulation**"). As such, Standard & Poor's is included in the list of credit rating agencies published by the European Securities and markets Authority on its website in accordance with the CRA Regulation. Series of notes issued under the Programme may be rated or unrated. Where a Series of Notes is rated, such rating will not necessarily be the same as the ratings assigned to the Programme. 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.

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, the United Kingdom and Japan, see "*Subscription and Sale*" below.

INFORMATION INCORPORATED BY REFERENCE

This Base Prospectus should be read and construed in conjunction with the audited consolidated financial statements of the Issuer for the period from 12 April 2012 to 31 December 2012, together with the auditor's report thereon, which have been previously published or are published simultaneously with this Base Prospectus and which have been approved by the CSSF or filed with it. Such documents shall be incorporated in and form part of this Base Prospectus, save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus. Those parts of the documents incorporated by reference in this Base Prospectus which are not specifically incorporated by reference in this Base Prospectus are either not relevant for prospective investors in the Notes or the relevant information is included elsewhere in this Base Prospectus. Any documents themselves incorporated by reference in the documents incorporated by reference in this Base Prospectus shall not form part of this Base Prospectus.

Copies of documents incorporated by reference in this Base Prospectus may be obtained without charge from the registered office of the Issuer at Kallenbergstraße 5, 45141 Essen, Germany. This Base Prospectus and each document incorporated by reference will also be published on the website of the Luxembourg Stock Exchange (www.bourse.lu) and the website of the Issuer (www.viergas.de).

The table below sets out the relevant page references for the audited consolidated financial statements for the period from 12 April 2012 to 31 December 2012, as set out in the Issuer's Annual Report. The information incorporated by reference that is not included in the table below, is considered as additional information and is not required by the relevant schedules of the Commission Regulation (EC) 809/2004.

Audited consolidated financial statements of the Issuer for the period from 12 April 2012 to 31 December 2012	Page Number (referring to the page number of the pdf file)	Reference	Page heading
Consolidated Balance Sheet (<i>Konzernbilanz</i>)	Page 25		"<u>Consolidated Balance Sheet</u>" (<i>Konzernabschluss zum 31. Dezember 2012 - Konzernbilanz</i>)
Consolidated Income Statement (<i>Konzern-Gewinn- und Verlustrechnung</i>)	Page 27		"<u>Consolidated Income Statement</u>" (<i>Konzernabschluss zum 31. Dezember 2012 - "Konzern - Gewinn und Verlustrechnung"</i>)
Cash Flow Statement (<i>Kapitalflussrechnung</i>)	Page 33		"<u>Consolidated Cash Flow Statement</u>" (<i>Konzernabschluss zum 31. Dezember 2012 "Konzern-Kapitalflussrechnung"</i>)
Notes (<i>Konzernanhang</i>)	Pages 37 - 109		"Notes to the Consolidated Financial Statements of Vier Gas Transport GmbH for the Short Year from 12 April to 31 December 2012" ("Anhang zum Konzernabschluss der Vier Gas Transport GmbH für das Rumpfgeschäftsjahr vom

Auditor's Report (*Bestätigungsvermerk des Abschlussprüfers*) Pages 113 - 115

**12. April bis 31. Dezember
2012")**

"Auditor's Report"
(*Bestätigungsvermerk des
Abschlussprüfers*)

FINAL TERMS AND DRAWDOWN PROSPECTUSES

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 endeavoured to include 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 either in the relevant Final Terms or in a Drawdown Prospectus.

For a Tranche of Notes which is the subject of Final Terms, those Final Terms will, for the purposes of that Tranche only, complete 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 as completed to the extent described in the relevant Final Terms.

The terms and conditions applicable to any particular Tranche of Notes which is the subject of a Drawdown Prospectus will be the Conditions as supplemented, amended and/or replaced to the extent described in the relevant Drawdown Prospectus. In the case of a Tranche of Notes which is the subject of a Drawdown Prospectus, each reference in this Base Prospectus to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus unless the context requires otherwise.

Each Drawdown Prospectus will be constituted either (1) by a single document containing the necessary information relating to the Issuer and the relevant Notes or (2) by a registration document (the "**Registration Document**") containing the necessary information relating to the Issuer, a securities note (the "**Securities Note**") containing the necessary information relating to the relevant Notes and, if necessary, a summary note. In addition, if the Drawdown Prospectus is constituted by a Registration Document and a Securities Note, any significant new factor, material mistake or inaccuracy relating to the information included in the Registration Document which arises or is noted between the date of the Registration Document and the date of the Securities Note which is capable of affecting the assessment of the relevant Notes will be included in the Securities Note.

FORMS OF THE NOTES

Bearer Notes

Each Tranche of Notes in bearer form ("**Bearer Notes**") will initially be in the form of either a temporary global note in bearer form (the "**Temporary Global Note**"), without interest coupons, or a permanent global note in bearer form (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 depositary or a common depositary for Euroclear Bank S.A./N.V. as operator of the Euroclear System ("**Euroclear**") and/or Clearstream Banking, société anonyme, Luxembourg ("**Clearstream, Luxembourg**") and/or any other 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.

In the case of each Tranche of Bearer Notes, 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 365 days, that neither the TEFRA C Rules nor the TEFRA D Rules are applicable.

Temporary Global Note exchangeable for Permanent Global Note

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 Fiscal Agent; and
- (ii) receipt by the Fiscal 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. (London 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 the Temporary Global Note (including the obligation to deliver a Permanent Global Note) will become void at 5.00 p.m. (London time) on such seventh day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date (in the case of (b) above) and the bearer of the Temporary Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Temporary Global Note or others may have under the Deed of Covenant).

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 ("**Definitive Notes**"):

- (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 14 (*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 Fiscal Agent within 30 days of the bearer requesting such exchange.

If:

- (a) Definitive Notes have not been duly delivered by 5.00 p.m. (London 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 such Temporary Global Note becomes void 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 the Permanent Global Note (including the obligation to deliver Definitive Notes) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on the date on which such Temporary Global Note becomes void (in the case of (b) above) or at 5.00 p.m. (London time) on such due date ((c) above) and the bearer of the Permanent Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Permanent Global Note or others may have under the Deed of Covenant).

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 Fiscal Agent within 30 days of the bearer requesting such exchange.

If:

- (a) Definitive Notes have not been duly delivered by 5.00 p.m. (London 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 the Temporary Global Note (including the obligation to deliver Definitive Notes) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date (in the case of (b) above) and the bearer of the Temporary Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Temporary Global Note or others may have under the Deed of Covenant). In relation to any issue of Notes where the Final Terms specifies the form of Notes as being "Temporary Global Note exchangeable for Definitive Notes" such Temporary Global Notes may only be issued in denominations equal to, or greater than EUR100,000 (or equivalent) and multiples thereof.

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 14 (*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 Fiscal Agent within 30 days of the bearer requesting such exchange. In relation to any issue of Notes where it is specified in the Final Terms that the Permanent Global Note is exchangeable for Notes in definitive form other than in the "limited circumstances described in the Permanent Global Note", such Permanent Global Notes may only be issued in denominations equal to, or greater than EUR100,000 (or equivalent) and multiples thereof.

If:

- (a) Definitive Notes have not been duly delivered by 5.00 p.m. (London 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 the Permanent Global Note (including the obligation to deliver Definitive Notes) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date ((b) above) and the bearer of the Permanent Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Permanent Global Note or others may have under the Deed of Covenant).

Rights under Deed of Covenant

Under the Deed of Covenant, 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 Temporary Global Note or a Permanent Global Note which becomes void will acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before the Temporary Global Note or Permanent Global Note became void, they had been the holders of Definitive Notes in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

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 complete 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 Bearer Notes having a maturity of more than 365 days, 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."

Registered Notes

Each Tranche of Registered Notes will be in the form of either individual Note Certificates in registered form ("**Individual Note Certificates**") or a global Note in registered form (a "**Global Registered Note**"), in each case as specified in the relevant Final Terms.

In a press release dated 22 October 2008, "*Evolution of the custody arrangement for international debt securities and their eligibility in Eurosystem credit operations*", the ECB announced that it has assessed the new holding structure and custody arrangements for registered notes which the ICSDs had designed in cooperation with market participants and that Notes to be held under the new structure (the "**New Safekeeping Structure**" or "NSS") would be 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**"), subject to the conclusion of the necessary legal and contractual arrangements. The press release also stated that the new arrangements for Notes to be held in NSS form will be offered by Euroclear and Clearstream, Luxembourg as of 30 June 2010 and that registered debt securities in global registered form held issued through Euroclear and Clearstream, Luxembourg after 30 September 2010 will only be eligible as collateral in Eurosystem operations if the New Safekeeping Structure is used.

Each Global Registered Note will either be: (a) in the case of a Note which is not to be held under the new safekeeping structure ("New Safekeeping Structure" or "NSS"), registered in the name of a common depository (or its nominee) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and the relevant Global Registered Note will be deposited on or about the issue date with the common depository and will be exchangeable in accordance with its terms; or (b) in the case of a Note to be held under the New Safekeeping Structure, be registered in the name of a common safekeeper (or its nominee) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and the relevant Global Registered Note will be deposited on or about the issue date with the common safekeeper for Euroclear and/or Clearstream, Luxembourg and will be exchangeable for Individual Note Certificates in accordance with its terms.

If the relevant Final Terms specifies the form of Notes as being "Individual Note Certificates", then the Notes will at all times be in the form of Individual Note Certificates issued to each Noteholder in respect of their respective holdings.

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

- (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 Global Registered 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 14 (*Events of Default*) occurs.

Whenever the Global Registered Note is to be exchanged for Individual Note Certificates, the Issuer shall procure that Individual Note Certificates will be issued in an aggregate principal amount equal to the principal amount of the Global Registered Note within five business days of the delivery, by or on behalf of the registered holder of the Global Registered Note to the Registrar of such information as is required to complete and deliver such Individual Note Certificates (including, without limitation, the names and addresses of the persons in whose names the Individual Note Certificates are to be registered and the principal amount of each such person's holding) against the surrender of the Global Registered Note at the specified office of the Registrar.

Such exchange will be effected in accordance with the provisions of the Agency Agreement and the regulations concerning the transfer and registration of Notes scheduled thereto and, in particular, shall be effected without charge to any holder, but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

If:

- (a) Individual Note Certificates have not been delivered by 5.00 p.m. (London time) on the thirtieth day after they are due to be issued and delivered in accordance with the terms of the Global Registered Note; or
- (b) any of the Notes represented by a Global Registered Note (or any part of it) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Notes 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 holder of the Global Registered Note in accordance with the terms of the Global Registered Note on the due date for payment,

then the Global Registered Note (including the obligation to deliver Individual Note Certificates) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date (in the case of (b) above) and the holder of the Global Registered Note will have no further rights thereunder (but without prejudice to the rights which the holder of the Global Registered Note or others may have under the Deed of Covenant. Under the Deed of Covenant, 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 Registered Note will acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before the Global Registered Note became void, they had been the holders of Individual Note Certificates in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

Terms and Conditions applicable to the Notes

The terms and conditions applicable to any Individual Note Certificate will be endorsed on that Individual Note Certificate 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 complete those terms and conditions.

The terms and conditions applicable to any Global Registered Note 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.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions which, as completed by Part A of 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:* Vier Gas Transport GmbH (the "**Issuer**") has established a Euro Medium Term Note Programme (the "**Programme**") for the issuance of up to €5,000,000,000 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 a final terms (the "**Final Terms**") which completes these terms and conditions (the "**Conditions**"). The terms and conditions applicable to any particular Tranche of Notes are these Conditions as completed 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. If the Notes are to be listed on the Regulated Market of the Luxembourg Stock Exchange, the applicable Final Terms will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu).
- (c) *Agency Agreement:* The Notes are the subject of an issue and paying agency agreement dated 17 May 2013 (the "**Agency Agreement**") between the Issuer, Deutsche Bank AG, London Branch as fiscal agent (the "**Fiscal Agent**", which expression includes any successor fiscal agent appointed from time to time in connection with the Notes), Deutsche Bank Luxembourg S.A. as registrar (the "**Registrar**", which expression includes any successor registrar appointed from time to time in connection with the Notes), the paying agents named therein (together with the Fiscal Agent, the "**Paying Agents**", which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes) and the transfer agents named therein (together with the Registrar, the "**Transfer Agents**", which expression includes any successor or additional transfer agents appointed from time to time in connection with the Notes). In these Conditions references to the "**Agents**" are to the Paying Agents and the Transfer Agents and any reference to an "**Agent**" is to any one of them.
- (d) *Deed of Covenant:* The Notes may be issued in bearer form ("**Bearer Notes**"), or in registered form ("**Registered Notes**"). Registered Notes are constituted by a deed of covenant dated 17 May 2013 (the "**Deed of Covenant**") executed by the Issuer.
- (e) *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 free of charge during normal business hours at the Specified Offices of each of the Paying Agents, the initial Specified Offices of which are set out below.
- (f) *Summaries:* Certain provisions of these Conditions are summaries of the Agency Agreement and the Deed of Covenant and are subject to their detailed provisions. 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 and the Deed of Covenant applicable to them. Copies of the Agency Agreement and the Deed of Covenant 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:

- (a) 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
- (b) 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 London, 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:

- (a) **"Following Business Day Convention"** means that the relevant date shall be postponed to the first following day that is a Business Day;
- (b) **"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;
- (c) **"Preceding Business Day Convention"** means that the relevant date shall be brought forward to the first preceding day that is a Business Day;
- (d) **"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:**
 - (i) 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;
 - (ii) 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
 - (iii) 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
- (e) **"No Adjustment"** means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

"Calculation Agent" means the Fiscal 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;

"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:

- (a) if **"Actual/Actual (ICMA)"** is so specified, means:
 - (i) 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
 - (ii) 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 (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;
- (b) if **"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);
- (c) if **"Actual/365 (Fixed)"** is so specified, means the actual number of days in the Calculation Period divided by 365;
- (d) if **"Actual/360"** is so specified, means the actual number of days in the Calculation Period divided by 360;
- (e) if **"30/360"** is so specified, means 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:

"Y₁" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M₂" is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

"D₁" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30";

- (f) if "**30E/360**" or "**Eurobond Basis**" is so specified, means 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:

"**Y₁**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y₂**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M₁**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M₂**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D₁**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and

"**D₂**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D₂ will be 30; and

- (g) if "**30E/360 (ISDA)**" is so specified, means 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:

"**Y₁**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y₂**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M₁**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M₂**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D₁**" 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 D₁ will be 30; and

"**D₂**" 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 D₂ 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 of the Group" means the total consolidated operating profit of the Group:

- (a) after excluding the amount of any dividends or other profit distributions received in cash by any member of the Group from a person who is not a member of the Group and any amount received by the Group in order to provide short term liquidity and which will be netted off distributions of profit to the Group;
- (b) before deducting any depreciation, amortisation or impairment;
- (c) before taking into account all one off non recurring items including any extraordinary items (whether positive or negative) and all exceptional or non operating items (whether positive or negative), which, for the avoidance of doubt, shall include (but not be limited to) any integration costs, separation costs and restructuring costs and amounts received or payable by the Group upon termination of any hedging agreements (other than the portion thereof comprising regular periodic payments or receipts) as a result of the close-out of such hedging agreements upon the issue of further Notes under the Programme;
- (d) before deducting any amount of tax on profits, gains or income payable by the Group and excluding any amount of any rebate or credit in respect of tax on profits, gains or income received or receivable by the Group;
- (e) before taking into account interest (including the interest element of leasing and hire purchase payments), commission and fees accrued as an obligation of and excluding any owed to any member of the Group;
- (f) before taking into account (to the extent otherwise included) any unrealised gains or unrealised losses due to exchange rate or interest rate movements under any derivative contract;
- (g) after excluding, to the extent included, any gains or losses on any revaluation of assets (other than in the ordinary course of trading);
- (h) before deducting non cash charges relating to share based compensation plans;
- (i) before deducting (to the extent otherwise included) non cash charges relating to recognition of any pension plan deficits; and
- (j) including insurance proceeds related to business interruption and third party liability insurance.

"Extraordinary Resolution" has the meaning given in the Agency Agreement;

"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;

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

"Group" means the Issuer and each of the Issuer's Subsidiaries from time to time;

"Guarantee" means, in relation to any Indebtedness of any Person, any obligation of another Person to pay such Indebtedness including (without limitation):

- (a) any obligation to purchase such Indebtedness;
- (b) any obligation to lend money, to purchase or subscribe shares or other securities or to purchase assets or services in order to provide funds for the payment of such Indebtedness;
- (c) any indemnity against the consequences of a default in the payment of such Indebtedness; and
- (d) any other agreement to be responsible for such Indebtedness;

"Holder", in the case of Bearer Notes, has the meaning given in Condition 3(b) (*Form, Denomination, Title and Transfer - Title to Bearer Notes*) and, in the case of Registered Notes, has the meaning given in Condition 3(d) (*Form, Denomination, Title and Transfer - Title to Registered Notes*);

"Indebtedness" means any indebtedness of any Person for money borrowed or raised including (without limitation) any indebtedness for or in respect of:

- (a) amounts raised by acceptance under any acceptance credit facility;
- (b) amounts raised under any note purchase facility;
- (c) the amount of any liability in respect of leases or hire purchase contracts which would, in accordance with applicable law and generally accepted accounting principles, be treated as finance or capital leases;
- (d) the amount of any liability in respect of any purchase price for assets or services the payment of which is deferred for a period in excess of 60 days; and
- (e) amounts raised under any other transaction (including, without limitation, any forward sale or purchase agreement) having the commercial effect of a borrowing;

"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 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 2006 ISDA Definitions (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;

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

"Material Subsidiary" means, at any time, any Subsidiary of the Issuer which has earnings before interest, tax, depreciation and amortisation (calculated on the same basis as EBITDA of the Group) representing five per cent. or more of EBITDA of the Group or has gross assets representing five per cent., or more of the gross assets of the Group, calculated on a consolidated basis, as calculated by reference to the then most recent financial statements (consolidated, or as the case may be, unconsolidated) of such Subsidiary and the then most recent consolidated financial statements of the Issuer and its Subsidiaries taken as a whole, provided that if a Subsidiary has been acquired since the date as at which the then most recent consolidated financial statements of the Issuer and its Subsidiaries taken as a whole were prepared, the financial statements shall be adjusted in order to take into account the acquisition of that Subsidiary (that adjustment

being certified by a director of the Issuer as representing an accurate reflection of the revised net turnover of the Issuer and its Subsidiaries taken as a whole);

"**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;

"**Noteholder**", in the case of Bearer Notes, has the meaning given in Condition 3(b) (*Form, Denomination, Title and Transfer - Title to Bearer Notes*) and, in the case of Registered Notes, has the meaning given in Condition 3(d) (*Form, Denomination, Title and Transfer - Title to Registered Notes*);

"**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:

- (a) if the currency of payment is euro, any day which is:
 - (i) 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
 - (ii) 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
- (b) if the currency of payment is not euro, any day which is:
 - (i) 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
 - (ii) 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 Security Interest**" means any Security Interest securing any Relevant Indebtedness issued for the purpose of financing all or part of the costs of the acquisition, construction or development of any project if the person or persons providing such financing expressly agree to limit their recourse to the project financed and the revenues derived from such project as the sole source of repayment for such Relevant Indebtedness;

"**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;

"**Pipeline Company**" means any company that owns gas pipeline systems in which a member of the Group has a direct or indirect interest;

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

"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 LIBOR or EURIBOR as specified in the relevant Final Terms;

"Regular Period" means:

- (a) 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;
- (b) 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
- (c) 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 Interest Payment Date falling at the end of the irregular Interest Period .

"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 Fiscal 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, debenture, debenture stock, loan stock, certificate 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, charge, pledge, lien or other security interest;

"**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;

"**Subsidiary**" means, in relation to any Person (the "first Person") at any particular time, any other Person (the "second Person"):

- (a) whose affairs and policies the first Person controls or has the power to control, whether by ownership of share capital, contract, the power to appoint or remove members of the governing body of the second Person or otherwise; or
- (b) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, fully consolidated with those of the first Person.

For the avoidance of doubt, this definition of Subsidiary shall not capture any Pipeline Company.

"**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 13 (*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 13 (*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, Title and Transfer**

- (a) *Bearer Notes:* Bearer Notes are in the Specified Denomination(s) with Coupons and, if specified in the relevant Final Terms, Talons attached at the time of issue, **provided that** in the case of any Bearer Notes which are to be admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under Directive 2003/71/EC, as amended (the "**Prospectus Directive**"), the minimum Specified Denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the Bearer Notes). In the case of a Series of Bearer Notes with more than one Specified Denomination, Bearer Notes of one Specified Denomination will not be exchangeable for Bearer Notes of another Specified Denomination.
- (b) *Title to Bearer Notes:* Title to Bearer Notes and the Coupons will pass by delivery. In the case of Bearer Notes, "**Holder**" means the holder of such Bearer Note and "**Noteholder**" and "**Couponholder**" shall be construed accordingly.
- (c) *Registered Notes:* Registered Notes are in the Specified Denomination(s), which may include a minimum denomination specified in the relevant Final Terms and higher integral multiples of a smaller amount specified in the relevant Final Terms, **provided that** in the case of any Registered Notes which are to be admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive, the minimum Specified Denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the Registered Notes).
- (d) *Title to Registered Notes:* The Registrar will maintain the register in accordance with the provisions of the Agency Agreement. A certificate (each, a "**Note Certificate**") will be issued to each Holder of Registered Notes in respect of its registered holding. Each Note Certificate will be numbered serially with an identifying number which will be recorded in the Register. In the case of Registered Notes, "**Holder**" means the person in whose name such Registered Note is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof) and "**Noteholder**" shall be construed accordingly.
- (e) *Ownership:* 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, in the case of Registered Notes, on the Note Certificate relating thereto (other than the endorsed form of transfer) or any notice of any previous loss or theft thereof) and no Person shall be liable for so treating such Holder. No person shall have any right to enforce any term or condition of any Note under the Contracts (Rights of Third Parties) Act 1999.
- (f) *Transfers of Registered Notes:* Subject to paragraphs (i) (*Closed periods*) and (j) (*Regulations concerning transfers and registration*) below, a Registered Note may be transferred upon surrender of the relevant Note Certificate, with the endorsed form of transfer duly completed, at the Specified Office of the Registrar or any Transfer Agent, together with such evidence as the Registrar or (as the case may be) such Transfer Agent may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer; **provided, however, that** a Registered Note may not be transferred unless the principal amount of Registered Notes transferred and (where not all of the Registered Notes held by a Holder are being transferred) the principal amount of the balance of Registered Notes not transferred are Specified Denominations. Where not all the Registered Notes represented by the surrendered Note Certificate are the subject of the transfer, a new Note Certificate in respect of the balance of the Registered Notes will be issued to the transferor.

- (g) *Registration and delivery of Note Certificates:* Within five business days of the surrender of a Note Certificate in accordance with paragraph (f) (*Transfers of Registered Notes*) above, the Registrar will register the transfer in question and deliver a new Note Certificate of a like principal amount to the Registered Notes transferred to each relevant Holder at its Specified Office or (as the case may be) the Specified Office of any Transfer Agent or (at the request and risk of any such relevant Holder) by uninsured first class mail (airmail if overseas) to the address specified for the purpose by such relevant Holder. In this paragraph, "**business day**" means a day on which commercial banks are open for general business (including dealings in foreign currencies) in the city where the Registrar or (as the case may be) the relevant Transfer Agent has its Specified Office.
- (h) *No charge:* The transfer of a Registered Note will be effected without charge by or on behalf of the Issuer or the Registrar or any Transfer Agent but against such indemnity as the Registrar or (as the case may be) such Transfer Agent may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such transfer.
- (i) *Closed periods:* Noteholders of Registered Notes may not require transfers to be registered during the period of 15 days ending on the due date for any payment of principal or interest in respect of the Registered Notes.
- (j) *Regulations concerning transfers and registration:* All transfers of Registered Notes and entries on the Register are subject to the detailed regulations concerning the transfer of Registered Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Noteholder who requests in writing a copy of such regulations.

4. **Status**

Status of the Notes: The Notes constitute unsecured obligations of the Issuer which will at all times rank *pari passu* among themselves. The payment obligations of the Issuer under the Notes shall at all times rank at least *pari passu* with all other present and future unsecured indebtedness and monetary obligations of the Issuer, save for such exceptions as may be provided 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 no Subsidiary will, create or permit to subsist any Security Interest (other than a Permitted Security Interest) upon the whole or any part of its present or future undertaking, assets or revenues (including uncalled capital) to secure any Relevant Indebtedness or Guarantee of 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 arrear on each Interest Payment Date, subject as provided in Condition 11 (*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 (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 Fiscal 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.

- (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 and Index-Linked Note Provisions**

- (a) *Application:* This Condition 7 (*Floating Rate Note and Index-Linked Note Provisions*) is applicable to the Notes only if the Floating Rate Note Provisions or Index-Linked 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 arrear on each Interest Payment Date, subject as provided in Condition 11 (*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 Fiscal 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) 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;
 - (iii) if, in the case of (i) above, such rate does not appear on that page or, in the case of (ii) 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
 - (iv) 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 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 ISDA Definitions and under which:
- (i) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the relevant Final Terms;
 - (ii) the Designated Maturity (as defined in the ISDA Definitions) is a period specified in the relevant Final Terms; and
 - (iii) the relevant Reset Date (as defined in the 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.
- (e) *Index-Linked Interest:* If the Index-Linked Note Provisions are specified in the relevant Final Terms as being applicable, the Rate(s) of Interest applicable to the Notes for each Interest Period will be determined in the manner specified in the relevant Final Terms and in accordance with the provisions of Condition 8 (*Indexation*).
- (f) *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.
- (g) *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.
- (h) *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.
- (i) *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.
- (j) *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. **Indexation**

This Condition 8 (*Indexation*) is applicable only if the relevant Final Terms specifies the Notes as Index Linked Notes.

- (a) For the purposes of this Condition 8 (*Indexation*), unless the context otherwise requires, the following defined terms shall have the meanings set out below:

"Base Index Level" means the base index level as specified in the relevant Final Terms;

"HICP" means the Non-revised Index of Consumer Prices excluding tobacco or relevant Successor Index (as defined in Condition 8(c)(i) (*Changes in Circumstances Affecting the Index*)), measuring the rate of inflation in the European Monetary Union excluding tobacco, expressed as an index and published by Eurostat. Information on HICP can be found at www.epp.eurostat.ec.europa.eu. The first publication or announcement of a level of such index for a calculation month (as defined in Condition 8(c)(i) (*Changes in Circumstances Affecting the Index*)) shall be final and conclusive and later revisions to the level for such calculation month will not be used in any calculations. Any reference to the Index Level which is specified in these Conditions as applicable to any day ("d") in any month ("m") shall, subject as provided in Condition 8(c) (*Changes in Circumstances Affecting the Index*), be calculated as follows:

$$I_d = HICP_{m-3} + \frac{nb d}{q_m} \times (HICP_{m-2} - HICP_{m-3})$$

where:

I_d is the Index Level for the day d

HICP_{m-2} is the level of HICP for month m-2

HICP_{m-3} is the level of HICP for month m-3

nb d is the actual number of days from and excluding the first day of month m to but including day d; and

q_m is the actual number of days in month m,

provided that if Condition 8(c) (*Changes in Circumstances Affecting the Index*) applies, the Index Level shall be the Substitute Index Level determined in accordance with such Condition;

"Index" or **"Index Level"** means (subject as provided in Condition 8(c) (*Changes in Circumstances Affecting the Index*)) HICP;

"Index Business Day" means a day on which TARGET2 is operating;

"Index Determination Date" means in respect of any date for which the Index Level is required to be determined, the fifth Index Business Day prior to such date;

"Index Ratio" applicable to any date means the Index Level applicable to the relevant Index Determination Date divided by the Base Index Level and rounded to the nearest fifth decimal place, 0.000005 being rounded upwards;

"Related Instrument" means an inflation-linked bond selected by the Calculation Agent as specified in the relevant Final Terms.

- (b) *Application of the Index Ratio:* Each payment of interest and principal in respect of the Notes shall be the amount provided in, or determined in accordance with, these Conditions, multiplied by the Index Ratio applicable to the date on which such payment falls to be made and rounded in accordance with Condition 22 (*Rounding*).

(c) *Changes in Circumstances Affecting the Index:*

(i) Delay in publication of Index

(A) If the Index Level relating to any month (the "**calculation month**") which is required to be taken into account for the purposes of the determination of the Index Level for any date (the "**Relevant Level**") has not been published or announced by the day that is five Business Days before the date on which such payment is due (the "**Affected Payment Date**"), the Calculation Agent shall determine a Substitute Index Level (as defined below) (in place of such Relevant Level) by using the following methodology:

- (1) if applicable, the Calculation Agent will take the same action to determine the "**Substitute Index Level**" for the Affected Payment Date as that taken by the calculation agent (or any other party performing the function of a calculation agent (whatever such party's title)) pursuant to the terms and conditions of the Related Instrument;
- (2) if (1) above does not result in a Substitute Index Level for the Affected Payment Date for any reason, then the Calculation Agent shall determine the Substitute Index Level as follows:

$$\text{Substitute Index Level} = \text{Base Level} \times (\text{Latest Level} / \text{Reference Level})$$

Where:

"**Base Level**" means the level of the Index (excluding any flash estimates) published or announced by Eurostat (or any successor entity which publishes such index) in respect of the month which is 12 calendar months prior to the month for which the Substitute Index Level is being determined;

"**Latest Level**" means the latest level of the Index (excluding any flash estimates) published or announced by Eurostat (or any successor entity which publishes such index) prior to the month in respect of which the Substitute Index Level is being calculated; and

"**Reference Level**" means the level of the Index (excluding any flash estimates) published or announced by Eurostat (or any successor entity which publishes such index) in respect of the month that is 12 calendar months prior to the month referred to the "Latest Level" above.

(B) If a Relevant Level is published or announced at any time after the day that is five Business Days prior to the next Interest Payment Date, such Relevant Level will not be used in any calculations. The Substitute Index Level so determined pursuant to this Condition 8(c)(i) (*Changes in Circumstances Affecting the Index*) will be the definitive level for that calculation month.

(ii) Cessation of publication:

If the Index Level has not been published or announced for two consecutive months or the relevant agency that publishes such Index announces that the relevant Index will no longer be published or announced then the Calculation Agent shall determine a successor index in lieu of any previously applicable Index (the "**Successor Index**") by using the following methodology:

(A) if at any time (other than after an Early Termination Event (as defined below) has been designated by the Calculation Agent pursuant to paragraph (E) below) a successor index has been designated by the calculation agent (or any other party performing the function of a calculation agent (whatever such party's title)) pursuant to the terms and conditions of the Related Instrument, such successor index shall be designated the Successor Index for the purposes of all subsequent Interest Payment Dates, notwithstanding that any other Successor Index may previously have been determined under paragraphs (B), (C) or (D) below; or

- (B) if a Successor Index has not been determined under paragraph (A) above (and there has been no designation of an Early Termination Event pursuant to paragraph (E) below), and a notice has been given or an announcement has been made by the relevant agency that publishes the relevant Index specifying that the Index will be superseded by a replacement index, and the Calculation Agent determines that such replacement index is calculated using the same or substantially similar formula or method of calculation as used in the calculation of the previously applicable Index, such replacement index shall be the Index from the date that such replacement index comes into effect; or
 - (C) if a Successor Index has not been determined under paragraphs (A) or (B) above (and there has been no designation of an Early Termination Event pursuant to paragraph (E) below), the Calculation Agent shall ask five leading independent dealers to state what the replacement index for the Index should be. If more than four responses are received, and of those responses, three or more leading independent dealers state the same index, that index will be deemed the Successor Index. If three responses are received, and two or more leading independent dealers state the same index, that index will be deemed the "Successor Index". If fewer than three responses are received, the Calculation Agent will proceed to paragraph (D) below;
 - (D) if no Successor Index has been determined under paragraphs (A), (B) or (C) above on or before the fifth Index Business Day prior to the next Affected Payment Date the Calculation Agent will determine an appropriate alternative index for such Affected Payment Date, and such index will be deemed the Successor Index;
 - (E) if the Calculation Agent determines that there is no appropriate alternative index, the Issuer and the Noteholders shall, in conjunction with the Calculation Agent, determine an appropriate alternative index. If the Issuer and the Noteholders, in conjunction with the Calculation Agent, do not reach agreement on an appropriate alternative index within a period of ten Business Days, then an Early Termination Event will be deemed to have occurred and the Issuer will redeem the Instruments pursuant to Condition 8(d) (*Redemption for Index Reasons*).
- (iii) **Rebasing of the Index:** If the Calculation Agent determines that the Index has been or will be rebased at any time, the Index as so rebased (the "**Rebased Index**") will be used for the purposes of determining each relevant Index Level from the date of such rebasing; provided, however, that the Calculation Agent shall make such adjustments as are made by the calculation agent (or any other party performing the function of a calculation agent (whatever such party's title) pursuant to the terms and conditions of the Related Instrument to the levels of the Rebased Index so that the Rebased Index levels reflect the same rate of inflation as the Index before it was rebased. Any such rebasing shall not affect any prior payments made.
 - (iv) **Material Modification Prior to Interest Payment Date:** If, on or prior to the day that is five Business Days before an Interest Payment Date, it is announced by the relevant agency that publishes the Index that a material change is to be made to the Index then the Calculation Agent shall make any such adjustments to the Index consistent with adjustments made to the Related Instrument.
 - (v) **Manifest Error in Publication:** If, within thirty days of publication, the Calculation Agent determines that the relevant agency that publishes the Index has corrected the level of the Index to remedy a manifest error in its original publication, the Calculation Agent will notify the parties of (A) that correction, (B) the amount that is payable as a result of that correction and (C) take such other action as it may deem necessary to give effect to such correction.
- (d) *Redemption for Index Reasons:* If an Early Termination Event as described under Condition 8(c)(ii)(E) is deemed to have occurred, the Issuer will, upon giving not more than 60 nor less than 30 days' notice to the Noteholders in accordance with Condition 20 (*Notices*), redeem all, but not some only, of the Notes at their principal amount together with interest accrued but unpaid up to and including the date of redemption (in each case adjusted in accordance with Condition 8(c) (*Application of the Index Ratio*)).

9. **Zero Coupon Note Provisions**

- (a) *Application:* This Condition 9 (*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 Fiscal 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).

10. **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 11 (*Payments – Bearer Notes*) and Condition 12 (*Payments - Registered Notes*), as applicable.
- (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 neither the Floating Rate Note Provisions or the Index-Linked Note Provisions are specified in the relevant Final Terms as being applicable); or
 - (ii) on any Interest Payment Date (if the Floating Rate Note Provisions or the Index-Linked 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 13 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of Germany 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 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.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Fiscal Agent (A) a certificate signed by two directors 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 10(b), the Issuer shall be bound to redeem the Notes in accordance with this Condition 10(b).

- (c) *Redemption at the option of the Issuer*: If Call Option is specified as being applicable in the applicable Final Terms, the Issuer may, having given not less than the minimum period nor more than the maximum period of notice specified in applicable Final Terms to the Noteholders in accordance with Condition 20 (*Notices*) (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms.

If Make-Whole Amount is specified in the applicable Final Terms as the Optional Redemption Amount, the Optional Redemption Amount shall be an amount calculated by the Calculation Agent equal to the higher of (i) 100 per cent. of the principal amount outstanding of the Notes to be redeemed or (ii) the sum of the present values of the principal amount outstanding of the Notes to be redeemed and the Remaining Term Interest on such Note (exclusive of interest accrued to the date of redemption) discounted to the date of redemption on an annual basis at the Reference Bond Rate, plus the Redemption Margin.

In this Condition 10(c) (*Redemption at the option of the Issuer*):

"FA Selected Bond" means a government security or securities selected by the Financial Adviser (as defined below) as having an 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 denominated in the same currency as the Notes and of a comparable maturity to the remaining term of the Notes;

"Financial Adviser" means a financial adviser selected by the Issuer;

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

"Reference Bond" shall be as set out in the applicable Final Terms or the FA Selected Bond;

"Reference Bond Price" means, with respect to any date of redemption, (A) the arithmetic average of the Reference Government Bond Dealer Quotations for such date of redemption, after excluding the highest and lowest such Reference Government Bond Dealer Quotations, or (B) if the Calculation Agent obtains fewer than four such Reference Government Bond Dealer Quotations, the arithmetic average of all such quotations;

"Reference Bond Rate" means, with respect to any date of redemption, the rate per annum equal to the annual or semi-annual yield (as the case may be) to maturity or interpolated yield to maturity (on the relevant day count basis) of the Reference Bond, assuming a price for the Reference Bond (expressed as a percentage of its nominal amount) equal to the Reference Bond Price for such date of redemption;

"Reference Date" will be set out in the relevant notice of redemption;

"Reference Government Bond Dealer" means each of five banks selected by the Issuer, or their affiliates, which are (A) primary government securities dealers, and their respective successors, or (B) market makers in pricing corporate bond issues;

"Reference Government Bond Dealer Quotations" means, with respect to each Reference Government Bond Dealer and any date for redemption, the arithmetic average, as determined by the Agent, of the bid and offered prices for the Reference Bond (expressed in each case as a percentage of its nominal amount) at the Quotation Time specified in the applicable Final Terms on the Reference Date quoted in writing to the Calculation Agent by such Reference Government Bond Dealer; and

"Remaining Term Interest" means, with respect to any Note, the aggregate amount of scheduled payment(s) of interest on such Note for the remaining term of such Note determined on the basis of the rate of interest applicable to such Note from and including the date on which such Note is to be redeemed by the Issuer pursuant to this Condition 10(c) (*Redemption at the option of the Issuer*).

All notifications, opinions, determinations, certifications, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 10(c) (*Redemption at the option of the*

Issuer) by the Calculation Agent, shall (in the absence of negligence, wilful default or bad faith) be binding on the Issuer, the Agents and all Noteholders and Couponholders.

- (d) *Partial redemption*: If the Notes are to be redeemed in part only on any date in accordance with Condition 10(c) (*Redemption at the option of the Issuer*), in the case of Bearer Notes, the Notes to be redeemed shall be selected by the drawing of lots in such place as the Fiscal Agent approves and in such manner as the Fiscal 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 10(d) (*Redemption at the option of the Issuer*) shall specify the serial numbers of the Notes so to be redeemed, and, in the case of Registered Notes, each Note shall be redeemed in part in the proportion which the aggregate principal amount of the outstanding Notes to be redeemed on the relevant Optional Redemption Date (Call) bears to the aggregate principal amount of outstanding Notes on such date. 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 the Noteholders following a Restructuring Event*: If at any time whilst any of the Notes remain outstanding, a Restructuring Event occurs, the Issuer shall make a Public Announcement as soon as reasonably practicable and if, within the Restructuring Period, either:
- (i) (if at the time that the Restructuring Event occurs there are Rated Securities outstanding) a Rating Downgrade in respect of the Restructuring Event occurs; or
 - (ii) (if at the time that the Restructuring Event occurs there are no Rated Securities outstanding) a Negative Rating Event in respect of the Restructuring Event occurs,

(the Restructuring Event and Rating Downgrade or the Restructuring Event and Negative Rating Event, as the case may be, occurring within the Restructuring Period, together called a "**Restructuring Put Event**"),

then, unless the Issuer shall have previously given a notice under Condition 8(d) (*Redemption for Index reasons*), Condition 10(b) (*Redemption for tax reasons*) or 10(c) (*Redemption of the option of the Issuer*), the holder of each Note will have the option upon the giving of a Put Option Notice (as defined below) to require the Issuer to redeem or, at the option of the Issuer, purchase (or procure the purchase of) such Note on the date which is seven days after the expiry of the Restructuring Put Period (as defined below) (the "**Restructuring Put Date**") at its principal amount together with accrued interest to the Restructuring Put Date.

Promptly upon the Issuer becoming aware that a Restructuring Put Event has occurred, the Issuer shall give notice (a "**Restructuring Put Event Notice**") to the Noteholders in accordance with Condition 20 (*Notices*) specifying the nature of the Restructuring Put Event and the procedure as set out below for exercising the option in this Condition 10(e).

The Issuer shall, forthwith upon becoming aware of the occurrence of the Restructuring Event provide Noteholders with (i) the relevant Directors' Report and (ii) to the extent permitted by the terms of the engagement letter between the Issuer and the Reporting Accountants, the Accountants' Report in accordance with Condition 20 (*Notices*). The Directors' Report and the Accountants' Report shall, in the absence of manifest error, be conclusive and binding on the Issuer and the Noteholders.

For the purposes of this Condition 10(e):

"**Accountants' Report**" means a report of the Reporting Accountants stating whether the amounts included in the calculation of the Operating Profit and the amount for Consolidated Operating Profit as included in the Directors' Report have been accurately extracted from the accounting records of the Issuer and its Subsidiaries and whether the Disposal Percentage included in the Directors' Report has been correctly calculated pursuant to an engagement letter to be entered into by the Reporting Accountants and the Issuer at the relevant time. The Issuer shall use reasonable endeavours to procure that there shall at the relevant time be Reporting Accountants who have entered into an engagement letter with the Issuer which shall (i) not limit the liability of the Reporting Accountants by reference to a monetary cap and (ii) be available for inspection by Noteholders at the principal office of the Issuer.

"**Consolidated Operating Profit**" means the consolidated operating profit on ordinary activities before tax and interest and before taking account of depreciation and amortisation of goodwill and regulatory assets

(for the avoidance of doubt, exceptional items, as reflected in the Relevant Accounts shall not be included) of the Issuer and its Subsidiaries (including any share of operating profit of associates and joint ventures) determined in accordance with International Financial Reporting Standards ("**IFRS**") by reference to the Relevant Accounts;

"Directors' Report" means a report prepared and signed by two directors of the Issuer and made available to Noteholders in accordance with Condition 20 (*Notices*) setting out the Operating Profit, the Consolidated Operating Profit and the Disposal Percentage (in each case in relation to the relevant Disposed Assets) and stating any assumptions which the directors of the Issuer have employed in determining the Operating Profit;

"Disposal Percentage" means, in relation to a sale, transfer, lease or other disposal or dispossession of any Disposed Assets, the ratio of (a) the aggregate Operating Profit to (b) the Consolidated Operating Profit, expressed as a percentage;

"Disposed Assets" means, where the Issuer and/or any of its Subsidiaries sells, transfers, leases or otherwise disposes of or is dispossessed by any means (but excluding sales, transfers, leases, disposals or dispossessions which, when taken together with any related lease back or similar arrangements entered into in the ordinary course of business, have the result that Operating Profit directly attributable to any such undertaking, property or assets continues to accrue to the Issuer or, as the case may be, such Subsidiary), otherwise than to a wholly-owned Subsidiary of the Issuer or to the Issuer, of the whole or any part (whether by a single transaction or by a number of transactions whether related or not) of its undertaking or (except in the ordinary course of business of the Issuer or any such Subsidiary) property or assets, the undertaking, property or assets sold, transferred, leased or otherwise disposed of or of which it is so dispossessed;

a **"Negative Rating Event"** shall be deemed to have occurred if either (a) the Issuer does not, either prior to or not later than 21 days after the relevant Restructuring Event, seek, and thereafter throughout the Restructuring Period use all reasonable endeavours to obtain, a rating of the Notes or any other unsecured and unsubordinated debt of the Issuer having an initial maturity of five years or more ("**Rateable Debt**") from a Rating Agency or (b) if the Issuer does so seek and use such endeavours, it is unable to obtain such a rating of Rateable Debt of at least BBB or Baa2, or their respective equivalents for the time being);

"Operating Profit", in relation to any Disposed Assets, means the operating profits on ordinary activities before tax and interest and before taking account of depreciation and amortisation of goodwill and regulatory assets (for the avoidance of doubt, exceptional items, as reflected in the Relevant Accounts, shall not be included) of the Issuer and its Subsidiaries directly attributable to such Disposed Assets as determined in accordance with IFRS by reference to the Relevant Accounts and, if Relevant Accounts do not yet exist, determined in a manner consistent with the assumptions upon which the Directors' Report is to be based. Where the directors of the Issuer have employed assumptions in determining the Operating Profit, those assumptions should be clearly stated in the Directors' Report;

"Public Announcement" means an announcement by the Issuer of the occurrence of a Restructuring Event published in accordance with Condition 20 (*Notices*);

"Rated Securities" means the Notes, if and for so long as they shall have an effective rating from a Rating Agency and otherwise any Rateable Debt which is rated by a Rating Agency;

"Rating Agency" means any of Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., Moody's Investors Service, Inc. and Fitch Ratings Limited and their respective successors;

"Rating Downgrade" shall be deemed to have occurred in respect of the Restructuring Event if the then current rating whether provided by a Rating Agency at the invitation of the Issuer or by its own volition assigned to the Rated Securities by any Rating Agency is withdrawn or reduced from at least BBB or Baa2 (or their respective equivalents for the time being) to a rating below BBB or Baa2 (or their respective equivalents for the time being) or, if a Rating Agency shall already have rated the Rated Securities below BBB or Baa2 (or their respective equivalents for the time being), the rating is lowered one full rating category; provided that a Rating Downgrade otherwise arising by virtue of a particular reduction in rating shall not be deemed to have occurred in respect of a particular Restructuring Event if the Rating Agency making the reduction in rating to which this definition would otherwise apply does not announce or publicly confirm that the reduction was the result, in whole or part, of any event or circumstance comprised

in or arising as a result of, or in respect of, the applicable Restructuring Event (whether or not the applicable Restructuring Event shall have occurred at the time of the Rating Downgrade);

"Relevant Accounts" means the most recent annual audited consolidated financial accounts of the Issuer and its Subsidiaries preceding the relevant sale, transfer, lease or other disposal or dispossession of any Disposed Asset;

"Reporting Accountants" means the auditors of the Issuer (but not acting in their capacity as auditors) or such other firm of accountants as may be nominated by the Issuer;

"Restructuring Event" shall be deemed to have occurred at any time (whether or not approved by the board of directors of the Issuer) that the sum of all (if any) Disposal Percentages for the Issuer within any period of 36 consecutive months commencing on the date on which agreement is reached to issue the first Tranche of the Notes is greater than 30 per cent.;

"Restructuring Period" means:

- (i) if at the time a Restructuring Event occurs there are Rated Securities, the period of 90 days beginning on and including the date of the relevant Public Announcement; or
- (ii) if at the time the Restructuring Event occurs there are no Rated Securities, the period beginning on and including the date on which the relevant Restructuring Event occurs and ending on the day 90 days

following the later of (a) the date on which the Issuer seeks to obtain a rating as contemplated in the definition of Negative Rating Event prior to the expiry of the 21 days referred to in that definition, and (b) the date of the relevant Public Announcement (or, in each case, such longer period in which the Rated Securities are under consideration (such consideration having been announced publicly within the first mentioned 90 day period) for rating review or, as the case may be, rating by a Rating Agency); and

In order to exercise the option contained in this Condition 10(e), the Holder of a Note must, not more than 30 days after Restructuring Put Event Notice is delivered by the Issuer (the **"Restructuring Put Period"**) 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 10(e), may be withdrawn; provided, however, that if, prior to the end of the Restructuring Put Period any such Note becomes immediately due and payable or, upon due presentation of any such Note in accordance with this Condition 10(e), 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 10(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) *Redemption at the option of Noteholders:* If 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. In order to exercise the option contained in this Condition 10(f), the Holder of a Note must, not less than 30 nor more than 60 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 10(f), 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 10(f), the depositor of such Note and not such Paying Agent shall be deemed to be the Holder of such Note for all purposes.

- (g) *No other redemption:* The Issuer shall not be entitled to redeem the Notes otherwise than as provided Condition 8(d) (*Redemption for Index reasons*) or in paragraphs (a) to (e) above.
- (h) *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 10(h) or, if none is so specified, a Day Count Fraction of 30E/360.

- (i) *Purchase:* The Issuer and 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.
- (j) *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.

11. **Payments - Bearer Notes**

This Condition 11 is only applicable to Bearer Notes.

- (a) *Principal:* Payments of principal shall be made only against presentation and (**provided that** payment is made in full) surrender of Bearer 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.
- (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 Bearer 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 13 (*Taxation*). The Issuer will not be liable for any taxes or duties of whatever nature imposed or levied by such laws or regulations. 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 Bearer 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 11(f) is applicable or that the Floating Rate Note Provisions or the Index-Linked 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 8(d) (*Redemption for Index Reasons*), Condition 10(c) (*Redemption for tax reasons*), Condition 10(d) (*Redemption at the option of the Issuer*), Condition 10(e) (*Redemption at the option of Noteholders following a Restructuring Event*), or Condition 14 (*Events of Default*) or Condition 10(f) (*Redemption at the option of Noteholders*), 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 Bearer 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 Bearer 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 Bearer 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 Interest Payment Date for the final Coupon which is (or was at the time of issue) part of a Coupon Sheet relating to the Bearer Notes, the Talon forming part of such Coupon Sheet may be exchanged at the Specified Office of the Fiscal 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 15 (*Prescription*)). Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note shall become void and no Coupon will be delivered in respect of such Talon.

12. **Payments - Registered Notes**

This Condition 12 is only applicable to Registered Notes.

- (a) *Principal*: Payments of principal shall be made by cheque drawn in the currency in which the payment is due drawn on, or, upon application by a Holder of a Registered Note to the Specified Office of the Fiscal Agent not later than the fifteenth day before the due date for any such payment, 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) and (in the case of redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.

- (b) *Interest:* Payments of interest shall be made by cheque drawn in the currency in which the payment is due drawn on, or, upon application by a Holder of a Registered Note to the Specified Office of the Fiscal Agent not later than the fifteenth day before the due date for any such payment, 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) and (in the case of interest payable on redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.
- (c) *Payments subject to fiscal laws:* All payments in respect of the Registered 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 13 (*Taxation*). The Issuer will not be liable for any taxes or duties of whatever nature imposed or levied by such laws or regulations. No commissions or expenses shall be charged to the Noteholders in respect of such payments.
- (d) *Payments on business days:* Where payment is to be made by transfer to an account, payment instructions (for value the due date, or, if the due date is not Payment Business Day, for value the next succeeding Payment Business Day) will be initiated and, where payment is to be made by cheque, the cheque will be mailed (i) (in the case of payments of principal and interest payable on redemption) on the later of the due date for payment and the day on which the relevant Note Certificate is surrendered (or, in the case of part payment only, endorsed) at the Specified Office of a Paying Agent and (ii) (in the case of payments of interest payable other than on redemption) on the due date for payment. A Holder of a Registered Note shall not be entitled to any interest or other payment in respect of any delay in payment resulting from (A) the due date for a payment not being a Payment Business Day or (B) a cheque mailed in accordance with this Condition 13 arriving after the due date for payment or being lost in the mail.
- (e) *Partial payments:* If a Paying Agent makes a partial payment in respect of any Registered Note, the Issuer shall procure that the amount and date of such payment are noted on the Register and, in the case of partial payment upon presentation of a Note Certificate, that a statement indicating the amount and the date of such payment is endorsed on the relevant Note Certificate.
- (f) *Record date:* Each payment in respect of a Registered Note will be made to the person shown as the Holder in the Register at the opening of business in the place of the Registrar's Specified Office on the fifteenth day before the due date for such payment (the "**Record Date**"). Where payment in respect of a Registered Note is to be made by cheque, the cheque will be mailed to the address shown as the address of the Holder in the Register at the opening of business on the relevant Record Date.

13. **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 Germany 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:
 - (i) held 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) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or
 - (iii) where such withholding or deduction is imposed pursuant to (A) any international treaty or understanding between the Federal Republic of Germany and the United States of America regarding the "Hiring Incentives to Restore Employment Act" (FATCA) (the "**Intergovernment Agreement**") or (B) any provision of law implementing or complying with or introduced to conform with such Intergovernment Agreement; or
 - (iv) held by or on behalf of a Holder who would have been able to avoid such withholding or deduction by presenting the relevant Note or Coupon to another Paying Agent in a Member State of the European Union; or
 - (v) held by or on behalf of a Noteholder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring that any third party complies with any statutory requirements or by making or procuring that any third party makes a declaration of non-residence or other similar claim for exemption to any tax authority in the place where the relevant Note (or the Certificate representing it) or Coupon is presented for payment; or
 - (vi) where the relevant Note or Coupon or Note Certificate is presented or surrendered for payment 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 or surrendering such Note or Coupon or Note Certificate 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 Germany, references in these Conditions to Germany shall be construed as references to Germany and/or such other jurisdiction.

14. **Events of Default**

If any of the following events occurs and is continuing:

- (a) *Non-payment:* the Issuer fails to pay any amount of principal in respect of the Notes within 7 days of the due date for payment thereof or fails to pay any amount of interest in respect of the Notes within 14 days of the due date for payment thereof; or
- (b) *Breach of other obligations:* the Issuer defaults in the performance or observance of any of its other obligations under these Conditions and the Notes and such default remains unremedied for 30 days after written notice thereof, addressed to the Issuer by any Noteholder, has been delivered to the Issuer or to the Specified Office of the Fiscal Agent; or
- (c) *Cross-acceleration of Issuer or Material Subsidiary:*
 - (i) any Indebtedness of the Issuer or any of its Material Subsidiaries is not paid when due or (as the case may be) within any originally applicable grace period;
 - (ii) any such Indebtedness becomes due and payable prior to its stated maturity otherwise than at the option of the Issuer or (as the case may be) the relevant Material Subsidiary or (**provided that** no event of default, howsoever described, has occurred) any Person entitled to such Indebtedness; or
 - (iii) the Issuer or any of its Material Subsidiaries fails to pay when due within any applicable grace periods any amount payable by it under any Guarantee of any Indebtedness;

provided that the amount of Indebtedness referred to in sub-paragraph (i) and/or sub-paragraph (ii) above and/or the amount payable under any Guarantee referred to in sub-paragraph (iii) above individually or in the aggregate exceeds EUR 50 million or its equivalent (on the basis of the middle spot rate for the relevant currency against the Euro as quoted by any leading bank on the day on which this paragraph operates); or

- (d) *Unsatisfied judgment:* one or more judgment(s) or order(s) for the payment of any aggregate amount in excess of EUR 25 million or its equivalent (on the basis of the middle spot rate for the relevant currency against the Euro as quoted by any leading bank on the day on which this paragraph operates) is rendered against the Issuer or any of its Material Subsidiaries and continue(s) unsatisfied and unstayed for a period of 30 days after the date(s) thereof or, if later, the date therein specified for payment, save that the Issuer or one or more of its Material Subsidiaries shall not be deemed to be in default in respect of such judgement or order for payment if it shall be contesting it in good faith and by appropriate means; or
- (e) *Security enforced:* a secured party takes possession of, or a receiver, manager or other similar officer is appointed in respect of, the whole or a substantial part of the undertaking, assets and revenues of the Issuer or any of its Material Subsidiaries; or
- (f) *Insolvency etc:* (i) the Issuer or any of its Material Subsidiaries becomes insolvent or is unable to pay its debts as they fall due, (ii) an administrator or liquidator is appointed (or application for any such appointment is made) in respect of the Issuer or any of its Material Subsidiaries or the whole or any part of the undertaking, assets and revenues of the Issuer or any of its Material Subsidiaries, (iii) the Issuer or any of its Material Subsidiaries takes any action for a readjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of any of its Indebtedness or any Guarantee of any Indebtedness given by it or (iv) the Issuer or any of its Material Subsidiaries ceases or threatens to cease to carry on all or substantially all of its business (otherwise than for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent, including for the avoidance of doubt, whereby the undertaking and assets of the Material Subsidiary are transferred to or otherwise vested in the Issuer or another of its Subsidiaries); or
- (g) *Winding up etc:* an order is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Issuer or any of its Material Subsidiaries (otherwise than, in the case of a Material Subsidiary of the Issuer, for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent, including for the avoidance of doubt, whereby the undertaking and assets of the Material Subsidiary are transferred to or otherwise vested in the Issuer or another of its Subsidiaries); or
- (h) *Analogous event:* any event occurs which under the laws of Germany has an analogous effect to any of the events referred to in paragraphs (d) to (g) above; or
- (i) *Failure to take action etc:* any action, condition or thing at any time required to be taken, fulfilled or done in order (i) to enable the Issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under and in respect of the Notes, (ii) to ensure that those obligations are legal, valid, binding and enforceable and (iii) to make the Notes and the Coupons admissible in evidence in the courts of England is not taken, fulfilled or done; or
- (j) *Unlawfulness:* it is or will become unlawful for the Issuer to perform or comply with any of its obligations under the Notes.

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 Fiscal 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.

15. **Prescription**

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

16. **Replacement of Notes and Coupons**

If any Note, Note Certificate or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Fiscal Agent, in the case of Bearer Notes, or the Registrar, in the case of Registered Notes (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 or Transfer Agent in any particular place, the Paying Agent or Transfer 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, Note Certificates or Coupons must be surrendered before replacements will be issued.

17. **Agents**

In acting under the Agency Agreement and in connection with the Notes and the Coupons, the 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 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 Agent and to appoint a successor fiscal agent or registrar or Calculation Agent and additional or successor paying agents; **provided, however, that:**

- (a) the Issuer shall at all times maintain a fiscal agent and a registrar; and
- (b) the Issuer shall at all times maintain a paying agent in an EU member state that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC; and
- (c) if a Calculation Agent is specified in the relevant Final Terms, the Issuer shall at all times maintain a Calculation Agent; and
- (d) 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 and/or a Transfer Agent in any particular place, the Issuer shall maintain a Paying Agent and/or a Transfer 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 Agents or in their Specified Offices shall promptly be given to the Noteholders.

18. **Meetings of Noteholders; Modification and Waiver**

- (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 them upon the request in writing of Noteholders holding not less than one-tenth 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 one more than half 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 three-quarters or, at any adjourned meeting, one quarter 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 the holders of not less than 75 per cent. in nominal amount of the Notes outstanding 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, these Conditions and the Deed of Covenant may be amended without the consent of the Noteholders or the Couponholders to correct a manifest error. 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 such parties, not materially prejudicial to the interests of the Noteholders.

19. **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.

20. **Notices**

- (a) *Bearer Notes:* Notices to the Holders of Bearer Notes shall be valid if published in a leading English language daily newspaper published in London (which is expected to be the *Financial Times*) and, if the Bearer Notes are admitted to trading on the Luxembourg Stock Exchange and it is a requirement of applicable law or regulations, a leading newspaper having general circulation in Luxembourg (which is expected to be *Luxemburger Wort*) or published on the website of the Luxembourg Stock Exchange (*www.bourse.lu*) or, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the date of first publication (or if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers). Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Holders of Bearer Notes.
- (b) *Registered Notes:* Notices to the Holders of Registered Notes shall be sent to them by first class mail (or its equivalent) or (if posted to an overseas address) by airmail at their respective addresses on the Register and, if the Registered Notes are admitted to trading on the Luxembourg Stock Exchange and it is a requirement of applicable law or regulations, notices to Noteholders will be published on the date of such mailing in a leading newspaper having general circulation in Luxembourg (which is expected to be *Luxemburger Wort*) or published on the website of the Luxembourg Stock Exchange (*www.bourse.lu*) or, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the fourth day after the date of mailing.

21. **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 Fiscal 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.

22. **Rounding**

- (a) 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.

23. **Governing Law and Jurisdiction**

- (a) *Governing law:* The Notes and any non-contractual obligations arising out of or in connection with the Notes are governed by English law.

- (b) *English courts:* The courts of England have exclusive jurisdiction to settle any dispute (a "**Dispute**") arising out of or in connection with the Notes (including any non-contractual obligation arising out of or in connection with the Notes).
- (c) *Appropriate forum:* The Issuer agrees that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary.
- (d) *Rights of the Noteholders to take proceedings outside England:* Condition 23(b) (*English courts*) is for the benefit of the Noteholders only. As a result, nothing in this Condition 23 (*Governing law and jurisdiction*) prevents any Noteholder from taking proceedings relating to a Dispute ("**Proceedings**") in any other courts with jurisdiction. To the extent allowed by law, Noteholders may take concurrent Proceedings in any number of jurisdictions.
- (e) *Service of process:* The Issuer agrees that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to Hackwood Secretaries Limited at One Silk Street, London EC2Y 8HQ, United Kingdom, or to such other person with an address in England or Wales and/or at such other address in England or Wales as the Issuer may specify by notice in writing to the Noteholders. Nothing in this paragraph shall affect the right of any Noteholder to serve process in any other manner permitted by law. This Condition applies to Proceedings in England and to Proceedings elsewhere.

FORM OF FINAL TERMS

The Final Terms in respect of each Tranche of Notes will be in the following form, duly completed to reflect the particular terms of the relevant Notes and their issue.

Final Terms dated [•]

VIER GAS TRANSPORT GMBH
Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]

under the EUR5,000,000,000

Euro Medium Term Note Programme

The Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances. The expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the relevant Member State) and includes any relevant implementing measures in the Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

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 17 May 2013 [and the supplemental Base Prospectus dated [•] which [together] constitute[s] a base prospectus (the "**Base Prospectus**") for the purposes of the Prospectus Directive (Directive 2003/71/EC), as amended, (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].

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 [as so supplemented]. The Base Prospectus [and the supplemental Base Prospectus] [is] [are] available for viewing [at [•]] [and] during normal business hours at [•] [and copies may be obtained from [•]].

1.
 - (i) Series: [•]
 - (ii) Tranche: [•]
 - (iii) Date on which the Notes will be consolidated and form a single Series: [The notes will be consolidated and form a single Series with [*Earlier Tranche*] on [the Issue Date] [the exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 24 below.]/[Not applicable].]
2. Specified Currency or Currencies: [•]
3. Aggregate Nominal Amount: [•]
 - (i) Series: [•]
 - (ii) Tranche: [•]
4. Issue Price: [•] per cent. of the Aggregate Nominal Amount [plus accrued interest from [•]]
5.
 - (i) Specified Denominations: [•]
 - (ii) Calculation Amount: [•]
6.
 - (i) Issue Date: [•]
 - (ii) Interest Commencement Date: [•]
7. Maturity Date: [•]
[•]
8. Interest Basis: [[•] per cent. Fixed Rate]

(As referred to under Conditions 6, 7 or 9) [[LIBOR]/[EURIBOR] +/- [•] per cent. Floating Rate]

[Zero Coupon]

[Index Linked Interest]

(further particulars specified below)
9. Redemption/Payment Basis: [Redemption at par]

(As referred to under Conditions 8 and 10) [Index Linked Redemption]

[Dual Currency]

(further particulars specified below)
10. Change of Interest Basis: [•]/[Not Applicable]
11. Put/Call Options: [Investor Put]
[Issuer Call]
(As referred to under Conditions 8 and 10) [Not applicable]

(further particulars specified below)
 - (i) [Date of Board approval for [•]/[Not Applicable]

issuance of Notes:

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

12. **Fixed Rate Note Provisions** [Applicable]/[Not Applicable]
(As referred to under Condition 6) *(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Rate(s) of Interest: [•] per cent. per annum payable [annually]/[semi-annually]/[quarterly] in arrear
- (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] [•]]/[Not Applicable]
- (v) Day Count Fraction: [Actual/Actual (ICMA)]/[Actual]/[Actual ISDA]
[Actual/365 (Fixed)]
(As referred to under Condition 2(a)) [Actual/360]
[30/360]
[30E/360 [Eurobond basis]
[30E/360 (ISDA)]
- (vi) Determination Dates: [[•] in each year]/[Not Applicable]
13. **Floating Rate Note Provisions** [Applicable]/[Not Applicable]
(As referred to under Condition 7) *(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Interest Period(s): [•]
- (ii) Specified Period: [•]
- (iii) Specified Interest Payment Dates: [•]
- (iv) First Interest Payment Date: [•]
- (v) Business Day Convention: [Floating Rate Convention]/[Following Business Day Convention]/[Modified Following Business Day Convention]/[Preceding Business Day Convention]
(As referred to under Condition 2(a))
- (vi) Additional Business Centre(s): [Not Applicable]/[•]
(As referred to under Condition 2(a))
- (vii) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination]/[ISDA Determination]
(As referred to under Conditions 7(c) or 7(d))

- (viii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Fiscal Agent): [•]/[Not Applicable]
- (ix) Screen Rate Determination:
(As referred to under Condition 7(c))
- Reference Rate: [LIBOR]/[EURIBOR]
 - Interest Determination Date(s): [•]
 - Relevant Screen Page: [•]
 - Relevant Time: [•]
 - Relevant Financial Centre: [•]
- (x) ISDA Determination:
(As referred to under Condition 7(d))
- Floating Rate Option: [•]
 - Designated Maturity: [•]
 - Reset Date: [•]
- (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]/[Actual ISDA]
[Actual/365 (Fixed)]
(As referred to under Condition 2(a)) [Actual/360]
[30/360]
[30E/360 [Eurobond basis]
[30E/360 (ISDA)]

14. **Zero Coupon Note Provisions** [Applicable]/[Not Applicable]
(As referred to under Condition 9) *(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Accrual Yield: [•] per cent. per annum
- (ii) Reference Price: [•]
- (iii) Day Count fraction: [Actual/Actual (ICMA)][Actual]/[Actual ISDA]
[Actual/365 (Fixed)]
(As referred to under Condition 2(a)) [Actual/360]
[30/360]
[30E/360 [Eurobond basis]
[30E/360 (ISDA)]

15.	Index-Linked Note Provisions	[Applicable]/[Not Applicable]
	(As referred to under Conditions 7 and 8)	<i>(If not applicable, delete the remaining subparagraphs of this paragraph)</i>
	(ii) Base Index Level:	[•]
	(iii) Name and address of Calculation Agent responsible for calculating the interest due (if not the Fiscal Agent):	[•]
	(v) Interest Determination Date(s):	[•]
	(vii) Interest Period(s):	[•]
	(viii) Specified Period:	[•]
	(ix) Specified Interest Payment Dates:	[•]
	(x) Business Day Convention: (As referred to under Condition 2(a))	[Floating Rate Convention]/ [Following Business Day Convention]/[Modified Following Business Day Convention]/[Preceding Business Day Convention]
	(xi) Additional Business Centre(s):	[•]/[Not Applicable]
	(xii) Minimum Rate/Amount of Interest:	[[•] per cent. per annum]/[Not Applicable]
	(xiii) Maximum Rate/Amount of Interest:	[[•] per cent. per annum]/[Not Applicable]
	(xiv) Day Count Fraction: (As referred to under Condition 2(a))	[Actual/Actual (ICMA)][Actual]/[Actual ISDA] [Actual/365 (Fixed)] [Actual/360] [30/360] [30E/360 [Eurobond basis]] [30E/360 (ISDA)]
	(xv) Related Instrument:	[•]

PROVISIONS RELATING TO REDEMPTION

16.	Call Option	[Applicable]/[Not Applicable]
		<i>[If not applicable, delete the remaining subparagraphs of this paragraph]</i>
	(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]/[Make-Whole Amount]
	(iii) If redeemable in part:	
	(a) Minimum Redemption Amount:	[[•] per Calculation Amount]/[Not Applicable]

- (b) Maximum Redemption Amount [[•] per Calculation Amount]/[Not Applicable]
- (iv) Notice period: [•]
17. **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
18. **Final Redemption Amount of each Note** [•] per Calculation Amount
- In cases where the Final Redemption Amount is Index-Linked: [Not Applicable]/[Applicable]
- [If not applicable, delete the remaining subparagraphs of this paragraph]*
- (ii) Calculation Agent responsible for calculating the Final Redemption Amount (if not the Fiscal Agent): [•]
- (v) Minimum Final Redemption Amount: [[•] per Calculation Amount]/[Not Applicable]
- (vi) Maximum Final Redemption Amount: [[•] per Calculation Amount]/[Not Applicable]
19. **Early Redemption Amount** [•]/[•] 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

20. **Form of Notes:**
- [Bearer Notes:**
- [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes on [•] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note]
- [Temporary Global Note exchangeable for Definitive Notes on [•] days' notice]
- [Permanent Global Note exchangeable for Definitive Notes on [•] days' notice/at any time/in the limited circumstances specified in the Permanent Global

Note]]

[Registered Notes:

[Global Registered Note exchangeable for Individual Note Certificates on [•] days' notice/at any time/in the limited circumstances described in the Global Registered Note]

[Global Registered Note registered in the name of a nominee for [a common depository for Euroclear and Clearstream, Luxembourg]/[a common safekeeper for Euroclear and Clearstream, Luxembourg (that is, held under the New Safekeeping Structure (NSS)).]]

21. New Global Note: [Yes]/[No]
22. Additional Financial Centre(s) or other special provisions relating to payment dates: [Not Applicable]/[•]
23. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made]/[No.]
24. Consolidation provisions: [Not Applicable]/[The provisions [in Condition 19 (*Further Issues*) applies]

DISTRIBUTION

25. Total commission and concession: [•] per cent. of the Aggregate Nominal Amount
26. TEFRA: [TEFRA C]/[TEFRA D]/[TEFRA not applicable]

Signed on behalf of Vier Gas Transport GmbH:

By:
Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (i) Listing: [Luxembourg Stock Exchange]/[Other]
- (ii) Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [Luxembourg Stock Exchange]/[•] 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 [Luxembourg Stock Exchange]/[•] with effect from [•]]/[Not Applicable].
- (iii) Estimate of total expenses related to admission to trading [•]

2. RATINGS:

- Ratings: The Notes to be issued have been rated:
Standard & Poor's Credit Market Services Europe Limited: [•]
[Other Rating Agencies: [•]]

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER

"Save for any fees payable to the [Managers]/[Dealers], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer."

4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

- (i) Reasons for the offer: [•]
- (ii) Estimated net proceeds: [•]
- (iii) Estimated total expenses: [•]

5. [Fixed Rate Notes only – YIELD

- Indication of yield: [•]

6. OPERATIONAL INFORMATION

ISIN Code: [•]

Common Code: [•]

Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s): [Not Applicable] / [•]
[Address(es)]

Delivery: Delivery [against/free of] payment

Names and addresses of additional [•]

Paying Agent(s) (if any):

Intended to be held in a manner which would allow Eurosystem eligibility:

[Yes][No][Not Applicable]

[Yes. Note that the designation “yes” simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper,)] [include this text for registered notes] and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

[No. Whilst the designation is specified as “no” at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper,)] [include this text for registered notes] . Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

Clearing System Accountholders

In relation to any Tranche of Notes represented by a Global Note in bearer form, 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.

In relation to any Tranche of Notes represented by a Global Registered Note, references in the Terms and Conditions of the Notes to "Noteholder" are references to the person in whose name such Global Registered Note is for the time being registered in the Register which, for so long as the Global Registered Note is held by or on behalf of a depositary or a common depositary or a common safekeeper for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, will be that depositary or common depositary or common safekeeper or a nominee for that depositary or common depositary or 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 or a Global Registered 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 holder of such Global Note or Global Registered Note and in relation to all other rights arising under such Global Note or Global Registered Note. The extent to which, and the manner in which, Accountholders may exercise any rights arising under the Global Note or Global Registered 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 a Global Note or Global Registered 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 holder of such Global Note or Global Registered Note.

Conditions applicable to Global Notes

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

Payments: All payments in respect of the Global Note or Global Registered Note which, according to the Terms and Conditions of the Notes, require presentation and/or surrender of a Note, Note Certificate or Coupon 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 or Global Registered 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.

Payment Business Day: In the case of a Global Note, or a Global Registered Note, shall be, if the currency of payment is euro, any day which is 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, if the currency of payment is not euro, any day which is 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.

Payment Record Date: Each payment in respect of a Global Registered Note will be made to the person shown as the Holder in the Register at the close of business (in the relevant clearing system) on the Clearing System Business Day before the due date for such payment (the "**Record**

Date") where "**Clearing System Business Day**" means a day on which each clearing system for which the Global Registered Note is being held is open for business.

Exercise of put option: In order to exercise the option contained in Condition 10(e) (*Redemption at the Option of the Noteholders following a Restructuring Event*) or Condition 10(f) (*Redemption at the option of Noteholders*) the bearer of the Permanent Global Note or the holder of a Global Registered 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 Fiscal 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 10(c) (*Redemption at the option of the Issuer*) in relation to some only of the Notes, the Permanent Global Note or Global Registered 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 20 (*Notices*), while all the Notes are represented by a Permanent Global Note (or by a Permanent Global Note and/or a Temporary Global Note) or a Global Registered Note and the Permanent Global Note is (or the Permanent Global Note and/or the Temporary Global Note are), or the Global Registered Note is, 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 20 (*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 the Luxembourg Stock Exchange and it is a requirement of applicable law or regulations, such notices shall also be published in a leading newspaper having general circulation in Luxembourg (which is expected to be *Luxemburger Wort*) or published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

BUSINESS DESCRIPTION OF THE ISSUER

1 Description of the Issuer

The Issuer operates under the laws of Germany and was incorporated as a limited liability company on 10 January 2012. The Issuer has its corporate seat in Essen, Germany and its registered office is at Kallenbergstraße 5, 45141 Essen, Germany. The Issuer is registered with the local court (*Amtsgericht*) of Essen under registration number HRB 24299. The telephone number of the Issuer is +49 201 384 58 740.

2 Ownership

The Issuer is wholly owned by Vier Gas Services GmbH & Co. KG (“VGS”) represented by its general partner Vier Gas Services Management GmbH (“VGSM”). Both VGS and VGSM are wholly owned by Vier Gas Holdings S.à r.l., Luxembourg (“VGH Luxembourg”). The Issuer acquired OGE from E.ON Ruhrgas AG on 23 July 2012.

VGS is a limited partnership established under the laws of Germany, the sole limited partnership interest of which was acquired by VGH Luxembourg in order to hold the shares in the Issuer. Its primary assets are the shares held in the Issuer. VGSM is a limited liability company established under the laws of Germany. VGSM was acquired by VGH Luxembourg in order to operate as the general partner of VGS. VGSM has no material assets.

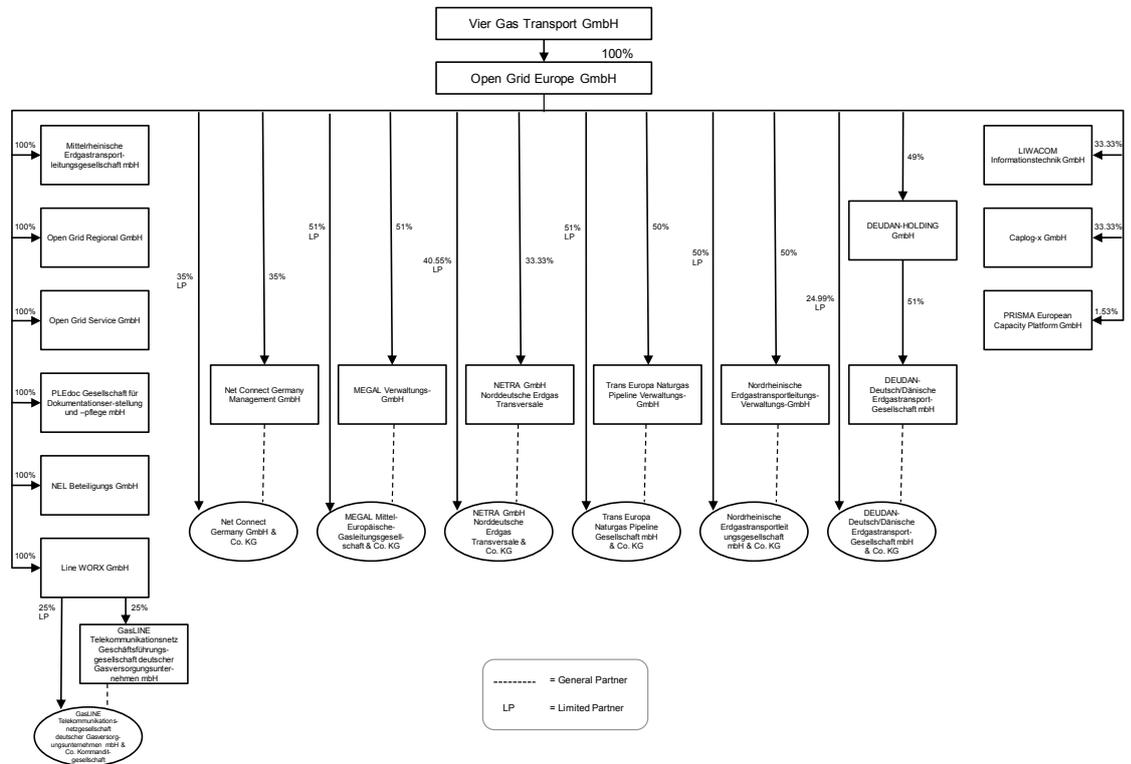
VGH Luxembourg is a Luxembourg incorporated limited liability company, which operates as a holding company. Its main assets are the interest in VGS and shares in VGSM. It has three shareholders: (i) Vier Gas Investments S.à r.l. (42.86 per cent.), a Luxembourg incorporated limited liability company, which operates as a holding company and whose only assets are the shares in VGH Luxembourg; (ii) Infinity Investments S. A. (24.99 per cent.), a Luxembourg incorporated société anonyme; and (iii) bcIMC Investments S.à r.l. (32.15 per cent.).

Vier Gas Investments S.à r.l. is held by Vier Gas Ventures S.à r.l. (56.3 per cent.) and three German incorporated limited liability companies (together, 43.7 per cent.), which are managed on behalf of Munich RE. Vier Gas Ventures S.à r.l. is held by MEIF 4 Luxembourg C Holdings S.à r.l. (97.7 per cent.) and Halifax Regional Municipality Master Trust (2.3 per cent.). MEIF 4 Luxembourg C Holdings S.à r.l. is indirectly jointly wholly owned by Macquarie European Infrastructure Fund 4 LP and its related parallel investment vehicle, Macquarie European Infrastructure Fund 4 FCPR.

3 Capitalisation and Group Structure

As of 31 December 2012, the registered share capital of the Issuer amounted to EUR 25,000 comprising 25,000 shares with a nominal amount of EUR 1 each, all of which were owned by VGS, and there has been no change in this information as of the date of this Base Prospectus.

The legal structure of the Issuer's group as of the date of this Base Prospectus is shown below:



4 Corporate Governance

The Issuer is controlled and supervised by its sole shareholder and a Board of Directors comprising seven managing directors. Their details are shown below:

Name	Position	Position outside the Issuer	Business Address
Frank Heiss	Managing Director	Macquarie Infrastructure & Real Assets (Senior Vice President), Vier Gas Services Management GmbH (Director), Thyssengas Service Verwaltung GmbH (Managing Director) and Smetana Investments S.à r.l. (Manager).	Untermainanlage 1 60329 Frankfurt Germany
Hilko Schomerus	Managing Director	Macquarie Infrastructure & Real Assets (Managing Director), Airwave Solutions Deutschland GmbH (Director), Airwave Solutions Norway AS (Director), CEPE des Trois Sources (Director), CEPE du Lomont (Director), DCT Gdansk SA (Director), EURL Champs d'Eolienne GIF 2 (Director), European Transport Investments (UK) Limited (Director), MEIF 3 Luxembourg A Holdings Sarl (Manager), MEIF 3 Luxembourg B Holdings Sarl (Manager), MEIF 3 Luxembourg C Holdings Sarl (Manager), MEIF 4 Luxembourg A Holdings S.A. (Director), MEIF 4	Untermainanlage 1 60329 Frankfurt Germany

Luxembourg B Holdings S.à r.l. (Manager), MEIF 4 Luxembourg C Holdings S.à r.l. (Manager), MEIF Airport Finance S.à r.l. (Manager), MEIF II CP Holdings Sarl (Manager), MEIF II Finance Holdings S.à r.l. (Manager), MEIF II Germany Holdings Sarl (Manager), MEIF II Luxembourg Holdings Sarl (Manager), MEIF II Luxembourg Investment S.a.r.l. (Manager), MEIF II Saubere Energie GP GmbH (Director), MEIF II Saubere Energie Holdings S.a.r.l. (Manager), MEIF Luxembourg Holdings Sarl (Manager), MRIF Cyprus Investments 3 Limited (Manager), MTC Gas Luxembourg Holdings Sarl (Manager), MTC Gas Transport Holdings Sarl (Manager), NL Airport Holdings S.à r.l. (Manager), Open Grid Europe GmbH (Supervisory Board Member), PFR Partners Management Limited (Director), Sisu Ventures Oy (Director), Techem Energie GmbH (Managing Director), Techem Energy Services GmbH (Director), Techem GmbH (Director), Thyssengas GmbH (Supervisory Board Member), Thyssengas Service Verwaltung GmbH (Managing Director), TRES VENT GIF2 SAS (Director), TROIS SOURCES LOMONT HOLDINGS SARL (Manager), Vier Gas Services Management GmbH (Director), Vier Gas Ventures Sarl (Manager) and Warnowquerung Verwaltungsgesellschaft mbH (Director).

Simon Richard Eaves	Managing Director	ADIA (Senior Fund Manager, Infrastructure Division), Infinity Investments S.A. (Director), Infinity Investments Ltd (Director), Tawreed Investments Ltd (Director), Solveig Gas Holdco A.S. (Director), Solveig Gas Norway A.S. (Director), Vier Gas Holdings Sarl (Director), Vier Gas Services GmbH (Director), Vier Gas Services GmbH Co KG (Director), Kemble Water Eurobond PLC (Director), Kemble Water Finance Limited (Director), Kemble Water Holdings Limited (Director), Kemble Water Investments Limited (Director), Kemble Water Liberty Limited (Director), Kemble Water Limited (Director), Kemble Water Structure Limited (Director), Thames Water Holdings Limited (Director), Thames Water Limited (Director), Thames Water Utilities Holdings Limited (Director), Thames Water Utilities Limited (Director) and Open Grid Europe GmbH (Supervisory Board Member).	211 Corniche Street Abu Dhabi United Arab Emirates
Lincoln Hillier Webb	Managing Director	British Columbia Investment Management Corp. (Vice President, Private Placements), Vier Gas Holdings Sarl (Director), Vier Gas	3rd Flr., Jutland Victoria, 2940 Road BC

			Services Management GmbH (Director), Corix Infrastructure Inc. (Director), Thames Water Utilities Holdings Ltd (Director), Kemble Water Ltd (Director), Kemble Water Eurobond Plc (Director), Kemble Water Finance Ltd (Director), Kemble Water Holdings Ltd (Director), Kemble Water Investments Ltd (Director), Kemble Water Liberty Ltd (Director), Kemble Water Structure Ltd (Director), Thames Water Utilities Ltd (Director), Thames Water Holdings Ltd (Director), Thames Water Ltd (Director), bcIMC Investments Sarl (Director) and DBCT Management PTY Ltd (Alternate Director).	V8T Canada	5K6
Richard Dinneny	W Managing Director		British Columbia Investment Management Corp. (Portfolio Manager, Private Placements), Vier Gas Services Management GmbH (Director) and Noverco Inc. (Director).	3rd Flr., Jutland Victoria, V8T Canada	2940 Road BC 5K6
Guy Lambert	Managing Director		ADIA (Regional Head, Infrastructure Division), Vier Gas Services GmbH (Director), Vier Gas Services GmbH Co KG (Director), MICI Inc. (Director) and Open Grid Europe GmbH (Supervisory Board Member).	211 Corniche Street Abu Dhabi United Emirates	
Alice Forster	Managing Director		MEAG MUNICH ERGO Asset Management GmbH (Senior Investment Manager, Private Equity & Infrastructure), Open Grid Europe GmbH (Supervisory Board Member), Vier Gas Holdings Sarl (Director), Vier Gas Investments Sarl (Director) and Vier Gas Services Management GmbH (Director).	Oskar-von-Miller- Ring 80333 Germany	18 Munich

5 Conflicts

There are no potential conflicts of interest between any duties to the Issuer of its directors and their private interests and other duties.

6 Business

The Issuer is a holding company and, as such, its principal asset is its investment in OGE. See “*Business Description of OGE*” for a description of OGE.

7 Financial Policy

The Issuer intends to maintain a regular and stable flow of dividends from its investment in OGE. In order to ensure such stable flow of returns, achieving and maintaining a strong investment grade rating is a high priority for the Issuer. OGE has entered into a profit and loss transfer agreement with the Issuer with effect from 1 January 2013.

The Issuer is a borrower and guarantor under a secured €2,750,000,000 Facilities Agreement dated 9 May 2012 (as amended on 21 December 2012) to which, among others, the Issuer, OGE, certain of OGE’s wholly owned subsidiaries, BNY Mellon Corporate

Trustee Services Limited as security agent and certain financial institutions are party (the “**Existing Facilities Agreement**”).

VGS, VGSM and certain of VGS’ wholly owned subsidiaries, including the Issuer and OGE, have granted security in support of their obligations under the Existing Facilities Agreement (the “**Existing Security**”). The Existing Security consists of bank account pledges, assignment of receivables (broadly, intra-group and trade receivables), assignment of existing hedging contracts, and share pledges.

It is expected that the Existing Security will be released on the issue of the first Tranche under the Programme in connection with the issue proceeds of such Tranche being applied in prepayment of the Existing Facilities Agreement. Contemporaneously with the issue of the first Tranche, it is expected that the facilities under the Existing Facilities Agreement will be refinanced.

8 Financial Statements

The Issuer has published its first consolidated financial statements in respect of the period from 12 April 2012 to 31 December 2012. See “Information Incorporated by Reference” for further information on the financial statements of the Issuer incorporated by reference into this Base Prospectus.

The auditors of the Issuer are PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft whose registered office is Friedrich-List-Straße 20, 45128 Essen, Germany.

BUSINESS DESCRIPTION OF OGE

1 Description of OGE

OGE operates under the laws of Germany and was incorporated as a limited liability company on 4 December 2003. The company has its registered seat in Essen, Germany and has its registered office at Kallenbergstraße 5, 45141 Essen, Germany. OGE is registered in Essen with the local court of Essen under HRB 17487. The telephone number of OGE is +49 201 3642-0.

2 Capitalisation Structure

The registered share capital of OGE amounted to EUR 110,324,332 comprising three shares with nominal values of EUR 25,000, EUR 99,975,000 and EUR 10,324,332, respectively as of 31 December 2012, and there has been no change in this information as of the date of this Base Prospectus. The sole shareholder of OGE is the Issuer.

3 Corporate Governance

3.1 Supervisory Board

OGE is supervised by a supervisory board consisting of six members. In accordance with the articles of association of OGE, two of the members of the supervisory board are employee representatives, the remaining four are appointed by OGE's shareholder(s).

The members of the supervisory board are as follows:

Name	Position	Position outside OGE	Business Address
Hilko Schomerus	Chairman and shareholder's appointee	See " <i>Business Description of the Issuer – Corporate Governance</i> " for details of other positions outside OGE held by Hilko Schomerus.	Untermainanlage 1 60329 Frankfurt Germany
Frank Lehmann	Vice-chairman and employee representative	None	Kallenbergstraße 5, 45141 Essen
Thomas Engelkamp	Employee representative	None	Röthenbachtal 1, 90552 Röthenbach a.d. Pegnitz
Alice Forster	Shareholder's appointee	See " <i>Business Description of the Issuer – Corporate Governance</i> " for details of other positions outside OGE held by Alice Forster.	Oskar-von-Miller- Ring 18 80333 Munich Germany
Simon Richard Eaves	Shareholder's appointee	See " <i>Business Description of the Issuer – Corporate Governance</i> " for details of other positions outside OGE held by Simon Richard Eaves.	211 Corniche Street Abu Dhabi United Arab Emirates
Lincoln Hillier Webb	Shareholder's appointee	See " <i>Business Description of the Issuer – Corporate Governance</i> " for details of other positions outside OGE held by Lincoln Webb.	3rd Flr., 2940 Jutland Road Victoria, BC V8T 5K6 Canada

3.2 Management Board

The management board of OGE comprises four managing directors. In addition, OGE has two general representatives.

The members of the management board and the general representatives are as follows:

Name	Position	Position outside OGE
Mr. Stephan Kamphues	Managing Director and Chairman/Speaker of the Board of Management	Chairman of the Supervisory Board of Trans Europa Naturgas Pipeline Gesellschaft mbH & Co. KG
		Member of the Supervisory Board of Creos Deutschland GmbH
		Member of the Management Board of Creos Luxembourg S.A.
		Member and Chairman of the Management Board of Fluxys LNG SA
		Member of the Board and President of ENTSOG (European Network of Transmissions System Operators for Gas)
Mr. Wolfgang Anthes	Managing Director (Business Services)	Member of the Board of Gas Infrastructure Europe (“GIE”) and President of GIE’s Sub-Division “Gas Transmission Europe”
		Chairman of the Supervisory Board of GasLine Telekommunikationsnetzgesellschaft deutscher Gasversorgungsunternehmen mbH
Dr. Jörg Bergmann	Managing Director (Commercial / Regulation)	Member of the Supervisory Board of Nordrheinische Erdgastransportleitungs-Verwaltungs GmbH
		Chairman of the Supervisory Board of MEGAL Mittel-Europäische Gasleitungsgesellschaft mbH & Co. KG
		Vice-Chairman of the Supervisory Board of Nordrheinische Erdgastransportleitungs-Verwaltungs GmbH
Dr. Thomas Hüwener	Managing Director (Technical)	Member of the Supervisory Board of Trans Europa Naturgas Pipeline Gesellschaft mbH & Co. KG
		Member of the Supervisory Board of Trans Europa Naturgas Pipeline Gesellschaft mbH & Co. KG
Mr. Jürgen Fuhlrott	General representative	None
Mr. Ulrich Ronnacker	General representative	None

The business address of each of the members of the management board and of the general representatives is Kallenbergstraße 5, 45141 Essen, Germany.

4 Conflicts

There are no potential conflicts of interest between any duties to OGE of its directors and their private interests and other duties.

5 Business Overview

5.1 Introduction

OGE is Germany's leading natural gas carrier with a gas transmission network of around 12,000 km in length. With its modern and efficient pipeline network and a comprehensive range of services, OGE offers and arranges future-oriented gas transmission solutions.

History

OGE was incorporated by Ruhrgas Aktiengesellschaft (“**Ruhrgas**”, now E.ON Ruhrgas AG “**ERG**”) as Ruhrgas Transport Management GmbH (“**RGT GmbH**”) on 4 December 2003. The establishment of RGT GmbH and Ruhrgas Transport AG & Co. KG (“**RGT KG**”) by Ruhrgas served to fulfil a requirement under an approval (*Erlaubnis*) by the Federal Minister of Economics and Technology (*Bundesminister für Wirtschaft und Technologie*) regarding the acquisition of the majority of the shares in Ruhrgas by E.ON in 2002 whereby Ruhrgas would transfer its gas transmission business to a separate legal entity specifically formed for such purpose. RGT GmbH changed its corporate name to E.ON Ruhrgas Transport Management GmbH in 2004 and then to E.ON Gastransport Management GmbH (“**EGM**”) in 2006.

In 2008, ERG demerged its regulated gas transport business unit to EGM (now OGE) pursuant to a demerger agreement. In consideration of the contribution of assets under the demerger agreement, EGM increased its registered share capital and the single new share in the nominal amount of EUR 99,975,000 was acquired by ERG and EGM was renamed E.ON Gastransport GmbH (“**EGT**”). In 2010, ERG demerged its technical services for regulated gas transport and gas storage business unit to EGT and in exchange the registered share capital of EGT was increased and a new share in the nominal amount of EUR 10,324,332 was issued to ERG. EGT was also simultaneously renamed Open Grid Europe GmbH. OGE was acquired from ERG by the Issuer on 23 July 2012.

Core Business

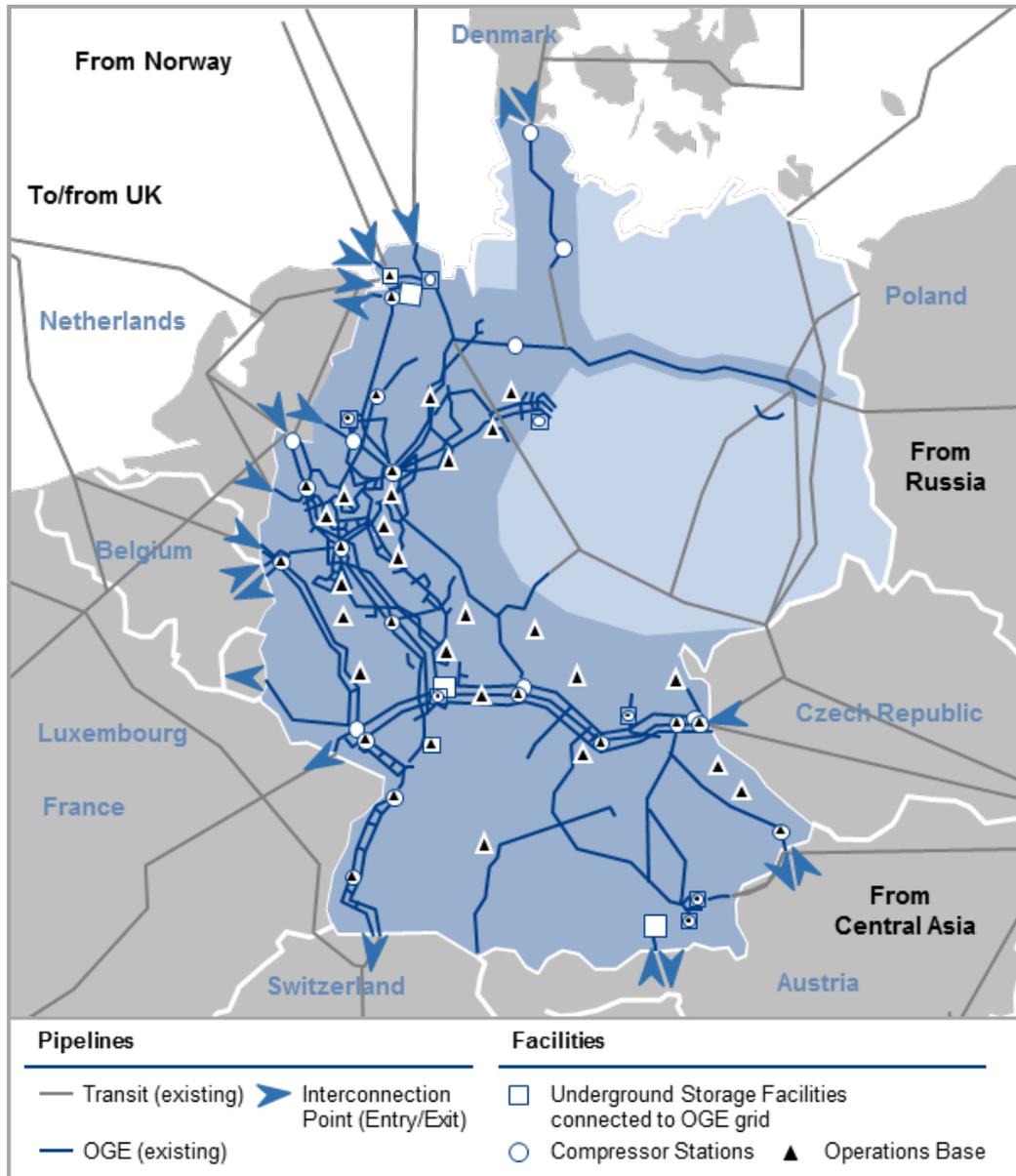
OGE's core business includes:

- the design and construction of pipelines from conceptual design, project management and engineering on to implementation;
- operation of the pipeline system, including maintenance and repair as well as control and monitoring of the network;
- capacity management, from capacity assessment to the development of new gas industry standards;
- marketing of the capacities and support of customers; and
- monitoring and billing of gas transmission capacities.

OGE transports natural gas through its own transmission systems and through cooperation with other TSOs, mostly in the form of joint-ventures or co-ownerships. Located in the heart of Europe, OGE's transmission network is an essential part of the European pipeline system which spans the area from the North Sea and Baltic Sea down to the Mediterranean region, and from the Atlantic to eastern Europe. The total length of the European pipeline system is approximately 200,000 km. The total quantity transported by OGE amounts to approximately 62.5 bcm p.a., representing almost 70 per cent. of the total German market for gas transmission.

OGE and certain of its participations are also active in the area of auxiliary services related to the gas transmission business and, through a joint-venture with other TSOs, OGE participates in the NCG Market Area, one of two market area cooperations in Germany.

The following map provides an overview of the gas transmission network operated by the OGE group:



Key Financial Figures¹

	For the financial year ended 31 December		
	2010	2011	2012
	<i>(EUR in millions)</i>		
Transport Revenues	1,015	960	856
Other Revenues	162	191	188
Total Revenues	1,177	1,150	1,044
Expenses / Other operating income	(923)	(861)	(750)
Income from participations	135	122	117
EBITDA²	390	412	412
Depreciation and Amortisation	(76)	(72)	(72)
Interest Income and Expenses	(12)	(22)	0
EBT	302	318	339
CAPEX	113	93	249

5.2 Strategy

OGE is committed to the guiding principles of openness and transparency for access to its gas pipeline network within the European pipeline system where the network of OGE represents the majority of one of two German market areas. OGE's strategic focus is influenced by the regulated environment in which it operates and involves (i) optimisation of profit within the regulatory framework; (ii) maintaining a high level of cost efficiency; (iii) maintaining high quality operations, security of supply and network expansion in the

¹ These OGE financial figures according to German GAAP have been included in this Base Prospectus for the purpose of providing prospective investors with additional information concerning OGE's contribution to the revenues of the Issuer's group. Prospective investors should be aware that OGE is neither an issuer nor a guarantor of any Notes issued under the Programme.

² OGE uses EBITDA as a performance indicator in our business operations and are of the opinion that this key figure may also be used as a performance indicator by investors. OGE defines EBITDA (earnings before interest, taxes, depreciation and amortization) as earnings before taxes, adjusted for interest income and expenses and adjusted for depreciation and amortisation (for the avoidance of doubt, EBITDA according to this definition includes the result of share investments). The figures for EBITDA presented in this Base Prospectus may not be comparable with the figures for EBITDA reported by other companies since, in the absence of a generally accepted definition of EBITDA, it may be calculated on the basis of different underlying variables. EBITDA is not a measurement of performance under German GAAP and should not be considered as an alternative to profit or loss for the financial year (as determined in accordance with German GAAP) as a measure of our operating performance, (b) cash flows from operating, investing and financing activities as a measure of our ability to meet our cash needs or any other measures of performance under German GAAP.

European context; (iv) market integration; (v) promoting the future importance of gas as an energy source; and (vi) retaining competent employees with strong commitment.

A brief summary of the principal strategic focus areas of OGE is as follows:

- *Optimisation of profit within the regulatory framework:* Under the incentive regulatory mechanism set up by the BNetzA, the annual revenue cap for each regulatory period is based on a cost assessment in a Base Year. OGE continually seeks to optimise its regulated profit and eliminate any regulatory gaps through constant optimisation of the costs structure. OGE also engages in measures aimed at improving the regulatory framework itself through an ongoing dialogue with the BNetzA and the Ministry of Economics regarding various elements of the current regulatory mechanism.
- *Maintaining a high level of cost efficiency:* A core strategic focus of OGE is on the operation, maintenance and development of its network. OGE seeks to continuously improve the cost efficiency and effectiveness of its network, while keeping quality and reliability at the current high level, within the framework of its regulated tariff system and an integrated structure, composed of transmission activities, network and system services and engineering activities.
- *Maintaining high quality operations, security of supply and network expansion in the European context:* OGE focuses on development of appropriate network capacity to meet the short, mid and long term needs of its customers and on maintaining high quality operations, high availability of the network and high level of security of supply. In particular, as laid down in the network development plan, the focus is on offering higher capacities between the northern and southern parts of the OGE network as well as increasing capacities with neighbouring networks, as this is a prerequisite for the further improvement of the European gas market. To ensure security of supply, OGE works with other European TSOs on a bilateral and/or multilateral basis.
- *Market integration:* As a market facilitator, OGE expects to continue to improve the functioning of the national and international gas markets that are connected to OGE's network, which are of major importance to the German market, through continued cooperation with certain grid operators in neighbouring countries with the goal of developing an integrated European gas market.
- *Promoting the future importance of gas as an energy source:* OGE continuously promotes the role of gas within German and European energy policy. This includes participation in discussions about gas transition technology and the long term supplementation of gas to renewable energies. OGE is also involved in projects aimed at the further development of 'Power-to-Gas' technology using electrolysis and methanation.
- *Retaining competent employees with strong commitment:* OGE continuously seeks to maintain and improve the high level of competence, productivity and cost effectiveness of its human resources by establishing a challenging and motivating work environment that strengthens operational excellence. The strategy includes hiring, developing and continuously training qualified personnel according to business needs, implementing a retention management system to support employee's strong commitment to business goals, enforcing an active cost awareness orientated human resources policy and optimising human resources costs within the regulatory framework.

The 2012 network development plan (the "**2012 Network Development Plan**") produced by the German gas TSOs pursuant to the EnWG foresees substantial investments in the expansion of the gas infrastructure in Germany. As a result of its size and role in the German gas transmission market, the 2012 Network Development Plan includes substantial investment obligations for OGE. In order to maximise returns under the existing regulatory regime, OGE has applied for approval of investment measures (*Investitionsmaßnahmen*) according to section 23 ARegV ("**Investment Measures**") for every expansion investment

project. See “5.5 – Projects” below for further details. The Issuer and OGE aim to meet these and other financing needs through diversified sources of funding.

5.3 OGE Group

OGE’s subsidiaries and participations

OGE’s operative subsidiaries and participations may be divided into:

- companies that own or operate gas transmission systems;
- companies concerned with the provision of other regulated and non-regulated services related to the gas transmission business; and
- a holding company through which OGE holds a stake in a joint venture operating an integrated fibre optics network.

Companies that own or operate gas transmission systems

OGE holds the following shares and interests in companies that own gas transmission systems:

- a limited partnership interest of 24.99 per cent. (based on actually effected contributions and 66.6 per cent. based on the nominal amounts of limited partnership interests registered with the commercial register which exceed the actually effected contributions) in DEUDAN - Deutsch/Dänische Erdgastransport-Gesellschaft mbH & Co. KG ("**DEUDAN KG**"), a joint venture with Gasunie Deutschland Transport Services GmbH ("**Gasunie**") owning a pipeline system running from Ellund at the German-Danish border to Quarnstedt with a length of approximately 110 km. OGE also holds 49 per cent. of the shares in DEUDAN-HOLDING GmbH, an intermediate holding company that in turn holds 51 per cent. of the shares in Deutsch/Dänische Erdgastransport-Gesellschaft mbH, the general partner of DEUDAN KG without any capital contribution;
- a limited partnership interest of 51 per cent. in MEGAL Mittel-Europäische-Gasleitungsgesellschaft mbH & Co. KG ("**MEGAL KG**"), a joint venture with GRTgaz Deutschland GmbH and OMV Gas Germany GmbH owning a pipeline system running from Waidhaus at the German-Czech border to Medelsheim at the German-French border with a length of approximately 1,095 km. OGE also holds 51 per cent. of the shares in MEGAL Verwaltungs-GmbH, the general partner of MEGAL KG without any capital contribution;
- 100 per cent. of the shares in Mittelrheinische Erdgastransportleitungsgesellschaft mbH ("**METG**"), a company owning a pipeline system running from Bergisch Gladbach to Lampertheim (close to the city of Mannheim) with a total length of approximately 427 km;
- a limited partnership interest of 50 per cent. in Nordrheinische Erdgastransportleitungsgesellschaft mbH & Co. KG ("**NETG KG**"), a joint venture with Thyssengas GmbH ("**Thyssengas**") owning a pipeline between Zevenaar, Netherlands, and Bergisch Gladbach with a length of approximately 288 km. OGE also holds 50 per cent. of the shares in Nordrheinische Erdgastransportleitungs-Verwaltungs-GmbH, the general partner of NETG KG without any capital contribution;
- a limited partnership interest of 40.55 per cent. in NETRA GmbH Norddeutsche Erdgas Transversale & Co. KG ("**NETRA KG**"), a joint venture with Gasunie and Jordgas Transport GmbH owning a 343 km long pipeline system which runs from the receiving facilities at Emden and Dornum at the North Sea to Salzwedel-Steinitz. OGE also holds 33.33 per cent. of the shares in NETRA GmbH Norddeutsche Erdgas Transversale, the general partner of NETRA KG without any capital contribution; and

- a limited partnership interest of 51 per cent. in Trans Europa Naturgas Pipeline Gesellschaft mbH & Co. KG ("**TENP KG**"), a joint venture with Fluxys TENP GmbH, owning a 1,000 km long pipeline system which runs from the German-Dutch border close to Aachen to the German-Swiss border close to Schwörstadt. OGE furthermore holds 50 per cent. of the shares in Trans Europa Naturgas Pipeline Verwaltungs-GmbH, the general partner of TENP KG without any capital contribution.

DEUDAN KG, MEGAL KG, METG, NETG KG, NETRA KG, TENP KG, the respective general partners and DEUDAN Holding GmbH are collectively referred to as the "**Pipeline Companies**".

Companies concerned with the provision of other regulated and non-regulated services related to the gas transmission business

In addition to its participations in the Pipeline Companies, OGE holds the following shares and interests in companies concerned with the provision of other regulated and non-regulated services related to the gas transmissions business:

- 33.33 per cent. of the shares in Caplog-x GmbH, a company providing data and measurement services as well as other commercial and technical services for companies active in the gas market;
- 33.33 per cent. of the shares in LIWACOM Informationstechnik GmbH, a company that develops and distributes software for the simulation of gas networks and furthermore provides related consultancy services;
- a limited partnership interest of 35 per cent. in NCG KG, a joint venture by six German gas TSOs, concerned, inter alia, with the operations of the NCG Market Area and related activities, such as balancing group management, the operation of a virtual trading point for gas transmission system operators as well as the sourcing and management of balancing energy. OGE also holds 35 per cent. of the shares in NetConnect Germany Management GmbH ("**NCG GmbH**"), the general partner of NCG KG without any capital contribution;
- 100 per cent. of the shares in Open Grid Regional GmbH ("**OGR**"), a company concerned with the operation and marketing of capacities of the pipeline system of Ferngas Nordbayern GmbH ("**FGN**") based on a beneficial use agreement;
- 100 per cent. of the shares in Open Grid Service GmbH ("**OGS**"), a company providing personnel services, in particular temporary-employment services, to OGE and other companies in which OGE holds participations;
- 100 per cent. of the shares in PLEdoc Gesellschaft für Dokumentationserstellung und -pflege GmbH ("**PLEdoc**"), a company that collects and manages information regarding grid-type networks and technical installations, engages in surveying and mapping as well as in the planning and implementation of geo-information systems; and
- 1.53 per cent. of the shares in PRISMA European Capacity Platform GmbH ("**Prisma**"), a joint venture of nineteen European TSOs and the European Energy Exchange AG. The goal of Prisma is to facilitate the European internal market for energy through the development and operation of an electronic platform for the allocation of capacities (primary capacity platform) as well as an electronic platform for the trading of capacities (secondary capacity platform) in gas transmission networks and services related to capacity allocation mechanisms and congestion management procedures.

Holding company

OGE has established and holds 100 per cent. of the registered share capital of Line WORX GmbH ("**Line WORX**"), a company through which OGE holds a 25 per cent. stake in GasLINE Telekommunikationsnetzgesellschaft deutscher Gasversorgungsunternehmen mbH & Co. Kommanditgesellschaft ("**GasLINE KG**") and its general partner GasLINE Telekommunikationsnetzgesellschaft deutscher Gasversorgungsunternehmen mbH ("**GasLINE GmbH**"). GasLINE KG is a joint venture of fourteen companies active in the gas trading and transmission business, which operates an integrated fibre optics network with an overall length of approximately 9,500 km throughout Germany.

OGE as controlling party has entered into domination and profit and loss transfer agreements with METG, OGR, OGS, PLEdoc and Line WORX as controlled parties.

5.4 Material Agreements

5.4.1 Beneficial Use Agreements

A significant part of OGE group's pipeline network is not directly owned by OGE itself but owned by the Pipeline Companies or third parties and used by the OGE group on the basis of contractual rights of use under beneficial use agreements (*Gebrauchs- und Nutzungsüberlassungsverträge*). OGE has entered into beneficial use agreements with all Pipeline Companies covering the largest part of the pipeline network not owned or co-owned by OGE.

5.4.2 Service Agreements

OGE has entered into various service agreements regarding parts of the gas transmission network co-owned by OGE together with other TSOs or owned by the Pipeline Companies. Most of these agreements concern the provision of dispatching services, maintenance and other technical services, commercial services or property-related administration. In several cases, the co-owners or joint venture partners have split the corresponding tasks for different segments of the pipelines, while on other occasions, OGE has assumed responsibility for the entire pipeline concerned. The agreements are generally entered into for periods of several consecutive years and usually provide for automatic renewals unless terminated by either party.

In addition to the service agreements in relation to co-owned pipelines or pipelines owned by the Pipeline Companies, a few other service agreements relate to assets which are either solely owned by OGE or another TSO and in which case the parties have reciprocally agreed to provide their services for the parts of the gas transmission network owned by the other TSO. OGE also offers a wide range of services to third parties.

5.4.3 Procurement of Flow Commitments and Fuel Energy

In order to overcome physical bottlenecks in its transmission network and to meet the statutory requirement to offer free allocable capacities which allow transport customers to book entry and exit capacities without specifying a particular physical transportation path, OGE has entered into a number of flow commitments. Under these agreements, a transport customer guarantees certain flows at specific entry or exit points. Such flow commitments are generally agreed on the basis of general terms and conditions in the form of standardised tender forms containing the details of the flow commitment, such as, a definition of the relevant entry or exit points, the capacity of the flow commitment, the commitment period and the price. According to the "KOLA" determination by BNetzA ("preliminary directive pursuant to section 72 EnWG regarding the classification of costs for flow commitments as volatile cost element in the meaning of section 11 para. 5 ARegV (KOLA)"), OGE may hold annual tender procedures for flow commitments via its website and may furthermore hold additional tenders on a short term basis to cover extra demand for flow commitments.

Operators of gas transmission networks require certain amounts of gas or electricity to cover their own energy consumption in the network (e.g. in the compressor stations). They are under a statutory obligation to procure this energy by way of transparent, non-discriminatory and market-oriented procedures. As a result of these procedures, OGE regularly enters into, for example, fuel gas contracts by which OGE buys and various counterparties sell a certain quantity of gas, generally in the form of a base load delivery or structured deliveries to the virtual trading point.

5.4.4 Gas Network Contracts

The operators of gas transmission networks and of gas distribution networks are required to cooperate in order to enable deliveries of gas to end customers. Such deliveries typically involve transport over several networks which are physically linked but often operated by different companies. The principles of network operator's cooperation are laid down in an overarching cooperation agreement (*Kooperationsvereinbarung zwischen den Betreibern von in Deutschland gelegenen Gasversorgungsnetzen – KoV*).

On a bilateral basis, interconnection agreements have been entered into between OGE and adjacent network operators whose gas networks are linked to OGE's gas network. These interconnection agreements contain, in particular, details of operational cooperation between adjacent network operators at interconnection points. Capacity bookings between gas transmission and gas distribution network operators are then made via so-called internal annual orders for capacity in order to provide the gas distribution network operators with sufficient firm capacity to satisfy the expected demand for off-take from their network. OGE has also entered into a number of agreements with other network operators concerning the bundling of transport capacities at network interconnection points in order to meet statutory requirements to allow for an auctioning of bundled entry and exit capacities by way of a transparent and non-discriminatory auction process.

Customers which want to off-take gas from the network require a connection to the technical facilities of the exit-network at network connection points in order to be able to receive gas deliveries. Network operators are under a statutory obligation to connect customers which want to off-take gas from the network to their network on terms which are adequate, non-discriminatory and transparent. To this effect, such customers need to enter into network connection agreements with exit-network operators. Similarly, operators of gas storages enter into storage connection agreements with network operators on the connection of their storages to the gas network at storage connection points which link the transmission network and the storage facilities.

Under the "Two Contract Model", only two separate, tradable contracts with the relevant network operators for the feed-in (entry contract) and the off-take (exit contract) of the gas are required for the transportation of the gas to the customers which want to off-take gas from the network. These contracts are generally entered into by transport customers on the basis of standardised terms and conditions online via the web-based trading platform Prisma. However, before a transport customer can ask for the execution of entry and exit contracts, the customer (or a designated third party willing to enter into such contract on its behalf) in its role as balancing group manager is required by law to enter into a balancing group contract with the market area coordinator. This contract establishes a balancing group, comprising a number of entry and exit points within the market area (including the virtual trading point at which gas volumes can be traded), and requires the balancing group manager to generally settle in cash any deviations between its actual feed-in and its actual off-take of gas at those entry and exit points. In the case of the common NCG Market Area, in which OGE is participating, balancing group contracts are entered into by NCG KG in its role as the market area coordinator and not by OGE as TSO.

5.4.5 Market Area Cooperations

Network operators have established market areas in which transmission networks and downstream networks are combined to allow for the organisation of booked capacities in such a way that the Two Contract Model can be implemented market area-wide. Network operators were statutorily obliged to reduce the number of market areas to one for low calorific gas (“L-gas”) and a maximum of two for high calorific gas (“H-gas”) by 1 April 2011 by merging and consolidating their existing market areas. To this effect, OGE and Bayernets GmbH (“Bayernets”) established the common H-gas market area NCG with effect as of 1 October 2008 by way of a cooperation contract. As of 1 October 2009, ENI Gas Transport Deutschland S.p.A., GRTgaz Deutschland GmbH and GVS Netz GmbH integrated their networks into the NCG Market Area. As of 1 April 2011, OGE’s L-gas market area and the H-gas and L-Gas market areas of Thyssengas were also integrated into the NCG Market Area. The respective network operators have agreed upon preliminary regulations with respect to the intermediate realisation of the market area cooperation and are currently negotiating a comprehensive cooperation agreement.

5.5 Network Expansion Projects

The expansion of the German gas network is of central importance to the German Federal Government’s energy policy. Both EU and national regulations oblige German TSOs to produce plans containing a forecast of future network expansion requirements. The EnWG specifies that German gas TSOs shall jointly submit a ten-year network development plan every year, starting from 1 April 2012.

The draft 2012 Network Development Plan, which models gas flows in the German gas network for the next ten years in order to establish the development and/or potential investment requirements from 2013 to 2022, was initially submitted to the BNetzA on 1 April 2012. The final version of the 2012 Network Development Plan, which reflected the additional amendments obligatorily requested by the BNetzA, was resubmitted on 10 March 2013 and became the legally binding 2012 Network Development Plan. The 2012 Network Development Plan foresees total investments for all TSOs of approximately EUR 2.2 billion until 2022. As a result of its size and role in the German gas transmission market, the 2012 Network Development Plan includes substantial investment obligations for OGE of approximately EUR 1 billion.

In August 2012, the TSOs published the scenario framework for the 2013 Network Development Plan and this was approved by the BNetzA with amendments in October 2012. The primary focus of the scenario framework for the 2013 Network Development Plan is on the various options for structuring the gas network and introducing efficient capacity products. The structuring options detail the expected upgrade measures and their costs with the respective calculating parameters and capacity products. The efficiency of the employed capacity products was proven by a cost benefit analysis compiled by a recognised auditor on behalf of the TSOs which was published end of March 2013. In parallel to this, the German TSOs have conducted public consultations on the 2013 Network Development Plan. The draft 2013 Network Development Plan, which models gas flows in the German gas network for the next ten years in order to establish the development and/or potential investment requirements from 2014 to 2023, was initially submitted to the BNetzA on 1 April 2013. Its various network expansion options foresee total investments from approximately EUR 1.4 billion up to approximately EUR 3.2 billion until 2023. As a result of its size and role in the German gas transmission market, the draft 2013 Network Development Plan includes substantial investment obligations for OGE of at least EUR 550 million up to approximately EUR 1.5 billion. Based on the network expansion option proposed by the German TSOs, the investment obligation of OGE until 2023 will amount to approximately EUR 680 million. Once the 2013 Network Development Plan becomes legally binding, it will replace the 2012 Network Development Plan with regard to the period 2014 to 2022. The final decision of the BNetzA regarding the network expansion options, and therefore the investment obligations of the 2013 Network Development Plan, is expected by the end of 2013.

Although the network development plan is the main driver of future expansion investments, additional growth investments may be considered.

5.6 Legal and Arbitration Proceedings

Whilst certain legal claims and proceedings are from time to time pending or threatened against OGE and its subsidiaries and participations, in most instances OGE has established provisions for pending litigation, which management believes are adequate to meet such legal claims and proceedings. After counsel advice, it is not expected that the ultimate outcome of any matter currently threatened or pending against OGE or any of its subsidiaries and participations will have a material effect on the financial position of OGE.

Of particular note are the special abuse proceedings in which OGE is involved with the BNetzA. Astora has lodged an appeal in order to obtain certain firm freely allocable capacities resulting from OGE network expansion. If Astora is successful in its appeal, OGE could be forced to provide firm freely allocable capacity for Astora by expanding its network. In addition, the storage operator EGS has lodged an appeal in order to (a) oblige OGE to market the existing storage connection to the OGE grid as a storage connection point (and not as currently as a cross-border-point) with retroactive effect to 1 January 2013 and (b) obtain firm freely allocable capacities resulting from OGE network expansion. If EGS is successful in its appeal, OGE could be forced to provide firm freely allocable capacity also for EGS by expanding its network and a potential claim for damages due to a wrong marketing of the connecting point could be possible. In the case, that both appeals are successful, OGE's investment obligations could grow to up to EUR 1.5 billion (see information on 2013 Network Development Plan under "5.5 - Projects" above). OGE is also involved in a lawsuit filed in 2012 by RWE against Thyssengas claiming an amount of EUR 38.65 million based on the alleged unjustified use of balancing energy between October 2008 and June 2009. The Issuer's audited consolidated financial statements for the period from 12 April 2012 to 31 December 2012 include a provision in this respect. OGE, as balancing energy manager for the Thyssengas market area during that period, received a third party notice and stepped into the lawsuit in support of Thyssengas. A successful direct claim against OGE currently appears unlikely.

6 Regulatory Framework

6.1 General Regulatory Framework

As a German TSO, OGE is subject to a comprehensive regulatory framework, both on a European and national level. The key law applicable to OGE is the EnWG, which defines the overall legal framework for the gas and electricity supply industry in Germany. The provisions of the EnWG were substantiated by several ordinances, in the gas sector in particular, by the Ordinance on Access to the Gas Networks (*Gasnetzzugangsverordnung – "GasNZV"*), GasNEV and ARegV and by determinations of the BNetzA. BNetzA is, in accordance with the EnWG, the federal energy market regulator and has the tasks of, inter alia, (i) ensuring non-discriminatory grid access, (ii) controlling the network access tariffs, (iii) safeguarding against anti-competitive practices by grid operators and (iv) monitoring of the implementation of the regulatory regime.

The material regulatory duties of OGE are outlined in the following sections.

6.1.1 Unbundling

Amendments to the EnWG adopted in 2011 to implement the third energy law package of the EU introduced stricter rules on unbundling for gas TSOs belonging to a vertically integrated energy undertaking in order to achieve an effective separation of transmission system operation and energy production and/or supply. According to the rules, the same person or persons are not entitled either directly or indirectly to exercise control or exercise any right over a gas or electricity TSO or over a transmission system, and at the same time directly or indirectly exercise control over an undertaking performing any of the functions of generation or supply of gas or electricity, and vice versa. Therefore, many undertakings in the sector had to undergo structural changes in order to comply with the new legislation with regard to the separation of control and performance functions for which three different unbundling models are available in Germany. The less intrusive options, such as, in particular, the

ITO structure, may only be implemented where the transmission system belonged to a vertically integrated energy undertaking on 3 September 2009. Where the ITO option is available, the TSO remains part of the vertically integrated energy undertaking, but has to abide by strict rules to ensure that the generation/supply business and transmission network operations are conducted strictly independently (the “**ITO-model**”). The gas TSO needs to be equipped with all physical, human, financial and technical resources necessary for fulfilling the gas TSO’s statutory obligations.

Only TSOs complying with the necessary legal requirements will be certified and designated as a TSO by BNetzA, such certification being required under the EnWG for the operation of the transmission network. OGE was the first gas TSO in Germany to decide to set itself up as an ITO and, within this regulatory framework, to independently perform all tasks required for its business. OGE has applied for certification and the certification process is still on-going. BNetzA’s draft decision will be sent to the EU Commission for review and for a statement within a period of two months (extended to a period of four months if the Agency for Cooperation of Energy Regulators is involved). After receiving the EU Commission statement, BNetzA has to finalise its decision within two months. OGE’s expectation is that BNetzA’s final decision on its certification should be received in summer 2013. The decision may contain ancillary provisions, for example that certain measures be taken or amendments to the articles of association be passed in order to comply with applicable unbundling rules.

6.1.2 Maintenance and development of the gas transmission network

OGE as a TSO is obliged to maintain, develop and optimise the network, meeting demands for the transmission of gas (*bedarfsgerechter Ausbau*) and contributing to supply security by having appropriate transmission capacity to the extent this is economically reasonable.

The network connection of storage facilities, liquefied natural gas and production facilities, gas-fired power plants and biogas facilities may require the expansion of the network. Following such expansion, respective connection requests must be considered for the calculation of the available capacity, which TSOs have to conduct pursuant to the GasNZV.

The binding obligation for network extensions arises from the national Network Development Plan to be issued by the TSOs to BNetzA every year, considering the next ten-year period and including specific measures which have to be taken within the next three years. On a transnational level, expansion requirements are set out in the European Ten Year Network Development Plan and regional network development plans, such as the North-West Gas Regional Investment Plan 2011-2020 and the South Gas Regional Investment Plan 2011-2020. These plans do not immediately result in binding expansion requirements, but provide guidance for the national network development plans of European TSOs.

In addition, TSOs are under the obligation, pursuant to European Regulation 994/2010 regarding security of supply, to implement permanent bi-directional capacity on all cross-border interconnections between Member States as soon as they can, and at the latest by 3 December 2013. Nevertheless, it is possible to apply for an exemption, to be granted by the BNetzA. The BNetzA will in turn cooperate with the EU Commission and the relevant regulatory bodies of the Member States when considering the grant of such exemption, and it shall only be granted if reverse flow capacity would not significantly enhance the security of supply of any Member State or region or if the investment costs would significantly outweigh the prospective benefits for security of supply. OGE applied for exemptions for seven interconnection points (Bocholtz, Elten, Tegelen, Vreden, Medelsheim, Remich and Waidhaus) in February 2012 for all of which BNetzA granted exemptions without specifying a time limit in March 2013.

6.1.3 Third party access to the network under the Two Contract Model

Network operators are required to grant access to the network to any third party on an economically reasonable, non-discriminatory and transparent basis. The respective tariffs for such access are subject to the *ex ante* regulation under the incentive regulation scheme providing for a yearly revenue cap (see “6.2.2 – *Incentive Regulation*” below for further details). Grid access may only be refused if it is impossible for operational or other reasons, or in a case where the access would be unreasonable. The burden of proof for the fulfilment of the prerequisites for the refusal lies with the network operator, and the refusal must be notified to the BNetzA. Since 1 February 2006, gas network operators are required to offer entry and exit capacities in accordance with the Two Contract Model whereby customers only have to enter into an entry and a separate exit contract with the relevant network operator or operators of the market area without specifying the transportation path. See “5.4 - *Material Agreements – Gas Network Contracts*” above for further details.

6.1.4 Duties in relation to system-relevant power stations

The Third Act on the Revision of Energy Law Regulations, which became effective on 28 December 2012, further modified the EnWG. Among others, regulations for improving the security of supply in the power generation sector were introduced. Inter alia, a closer cooperation of power and gas TSOs is required. Power TSOs are obliged to draw up a list of system-relevant gas-to-power stations to be approved by BNetzA. Provided that the declaration of a station has been approved, the availability of the station has to be secured (if technically and legally possible and economically reasonable). A right of the power TSOs, which is limited to situations in which the security of supply is threatened or impaired, to instruct the gas TSOs to secure the gas supply for system-relevant gas-fired power stations has been included for the first time in the EnWG.

6.2 Regulation of Network Tariffs

6.2.1 Cost-Oriented Network Tariffs

In September 2008, BNetzA determined that there was no effective pipeline competition between supra regional gas TSOs and therefore required all gas TSOs to apply for the approval of cost-oriented network tariffs reflecting the admissible costs of an efficient network operation plus an adequate return on imputed equity. On 30 September 2009, BNetzA approved OGE's (then E.ON Gastransport GmbH's (“EGT”)) network tariffs on the basis of the individual cost data of 2007 for the period from 1 October 2009 until 31 December 2009.

Subsequently, in 2010 BNetzA initiated administrative proceedings against seven out of then ten supra-regional gas TSOs to revoke the network tariff approval dated 30 September 2009 addressing the re-examination of the depreciation of assets necessary for operation of the transmission network. On the basis of a settlement agreement, the BNetzA refrained from revoking its OGE approval decision but instead requested the adjustment of OGE's asset base in two steps, effectively resulting in a lower revenue cap for the calendar years from 2013 onwards under the regime of incentive regulation.

As the network tariffs applied by OGE in the period between the decision regarding the effective pipeline competition on 24 September 2008 and the approval of cost-based network tariffs on 30 September 2009 exceeded the cost-oriented tariffs approved by the BNetzA, OGE generated excess revenues. According to BNetzA's approach, network operators are not entitled to retain such excess revenues. However, instead of making repayments and balancing between the network operators and its network customers, the excess revenues must be taken into account by reducing the revenue caps under the regime of incentive regulation, in case of OGE by deducting a specific annual amount from the annual revenue cap over a period of eight years beginning 1 January 2010.

6.2.2 Incentive Regulation

As of 1 January 2010, OGE is subject to the regime of incentive regulation (*Anreizregulierung*), which is set out in the EnWG and, in more detail, in the ARegV. Incentive regulation adds dynamic efficiencies by setting incentives for efficient operation of the network, deviating from the static cost-oriented calculation.

For each network operator, BNetzA defines for each year of a regulatory period an *ex ante* revenue cap (*Erlösbergrenze*). Regulatory periods generally last for five years, but in the case of the gas TSOs the first regulatory period (2010-2012) (the “**First Regulatory Period**”) was curtailed to three years and expired on 31 December 2012. The second regulatory period covers the calendar years 2013 to, and including, 2017 (the “**Second Regulatory Period**”).

The revenue cap is calculated on the cost base of the Base Year, which is the third calendar year prior to the regulatory period, with some costs classified as either (i) permanently non-influenceable costs; (ii) temporary non-influenceable costs; or (iii) influenceable costs. Inter alia, the cost base includes imputed depreciation, operational costs and costs of capital as well as a specified return on equity based on the network operator’s regulated asset base. The cost base in the Base Year is converted into fixed annual revenue caps reflecting both the influenceable and non-influenceable costs of operating the network as well as the consideration of an individual efficiency factor, the general sectoral productivity factor and the consumer price index (VPI). The individual efficiency factor is determined by the BNetzA for each TSO based on an efficiency benchmarking, currently of 12 German gas TSOs. This efficiency factor may range from 60 per cent. to 100 per cent. and describes the share of costs that is determined as inefficient compared to the most efficient TSO (100 per cent. means full efficiency). The capacity-based network tariffs chargeable to customers are calculated on the basis of this revenue cap and expected capacity bookings. Since the actual capacity bookings can vary from the capacity volume assumed for the tariff calculation upfront, the total revenues actually realized can also (positively or negatively) differ from the revenue cap defined by BNetzA *ex ante*. These positive or negative differences are collected on the regulatory account (according to section 5 ARegV), accrued over the course of one regulatory period and considered for the calculation of the revenue caps of the subsequent period. This compensation mechanism ensures that the annual revenue caps cannot sustainably be exceeded or underachieved by network operators by compensating for the differences in the future.

During the regulatory period it is possible for network operators to achieve economic benefits through efficiency improvement, where the actual costs of network operation are lower than the costs considered for the admissible network tariffs actually charged to the customers. Nevertheless, the benefits must be passed on to the customers during the next regulatory period by means of reduction in the revenue cap if and to the extent that the efficiency improvements reduce the cost base in the next Base Year.

On the basis of an individual efficiency factor (100 per cent. in the case of OGE), BNetzA determined OGE's revenue cap for the First Regulatory Period on 21 April 2011. The revenue cap was applied retroactively as of 1 January 2010.

The determination of the revenue cap includes a general sectoral productivity factor applicable to the cost base level that generally reduces the annual revenue cap by 1.25 per cent. per annum in the First Regulatory Period and 1.5 per cent. per annum in the Second Regulatory Period. Additionally, the revenue cap is positively adjusted by the consumer price index compensating for the annual inflation.

Under the regime of incentive regulation, investments required for the expansion or restructuring of the transmission network can be approved by BNetzA as Investment Measures. As a result, capital costs and additional operating costs (the latter as a lump sum related to historic asset values) of these investments increase the annual revenue cap in the course of a regulatory period. Costs associated with these Investment Measures are deemed permanently non-influenceable costs and are reflected in the

revenue cap for the time of their approval. Thereafter, the respective assets will form part of the regulatory asset base. Until 2011, these costs could be, however, reflected in the revenue cap with a delay of two years only as they had to be based on the audited TSO's profit and loss statement for the preceding completed calendar year to ensure that actual, audited cost were available. Thus, there was a time-lag in the reimbursement of these costs of two years ("t-2" approach). In consideration of potential risks for the network operator's financial liquidity and flexibility as a result of the delayed cost-effectiveness by two years, since 2012 corresponding capital and operating costs of approved Investment Measures are directly reflected in the revenue cap without time lag on the basis of planned cost with subsequent settlement between planned and actual cost ("t-0" approach).

Since 2009, OGE has applied for approval of several Investment Measures, most of which have only been approved by BNetzA taking into consideration a replacement share factor to differentiate between recognisable costs for expansion or restructuring measures and non-recognisable costs for the mere replacement of assets, which resulted in only a partial reimbursement of the investments. Therefore, OGE had lodged appeal proceedings against seven out of eight decisions by BNetzA. Due to significant inconsistencies within BNetzA's calculatory scheme, which have partially been declared incompatible with underlying statutory law by the Higher Regional Court of Düsseldorf, in February 2012 BNetzA and all major German TSOs (including OGE) and DSOs entered into a comprehensive public law agreement (the "**Agreement**"). The Agreement implemented substantive changes in the calculation scheme of the cost of capital of Investment Measures. Furthermore, it contains a general classification of investments that fulfil the requirements for an approval as an investment measure (*Investitionsmaßnahmen*) according to section 23 ARegV. As a result of the rules set out in the Agreement, it was possible to terminate the court proceedings, so that current and future applications could be processed in a legally reliable manner. A replacement share is only applied to a very limited number of projects which at least partially replace existing assets.

Furthermore, the current regulatory framework provides for the use of a "quality factor" for TSOs in the course of the Second Regulatory Period. Once such quality factor is established the BNetzA may apply premiums or deductions to the revenue cap if a TSO's performance with regard to grid reliability or grid performance deviates from key figure requirements (the quality element). The criteria for the quality factor and its implementation mechanism have yet to be prescribed by the BNetzA.

With respect to the Second Regulatory Period, the BNetzA evaluated OGE's costs of the Base Year 2010, as notified by OGE in July 2011, and on 16 July 2012 submitted the preliminary approvable cost base level that provides the basis for the efficiency benchmark in order to determine the individual efficiency factor. The efficiency benchmarking proceedings are currently in the hearing phase. BNetzA's final decision on OGE's individual efficiency factor will be part of the final determination of the revenue cap for the Second Regulatory Period and is currently expected at the end of the second quarter of 2013, although it cannot be excluded that the decision will be taken later.

The applicable return on imputed equity (up to an equity ratio of 40 per cent.) shall be, as of 1 January 2013, 9.05 per cent. (before corporate tax and after trade tax) for assets recorded for the first time on or after 1 January 2006, and 7.14 per cent. for assets capitalised before 1 January 2006. Both interest rates are calculated based on the same risk assumptions, the only difference being the inflation rate which is only included in the 9.05 per cent. rate.

On 8 March 2013 the beginning of a legislative process, which, *inter alia*, is aimed at adjusting the GasNEV in order to clarify network cost calculation principles that have been subject to court proceedings in the past and at providing a 'reliable and legally precise regulatory framework', was announced by the Federal Ministry of Economy and Technology. Approval of a draft amendment of the ordinance is planned by the Federal Cabinet by the end of April, and might be finally approved by the Federal

Council by the end of June. Such changes to the calculation principles would affect the calculation of the imputed return on equity (for equity above the capped imputed equity ratio of 40 per cent. (“**Equity II**”) as well as the price index series applied for the determination of repurchase values of historic assets (commissioned before 2006).

6.3 Regulatory Proceedings

OGE and, where indicated, OGR are currently subject to certain complaint proceedings before the BNetzA which comprise the following:

- a complaint against the decision of the BNetzA in 2011 on the equity interest definition for the Second Regulatory Period;
- complaints of OGE and OGR against BNetzA decisions in 2008 and 2011 in respect of the index series definition for the First Regulatory Period and for the Second Regulatory Period;
- a complaint against the decision of the BNetzA in 2009 regarding the approval of network access fees regarding Equity II, calculation of trade tax and index series (only OGE);
- a complaint against the decision of the BNetzA in 2012 on the costs of flow commitments (KOLA) (only OGE); and
- a complaint on the BNetzA efficiency benchmark definitions for the Second Regulatory Period (only OGR).

Since such complaint proceedings are challenging decisions which have or would have an adverse effect on OGE or OGR, such proceedings are not considered to pose a risk to OGE or OGR but rather present a potential upside.

TAXATION

The following is a general description of certain 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.

Federal Republic of Germany

German tax resident Investors

The following general overview does not consider all aspects of income taxation in the Federal Republic of Germany ("**Germany**") that may be relevant to a holder of the Notes in the light of the holder's particular circumstances and income tax situation. This general overview is based on German tax laws and regulations, all as currently in effect and all subject to change at any time, possibly with retroactive effect.

German tax resident investors holding Notes as private assets

Taxation of income from the Notes

If the Notes are held as private assets (*Privatvermögen*) by an individual investor whose residence or habitual abode is in Germany, payments of interest under the Notes are generally taxed as investment income (*Einkünfte aus Kapitalvermögen*) at a 25 per cent. flat tax (*Abgeltungsteuer*) (plus a 5.5 per cent. solidarity surcharge (*Solidaritätszuschlag*) thereon and, if applicable to the individual investor, church tax (*Kirchensteuer*)).

The same applies to capital gains from the sale or redemption of the Notes. The capital gain is generally determined as the difference between the proceeds from the sale or redemption of the Notes and the acquisition costs. Expenses directly and factually related (*unmittelbarer sachlicher Zusammenhang*) to the sale or redemption are taken into account in computing the taxable capital gain. Otherwise the deduction of related expenses for tax purposes is not permitted.

Where the Notes are acquired and/or sold in a currency other than Euro, the acquisition costs will be converted into Euro at the time of acquisition, the sales proceeds will be converted in Euro at the time of sale, and only the difference will then be computed in Euro.

The flat tax is generally collected by way of withholding (see subsequent paragraph – *Withholding tax*) and the tax withheld shall generally satisfy the individual investor's tax liability with respect to the Notes. If, however, no or not sufficient tax was withheld (e.g., in case there is no Domestic Paying Agent, as defined below) the investor will have to include the income received with respect to the Notes in its annual income tax return. The flat tax will then be collected by way of tax assessment. The investor may also opt for inclusion of investment income in its income tax return if the aggregated amount of tax withheld on investment income during the year exceeded the investor's aggregated flat tax liability on investment income (e.g., because of available losses carried forward or foreign tax credits). If the investor's individual income tax rate which is applicable on all taxable income including the investment income is lower than 25 per cent., the investor may opt to be taxed at individual progressive rates with respect to its investment income.

Capital losses from the sales or redemption of the Certificates held as private assets should generally be tax-recognised irrespective of the holding period of the Certificates. Any tax-recognised capital losses may not be used to offset other income like employment or business income but may only be offset against investment income. Capital losses not utilised in one annual assessment period may be carried forward into subsequent assessment periods but may not be carried back into preceding assessment periods.

Individual investors are entitled to a saver's lump sum tax allowance (*Sparer-Pauschbetrag*) for investment income of 801 Euro per year (1,602 Euro jointly assessed husband and wife). The saver's

lump sum tax allowance is also taken into account for purposes of withholding tax (see subsequent paragraph – *Withholding tax*) if the investor has filed a withholding tax exemption request (*Freistellungsauftrag*) with the respective Domestic Paying Agent (as defined below). The deduction of related expenses for tax purposes is not permitted.

Withholding tax

If the Notes are kept or administered in a domestic securities deposit account by a German credit institution (*Kreditinstitut*) or financial services institution (*Finanzdienstleistungsinstitut*) (or with a German branch of a foreign credit or financial services institution), or with a German securities trading company (*Wertpapierhandelsunternehmen*) or a German securities trading bank (*Wertpapierhandelsbank*) (altogether a "**Domestic Paying Agent**") which pays or credits the interest, a 25 per cent. withholding tax, plus a 5.5 per cent. solidarity surcharge thereon, resulting in a total withholding tax charge of 26.375 per cent, is levied on the interest payments. The applicable withholding tax rate is in excess of the aforementioned rate if church tax is collected for the individual investor.

Capital gains from the sale or redemption of the Notes are also subject to the 25 per cent. withholding tax, plus a 5.5 per cent. solidarity surcharge thereon, if the Notes are kept or administered by a Domestic Paying Agent effecting the sale or redemption from the time of their acquisition. If the Notes were sold or redeemed after being transferred to a securities deposit account with another Domestic Paying Agent, 25 per cent. withholding tax (plus solidarity surcharge thereon) would be levied on 30 per cent. of the proceeds from the sale or the redemption, as the case may be, unless the investor or the previous depository bank was able and allowed to prove evidence for the investor's actual acquisition costs to the current Domestic Paying Agent. The applicable withholding tax rate is in excess of the aforementioned rate if church tax is collected for the individual investor.

German resident investors holding the Notes as business assets

Taxation of income from the Notes

If the Notes are held as business assets (*Betriebsvermögen*) by an individual or corporate investor which is tax resident in Germany (i.e., a corporation with its statutory seat or place of management in Germany), interest income and capital gains from the Notes are subject to personal income tax at individual progressive rates or corporate income tax (plus a 5.5 per cent. solidarity surcharge thereon and church tax, if applicable) and, in general, trade tax. The effective trade tax rate depends on the applicable trade tax factor (*Gewerbsteuer-Hebesatz*) of the relevant municipality where the business is located. In case of individual investors the trade tax may, however, be partially or fully creditable against the investor's personal income tax liability depending on the applicable trade tax factor and the investor's particular circumstances.

Capital losses from the sale or redemption of the Notes should generally be tax-recognised and may generally be offset against other income.

Withholding tax

If the Notes are kept or administered by a Domestic Paying Agent which pays or credits the interest, a 25 per cent. withholding tax, plus a 5.5 per cent. solidarity surcharge thereon, resulting in a total withholding tax charge of 26.375 per cent, is generally levied on the interest payments. The applicable withholding tax rate is in excess of the aforementioned rate if church tax is collected for the individual investor.

No withholding is generally required on capital gains from the disposal or redemption of the Notes which is derived by German resident corporate investors and, upon application, by individual investors holding the Notes as assets of a German business, subject to certain requirements.

Any capital losses incurred from the disposal or redemption of the Notes will not be taken into account for withholding tax purposes. The withholding tax does not satisfy the investor's personal or corporate income tax liability with respect to the Notes. The income from the Notes will have to be included in the investor's personal or corporate income tax return.

Any German withholding tax (including surcharges) is generally fully creditable against the investor's personal or corporate income tax liability or refundable, as the case may be.

Non-German tax resident Investors

Income derived from the Notes by investors who are not tax resident in Germany is in general not subject to German income taxation, and no withholding tax shall be withheld, provided however (i) the Notes are not held as business assets of a German permanent establishment of the investor or by a permanent German representative of the investor and (ii) the income derived from the Notes does not otherwise constitute German source income (such as income from the letting and leasing of certain property located in Germany) or (iii) the income is paid by a Domestic Paying Agent against presentation of the Notes or interest coupons (so-called over-the-counter transaction, *Tafelgeschäfte*).

If the income derived from the Notes is subject to German taxation according to (i) through (iii) above, the income is subject to German income taxation and withholding tax similar to that described above for German tax residents. Under certain circumstances, foreign investors may benefit from tax reductions or tax exemptions under applicable double tax treaties (*Doppelbesteuerungsabkommen*) entered into with Germany.

Inheritance tax and gift tax

The transfer of Notes to another person by way of gift or inheritance may be subject to German gift or inheritance tax, respectively, if *inter alia*

- (i) the testator, the donor, the heir, the donee or any other acquirer had his residence, habitual abode or, in case of a corporation, association (*Personenvereinigung*) or estate (*Vermögensmasse*), has its seat or place of management in Germany at the time of the transfer of property,
- (ii) except as provided under (i), the testator's or donor's Notes belong to business assets attributable to a permanent establishment or a permanent representative in Germany,

Special regulations may apply to certain German expatriates.

Prospective holders of the Notes are urged to consult with their tax advisor to determine the particular inheritance or gift tax consequences in light of their particular circumstances.

Other taxes

The purchase, sale or other disposal of Notes does not give rise to capital transfer tax, value added tax, stamp duties or similar taxes or charges in Germany. However, under certain circumstances entrepreneurs may choose liability to value added tax with regard to the sales of Notes to other entrepreneurs which would otherwise be tax exempt. Net wealth tax (*Vermögensteuer*) is, at present, not levied in Germany.

EU Savings Tax Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income, each Member State is required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in that other Member State; however, for a transitional period, Austria and Luxembourg may instead apply a withholding system in relation to such payments, deducting tax at rates rising over time to 35 per cent. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.

A number of non-EU countries and certain dependent or associated territories of certain Member States, have adopted similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in a Member State. In addition, the Member States have entered into provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident or certain limited types of entity established in one of those territories.

On 10 April 2013, Luxembourg officially announced that it will no longer apply the withholding tax system as from 1 January 2015 and will provide details of payment of interest (or similar income) as from this date.

On 13 November 2008 the European Commission published a proposal for amendments to the Directive, which included a number of suggested changes which, if implemented, would broaden the scope of the requirements described above. Investors who are in any doubt as to their position should consult their professional advisers.

Luxembourg Taxation

The following is a general description of certain Luxembourg tax considerations relating to the Notes. It specifically contains information on taxes on the income from the Notes withheld at source and provides an indication as to whether the Issuer assumes responsibility for the withholding of taxes at the source. It does not purport to be a complete analysis of all tax considerations relating to the Notes, whether in Luxembourg or elsewhere. Prospective purchasers of the Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of the Notes payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of Luxembourg. This summary is based upon the law as in effect on the date of this Base Prospectus. The information contained within this section is limited to withholding taxation issues, and prospective investors should not apply any information set out below to other areas, including (but not limited to) the legality of transactions involving the Notes.

All payments of interest and principal by the Luxembourg Paying Agent under the Notes, which are not profit sharing, can be made free and clear of any withholding or deduction for or on account of any taxes of whatsoever nature imposed, levied, withheld, or assessed by Luxembourg or any political subdivision or taxing authority thereof or therein, in accordance with the applicable Luxembourg law, subject however to:

- (i) the application of the Luxembourg laws of 21 June 2005 implementing the European Union Savings Directive (Council Directive 2003/48/EC), ratifying several agreements concluded with certain dependent or associated territories and providing for the possible application of a withholding tax of 35 per cent. on interest paid to certain non Luxembourg resident investors (individuals and certain types of entities called "residual entities" within the meaning of the EU Savings Tax Directive) in the event of the Issuer appointing a paying agent in Luxembourg within the meaning of the above-mentioned directive (see, paragraph "EU Savings Tax Directive" above) or agreements unless the beneficiary of such payment opts for one of the two information exchange procedures available. Luxembourg government officially announced on 10 April 2013 that it will no longer apply the withholding tax system as from 1 January 2015 and will provide with details of payment of interest (or similar income);
- (ii) the application as regards Luxembourg resident individuals of the Luxembourg law of 23 December 2005 which has introduced a 10 per cent. withholding tax on savings income (i.e. with certain exemptions, savings income within the meaning of the Luxembourg law of 21 June 2005 implementing the European Union Savings Directive).

Pursuant to the law of 23 December 2005 as amended by the law of 17 July 2008, Luxembourg resident individuals can opt to self declare and pay a 10 per cent. levy on interest payments made or ascribed by paying agents located in a Member State of the European Union other than Luxembourg, a Member State of the European Economic Area or in a State or territory which has concluded an agreement directly relating to the EU Savings Directive on the taxation of savings income.

The 10 per cent. withholding tax as described above or the 10 per cent. levy are final when Luxembourg resident individuals are acting in the context of the management of their private wealth.

Responsibility for the withholding of tax in application of the above-mentioned Luxembourg laws of 21 June 2005 and 23 December 2005 is assumed by the Luxembourg paying agent within the meaning of these laws and not by the Issuer.

FATCA Withholding

Pursuant to the foreign account tax compliance provisions of the Hiring Incentives to Restore Employment Act of 2010 (“**FATCA**”), non-U.S. financial institutions that enter into agreements with the IRS (“**IRS Agreements**”) or become subject to provisions of local law intended to implement an intergovernmental agreement (“**IGA legislation**”) (such as the initialled IGA legislation between the United States and Germany) entered into pursuant to FATCA, may be required to identify “financial accounts” held by U.S. persons or entities with substantial U.S. ownership, as well as accounts of other financial institutions that are not themselves participating in (or otherwise exempt from) the FATCA reporting regime. In order (a) to obtain an exemption from FATCA withholding on payments it receives and/or (b) to comply with any applicable laws in its jurisdiction, a financial institution that enters into an IRS Agreement or is subject to IGA legislation may be required to (i) report certain information on its U.S. account holders to the government of the United States or another relevant jurisdiction (such as Germany) and (ii) withhold 30 per cent. from all, or a portion of, certain payments made to persons that fail to provide the financial institution information, consents and forms or other documentation that may be necessary for such financial institution to determine whether such person is compliant with FATCA or otherwise exempt from FATCA withholding.

Under FATCA, withholding may be required with respect to payments to persons that are not compliant with FATCA or that do not provide the necessary information, consents or documentation made on or after (i) January 1, 2014 in respect of certain US source payments, (ii) January 1, 2017, in respect of payments of gross proceeds (including principal repayments) on certain assets that produce US source interest or dividends and (iii) January 1, 2017 (at the earliest) in respect of “foreign passthru payments” and then only on “obligations” that are not treated as equity for U.S. federal income tax purposes and that are issued or materially modified on or after (a) January 1, 2014, and (b) if later, in the case of an obligation that pays only foreign passthru payments, the date that is six months after the date on which the final regulations applicable to “foreign passthru payments” are filed in the Federal Register.

Whilst the Notes are in global form and held within the ICSDs, it is expected that FATCA will not affect the amount of any payments made under, or in respect of, the Notes by the Issuer, any paying agent and the common depository, given that each of the entities in the payment chain beginning with the Issuer and ending with the ICSDs is a major financial institution whose business is dependent on compliance with FATCA and that any alternative approach introduced under an intergovernmental agreement will be unlikely to affect the Notes. The documentation expressly contemplates the possibility that the Notes may go into definitive form and therefore that they may be taken out of the ICSDs. If this were to happen, then a non-FATCA compliant holder could be subject to withholding. However, definitive Notes will only be printed in remote circumstances.

SUBSCRIPTION AND SALE

Notes may be sold from time to time by the Issuer to any one or more of BNP Paribas, Commerzbank Aktiengesellschaft, Crédit Agricole Corporate and Investment Bank, ING Bank N.V., RBC Europe Limited, Scotiabank Europe plc, Skandinaviska Enskilda Banken AB (publ), Société Générale and UniCredit Bank AG (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 17 May 2013 (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

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

The Bearer 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 regulations thereunder.

Each Dealer has agreed that, except as permitted by the Dealer Agreement, it 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 certified to the Fiscal 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 Fiscal 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.

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.

European Economic Area

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 this Base Prospectus as completed by the Final Terms in relation thereto (or are the subject of the offering contemplated by a Drawdown Prospectus, as the case may be) to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (a) *Qualified investors*: at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) *Fewer than 100 offerees*: at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to

obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

- (c) *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 and the expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

Selling Restrictions Addressing Additional United Kingdom Securities Laws

Each Dealer has represented, warranted and agreed that:

- (a) **No deposit-taking**: in relation to any Notes having a maturity of less than one year:
- (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and
 - (ii) it has not offered or sold and will not offer or sell any Notes other than to persons:
 - (A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or
 - (B) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,where the issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 by the Issuer;
- (b) **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 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
- (c) **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.

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.

GENERAL INFORMATION

Authorisation

1. The establishment of the Programme was authorised by a shareholder resolution of the Issuer passed on 15 May 2013. 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. Save as disclosed in “*Business Description of OGE – 5 Business Overview – 5.6 Legal and Arbitration Proceedings*” above, 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.

Significant/Material Change

3. Since 31 December 2012, there has been no material adverse change in the prospects of the Issuer nor any significant change in the financial or trading position of the Issuer.

Auditors

4. The consolidated financial statements of the Issuer for the period from 12 April 2012 to 31 December 2012 have been audited by PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft (“**PwC**”), who have issued an unqualified auditor’s report (uneingeschränkter Bestätigungsvermerk). PwC is a member of the Chamber of Public Accountants (Wirtschaftsprüferkammer), Rauchstrasse 26, 10787 Berlin, Germany.

Documents on Display

5. Copies of the following documents may be inspected during normal business hours at the offices of the Issuer for 12 months from the date of this Base Prospectus:
 - (a) the constitutive documents of the Issuer;
 - (b) the audited consolidated financial statements of the Issuer for the period from 12 April 2012 to 31 December 2012 ;
 - (c) the Agency Agreement;
 - (d) the Deed of Covenant;
 - (e) the Dealer Agreement;
 - (f) the Programme Manual (which contains the forms of the Notes in global and definitive form); and
 - (g) the Issuer-ICSDs Agreement.

Clearing of the Notes

6. 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. The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium, the address of Clearstream, Luxembourg is 42 Avenue John F. Kennedy L-1855 Luxembourg, Luxembourg and the address of SIS is Baslerstrasse 100, CH-4600 Olten. The address of any alternative clearing system will be specified in the applicable Final Terms.

Issue Price and Yield

7. Notes may be issued at any price. The issue price of each Tranche 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 and the issue price of the relevant Notes will be set out in the applicable Final Terms. The Issuer does not intend to provide any post-issuance information in relation to any Notes. In the case of different Tranches of a Series of Notes, the issue price may include accrued interest in respect of the period from the interest commencement date of the relevant Tranche (which may be the issue date of the first Tranche of the Series or, if interest payment dates have already passed, the most recent interest payment date in respect of the Series) to the issue date of the relevant Tranche.

The yield of each Tranche of Notes set out in the applicable Final Terms will be calculated as of the relevant issue date on an annual or semi-annual basis using the relevant issue price. It is not an indication of future yield.

PRINCIPAL OFFICE OF THE ISSUER

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