

This document constitutes the base prospectus of Vier Gas Transport GmbH in respect of non-equity securities within the meaning of Art. 22 No. 6 (4) of the Commission Regulation (EC) No. 809/2004 of 29 April 2004, as amended, with a denomination of at least EUR 100,000 (or the equivalent in any other currency as at the relevant date of issuance) and a minimum maturity of one year (the "**Prospectus**").



## VIER GAS TRANSPORT GMBH

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

€ 5,000,000,000

### Debt Issuance Programme (the "**Programme**")

Application has been made to 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 from time to time (the "**Prospectus Directive**"), for its approval of this Prospectus. By approving this Prospectus, the CSSF gives no undertaking as to the economic and financial soundness of the operation or the quality or solvency of the Issuer in line with Article 7(7) of the Luxembourg act dated 10 July 2005 relating to prospectuses for securities (*Loi du 10 juillet 2005 relative aux prospectus pour valeurs mobilières*), as amended (the "**Luxembourg Act**").

Application has been made to list notes issued under the Programme (the "**Notes**") on the official list of the Luxembourg Stock Exchange and to trade Notes on the regulated market "*Bourse de Luxembourg*". The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of the Market and the Financial Instruments Directive 2014/65/EU, as amended (the "**Regulated Market**"). Notes issued under the Programme may also be listed on an alternative stock exchange or may not be listed at all.

#### *Arranger*

ING

#### *Dealers*

BNP PARIBAS

ING

COMMERZBANK

RBC CAPITAL MARKETS

UNICREDIT BANK

This Prospectus will be published in electronic form on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) as well as on the website of Vier Gas Transport GmbH ([www.viergas.de](http://www.viergas.de)). This Prospectus is valid for a period of twelve months from the date of its approval.

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## NOTICE

This Prospectus should be read and understood in conjunction with any supplement hereto and with any other documents incorporated herein by reference and, in relation to any series of Notes, together with the relevant final terms (the "**Final Terms**"). Full information on any tranche of Notes is only available on the basis of the combination of the Prospectus and the relevant Final Terms.

Vier Gas Transport GmbH ("**Vier Gas**" or the "**Issuer**", together with all consolidated subsidiaries, the "**Group**") with its registered office in Essen, Federal Republic of Germany and in respect of information on itself only, accept responsibility for the information given in this Prospectus. With regard to information for which it is responsible has confirmed to the Dealers (as defined herein) that this Prospectus contains all information with regard to the Issuer and the Notes which is material in the context of the Programme and the issue and offering of Notes thereunder; that the information contained herein with respect to the Issuer and the Notes is accurate and complete in all material respects and is not misleading; that any opinions and intentions expressed herein are honestly held and based on reasonable assumptions; that there are no other facts with respect to the Issuer or the Notes, the omission of which would make this Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading; that the Issuer has made all reasonable enquiries to ascertain all facts material for the purposes aforesaid.

This Prospectus is valid for 12 months following the date of its approval and this Prospectus and any supplement hereto as well as any Final Terms reflect the status as of their respective dates of issue. The delivery of this Prospectus, any supplement thereto, or any Final Terms and the offering, sale or delivery of any Notes may not be taken as an implication that the information contained in such documents is accurate and complete subsequent to their respective dates of issue or that there has been no adverse change in the financial situation of the Issuer since such date or that any other information supplied in connection with the Programme is accurate 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 Issuer has undertaken with the Dealers to supplement this Prospectus in accordance with Article 13 of the Luxembourg Act or publish a new Prospectus in the event of any significant new factor, material mistake or inaccuracy relating to the information included in this Prospectus in respect of Notes issued on the basis of this Prospectus which is capable of affecting the assessment of the Notes and which arises or is noted between the time when this Prospectus has been approved and the closing of any tranche of Notes offered to the public or, as the case may be, when trading of any tranche of Notes on a regulated market begins in respect of Notes issued on the basis of this Prospectus.

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

Neither any Arranger nor any Dealer nor the Fiscal Agent nor any Paying Agent nor any other person mentioned in this Prospectus, excluding the Issuer, is responsible for the information contained in this Prospectus or any supplement hereto, or any Final Terms or any document incorporated herein by reference, and accordingly, and to the extent permitted by the laws of any relevant jurisdiction, none of these persons accepts any responsibility for the accuracy and completeness of the information contained in any of these documents.

The distribution of this Prospectus, any supplement thereto and any Final Terms and the offering, sale and delivery of Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus or any Final Terms come are required to inform themselves about and observe any such restrictions. For a description of the restrictions applicable in the United States of America, the United Kingdom and Japan; see "*Selling Restrictions*". In particular, the Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), and include Notes in bearer form that are subject to tax law requirements of the United States of America; subject to certain exceptions, Notes may not be offered, sold or delivered within the United States of America or to United States persons.

The language of this Prospectus and the Terms and Conditions is English.

**This Prospectus may only be used for the purpose for which it has been published.**

**This Prospectus and any Final Terms may not be used for the purpose of an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such an offer or solicitation.**

**This Prospectus, any supplement thereto and any Final Terms do not constitute an offer or an invitation to subscribe for or purchase any Notes.**

**MIFID II PRODUCT GOVERNANCE / TARGET MARKET** – The Final Terms in respect of any Notes will include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**Distributor**") should take into consideration the target market assessment; however, a Distributor subject to the Markets in Financial Instruments Directive 2014/65/EU, as amended ("**MiFID II**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

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

**PRIIPs / IMPORTANT – EEA RETAIL INVESTORS** – If the Final Terms in respect of any Notes include a legend entitled "Prohibition of Sales to EEA Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive 2002/92/EC (the "**Insurance Mediation Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive. Consequently, no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

**IN CONNECTION WITH THE ISSUE OF ANY TRANCHE OF NOTES, THE DEALER OR DEALERS (IF ANY) NAMED AS STABILISATION MANAGER(S) IN THE APPLICABLE FINAL TERMS (OR PERSONS ACTING ON BEHALF OF ANY STABILISATION MANAGER(S)) MAY OVER-ALLOT NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A HIGHER LEVEL THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, STABILISATION MAY NOT NECESSARILY OCCUR. ANY STABILISATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE RELEVANT TRANCHE OF NOTES IS MADE AND, IF BEGUN, MAY CEASE AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE RELEVANT TRANCHE OF NOTES AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE RELEVANT TRANCHE OF NOTES. ANY STABILISATION ACTION OR OVER-ALLOTMENT MUST BE CONDUCTED BY THE RELEVANT STABILISATION MANAGER(S) (OR PERSON(S) ACTING ON BEHALF OF ANY STABILISATION MANAGER(S)) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.**

**ANY U.S. PERSON WHO HOLDS AN OBLIGATION UNDER THIS PROGRAMME THAT IS TREATED AS IN BEARER FORM FOR U.S. FEDERAL INCOME TAX PURPOSES WILL BE SUBJECT TO LIMITATIONS UNDER THE U.S. INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN CLAUSES 165(J) AND 1287(A) OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED.**

In this Prospectus, all references to "€", "EUR" or "Euro" are to the currency introduced at the start of the third stage of the European economic and monetary union, and defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the Euro, as amended.

Tranches of Notes may be rated or unrated. Where a tranche of Notes is rated, such rating and the respective rating agency will be specified in the relevant Final Terms. A rating is not a recommendation to buy, sell or hold Notes and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

To the extent not otherwise indicated, the information contained in this Prospectus on the market environment, market developments, growth rates, market trends and competition in the markets in which the Issuer operates is taken from publicly available sources, including, but not limited to, third-party studies or the Issuer's estimates that are also primarily based on data or figures from publicly available sources. The information from third-party sources that is cited here has been reproduced accurately. As far as the Issuer is aware and able to ascertain from information published by such third-party, no facts have been omitted which would render the reproduced information published inaccurate or misleading.

This Prospectus also contains estimates of market data and information derived from these estimates that would not be available from publications issued by market research firms or from any other independent sources. This information is based on the Issuer's internal estimates and, as such, may differ from the estimates made by their competitors or from data collected in the future by market research firms or other independent sources. To the extent the Issuer derived or summarized the market information contained in this Prospectus from a number of different studies, an individual study is not cited unless the respective information can be taken from it directly.

The Issuer has not independently verified the market data and other information on which third parties have based their studies or the external sources on which the Issuer's own estimates are based. Therefore, the Issuer assumes no responsibility for the accuracy of the information on the market environment, market developments, growth rates, market trends and competitive situation presented in this Prospectus from third-party studies or the accuracy of the information on which the Issuer's own estimates are based. Any statements regarding the market environment, market developments, growth rates, market trends and competitive situation presented in this Prospectus regarding the Issuer and their operating divisions contained in this Prospectus are based on their own estimates and/or analysis unless other sources are specified.

Any websites referred to in this Prospectus are for information purposes only and do not form part of the Prospectus (except with respect to the documents incorporated by reference into this Prospectus).

## FORWARD-LOOKING STATEMENTS

This Prospectus contains certain forward-looking statements. A forward-looking statement is a statement that does not relate to historical facts and events. They are based on analyses or forecasts of future results and estimates of amounts not yet determinable or foreseeable. These forward-looking statements are identified by the use of terms and phrases such as "anticipate", "believe", "could", "estimate", "expect", "intend", "may", "plan", "predict", "project", "will" and similar terms and phrases, including references and assumptions. This applies, in particular, to statements in this Prospectus containing information on future earning capacity, plans and expectations regarding Vier Gas' business and management, its growth and profitability, and general economic and regulatory conditions and other factors that affect them.

Forward-looking statements in this Prospectus are based on current estimates and assumptions that the Issuer makes to the best of their present knowledge. These forward-looking statements are subject to risks, uncertainties and other factors which could cause actual results, including the Issuer's financial condition and results of operations, to differ materially from and be worse than results that have expressly or implicitly been assumed or described in these forward-looking statements. The Issuer's business is also subject to a number of risks and uncertainties that could cause a forward-looking statement, estimate or prediction in this Prospectus to become inaccurate. Accordingly, investors are strongly advised to read the following sections of this Prospectus: "*Risk Factors*" and "*Business Description of the Issuer*". These sections include more detailed descriptions of factors that might have an impact on the Issuer's business and the markets in which the Issuer operates.

In light of these risks, uncertainties and assumptions, future events described in this Prospectus may not occur. In addition, neither the Issuer nor the Dealers assume any obligation, except as required by law, to update any forward-looking statement or to conform these forward-looking statements to actual events or developments.

## **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. The Issuer may be unable to pay interest, principal or other amounts on or in connection with Notes issued under the Programme for other reasons. Prospective investors should also read the detailed information set out elsewhere in this Prospectus (including any documents incorporated by reference herein) and reach their own views prior to making any investment decision. Additional risks and uncertainties, including those currently unknown, or deemed immaterial, could have the effects set forth above.*

### **Factors that may affect the Issuer's ability to fulfil their 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 and as amended from time to time 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. Pursuant to the EnWG, 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 shall 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. Since 2 December 2013, BNetzA granted OGE the certification as ITO by a resolution. Thus, OGE has successfully proven that it is organised in accordance with the requirements under Sections 10 seqs. EnWG.

With press release from 19 July 2018, it became public that the European Commission initiated infringement proceedings according to Art. 258 TFEU (*Vertrag über die Arbeitsweise der Europäischen Union* – Treaty on the Functioning of the European Union, "**TFEU**") against Germany with the European Court of Justice (the "**ECJ**"). Subject of these infringement proceedings now initiated is Germany's putative failure to fully comply with the Third Energy Law Package, in order to ensure a correct implementation of the Directive 2009/72/EC (the "**Electricity Directive**") and of the Directive 2009/73/EC (the "**Gas Directive**"). Therefore, the European Commission accuses Germany that the BNetzA as national regulatory authority lacks the required independence and power with respect to the setting of network tariffs and other terms and conditions for access to networks and balancing services. The European Commission argues that many factors regarding the setting of network tariffs are laid down in detailed regulations adopted by the Federal government and therefore are not dominated by the BNetzA. Moreover, according to the European Commission, several requirements concerning the ITO unbundling model have been transformed incorrectly into national German law.

The initiation of infringement proceedings against Germany by the European Commission with the ECJ has no direct legal consequences regarding the status of already certified ITOs – such as OGE – as long as the ECJ has not yet pronounced a verdict in this matter. As the European Commission's writs, accusing Germany to violate the mentioned provisions of the Third Energy Package are not – yet – published, it cannot be fully assessed at this point, what verdict in this matter could be rendered by the ECJ.

***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 as well as the total revenue generated by transport services by OGE as a TSO are subject to a revenue cap regulation by the BNetzA.

Decisions made and 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 is network tariffs for access to its network. The revenue is capped largely based 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 2018 to 2022 (the "**Third Regulatory Period**") and its revenue cap is based on the costs of the Base Year 2015.

The total costs approved by BNetzA in a Base Year as the starting point for the revenue cap 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 16 German gas TSOs) in which the TSOs are compared to each other based on their individual ratio between influenceable costs (input parameters) and structural parameters of the individual grids (output parameters). The 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 2017, OGE completed the cost approval procedure of the BNetzA, determining the cost base level of the Base Year 2015 upon which the stipulation of the revenue cap is based. This cost base level (including volatile costs such as fuel energy costs and the costs of flow commitments) formed the basis for the subsequent efficiency benchmarking process which was finalized in Q1 2018 resulting in a 100 per cent, efficiency factor for OGE.

Furthermore, BNetzA determined two key parameters to be applied for the revenue cap of the Third Regulatory Period:

- On 12 October 2016, the return on imputed equity (the "**RoE**")<sup>1</sup> was set at 6.91 per cent, (nominal) by BNetzA. This decision was appealed by OGE amongst other network operators. In March 2018, the Higher Regional Court of Düsseldorf decided that BNetzA used a methodically incorrect procedure to determine the rates for the return on equity for the Third Regulatory Period. The court held the opinion that the determined rates do not reflect the market risks correctly and are

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<sup>1</sup> According to § 7 GasNEV the applicable return on imputed equity ("**RoE**") for OGE's revenue cap 2018-2022 is determined by BNetzA and calculated before corporate tax and after trade tax.



determined at a level which is not sufficient. BNetzA has appealed the decision of the Higher Regional Court of Düsseldorf at the Federal Court of Justice, which means that the abovementioned decision of BNetzA is still enforceable and, thus, applicable, until the Federal Court of Justice delivers its judgement.

- The sectoral productivity factor ("**Xgen**") for the Third Regulatory Period has been settled by BNetzA at a level of 0.49 per cent. *per annum*. This factor displays an additional efficiency target that obliges network operators to reduce their revenue cap by the respective percentage value during the course of the regulatory period. Although the current stipulation is below the historic values of 1.25 per cent. and 1.5 per cent. for the first and second regulatory period many operators including OGE appealed the current decision as BNetzA calculations are not perceived as robust and valid. A decision of the Higher Regional Court of Düsseldorf is outstanding and will be expected in 2019.

OGE received the final decision regarding the revenue cap for the years 2018-2022 on 15 June 2018. As OGE refrained from appealing against the decision, it has become legally binding on 16 July 2018. However, the determination contains an adjustment clause regarding the RoE and the Xgen as a result of the pending legal disputes as mentioned in the business description (the "**Regulatory Proceedings**"). BNetzA decided to approve the balance of the regulatory account from previous years in a separate procedure. This applies to the regulatory account of the years 2012-2017.

Furthermore, OGE is allowed to adjust the annual revenue cap based on the approved costs of so called Investment Measures ("**IMA**") pursuant to Section 23 of the Ordinance on Incentive Regulation (*Anreizregulierungsverordnung* – the "**ARegV**"). This provision implies that the operator can reimburse costs caused by significant investment projects that are not yet fully reflected in the last Base Year on an annual basis in the course of the regulatory period. As a consequence, the costs are included in the revenue cap based on planned costs without time lag. Deviations between planned and actual costs are balanced via the regulatory account mechanism. The IMA reimbursement requires a project-specific application in which the operator has to prove that the project fulfils the criteria of being either a grid enhancement project or a significant grid restructuring. The project-specific approval potentially incorporates a deduction for a replacement share in case the investment partially or fully replaces existing grid assets. The approval practice of BNetzA has been published in a self-binding guideline that covers all relevant aspects and criterias (e.g. approval requirements, duration, calculation principles). Thus, BNetzA has generally the right to change the approval criteria. Following the project approval by BNetzA the operator is allowed to reimburse costs of capital (*inter alia* depreciation, financing costs incl. RoE) as well as a lump sum for operating expenditure ("**OPEX**") of the specific project. Generally, the BNetzA has the legal force to determine and adjust the OPEX lump sum factor for specific assets. Potential changes to the IMA approval practice as well as OPEX lump sum adjustments may have a negative impact on OGE's IMA reimbursement.

#### ***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* – the "**GasNEV**") and the Ordinance on Incentive Regulation (*Anreizregulierungsverordnung* – the "**ARegV**").

Consequently, the revenues and financial conditions of OGE are sensitive to the regulatory framework, regulatory system changes as well as decisions and determinations by BNetzA.

In 2016, significant amendments of ARegV were implemented mainly for distribution grid operators ("**DSO's**").

The regular procedure for the evaluation of the ARegV regime is scheduled for the end of the Third Regulatory Period. In this context, BNetzA is obliged to provide an evaluation report in December 2023 to the legislator. Currently, the Issuer is not aware of any specific legal procedures for ARegV amendments. As being noticeable in the past, BNetzA permanently analyses potential changes of the regulatory framework that might trigger legislative changes. Nevertheless, it is unlikely that such changes come into force within the ongoing regulatory period.

An amendment of the Gasnetzzugangsverordnung (the "**GasNZV**") from August 2017 obliges all German TSOs commonly to work for a higher liquidity of the gas market. Therefore, the two German market areas GASPOOL and NetConnect Germany have to be merged until 1 April 2022.

In 2017, the network code on capacity allocation mechanisms in gas transmission systems and repealing Regulation (EU) No 984/2013 (Commission Regulation (EU) 2017/459 – "**NC CAM**") and the network code on harmonised transmission tariff structures for gas (Commission Regulation (EU) 2017/460 – the "**NC TAR**") entered into force. As Regulations under European law these network codes are directly applicable and contain detailed rules on capacity allocation and tariff calculation. Based on the network codes the BNetzA in 2018 started the public consultation in relation to its determination of a tariff methodology for gas TSOs (BK9-18/610-NCG, BK9-18/611-GP, BK9-18-607) and in relation to amendments of specific parts of the tariff calculation and allocation methods (BK9-18-608 and BK9-18-612). Should OGE not be able to implement mandatory changes in national and European regulation in the required timeframe and/or quality, OGE may be subject to fines and/or claims of the respective regulatory authorities and/or customers.

#### ***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 changes (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 other sources of energy such as renewables 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 according to the regulatory account mechanism. 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 effect on OGE's reimbursement of actual 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 (or political interactions to international cooperations e.g. "sanctions clause") in gas producing or transporting countries could result in changes to such countries' gas export policies and potential restrictions on the export of gas therefrom. In 2009, for example, gas disputes between a Ukrainian oil and gas company and a Russian gas supplier regarding 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 effect 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 with a potentially negative impact on its long-term business operations, results and financial position.

***Risks related to maintenance and expansion investments of the network***

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*, damage 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. Another substantial risk related to capital expenditure is that prices of procured goods and services may increase, as these depend to some extent on external factors, such as overall market supply and demand. Furthermore, despite regular state-of the art maintenance, premature ageing of assets or changing local conditions (such as erosion, landslides etc.) may require unplanned investments.

Such risks 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 maintenance and expansion investments of the network*"). 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. 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. The amendment of the GasNZV per August 2017, which established the legal requirement to merge the existing two market areas of NCG and Gaspool into one single market area by 2022, and requires therefore the creation of one single market area manager. As of today, most aspects of the operational setup of such future single market area manager remain uncertain. Therefore, it may be the case that the above mentioned risks would also apply to the future single market area manager and its shareholders.

### ***Dependence on key customers***

A small number of key customers are responsible for a significant part of OGE's revenues. In 2017, OGE's top 5 customers were responsible for approximately 44 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 effect 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***

To ensure fault-free operation of the transport business, OGE employs high quality standards and sophisticated quality assurance concepts. Nevertheless, errors and resultant claims for compensation by customers cannot be entirely excluded. 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 of these 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 holds 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.

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

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

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

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

### **Currency Risk**

A holder of Notes (the "**Holder**") denominated in a foreign currency (i.e. a currency other than the Euro) is particularly exposed to the risk of changes in currency exchange rates which may affect the yield of such Notes. Changes in currency exchange rates result from various factors such as macro-economic factors, speculative transactions and interventions by central banks and governments.

A change in the value of any foreign currency against the Euro, for example, will result in a corresponding change in the Euro value of Notes denominated in a currency other than the Euro and a corresponding change in the Euro value of interest and principal payments made in a currency other than the Euro in accordance with the terms of such Notes. If the underlying exchange rate falls and the value of the Euro correspondingly rises, the price of the Notes and the value of interest and principal payments made thereunder expressed in Euro falls.

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

### **Liquidity Risk**

Application has been made to the Luxembourg Stock Exchange for Notes issued under this Programme to be admitted to trading on the Regulated Market of the Luxembourg Stock Exchange and to be listed on the official list of the Luxembourg Stock Exchange. In addition, the Programme provides that Notes may be listed on other or further stock exchanges or may not be listed at all. Regardless of whether the Notes are listed or not, there is a risk that no liquid secondary market for the Notes will develop or, if it does develop,

that it will not continue. For instance, after the Notes have been listed, the relevant stock exchange may decide, under certain circumstances, to suspend or cease trading of the Notes. Accordingly, there is no assurance as to the development or liquidity of any trading market for the Notes. If Notes are not listed on any stock exchange, the trading is suspended or any other liquidity shortfall occurs, pricing information for such Notes may be more difficult to obtain, which may further affect the liquidity of the Notes adversely. In an illiquid market, an investor is subject to the risk that he will not be able to sell his Notes at any time at fair market prices. The possibility to sell the Notes might additionally be restricted by country-specific reasons.

### **Market Price Risk**

The development of market prices of the Notes depends on various factors, such as changes of market interest rate levels, the policies of central banks, overall economic developments, inflation rates or the lack of or excess demand for the relevant type of Note. The Holders of Notes are therefore exposed to the risk of an unfavourable development of market prices of their Notes which may materialise if the Holders sell the Notes prior to the final maturity of such Notes. If a Holder of Notes decides to hold the Notes until final maturity, the Notes will be redeemed at the amount set out in the relevant Final Terms.

### **Risk of Early Redemption**

The applicable Final Terms will indicate if the Issuer has the right to call the Notes prior to maturity (optional call right) at any time against payment of a Call Redemption Amount (as defined and further set out in the Terms and Conditions), on one or several dates or during one or several periods specified in the applicable Final Terms, or by reason of minimal outstanding amount. In addition, the Issuer will always have the right to redeem the Notes if the Issuer is required to pay additional amounts (gross-up payments) on the Notes for reasons of taxation as set out in the Terms and Conditions. If the Issuer redeems the Notes prior to maturity, a Holder of such Notes is exposed to the risk that due to such early redemption his investment will have a lower than expected yield. In addition, there is a risk that the market price of the Notes may be negatively affected in case the Issuer has or is perceived to have a right to early redeem the Notes. The Issuer can be expected to exercise its call right if the yield on comparable notes in the capital market has fallen which means that the investor may only be able to reinvest the redemption proceeds in comparable notes with a lower yield. On the other hand, the Issuer can be expected not to exercise its call right if the yield on comparable notes in the capital market has increased. In this event an investor will not be able to reinvest the redemption proceeds in comparable notes with a higher yield. It should be noted, however, that the Issuer may exercise any call right irrespective of market interest rates on a call date.

### **Fixed Rate Notes**

A Holder of a Fixed Rate Note is exposed to the risk that the price of such Note falls as a result of changes in the current interest rate on the capital market (the "**Market Interest Rate**"). While the nominal interest rate of a Fixed Rate Note as specified in the applicable Final Terms is fixed during the life of such Note, the Market Interest Rate typically changes on a daily basis. As the Market Interest Rate changes, the price of a Fixed Rate Note also changes, but in the opposite direction. If the Market Interest Rate increases, the price of a Fixed Rate Note typically falls, until the yield of such Note is approximately equal to the Market Interest Rate. If the Market Interest Rate falls, the price of a Fixed Rate Note typically increases, until the yield of such Note is approximately equal to the Market Interest Rate. If the Holder of a Fixed Rate Note holds such Note until maturity, changes in the Market Interest Rate are without relevance to such Holder as the Note will be redeemed at a specified redemption amount, usually the principal amount of such Note.

### **Floating Rate Notes**

A Holder of a Floating Rate Note is exposed to the risk of fluctuating interest rate levels and uncertain interest income. Fluctuating interest rate levels make it impossible to determine the yield of Floating Rate Notes in advance.

Neither the current nor the historical value of the relevant floating rate should be taken as an indication of the future development of such floating rate during the term of any Notes.

EURIBOR and other interest rates or other types of rates and indices which are deemed Benchmarks have become the subject of regulatory scrutiny and recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented.

These reforms may cause such Benchmarks to perform differently than in the past, or to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes linked to such a Benchmark.

International proposals for reform of Benchmarks include the European Council's regulation (EU) 2016/1011 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (Benchmark Regulation) which is fully applicable since 1 January 2018.

The Benchmark Regulation could have a material impact on Notes linked to a Benchmark, including in any of the following circumstances:

- a rate or index which is a Benchmark may only be used if its administrator obtains authorisation or is registered and in case of an administrator which is based in a non-EU jurisdiction, if the administrator's legal benchmark system is considered equivalent (Art. 30 Benchmark Regulation), the administrator is recognised (Art. 32 Benchmark Regulation) or the Benchmark is endorsed (Art. 33 Benchmark Regulation) (subject to applicable transitional provisions). If this is not the case, Notes linked to such Benchmarks could be adversely impacted; and
- the methodology or other terms of the Benchmark could be changed in order to comply with the terms of the Benchmark Regulation, and such changes could have the effect of reducing or increasing the rate or level or affecting the volatility of the published rate or level, and could have an impact on the Notes, including Calculation Agent determination of the rate.

Amounts payable under Floating Rate Notes issued under the Programme are calculated by reference to EURIBOR which is provided by EMMI. As at the date of this Prospectus, EMMI does not appear on the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of the Benchmarks Regulation. As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmark Regulation apply, such that EMMI is not currently required to obtain authorisation or registration (or, if located outside the European Union, recognition, endorsement or equivalence).

In addition to the aforementioned Benchmark Regulation, there are numerous other proposals, initiatives and investigations which may impact Benchmarks.

Following the implementation of any such potential reforms, the manner of administration of Benchmarks may change, with the result that they may perform differently than in the past, or Benchmarks could be eliminated entirely, or there could be other consequences which cannot be predicted. For example, on 27 July 2017, the UK Financial Conduct Authority announced that it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark after 2021 (the "**FCA Announcement**"). The FCA Announcement indicates that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021.

If a Benchmark were to be discontinued or otherwise unavailable, the rate of interest for Floating Rate Notes, which are linked to such Benchmark will be determined for the relevant period by the fall-back provisions applicable to such Notes, which in the end could result in the same rate being applied until maturity of the Floating Rate Notes, effectively turning the floating rate of interest into a fixed rate of interest.

Any changes to a Benchmark as a result of the Benchmark Regulation or other initiatives, could have a material adverse effect on the costs of refinancing a Benchmark or the costs and risks of administering or otherwise participating in the setting of a Benchmark and complying with any such regulations or requirements. Although it is uncertain whether or to what extent any of the above-mentioned changes and/or any further changes in the administration or method of determining a Benchmark could have an effect on the value of any Notes linked to the relevant Benchmark, investors should be aware that any changes to a relevant Benchmark may have a material adverse effect on the value of any Notes linked to such Benchmark.

### **Zero Coupon Notes**

Zero Coupon Notes do not pay current interest but are typically issued at a discount from their nominal value. Instead of periodical interest payments, the difference between the redemption price and the issue price constitutes interest income until maturity and reflects the Market Interest Rate. A Holder of a Zero



Coupon Note is exposed to the risk that the price of such Note falls as a result of changes in the Market Interest Rate. Prices of Zero Coupon Notes are more volatile than prices of Fixed Rate Notes and are likely to respond to a greater degree to Market Interest Rate changes than interest bearing notes with a similar maturity.

### **Resolutions of Holders**

Since the Terms and Conditions of Notes issued under the Programme provide for meetings of Holders of a series of Notes or the taking of votes without a meeting, the Terms and Conditions of such Notes may be amended (as proposed or agreed by the Issuer) by majority resolution of the Holders of such Notes and any such majority resolution will be binding on all Holders. Any Holder is therefore subject to the risk that its rights against the Issuer under the Terms and Conditions of the relevant series of Notes are amended, reduced or even cancelled by a majority resolution of the Holders. As stated by the German Federal Court of Justice, any such majority resolution will even be binding on Holders who have declared their claims arising from the Notes due and payable based on the occurrence of an event of default but who have not received payment from the Issuer prior to the amendment taking effect. According to the German Act on Debt Securities of 2009 (*Schuldverschreibungsgesetz* – "**SchVG**"), the relevant majority for Holders' resolutions is generally based on votes cast, rather than on the aggregate principal amount of the relevant Notes outstanding. Therefore, any such resolution may effectively be passed with the consent of less than a majority of the aggregate principal amount of the relevant Notes outstanding.

### **Holdings' Representative**

If the Notes provide that the Holders of a series of Notes are entitled to appoint a Holdings' representative (the "**Holdings' Representative**") by a majority resolution of such Holders or if a Holdings' Representative has been appointed in the Terms and Conditions of a series of Notes it is possible that a Holder may be deprived of its individual right to pursue and enforce its rights under the Terms and Conditions against the Issuer, such right passing to the Holdings' Representative who is then exclusively responsible to claim and enforce the rights of all the Holders of the relevant series of Notes.

If no Holdings' Representative is initially appointed, any appointment of a Holdings' Representative post issuance of Notes will require a majority resolution of the Holders of the Notes. If the appointment of a Holdings' Representative is delayed, this will make it more difficult for Holders to take collective action to enforce their rights under the Notes.

### **Quorum requirement and SchVG risks in case of certain events of default**

The Terms and Conditions provide that, in case of certain events of default, any notice declaring the Notes due and payable shall become effective only when the Fiscal Agent has received such default notices from Holders representing at least 25 per cent. of the aggregate principal amount of Notes then outstanding. Under the SchVG, even if a default notice is given by a sufficient number of Holders of Notes, this could be rescinded by majority resolution within three months. A simple majority of votes would be sufficient for a resolution on the rescission of such acceleration but, in any case, more Holders would have to consent to a rescission than have delivered default notices.

Holdings should be aware that, as a result, they may not be able to accelerate their Notes upon the occurrence of certain events of default, unless the required quorum of Holdings delivers default notices and such acceleration is not rescinded by majority resolution of the Holdings.

### **Credit ratings**

The Final Terms may indicate that a credit rating has been or will be assigned to one or several tranches of Notes. Such rating, as well as the credit rating assigned to the Issuer, may not reflect the potential impact of all risks related to the structure, market, additional risk factors discussed herein and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal by the rating agency at any time. No assurance can be given that a credit rating will remain constant for any given period of time or that a credit rating will not be reduced or withdrawn entirely by the credit rating agency if, in its judgment, circumstances so warrant. Any actual or anticipated suspension, reduction or withdrawal of the credit rating assigned to the Issuer or any Notes by one or more of the credit rating agencies may adversely affect the cost and terms and conditions of the Issuer's financings and could adversely affect the value and trading of the Notes.

### ***Financial Transaction Tax***

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

The Commission's Proposal has a very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. This may, in turn, adversely affect the liquidity of the Notes. The issuance and subscription of Notes should, however, be exempt.

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

However, Commission's Proposal remains subject to negotiation between Participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate and/or Participating Member States may decide to discard the Commission's Proposal. In Germany, the grand coalition restated in the coalition agreement the aim towards the introduction of a substantial FTT within the EU.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

### ***U.S. Foreign Account Tax Compliance Withholding***

Pursuant to Sections 1471 through 1474 of the Internal Revenue Code of 1986, as amended ("**FATCA**"), the Issuer and other non-U.S. financial institutions through which payments on the Notes are made may be required to withhold U.S. tax at a rate of 30 per cent. on all, or a portion of, payments made after 31 December 2018 in respect of certain payments ("foreign passthru payments") to persons that fail to meet certain certification, reporting, or related requirements.

A number of jurisdictions, including the Netherlands, Germany and Austria, have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to 1 January 2019 and Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay Additional Amounts as a result of the FATCA withholding.

Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes.

**FATCA IS PARTICULARLY COMPLEX AND ITS APPLICATION TO THE ISSUER, THE NOTES AND THE HOLDERS IS UNCERTAIN AT THIS TIME. EACH HOLDER OF NOTES SHOULD CONSULT ITS OWN TAX ADVISER TO OBTAIN A MORE DETAILED EXPLANATION OF FATCA AND TO LEARN HOW FATCA MIGHT AFFECT EACH HOLDER IN ITS PARTICULAR CIRCUMSTANCE.**

## OVERVIEW OF THE PROGRAMME

The following overview is a general description of the Programme and is qualified in its entirety by the remainder of this Prospectus and, in relation to the terms and conditions of any tranche of Notes ("**Tranche**" or "**Tranche of Notes**"), the applicable Final Terms. Words and expressions defined in "*Terms and Conditions of the Notes*" shall have the same meaning in this overview.

<b>Issuer</b> .....	Vier Gas Transport GmbH
<b>Description</b> .....	Debt Issuance Programme
<b>Size</b> .....	Up to € 5,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate nominal amount of Notes outstanding at any one time.
<b>Arranger</b> .....	ING Bank N.V.
<b>Dealers</b> .....	BNP Paribas  Commerzbank Aktiengesellschaft  RBC Europe Limited  UniCredit Bank AG  The Notes may be issued to one or more of the Dealers and any additional Dealer appointed under the Programme from time to time by the Issuer, which appointment may be for a specific issue or on an ongoing basis.
<b>Fiscal Agent and Paying Agent</b> .....	Citibank, N.A., London Branch
<b>Calculation Agent</b> .....	The Final Terms will indicate if a Calculation Agent is appointed.
<b>Method of Issue</b> .....	The Notes will be distributed on a syndicated or non-syndicated basis. The method of distribution of each Tranche will be stated in the relevant Final Terms.  Notes will be issued on a continuous basis in Tranches of Notes, each Tranche consisting of Notes which are identical in all respects. One or more Tranches, which are expressed to be consolidated and forming a single series and are identical in all respects, but which may have different issue dates, interest commencement dates, issue prices and dates for first interest payments may form a series of Notes. Further Notes may be issued as part of existing series.
<b>Free transferability</b> .....	The Notes are freely transferable.
<b>Issue Price</b> .....	Notes may be issued at an issue price which is at par, or at a discount to or premium over par, as stated in the applicable Final Terms.
<b>Form of Notes</b> .....	The Notes will be issued in bearer form.  The Notes will either be represented by a permanent global note without coupons or initially be represented by a temporary global note without coupons which shall be exchanged for a permanent global note on a date not earlier than 40 days and not later than 180 days after the date of issue of the Notes upon delivery of certifications to the effect that the beneficial owner or owners of the Notes is/are not a U.S. person (other than

certain financial institutions or certain persons holding Notes through such financial institutions). Notes can be issued in new global note or classical global note form.

<b>Clearing Systems .....</b>	Clearstream Banking AG, Frankfurt am Main, or Clearstream Banking, S.A. Luxembourg and Euroclear Bank SA/NV Brussels as operator of the Euroclear System or an additional or alternative Clearing System, as stated in the applicable Final Terms.
<b>Currencies .....</b>	Subject to compliance with all relevant laws and regulations, Notes may be issued in any currency agreed between the Issuer and the relevant Dealers.
<b>Specified Denomination .....</b>	€ 100,000 (or its equivalent in any other currency as at the relevant date of issuance).
<b>Maturities .....</b>	No Notes may be issued under the Programme which have a maturity of less than one year after their Issue Date. Subject thereto, Notes may be issued with any maturity, subject to applicable laws, regulations and restrictions.
<b>Fixed Rate Notes .....</b>	Fixed interest will be payable in arrear on the date or dates in each year specified in the relevant Final Terms.
<b>Floating Rate Notes .....</b>	Floating interest, as specified in the relevant Final Terms, will be payable in arrear on the date or dates in each year specified in the relevant Final Terms.
<b>Zero Coupon Notes .....</b>	Zero Coupon Notes may be issued at their nominal amount or at a discount to it. There will be no periodic payments of interest on the Zero Coupon Notes.
<b>Interest Periods and Interest Rates</b>	With regard to Fixed Rate Notes, the relevant interest periods, Interest Payment Dates and the applicable Interest Rate will be set out in the relevant Final Terms.
<b>Redemption .....</b>	Unless previously redeemed, or purchased and cancelled, each Note will be redeemed at its Final Redemption Amount on the Maturity Date, each as set out in the relevant Final Terms.
<b>Optional Redemption .....</b>	The Final Terms issued in respect of each Tranche of Notes will state whether such Notes may be redeemed prior to their stated maturity at the option of the Holders at certain Put Redemption Dates and/or at the option of the Issuer (either in whole or in part), and if so the terms applicable to such redemption. A redemption of Notes at the option of the Issuer may be possible (i) for Reasons of Minimal Outstanding Principal Amount, (ii) at specific Call Redemption Dates or Call Redemption Periods at specified Call Redemption Amounts, or (iii) at any time at Early Redemption Amount (being the higher of its Final Redemption Amount and the Present Value (as defined in §5 (7) of the Terms and Conditions)), all as specified in the relevant Final Terms.
<b>Early Redemption for Reasons of Taxation .....</b>	All Notes will be redeemable at the option of the Issuer prior to their stated maturity for reasons of taxation.
<b>Status of Notes .....</b>	The obligations under the Notes constitute unsecured and unsubordinated obligations of the Issuer, respectively, all as set out in the Terms and Conditions.

<b>Negative Pledge</b> .....	The Terms and Conditions contain a negative pledge provision. See " <i>Terms and Conditions of the Notes — § 2 Status, Negative Pledge</i> ", respectively.
<b>Events of Default</b> .....	The Terms and Conditions provide for events of default entitling Holders to demand immediate redemption of the Notes. See " <i>Terms and Conditions of the Notes — § 9 Events of Default</i> ".
<b>Cross Default</b> .....	The Terms and Conditions contain a cross default clause. See " <i>Terms and Conditions of the Notes — § 9 Events of Default, lit. d)</i> ".
<b>Ratings</b> .....	<p>Tranches of Notes may be rated or unrated. Where a Tranche of Notes is rated, such rating and the relevant rating agency will be specified in the relevant Final Terms.</p> <p>A rating is not a recommendation to buy, sell or hold Notes and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.</p>
<b>Withholding Tax</b> .....	All payments of principal and interest in respect of the Notes will be made free and clear of withholding taxes of Germany, subject to customary exceptions, all as described in " <i>Terms and Conditions of the Notes — § 7 Taxation</i> ".
<b>Governing Law</b> .....	The Notes are governed by German law.
<b>Approval of Prospectus; Listing and Admission to Trading of Notes</b>	Application has been made to the CSSF for its approval of this Prospectus as a base prospectus. Application has also been made to the Luxembourg Stock Exchange for Notes issued under this Programme to be admitted to trading on the Regulated Market of the Luxembourg Stock Exchange and to be listed on the official list of the Luxembourg Stock Exchange. Notes may also be listed on other or further stock exchanges, or may not be listed at all.
<b>Selling Restrictions</b> .....	For selling restrictions in the United States, the United Kingdom and Japan see " <i>Subscription and Sale – Selling Restrictions</i> ".

## BUSINESS DESCRIPTION OF THE ISSUER

### 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 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 20138458 740. The Legal Entity Identifier of the Issuer is 529900AGED6PJE9AVL37.

### 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 private 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 private 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) BCI Investments S.à r.l. (32.15 per cent.), a Luxembourg private limited liability company.

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 a wholly owned direct subsidiary of MEIF 4 Luxembourg B Holdings S.à r.l..

MEIF 4 Luxembourg B Holdings S.à r.l. is jointly owned by MEIF 4 Luxembourg A Holdings S.à r.l. which holds 100 per cent. of the A shares (60.01 per cent. of total equity) and by Macquarie Infrastructure and Real Assets Investments (Luxembourg) S.à r.l. ("**MIRA Lux**") which holds 100 per cent. of the B shares (39.99 per cent. of the total equity), however, the purpose of the B shares is solely to enable Macquarie Group Limited to receive its entitlement to carried interest directly from MEIF 4 Luxembourg B Holdings S.à r.l. as an alternative to a distribution from its indirect joint owners, MEIF 4 LP and MEIF 4 FCPI. If no carry becomes payable, all income/distributions from MEIF 4 Luxembourg B Holdings S.à r.l. are paid to MEIF 4 Luxembourg A Holdings S.à r.l. and MIRA Lux never receives any income/distributions.

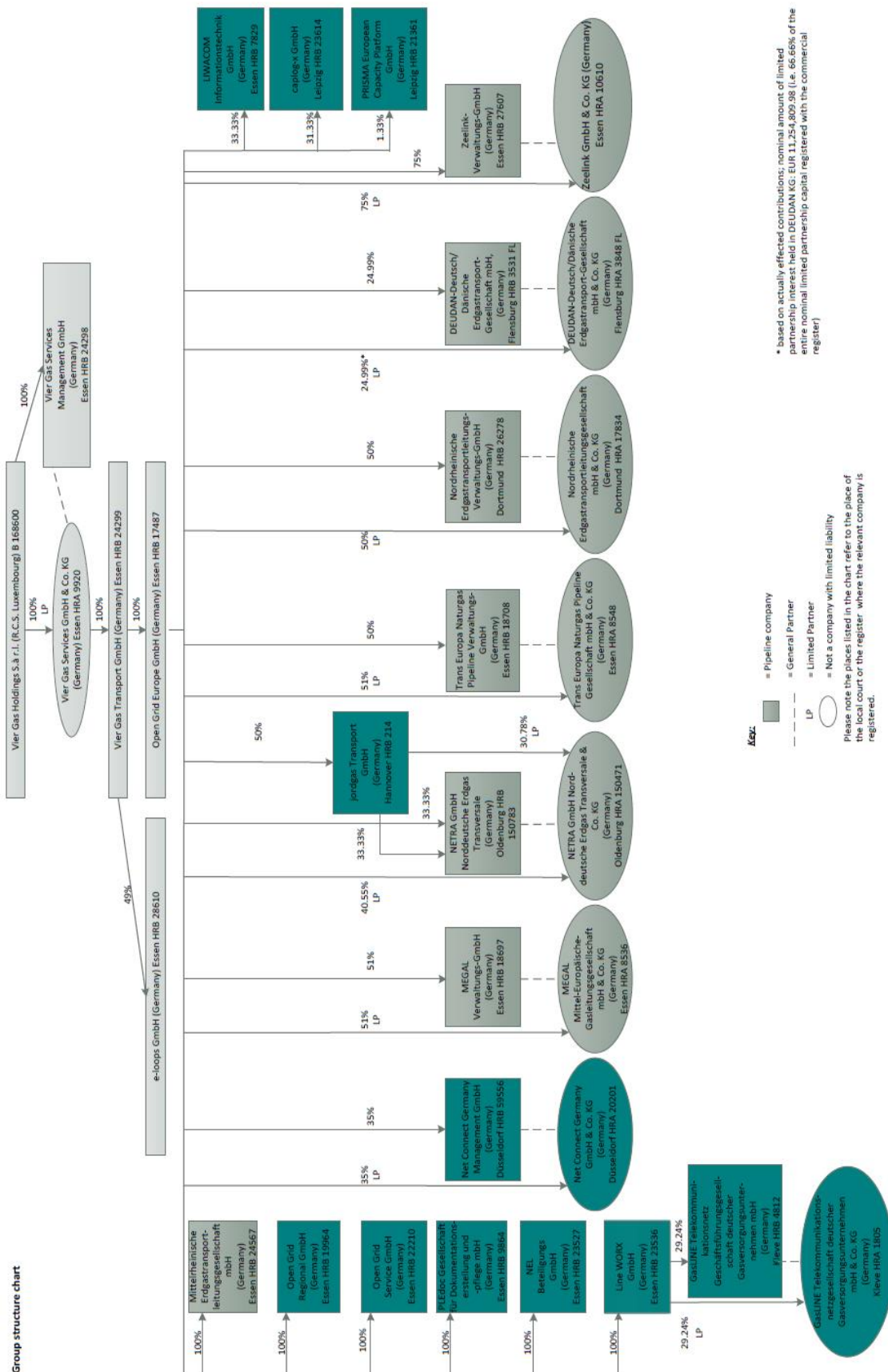
MEIF 4 Luxembourg A Holdings S.à r.l. is jointly owned by Macquarie European Infrastructure Fund 4 LP (95.9 per cent.) and its related parallel investment vehicle Macquarie European Infrastructure Fund 4 FPCI (4.1 per cent.).

Macquarie Infrastructure and Real Assets Investments (Luxembourg) S.à r.l. is an indirect 100 per cent. subsidiary of Macquarie Group Limited.

### Capitalisation and Group Structure

As of 31 December 2017, 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 Prospectus.

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



## 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
Stephan Kamphues	Managing Director (Chairman 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, Chairman and independent director of the Management Board of Fluxys LNG SA, Member of the Board and President of ENTSOG (European Network of Transmissions System Operators for Gas), Member of the Board of Gas Infrastructure Europe ("GIE"), President of GIE's Sub-Division "Gas Transmission Europe"	c/o Open Grid Europe GmbH Kallenbergstraße 5, 45141 Essen, Germany
Hilko Schomerus	Managing Director	Energie Steiermark (Supervisory Board Member), European Transport Investments (UK) Limited (Director), Globe Beteiligungs GmbH (Managing Director), MEIF 3 DV 1 S.à r.l. (Manager), MEIF 3 DV 2 S.à r.l. (Manager), MEIF 3 Luxembourg B Holdings S.à r.l. (B Director), MEIF 3 Luxembourg C Holdings S.à r.l. (Manager), MEIF 4 Luxembourg B Holdings S.à r.l. (Manager), MEIF 4 Luxembourg C Holdings S.à r.l. (Manager), MEIF II CP Holdings S.à r.l. (Manager), MEIF II Luxembourg Holdings S.à r.l. (Manager B), MEIF II Saubere Energie GP GmbH (Director), MEIF II Saubere Energie Holdings S.à r.l. (Manager B), MEIF Luxembourg Holdings S.à r.l. (B Director), Open Grid Europe GmbH (Supervisory Board Member), SEU Holdings S.à r.l. (Manager), Techem Energie GmbH (Managing Director), Techem Energy Services GmbH (Supervisory Board Member), TROIS SOURCES LOMONT HOLDINGS SARL (Manager B), Vier Gas Services Management GmbH (Director), Vier Gas Ventures S.à r.l. (Manager), Warnowquerung Verwaltungs-gesellschaft mbH (Director)	Macquarie Infrastructure and Real Assets (Europe) Limited, Niederlassung Deutschland, Bockenheimer Landstrasse 2-4, 60306 Frankfurt, Germany
Lincoln Hillier Webb	Managing Director	British Columbia Investment Management Corp. (Senior Vice President, Infrastructure & Renewable Investments), Vier Gas Holdings S.à r.l. (Director), Vier Gas Services Management GmbH (Director), Corix Infrastructure Inc. (Chair), bcIMC Investments S.à r.l. (Director), Open Grid	British Columbia Investment Management Corporation, 750 Pandora Ave, Victoria BC V8W 0E4, Canada



		Europe GmbH (Supervisory Board Member), Teays River Investments LLC (Director), Cleco Partners LP (Director), TimberWest Forestry Corporation (Director), Endeavour Energy (Director), Glencore Agriculture Limited (Director).	
Richard Dinneny	Managing Director	British Columbia Investment Management Corp. (Portfolio Manager, Private Placements), Vier Gas Services Management GmbH (Director), Noverco Inc. (Director), Cleco (Director), Puget Energy (Alternate Director).	British Columbia Investment Management Corporation, 750 Pandora Ave, Victoria BC V8W 0E4, Canada
Guy Lambert	Managing Director	ADIA (Head of Utilities, Infrastructure Division), Solveig Gas Holdco A.S. (Director), Solveig Gas Norway A.S. (Director), Vier Gas Services Management GmbH (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), Scotia Gas Networks Limited (Director), Southern Gas Networks plc (Director), Scotland Gas Networks plc (Director), SGN Commercial Services Limited (Director), SGN Contracting Limited (Director), SGN Connections Limited (Director), SGN Natural Gas Limited (Director), SGN Smart Limited (Director), Blue Spyder B 2016 Ltd (Director), Silver Fox B 2014 S.à r.l. (Manager), ADGM, Platinum Compass B 2018 RSC Limited (Director).	Abu Dhabi Investment Authority, 211 Corniche Street, PO Box 3600, Abu Dhabi United Arab Emirates
Dominik Damaschke	Managing Director	MEAG MUNICH ERGO Asset Management GmbH (Senior Investment Manager, Private Equity & Infrastructure), MR Beteiligungen 1. GmbH (Prokurist), MR Infrastructure Investment GmbH (Prokurist), ERGO Private Capital GmbH (Prokurist), ERGO Infrastructure Investment Gesundheit GmbH (Prokurist), ERGO Infrastructure Investment Komposit GmbH (Prokurist), ERGO Infrastructure Investment Leben GmbH (Prokurist), ERGO Infrastructure Investment Pensionskasse GmbH (Prokurist), ERGO Infrastructure Investment Victoria Leben GmbH (Prokurist), Open Grid Europe GmbH (Supervisory Board Member), Vier Gas Investments S.à r.l. (Director), Vier	MEAG MUNICH ERGO Asset Management GmbH, Am Münchner Tor 1 80805 Munich, Germany

		Gas Services Management GmbH (Director)	
John McCarthy	Managing Director	Gatwick Airport Ltd. (Director ); NIIF Ltd. (Director), Black Buffalo B 2014 Inc. (Director), Black Rhino B 2017 Inc. (Director), Blue Bolt A 2015 Limited (Director), Blue Globe A 2013 Limited (Director), Deeside Investments, Inc. (Director), Infinity Investments S.A. (Director), Nethergate Holdings, LLC (President), Nethergate Holdings, LLC (Manager), Oasis Infrastructure Investment Ltd. (Director), Platinum Compass B 2018 RSC Limited (Director), Tannadice Investments, LLC (President), Tannadice Investments, LLC (Manager), Tawreed Investments Limited (Director), Tayside Securities, LLC (Manager).	Abu Dhabi Investment Authority, 211 Corniche Street, PO Box 3600 Abu Dhabi, United Arab Emirates
Cord von Lewinski	Managing Director	Alpine Air GmbH (Director), DCT Gdansk SA (Director), Gdansk Port Holdings S.a r.l. (A Director), INEA S.A. (Supervisory Board Member), LMIF Storage Holdings Ltd (Director), Macquarie Global Infrastructure Funds 2 S.a r.l. (Manager B), Macquarie Specialised Asset Management (Bermuda) Limited (Director), Macquarie Storage Holdings Limited (Director), MEIF 5 Odin Holdings S.a r.l. (Manager), MEIF II Finance Holdings S.a r.l. (Manager), MEIF II Germany Holdings S.a r.l. (Manager), Odin Holdings S.a r.l. (Manager), Odin Ventures sp. z.o.o. (Director), Put Koma B.V. (Director), Smetana Investments S.a r.l. (Manager), Tanquid Administration Limited (Director), Techem Energie GmbH (Managing Director), Techem Energy Services GmbH (Supervisory Board Member), Vier Gas Services Management GmbH (Director), Warnowquerung Verwaltungsgesellschaft mbH (Director).	Macquarie Infrastructure and Real Assets (Europe) Limited, Niederlassung Deutschland, Bockenheimer Landstr. 2-4, 60306 Frankfurt, Germany

## Conflicts

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

## 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.

Furthermore, the issuer established the joint venture "e-loops GmbH" in November 2017. The issuer holds a 49 per cent. interest while the partner, Fluxys Europe B.V, holds the remaining 51 per cent. The purpose of e-loops GmbH is to develop services for customers in the energy business. The company is still in the startup phase and of minor economic relevance to the group.

## **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 an unsecured €600,000,000 revolving facility agreement dated 4 August 2017 between, *inter alias*, the Issuer and Open Grid Europe GmbH as borrowers, Commerzbank Finance & Covered Bond S.A. as agent, and certain financial institutions are party (the "**Facility Agreement**").

The Facility Agreement will terminate in 2023 but includes the option to extend the termination date by another year. According to the Facility Agreement, the potential borrowers have the possibility to request revolving facility loans or swingline loans to support the borrowers' cash management needs. The Facility Agreement is governed by English law.

## **Financial Statements**

See "Information Incorporated by Reference" for further information on the financial statements of the Issuer incorporated by reference into this Prospectus.

The auditors of the Issuer are PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft whose registered office is Friedrich-List-Straße 20, 45128 Essen, Germany. PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft is a member of the Chamber of Public Auditors (*Wirtschaftsprüferkammer*), Rauchstraße 26, 10787 Berlin.

## **Trend Information and Significant Changes**

There has been no material adverse change in the prospects of the Issuer since 31 December 2017.

There has been no significant change in the financial or trading position of the Group since 30 June 2018.

## **Legal and Arbitration Proceedings**

There are no and there have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), for the previous 12 months which may have, or have had in the recent past significant effects on the Issuer's financial position or profitability.

## **Material Contracts**

The Issuer did not enter into any contracts outside the ordinary course of business which could result in any member of the Group being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to the Noteholders.

## BUSINESS DESCRIPTION OF OGE

### Description of OGE

Open Grid Europe GmbH ("**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, with its registered office at Kallenbergstraße 5, 45141 Essen, Germany. OGE is registered with the local court of Essen under HRB 17487. The telephone number of OGE is +49 201 3642-0.

### Capitalisation Structure

The registered share capital of OGE amounts 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. The sole shareholder of OGE is the Issuer.

### Corporate Governance

#### *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).

As of the date of this Prospectus, the members of the supervisory board are:

<b>Name</b>	<b>Position</b>	<b>Position outside OGE</b>	<b>Business Address</b>
Hilko Schomerus	Chairman and shareholders' appointee	See " <i>Business Description of the Issuer – Corporate Governance</i> " for details of other positions outside OGE held by Hilko Schomerus.	Macquarie Infrastructure and Real Assets (Europe) Limited, Niederlassung Deutschland, Bockenheimer Landstrasse 2-4, 60306 Frankfurt, Germany
Frank Lehmann	Vice-chairman and employee representative	None	Kallenbergstraße 5, 45141 Essen Germany
Önder Ata	Employee representative	Member of the Supervisory Board of energie-BKK (health insurance)	Kallenbergstraße 5, 45141 Essen Germany
Dominik Damaschke	Shareholder's appointee	See " <i>Business Description of the Issuer – Corporate Governance</i> " for details of other positions outside OGE held by Dominik Damaschke.	MEAG MUNICH ERGO Asset Management GmbH, Am Münchner Tor 1 80805 Munich, Germany
Guy Lambert	Shareholder's appointee	See " <i>Business Description of the Issuer – Corporate Governance</i> " for details of other positions outside OGE held by Guy Lambert.	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.	British Columbia Investment Management Corporation, 750 Pandora Ave,

### **Management Board**

The management board of OGE comprises four managing directors and two general representatives.

As of the date of this Prospectus, the members of the management board are:

<b>Name</b>	<b>Position</b>	<b>Position outside OGE</b>
Dr. Jörg Bergmann	Managing Director and Chairman of the Board of Management	Chairman of the supervisory board of MEGAL Mittel-Europäische Gasleitungsgesellschaft mbH & Co. KG  Member of the supervisory board of Trans Europa Naturgas Pipeline Gesellschaft mbH & Co. KG  Member of the supervisory board of Zeelink GmbH & Co. KG
Wolfgang Anthes	Managing Director	Chairman of the supervisory board of GasLine Telekommunikationsnetzgesellschaft deutscher Gasversorgungsunternehmen mbH  Member of the supervisory board of Nordrheinische Erdgastransportleitungs-Verwaltungs GmbH
Dr. Thomas Hüwener	Managing Director	Member of the supervisory board of Trans Europa Naturgas Pipeline Gesellschaft mbH & Co. KG  Member of the supervisory board of Zeelink GmbH & Co. KG
Dr. Frank Reiners	Managing Director	Member of the supervisory board of MEGAL Mittel-Europäische Gasleitungsgesellschaft mbH & Co. KG  Vice-Chairman of the supervisory board of Nordrheinische Erdgastransportleitungs-Verwaltungs GmbH
Axel Berndt	General representative	Member of the supervisory board of GasLine Telekommunikationsnetzgesellschaft deutscher Gasversorgungsunternehmen mbH
Ulrich Ronnacker	General representative	None

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

### **Conflicts**

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

### **Business Overview**

#### **Introduction**

OGE is Germany's leading natural gas carrier with a gas transmission network of approximately 12,000 kilometres 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 initially incorporated by Ruhrgas Aktiengesellschaft ("**Ruhrgas**") as Ruhrgas Transport Management GmbH ("**RGT GmbH**") on 4 December 2003. Following several organizational restructuring activities, including the integration of the business unit "Technical Services for Regulated Gas Transport and Gas Storage" and the rebranding to Open Grid Europe GmbH in 2010, OGE was acquired from the E.ON group by the Issuer on 23 July 2012.

## ***Core Business***

OGE is a regulated gas transmission operator whose core business encompasses the design and construction of pipelines beginning with 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 transmission system operators ("**TSOs**"), mostly in the form of pipeline joint-ventures or pipeline co-ownerships. Located in central Europe, OGE's transmission network is an essential part of the European pipeline system which spans from the North Sea and Baltic Sea to the Mediterranean region, and from the Atlantic to Eastern Europe.

The total length of the European pipeline system is approximately 200,000 kilometers. The total energy volume transported by OGE amounts to approximately 630TWh p.a., representing almost 65 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 NetConnect Germany market area cooperation ("**NCG Market Area**"), one of two market area cooperations in Germany. Since the acquisition of 50 per cent. of the shares in the Jordgas GmbH in 2016, OGE has also been active in the market area of GASPOOL Balancing Services GmbH ("**GASPOOL**") to a limited extent.

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



## Reconciliation of EBITDA

€ million	Half year 30.06.2018 (unaudited)	Year Ended 2017 (audited)	Half year 30.06.2017 (unaudited)	Year Ended 2016 (audited)
Income before financial result and taxes	201.2	283.5	157.4	319.0
Income from equity investments	3.8	-0.6	0.0	-0.8
Income from companies accounted for using the equity method	1.8	15.9	2.3	3.3
Depreciation and amortisation	71.7	155.1	76.7	163.4
Earnings before interest, tax, depreciation and amortisation (EBITDA) <sup>1</sup>	278.5	453.9	236.4	484.9

<sup>1</sup> Unaudited

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

Given the increased focus on the reduction of Green House Gases (the "GHG") in energy policy since the Paris Accord of 2015, focus area (v) has become increasingly important to secure the long-term value of OGE's assets and to develop new investment opportunities. In summary, the principal strategic focus of OGE is as follows:

*Optimisation of profit within the regulatory framework:* Under the incentive regulatory mechanism set up by the Federal Network Agency (*Bundesnetzagentur*, 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 Federal Ministry of Economics (*Bundeswirtschaftsministerium*) regarding various elements of the current regulatory mechanism.

*Maintaining a high level of cost efficiency:* A core strategic focus of OGE is the operation, maintenance and development of its network. OGE seeks to improve continuously 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 the development of appropriate network capacity in order to meet the short term, mid term 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 functionality of the national and international gas markets which are connected to OGE's network and, which are of major importance to the German market.

*Promoting the future importance of gas as an energy source in a decarbonized energy system:* OGE increasingly promotes the role of gas and the potential of gas infrastructure within the German and the European energy policy. With targeted reductions of CO<sub>2</sub> up to 95 per cent. by 2050, natural gas will struggle to be sustainable as a fossil energy source long-term (at least not without Carbon Capture and



Storage; the "CCS" or Carbon Capture and Utilization; the "CCU"). However, gas infrastructure can carry also large amounts of carbon-free or carbon neutral gas, such as bio methane, hydrogen (produced from steam reforming and CCS or from electrolysis) and synthetic methane. Numerous studies have shown recently that a decarbonized energy system integrating existing gas infrastructure long-term will allow reaching climate targets faster, cheaper and more reliably. To facilitate this development has become a key strategic objective for OGE. This includes the participation in discussions about gas transition technology and the long term supplementation of gas to carbon-free or carbon neutral gaseous energy sources (the "Green Gas"). OGE is in the process of analysing the H2-capabilities of its network and is actively developing tangible Green Gas projects. Intensive lobbying activities to change the regulatory framework in order to provide leeway for infrastructure companies to enter into the field of Green Gases and to create investment opportunities are also ongoing.

*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.

## **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, respectively, in companies that own gas transmission systems:

- a limited partnership interest of 24.99 per cent. 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 kilometres. OGE also holds a 24.99 per cent. stake in DEUDAN 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 owning a pipeline system running from Waidhaus at the German-Czech border to Medelsheim at the German-French border with a length of approximately 1,158 kilometres. 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 mbH**"), 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 kilometres;
- 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 kilometres. 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 jordgasTransport GmbH ("Jordgas GmbH") owning a 343 km long pipeline system which runs from the receiving facilities Dornum at the North Sea to Salzwedel-Steinitz. OGE also holds 33.33 per cent. of the shares in NETRA GmbH Norddeutsche Erdgas Transversale ("**NETRA GmbH**"), the general partner of NETRA KG without any capital contribution, and 50 per cent. of the shares in Jordgas GmbH, a Gas Transmission System Operator, which holds a limited partnership interest of 30.78 per cent. in NETRA KG and 33.33 per cent. of the shares in NETRA GmbH;
- 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 kilometres 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; and
- a limited partnership interest of 75 per cent. in ZEELINK GmbH & Co. KG ("**ZEELINK KG**"), a joint venture with Thyssengas currently planning and constructing a 215 kilometres long pipeline system which will run from the Belgian border close to Aachen to the North to the city of Legden. OGE furthermore holds 75 per cent. of shares in the ZEELINK-Verwaltungs-GmbH, the general partner of ZEELINK KG without any capital contribution.

DEUDAN KG, Jordgas GmbH, MEGAL KG, METG mbH, NETG KG, NETRA KG, TENP KG, ZEELINK KG and the respective general partners 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:

- 31.33 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 NetConnect Germany GmbH & Co. KG ("**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 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

- 1.33 per cent. of the shares in PRISMA European Capacity Platform GmbH ("**PRISMA**"), a joint venture of 24 European TSOs. 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 29.24 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 ten companies active in the gas trading and transmission business, which operates an integrated fibre optics network with an overall length of approximately 25.000 km throughout Germany.

#### ***Dormant companies***

In addition, OGE holds 100 per cent. of the registered share capital of Open Grid Regional GmbH ("**OGR**") and NEL Beteiligungs GmbH ("**NEL**"), which are currently dormant.

#### ***Existing profit and loss transfer agreements.***

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

#### **Material Agreements**

##### ***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.

##### ***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.

##### ***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. On 15 May 2014, BNetzA issued its final determination "Regulation laying down the costs for load flow commitments as volatile cost shares within the meaning of § 11 para 5 ARegV (KOLA)" and decided that costs of flow commitments are regarded as volatile costs of TSOs. In addition, BNetzA defined the terms the TSOs must comply with when contracting flow commitments.

OGE requires so-called fuel gas to drive the compressor units in the gas transmission system which it operates. As an operator of an energy supply system, OGE is responsible for procuring the fuel gas in accordance with the stipulations laid down in the Energy Industry Act (EnWG). In the analogous application of Section 22, para. 1, the EnWG requires that fuel gas be procured in a transparent, non-discriminatory and market-oriented manner. As well as flow commitments, fuel gas for compressor units defined as volatile cost items according to ARegV.

From a regulatory perspective, the largest part of OGE's energy costs is regarded as volatile cost item and recovered immediately through OGE's yearly Revenue Cap.

### ***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, on technical rules and regulations 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.

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 in a European wide standardised auction process via the web-based capacity trading platform PRISMA. Capacities are auctioned on PRISMA as annual, quarterly, monthly, day-ahead and within-day products. These capacity products are also offered at end consumers points (Industrial and Commercial customers) but the capacity allocation follows the "first committed first serve" mechanism instead of the auction process.

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.

Gas transmission system operators are required by European regulation to establish so-called virtual interconnection points ("**VIP**") at the border between two gas market areas as of 01.11.2018. The establishment of such VIP is meant to facilitate cross-border gas trade and hence lead to more integrated European gas markets. Customers would only have to participate in auctions at one point per border to acquire transport capacities. According to the implementation model agreed by the German TSOs one of the TSOs active at each border is responsible for marketing all these transmission capacities at the respective border. If however, capacities at the potential VIP is lower than the sum of the capacities of each interconnection point no VIP has to be implemented. Currently, with the approval of the German regulator VIPs have to be implemented not at every border of the market areas of GASPOOL and NetConnect Germany.

### ***Market Area Cooperations***

Network operators have established two market areas, namely GASPOOL Balancing Services GmbH ("**GASPOOL**") and NetConnect Germany GmbH & Co. KG ("**NetConnect Germany**" or "**NCG**") 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.

Bayernets GmbH ("**Bayernets**"), Fluxys TENP GmbH, GRTgaz Deutschland GmbH, terranets bw GmbH Thyssengas GmbH and OGE formed the NCG market area integrating low calorific gas (the "**L-gas**") and high calorific gas (the "**H-gas**"). The high-pressure pipeline system in Germany's largest market area connects more than 500 downstream networks.

The market area GASPOOL is a subsidiary of GASCADE Gastransport GmbH, Gastransport Nord GmbH, Gasunie Deutschland Transport Services GmbH (GUD), Nowega GmbH and ONTRAS Gastransport GmbH, based in Berlin. The company's objective is to operate the GASPOOL market area in Germany, which incorporates approx. 350 downstream natural gas transport networks. Through its participation in Jordgas Transport GmbH, OGE is also involved in this market area cooperation.

In their role as market area manager, NetConnect Germany resp. Gaspool handle the operational management of the market area cooperation. Its business activities involve the management of balancing groups and system balancing activities, the provision and operation of the market area's Virtual Trading Point, and the provision of data, for example settlement and balancing information.

According to German legislation, the two German market areas GASPOOL and NetConnect Germany have to be merged until 1 April 2022.

### **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 second year.

The draft 2018 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 2018 to 2028, was initially submitted to the BNetzA on 29 March 2018. The draft 2018 Network Development Plan foresees total investments for all TSOs of approximately EUR 7 billion until 2028. As a result of its size and role in the German gas transmission market, the draft 2018 Network Development Plan includes substantial investment obligations for OGE of approximately EUR 2.3 billion. Compared with the direct predecessor, the approved NDP 2016, the total investments over the ten-year period have increased substantially, due to the inclusion of the EUGAL pipeline system, while the investments attributable to OGE have remained stable at approx. EUR2.3bn.

### **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. According to relevant

counsel's 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.

## **Regulatory Framework**

### ***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 companies 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* – the "**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.

### ***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. By resolution dated 2 December 2013, BNetzA granted OGE the certification as ITO. Thus, OGE has successfully proven that it is organised in accordance with the requirements under Sections 10 seqs. EnWG.

### ***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 two years, 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 and the South Gas Regional Investment Plan. 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. 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 in March 2013.

### ***Third party access according Commission Regulation (EU) 2017/459***

#### ***Common Platform PRISMA Capacity Exchange GmbH***

European TSOs are obliged by NC CAM to offer transmission capacity by means of one or a limited number of joint web-based booking platforms. TSOs are entitled to operate these platforms via a third party. Further rules are describes within this Regulation. Therefore, a number of European TSOs have founded PRISMA Capacity Exchange GmbH as a European capacity booking platform. OGE sells all transmission capacity via the PRISMA platform. OGE holds 1.33 per cent. of total shares of PRISMA Capacity Exchange GmbH.

#### ***Security of Supply***

About one quarter of all the energy used in the EU is natural gas, and Germany imports nearly all supplies. To help prevent potential supply disruptions and respond to them if they happen, EU Regulation set standards and indicators to measure serious threats and define how much gas EU countries need to be able to supply to households. In 2017 a new Security of Gas Supply Regulation was introduced, which:

- requires the European Network for Transmission System Operators for Gas (ENTSOG) to perform an EU-wide gas supply and infrastructure disruption simulation in order to provide a high level overview of the major supply risks for the EU
- requires EU countries to cooperate with each other in regional groups to assess common supply risks together (common Risk Assessments) and to develop and agree on joint preventive and emergency measures (to be reflected in their Preventive Action Plans and Emergency Plans)
- introduces the solidarity principle: EU countries must help each other to always guarantee gas supply to the most vulnerable consumers even in severe gas crisis situations. Transmission System Operators will assist respective Member States in terms of operational terms.
- Transmission system operators must enable permanent bi-directional capacity on all cross-border interconnections between EU countries unless an exemption is granted.

#### ***L-H gas Conversion***

Up to 30 per cent. of the German gas consumption is supplied with low calorific gas (L-gas), which is exclusively sourced from German and Dutch reserves.

Due to a gradual decrease of L-gas coming from the Netherlands, L-gas capacities towards Germany will decrease after 2020 as is detailed in Gasunie Transport Services B.V.'s Network Development Plan 2017 (NOP). As a result the German market is foreseen to be gradually converted to H-gas during the 2020-30 decade. Conversion of the markets will take several years since all appliances have to be checked and adapted to a different gas quality range and adaptation of infrastructure is also required. To plan for the required future market conversion, the German Netzentwicklungsplan (the "NEP") takes into account a reduction of L-gas import capacities from the Netherlands, with 10 per cent. per year starting in 2020. OGE is investing in new infrastructure, connecting H-Gas sources with today's L-Gas consumption areas. The largest investment project in this context is the construction of the ZEELINK pipeline with an expected commissioning in 2021.

#### ***Tariffs for Network Use according to Commission Regulation 2017/460***

After the introduction of the concept of the entry-exit system by Commission regulation (EC) 715/2009, transmission costs are no longer associated to a specific transportation route. In order to achieve a

reasonable cost reflectivity transmission tariffs need to be based on a specific price methodology using specific cost drivers. Today, each Transmission System Operator may choose an own single price methodology. From 2020 onwards, BNetzA will decide on the price methodology. In mid 2018, BNetzA is expected to decide on whether or not German TSOs will, from 2020 onwards, have to introduce a common network tariff pursuant to which all users of any German Transmission System will be charged equally, including an inter-TSO compensation mechanism.

## **Regulation of Network Tariffs**

### ***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 (*Erlösobergrenze*). 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**"), whereas the third regulatory period covers the years from 2018 to, and including 2022 (the "**Third Regulatory Period**").

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 expected capacity volume assumed for the tariff calculation, 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 accumulated on the regulatory account (according to section 5 ARegV), and considered for the calculation of the revenue caps of the subsequent three years following the year after the difference has occurred. This compensation mechanism ensures that network operators cannot sustainably exceed or underachieve their respective annual revenue caps by compensating for the differences in the future.

The revenue cap is calculated on the cost base of the Base Year, which is the third calendar year prior to the beginning of the regulatory period, with some costs classified as either (i) permanently non-determinable costs; (ii) temporary non-determinable costs; or (iii) determinable costs. Inter alia, the cost base includes imputed depreciation, operational costs and interest costs for debt 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 determinable and non-determinable costs of operating the network as well as the consideration of an individual efficiency factor, the general sectoral productivity factor ("**Xgen**") 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 16 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 efficient compared to the most efficient TSO (100 per cent. means full efficiency).

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.

With respect to the Third Regulatory Period, the BNetzA evaluated OGE's costs of the Base Year 2015, as reported to the BNetzA by OGE on 30 June 2016, and on 10 July 2017 submitted the preliminary approvable cost base level that provides the basis for the efficiency benchmark in order to determine the individual efficiency factor.

The applicable return on imputed equity (the "**ROE**")<sup>2</sup> (for equity within the capped imputed equity ratio of 40 per cent) shall be, as of 1 January 2018, 6.91 per cent. (before corporate tax and after trade tax) for assets recorded for the first time on or after 1 January 2006, and 5.12 per cent. for assets capitalised before

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<sup>2</sup> According to § 7 GasNEV the applicable return on imputed equity ("**RoE**") for OGE's revenue cap 2018-2022 is determined by BNetzA and calculated before corporate tax and after trade tax.



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 6.91 per cent. rate. Accordingly, assets capitalised before 1 January 2006 are partially considered with their replacement values to cover inflation. These interest rates have been settled by BNetzA equally for gas and electricity network operators in a determination from 5 October 2016 that has been appealed by OGE amongst many other network operators. The Higher Regional Court in Duesseldorf revoked the BNetzA determination on 22 March 2018 considering the interest rates as being too low under current financial market circumstances. BNetzA appealed this decision to the Higher Federal Court for clarification. The Higher Federal Court is expected to decide the BNetzA complaint in the course of 2019.

The efficiency benchmarking process has been finalised by BNetzA on 22 December 2017 notifying OGEs individual efficiency factor of 100 per cent. equally to the efficiency factors in the First and Second Regulatory Period.

The determination of the revenue cap includes the Xgen, applicable to the cost base level that generally reduced 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. For the Third Regulatory Period BNetzA is obliged to determine the Xgen based on scientifically accepted methods and therefore published on 21 February 2018 a value of 0.49 per cent. *per annum* to be applied to gas network operators over the Third Regulatory Period. This decision has also been appealed by OGE amongst many other operators. The hearing on the Higher Regional Court in Duesseldorf is expected to be scheduled in 2019.

On the basis of the approved cost base 2015, an individual efficiency factor of 100 per cent. and the Xgen of 0.49 per cent., BNetzA started the consultation of OGE's revenue cap for the Third Regulatory Period on 28 March 2018. The revenue cap will be applied retroactively as of 1 January 2018. OGE received the final decision regarding the revenue cap for the years 2018-2022 on 15 June 2018. As OGE refrained from filing a formal objection with the regulator, the decision has become legally binding on 16 July 2018. However, the determination contains an adjustment clause regarding return on imputed equity and Xgen as a result of currently pending legal disputes as mentioned in the business description ("Regulatory Proceedings"). BNetzA decided to approve the balance of the regulatory account from previous years in a separate procedure. This applies to the regulatory account of the years 2012-2017.

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 (*Investitionsmaßnahmen*) according to section 23 ARegV. 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 the regulatory periods covered by the approval. Costs associated with these investment measures are deemed permanently non-determinable 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. 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). However, the revenues earned by an investment measure in the last three years of the approval period have to be accumulated and given back to the market over 20 years by reducing the respective future annual revenue caps ("**Clawback**").

Since 2009, OGE has applied for approval of many investment measures according to section 23 ARegV. Most of these measures are mandatory projects derived from the binding national Network Development Plans. Most of the investment measure applications have already been approved by BNetzA, some approvals for newer projects are outstanding as BNetzA expects the Network Development Plan, which is reviewed and extended if necessary every other year, to be finally confirmed before approving investment measure applications.

Furthermore, the current regulatory framework provides for the use of a "quality factor" for TSOs and DSOs. Once such quality factor is established the BNetzA may apply premiums or deductions to the revenue cap if an operator 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 not being prescribed by the BNetzA for the gas sector.

## **Regulatory Proceedings**

The following complaint proceedings which may have an impact on OGE's revenue cap for the current regulatory period (for the years 2018-2022) are currently pending:

- a complaint against the decision of the BNetzA in 2016 on the Return on Equity determination for the Third Regulatory Period; this complaint has already been decided by the Higher Regional Court in Duesseldorf by revoking the BNetzA determination; BNetzA appealed for clarification to the Higher Federal Court
- a complaint of OGE against BNetzA decisions in 2018 in respect of the determination of Xgen with a value of 0.49 per cent. *per annum* for the Third Regulatory Period; a decision of the Higher Regional Court can be expected for late 2019. OGE's appeal has been preliminarily put on hold until the current test suit (*Musterverfahren*) of another Gas TSO will have been decided by the Higher Regional Court.

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

## GENERAL DESCRIPTION OF THE PROGRAMME

Under this € 5,000,000,000 Debt Issuance Programme, the Issuer may from time to time issue Notes to one or more of the Dealers (as defined herein). The maximum aggregate principal amount of the Notes from time to time outstanding under the Programme will not exceed € 5,000,000,000 (or the equivalent in other currencies at the time of the issue). The Issuer may increase the amount of the Programme in accordance with the terms of the Dealer Agreement from time to time.

Notes will be issued on a continuous basis in Tranches of Notes, each Tranche consisting of Notes which are identical in all respects. One or more Tranches, which are expressed to be consolidated and forming a single series and are identical in all respects, but which may have different issue dates, interest commencement dates, issue prices and dates for first interest payments may form a series of Notes ("**Series**"). Further Notes may be issued as part of existing Series. The specific terms of each Tranche will be set forth in the applicable Final Terms. The Final Terms of Notes listed on the official list of the Luxembourg Stock Exchange will be displayed on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)). In the case of Notes listed on any other stock exchange, the Final Terms will be displayed on the website of the Issuer ([www.viergas.de](http://www.viergas.de)).

The Notes are freely transferable. Notes may be issued at an issue price which is at par or at a discount to, or premium over, par, as stated in the applicable Final Terms. The yield for Fixed Rate Notes will be calculated by the use of the ICMA method, which determines the effective interest rate of notes taking into account accrued interest on a daily basis.

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

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

If the Final Terms in respect of any Notes include a legend entitled "Prohibition of Sales to EEA Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of the Insurance Mediation Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive. Consequently, no key information document required by the PRIIPs Regulation for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

### **Issue Procedures**

The Issuer and the relevant Dealer(s) will agree on the terms and conditions applicable to each particular Tranche of Notes (the "**Conditions**"). The Conditions will be constituted by the relevant set of Terms and Conditions of the Notes set forth below (the "**Terms and Conditions**") as further specified by the provisions of the Final Terms as set out below.

### ***Options for sets of Terms and Conditions***

A separate set of Terms and Conditions applies to each type of Notes, as set forth below. The Final Terms provide for the Issuer to choose among the following Options:

Option I – Terms and Conditions for Notes with fixed interest rates (Fixed Rate Notes);

Option II – Terms and Conditions for Notes with floating interest rates (Floating Rate Notes); and

Option III – Terms and Conditions for Notes without interest coupon (Zero Coupon Notes).

### ***Documentation of the Conditions***

The Issuer may document the Conditions of an individual issue of Notes in either of the following ways:

- The Final Terms shall be completed as set out therein. The Final Terms shall determine which of Option I, Option II or Option III, including certain further options contained therein, respectively, shall be applicable to the individual issue of Notes by replicating the relevant provisions and completing the relevant placeholders of the relevant set of Terms and Conditions as set out in the Prospectus in the Final Terms. The replicated and completed provisions of the set of Terms and Conditions shall constitute the Conditions, which will be attached to each global note representing the Notes of the relevant Tranche.
- Alternatively, the Final Terms shall determine which of Option I, Option II or Option III and of the respective further options contained in each of Option I, Option II or Option III are applicable to the individual issue by only referring to the specific sections of the relevant set of Terms and Conditions as set out in the Prospectus. The Final Terms will specify that the provisions of the Final Terms and the relevant set of Terms and Conditions as set out in the Prospectus, taken together, shall constitute the Conditions. Each global note representing a particular Tranche of Notes will have the Final Terms and the relevant set of Terms and Conditions as set out in the Prospectus attached.

### ***Determination of Options/ Completion of Placeholders***

The Final Terms shall determine which of Option I, Option II or Option III shall be applicable to the individual issue of Notes. Each of the sets of Terms and Conditions of Option I, Option II or Option III also contains certain further options (characterised by indicating the optional provision through instructions and explanatory notes set out either on the left of or in the square brackets within the text of the relevant set of Terms and Conditions as set out in the Prospectus) as well as placeholders (characterised by square brackets which include the relevant items) which will be determined by the Final Terms as follows:

#### ***Determination of Options***

The Issuer will determine which options will be applicable to the individual issue either by replicating the relevant provisions in the Final Terms or by reference of the Final Terms to the sections of the relevant set of Terms and Conditions as set out in the Prospectus. If the Final Terms do not replicate or refer to an alternative or optional provision it shall be deemed to be deleted from the Conditions.

#### ***Completion of Placeholders***

The Final Terms will specify the information with which the placeholders in the relevant set of Terms and Conditions will be completed. In case the provisions of the Final Terms and the relevant set of Terms and Conditions, taken together, shall constitute the Conditions the relevant set of Terms and Conditions shall be deemed to be completed by the information contained in the Final Terms as if such information were inserted in the placeholders of such provisions. In that case, all instructions and explanatory notes and text set out in square brackets in the relevant set of Terms and Conditions and any footnotes and explanatory text in the Final Terms will be deemed to be deleted from the Conditions.

## TERMS AND CONDITIONS OF THE NOTES

The Terms and Conditions of the Notes (the "**Terms and Conditions**") are set forth below for three options:

**Option I** comprises the set of Terms and Conditions that apply to Tranches of Notes with fixed interest rates (Fixed Rate Notes);

**Option II** comprises the set of Terms and Conditions that apply to Tranches of Notes with floating interest rates (Floating Rate Notes); and

**Option III** comprises the set of Terms and Conditions that apply to Tranches of Notes without interest coupons (Zero Coupon Notes).

The set of Terms and Conditions for each of these Options contains certain further options, which are characterised accordingly by indicating the respective optional provision through instructions and explanatory notes set out in square brackets within the set of Terms and Conditions.

In the Final Terms the Issuer will determine, which of Option I, Option II [or Option III] including certain further options contained therein, respectively, shall apply with respect to an individual issue of Notes, either by replicating the relevant provisions or by referring to the relevant options.

To the extent that upon the approval of the Prospectus the Issuer had no knowledge of certain items which are applicable to an individual issue of Notes, this Prospectus contains placeholders set out in square brackets which include the relevant items that will be completed by the Final Terms.

### Terms and Conditions

This Series of Notes is issued pursuant to a Fiscal Agency Agreement dated on or about 22 August 2018 (the "**Agency Agreement**") between Vier Gas Transport GmbH and the Fiscal Agent and the other parties named therein.

The provisions of these Terms and Conditions apply to the Notes as completed by the terms of the final terms attached hereto (the "**Final Terms**"). The blanks in the provisions of these Terms and Conditions which are applicable to the Notes shall be deemed to be completed by the information contained in the Final Terms as if such information were inserted in the blanks of such provisions; alternative or optional provisions of these Terms and Conditions as to which the corresponding provisions of the Final Terms are not completed or are deleted shall be deemed to be deleted from these Terms and Conditions; and all provisions of these Terms and Conditions which are inapplicable to the Notes (including instructions, explanatory notes and text set out in square brackets) shall be deemed to be deleted from these Terms and Conditions, as required to give effect to the terms of the Final Terms. Copies of the Final Terms may be obtained free of charge at the specified office of the Fiscal Agent and at the specified office of any Paying Agent and at the principal office of the Issuer **provided that**, in the case of Notes which are not listed on any stock exchange, copies of the relevant Final Terms will only be available to Holders of such Notes.

**OPTION I – Terms and Conditions for Notes with fixed interest rate ("Fixed Rate Notes")**

**§ 1**  
**(CURRENCY, DENOMINATION, FORM)**

- (1) **Currency; Denomination.** This Series of Notes (the "**Notes**") of Vier Gas Transport GmbH ("**Vier Gas**" or the "**Issuer**") is being issued in [**Specified Currency**] (the "**Specified Currency**") in the aggregate principal amount [**in the case the Global Note is an NGN the following applies:** (subject to § 1(4))] of [**Aggregate Principal Amount**] (in words: [**Aggregate Principal Amount in words**]) (the "**Aggregate Principal Amount**") in the denomination of [**Specified Denomination**] (the "**Specified Denomination**").
- (2) **Form.** The Notes are being issued in bearer form.

**[In the case of Notes which are represented by a Permanent Global Note the following applies:**

- (3) **Permanent Global Note.** The Notes are represented by a permanent global note (the "**Permanent Global Note**" or the "**Global Note**") without coupons. The Permanent Global Note shall be signed manually by authorized signatories of the Issuer and shall be authenticated by or on behalf of the Fiscal Agent. Definitive Notes and interest coupons will not be issued.]

**[In the case of Notes which are initially represented by a Temporary Global Note the following applies:**

- (3) **Temporary Global Note — Exchange.**
- (a) The Notes are initially represented by a temporary global note (the "**Temporary Global Note**") without coupons. The Temporary Global Note will be exchangeable for Notes in Specified Denominations represented by a permanent global note (the "**Permanent Global Note**" and together with the Temporary Global Note, the "**Global Notes**") without coupons. [**In the case of Euroclear and CBL and if the Global Note is an NGN the following applies:** The details of such exchange shall be entered in the records of the ICSDs (as defined below).] The Global Notes shall only be valid if each of them bears the handwritten signatures of two authorized representatives of the Issuer and the control signature of a person instructed by the Fiscal Agent. Definitive Notes and interest coupons will not be issued.
- (b) The Temporary Global Note shall be exchanged for the Permanent Global Note on a date (the "**Exchange Date**") not earlier than 40 days and not later than 180 days after the date of issue of the Notes. Such exchange shall only be made upon delivery of certifications to the effect that the beneficial owner or owners of the Notes is not a U.S. person (other than certain financial institutions or certain persons holding Notes through such financial institutions). Payment of interest on Notes represented by a Temporary Global Note will be made only after delivery of such certifications. A separate certification shall be required in respect of each such payment of interest. Any such certification received on or after the 40th day after the date of issue of the Notes will be treated as a request to exchange the Temporary Global Note pursuant to subparagraph (b) of this § 1(3). Any Notes delivered in exchange for the Temporary Global Note shall be delivered only outside of the United States (as defined in § 1(6)).]
- (4) **Clearing System.** Each Global Note will be kept in custody by or on behalf of the Clearing System until all obligations of the Issuer under the Notes have been satisfied. "**Clearing System**" means [**if more than one Clearing System the following applies:** each of] the following: [Clearstream Banking AG, Frankfurt am Main,] [Clearstream Banking, S.A., Luxembourg ("**CBL**") [Euroclear Bank SA/NV Brussels as operator of the Euroclear System ("**Euroclear**"),] [additional or alternative Clearing System] and any successor in such capacity. [**In the case of CBL and Euroclear as Clearing System the following applies:** "**International Central Securities Depository**" or "**ICSD**" means each of CBL and Euroclear (together, the "**ICSDs**").]

**[In the case of Notes kept in custody on behalf of the ICSDs and the global note is a NGN, the following applies:** The Notes are issued in new global note ("NGN") form and are kept in custody by a common safekeeper on behalf of both ICSDs.

The principal amount of Notes represented by the Global Note shall be the aggregate amount from time to time entered in the records of both ICSDs. The records of the ICSDs (which expression means the records that each ICSD holds for its customers which reflect the amount of such customer's interest in the Notes) shall be conclusive evidence of the principal amount of Notes represented by the Global Note and, for these purposes, a statement issued by an ICSD stating the principal amount of Notes so represented at any time shall be conclusive evidence of the records of the relevant ICSD at that time.

On any redemption or interest payment being made in respect of, or purchase and cancellation of, any of the Notes represented by the Global Note the Issuer shall procure that details of any redemption, payment or purchase and cancellation (as the case may be) in respect of the Global Note shall be entered *pro rata* in the records of the ICSDs and, upon any such entry being made, the principal amount of the Notes recorded in the records of the ICSDs and represented by the Global Note shall be reduced by the aggregate principal amount of the Notes so redeemed or purchased and cancelled.]

**[In the case of Notes kept in custody on behalf of the ICSDs and the global note is a CGN, the following applies:** The Notes are issued in classical global note ("CGN") form and are kept in custody by a common depositary on behalf of both ICSDs.]

- (5) **Holder of Notes.** "Holder" means any holder of a proportionate co-ownership or other beneficial interest or right in the Notes.

**[In the case the Temporary Global Note is a NGN, the following applies:** On an exchange of a portion only of the Notes represented by a Temporary Global Note, the Issuer shall procure that details of such exchange shall be entered *pro rata* in the records of the ICSDs.]

- (6) **United States.** For the purposes of these Terms and Conditions "United States" means the United States of America (including the States thereof and the District of Columbia) and its possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and Northern Mariana Islands).

## § 2 (STATUS, NEGATIVE PLEDGE)

- (1) **Status.** The obligations under the Notes constitute unsecured and unsubordinated obligations of the Issuer ranking *pari passu* among themselves and *pari passu* with all other present or future unsecured and unsubordinated obligations of the Issuer, unless such obligations are accorded priority under mandatory provisions of statutory law.
- (2) **Negative Pledge.** So long as any of the Notes remain outstanding, but only up to the time all amounts of principal and interest have been placed at the disposal of the Fiscal Agent, the Issuer undertakes (i) not to grant or permit to subsist any Security Interest (other than a Permitted Security Interest) over any or all of its present or future assets, as security for any present or future Relevant Indebtedness or any guarantee or other suretyship in respect of any such Relevant Indebtedness, and (ii) to procure, to the extent legally permissible, that none of its Material Subsidiaries will grant or permit to subsist any Security Interest (other than a Permitted Security Interest) over any or all of its present or future assets, as security for any present or future Relevant Indebtedness or any guarantee or other suretyship in respect of any such Relevant Indebtedness, unless at the same time the Holders share equally and rateably in such security or such other security as shall be approved by an independent accounting firm of recognised standing as being equivalent security has been made available to Holders.

For purposes of these Terms and Conditions,

**"Security Interest"** means any mortgage, charge, pledge, lien or other security interest in rem (*dingliches Sicherungsrecht*);

**"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;

**"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);

**"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;

**"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) representing five per cent. or more of EBITDA 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);

**"Subsidiary"** means (i) an entity of which a person owns directly or indirectly more than 50 per cent. of the within the meaning of Section 17 of the German Stock Corporation Act (*Aktiengesetz*). For the avoidance of doubt, this definition of Subsidiary shall not capture any Pipeline Company.

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

**"EBITDA"** means earnings before interest, tax, depreciation and amortization – but including income from equity investments and income from companies accounted for using the equity method – and is reconcilable to the consolidated income statement.

### § 3 (INTEREST)

- (1) **Rate of Interest and Interest Payment Dates.** The Notes shall bear interest on their principal amount at the rate of **[Rate of Interest]** per cent. *per annum* from (and including) **[Interest Commencement Date]** to (but excluding) the Maturity Date (as defined in § 5(1)). Interest shall be payable in arrear on **[Interest Payment Date(s)]** in each year (each such date, an "**Interest Payment Date**"). The first payment of interest shall be made on **[First Interest Payment Date]** **[if the First Interest Payment Date is not the first anniversary of the Interest Commencement Date the following applies: and will amount to [Initial Broken Amount per Specified**



**Denomination]** per Specified Denomination.] **[If Maturity Date is not an Interest Payment Date the following applies:** Interest in respect of the period from (and including) **[last Interest Payment Date preceding the Maturity Date]** to (but excluding) the Maturity Date will amount to **[Final Broken Amount per Specified Denomination]** per Specified Denomination.]

- (2) **Late Payments.** If the Issuer for any reason fails to render any payment of principal in respect of the Notes when due, interest shall continue to accrue at the default rate of interest established by statutory law<sup>3</sup> on the outstanding amount from (and including) the due date to (but excluding) the day on which such payment is made to the Holders.
- (3) **Calculation of Interest for Periods of less than one Year.** If interest is to be calculated for a period of less than one year, it shall be calculated on the basis of the Day Count Fraction (as defined below). **[If the Specified Currency is Euro and if Actual/Actual (ICMA) is applicable the following applies:** The number of Interest Payment Dates per calendar year (each a "Determination Date") is **[number of regular Interest Payment Dates per calendar year]**.]
- (4) **Day Count Fraction.** "Day Count Fraction" means with regard to the calculation of the amount of interest on the Notes for any period of time (the "Calculation Period"):

**[If the Specified Currency is Euro and if Actual/Actual (ICMA) is applicable the following applies:**

- (i) if the Calculation Period (from and including the first day of such period but excluding the last) is equal to or shorter than the Determination Period during which the Calculation Period ends, the number of days in such Calculation Period (from and including the first day of such period but excluding the last) divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in § 3(3)) that would occur in one calendar year; or
- (ii) if the Calculation Period is longer than the Determination Period during which the Calculation Period ends, the sum of: (A) the number of days in such Calculation Period falling in the Determination Period in which the Calculation Period begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in § 3(3)) and (B) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in § 3(3)) that would occur in one calendar year.

**"Determination Period"** means the period from (and including) a Determination Date to, (but excluding) the next Determination Date.]

**[In the case of 30/360, 360/360 or Bond Basis the following applies:** the number of days in the Calculation Period divided by 360, the number of days to be calculated on the basis of a year of 360 days with twelve 30-day months (unless (A) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (B) the last day of the Calculation Period is the last day of the month of February in which case the month of February shall not be considered to be lengthened to a 30-day month).]

**[In the case of 30E/360 or Eurobond Basis the following applies:** the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with twelve 30-day months, without regard to the date of the first day or last day of the Calculation Period unless, in the case of the final Calculation Period, the Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month).]

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<sup>3</sup> The default rate of interest established by statutory law is five percentage points above the basis rate of interest published by Deutsche Bundesbank from time to time, Sections 288 paragraph 1, 247 paragraph 1 of the German Civil Code.

**§ 4**  
**(PAYMENTS)**

(1)

- (a) **Payment of Principal.** Payment of principal in respect of the Notes shall be made, subject to subparagraph (2) below, to the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System.
- (b) **Payment of Interest.** Payment of interest on the Notes shall be made, subject to subparagraph (2), to the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System.

**[In the case of interest payable on a Temporary Global Note the following applies:** Payment of interest on Notes represented by the Temporary Global Note shall be made, subject to subparagraph (2), to the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System, upon due certification as provided in § 1(3)(b).]

- (2) **Manner of Payment.** Subject to applicable fiscal and other laws and regulations, payments of amounts due in respect of the Notes shall be made in the Specified Currency.
- (3) **Discharge.** The Issuer shall be discharged by payment to, or to the order of, the Clearing System.
- (4) **Payment Business Day.** If the date for payment of any amount in respect of any Note is not a Payment Business Day then the Holder shall not be entitled to payment until the next such day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay.

For these purposes, "**Payment Business Day**" means any day which is

**[In the case the Notes are not denominated in Euro the following applies:** a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in [relevant financial center(s)] [.][and]]

**[In the case the Clearing System and TARGET2 shall be open the following applies:** a day (other than a Saturday or a Sunday) on which the Clearing System as well as all relevant parts of the Trans European Automated Real time Gross Settlement Express Transfer payment system (TARGET2) are operational to forward the relevant payment].

- (5) **References to Principal and Interest.** References in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable: the Final Redemption Amount of the Notes; the Early Redemption Amount of the Notes; **[if the Notes are redeemable at the option of the Issuer for other than tax reasons or reasons of minimal outstanding principal amount the following applies:** the Call Redemption Amount of the Notes;] **[if the Notes are redeemable at the option of the Holder the following applies:** the Put Redemption Amount of the Notes;] and any premium and any other amounts which may be payable under or in respect of the Notes. References in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any Additional Amounts which may be payable under § 7.
- (6) **Deposit of Principal and Interest.** The Issuer may deposit with the competent authority (*Hinterlegungsstelle*) at the seat of the Issuer (at the time of issuance of the Notes the local court (*Amtsgericht*) in Essen) principal or interest not claimed by Holders within twelve months after the Maturity Date, even though such Holders may not be in default of acceptance of payment. If and to the extent that the deposit is effected and the right of withdrawal is waived, the respective claims of such Holders against the Issuer shall cease.

**§ 5**  
**(REDEMPTION)**

- (1) **Final Redemption.** Unless previously redeemed in whole or in part or purchased and cancelled, the Notes shall be redeemed at their Final Redemption Amount on **[Maturity Date]** (the

"**Maturity Date**"). The "**Final Redemption Amount**" in respect of each Note shall be its principal amount.

- (2) **Early Redemption for Reasons of Taxation.** If as a result of any change in, or amendment to, the laws or regulations of the Federal Republic of Germany or any political subdivision or taxing authority thereto or therein affecting taxation or the obligation to pay duties of any kind, or any change in, or amendment to, an official interpretation or application of such laws or regulations, which amendment or change is effective on or after the date on which the last tranche of this series of Notes was issued, the Issuer is required to pay Additional Amounts (as defined in § 7 herein) on the next succeeding Interest Payment Date (as defined in § 3(1)), and this obligation cannot be avoided by the use of reasonable measures available to the Issuer, the Notes may be redeemed, in whole but not in part, at the option of the Issuer, upon not more than 60 days' nor less than 30 days' prior notice of redemption given to the Fiscal Agent and, in accordance with § 13 to the Holders, at their Early Redemption Amount (as defined below), together with interest (if any) accrued to the date fixed for redemption (excluding).

However, no such notice of redemption may be given (i) earlier than 90 days prior to the earliest date on which the Issuer would be obligated to pay such Additional Amounts were a payment in respect of the Notes then due, or (ii) if at the time such notice is given, such obligation to pay such Additional Amounts does not remain in effect.

Any such notice shall be given in accordance with § 13. It shall be irrevocable, must specify the date fixed for redemption and must set forth a statement in summary form of the facts constituting the basis for the right of the Issuer so to redeem.

**[If the Notes are subject to Early Redemption at the Option of the Issuer for Reasons of Minimal Outstanding Principal Amount, the following applies:**

- [(3)] **Early Redemption at the Option of the Issuer for Reasons of Minimal Outstanding Principal Amount.**

If 80 per cent. or more in principal amount of the Notes then outstanding have been redeemed or purchased by the Issuer or any direct or indirect subsidiary of the Issuer pursuant to the provisions of this § 5 or otherwise (a "**Clean-up Call Event**"), the Issuer may, on not less than 30 nor more than 60 days' notice to the Holders of Notes given within 30 days after the Clean-up Call Event, redeem, at its option, the remaining Notes as a whole at their Early Redemption Amount (as defined below) plus interest accrued to but excluding the date of such redemption.]

**[If the Notes are subject to Early Redemption at the Option of the Issuer at specified Call Redemption Amounts the following applies:**

- [(4)] **Early Redemption at the Option of the Issuer.**

**[If the Notes are subject to Early Redemption at specific Call Redemption Dates, the following applies:**

- (a) The Issuer may, upon notice given in accordance with clause (b), redeem all or some only of the Notes at the Call Redemption Date(s) at the Call Redemption Amount(s) set forth below together with accrued interest, if any, to (but excluding) the relevant redemption date.

<b>Call Redemption Date(s)</b>	<b>Call Redemption Amount(s)</b>
<i>[Call Redemption Date(s)]</i>	<i>[Call Redemption Amount(s)]</i>
[•].....	[•]
[•].....	[•]]

**[If the Notes are subject to Early Redemption at specific Call Redemption Periods, the following applies:**

- (a) The Issuer may, upon notice given in accordance with clause (b), redeem all or some only of the Notes within the Call Redemption Period(s) at the Call Redemption Amount(s) set forth below together with accrued interest, if any, to (but excluding) the relevant redemption date.

<b>Call Redemption Period(s)</b>	<b>Call Redemption Amount(s)</b>
<i>[Call Redemption Period(s)]</i>	<i>[Call Redemption Amount(s)]</i>
[•].....	[•]
[•].....	[•]]

**[If Notes are subject to Early Redemption at the Option of the Holder the following applies:** The Issuer may not exercise such option in respect of any Note which is the subject of the prior exercise by the Holder thereof of its option to require the redemption of such Note under subparagraph [(6)] of this § 5.]

- (b) Notice of redemption shall be given by the Issuer to the Holders of the Notes in accordance with § 13. Such notice shall specify:
- (a) the Series of Notes subject to redemption;
- (b) whether such Series is to be redeemed in whole or in part only and, if in part only, the aggregate principal amount of the Notes which are to be redeemed;
- (c) the relevant redemption date, which shall be not less than **[Minimum Notice to Holders]** nor more than **[Maximum Notice to Holders]** days after the date on which notice is given by the Issuer to the Holders; and
- (d) the Call Redemption Amount at which such Notes are to be redeemed.
- (c) In the case of a partial redemption of Notes, Notes to be redeemed shall be selected in accordance with the rules of the relevant Clearing System.] **[In the case of Notes in NGN form the following applies:** For technical procedure of the ICSDs, in the case of a partial redemption the outstanding principal amount following such partial redemption will be reflected in the records of the ICSDs as either a reduction in nominal amount or as a pool factor, at the discretion of the ICSDs.]

**[If the Notes are subject to Early Redemption at the Option of the Issuer at Early Redemption Amount the following applies:**

**[(5)] Early Redemption at the Option of the Issuer.**

- (a) The Issuer may, upon notice given in accordance with clause (b), at any time redeem all or some only of the Notes (each a "Call Redemption Date") at the Early Redemption Amount (as defined below) together with accrued interest, if any, to (but excluding) the relevant Call Redemption Date.

**[If Notes are subject to Early Redemption at the Option of the Holder the following applies:**

The Issuer may not exercise such option in respect of any Note which is the subject of the prior exercise by the Holder thereof of its option to require the redemption of such Note under subparagraph [(6)] of this § 5.]

- (b) Notice of redemption shall be given by the Issuer to the Holders of the Notes in accordance with § 13. Such notice shall specify:
  - (a) the Series of Notes subject to redemption;
  - (b) whether such Series is to be redeemed in whole or in part only and, if in part only, the aggregate principal amount of the Notes which are to be redeemed; and
  - (c) the Call Redemption Date, which shall be not less than **[Minimum Notice to Holders]** nor more than **[Maximum Notice to Holders]** days after the date on which notice is given by the Issuer to the Holders.
- (c) In the case of a partial redemption of Notes, Notes to be redeemed shall be selected in accordance with the rules of the relevant Clearing System.] **[In the case of Notes in NGN form the following applies:** For technical procedure of the ICSDs, in the case of a partial redemption the outstanding principal amount following such partial redemption will be reflected in the records of the ICSDs as either a reduction in nominal amount or as a pool factor, at the discretion of the ICSDs.]

**[If the Notes are subject to Early Redemption at the Option of the Holder the following applies:**

**[(6)] Early Redemption at the Option of a Holder.**

- (a) The Issuer shall, at the option of the Holder of any Note, redeem such Note on the Put Redemption Date(s) at the Put Redemption Amount(s) set forth below together with accrued interest, if any, to (but excluding) the Put Redemption Date.

<b>Put Redemption Date(s)</b>	<b>Put Redemption Amount(s)</b>
	<i>[Put Redemption Amount(s)]</i>
<i>[Put Redemption Dates(s)]</i>	
[•].....	[•]
[•].....	[•]

The Holder may not exercise such option in respect of any Note which is the subject of the prior exercise by the Issuer of any of its options to redeem such Note under this § 5.

- (b) In order to exercise such option, the Holder must, not less than **[Minimum Notice to Issuer]** nor more than **[Maximum Notice to Issuer]** days before the Put Redemption Date on which such redemption is required to be made as specified in the Put Redemption Notice (as defined below), submit during normal business hours at the specified office of the Fiscal Agent a duly completed early redemption notice ("**Put Redemption Notice**") in the form available from the specified offices of the Fiscal Agent and the Paying Agents. The Put Redemption Notice must specify (i) the principal amount of the Notes in respect of which such option is exercised, and (ii) the securities identification number of such Notes, if any. No option so exercised may be revoked or withdrawn. The Issuer shall only be required to redeem Notes in respect of which such option is exercised against delivery of such Notes to the Issuer or to its order.]

**[(7)] Early Redemption Amount.**

- (a) For purposes of subparagraph (2) [and (3)] of this § 5 and § 9, the "**Early Redemption Amount**" of a Note shall be its principal amount.

**[If the Notes are subject to Early Redemption at the Option of the Issuer at Early Redemption Amount the following applies:**

- (b) For purposes of subparagraph [(5)] of this § 5, the Early Redemption Amount of a Note shall be the higher of (i) its Final Redemption Amount and (ii) the Present Value. The "**Present Value**" will be calculated by the Calculation Agent by discounting the sum of the principal amount of a Note and the remaining interest payments to **[Maturity Date][first call date]** on an annual basis, assuming a 365-day year or a 366-day year, as the case may be, and the actual number of days elapsed in such year and using the Comparable Benchmark Yield plus **[percentage]** per cent. "**Comparable Benchmark Yield**" means the yield at the Redemption Calculation Date on the corresponding [euro denominated benchmark debt security of the Federal Republic of Germany] **[other relevant benchmark security]** [due **[maturity]**, carrying ISIN **[ISIN]**, or, if such benchmark security is no longer outstanding on the Redemption Calculation Date, such other comparable benchmark security selected as appropriate by the Calculation Agent], [as daily published by the Deutsche Bundesbank on its website [www.bundesbank.de](http://www.bundesbank.de),][as appearing around **[relevant time]** on **[relevant screen page]**], or, if such yield cannot be so determined, the yield determined as aforesaid as appearing or published on such other comparable page or pricing source (or, if applicable, at such other time on the Redemption Calculation Date) as may be considered to be appropriate by the Calculation Agent, in each case as having a maturity comparable to the remaining term of the Note to **[Maturity Date][first call date]**, that would be used at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to **[Maturity Date][first call date]**. "**Redemption Calculation Date**" means the third Payment Business Day prior to the relevant Call Redemption Date.]

## **§ 6**

**(THE FISCAL AGENT[,][AND] THE PAYING AGENT [AND THE CALCULATION AGENT])**

- (1) **Appointment; Specified Office.** The initial Fiscal Agent and the initial Paying Agent and its initial specified office shall be:

**Citibank, N.A., London Branch**  
Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB  
United Kingdom

**[If the Fiscal Agent is to be appointed as Calculation Agent the following applies:** The Fiscal Agent shall also act as Calculation Agent.]

**[If a Calculation Agent other than the Fiscal Agent is to be appointed the following applies:** The Calculation Agent and its initial specified office shall be:

***Calculation Agent: [name and specified office]***

The Fiscal Agent [,][and] the Paying Agents [and the Calculation Agent] reserve the right at any time to change their respective specified offices to some other specified office in the same city.

- (2) **Variation or Termination of Appointment.** The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent or any Paying Agent [or the Calculation Agent] and to appoint another Fiscal Agent or additional or other Paying Agents [or another Calculation Agent]. The Issuer shall at all times maintain (i) a Fiscal Agent **[in the case of Notes listed on a stock exchange (the "Stock Exchange") the following applies: [,][and]** (ii) so long as the Notes are listed on the **[name of Stock Exchange]**, a Paying Agent (which may be the Fiscal Agent) with a specified office in **[location of Stock Exchange]** and/or in such other place as may be required by the rules of such stock exchange] [and] [,][ (iii)] a Paying Agent in an EU member state, if possible, that will not be obliged to withhold or deduct tax in connection with any payment made in relation to the Notes unless the Paying Agent would be so obliged in each other EU Member State if it were located there, **[in the case of payments in United States dollar the**

**following applies:** [and] [(iv)] if payments at or through the offices of all Paying Agents outside the United States (as defined in § 1(6)) become illegal or are effectively precluded because of the imposition of exchange controls or similar restrictions on the full payment or receipt of such amounts in United States dollar, a Paying Agent with a specified office in New York City], [and] [(v)] a Calculation Agent **[if Calculation Agent is required to maintain a Specified Office in a Required Location the following applies:** with a specified office located in **[Required Location]**]. Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Holders in accordance with § 13.

- (3) **Agent of the Issuer.** The Fiscal Agent [,][and] the Paying Agents [and the Calculation Agent] act solely as the agents of the Issuer and do not assume any obligations towards or relationship of agency or trust for any Holder.

## § 7 (TAXATION)

All payments of principal and interest made by the Issuer in respect of the Notes to the Holders shall be made free and clear of, and without withholding or deduction for, any present or future taxes or duties of whatever nature imposed or levied by way of deduction or withholding by or on behalf of the Federal Republic of Germany or any political subdivision or any authority therein or thereof having power to tax (the "**Taxing Jurisdiction**"), unless such deduction or withholding is required by law. In that event the Issuer shall pay such additional amounts (the "**Additional Amounts**") as shall result in receipt by the Holders of such amounts as would have been received by them had no such withholding or deduction been required, except that no Additional Amounts shall be payable with respect to

- (a) German capital gains tax (*Kapitalertragsteuer*) (including settlement tax (*Abgeltungsteuer*)) to be deducted or withheld pursuant to the German Income Tax Act (*Einkommensteuergesetz*), even if the deduction or withholding has to be made by the Issuer or its representative, and the German solidarity surcharge (*Solidaritätszuschlag*) or any other tax which may substitute the German capital gains tax or solidarity surcharge, as the case may be; or
- (b) any taxes that are payable by any person acting as custodian bank or collecting agent on behalf of a Holder, or otherwise in any manner which does not constitute a deduction or withholding by the Issuer from payments of principal or interest made by it; or
- (c) payments to, or to a third party on behalf of, a Holder where such Holder (or a fiduciary, settlor, beneficiary, member or shareholder of such Holder, if such Holder is an estate, a trust, a partnership or a corporation) is liable to such withholding or deduction by reason of having some present or former connection with Germany, including, without limitation, such Holder (or such fiduciary, settlor, beneficiary, member or shareholder) being or having been a citizen or resident thereof or being or having been engaged in a trade or business or present therein or having, or having had, a permanent establishment therein, other than by reason only of the holding of such Note or the receipt of the relevant payment in respect thereof or the fact that payments in respect of the Notes are, or for purposes of taxation are deemed to be, derived from sources in, or are secured in, the Federal Republic of Germany; or
- (d) payments to, or to a third party on behalf of, a Holder where no such withholding or deduction would have been required to be made if the Notes were credited at the time of payment to a securities deposit account with a bank, financial services institution, securities trading business or securities trading bank, in each case outside Germany; or
- (e) payments where such withholding or deduction is imposed pursuant to (i) any European Union Directive or Regulation concerning the taxation of savings, or (ii) any international treaty or understanding relating to such taxation and to which Germany or the European Union is a party/are parties, or (iii) any provision of law implementing, or complying with, or introduced to conform with, such Directive, Regulation, treaty or understanding; or
- (f) payments to the extent such withholding or deduction is payable by or on behalf of a Holder who could lawfully mitigate (but has not so mitigated) such withholding or deduction by complying or procuring that any third party complies with any statutory requirements or by making or procuring

that a third party makes a declaration of non-residence or other similar claim for exemption to any tax authority in the place where the payment is effected; or

- (g) payments to the extent such withholding or deduction is payable by or on behalf of a Holder who would have been able to mitigate such withholding or deduction by effecting a payment via another Paying Agent in a member state of the European Union, not obliged to withhold or deduct tax; or
- (h) payments to the extent such withholding or deduction is for or on account of the presentation by the Holder of any Note for payment on a date more than 30 days after the date upon which presentation may first be made hereunder; or
- (i) payments to the extent such withholding or deduction is required pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (the "**Internal Revenue Code**"), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Internal Revenue Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Internal Revenue Code; or
- (j) any combination of items (a)-(h);

nor shall any Additional Amounts be paid with respect to any payment on a Note to a Holder who is a fiduciary or partnership or who is other than the sole beneficial owner of such payment to the extent such payment would be required by the laws of the Taxing Jurisdiction to be included in the income, for tax purposes, of a beneficiary or settlor with respect to such fiduciary or a member of such partnership or a beneficial owner who would not have been entitled to such Additional Amounts had such beneficiary, settlor, member or beneficial owner been the Holder of the Note.

## **§ 8 (PRESENTATION PERIOD)**

The presentation period provided in Section 801 paragraph 1, sentence 1 of the German Civil Code (*BGB*) is reduced to ten years for the Notes.

## **§ 9 (EVENTS OF DEFAULT)**

- (1) **Events of default.** Each Holder shall be entitled to declare due and payable by notice to the Fiscal Agent its entire claims arising from the Notes and demand immediate redemption thereof at the Early Redemption Amount (as described in § 5 [(7)]), together with accrued interest (if any) to (but excluding) the date of repayment, in the event that:
  - (a) the Issuer fails to pay principal or interest under the Notes within 30 days from the relevant due date, or
  - (b) the Issuer fails to duly perform any other material obligation arising from the Notes and such failure continues unremedied for more than 30 days after the Fiscal Agent has received a request thereof in the manner set forth in § 9(3) from a Holder to perform such obligation; or
  - (c) (i) any Relevant Indebtedness of the Issuer or any of its Material Subsidiaries becomes prematurely repayable as a result of a default in respect of the terms thereof, or (ii) the Issuer or any of its Material Subsidiaries fails to fulfil any payment obligation under any Relevant Indebtedness or under any guarantees or suretyships given for any Relevant Indebtedness of others within 30 days from its due date or, in the case of such guarantee or suretyship, within 30 days of such guarantee or suretyship being invoked, given that the obligations under (i) and (ii) above exceed 2 per cent. of the balance sheet total of the Issuer, as stated in its latest consolidated balance sheet drawn up in accordance with IFRS and unless the Issuer or its relevant Material Subsidiary contests in good faith that such payment obligation exists or is due or that such guarantee or suretyship has been validly invoked or if a security granted therefor is enforced on behalf of or by the creditor(s) entitled thereto; or



- (d) the Issuer announces its inability to meet its financial obligations or ceases its payments generally; or
  - (e) a court opens insolvency proceedings against the Issuer and such proceedings are instituted and have not been discharged or stayed within 90 days, or the Issuer applies for or institutes such proceedings; or
  - (f) the Issuer enters into liquidation unless this is done in connection with a merger (*Verschmelzung*) or other form of transformation under the German Transformation Act (*Umwandlungsgesetz*) or other form of combination with another company and such company assumes all obligations contracted by the Issuer in connection with the Notes; or
  - (g) any governmental order, decree or enactment shall be made in or by the Federal Republic of Germany whereby the Issuer is prevented from observing and performing in full its obligations as set forth in these Terms and Conditions and this situation is not cured within 90 days.
- (2) **No Termination.** The right to declare Notes due shall terminate if the situation giving rise to it has been cured before the right is exercised.
  - (3) **Notice.** Any default notice in accordance with § 9(1) shall be made by means of a declaration at least in text form (section 126b of the German Civil Code, *Bürgerliches Gesetzbuch*) delivered to the specified office of the Fiscal Agent together with evidence by means of a certificate of the Holder's Custodian (as defined in § 14(3)) that such Holder, at the time of such notice, is a holder of the relevant Notes.
  - (4) **Quorum.** In the events specified in subparagraph (1) (c) and/or (d), any notice declaring Notes due shall, unless at the time such notice is received any of the events specified in subparagraph (1) (a), (b) and (e) through (h) entitling Holders to declare their Notes due has occurred, become effective only when the Fiscal Agent has received such default notices from the Holders representing at least 25 per cent. of the aggregate principal amount of Notes then outstanding.

## § 10 (SUBSTITUTION)

- (1) **Substitution.** The Issuer (reference to which shall always include any previous Substitute Debtor (as defined below)) may, at any time, if no payment of principal of or interest on any of the Notes is in default, without the consent of the Holders, substitute for the Issuer any Affiliate (as defined below) of the Issuer as the principal debtor in respect of all obligations arising from or in connection with the Notes (any such company, the "**Substitute Debtor**"), **provided that:**
  - (a) the Substitute Debtor assumes all obligations of the Issuer in respect of the Notes and is in a position to fulfil all payment obligations arising from or in connection with the Notes in the Specified Currency without, subject to para. (e) below, the necessity of any taxes or duties levied by the country or jurisdiction in which the Substitute Debtor is domiciled (other than taxes which would also be levied in the absence of such substitution) to be withheld or deducted at source and to transfer all amounts which are required therefore to the Paying Agent without any restrictions, and that in particular all necessary authorizations to this effect by any competent authority have been obtained, and, to the extent service of process must be effected to the Substitute Debtor outside of Germany, a service of process agent in Germany is appointed;
  - (b) the Issuer irrevocably and unconditionally guarantees in favour of each Holder the payment of all sums payable by the Substitute Debtor in respect of the Notes on market standard terms for debt issuance programmes of investment grade rated guarantors and taking into account the Terms and Conditions (the "**Substitution Guarantee**");
  - (c) the Substitute Debtor and the Issuer have obtained all necessary governmental and regulatory approvals and consents for such substitution and for providing of the Substitution Guarantee by the Issuer in respect of the obligations of the Substitute Debtor, that the Substitute Debtor has obtained all necessary governmental and regulatory approvals and consents for the performance by the Substitute Debtor of its obligations

under the Notes, and that all such approvals and consents are in full force and effect and that the obligations assumed by the Substitute Debtor and the Substitution Guarantee provided by the Issuer are each valid and binding in accordance with their respective terms and enforceable by each Holder;

- (d) Section 9 shall be deemed to be amended so that it shall also be an event of default under such provision if the Substitution Guarantee shall cease to be valid or binding on or enforceable against the Issuer;
- (e) the Substitute Debtor undertakes to reimburse any Holder for such taxes, fees or duties which may be imposed upon such Holder in connection with any payments on the Notes (including taxes or duties being deducted or withheld at source), upon conversion or otherwise, as a consequence of the assumption of the Issuer's obligations by the Substitute Debtor, **provided that** such undertaking shall be limited to amounts that would not have been imposed upon the Holder had such substitution not occurred; and
- (f) there shall have been delivered to the Fiscal Agent one opinion for each jurisdiction affected of lawyers of recognized standing to the effect that subparagraphs (a) through (e) above have been satisfied.

For purposes of this § 10, "**Affiliate**" shall mean any affiliated company (*verbundenes Unternehmen*) within the meaning of Sections 15 *et seq.* of the German Stock Corporation Act (*Aktiengesetz*) held by the Issuer.

- (2) **Discharge from Obligations. References.** Upon a substitution in accordance with this § 10, the Substitute Debtor shall be deemed to be named in the Notes as the principal debtor in place of the Issuer as issuer and the Notes shall thereupon be deemed to be amended to give effect to the substitution including that the relevant jurisdiction in relation to the Issuer in § 7 shall be the Substitute Debtor's country of domicile for tax purposes. Furthermore, in the event of such substitution the following shall apply:
  - (a) in § 7 and § 5(2) an alternative reference to the Federal Republic of Germany shall be deemed to have been included in addition to the reference according to the preceding sentence to the country of domicile or residence for taxation purposes of the Substitute Debtor;
  - (b) in § 9(1)(c) to (g) an alternative reference to the Issuer in its capacity as guarantor shall be deemed to have been included in addition to the reference to the Substitute Debtor.

Any such substitution, together with the notice referred to in subparagraph (3) below, shall, in the case of the substitution of any other company as principal debtor, operate to release the Issuer as issuer from all of its obligations as principal debtor in respect of the Notes.

- (3) **Notification to Holders.** Not later than 15 Payment Business Days after effecting the substitution, the Substitute Debtor shall give notice thereof to the Holders and, if any Notes are listed on any stock exchange, to such stock exchange in accordance with § 13 and to any other person or authority as required by applicable laws or regulations.

## § 11

### (FURTHER ISSUES, PURCHASES AND CANCELLATION)

- (1) **Further Issues.** The Issuer may from time to time, without the consent of the Holders, issue further Notes having the same terms and conditions as the Notes in all respects (or in all respects except for the settlement date, interest commencement date and/or issue price) so as to form a single Series with the Notes.
- (2) **Purchases.** The Issuer may at any time purchase Notes in the open market or otherwise and at any price. Notes purchased by the Issuer may, at the option of the Issuer, be held, resold or surrendered to the Fiscal Agent for cancellation. If purchases are made by tender, tenders for such Notes must be made available to all Holders of such Notes alike.

- (3) **Cancellation.** All Notes redeemed in full shall be cancelled forthwith and may not be reissued or resold.

## § 12

### (AMENDMENTS OF THE TERMS AND CONDITIONS BY RESOLUTIONS OF HOLDERS, JOINT REPRESENTATIVE)

- (1) **Resolutions of Holders.** The Holders may with consent of the Issuer (if required) by a majority resolution pursuant to section 5 *et seqq.* of the German Act on Issues of Debt Securities (*Gesetz über Schuldverschreibungen aus Gesamtemissionen*) (the "**SchVG**"), as amended from time to time, agree to amendments of the Terms and Conditions or resolve any other matters provided for by the SchVG. In particular, the Holders may consent to amendments which materially change the substance of the Terms and Conditions, including such measures as provided for under section 5 paragraph 3 SchVG by resolutions passed by such majority of the votes of the Holders as stated under § 12(2) below. A duly passed majority resolution shall be binding upon all Holders.
- (2) **Majority.** Except as provided by the following sentence and **provided that** the quorum requirements are being met, the Holders may pass resolutions by simple majority of the voting rights participating in the vote. Resolutions which materially change the substance of the Terms and Conditions, in particular in the cases of section 5 paragraph 3 numbers 1 through 9 SchVG, or relating to material other matters may only be passed by a majority of at least 75 per cent. of the voting rights participating in the vote (a "**Qualified Majority**").
- (3) **Passing of resolutions.** The Holders can pass resolutions in a meeting (*Gläubigerversammlung*) in accordance with section 5 *et seqq.* of the SchVG or by means of a vote without a meeting (*Abstimmung ohne Versammlung*) in accordance with section 18 and section 5 *et seqq.* of the SchVG.
- (4) **Holders' meeting.** If resolutions of the Holders shall be made by means of a meeting the convening notice will provide for further details relating to the resolutions and the voting procedure. The subject matter of the vote as well as the proposed resolutions shall be notified to the Holders together with the convening notice. Attendance at the meeting and exercise of voting rights is subject to the Holders' registration. The registration must be received at the address stated in the convening notice no later than the third day preceding the meeting. As part of the registration, Holders must demonstrate their eligibility to participate in the vote by means of a special confirmation of the Custodian (as defined in § 14 (3)) in accordance with § 14(3)(i)(a) and (b) hereof in text form and by submission of a blocking instruction by the Custodian stating that the relevant Notes are not transferable from and including the day such registration has been sent until and including the stated end of the meeting.
- (5) **Vote without a meeting.** Together with casting their votes, Holders must demonstrate their eligibility to participate in the vote by means of a special confirmation of the Custodian in accordance with § 14(3)(i)(a) and (b) hereof in text form and by submission of a blocking instruction by the Custodian stating that the relevant Notes are not transferable from and including the day such votes have been cast until and including the day the voting period ends.
- (6) **Second meeting.** If it is ascertained that no quorum exists for the meeting pursuant to § 12(4) or the vote without a meeting pursuant to § 12(4), in case of a meeting the chairman may convene a second meeting in accordance with Section 15 paragraph 3 sentence 2 of the SchVG or in case of a vote without a meeting the scrutineer may convene a second meeting within the meaning of Section 15 paragraph 3 sentence 3 of the SchVG. Attendance at the second meeting and exercise of voting rights is subject to the Holders' registration. The provisions set out in § 12(4) shall apply *mutatis mutandis* to the Holders' registration for a second meeting.
- (7) **Holders' representative.** [If no Holders' Representative is designated in the Terms and Conditions of the Notes the following applies: The Holders may by majority resolution appoint a common representative to exercise the Holders' rights on behalf of each Holder (the "**Holders' Representative**").

The Holders' Representative shall have the duties and powers provided by law or granted by majority resolution of the Holders. The Holders' Representative shall comply with the instructions

of the Holders. To the extent that the Holders' Representative has been authorised to assert certain rights of the Holders, the Holders shall not be entitled to assert such rights themselves, unless explicitly provided for in the relevant majority resolution. The Holders' Representative shall provide reports to the Holders on its activities. The regulations of the SchVG apply with regard to the recall and the other rights and obligations of the Holders' Representative.]

**[If the Holders' Representative is appointed in the Terms and Conditions of the Notes, the following applies:** The joint representative (the "**Holders' Representative**") shall be [name and address]. The Holders' Representative shall have the duties and responsibilities and powers provided for by law. The liability of the Holders' Representative shall be limited to ten times of the amount of its annual remuneration, unless the Holders' Representative has acted wilfully or with gross negligence. The provisions of the SchVG apply with respect to the dismissal of the Holders' Representative and the other rights and obligations of the Holders' Representative.]

- (8) **Publication.** Any notices concerning this § 12 shall be made exclusively pursuant to the provisions of the SchVG.

### § 13 (NOTICES)

**[In the case of Notes which are listed on the official list of the Luxembourg Stock Exchange the following applies:**

- (1) **Publication.** Subject to § 12 (8), all notices concerning the Notes will be made by means of electronic publication on the internet website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)). Any notice will be deemed to have been validly given on the third day following the date of such publication (or, if published more than once, on the third day following the date of the first such publication).
- (2) **Notification to Clearing System.** So long as any Notes are listed on the official list of the Luxembourg Stock Exchange, subparagraph (1) shall apply. If the Rules of the Luxembourg Stock Exchange otherwise so permit, the Issuer may deliver the relevant notice to the Clearing System for communication by the Clearing System to the Holders, in lieu of publication as set forth in subparagraph (1) above; any such notice shall be deemed to have been given on the seventh day after the day on which the said notice was given to the Clearing System.]

**[In the case of Notes which are listed on a stock exchange other than on the official list of the Luxembourg Stock Exchange the following applies:**

- (1) **Publication.** Subject to § 12 (8), all notices concerning the Notes will be made by means of electronic publication on the internet website of the stock exchange with respect to which the Issuer applied for listing of the Notes, if the rules of such stock exchange so permit. Any such notice will be deemed to have been validly given on the third day following the date of such publication (or, if published more than once, on the third day following the date of the first such publication).
- (2) **Notification to Clearing System.** So long as any Notes are listed on such a stock exchange, subparagraph (1) shall apply. If the rules of such stock exchange otherwise so permit, the Issuer may deliver the relevant notice to the Clearing System for communication by the Clearing System to the Holders, in lieu of publication as set forth in subparagraph (1) above; any such notice shall be deemed to have been given on the seventh day after the day on which the said notice was given to the Clearing System.]

**[In the case of Notes which are unlisted the following applies:**

**Notification to Clearing System.** Subject to § 12 (8), the Issuer will deliver all notices to the Clearing System for communication by the Clearing System to the Holders. Any such notice shall be deemed to have been given to the Holders on the seventh day after the day on which the said notice was given to the Clearing System.]

**§ 14**  
**(APPLICABLE LAW, PLACE OF JURISDICTION AND ENFORCEMENT)**

- (1) **Applicable Law.** The Notes, as to form and content, and all rights and obligations of the Holders and the Issuer, shall be governed in every respect by German law.
- (2) **Submission to Jurisdiction.** The District Court (*Landgericht*) in Frankfurt am Main shall have non- exclusive jurisdiction for any action or other legal proceedings ("**Proceedings**") arising out of or in connection with the Notes.
- (3) **Enforcement.** Any Holder of Notes may in any proceedings against the Issuer or to which such Holder and the Issuer are parties, protect and enforce in his own name his rights arising under such Notes on the basis of (i) a statement issued by the Custodian with whom such Holder maintains a securities account in respect of the Notes (a) stating the full name and address of the Holder, (b) specifying the aggregate principal amount of Notes credited to such securities account on the date of such statement and (c) confirming that the Custodian has given written notice to the Clearing System containing the information pursuant to (a) and (b) which has been confirmed by the Clearing System; (ii) a copy of the Note in global form certified as being a true copy by a duly authorized officer of the Clearing System or a depositary of the Clearing System, without the need for production in such proceedings of the actual records or the global note representing the Notes or (iii) any other means of proof permitted in legal proceedings in the country of enforcement. For purposes of the foregoing, "**Custodian**" means any bank or other financial institution of recognized standing authorized to engage in securities custody business with which the Holder maintains a securities account in respect of the Notes and which maintains an account with the Clearing System, and includes the Clearing System. Each Holder may, without prejudice to the foregoing, protect and enforce his rights under these Notes also in any other way which is admitted in the country of the Proceedings.

**§ 15**  
**(LANGUAGE)**

These Terms and Conditions are written in the English language only.

**OPTION II – Terms and Conditions for Notes with floating interest rate ("Floating Rate Notes")**

**§ 1**

**(CURRENCY, DENOMINATION, FORM)**

- (1) **Currency; Denomination.** This Series of Notes (the "**Notes**") of Vier Gas Transport GmbH ("**Vier Gas**" or the "**Issuer**") is being issued in [**Specified Currency**] (the "**Specified Currency**") in the aggregate principal amount [**in the case the Global Note is an NGN the following applies:** (subject to § 1(4))] of [**Aggregate Principal Amount**] (in words: [**Aggregate Principal Amount in words**]) (the "**Aggregate Principal Amount**") in the denomination of [**Specified Denomination**] (the "**Specified Denomination**").

- (2) **Form.** The Notes are being issued in bearer form.

**[In the case of Notes which are represented by a Permanent Global Note the following applies:**

- (3) **Permanent Global Note.** The Notes are represented by a permanent global note (the "**Permanent Global Note**" or the "**Global Note**") without coupons. The Permanent Global Note shall be signed manually by authorized signatories of the Issuer and shall be authenticated by or on behalf of the Fiscal Agent. Definitive Notes and interest coupons will not be issued.]

**[In the case of Notes which are initially represented by a Temporary Global Note the following applies:**

- (3) **Temporary Global Note — Exchange.**

- (a) The Notes are initially represented by a temporary global note (the "**Temporary Global Note**") without coupons. The Temporary Global Note will be exchangeable for Notes in Specified Denominations represented by a permanent global note (the "**Permanent Global Note**" and together with the Temporary Global Note, the "**Global Notes**") without coupons. [**In the case of Euroclear and CBL and if the Global Note is an NGN the following applies:** The details of such exchange shall be entered in the records of the ICSDs (as defined below).] The Global Notes shall only be valid if each of them bears the handwritten signatures of two authorized representatives of the Issuer and the control signature of a person instructed by the Fiscal Agent. Definitive Notes and interest coupons will not be issued.
- (b) The Temporary Global Note shall be exchanged for the Permanent Global Note on a date (the "**Exchange Date**") not earlier than 40 days and not later than 180 days after the date of issue of the Notes. Such exchange shall only be made upon delivery of certifications to the effect that the beneficial owner or owners of the Notes is not a U.S. person (other than certain financial institutions or certain persons holding Notes through such financial institutions). Payment of interest on Notes represented by a Temporary Global Note will be made only after delivery of such certifications. A separate certification shall be required in respect of each such payment of interest. Any such certification received on or after the 40th day after the date of issue of the Notes will be treated as a request to exchange the Temporary Global Note pursuant to subparagraph (b) of this § 1(3). Any Notes delivered in exchange for the Temporary Global Note shall be delivered only outside of the United States (as defined in § 1(6)).]

- (4) **Clearing System.** Each Global Note will be kept in custody by or on behalf of the Clearing System until all obligations of the Issuer under the Notes have been satisfied. "**Clearing System**" means [**if more than one Clearing System the following applies:** each of] the following: [Clearstream Banking AG, Frankfurt am Main,] [Clearstream Banking, S.A., Luxembourg ("**CBL**") [Euroclear Bank SA/NV Brussels as operator of the Euroclear System ("**Euroclear**"),] [additional or alternative Clearing System] and any successor in such capacity. [**In the case of CBL and Euroclear as Clearing System the following applies:** "**International Central Securities Depository**" or "**ICSD**" means each of CBL and Euroclear (together, the "**ICSDs**").]

**[In the case of Notes kept in custody on behalf of the ICSDs and the global note is a NGN, the following applies:** The Notes are issued in new global note ("NGN") form and are kept in custody by a common safekeeper on behalf of both ICSDs.

The principal amount of Notes represented by the Global Note shall be the aggregate amount from time to time entered in the records of both ICSDs. The records of the ICSDs (which expression means the records that each ICSD holds for its customers which reflect the amount of such customer's interest in the Notes) shall be conclusive evidence of the principal amount of Notes represented by the Global Note and, for these purposes, a statement issued by an ICSD stating the principal amount of Notes so represented at any time shall be conclusive evidence of the records of the relevant ICSD at that time.

On any redemption or interest payment being made in respect of, or purchase and cancellation of, any of the Notes represented by the Global Note the Issuer shall procure that details of any redemption, payment or purchase and cancellation (as the case may be) in respect of the Global Note shall be entered *pro rata* in the records of the ICSDs and, upon any such entry being made, the principal amount of the Notes recorded in the records of the ICSDs and represented by the Global Note shall be reduced by the aggregate principal amount of the Notes so redeemed or purchased and cancelled.]

**[In the case of Notes kept in custody on behalf of the ICSDs and the global note is a CGN, the following applies:** The Notes are issued in classical global note ("CGN") form and are kept in custody by a common depositary on behalf of both ICSDs.]

- (5) **Holder of Notes.** "**Holder**" means any holder of a proportionate co-ownership or other beneficial interest or right in the Notes.

**[In the case the Temporary Global Note is a NGN, the following applies:** On an exchange of a portion only of the Notes represented by a Temporary Global Note, the Issuer shall procure that details of such exchange shall be entered *pro rata* in the records of the ICSDs.]

- (6) **United States.** For the purposes of these Terms and Conditions "**United States**" means the United States of America (including the States thereof and the District of Columbia) and its possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and Northern Mariana Islands).

## § 2 (STATUS, NEGATIVE PLEDGE)

- (1) **Status.** The obligations under the Notes constitute unsecured and unsubordinated obligations of the Issuer ranking *pari passu* among themselves and *pari passu* with all other present or future unsecured and unsubordinated obligations of the Issuer, unless such obligations are accorded priority under mandatory provisions of statutory law.
- (2) **Negative Pledge.** So long as any of the Notes remain outstanding, but only up to the time all amounts of principal and interest have been placed at the disposal of the Fiscal Agent, the Issuer undertakes (i) not to grant or permit to subsist any Security Interest (other than a Permitted Security Interest) over any or all of its present or future assets, as security for any present or future Relevant Indebtedness or any guarantee or other suretyship in respect of any such Relevant Indebtedness, and (ii) to procure, to the extent legally permissible, that none of its Material Subsidiaries will grant or permit to subsist any Security Interest (other than a Permitted Security Interest) over any or all of its present or future assets, as security for any present or future Relevant Indebtedness or any guarantee or other suretyship in respect of any such Relevant Indebtedness, unless at the same time the Holders share equally and rateably in such security or such other security as shall be approved by an independent accounting firm of recognised standing as being equivalent security has been made available to Holders.

For purposes of these Terms and Conditions,

"**Security Interest**" means any mortgage, charge, pledge, lien or other security interest in rem (*dingliches Sicherungsrecht*);

**"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;

**"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);

**"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;

**"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) representing five per cent. or more of EBITDA 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);

**"Subsidiary"** means (i) an entity of which a person owns directly or indirectly more than 50 per cent. of the within the meaning of Section 17 of the German Stock Corporation Act (*Aktiengesetz*). For the avoidance of doubt, this definition of Subsidiary shall not capture any Pipeline Company.

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

- (a) **"EBITDA"** means earnings before interest, tax, depreciation and amortization – but including income from equity investments and income from companies accounted for using the equity method – and is reconcilable to the consolidated income statement.

### § 3 INTEREST

#### (1) Interest Payment Dates.

- (a) The Notes shall bear interest on their principal amount from [*Interest Commencement Date*] (inclusive) (the "**Interest Commencement Date**") to the first Interest Payment Date (exclusive)



and thereafter from each Interest Payment Date (inclusive) to the next following Interest Payment Date (exclusive). Interest on the Notes shall be payable on each Interest Payment Date.

- (b) **"Interest Payment Date"** means

**[In case of Specified Interest Payment Dates the following applies:** each [*Specified Interest Payment Dates*].]

**[In case of Specified Interest Periods the following applies:** each date which (except as otherwise provided in these Terms and Conditions) falls [*number*] [weeks] [months] after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.]

- (c) If any Interest Payment Date would otherwise fall on a day which is not a Business Day (as defined below), it shall be:

**[In case of the Modified Following Business Day Convention the following applies:** postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event the payment date shall be the immediately preceding Business Day.]

**[In case of the FRN Convention the following applies:** postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event the Interest Payment Date shall be the immediately preceding Business Day, and each subsequent Interest Payment Date shall be the day that numerically corresponds to the preceding Interest Payment Date in the calendar month that falls [*number*] months after the preceding Interest Payment Date or, in the case of the first Interest Payment Date for the Notes, the Issue Date, except that (a) if there is not any such numerically corresponding day in the calendar month in which the relevant Interest Payment Date should occur, then the Interest Payment Date will be the last day that is a Business Day in that month, (b) if the relevant Interest Payment Date would otherwise fall on a day that is not a Business Day, then the Interest Payment Date will be the first following day that is a Business Day unless that day falls in the next calendar month, in which case the Interest Payment Date will be the first preceding day that is a Business Day, and (c) if the preceding applicable Interest Payment Date occurred on the last day in a calendar month that was a Business Day, then all subsequent applicable Interest Payment Dates prior to the Maturity Date (as defined in § 5 (1)) will be the last day that is a Business Day in the month that falls [*number*] months after the preceding applicable Interest Payment Date.]

**[In case of the Following Business Day Convention ("Following Business Day Convention") the following applies:** postponed to the next day which is a Business Day.]

**[In case of the Preceding Business Day Convention ("Preceding Business Day Convention") the following applies:** the immediately preceding Business Day.]

For these purposes, **"Business Day"** means a day (other than a Saturday or a Sunday)

**[In case the Notes are not denominated in Euro, the following applies:** on which commercial banks are generally open for business in, and foreign exchange markets settle payments in [*relevant financial centre(s)*]][.][and]

**[In case the Clearing System and TARGET shall be operational, the following applies**

on which the Clearing System as well as all relevant parts of the Trans-European Automated Real-time Gross Settlement Express Transfer system (TARGET2) are operational to effect payments.]

- (2) **Rate of Interest.** The rate of interest (the **"Rate of Interest"**) for each Interest Period (as defined below) will, except as provided below, be the offered quotation (expressed as a percentage rate *per annum*) for deposits in the Specified Currency for that Interest Period which appears on the Screen Page as of 11:00 a.m. (Brussels time) on the Interest Determination Date (as defined below) [[plus] [minus] the Margin (as defined below)], all as determined by the Calculation Agent.

**"Interest Period"** means each period from (and including) the Interest Commencement Date to (but excluding) the first Interest Payment Date and from (and including) each Interest Payment Date to (but excluding) the following Interest Payment Date.

**"Interest Determination Date"** means the second TARGET Business Day prior to the commencement of the relevant Interest Period. **"TARGET Business Day"** means a day on which all relevant parts of the Trans-European Automated Real-time Gross Settlement Express Transfer system (TARGET2) are operational to effect payments.

**["Margin"** means [*percentage*] per cent. *per annum*.]

**"Screen Page"** means the Reuters screen page EURIBOR01 or the relevant successor page on that service or on any other service as may be nominated as the information vendor for the purposes of displaying rates or prices comparable to the relevant offered quotation.

If the Screen Page is not available or no such quotation appears at such time, the Calculation Agent shall request each of the Reference Banks (as defined below) to provide the Calculation Agent with its offered quotation (expressed as a percentage rate *per annum*) for deposits in the Specified Currency for the relevant Interest Period and in a representative amount to prime banks in the interbank market in the Euro-Zone at approximately 11:00 a.m. (Brussels time) on the Interest Determination Date. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean (rounded if necessary to the nearest one thousandth of a percentage point, with 0.0005 being rounded upwards) of such offered quotations [[plus] [minus] the Margin], all as determined by the Calculation Agent.

If on any Interest Determination Date only one or none of the Reference Banks provides the Calculation Agent with such offered quotations as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate *per annum* which the Calculation Agent determines as being the arithmetic mean (rounded if necessary to the nearest one thousandth of a percentage point, with 0.0005 being rounded upwards) of the rates, as communicated to (and at the request of) the Calculation Agent by major banks in the interbank market in the Euro-Zone, selected by the Issuer, at which such banks offer, as at 11:00 a.m. (Brussels time) on the relevant Interest Determination Date, loans in the Specified Currency for the relevant Interest Period and in a representative amount to leading European banks [[plus] [minus] the Margin].

If the offered quotation is substituted by an officially announced substitute offered quotation which complies with the requirements set out in Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds, as amended from time to time or any successor provisions thereto (the "Benchmarks Regulation"), references to the offered quotation in these Terms and Conditions shall for the relevant Interest Period and any future Interest Period be deemed to refer to such officially announced substitute offered quotation. Notice of such substitution shall be given in accordance with § 12 of these Terms and Conditions.

If the Rate of Interest cannot be determined in accordance with the foregoing provisions, the Rate of Interest shall be the offered quotation on the Screen Page, as described above, on the last day preceding the Interest Determination Date on which such offered quotation was displayed [[plus] [minus] the Margin], all as determined by the Calculation Agent.

**"Reference Banks"** means four major banks in the interbank market in the Euro-Zone.

**"representative amount"** means an amount that is representative for a single transaction in the relevant market at the relevant time.

**"Euro-Zone"** means the region comprised of those member states of the European Union that have adopted, or will have adopted from time to time, the single currency in accordance with the Treaty establishing the European Community (signed in Rome on 25 March 1957), as amended by the Treaty on European Union (signed in Maastricht on 7 February 1992), the Amsterdam Treaty of 2 October 1997 and the Treaty of Lisbon of 13 December 2007, as further amended from time to time.

**[In case of a Minimum Rate of Interest the following applies:**

**(3) Minimum Rate of Interest.**

If the Rate of Interest in respect of any Interest Period determined in accordance with the above provisions is less than [*Minimum Rate of Interest*], the Rate of Interest for such Interest Period shall be [*Minimum Rate of Interest*].]

**[In case of a Maximum Rate of Interest the following applies:**

**(3) Minimum Rate of Interest.**

If the Rate of Interest in respect of any Interest Period determined in accordance with the above provisions is greater than [*Maximum Rate of Interest*], the Rate of Interest for such Interest Period shall be [*Maximum Rate of Interest*].]

**[(4)] Interest Amount.** The Calculation Agent will, on or as soon as practicable after each time at which the Rate of Interest is to be determined, calculate the amount of interest (the "**Interest Amount**") payable on the Notes in respect of the Specified Denomination for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest and the Day Count Fraction (as defined below) to the Specified Denomination and rounding the resultant figure to the nearest unit of the Specified Currency, with 0.5 of such unit being rounded upwards.

**[(5)] Notification of Rate of Interest and Interest Amount.** The Calculation Agent will cause the Rate of Interest, each Interest Amount for each Interest Period, each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and to the Holders in accordance with § 12 as soon as possible after their determination, but in no event later than the fourth [TARGET] [*relevant financial centre(s)*] Business Day (as defined in § 3 (2)) thereafter and, if required by the rules of any stock exchange on which the Notes are from time to time listed, to such stock exchange as soon as possible after their determination, but in no event later than the first day of the relevant Interest Period. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to any stock exchange on which the Notes are then listed and to the Holders in accordance with § 12.

**[(6)] Determinations Binding.** All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this § 3 by the Calculation Agent shall (in the absence of manifest error) be binding on the Issuer, the Fiscal Agent, the Paying Agent and the Holders.

**[(7)] Accrual of Interest.** If the Issuer shall fail to redeem the Notes when due, interest shall continue to accrue on the outstanding principal amount of the Notes beyond (and including) the due date until (but excluding) the actual redemption of the Notes at the default rate of interest established by law<sup>4</sup>.

**[(8)] Day Count Fraction.** "**Day Count Fraction**" means with regard to the calculation of the amount of interest on the Notes for any period of time (the "**Calculation Period**"):

**[If the Specified Currency is Euro and if Actual/Actual (ICMA) is applicable the following applies:**

- (i) if the Calculation Period (from and including the first day of such period but excluding the last) is equal to or shorter than the Determination Period during which the Calculation Period ends, the number of days in such Calculation Period (from and including the first day of such period but excluding the last) divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in § 3(3)) that would occur in one calendar year; or

<sup>4</sup> The default rate of interest established by law is five percentage points above the basic rate of interest published by *Deutsche Bundesbank* from time to time, sections 288 para.1, 247 of the German Civil Code (*Bürgerliches Gesetzbuch*).  
*Der gesetzliche Verzugszinssatz beträgt für das Jahr fünf Prozentpunkte über dem von der Deutsche Bundesbank von Zeit zu Zeit veröffentlichten Basiszinssatz, §§ 288 Absatz 1, 247 Bürgerliches Gesetzbuch.*

- (ii) if the Calculation Period is longer than the Determination Period during which the Calculation Period ends, the sum of: (A) the number of days in such Calculation Period falling in the Determination Period in which the Calculation Period begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in § 3(3)) and (B) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in § 3(3)) that would occur in one calendar year.

**"Determination Period"** means the period from (and including) a Determination Date to, (but excluding) the next Determination Date.]

**[In the case of 30/360, 360/360 or Bond Basis the following applies:** the number of days in the Calculation Period divided by 360, the number of days to be calculated on the basis of a year of 360 days with twelve 30-day months (unless (A) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (B) the last day of the Calculation Period is the last day of the month of February in which case the month of February shall not be considered to be lengthened to a 30-day month).]

**[In the case of 30E/360 or Eurobond Basis the following applies:** the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with twelve 30-day months, without regard to the date of the first day or last day of the Calculation Period unless, in the case of the final Calculation Period, the Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month).]

#### § 4 (PAYMENTS)

(1)

- (a) **Payment of Principal.** Payment of principal in respect of the Notes shall be made, subject to subparagraph (2) below, to the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System.
- (b) **Payment of Interest.** Payment of interest on the Notes shall be made, subject to subparagraph (2), to the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System.

**[In the case of interest payable on a Temporary Global Note the following applies:** Payment of interest on Notes represented by the Temporary Global Note shall be made, subject to subparagraph (2), to the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System, upon due certification as provided in § 1(3)(b).]

- (2) **Manner of Payment.** Subject to applicable fiscal and other laws and regulations, payments of amounts due in respect of the Notes shall be made in the Specified Currency.
- (3) **Discharge.** The Issuer shall be discharged by payment to, or to the order of, the Clearing System.
- (4) **Payment Business Day.** If the date for payment of any amount in respect of any Note is not a Payment Business Day then the Holder shall not be entitled to payment until the next such day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay.

For these purposes, **"Payment Business Day"** means any day which is

**[In the case the Notes are not denominated in Euro the following applies:** a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in [relevant financial center(s)][.][and]]

**[In the case the Clearing System and TARGET2 shall be open the following applies:** a day (other than a Saturday or a Sunday) on which the Clearing System as well as all relevant parts of

the Trans European Automated Real time Gross Settlement Express Transfer payment system (TARGET2) are operational to forward the relevant payment].

- (5) **References to Principal and Interest.** References in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable: the Final Redemption Amount of the Notes; the Early Redemption Amount of the Notes; **[if the Notes are redeemable at the option of the Issuer for other than tax reasons or reasons of minimal outstanding principal amount the following applies:** the Call Redemption Amount of the Notes;] **[if the Notes are redeemable at the option of the Holder the following applies:** the Put Redemption Amount of the Notes;] and any premium and any other amounts which may be payable under or in respect of the Notes. References in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any Additional Amounts which may be payable under § 7.
- (6) **Deposit of Principal and Interest.** The Issuer may deposit with the competent authority (*Hinterlegungsstelle*) at the seat of the Issuer (at the time of issuance of the Notes the local court (*Amtsgericht*) in Essen) principal or interest not claimed by Holders within twelve months after the Maturity Date, even though such Holders may not be in default of acceptance of payment. If and to the extent that the deposit is effected and the right of withdrawal is waived, the respective claims of such Holders against the Issuer shall cease.

## § 5 (REDEMPTION)

- (1) **Final Redemption.** Unless previously redeemed in whole or in part or purchased and cancelled, the Notes shall be redeemed at their Final Redemption Amount on **[Maturity Date]** (the "**Maturity Date**"). The "**Final Redemption Amount**" in respect of each Note shall be its principal amount.
- (2) **Early Redemption for Reasons of Taxation.** If as a result of any change in, or amendment to, the laws or regulations of the Federal Republic of Germany or any political subdivision or taxing authority thereto or therein affecting taxation or the obligation to pay duties of any kind, or any change in, or amendment to, an official interpretation or application of such laws or regulations, which amendment or change is effective on or after the date on which the last tranche of this series of Notes was issued, the Issuer is required to pay Additional Amounts (as defined in § 7 herein) on the next succeeding Interest Payment Date (as defined in § 3(1)), and this obligation cannot be avoided by the use of reasonable measures available to the Issuer, the Notes may be redeemed, in whole but not in part, at the option of the Issuer, upon not more than 60 days' nor less than 30 days' prior notice of redemption given to the Fiscal Agent and, in accordance with § 13 to the Holders, at their Early Redemption Amount (as defined below), together with interest (if any) accrued to the date fixed for redemption (excluding).

However, no such notice of redemption may be given (i) earlier than 90 days prior to the earliest date on which the Issuer would be obligated to pay such Additional Amounts were a payment in respect of the Notes then due, or (ii) if at the time such notice is given, such obligation to pay such Additional Amounts does not remain in effect.

Any such notice shall be given in accordance with § 13. It shall be irrevocable, must specify the date fixed for redemption and must set forth a statement in summary form of the facts constituting the basis for the right of the Issuer so to redeem.

**[If the Notes are subject to Early Redemption at the Option of the Issuer for Reasons of Minimal Outstanding Principal Amount, the following applies:**

- [(3)] Early Redemption at the Option of the Issuer for Reasons of Minimal Outstanding Principal Amount.**

If 80 per cent. or more in principal amount of the Notes then outstanding have been redeemed or purchased by the Issuer or any direct or indirect subsidiary of the Issuer pursuant to the provisions of this § 5 or otherwise (a "**Clean-up Call Event**"), the Issuer may, on not less than 30 nor more than 60 days' notice to the Holders of Notes given within 30 days after the Clean-up Call Event,

redeem, at its option, the remaining Notes as a whole at their Early Redemption Amount (as defined below) plus interest accrued to but excluding the date of such redemption.]

**[If the Notes are subject to Early Redemption at the Option of the Issuer at specified Call Redemption Amounts the following applies:**

**[(4)] Early Redemption at the Option of the Issuer.**

**[If the Notes are subject to Early Redemption at specific Call Redemption Dates, the following applies:**

- (a) The Issuer may, upon notice given in accordance with clause (b), redeem all or some only of the Notes at the Call Redemption Date(s) at the Call Redemption Amount(s) set forth below together with accrued interest, if any, to (but excluding) the relevant redemption date.

<b>Call Redemption Date(s)</b>	<b>Call Redemption Amount(s)</b>
<i>[Call Redemption Date(s)]</i>	<i>[Call Redemption Amount(s)]</i>
[•].....	[•]
[•].....	[•]

**[If the Notes are subject to Early Redemption at specific Call Redemption Periods, the following applies:**

- (a) The Issuer may, upon notice given in accordance with clause (b), redeem all or some only of the Notes within the Call Redemption Period(s) at the Call Redemption Amount(s) set forth below together with accrued interest, if any, to (but excluding) the relevant redemption date.

<b>Call Redemption Period(s)</b>	<b>Call Redemption Amount(s)</b>
<i>[Call Redemption Period(s)]</i>	<i>[Call Redemption Amount(s)]</i>
[•].....	[•]
[•].....	[•]

**[If Notes are subject to Early Redemption at the Option of the Holder the following applies:** The Issuer may not exercise such option in respect of any Note which is the subject of the prior exercise by the Holder thereof of its option to require the redemption of such Note under subparagraph [(6)] of this § 5.]

- (b) Notice of redemption shall be given by the Issuer to the Holders of the Notes in accordance with § 13. Such notice shall specify:
- (a) the Series of Notes subject to redemption;
  - (b) whether such Series is to be redeemed in whole or in part only and, if in part only, the aggregate principal amount of the Notes which are to be redeemed;
  - (c) the relevant redemption date, which shall be not less than **[Minimum Notice to Holders]** nor more than **[Maximum Notice to Holders]** days after the date on which notice is given by the Issuer to the Holders; and
  - (d) the Call Redemption Amount at which such Notes are to be redeemed.
- (c) In the case of a partial redemption of Notes, Notes to be redeemed shall be selected in accordance with the rules of the relevant Clearing System.] **[In the case of Notes in NGN form the following applies:** For technical procedure of the ICSDs, in the case of a partial redemption the outstanding principal amount following such partial redemption will be

reflected in the records of the ICSDs as either a reduction in nominal amount or as a pool factor, at the discretion of the ICSDs.]

**[If the Notes are subject to Early Redemption at the Option of the Holder the following applies:**

**[(5)] Early Redemption at the Option of a Holder.**

- (a) The Issuer shall, at the option of the Holder of any Note, redeem such Note on the Put Redemption Date(s) at the Put Redemption Amount(s) set forth below together with accrued interest, if any, to (but excluding) the Put Redemption Date.

<b>Put Redemption Date(s)</b>	<b>Put Redemption Amount(s)</b>
<i>[Put Redemption Dates(s)]</i>	<i>[Put Redemption Amount(s)]</i>
[•].....	[•]
[•].....	[•]

The Holder may not exercise such option in respect of any Note which is the subject of the prior exercise by the Issuer of any of its options to redeem such Note under this § 5.

- (b) In order to exercise such option, the Holder must, not less than **[Minimum Notice to Issuer]** nor more than **[Maximum Notice to Issuer]** days before the Put Redemption Date on which such redemption is required to be made as specified in the Put Redemption Notice (as defined below), submit during normal business hours at the specified office of the Fiscal Agent a duly completed early redemption notice ("**Put Redemption Notice**") in the form available from the specified offices of the Fiscal Agent and the Paying Agents. The Put Redemption Notice must specify (i) the principal amount of the Notes in respect of which such option is exercised, and (ii) the securities identification number of such Notes, if any. No option so exercised may be revoked or withdrawn. The Issuer shall only be required to redeem Notes in respect of which such option is exercised against delivery of such Notes to the Issuer or to its order.]

**[(6)] Early Redemption Amount.**

For purposes of subparagraph (2) [and (3)] of this § 5 and § 9, the "**Early Redemption Amount**" of a Note shall be its principal amount.

**§ 6**

**(THE FISCAL AGENT[, [AND] THE PAYING AGENT [AND THE CALCULATION AGENT])**

- (1) **Appointment; Specified Office.** The initial Fiscal Agent and the initial Paying Agent and its initial specified office shall be:

**Citibank, N.A., London Branch**  
Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB  
United Kingdom

**[If the Fiscal Agent is to be appointed as Calculation Agent the following applies:** The Fiscal Agent shall also act as Calculation Agent.]

**[If a Calculation Agent other than the Fiscal Agent is to be appointed the following applies:** The Calculation Agent and its initial specified office shall be:

*Calculation Agent: [name and specified office]*

The Fiscal Agent [,][and] the Paying Agents [and the Calculation Agent] reserve the right at any time to change their respective specified offices to some other specified office in the same city.

- (2) **Variation or Termination of Appointment.** The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent or any Paying Agent [or the Calculation Agent] and to appoint another Fiscal Agent or additional or other Paying Agents [or another Calculation Agent]. The Issuer shall at all times maintain (i) a Fiscal Agent [**in the case of Notes listed on a stock exchange (the "Stock Exchange") the following applies:** [,] [and] (ii) so long as the Notes are listed on the [name of Stock Exchange], a Paying Agent (which may be the Fiscal Agent) with a specified office in [location of Stock Exchange] and/or in such other place as may be required by the rules of such stock exchange] [and] [,] [(iii)] a Paying Agent in an EU member state, if possible, that will not be obliged to withhold or deduct tax in connection with any payment made in relation to the Notes unless the Paying Agent would be so obliged in each other EU Member State if it were located there, [**in the case of payments in United States dollar the following applies:** [and] [(iv)] if payments at or through the offices of all Paying Agents outside the United States (as defined in § 1(6)) become illegal or are effectively precluded because of the imposition of exchange controls or similar restrictions on the full payment or receipt of such amounts in United States dollar, a Paying Agent with a specified office in New York City], [and] [(v)] a Calculation Agent [**if Calculation Agent is required to maintain a Specified Office in a Required Location the following applies:** with a specified office located in [Required Location]]. Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Holders in accordance with § 13.
- (3) **Agent of the Issuer.** The Fiscal Agent [,][and] the Paying Agents [and the Calculation Agent] act solely as the agents of the Issuer and do not assume any obligations towards or relationship of agency or trust for any Holder.

## § 7 (TAXATION)

All payments of principal and interest made by the Issuer in respect of the Notes to the Holders shall be made free and clear of, and without withholding or deduction for, any present or future taxes or duties of whatever nature imposed or levied by way of deduction or withholding by or on behalf of the Federal Republic of Germany or any political subdivision or any authority therein or thereof having power to tax (the "**Taxing Jurisdiction**"), unless such deduction or withholding is required by law. In that event the Issuer shall pay such additional amounts (the "**Additional Amounts**") as shall result in receipt by the Holders of such amounts as would have been received by them had no such withholding or deduction been required, except that no Additional Amounts shall be payable with respect to

- (a) German capital gains tax (*Kapitalertragsteuer*) (including settlement tax (*Abgeltungsteuer*)) to be deducted or withheld pursuant to the German Income Tax Act (*Einkommensteuergesetz*), even if the deduction or withholding has to be made by the Issuer or its representative, and the German solidarity surcharge (*Solidaritätszuschlag*) or any other tax which may substitute the German capital gains tax or solidarity surcharge, as the case may be; or
- (b) any taxes that are payable by any person acting as custodian bank or collecting agent on behalf of a Holder, or otherwise in any manner which does not constitute a deduction or withholding by the Issuer from payments of principal or interest made by it; or
- (c) payments to, or to a third party on behalf of, a Holder where such Holder (or a fiduciary, settlor, beneficiary, member or shareholder of such Holder, if such Holder is an estate, a trust, a partnership or a corporation) is liable to such withholding or deduction by reason of having some present or former connection with Germany, including, without limitation, such Holder (or such fiduciary, settlor, beneficiary, member or shareholder) being or having been a citizen or resident thereof or being or having been engaged in a trade or business or present therein or having, or having had, a permanent establishment therein, other than by reason only of the holding of such Note or the receipt of the relevant payment in respect thereof or the fact that payments in respect of the Notes are, or for purposes of taxation are deemed to be, derived from sources in, or are secured in, the Federal Republic of Germany; or
- (d) payments to, or to a third party on behalf of, a Holder where no such withholding or deduction would have been required to be made if the Notes were credited at the time of payment to a



securities deposit account with a bank, financial services institution, securities trading business or securities trading bank, in each case outside Germany; or

- (e) payments where such withholding or deduction is imposed pursuant to (i) any European Union Directive or Regulation concerning the taxation of savings, or (ii) any international treaty or understanding relating to such taxation and to which Germany or the European Union is a party/are parties, or (iii) any provision of law implementing, or complying with, or introduced to conform with, such Directive, Regulation, treaty or understanding; or
- (f) payments to the extent such withholding or deduction is payable by or on behalf of a Holder who could lawfully mitigate (but has not so mitigated) such withholding or deduction by complying or procuring that any third party complies with any statutory requirements or by making or procuring that a third party makes a declaration of non-residence or other similar claim for exemption to any tax authority in the place where the payment is effected; or
- (g) payments to the extent such withholding or deduction is payable by or on behalf of a Holder who would have been able to mitigate such withholding or deduction by effecting a payment via another Paying Agent in a member state of the European Union, not obliged to withhold or deduct tax; or
- (h) payments to the extent such withholding or deduction is for or on account of the presentation by the Holder of any Note for payment on a date more than 30 days after the date upon which presentation may first be made hereunder; or
- (i) payments to the extent such withholding or deduction is required pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (the "**Internal Revenue Code**"), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Internal Revenue Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Internal Revenue Code; or
- (j) any combination of items (a)-(h);

nor shall any Additional Amounts be paid with respect to any payment on a Note to a Holder who is a fiduciary or partnership or who is other than the sole beneficial owner of such payment to the extent such payment would be required by the laws of the Taxing Jurisdiction to be included in the income, for tax purposes, of a beneficiary or settlor with respect to such fiduciary or a member of such partnership or a beneficial owner who would not have been entitled to such Additional Amounts had such beneficiary, settlor, member or beneficial owner been the Holder of the Note.

## § 8 (PRESENTATION PERIOD)

The presentation period provided in Section 801 paragraph 1, sentence 1 of the German Civil Code (*BGB*) is reduced to ten years for the Notes.

## § 9 (EVENTS OF DEFAULT)

- (1) **Events of default.** Each Holder shall be entitled to declare due and payable by notice to the Fiscal Agent its entire claims arising from the Notes and demand immediate redemption thereof at the Early Redemption Amount (as described in § 5 [(6)]), together with accrued interest (if any) to (but excluding) the date of repayment, in the event that:
  - (a) the Issuer fails to pay principal or interest under the Notes within 30 days from the relevant due date, or
  - (b) the Issuer fails to duly perform any other material obligation arising from the Notes and such failure continues unremedied for more than 30 days after the Fiscal Agent has received a request thereof in the manner set forth in § 9(3) from a Holder to perform such obligation; or

- (c) (i) any Relevant Indebtedness of the Issuer or any of its Material Subsidiaries becomes prematurely repayable as a result of a default in respect of the terms thereof, or (ii) the Issuer or any of its Material Subsidiaries fails to fulfil any payment obligation under any Relevant Indebtedness or under any guarantees or suretyships given for any Relevant Indebtedness of others within 30 days from its due date or, in the case of such guarantee or suretyship, within 30 days of such guarantee or suretyship being invoked, given that the obligations under (i) and (ii) above exceed 2 per cent. of the balance sheet total of the Issuer, as stated in its latest consolidated balance sheet drawn up in accordance with IFRS and unless the Issuer or its relevant Material Subsidiary contests in good faith that such payment obligation exists or is due or that such guarantee or suretyship has been validly invoked or if a security granted therefor is enforced on behalf of or by the creditor(s) entitled thereto; or
  - (d) the Issuer announces its inability to meet its financial obligations or ceases its payments generally; or
  - (e) a court opens insolvency proceedings against the Issuer and such proceedings are instituted and have not been discharged or stayed within 90 days, or the Issuer applies for or institutes such proceedings; or
  - (f) the Issuer enters into liquidation unless this is done in connection with a merger (*Verschmelzung*) or other form of transformation under the German Transformation Act (*Umwandlungsgesetz*) or other form of combination with another company and such company assumes all obligations contracted by the Issuer in connection with the Notes; or
  - (g) any governmental order, decree or enactment shall be made in or by the Federal Republic of Germany whereby the Issuer is prevented from observing and performing in full its obligations as set forth in these Terms and Conditions and this situation is not cured within 90 days.
- (2) **No Termination.** The right to declare Notes due shall terminate if the situation giving rise to it has been cured before the right is exercised.
- (3) **Notice.** Any default notice in accordance with § 9(1) shall be made by means of a declaration at least in text form (section 126b of the German Civil Code, *Bürgerliches Gesetzbuch*) delivered to the specified office of the Fiscal Agent together with evidence by means of a certificate of the Holder's Custodian (as defined in § 14(3)) that such Holder, at the time of such notice, is a holder of the relevant Notes.
- (4) **Quorum.** In the events specified in subparagraph (1) (c) and/or (d), any notice declaring Notes due shall, unless at the time such notice is received any of the events specified in subparagraph (1) (a), (b) and (e) through (h) entitling Holders to declare their Notes due has occurred, become effective only when the Fiscal Agent has received such default notices from the Holders representing at least 25 per cent. of the aggregate principal amount of Notes then outstanding.

## § 10 (SUBSTITUTION)

- (1) **Substitution.** The Issuer (reference to which shall always include any previous Substitute Debtor (as defined below)) may, at any time, if no payment of principal of or interest on any of the Notes is in default, without the consent of the Holders, substitute for the Issuer any Affiliate (as defined below) of the Issuer as the principal debtor in respect of all obligations arising from or in connection with the Notes (any such company, the "**Substitute Debtor**"), **provided that:**
- (a) the Substitute Debtor assumes all obligations of the Issuer in respect of the Notes and is in a position to fulfil all payment obligations arising from or in connection with the Notes in the Specified Currency without, subject to para. (e) below, the necessity of any taxes or duties levied by the country or jurisdiction in which the Substitute Debtor is domiciled (other than taxes which would also be levied in the absence of such substitution) to be withheld or deducted at source and to transfer all amounts which are required therefore to the Paying Agent without any restrictions, and that in particular all necessary

authorizations to this effect by any competent authority have been obtained, and, to the extent service of process must be effected to the Substitute Debtor outside of Germany, a service of process agent in Germany is appointed;

- (b) the Issuer irrevocably and unconditionally guarantees in favour of each Holder the payment of all sums payable by the Substitute Debtor in respect of the Notes on market standard terms for debt issuance programmes of investment grade rated guarantors and taking into account the Terms and Conditions (the "**Substitution Guarantee**");
- (c) the Substitute Debtor and the Issuer have obtained all necessary governmental and regulatory approvals and consents for such substitution and for providing of the Substitution Guarantee by the Issuer in respect of the obligations of the Substitute Debtor, that the Substitute Debtor has obtained all necessary governmental and regulatory approvals and consents for the performance by the Substitute Debtor of its obligations under the Notes, and that all such approvals and consents are in full force and effect and that the obligations assumed by the Substitute Debtor and the Substitution Guarantee provided by the Issuer are each valid and binding in accordance with their respective terms and enforceable by each Holder;
- (d) Section 9 shall be deemed to be amended so that it shall also be an event of default under such provision if the Substitution Guarantee shall cease to be valid or binding on or enforceable against the Issuer;
- (e) the Substitute Debtor undertakes to reimburse any Holder for such taxes, fees or duties which may be imposed upon such Holder in connection with any payments on the Notes (including taxes or duties being deducted or withheld at source), upon conversion or otherwise, as a consequence of the assumption of the Issuer's obligations by the Substitute Debtor, **provided that** such undertaking shall be limited to amounts that would not have been imposed upon the Holder had such substitution not occurred; and
- (f) there shall have been delivered to the Fiscal Agent one opinion for each jurisdiction affected of lawyers of recognized standing to the effect that subparagraphs (a) through (e) above have been satisfied.

For purposes of this § 10, "**Affiliate**" shall mean any affiliated company (*verbundenes Unternehmen*) within the meaning of Sections 15 *et seq.* of the German Stock Corporation Act (*Aktiengesetz*) held by the Issuer.

- (2) **Discharge from Obligations. References.** Upon a substitution in accordance with this § 10, the Substitute Debtor shall be deemed to be named in the Notes as the principal debtor in place of the Issuer as issuer and the Notes shall thereupon be deemed to be amended to give effect to the substitution including that the relevant jurisdiction in relation to the Issuer in § 7 shall be the Substitute Debtor's country of domicile for tax purposes. Furthermore, in the event of such substitution the following shall apply:

- (a) in § 7 and § 5(2) an alternative reference to the Federal Republic of Germany shall be deemed to have been included in addition to the reference according to the preceding sentence to the country of domicile or residence for taxation purposes of the Substitute Debtor;
- (b) in § 9(1)(c) to (g) an alternative reference to the Issuer in its capacity as guarantor shall be deemed to have been included in addition to the reference to the Substitute Debtor.

Any such substitution, together with the notice referred to in subparagraph (3) below, shall, in the case of the substitution of any other company as principal debtor, operate to release the Issuer as issuer from all of its obligations as principal debtor in respect of the Notes.

- (3) **Notification to Holders.** Not later than 15 Payment Business Days after effecting the substitution, the Substitute Debtor shall give notice thereof to the Holders and, if any Notes are listed on any stock exchange, to such stock exchange in accordance with § 13 and to any other person or authority as required by applicable laws or regulations.

**§ 11**  
**(FURTHER ISSUES, PURCHASES AND CANCELLATION)**

- (1) **Further Issues.** The Issuer may from time to time, without the consent of the Holders, issue further Notes having the same terms and conditions as the Notes in all respects (or in all respects except for the settlement date, interest commencement date and/or issue price) so as to form a single Series with the Notes.
- (2) **Purchases.** The Issuer may at any time purchase Notes in the open market or otherwise and at any price. Notes purchased by the Issuer may, at the option of the Issuer, be held, resold or surrendered to the Fiscal Agent for cancellation. If purchases are made by tender, tenders for such Notes must be made available to all Holders of such Notes alike.
- (3) **Cancellation.** All Notes redeemed in full shall be cancelled forthwith and may not be reissued or resold.

**§ 12**  
**(AMENDMENTS OF THE TERMS AND CONDITIONS BY RESOLUTIONS OF HOLDERS,  
JOINT REPRESENTATIVE)**

- (1) **Resolutions of Holders.** The Holders may with consent of the Issuer (if required) by a majority resolution pursuant to section 5 *et seqq.* of the German Act on Issues of Debt Securities (*Gesetz über Schuldverschreibungen aus Gesamtemissionen*) (the "**SchVG**"), as amended from time to time, agree to amendments of the Terms and Conditions or resolve any other matters provided for by the SchVG. In particular, the Holders may consent to amendments which materially change the substance of the Terms and Conditions, including such measures as provided for under section 5 paragraph 3 SchVG by resolutions passed by such majority of the votes of the Holders as stated under § 12(2) below. A duly passed majority resolution shall be binding upon all Holders.
- (2) **Majority.** Except as provided by the following sentence and **provided that** the quorum requirements are being met, the Holders may pass resolutions by simple majority of the voting rights participating in the vote. Resolutions which materially change the substance of the Terms and Conditions, in particular in the cases of section 5 paragraph 3 numbers 1 through 9 SchVG, or relating to material other matters may only be passed by a majority of at least 75 per cent. of the voting rights participating in the vote (a "**Qualified Majority**").
- (3) **Passing of resolutions.** The Holders can pass resolutions in a meeting (*Gläubigerversammlung*) in accordance with section 5 *et seqq.* of the SchVG or by means of a vote without a meeting (*Abstimmung ohne Versammlung*) in accordance with section 18 and section 5 *et seqq.* of the SchVG.
- (4) **Holders' meeting.** If resolutions of the Holders shall be made by means of a meeting the convening notice will provide for further details relating to the resolutions and the voting procedure. The subject matter of the vote as well as the proposed resolutions shall be notified to the Holders together with the convening notice. Attendance at the meeting and exercise of voting rights is subject to the Holders' registration. The registration must be received at the address stated in the convening notice no later than the third day preceding the meeting. As part of the registration, Holders must demonstrate their eligibility to participate in the vote by means of a special confirmation of the Custodian (as defined in § 14 (3)) in accordance with § 14(3)(i)(a) and (b) hereof in text form and by submission of a blocking instruction by the Custodian stating that the relevant Notes are not transferable from and including the day such registration has been sent until and including the stated end of the meeting.
- (5) **Vote without a meeting.** Together with casting their votes, Holders must demonstrate their eligibility to participate in the vote by means of a special confirmation of the Custodian in accordance with § 14(3)(i)(a) and (b) hereof in text form and by submission of a blocking instruction by the Custodian stating that the relevant Notes are not transferable from and including the day such votes have been cast until and including the day the voting period ends.
- (6) **Second meeting.** If it is ascertained that no quorum exists for the meeting pursuant to § 12(4) or the vote without a meeting pursuant to § 12(4), in case of a meeting the chairman may convene a

second meeting in accordance with Section 15 paragraph 3 sentence 2 of the SchVG or in case of a vote without a meeting the scrutineer may convene a second meeting within the meaning of Section 15 paragraph 3 sentence 3 of the SchVG. Attendance at the second meeting and exercise of voting rights is subject to the Holders' registration. The provisions set out in § 12(4) shall apply *mutatis mutandis* to the Holders' registration for a second meeting.

- (7) **Holders' representative.** [If no Holders' Representative is designated in the Terms and Conditions of the Notes the following applies: The Holders may by majority resolution appoint a common representative to exercise the Holders' rights on behalf of each Holder (the "**Holders' Representative**").

The Holders' Representative shall have the duties and powers provided by law or granted by majority resolution of the Holders. The Holders' Representative shall comply with the instructions of the Holders. To the extent that the Holders' Representative has been authorised to assert certain rights of the Holders, the Holders shall not be entitled to assert such rights themselves, unless explicitly provided for in the relevant majority resolution. The Holders' Representative shall provide reports to the Holders on its activities. The regulations of the SchVG apply with regard to the recall and the other rights and obligations of the Holders' Representative.]

[If the Holders' Representative is appointed in the Terms and Conditions of the Notes, the following applies: The joint representative (the "**Holders' Representative**") shall be [name and address]. The Holders' Representative shall have the duties and responsibilities and powers provided for by law. The liability of the Holders' Representative shall be limited to ten times of the amount of its annual remuneration, unless the Holders' Representative has acted wilfully or with gross negligence. The provisions of the SchVG apply with respect to the dismissal of the Holders' Representative and the other rights and obligations of the Holders' Representative.]

- (8) **Publication.** Any notices concerning this § 12 shall be made exclusively pursuant to the provisions of the SchVG.

### § 13 (NOTICES)

**[In the case of Notes which are listed on the official list of the Luxembourg Stock Exchange the following applies:**

- (1) **Publication.** Subject to § 12 (8), all notices concerning the Notes will be made by means of electronic publication on the internet website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)). Any notice will be deemed to have been validly given on the third day following the date of such publication (or, if published more than once, on the third day following the date of the first such publication).
- (2) **Notification to Clearing System.** So long as any Notes are listed on the official list of the Luxembourg Stock Exchange, subparagraph (1) shall apply. If the Rules of the Luxembourg Stock Exchange otherwise so permit, the Issuer may deliver the relevant notice to the Clearing System for communication by the Clearing System to the Holders, in lieu of publication as set forth in subparagraph (1) above; any such notice shall be deemed to have been given on the seventh day after the day on which the said notice was given to the Clearing System.]

**[In the case of Notes which are listed on a stock exchange other than on the official list of the Luxembourg Stock Exchange the following applies:**

- (1) **Publication.** Subject to § 12 (8), all notices concerning the Notes will be made by means of electronic publication on the internet website of the stock exchange with respect to which the Issuer applied for listing of the Notes, if the rules of such stock exchange so permit. Any such notice will be deemed to have been validly given on the third day following the date of such publication (or, if published more than once, on the third day following the date of the first such publication).
- (2) **Notification to Clearing System.** So long as any Notes are listed on such a stock exchange, subparagraph (1) shall apply. If the rules of such stock exchange otherwise so permit, the Issuer may deliver the relevant notice to the Clearing System for communication by the Clearing System

to the Holders, in lieu of publication as set forth in subparagraph (1) above; any such notice shall be deemed to have been given on the seventh day after the day on which the said notice was given to the Clearing System.]

**[In the case of Notes which are unlisted the following applies:**

**Notification to Clearing System.** Subject to § 12 (8), the Issuer will deliver all notices to the Clearing System for communication by the Clearing System to the Holders. Any such notice shall be deemed to have been given to the Holders on the seventh day after the day on which the said notice was given to the Clearing System.]

#### **§ 14**

##### **(APPLICABLE LAW, PLACE OF JURISDICTION AND ENFORCEMENT)**

- (1) **Applicable Law.** The Notes, as to form and content, and all rights and obligations of the Holders and the Issuer, shall be governed in every respect by German law.
- (2) **Submission to Jurisdiction.** The District Court (*Landgericht*) in Frankfurt am Main shall have non- exclusive jurisdiction for any action or other legal proceedings ("**Proceedings**") arising out of or in connection with the Notes.
- (3) **Enforcement.** Any Holder of Notes may in any proceedings against the Issuer or to which such Holder and the Issuer are parties, protect and enforce in his own name his rights arising under such Notes on the basis of (i) a statement issued by the Custodian with whom such Holder maintains a securities account in respect of the Notes (a) stating the full name and address of the Holder, (b) specifying the aggregate principal amount of Notes credited to such securities account on the date of such statement and (c) confirming that the Custodian has given written notice to the Clearing System containing the information pursuant to (a) and (b) which has been confirmed by the Clearing System; (ii) a copy of the Note in global form certified as being a true copy by a duly authorized officer of the Clearing System or a depositary of the Clearing System, without the need for production in such proceedings of the actual records or the global note representing the Notes or (iii) any other means of proof permitted in legal proceedings in the country of enforcement. For purposes of the foregoing, "**Custodian**" means any bank or other financial institution of recognized standing authorized to engage in securities custody business with which the Holder maintains a securities account in respect of the Notes and which maintains an account with the Clearing System, and includes the Clearing System. Each Holder may, without prejudice to the foregoing, protect and enforce his rights under these Notes also in any other way which is admitted in the country of the Proceedings.

#### **§ 15**

##### **(LANGUAGE)**

These Terms and Conditions are written in the English language only.

**OPTION III – Terms and Conditions for Notes without interest coupon ("Zero Coupon Notes")**

**§ 1**

**(CURRENCY, DENOMINATION, FORM)**

- (1) **Currency; Denomination.** This Series of Notes (the "**Notes**") of Vier Gas Transport GmbH ("**Vier Gas**" or the "**Issuer**") is being issued in [**Specified Currency**] (the "**Specified Currency**") in the aggregate principal amount [**in the case the Global Note is an NGN the following applies:** (subject to § 1(4))] of [**Aggregate Principal Amount**] (in words: [**Aggregate Principal Amount in words**]) (the "**Aggregate Principal Amount**") in the denomination of [**Specified Denomination**] (the "**Specified Denomination**").
- (2) **Form.** The Notes are being issued in bearer form.

**[In the case of Notes which are represented by a Permanent Global Note the following applies:**

- (3) **Permanent Global Note.** The Notes are represented by a permanent global note (the "**Permanent Global Note**" or the "**Global Note**") without coupons. The Permanent Global Note shall be signed manually by authorized signatories of the Issuer and shall be authenticated by or on behalf of the Fiscal Agent. Definitive Notes and interest coupons will not be issued.]

**[In the case of Notes which are initially represented by a Temporary Global Note the following applies:**

- (3) **Temporary Global Note — Exchange.**
- (a) The Notes are initially represented by a temporary global note (the "**Temporary Global Note**") without coupons. The Temporary Global Note will be exchangeable for Notes in Specified Denominations represented by a permanent global note (the "**Permanent Global Note**" and together with the Temporary Global Note, the "**Global Notes**") without coupons. [**In the case of Euroclear and CBL and if the Global Note is an NGN the following applies:** The details of such exchange shall be entered in the records of the ICSDs (as defined below).] The Global Notes shall only be valid if each of them bears the handwritten signatures of two authorized representatives of the Issuer and the control signature of a person instructed by the Fiscal Agent. Definitive Notes and interest coupons will not be issued.
- (b) The Temporary Global Note shall be exchanged for the Permanent Global Note on a date (the "**Exchange Date**") not earlier than 40 days and not later than 180 days after the date of issue of the Notes. Such exchange shall only be made upon delivery of certifications to the effect that the beneficial owner or owners of the Notes is not a U.S. person (other than certain financial institutions or certain persons holding Notes through such financial institutions). Payment of interest on Notes represented by a Temporary Global Note will be made only after delivery of such certifications. A separate certification shall be required in respect of each such payment of interest. Any such certification received on or after the 40th day after the date of issue of the Notes will be treated as a request to exchange the Temporary Global Note pursuant to subparagraph (b) of this § 1(3). Any Notes delivered in exchange for the Temporary Global Note shall be delivered only outside of the United States (as defined in § 1(6)).]
- (4) **Clearing System.** Each Global Note will be kept in custody by or on behalf of the Clearing System until all obligations of the Issuer under the Notes have been satisfied. "**Clearing System**" means [**if more than one Clearing System the following applies:** each of] the following: [Clearstream Banking AG, Frankfurt am Main,] [Clearstream Banking, S.A., Luxembourg ("**CBL**") [Euroclear Bank SA/NV Brussels as operator of the Euroclear System ("**Euroclear**"),] [additional or alternative Clearing System] and any successor in such capacity. [**In the case of CBL and Euroclear as Clearing System the following applies:** "**International Central Securities Depository**" or "**ICSD**" means each of CBL and Euroclear (together, the "**ICSDs**").]

**[In the case of Notes kept in custody on behalf of the ICSDs and the global note is a NGN, the following applies:** The Notes are issued in new global note ("NGN") form and are kept in custody by a common safekeeper on behalf of both ICSDs.

The principal amount of Notes represented by the Global Note shall be the aggregate amount from time to time entered in the records of both ICSDs. The records of the ICSDs (which expression means the records that each ICSD holds for its customers which reflect the amount of such customer's interest in the Notes) shall be conclusive evidence of the principal amount of Notes represented by the Global Note and, for these purposes, a statement issued by an ICSD stating the principal amount of Notes so represented at any time shall be conclusive evidence of the records of the relevant ICSD at that time.

On any redemption or interest payment being made in respect of, or purchase and cancellation of, any of the Notes represented by the Global Note the Issuer shall procure that details of any redemption, payment or purchase and cancellation (as the case may be) in respect of the Global Note shall be entered *pro rata* in the records of the ICSDs and, upon any such entry being made, the principal amount of the Notes recorded in the records of the ICSDs and represented by the Global Note shall be reduced by the aggregate principal amount of the Notes so redeemed or purchased and cancelled.]

**[In the case of Notes kept in custody on behalf of the ICSDs and the global note is a CGN, the following applies:** The Notes are issued in classical global note ("CGN") form and are kept in custody by a common depositary on behalf of both ICSDs.]

- (5) **Holder of Notes.** "Holder" means any holder of a proportionate co-ownership or other beneficial interest or right in the Notes.

**[In the case the Temporary Global Note is a NGN, the following applies:** On an exchange of a portion only of the Notes represented by a Temporary Global Note, the Issuer shall procure that details of such exchange shall be entered *pro rata* in the records of the ICSDs.]

- (6) **United States.** For the purposes of these Terms and Conditions "United States" means the United States of America (including the States thereof and the District of Columbia) and its possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and Northern Mariana Islands).

## § 2 (STATUS, NEGATIVE PLEDGE)

- (1) **Status.** The obligations under the Notes constitute unsecured and unsubordinated obligations of the Issuer ranking *pari passu* among themselves and *pari passu* with all other present or future unsecured and unsubordinated obligations of the Issuer, unless such obligations are accorded priority under mandatory provisions of statutory law.
- (2) **Negative Pledge.** So long as any of the Notes remain outstanding, but only up to the time all amounts of principal and interest have been placed at the disposal of the Fiscal Agent, the Issuer undertakes (i) not to grant or permit to subsist any Security Interest (other than a Permitted Security Interest) over any or all of its present or future assets, as security for any present or future Relevant Indebtedness or any guarantee or other suretyship in respect of any such Relevant Indebtedness, and (ii) to procure, to the extent legally permissible, that none of its Material Subsidiaries will grant or permit to subsist any Security Interest (other than a Permitted Security Interest) over any or all of its present or future assets, as security for any present or future Relevant Indebtedness or any guarantee or other suretyship in respect of any such Relevant Indebtedness, unless at the same time the Holders share equally and rateably in such security or such other security as shall be approved by an independent accounting firm of recognised standing as being equivalent security has been made available to Holders.

For purposes of these Terms and Conditions,

**"Security Interest"** means any mortgage, charge, pledge, lien or other security interest in rem (*dingliches Sicherungsrecht*);



**"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;

**"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);

**"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;

**"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) representing five per cent. or more of EBITDA 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);

**"Subsidiary"** means (i) an entity of which a person owns directly or indirectly more than 50 per cent. of the within the meaning of Section 17 of the German Stock Corporation Act (*Aktiengesetz*). For the avoidance of doubt, this definition of Subsidiary shall not capture any Pipeline Company.

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

**"EBITDA"** means earnings before interest, tax, depreciation and amortization – but including income from equity investments and income from companies accounted for using the equity method – and is reconcilable to the consolidated income statement.

### **§ 3 (INTEREST)**

- (1) **No Periodic Payments of Interest.** There will not be any periodic payments of interest on the Notes.

- (2) **Late Payments.** If the Issuer for any reason fails to render any payment of principal in respect of the Notes when due, interest shall accrue at the default rate of interest established by statutory law<sup>5</sup> on the outstanding amount from (and including) the due date to (but excluding) the day on which such payment is made to the Holders.

- (3) **Day Count Fraction.** "Day Count Fraction" means in respect of a Calculation Period (as defined below in § 5 [(7)]).

**[In the case of 30/360, 360/360 or Bond Basis the following applies:** the number of days in the Calculation Period divided by 360, the number of days to be calculated on the basis of a year of 360 days with twelve 30-day months (unless (A) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (B) the last day of the Calculation Period is the last day of the month of February in which case the month of February shall not be considered to be lengthened to a 30-day month).]

**[In the case of 30E/360 or Eurobond Basis the following applies:** the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with twelve 30-day months, without regard to the date of the first day or last day of the Calculation Period unless, in the case of the final Calculation Period, the Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month).]

#### § 4 (PAYMENTS)

- (1) **Payment of Principal.** Payment of principal in respect of the Notes shall be made, subject to subparagraph (2) below, to the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System.
- (2) **Manner of Payment.** Subject to applicable fiscal and other laws and regulations, payments of amounts due in respect of the Notes shall be made in the Specified Currency.
- (3) **Discharge.** The Issuer shall be discharged by payment to, or to the order of, the Clearing System.
- (4) **Payment Business Day.** If the date for payment of any amount in respect of any Note is not a Payment Business Day then the Holder shall not be entitled to payment until the next such day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay.

For these purposes, "Payment Business Day" means any day which is

**[In the case the Notes are not denominated in Euro the following applies:** a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in [relevant financial center(s)][.][and]]

**[In the case the Clearing System and TARGET2 shall be open the following applies:** a day (other than a Saturday or a Sunday) on which the Clearing System as well as all relevant parts of the Trans European Automated Real time Gross Settlement Express Transfer payment system (TARGET2) are operational to forward the relevant payment].

- (5) **References to Principal and Interest.** References in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable: the Final Redemption Amount of the Notes; the Early Redemption Amount of the Notes; the Amortized Face Amount of the Notes; **[if the Notes are redeemable at the option of the Issuer for other than tax reasons or reasons of minimal outstanding principal amount the following applies:** the Call Redemption Amount of the Notes;] **[if the Notes are redeemable at the option of the Holder the following applies:** the Put Redemption Amount of the Notes;] and any premium and any other amounts which may

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<sup>5</sup> The default rate of interest established by statutory law is five percentage points above the basis rate of interest published by Deutsche Bundesbank from time to time, Sections 288 paragraph 1, 247 paragraph 1 of the German Civil Code.

be payable under or in respect of the Notes. References in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any Additional Amounts which may be payable under § 7.

- (6) **Deposit of Principal and Interest.** The Issuer may deposit with the competent authority (*Hinterlegungsstelle*) at the seat of the Issuer (at the time of issuance of the Notes the local court (*Amtsgericht*) in Essen) principal or interest not claimed by Holders within twelve months after the Maturity Date, even though such Holders may not be in default of acceptance of payment. If and to the extent that the deposit is effected and the right of withdrawal is waived, the respective claims of such Holders against the Issuer shall cease.

## § 5 (REDEMPTION)

- (1) **Final Redemption.** Unless previously redeemed in whole or in part or purchased and cancelled, the Notes shall be redeemed at their Final Redemption Amount on [Maturity Date] (the "Maturity Date"). The "Final Redemption Amount" in respect of each Note shall be its principal amount.
- (2) **Early Redemption for Reasons of Taxation.** If as a result of any change in, or amendment to, the laws or regulations of the Federal Republic of Germany or any political subdivision or taxing authority thereto or therein affecting taxation or the obligation to pay duties of any kind, or any change in, or amendment to, an official interpretation or application of such laws or regulations, which amendment or change is effective on or after the date on which the last tranche of this series of Notes was issued, the Issuer is required to pay Additional Amounts (as defined in § 7 herein) on the next succeeding Interest Payment Date (as defined in § 3(1)), and this obligation cannot be avoided by the use of reasonable measures available to the Issuer, the Notes may be redeemed, in whole but not in part, at the option of the Issuer, upon not more than 60 days' nor less than 30 days' prior notice of redemption given to the Fiscal Agent and, in accordance with § 13 to the Holders, at their Early Redemption Amount (as defined below), together with interest (if any) accrued to the date fixed for redemption (excluding).

However, no such notice of redemption may be given (i) earlier than 90 days prior to the earliest date on which the Issuer would be obligated to pay such Additional Amounts were a payment in respect of the Notes then due, or (ii) if at the time such notice is given, such obligation to pay such Additional Amounts does not remain in effect.

Any such notice shall be given in accordance with § 13. It shall be irrevocable, must specify the date fixed for redemption and must set forth a statement in summary form of the facts constituting the basis for the right of the Issuer so to redeem.

**[If the Notes are subject to Early Redemption at the Option of the Issuer for Reasons of Minimal Outstanding Principal Amount, the following applies:**

- [(3)] **Early Redemption at the Option of the Issuer for Reasons of Minimal Outstanding Principal Amount.**

If 80 per cent. or more in principal amount of the Notes then outstanding have been redeemed or purchased by the Issuer or any direct or indirect subsidiary of the Issuer pursuant to the provisions of this § 5 or otherwise (a "**Clean-up Call Event**"), the Issuer may, on not less than 30 nor more than 60 days' notice to the Holders of Notes given within 30 days after the Clean-up Call Event, redeem, at its option, the remaining Notes as a whole at their Early Redemption Amount (as defined below) plus interest accrued to but excluding the date of such redemption.]

**[If the Notes are subject to Early Redemption at the Option of the Issuer at specified Call Redemption Amounts the following applies:**

**[(4)] Early Redemption at the Option of the Issuer.**

**[If the Notes are subject to Early Redemption at specific Call Redemption Dates, the following applies:**

- (a) The Issuer may, upon notice given in accordance with clause (b), redeem all or some only of the Notes at the Call Redemption Date(s) at the Call Redemption Amount(s) set forth below together with accrued interest, if any, to (but excluding) the relevant redemption date.

<u>Call Redemption Date(s)</u>	<u>Call Redemption Amount(s)</u>
<i>[Call Redemption Date(s)]</i>	<i>[Call Redemption Amount(s)]</i>
[•].....	[•]
[•].....	[•]

**[If the Notes are subject to Early Redemption at specific Call Redemption Periods, the following applies:**

- (a) The Issuer may, upon notice given in accordance with clause (b), redeem all or some only of the Notes within the Call Redemption Period(s) at the Call Redemption Amount(s) set forth below together with accrued interest, if any, to (but excluding) the relevant redemption date.

<u>Call Redemption Period(s)</u>	<u>Call Redemption Amount(s)</u>
<i>[Call Redemption Period(s)]</i>	<i>[Call Redemption Amount(s)]</i>
[•].....	[•]
[•].....	[•]

**[If Notes are subject to Early Redemption at the Option of the Holder the following applies:** The Issuer may not exercise such option in respect of any Note which is the subject of the prior exercise by the Holder thereof of its option to require the redemption of such Note under subparagraph [(6)] of this § 5.]

- (b) Notice of redemption shall be given by the Issuer to the Holders of the Notes in accordance with § 13. Such notice shall specify:
- (a) the Series of Notes subject to redemption;
  - (b) whether such Series is to be redeemed in whole or in part only and, if in part only, the aggregate principal amount of the Notes which are to be redeemed;
  - (c) the relevant redemption date, which shall be not less than **[Minimum Notice to Holders]** nor more than **[Maximum Notice to Holders]** days after the date on which notice is given by the Issuer to the Holders; and
  - (d) the Call Redemption Amount at which such Notes are to be redeemed.
- (c) In the case of a partial redemption of Notes, Notes to be redeemed shall be selected in accordance with the rules of the relevant Clearing System.] **[In the case of Notes in NGN form the following applies:** For technical procedure of the ICSDs, in the case of a partial redemption the outstanding principal amount following such partial redemption will be reflected in the records of the ICSDs as either a reduction in nominal amount or as a pool factor, at the discretion of the ICSDs.]

**[If the Notes are subject to Early Redemption at the Option of the Issuer at Early Redemption Amount the following applies:**

**[(5)] Early Redemption at the Option of the Issuer.**

- (a) The Issuer may, upon notice given in accordance with clause (b), at any time redeem all or some only of the Notes (each a "**Call Redemption Date**") at the Early Redemption Amount (as defined below) together with accrued interest, if any, to (but excluding) the relevant Call Redemption Date.

**[If Notes are subject to Early Redemption at the Option of the Holder the following applies:**

The Issuer may not exercise such option in respect of any Note which is the subject of the prior exercise by the Holder thereof of its option to require the redemption of such Note under subparagraph [(6)] of this § 5.]

- (b) Notice of redemption shall be given by the Issuer to the Holders of the Notes in accordance with § 13. Such notice shall specify:
  - (a) the Series of Notes subject to redemption;
  - (b) whether such Series is to be redeemed in whole or in part only and, if in part only, the aggregate principal amount of the Notes which are to be redeemed; and
  - (c) the Call Redemption Date, which shall be not less than **[Minimum Notice to Holders]** nor more than **[Maximum Notice to Holders]** days after the date on which notice is given by the Issuer to the Holders.
- (c) In the case of a partial redemption of Notes, Notes to be redeemed shall be selected in accordance with the rules of the relevant Clearing System.] **[In the case of Notes in NGN form the following applies:** For technical procedure of the ICSDs, in the case of a partial redemption the outstanding principal amount following such partial redemption will be reflected in the records of the ICSDs as either a reduction in nominal amount or as a pool factor, at the discretion of the ICSDs.]

**[If the Notes are subject to Early Redemption at the Option of the Holder the following applies:**

**[(6)] Early Redemption at the Option of a Holder.**

- (a) The Issuer shall, at the option of the Holder of any Note, redeem such Note on the Put Redemption Date(s) at the Put Redemption Amount(s) set forth below together with accrued interest, if any, to (but excluding) the Put Redemption Date.

<b>Put Redemption Date(s)</b>	<b>Put Redemption Amount(s)</b>
<i>[Put Redemption Dates(s)]</i>	<i>[Put Redemption Amount(s)]</i>
[•].....	[•]
[•].....	[•]

The Holder may not exercise such option in respect of any Note which is the subject of the prior exercise by the Issuer of any of its options to redeem such Note under this § 5.

- (b) In order to exercise such option, the Holder must, not less than **[Minimum Notice to Issuer]** nor more than **[Maximum Notice to Issuer]** days before the Put Redemption Date on which such redemption is required to be made as specified in the Put Redemption Notice (as defined below), submit during normal business hours at the specified office of the Fiscal Agent a duly completed early redemption notice ("**Put Redemption Notice**") in the form available from the specified offices of the Fiscal Agent and the Paying Agents. The Put Redemption Notice must specify (i) the principal amount of the Notes in respect of which such option is exercised, and (ii) the securities identification number of such

Notes, if any. No option so exercised may be revoked or withdrawn. The Issuer shall only be required to redeem Notes in respect of which such option is exercised against delivery of such Notes to the Issuer or to its order.]

**[(7)] Early Redemption Amount.**

- (a) For purposes of subparagraph (2) [and (3)] of this § 5 and § 9, the "**Early Redemption Amount**" of a Note shall be its principal amount.

**[If the Notes are subject to Early Redemption at the Option of the Issuer at Early Redemption Amount the following applies:**

- (b) For purposes of subparagraph [(5)] of this § 5, the Early Redemption Amount of a Note shall be the higher of (i) its Final Redemption Amount and (ii) the Present Value. The "**Present Value**" will be calculated by the Calculation Agent by discounting the sum of the principal amount of a Note and the remaining interest payments to **[Maturity Date][first call date]** on an annual basis, assuming a 365-day year or a 366-day year, as the case may be, and the actual number of days elapsed in such year and using the Comparable Benchmark Yield plus **[percentage]** per cent. "**Comparable Benchmark Yield**" means the yield at the Redemption Calculation Date on the corresponding [euro denominated benchmark debt security of the Federal Republic of Germany] **[other relevant benchmark security]** [due **[maturity]**, carrying ISIN **[ISIN]**, or, if such benchmark security is no longer outstanding on the Redemption Calculation Date, such other comparable benchmark security selected as appropriate by the Calculation Agent], [as daily published by the Deutsche Bundesbank on its website [www.bundesbank.de](http://www.bundesbank.de),][as appearing around **[relevant time]** on **[relevant screen page]**], or, if such yield cannot be so determined, the yield determined as aforesaid as appearing or published on such other comparable page or pricing source (or, if applicable, at such other time on the Redemption Calculation Date) as may be considered to be appropriate by the Calculation Agent, in each case as having a maturity comparable to the remaining term of the Note to **[Maturity Date][first call date]**, that would be used at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to **[Maturity Date][first call date]**. "**Redemption Calculation Date**" means the third Payment Business Day prior to the relevant Call Redemption Date.]

**§ 6**

**(THE FISCAL AGENT[, [AND] THE PAYING AGENT [AND THE CALCULATION AGENT])**

- (1) **Appointment; Specified Office.** The initial Fiscal Agent and the initial Paying Agent and its initial specified office shall be:

**Citibank, N.A., London Branch**  
Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB  
United Kingdom

**[If the Fiscal Agent is to be appointed as Calculation Agent the following applies:** The Fiscal Agent shall also act as Calculation Agent.]

**[If a Calculation Agent other than the Fiscal Agent is to be appointed the following applies:** The Calculation Agent and its initial specified office shall be:

*Calculation Agent: [name and specified office]*

The Fiscal Agent [,][and] the Paying Agents [and the Calculation Agent] reserve the right at any time to change their respective specified offices to some other specified office in the same city.

- (2) **Variation or Termination of Appointment.** The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent or any Paying Agent [or the Calculation Agent] and to appoint another Fiscal Agent or additional or other Paying Agents [or another Calculation

Agent]. The Issuer shall at all times maintain (i) a Fiscal Agent **[in the case of Notes listed on a stock exchange (the "Stock Exchange") the following applies: [,] [and]** (ii) so long as the Notes are listed on the **[name of Stock Exchange]**, a Paying Agent (which may be the Fiscal Agent) with a specified office in **[location of Stock Exchange]** and/or in such other place as may be required by the rules of such stock exchange] **[and] [,] [(iii)]** a Paying Agent in an EU member state, if possible, that will not be obliged to withhold or deduct tax in connection with any payment made in relation to the Notes unless the Paying Agent would be so obliged in each other EU Member State if it were located there, **[in the case of payments in United States dollar the following applies: [and] [(iv)]** if payments at or through the offices of all Paying Agents outside the United States (as defined in § 1(6)) become illegal or are effectively precluded because of the imposition of exchange controls or similar restrictions on the full payment or receipt of such amounts in United States dollar, a Paying Agent with a specified office in New York City], **[and] [(v)]** a Calculation Agent **[if Calculation Agent is required to maintain a Specified Office in a Required Location the following applies:** with a specified office located in **[Required Location]]**. Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Holders in accordance with § 13.

- (3) **Agent of the Issuer.** The Fiscal Agent [,][and] the Paying Agents [and the Calculation Agent] act solely as the agents of the Issuer and do not assume any obligations towards or relationship of agency or trust for any Holder.

## § 7 (TAXATION)

All payments of principal and interest made by the Issuer in respect of the Notes to the Holders shall be made free and clear of, and without withholding or deduction for, any present or future taxes or duties of whatever nature imposed or levied by way of deduction or withholding by or on behalf of the Federal Republic of Germany or any political subdivision or any authority therein or thereof having power to tax (the "**Taxing Jurisdiction**"), unless such deduction or withholding is required by law. In that event the Issuer shall pay such additional amounts (the "**Additional Amounts**") as shall result in receipt by the Holders of such amounts as would have been received by them had no such withholding or deduction been required, except that no Additional Amounts shall be payable with respect to

- (a) German capital gains tax (*Kapitalertragsteuer*) (including settlement tax (*Abgeltungsteuer*)) to be deducted or withheld pursuant to the German Income Tax Act (*Einkommensteuergesetz*), even if the deduction or withholding has to be made by the Issuer or its representative, and the German solidarity surcharge (*Solidaritätszuschlag*) or any other tax which may substitute the German capital gains tax or solidarity surcharge, as the case may be; or
- (b) any taxes that are payable by any person acting as custodian bank or collecting agent on behalf of a Holder, or otherwise in any manner which does not constitute a deduction or withholding by the Issuer from payments of principal or interest made by it; or
- (c) payments to, or to a third party on behalf of, a Holder where such Holder (or a fiduciary, settlor, beneficiary, member or shareholder of such Holder, if such Holder is an estate, a trust, a partnership or a corporation) is liable to such withholding or deduction by reason of having some present or former connection with Germany, including, without limitation, such Holder (or such fiduciary, settlor, beneficiary, member or shareholder) being or having been a citizen or resident thereof or being or having been engaged in a trade or business or present therein or having, or having had, a permanent establishment therein, other than by reason only of the holding of such Note or the receipt of the relevant payment in respect thereof or the fact that payments in respect of the Notes are, or for purposes of taxation are deemed to be, derived from sources in, or are secured in, the Federal Republic of Germany; or
- (d) payments to, or to a third party on behalf of, a Holder where no such withholding or deduction would have been required to be made if the Notes were credited at the time of payment to a securities deposit account with a bank, financial services institution, securities trading business or securities trading bank, in each case outside Germany; or

- (e) payments where such withholding or deduction is imposed pursuant to (i) any European Union Directive or Regulation concerning the taxation of savings, or (ii) any international treaty or understanding relating to such taxation and to which Germany or the European Union is a party/are parties, or (iii) any provision of law implementing, or complying with, or introduced to conform with, such Directive, Regulation, treaty or understanding; or
- (f) payments to the extent such withholding or deduction is payable by or on behalf of a Holder who could lawfully mitigate (but has not so mitigated) such withholding or deduction by complying or procuring that any third party complies with any statutory requirements or by making or procuring that a third party makes a declaration of non-residence or other similar claim for exemption to any tax authority in the place where the payment is effected; or
- (g) payments to the extent such withholding or deduction is payable by or on behalf of a Holder who would have been able to mitigate such withholding or deduction by effecting a payment via another Paying Agent in a member state of the European Union, not obliged to withhold or deduct tax; or
- (h) payments to the extent such withholding or deduction is for or on account of the presentation by the Holder of any Note for payment on a date more than 30 days after the date upon which presentation may first be made hereunder; or
- (i) payments to the extent such withholding or deduction is required pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (the "**Internal Revenue Code**"), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Internal Revenue Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Internal Revenue Code; or
- (j) any combination of items (a)-(h);

nor shall any Additional Amounts be paid with respect to any payment on a Note to a Holder who is a fiduciary or partnership or who is other than the sole beneficial owner of such payment to the extent such payment would be required by the laws of the Taxing Jurisdiction to be included in the income, for tax purposes, of a beneficiary or settlor with respect to such fiduciary or a member of such partnership or a beneficial owner who would not have been entitled to such Additional Amounts had such beneficiary, settlor, member or beneficial owner been the Holder of the Note.

## § 8 (PRESENTATION PERIOD)

The presentation period provided in Section 801 paragraph 1, sentence 1 of the German Civil Code (*BGB*) is reduced to ten years for the Notes.

## § 9 (EVENTS OF DEFAULT)

- (1) **Events of default.** Each Holder shall be entitled to declare due and payable by notice to the Fiscal Agent its entire claims arising from the Notes and demand immediate redemption thereof at the Early Redemption Amount (as described in § 5 [(7)]), together with accrued interest (if any) to (but excluding) the date of repayment, in the event that:
  - (a) the Issuer fails to pay principal or interest under the Notes within 30 days from the relevant due date, or
  - (b) the Issuer fails to duly perform any other material obligation arising from the Notes and such failure continues unremedied for more than 30 days after the Fiscal Agent has received a request thereof in the manner set forth in § 9(3) from a Holder to perform such obligation; or
  - (c) (i) any Relevant Indebtedness of the Issuer or any of its Material Subsidiaries becomes prematurely repayable as a result of a default in respect of the terms thereof, or (ii) the Issuer or any of its Material Subsidiaries fails to fulfil any payment obligation under any Relevant Indebtedness or under any guarantees or suretyships given for any Relevant



Indebtedness of others within 30 days from its due date or, in the case of such guarantee or suretyship, within 30 days of such guarantee or suretyship being invoked, given that the obligations under (i) and (ii) above exceed 2 per cent. of the balance sheet total of the Issuer, as stated in its latest consolidated balance sheet drawn up in accordance with IFRS and unless the Issuer or its relevant Material Subsidiary contests in good faith that such payment obligation exists or is due or that such guarantee or suretyship has been validly invoked or if a security granted therefor is enforced on behalf of or by the creditor(s) entitled thereto; or

- (d) the Issuer announces its inability to meet its financial obligations or ceases its payments generally; or
  - (e) a court opens insolvency proceedings against the Issuer and such proceedings are instituted and have not been discharged or stayed within 90 days, or the Issuer applies for or institutes such proceedings; or
  - (f) the Issuer enters into liquidation unless this is done in connection with a merger (*Verschmelzung*) or other form of transformation under the German Transformation Act (*Umwandlungsgesetz*) or other form of combination with another company and such company assumes all obligations contracted by the Issuer in connection with the Notes; or
  - (g) any governmental order, decree or enactment shall be made in or by the Federal Republic of Germany whereby the Issuer is prevented from observing and performing in full its obligations as set forth in these Terms and Conditions and this situation is not cured within 90 days.
- (2) **No Termination.** The right to declare Notes due shall terminate if the situation giving rise to it has been cured before the right is exercised.
- (3) **Notice.** Any default notice in accordance with § 9(1) shall be made by means of a declaration at least in text form (section 126b of the German Civil Code, *Bürgerliches Gesetzbuch*) delivered to the specified office of the Fiscal Agent together with evidence by means of a certificate of the Holder's Custodian (as defined in § 14(3)) that such Holder, at the time of such notice, is a holder of the relevant Notes.
- (4) **Quorum.** In the events specified in subparagraph (1) (c) and/or (d), any notice declaring Notes due shall, unless at the time such notice is received any of the events specified in subparagraph (1) (a), (b) and (e) through (h) entitling Holders to declare their Notes due has occurred, become effective only when the Fiscal Agent has received such default notices from the Holders representing at least 25 per cent. of the aggregate principal amount of Notes then outstanding.

## § 10 (SUBSTITUTION)

- (1) **Substitution.** The Issuer (reference to which shall always include any previous Substitute Debtor (as defined below)) may, at any time, if no payment of principal of or interest on any of the Notes is in default, without the consent of the Holders, substitute for the Issuer any Affiliate (as defined below) of the Issuer as the principal debtor in respect of all obligations arising from or in connection with the Notes (any such company, the "**Substitute Debtor**"), **provided that:**
- (a) the Substitute Debtor assumes all obligations of the Issuer in respect of the Notes and is in a position to fulfil all payment obligations arising from or in connection with the Notes in the Specified Currency without, subject to para. (e) below, the necessity of any taxes or duties levied by the country or jurisdiction in which the Substitute Debtor is domiciled (other than taxes which would also be levied in the absence of such substitution) to be withheld or deducted at source and to transfer all amounts which are required therefore to the Paying Agent without any restrictions, and that in particular all necessary authorizations to this effect by any competent authority have been obtained, and, to the extent service of process must be effected to the Substitute Debtor outside of Germany, a service of process agent in Germany is appointed;

- (b) the Issuer irrevocably and unconditionally guarantees in favour of each Holder the payment of all sums payable by the Substitute Debtor in respect of the Notes on market standard terms for debt issuance programmes of investment grade rated guarantors and taking into account the Terms and Conditions (the "**Substitution Guarantee**");
- (c) the Substitute Debtor and the Issuer have obtained all necessary governmental and regulatory approvals and consents for such substitution and for providing of the Substitution Guarantee by the Issuer in respect of the obligations of the Substitute Debtor, that the Substitute Debtor has obtained all necessary governmental and regulatory approvals and consents for the performance by the Substitute Debtor of its obligations under the Notes, and that all such approvals and consents are in full force and effect and that the obligations assumed by the Substitute Debtor and the Substitution Guarantee provided by the Issuer are each valid and binding in accordance with their respective terms and enforceable by each Holder;
- (d) Section 9 shall be deemed to be amended so that it shall also be an event of default under such provision if the Substitution Guarantee shall cease to be valid or binding on or enforceable against the Issuer;
- (e) the Substitute Debtor undertakes to reimburse any Holder for such taxes, fees or duties which may be imposed upon such Holder in connection with any payments on the Notes (including taxes or duties being deducted or withheld at source), upon conversion or otherwise, as a consequence of the assumption of the Issuer's obligations by the Substitute Debtor, **provided that** such undertaking shall be limited to amounts that would not have been imposed upon the Holder had such substitution not occurred; and
- (f) there shall have been delivered to the Fiscal Agent one opinion for each jurisdiction affected of lawyers of recognized standing to the effect that subparagraphs (a) through (e) above have been satisfied.

For purposes of this § 10, "**Affiliate**" shall mean any affiliated company (*verbundenes Unternehmen*) within the meaning of Sections 15 *et seq.* of the German Stock Corporation Act (*Aktiengesetz*) held by the Issuer.

- (2) **Discharge from Obligations. References.** Upon a substitution in accordance with this § 10, the Substitute Debtor shall be deemed to be named in the Notes as the principal debtor in place of the Issuer as issuer and the Notes shall thereupon be deemed to be amended to give effect to the substitution including that the relevant jurisdiction in relation to the Issuer in § 7 shall be the Substitute Debtor's country of domicile for tax purposes. Furthermore, in the event of such substitution the following shall apply:
  - (a) in § 7 and § 5(2) an alternative reference to the Federal Republic of Germany shall be deemed to have been included in addition to the reference according to the preceding sentence to the country of domicile or residence for taxation purposes of the Substitute Debtor;
  - (b) in § 9(1)(c) to (g) an alternative reference to the Issuer in its capacity as guarantor shall be deemed to have been included in addition to the reference to the Substitute Debtor.

Any such substitution, together with the notice referred to in subparagraph (3) below, shall, in the case of the substitution of any other company as principal debtor, operate to release the Issuer as issuer from all of its obligations as principal debtor in respect of the Notes.

- (3) **Notification to Holders.** Not later than 15 Payment Business Days after effecting the substitution, the Substitute Debtor shall give notice thereof to the Holders and, if any Notes are listed on any stock exchange, to such stock exchange in accordance with § 13 and to any other person or authority as required by applicable laws or regulations.

**§ 11**  
**(FURTHER ISSUES, PURCHASES AND CANCELLATION)**

- (1) **Further Issues.** The Issuer may from time to time, without the consent of the Holders, issue further Notes having the same terms and conditions as the Notes in all respects (or in all respects except for the settlement date, interest commencement date and/or issue price) so as to form a single Series with the Notes.
- (2) **Purchases.** The Issuer may at any time purchase Notes in the open market or otherwise and at any price. Notes purchased by the Issuer may, at the option of the Issuer, be held, resold or surrendered to the Fiscal Agent for cancellation. If purchases are made by tender, tenders for such Notes must be made available to all Holders of such Notes alike.
- (3) **Cancellation.** All Notes redeemed in full shall be cancelled forthwith and may not be reissued or resold.

**§ 12**  
**(AMENDMENTS OF THE TERMS AND CONDITIONS BY RESOLUTIONS OF HOLDERS,  
JOINT REPRESENTATIVE)**

- (1) **Resolutions of Holders.** The Holders may with consent of the Issuer (if required) by a majority resolution pursuant to section 5 *et seqq.* of the German Act on Issues of Debt Securities (*Gesetz über Schuldverschreibungen aus Gesamtemissionen*) (the "**SchVG**"), as amended from time to time, agree to amendments of the Terms and Conditions or resolve any other matters provided for by the SchVG. In particular, the Holders may consent to amendments which materially change the substance of the Terms and Conditions, including such measures as provided for under section 5 paragraph 3 SchVG by resolutions passed by such majority of the votes of the Holders as stated under § 12(2) below. A duly passed majority resolution shall be binding upon all Holders.
- (2) **Majority.** Except as provided by the following sentence and **provided that** the quorum requirements are being met, the Holders may pass resolutions by simple majority of the voting rights participating in the vote. Resolutions which materially change the substance of the Terms and Conditions, in particular in the cases of section 5 paragraph 3 numbers 1 through 9 SchVG, or relating to material other matters may only be passed by a majority of at least 75 per cent. of the voting rights participating in the vote (a "**Qualified Majority**").
- (3) **Passing of resolutions.** The Holders can pass resolutions in a meeting (*Gläubigerversammlung*) in accordance with section 5 *et seqq.* of the SchVG or by means of a vote without a meeting (*Abstimmung ohne Versammlung*) in accordance with section 18 and section 5 *et seqq.* of the SchVG.
- (4) **Holders' meeting.** If resolutions of the Holders shall be made by means of a meeting the convening notice will provide for further details relating to the resolutions and the voting procedure. The subject matter of the vote as well as the proposed resolutions shall be notified to the Holders together with the convening notice. Attendance at the meeting and exercise of voting rights is subject to the Holders' registration. The registration must be received at the address stated in the convening notice no later than the third day preceding the meeting. As part of the registration, Holders must demonstrate their eligibility to participate in the vote by means of a special confirmation of the Custodian (as defined in § 14 (3)) in accordance with § 14(3)(i)(a) and (b) hereof in text form and by submission of a blocking instruction by the Custodian stating that the relevant Notes are not transferable from and including the day such registration has been sent until and including the stated end of the meeting.
- (5) **Vote without a meeting.** Together with casting their votes, Holders must demonstrate their eligibility to participate in the vote by means of a special confirmation of the Custodian in accordance with § 14(3)(i)(a) and (b) hereof in text form and by submission of a blocking instruction by the Custodian stating that the relevant Notes are not transferable from and including the day such votes have been cast until and including the day the voting period ends.
- (6) **Second meeting.** If it is ascertained that no quorum exists for the meeting pursuant to § 12(4) or the vote without a meeting pursuant to § 12(4), in case of a meeting the chairman may convene a

second meeting in accordance with Section 15 paragraph 3 sentence 2 of the SchVG or in case of a vote without a meeting the scrutineer may convene a second meeting within the meaning of Section 15 paragraph 3 sentence 3 of the SchVG. Attendance at the second meeting and exercise of voting rights is subject to the Holders' registration. The provisions set out in § 12(4) shall apply *mutatis mutandis* to the Holders' registration for a second meeting.

- (7) **Holders' representative.** [If no Holders' Representative is designated in the Terms and Conditions of the Notes the following applies: The Holders may by majority resolution appoint a common representative to exercise the Holders' rights on behalf of each Holder (the "**Holders' Representative**").

The Holders' Representative shall have the duties and powers provided by law or granted by majority resolution of the Holders. The Holders' Representative shall comply with the instructions of the Holders. To the extent that the Holders' Representative has been authorised to assert certain rights of the Holders, the Holders shall not be entitled to assert such rights themselves, unless explicitly provided for in the relevant majority resolution. The Holders' Representative shall provide reports to the Holders on its activities. The regulations of the SchVG apply with regard to the recall and the other rights and obligations of the Holders' Representative.]

[If the Holders' Representative is appointed in the Terms and Conditions of the Notes, the following applies: The joint representative (the "**Holders' Representative**") shall be [name and address]. The Holders' Representative shall have the duties and responsibilities and powers provided for by law. The liability of the Holders' Representative shall be limited to ten times of the amount of its annual remuneration, unless the Holders' Representative has acted wilfully or with gross negligence. The provisions of the SchVG apply with respect to the dismissal of the Holders' Representative and the other rights and obligations of the Holders' Representative.]

- (8) **Publication.** Any notices concerning this § 12 shall be made exclusively pursuant to the provisions of the SchVG.

### § 13 (NOTICES)

**[In the case of Notes which are listed on the official list of the Luxembourg Stock Exchange the following applies:**

- (1) **Publication.** Subject to § 12 (8), all notices concerning the Notes will be made by means of electronic publication on the internet website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)). Any notice will be deemed to have been validly given on the third day following the date of such publication (or, if published more than once, on the third day following the date of the first such publication).
- (2) **Notification to Clearing System.** So long as any Notes are listed on the official list of the Luxembourg Stock Exchange, subparagraph (1) shall apply. If the Rules of the Luxembourg Stock Exchange otherwise so permit, the Issuer may deliver the relevant notice to the Clearing System for communication by the Clearing System to the Holders, in lieu of publication as set forth in subparagraph (1) above; any such notice shall be deemed to have been given on the seventh day after the day on which the said notice was given to the Clearing System.]

**[In the case of Notes which are listed on a stock exchange other than on the official list of the Luxembourg Stock Exchange the following applies:**

- (1) **Publication.** Subject to § 12 (8), all notices concerning the Notes will be made by means of electronic publication on the internet website of the stock exchange with respect to which the Issuer applied for listing of the Notes, if the rules of such stock exchange so permit. Any such notice will be deemed to have been validly given on the third day following the date of such publication (or, if published more than once, on the third day following the date of the first such publication).
- (2) **Notification to Clearing System.** So long as any Notes are listed on such a stock exchange, subparagraph (1) shall apply. If the rules of such stock exchange otherwise so permit, the Issuer may deliver the relevant notice to the Clearing System for communication by the Clearing System

to the Holders, in lieu of publication as set forth in subparagraph (1) above; any such notice shall be deemed to have been given on the seventh day after the day on which the said notice was given to the Clearing System.]

**[In the case of Notes which are unlisted the following applies:**

**Notification to Clearing System.** Subject to § 12 (8), the Issuer will deliver all notices to the Clearing System for communication by the Clearing System to the Holders. Any such notice shall be deemed to have been given to the Holders on the seventh day after the day on which the said notice was given to the Clearing System.]

#### **§ 14**

##### **(APPLICABLE LAW, PLACE OF JURISDICTION AND ENFORCEMENT)**

- (1) **Applicable Law.** The Notes, as to form and content, and all rights and obligations of the Holders and the Issuer, shall be governed in every respect by German law.
- (2) **Submission to Jurisdiction.** The District Court (*Landgericht*) in Frankfurt am Main shall have non- exclusive jurisdiction for any action or other legal proceedings ("**Proceedings**") arising out of or in connection with the Notes.
- (3) **Enforcement.** Any Holder of Notes may in any proceedings against the Issuer or to which such Holder and the Issuer are parties, protect and enforce in his own name his rights arising under such Notes on the basis of (i) a statement issued by the Custodian with whom such Holder maintains a securities account in respect of the Notes (a) stating the full name and address of the Holder, (b) specifying the aggregate principal amount of Notes credited to such securities account on the date of such statement and (c) confirming that the Custodian has given written notice to the Clearing System containing the information pursuant to (a) and (b) which has been confirmed by the Clearing System; (ii) a copy of the Note in global form certified as being a true copy by a duly authorized officer of the Clearing System or a depositary of the Clearing System, without the need for production in such proceedings of the actual records or the global note representing the Notes or (iii) any other means of proof permitted in legal proceedings in the country of enforcement. For purposes of the foregoing, "**Custodian**" means any bank or other financial institution of recognized standing authorized to engage in securities custody business with which the Holder maintains a securities account in respect of the Notes and which maintains an account with the Clearing System, and includes the Clearing System. Each Holder may, without prejudice to the foregoing, protect and enforce his rights under these Notes also in any other way which is admitted in the country of the Proceedings.

#### **§ 15**

##### **(LANGUAGE)**

These Terms and Conditions are written in the English language only.

## FORM OF FINAL TERMS

In case of Notes listed on the official list and admitted to trading on the regulated market of the Luxembourg Stock Exchange, the Final Terms of Notes will be displayed on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)). In case of Notes listed on any other stock exchange, the Final Terms will be displayed on the website of Vier Gas Transport GmbH ([www.viergas.de](http://www.viergas.de)).

**[MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "MiFID II"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "Distributor") should take into consideration the manufacturer['s/s'] target market assessment; however, a Distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]**<sup>6</sup>

**[MIFID II PRODUCT GOVERNANCE / RETAIL INVESTORS, PROFESSIONAL INVESTORS AND ECPS TARGET MARKET – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties, professional clients and retail clients, each as defined in Directive 2014/65/EU (as amended, "MiFID II"); EITHER<sup>7</sup> [and (ii) all channels for distribution of the Notes are appropriate[, including investment advice, portfolio management, non-advised sales and pure execution services] OR<sup>8</sup> (ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the Notes to retail clients are appropriate - investment advice[,/ and] portfolio management[,/ and][ non-advised sales ][and pure execution services][, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable]]. [Consider any negative target market]. Any person subsequently offering, selling or recommending the Notes (a "Distributor") should take into consideration the manufacturer['s/s'] target market assessment; however, a Distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels[, subject to the Distributor's suitability and appropriateness obligations under MiFID II, as applicable].]**<sup>9,10</sup>

**[PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU ("MiFID II"); (ii) a customer within the meaning of Directive 2002/92/EC ("IMD"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the "Prospectus Directive"). Consequently, no key information document required by Regulation (EU) No 1286/2014 (the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]**<sup>11</sup>

**[BENCHMARK REGULATION - STATEMENT IN RELATION TO ADMINISTRATOR'S REGISTRATION [Amounts payable under the floating rate Notes may be calculated by reference to EURIBOR, which is currently provided by European Money Markets Institute ("EMMI"). As at the date of these Final Terms, EMMI does [not] appear on the register of administrators and benchmarks**

<sup>6</sup> Include legend in case MiFID II target market assessment in respect of the Notes is "Professional Investors and Eligible Counterparties only."

<sup>7</sup> Include for notes that are not ESMA complex pursuant to the Guidelines on complex debt instruments and structured deposits (ESMA/2015/1787) (the "ESMA Guidelines").

<sup>8</sup> Include for notes that are ESMA complex pursuant to the ESMA Guidelines. This list may need to be amended, for example, if advised sales are deemed necessary. If there are advised sales, a determination of suitability and appropriateness will be necessary. In addition, if the Notes constitute "complex" products, pure execution services to retail clients are not permitted without the need to make the determination of appropriateness required under Article 25(3) of MiFID II.

<sup>9</sup> If there are advised sales, a determination of suitability will be necessary.

<sup>10</sup> Include legend in case MiFID II target market assessment in respect of the Notes is "Retail Investor Target Market."

<sup>11</sup> Include legend unless the Final Terms specify "Prohibition of Sales to Retail Investors in the European Economic Area" as "Not Applicable".

**established and maintained by the European Securities and Markets Authority pursuant to article 36 of Regulation (EU) 2016/1011.]]**•]]

[Date]

## FINAL TERMS

### Vier Gas Transport GmbH

[Title of relevant Series of Notes]<sup>12</sup>

Series: [●], Tranche [●]

issued pursuant to the

€ 5,000,000,000

### Debt Issuance Programme

dated 22 August 2018

of

### Vier Gas Transport GmbH

Issue Price: [●] per cent.

Issue Date: [●]<sup>13</sup>

These are the Final Terms of an issue of Notes under the € 5,000,000,000 Debt Issuance Programme of Vier Gas Transport GmbH (the "**Programme**") which have been prepared for the purpose of Article 5 (4) of the Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003, as amended. Full information on Vier Gas Transport GmbH and the offer of the Notes is only available on the basis of the combination of the Base Prospectus dated 22 August 2018 [as supplemented by [a] Supplement[s] dated [●]] (the "**Prospectus**") and these Final Terms, which must be read in conjunction with each other. The Prospectus and any supplement thereto are available for viewing in electronic form on the website of the Luxembourg Stock Exchange (*www.bourse.lu*) and on the website of Vier Gas Transport GmbH (*www.viergas.de*) and copies may be obtained free of charge at the specified office of the Fiscal Agent and from Vier Gas Transport GmbH, Germany, **provided that**, in the case of Notes which are not listed on any stock exchange, copies of the relevant Final Terms will only be available to Holders of such Notes.

[This Tranche of Notes will be consolidated and form a single Series with [Title(s) of relevant Tranches of Notes] on [●].]<sup>14</sup>

## Part I.: TERMS AND CONDITIONS

**[A. In the case the options applicable to the relevant Tranche of Notes are to be determined by replicating the relevant provisions set forth in the Prospectus as Option I, Option II or Option III, including certain further options contained therein, respectively, and completing the relevant placeholders, insert:**

The Terms and Conditions applicable to the Notes (the "**Conditions**") are as set out below.

[in the case of Fixed Rate Notes replicate here the relevant provisions of Option I including relevant further options contained therein, and complete relevant placeholders]

[in the case of Floating Rate Notes replicate here the relevant provisions of Option II including relevant further options contained therein, and complete relevant placeholders]

<sup>12</sup> In case Green Bonds are issued, include the term "Green Bond" in the title of the Notes.

<sup>13</sup> The Issue is the date of payment and settlement of the Notes. In the case of free delivery, the Issue Date is the delivery date.

<sup>14</sup> To be inserted in the case that the Notes will be consolidated and form a single Series with one or several existing Tranches of Notes.



[in the case of Zero Coupon Notes replicate here the relevant provisions of Option III including relevant further options contained therein, and complete relevant placeholders]]

**[B. In the case the options applicable to the relevant Tranche of Notes are to be determined by referring to the relevant provisions set forth in the Prospectus as Option I, Option II or Option III, including certain further options contained therein, respectively, insert:**

This Part I. of the Final Terms is to be read in conjunction with the set of Terms and Conditions that apply to [Fixed Rate] [Floating Rate] [Zero Coupon] Notes (the "**Terms and Conditions**") set forth in the Prospectus as [Option I] [Option II] [Option III]. Capitalised terms not otherwise defined herein shall have the meanings specified in the Terms and Conditions.

All references in this Part I. of the Final Terms to numbered paragraphs and subparagraphs are to paragraphs and subparagraphs of the Terms and Conditions.

The blanks in the provisions of the Terms and Conditions, which are applicable to the Notes shall be deemed to be completed with the information contained in the Final Terms as if such information were inserted in the blanks of such provisions. All provisions in the Terms and Conditions corresponding to items in these Final Terms which are either not selected or not completed or which are deleted shall be deemed to be deleted from the Terms and Conditions applicable to the Notes (the "**Conditions**").

## **CURRENCY, DENOMINATION, FORM (§ 1)**

### **Currency and Denomination**

Specified Currency	[•]
Aggregate Principal Amount	[•]
Aggregate Principal Amount in words	[•]
Specified Denomination <sup>15</sup>	[•]

☐ **Permanent Global Note**

☐ **Temporary Global Note exchangeable for Permanent Global Note**

### **Global Note<sup>16</sup>**

☐ Classical Global Note (CGN)

☐ New Global Note (NGN)

### **Clearing System**

☐ Clearstream Banking AG, Frankfurt am Main

☐ Clearstream Banking, S.A., Luxembourg

☐ Euroclear Bank SA/NV, Brussels

☐ additional or alternative Clearing System [specify details, including address]

<sup>15</sup> At least € 100,000 or its equivalent in any other currency.

<sup>16</sup> Complete for Notes kept in custody on behalf of the ICSDs.

## INTEREST (§ 3)

### ☐ Fixed Rate Notes (Option I)

#### Rate of Interest and Interest Payment Dates

Rate of Interest	[•] per cent. <i>per annum</i>
Interest Commencement Date	[•]
Interest Payment Date(s)	[•]
First Interest Payment Date	[•]
Initial Broken Amount (per Specified Denomination)	[•]
Last Interest Payment Date preceding the Maturity Date	[•]
Final Broken Amount (per Specified Denomination)	
Number of regular Interest Payment Dates per calendar year	[•]

### ☐ Floating Rate Notes (Option II)

#### Rate of Interest and Interest Payment Dates

Interest Commencement Date	[•]
Specified Interest Payment Dates	[•]
Specified Interest Period(s)	[ <i>number</i> ][weeks] [months]

#### Business Day Convention<sup>17</sup>

☐ Modified Following Business Day Convention

☐ FRN Convention [*number*] months

☐ Following Business Day Convention

☐ Following Business Day Convention

#### Business Day<sup>18</sup>

☐ relevant financial centre(s)

☐ TARGET

#### Rate of Interest<sup>19</sup>

EURIBOR	Interest Determination Date [first] [second] [ <i>relevant financial centre(s)</i> ] Business Day [prior to
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<sup>17</sup> Specify in case of Floating Rate Notes.

<sup>18</sup> Specify in case of Floating Rate Notes.

<sup>19</sup> Specify in case of Floating Rate Notes.

	commencement] of Interest Period
Margin	[plus] [minus] [●] per cent. <i>per annum</i>
[Minimum] [Maximum] Rate of Interest	[●] per cent. <i>per annum</i>
<input type="checkbox"/> <b>Zero Coupon Notes (Option III) Amortized Face Amount</b>	
Reference Price	[●]
Amortization Yield	[●]
<b>Day Count Fraction</b>	
<input type="checkbox"/> Actual/Actual (ICMA)	
<input type="checkbox"/> 30/360, 360/360 or Bond Basis	
<input type="checkbox"/> 30E/360 or Eurobond Basis	
<b>PAYMENTS (§ 4)</b>	
<b>Payment Business Day</b>	
<input type="checkbox"/> Relevant Financial Center(s)	[●]
<input type="checkbox"/> Clearing System and TARGET2	
<b>REDEMPTION (§ 5)</b>	
<b>Final Redemption</b>	
Maturity Date <sup>20</sup>	[●]
<b>Early Redemption</b>	
<b>Early Redemption at the Option of the Issuer for reason of Minimal Outstanding Principal Amount</b>	[Yes/No]
<b>Early Redemption at the Option of the Issuer at specified Call Redemption Amounts</b>	[Yes/No]
Call Redemption Date(s)	[Not applicable.] [●]
Call Redemption Period(s)	[Not applicable.] [●]
Call Redemption Amount(s)	[●]
Minimum Notice <sup>21</sup>	[●]
Maximum Notice	[●]

<sup>20</sup> Minimum maturity of one year following the Issue Date.

<sup>21</sup> Euroclear requires a minimum notice period of five days.

**Early Redemption at the Option of the Issuer at Early Redemption Amount**

[Yes/No]

Early Redemption Amount

Percentage above Comparable Benchmark Yield

[•] per cent.

Relevant benchmark security

☐ Euro denominated benchmark debt security of the Federal Republic of Germany

☐ Other relevant benchmark security [•]

☐ Specification of benchmark security: maturity, ISIN [•]

☐ as daily published by the Deutsche Bundesbank on its website [www.bundesbank.de](http://www.bundesbank.de)

☐ Relevant time [•]

Relevant screen page [•]

☐ Maturity Date

☐ First call date [•]

Minimum Notice<sup>22</sup> [•]

Maximum Notice [•]

**Early Redemption at the Option of a Holder**

[Yes/No]

Put Redemption Date(s) [•]

Put Redemption Amount(s) [•]

Minimum Notice [•] days

Maximum Notice (not more than 60 days) [•] days

**THE FISCAL AGENT[,], [AND] THE PAYING AGENT [AND THE CALCULATION AGENT] (§ 6)**

**Calculation Agent**

[Yes/No]

☐ Fiscal Agent

☐ Other [•]

Specified Office [•]

☐ Required Location [•]

**AMENDMENTS OF THE TERMS AND CONDITIONS BY RESOLUTIONS OF HOLDERS, JOINT REPRESENTATIVE (§ 12)**

**Holder's Representative**

☐ No Holder's Representative is designated in the Conditions.

<sup>22</sup> Euroclear requires a minimum notice period of five days.

☐ A Holder's Representative is appointed in the Conditions.

Name of Holders' Representative

[•]

Address of Holders' Representative

[•]

## Part II.: ADDITIONAL INFORMATION<sup>23</sup>

### A. Essential information

**Interests of Natural and Legal Persons involved in the Issue** [Not applicable] [specify details]

**Use of proceeds<sup>24</sup>** [specify details]

[Estimated net proceeds<sup>25</sup>] [•]

**Eurosystem eligibility<sup>26</sup>**

☐ Intended to be held in a manner which [Yes/No]  
would allow Eurosystem eligibility

[Yes. Note that the designation "Yes" simply means that the Notes are intended upon issue to be deposited with (i) in the case of a NGN, one of the ICSDs as common safekeeper, or (ii) in case of a CGN, Clearstream Banking AG, Frankfurt am Main, and does not necessarily mean that the Notes will be recognized 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. 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.]

Prohibition of Sales to Retail Investors in [Applicable][Not applicable]  
the European Economic Area<sup>27</sup>

### B. Information concerning the securities to be admitted to trading

**Securities Identification Numbers** [•]

Common Code [•]

ISIN [•]

<sup>23</sup> There is no obligation to complete Part II. of the Final Terms in its entirety in case of Notes that will not be listed on any regulated market within the European Economic Area. To be completed in consultation with the Issuer.

<sup>24</sup> See "Use of Proceeds" wording in the Prospectus. If reasons for the offer are different from general financing purposes of the Issuer include those reasons here. In case Green Bonds are issued, specify details.

<sup>25</sup> If proceeds are intended for more than one use they will need to be split out and presented in order of priority.

<sup>26</sup> Select "Yes" if the Notes are in NGN form and are to be kept in custody by an ICSD as common safekeeper or if the Notes are in CGN form and to be kept in custody by Clearstream Banking AG, Frankfurt. Select "No" if the Notes are in NGN form and are to be kept in custody by the common service provider as common safekeeper.

<sup>27</sup> If the Notes clearly do not constitute "packaged" products, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no KID will be prepared, "Applicable" should be specified.

German Securities Code (WKN) [•]

Classification of Financial Instrument Code (CFI)<sup>28</sup> [•]

Financial Instrument Short Name (FISN)<sup>29</sup> [•]

Any other securities number [•]

**Yield to final maturity**<sup>30</sup> [•]

**Resolutions, authorisations and approvals by virtue of which the Notes will be created** [Specify details]

### C. Distribution Method of distribution

#### Method of distribution

☐ Non-syndicated

☐ Syndicated

#### Management Details

Specify Management Group or Dealer (names and addresses) [•]

#### Commissions

Management/Underwriting Commission (specify) [•]

Selling Concession (specify) [•]

Listing Commission (specify) [•]

**Stabilisation Manager(s)** [insert details/None]

#### Selling restrictions

U.S. Selling Restrictions [•] [C Rules/D Rules]

### D. Listing(s) and admission to trading [Yes/No]

☐ Official list of the Luxembourg Stock Exchange and regulated market of the Luxembourg Stock Exchange

☐ Other [•]

**Date of admission** [•]

Estimate of the total expenses related to admission to trading [•]

### E. Additional Information

**Rating of the Notes** [Not applicable] [•]

[Moody's Investors Service, Inc. is established in the European Community and is registered pursuant to Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended.][Fitch Ratings Ltd. is established in the European Community and is

<sup>28</sup> If the CFI is not required, requested or available, it should be specified to be "Not applicable".

<sup>29</sup> If the FISN is not required, requested or available, it should be specified to be "Not applicable".

<sup>30</sup> Only applicable for Fixed Rate Notes.

registered pursuant to Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended.][specify other rating agency whether the relevant rating agency is established in the European Community and is registered or has applied for registration pursuant to Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended.] The European Securities and Markets Authority ("**ESMA**") publishes on its website (<http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) a list of credit rating agencies registered in accordance with the CRA Regulation. That list is updated within five working days following the adoption of a decision under Article 16, 17 or 20 CRA Regulation. The European Commission shall publish that updated list in the Official Journal of the European Union within 30 days following such update.

## **E. Additional Information**

### **[Third Party Information]**

With respect to any information included herein and specified to be sourced from a third party (i) the Issuer confirms that any such information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from information available to it from such third party, no facts have been omitted which would render the reproduced information inaccurate or misleading and (ii) the Issuer have not independently verified any such information and accept no responsibility for the accuracy thereof.]

**Vier Gas Transport GmbH**

.....  
[Name and title of signatory]



## **USE OF PROCEEDS**

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

## TAXATION

The following is a general discussion of certain tax consequences under the tax laws of the Federal Republic of Germany and the Grand Duchy of Luxembourg of the acquisition and ownership of Notes. This discussion does not purport to be a comprehensive description of all tax considerations which may be relevant to a decision to purchase Notes. As each Tranche of Notes may be subject to a different tax treatment due to the specific terms of such Tranche of Notes as set out in the respective Final Terms, the following section only provides some very general information on the possible tax treatment. In particular, this discussion does not consider any specific facts or circumstances that may apply to a particular purchaser. This overview is based on the laws of the Federal Republic of Germany and the Grand Duchy of Luxembourg currently in force and as applied on the date of this Prospectus, which are subject to change, possibly with retroactive or retrospective effect.

**PROSPECTIVE PURCHASERS OF NOTES ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF NOTES INCLUDING THE EFFECT OF ANY STATE OR LOCAL TAXES, UNDER THE TAX LAWS APPLICABLE IN THE FEDERAL REPUBLIC OF GERMANY, THE GRAND DUCHY OF LUXEMBOURG AND EACH COUNTRY OF WHICH THEY ARE RESIDENTS.**

### **I. Germany**

#### **1. Income Taxation – Tax Residents**

Persons (individuals and corporate entities) who are tax resident in Germany (in particular, persons having a residence, habitual abode, seat or place of management in Germany) are subject to income taxation (income tax or corporate income tax, as the case may be, plus solidarity surcharge thereon plus church tax and/or trade tax, if applicable) on their worldwide income, regardless of its source, including interest from debt of any kind (such as the Notes) and, in general, capital gains.

##### **a. Taxation if the Notes are held as private assets (*Privatvermögen*)**

In the case of German tax-resident individual investors (*unbeschränkt Steuerpflichtige*) holding the Notes as private assets (*Privatvermögen*), the following applies:

##### **i. Income**

The Notes qualify as other capital receivables (*sonstige Kapitalforderungen*) in terms of section 20 para 1 no 7 German Income Tax Act ("**ITA**" – *Einkommensteuergesetz*).

Accordingly, payments of interest on the Notes qualify as taxable savings income (*Einkünfte aus Kapitalvermögen*) pursuant to section 20 para 1 no 7 ITA.

Capital gains / capital losses realised upon sale of the Notes, computed as the difference between the acquisition costs and the sales proceeds reduced by expenses directly and factually related to the sale, qualify as positive or negative savings income in terms of section 20 para 2 sentence 1 no 7 ITA. If similar Notes kept or administered in the same custodial account have been acquired at different points in time, the Notes first acquired will be deemed to have been sold first for the purposes of determining the capital gains. 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 into Euro at the time of sale and the difference will then be computed in Euro. If interest claims are disposed of separately (i.e. without the Notes), the proceeds from the sale are subject to taxation. The same applies to proceeds from the payment of interest claims if the Notes have been disposed of separately. If the Notes are assigned, redeemed, repaid or contributed into a corporation by way of a hidden contribution (*verdeckte Einlage in eine Kapitalgesellschaft*) rather than sold, as a rule, such transaction is treated like a sale. Losses from the sale of Notes can only be offset against other savings income and, if there is not sufficient other positive savings income, carried forward to subsequent assessment periods.

Pursuant to a tax decree issued by the Federal Ministry of Finance dated 18 January 2016, as amended from time to time, a sale shall be disregarded where the transaction costs exceed the sales proceeds, which means that losses suffered from such "sale" shall not be tax-deductible. Similarly, a bad debt loss (*Forderungsausfall*), i.e. should the Issuer become insolvent, and a waiver of a receivable

(*Forderungsverzicht*), to the extent the waiver does not qualify as a hidden contribution, shall not be treated like a sale. Accordingly, losses suffered upon such bad debt loss or waiver shall not be tax-deductible. The same shall apply where, based on an agreement with the depositary institution, the transaction costs are calculated on the basis of the sale proceeds taking into account a deductible amount. With respect to a bad debt loss, the German Federal Fiscal Court (*Bundesfinanzhof*) has recently objected the view expressed by the Federal Ministry of Finance. However, the Federal Ministry of Finance has not yet updated the aforementioned tax decree in this respect.

If the Issuer exercises the right to substitute the debtor of the Notes, the substitution might, for German tax purposes, be treated as an exchange of the Notes for new notes issued by the new debtor. Such a substitution could result in the recognition of a taxable gain or loss for the respective investors.

## **ii. German withholding tax (*Kapitalertragsteuer*)**

With regard to savings earnings (*Kapitalerträge*), e.g. interest or capital gains, German withholding tax (*Kapitalertragsteuer*) will be levied if the Notes are kept or administrated in a custodial account which the investor maintains with a German branch of a German or non-German credit or financial services institution or with a German securities trading business or a German securities trading bank (a "**German Disbursing Agent**") and such German Disbursing Agent credits or pays out the earnings.

The tax base is, in principle, equal to the taxable gross income as set out in i. above (i.e. prior to withholding). However, in the case of capital gains, if the custodial account has changed since the time of acquisition of the Notes (e.g. if the Notes had been transferred from a non-EU custodial account prior to the sale) and the acquisition costs of the Notes are not proven to the German Disbursing Agent in the form required by law, withholding tax is applied to 30 per cent. of the proceeds from the redemption or sale of the Notes. When computing the tax base for withholding tax purposes, the German Disbursing Agent has to deduct any negative savings income (*negative Kapitalerträge*) or paid accrued interest (*Stückzinsen*) in the same calendar year or unused negative savings income of previous calendar years.

German withholding tax will be levied by a German Disbursing Agent at a flat withholding tax rate of 26.375 per cent. (including solidarity surcharge) plus, if applicable, church tax. Church tax, if applicable, will be collected by the German Disbursing Agent by way of withholding unless the investor has filed a blocking notice (*Sperrvermerk*) with the German Federal Central Tax Office (*Bundeszentralamt für Steuern*). In the latter case, the investor has to include the savings income in the tax return and will then be assessed to church tax.

No German withholding tax will be levied if the investor has filed a withholding tax exemption certificate (*Freistellungsauftrag*) with the German Disbursing Agent, but only to the extent the savings income does not exceed the exemption amount shown on the withholding tax exemption certificate. Currently, the maximum exemption amount is € 801 (€ 1,602 in the case of jointly assessed spouses or registered life partners). Similarly, no withholding tax will be levied if the investor has submitted a certificate of non-assessment (*Nichtveranlagungs-Bescheinigung*) issued by the relevant local tax office to the German Disbursing Agent.

The Issuer is, as a rule, not obliged to levy German withholding tax in respect of payments on the Notes.

Please note that – pursuant to the coalition agreement of CDU, CSU and SPD – the flat tax regime shall be abolished for certain investment income, which might also affect the taxation of income from the Notes. For example, interest income might become taxed at the progressive tax rate of up to 45 per cent. (excluding solidarity surcharge). Further, the solidarity surcharge shall be abolished provided that certain thresholds are not exceeded. However, there is no draft law available yet, i.e. any details and, in particular, timing remain unclear.

## **iii. Tax assessment**

The taxation of savings income shall take place mainly by way of levying withholding tax (please see above). If and to the extent German withholding tax has been levied, such withholding tax shall, in principle, become definitive and replace the investor's income taxation. If no withholding tax has been levied other than by virtue of a withholding tax exemption certificate (*Freistellungsauftrag*) and in certain other cases, the investor is nevertheless obliged to file a tax return, and the savings income will then be taxed within the assessment procedure. If the investor is subject to church tax and has filed a blocking notice (*Sperrvermerk*)

with the German Federal Central Tax Office (*Bundeszentralamt für Steuern*), the investor is also obliged to include the savings income in the tax return for church tax purposes.

However, also in the assessment procedure, savings income is principally taxed at a separate tax rate for savings income (*gesonderter Steuertarif für Einkünfte aus Kapitalvermögen*) being identical to the withholding tax rate (26.375 per cent. - including solidarity surcharge (*Solidaritätszuschlag*) plus, if applicable, church tax). In certain cases, the investor may apply to be assessed on the basis of its personal tax rate if such rate is lower than the above tax rate. Such application can only be filed consistently for all savings income within the assessment period. In case of jointly assessed spouses or registered life partners the application can only be filed for savings income of both spouses / life partners.

When computing the savings income, the saver's lump sum amount (*Sparer-Pauschbetrag*) of € 801 (€ 1,602 in the case of jointly assessed spouses or registered life partners) will be deducted. The deduction of the actual income related expenses, if any, is excluded. That holds true even if the investor applies to be assessed on the basis of its personal tax rate.

#### **b. Taxation if the Notes are held as business assets (*Betriebsvermögen*)**

In the case of German tax-resident corporations or individual investors (*unbeschränkt Steuerpflichtige*) holding the Notes as business assets (*Betriebsvermögen*), interest payments and capital gains will be subject to corporate income tax at a rate of 15 per cent. or income tax at a rate of up to 45 per cent., as the case may be, (in each case plus 5.5 per cent. solidarity surcharge thereon). In addition, trade tax may be levied, the rate of which depends on the municipality where the business is located. Further, in the case of individuals, church tax may be levied. Business expenses that are connected with the Notes are deductible.

The provisions regarding German withholding tax (*Kapitalertragsteuer*) apply, in principle, as set out in section a. iii. above. However, investors holding the Notes as business assets cannot file a withholding tax exemption certificate with the German Disbursing Agent. Instead, no withholding tax will be levied on capital gains from the redemption, sale or assignment of the Notes if, for example, (a) the Notes are held by a corporation or (b) the proceeds from the Notes qualify as income of a domestic business and the investor notifies this to the German Disbursing Agent by use of the officially required form.

Any withholding tax levied is credited as prepayment against the German (corporate) income tax amount. If the tax withheld exceeds the respective (corporate) income tax amount, the difference will be refunded within the tax assessment procedure.

## **2. Income Taxation – Non-residents**

Persons who are not tax resident in Germany are not subject to tax with regard to income from the Notes unless (i) the Notes are held as business assets (*Betriebsvermögen*) of a German permanent establishment (including a permanent representative) which is maintained by the investor or (ii) the income from the Notes qualifies for other reasons as taxable German source income. If a non-resident person is subject to tax with its income from the Notes, in principle, similar rules apply as set out above with regard to German tax resident persons (please see 1. above).

If the income is subject to German tax as set out in the preceding paragraph, German withholding tax will be applied like in the case of a German tax resident person.

## **3. Inheritance and Gift Tax**

Inheritance or gift taxes with respect to any Note will, in principle, arise under German law if, in the case of inheritance tax, either the decedent or the beneficiary or, in the case of gift tax, either the donor or the donee is a resident of Germany or if such Note is attributable to a German trade or business for which a permanent establishment is maintained or a permanent representative has been appointed.

The few existing double taxation treaties regarding inheritance and gift tax may lead to different results. Special rules apply to certain German citizens that are living in a foreign country and German expatriates.

#### **4. Other Taxes**

No stamp, issue, registration or similar taxes or duties are payable in Germany in connection with the issuance, delivery or execution of the Notes. Currently, net assets tax (*Vermögenssteuer*) is not levied in Germany. It is intended to introduce a financial transaction tax (FTT). However, it is unclear if and in what form such tax will be actually introduced (please see VI. below).

## **II. Grand Duchy of Luxembourg**

*The following is a general description of certain Luxembourg withholding 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 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.*

*Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a withholding tax or a tax of a similar nature refers to Luxembourg tax law and/or concepts only.*

*A holder of Notes may not become resident, or deemed to be resident, in Luxembourg by reason only of the holding of the Notes, or the execution, performance, delivery and/or enforcement of the Notes.*

### **1. Non-resident holders of Notes**

Under Luxembourg general tax laws currently in force there is no withholding tax on payments of principal, premium or interest made to non-resident holders of Notes, nor on accrued but unpaid interest in respect of the Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Notes held by non-resident holders of Notes, provided that the interest on the Notes does not depend on the profit of the Issuer.

### **2. Resident holders of Notes**

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005, as amended (the "**Relibi Law**") and mentioned below, there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of Notes, nor on accrued but unpaid interest in respect of Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Notes held by Luxembourg resident holders of Notes, provided that the interest on the Notes does not depend on the profit of the Issuer.

However, under the Relibi Law, payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the benefit of an individual beneficial owner who is resident of Luxembourg will be subject to a withholding tax of 20 per cent. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Notes coming within the scope of the Relibi Law would be subject to a withholding tax of 20 per cent.

Further, Luxembourg resident individuals acting in the course of the management of their private wealth, who are the beneficial owners of interest or similar income made or ascribed by a paying agent established outside Luxembourg in a Member State of either the European Union or the European Economic Area may also opt for a final 20 per cent. levy, providing full discharge of Luxembourg income tax. In such case, the 20 per cent. levy is calculated on the same amounts as the 20 per cent. withholding tax for payments made by Luxembourg resident paying agents. The option for the 20 per cent. final levy must cover all interest payments made by the paying agents to the Luxembourg resident beneficial owner during the entire civil

year. Responsibility for the declaration and the payment of the 20 per cent. final levy is assumed by the individual resident beneficial owner of the interest or similar income.

### **III. FATCA**

Sections 1471 through 1474 of the Internal Revenue Code of 1986, as amended, commonly referred to as FATCA, generally impose a new reporting and withholding regime with respect to certain payments made after 31 December 2018 by entities that are classified as financial institutions under FATCA. The United States has entered into intergovernmental agreements with the Netherlands, Germany and Austria to implement FATCA (the "**IGAs**"). Under the IGAs, as currently drafted, the Issuer does not expect payments made on or with respect to the Notes to be subject to withholding under FATCA. However, significant aspects of whether or how FATCA will apply remain unclear, and no assurance can be given that withholding under FATCA will not become relevant with respect to payments made on or with respect to the Notes in the future. Prospective investors should consult their own tax advisors regarding the potential impact of FATCA.

## SUBSCRIPTION AND SALE

### Underwriting

The Notes may be issued on a continuing basis to one or more of the Dealers specified herein and any additional Dealer appointed under the Programme from time to time by the Issuer, which appointment may be for a specific issue ("**Dealer of the Day**") or on an ongoing basis (together, the "**Dealers**"). The Notes will be distributed on a syndicated or non-syndicated basis. The method of distribution of each Tranche will be stated in the relevant Final Terms.

Notes may be sold from time to time by the Issuer to any one or more of the Dealers specified herein and any additional Dealer appointed under the Programme from time to time by the Issuer. 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 on or about 22 August 2018 (the "**Dealer Agreement**") and made between the Issuer and the Dealers specified herein. 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. A subscription agreement prepared in connection with a particular Tranche of Notes, if any, will typically be dated on or about the respective date of the Final Terms applicable to such Tranche of Notes.

### Selling Restrictions

#### *General*

Each Dealer has represented, warranted and undertaken 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 the Prospectus or any Final Terms or any related offering material and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer, nor any other Dealer shall have any responsibility therefor.

With regard to each Tranche, the relevant Dealer will be required to comply with such other additional restrictions as the Issuer and the relevant Dealer shall agree and as shall be set out in the applicable Final Terms.

#### *European Economic Area*

Unless the relevant Final Terms in respect of any Notes specify "*Prohibition of Sales to European Economic Area Retail Investors*" as "*Not Applicable*", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by the Prospectus as completed by the Final Terms in relation thereto to any retail investor in the EEA. For the purposes of this provision:

- (a) the expression retail investor means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU of the European Parliament and of the Council of May 15, 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (MiFiD II); or
  - (ii) a customer within the meaning of Directive 2002/92/EC of the European Parliament and of the Council of December 9, 2002 on insurance mediation, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFiD II; or
  - (iii) not a qualified investor as defined in the Prospectus Directive; and
- (b) the expression offer includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

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

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

**provided** that no such offer of Notes referred to in (ii) to (iv) above shall require the relevant 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 "**offer of Notes to the public**" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression "**Prospectus Directive**" means Directive 2003/71/EC as amended, including by Directive 2010/73/EU and includes any relevant implementing measure in the Relevant Member State.

***United States of America (the "United States")***

- (k) With regard to each Tranche, each Dealer has acknowledged that 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 except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Each Dealer has represented, warranted and undertaken that, except in accordance with Rule 903 of Regulation S under the Securities Act, it has not offered or sold, and will not offer or sell, any Note within the United States or to, or for the benefit of U.S. persons (i) as part of its distribution at any time, or (ii) otherwise until 40 days after the later of the commencement of the offering or the closing date, and it will have sent to each Dealer to which it sells Notes during the 40- day restricted period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S.

Accordingly, each Dealer has further represented, warranted and undertaken that neither it, its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to any Note.

Each Dealer has represented, warranted and undertaken that neither it, its affiliates nor any persons acting on its or their behalf have offered or sold or will offer and sell the Notes by means of any form of general solicitation or general advertising (as those terms are used in Rule 502(c) under the Securities Act) in the United States. Each Dealer has further represented, warranted and undertaken that neither it, its affiliates nor any persons acting on its or their behalf have made or caused to be made or will make or cause to be made a public offer of the Notes in the United States.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in 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.



The Notes may not be purchased by or transferred to any employee benefit plan subject to Title I of the U.S. Employee Retirement Income Security Act of 1974, as amended, any plan or arrangement subject to Section 4975 of the U.S. Internal Revenue Code of 1986, as amended, or any entity whose underlying assets include the assets of any such employee benefit plans, plans or arrangements.

- (l) Each Dealer (i) acknowledges that 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; (ii) represents, warrants and undertakes that it has not offered, sold or delivered any Notes, and will not offer, sell or deliver any Notes, (x) as part of its distribution at any time or (y) otherwise until 40 days after the later of the commencement of the offering and closing date, except in accordance with Rule 903 of Regulation S under the Securities Act; and accordingly, (iii) further represents, warrants and undertakes that neither it, its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to any Note, and it and they have complied and will comply with the offering restrictions requirements of Regulation S; and (iv) also agrees that, at or prior to confirmation of any sale of Notes, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from it during the distribution compliance period a confirmation or notice to substantially the following effect:

"The Notes covered hereby have not been registered under the U.S. Securities Act of 1933, as amended (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 by any person referred to in Rule 903(b)(2)(iii) of Regulation S under the Securities Act (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the closing date, except in either case in accordance with Regulation S under the Securities Act. Terms used above have the meanings given to them by Regulation S under the Securities Act."

- (m) Each Dealer who has purchased Notes of a Tranche hereunder (or in the case of a sale of a Tranche of Notes issued to or through more than one Dealer, each of such Dealers as to the Notes of such Tranche purchased by or through it or, in the case of a syndicated issue, the relevant Lead Manager) shall determine and notify to the Fiscal Agent and the Issuer the completion of the distribution of the Notes of such Tranche.
- (n) With regard to each Tranche, each Dealer represents, warrants and undertakes that it has not entered and will not enter into any contractual arrangement with respect to the distribution or delivery of Notes, except with its affiliates or with the prior written consent of the Issuer.
- (o) Notes will be issued (i) in accordance with the provisions of U.S. Treas. Reg. § 1.163-5(c)(2)(i)(C) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the U.S. Internal Revenue Code of 1986, as amended) (the "**C Rules**"), or (ii) in accordance with the provisions of U.S. Treas. Reg. § 1.163-5(c)(2)(i)(D) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the U.S. Internal Revenue Code of 1986, as amended) (the "**D Rules**"), as specified in the Final Terms.

In addition, where the C Rules are specified in the Final Terms as being applicable to any Tranche of Notes, Notes must be issued and delivered outside the United States and its possessions in connection with their original issuance. Each Dealer has represented, warranted and undertaken that it, in connection with the original issuance of Notes has not offered sold or delivered and will not offer, sell or deliver, directly or indirectly, Notes within the United States or its possessions in connection with their original issuance. Further, each Dealer has represented, warranted and undertaken in connection with the original issuance of Notes, that it has not communicated, and will not communicate, directly or indirectly, with a prospective purchaser if either such Dealer or such purchaser is within the United States or its possessions and will not otherwise involve its U.S. office in the offer or sale of Notes. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder, including the C Rules.

In addition, in respect of Notes issued in accordance with the D Rules, each Dealer has represented, warranted and undertaken that:

- (i) except to the extent permitted under the D Rules, (x) it has not offered or sold, and during the restricted period will not offer or sell, Notes to a person who is within the United States or its possessions or to a United States person, and (y) such Dealer has not delivered and will not deliver within the United States or its possessions definitive Notes that are sold during the restricted period;
- (ii) it has, and throughout the restricted period will have, in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Notes are aware that such Notes may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the D Rules;
- (iii) if such Dealer is a United States person, it has represented that it is acquiring the Notes for purposes of resale, in connection with their original issuance and if such Dealer retains Notes for its own account, it will only do so in accordance with the requirements of U.S. Treas. Reg. § 1.163-5(c)(2)(i)(D)(6) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the U.S. Internal Revenue Code of 1986, as amended); and
- (iv) with respect to each affiliate that acquires from such Dealer notes for the purposes of offering or selling such Notes during the restricted period, such Dealer either (x) has repeated and confirmed the representations and agreements contained in sub-clauses (i), (ii) and (iii) above on such affiliate's behalf or (y) has agreed that it will obtain from such affiliate for the benefit of the purchaser of the Notes and the Issuer the representations and agreements contained in sub-clauses (i), (ii) and (iii) above.

Terms used in this paragraph (e) have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder, including the D Rules.

#### ***United Kingdom***

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

- (a) *Financial Promotion*: it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 ("FSMA")) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21 (1) of the FSMA does not apply to the Issuer; and
- (b) *General Compliance*: it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

#### ***Luxembourg***

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold, and will not offer or sell, directly or indirectly, the Notes to the public within the territory of the Grand-Duchy of Luxembourg ("**Luxembourg**") unless:

- (a) a prospectus has been duly approved by the CSSF pursuant to the *Loi relative aux prospectus pour valeurs mobilières*, as amended (the "**Luxembourg Law**") which implements Directive 2003/71/EC of the European Parliament and the Council of 4 November 2003, as amended, into Luxembourg law if Luxembourg is the home Member State as defined under the Luxembourg Law;
- (b) if Luxembourg is not the home Member State as defined under Luxembourg Law, the CSSF and the ESMA have been provided by the competent authority in the home Member State with a certificate of approval attesting that a prospectus in relation to the Notes has been duly approved in accordance with the Prospectus Directive and with a copy of that prospectus; or

- (c) the offer of Notes benefits from an exemption from or constitutes a transaction not subject to, the requirement to publish a prospectus under the Luxembourg Law, as amended from time to time; and
- (d) Regulation (EU) No 1286/2014 and any applicable legislation implementing PRIIPS or Directive 2014/65/EU (as amended) in Luxembourg has been complied with.

***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 a 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 INFORMATION**

### **Responsibility Statement**

The Issuer in respect of information on itself only, accept responsibility for the information given in this Prospectus. The Issuer hereby declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus for which it is responsible is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

### **Interests of Natural and Legal Persons involved in the Issue/Offer**

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

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

### **Authorisation**

The establishment of the Programme was duly authorised by the Managing Board of the Issuer on 22 August 2018. Going forward, the annual update of the Programme will be duly authorised by the Managing Board of the Issuer, as provided for in the existing resolution of the shareholders of the Issuer relating to the Programme of 22 August 2018.

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 its obligations under the Notes.

### **Listing and Admission to Trading**

Application has been made to the Luxembourg Stock Exchange for Notes issued under this Programme to be admitted to trading on the Regulated Market of the Luxembourg Stock Exchange and to be listed on the official list of the Luxembourg Stock Exchange.

The Programme provides that Notes may be listed on other or further stock exchanges, as may be agreed between the Issuer and the relevant Dealer(s) in relation to each issue. Notes may further be issued under the Programme which will not be listed on any stock exchange.

### **Clearing Systems**

The Notes have been accepted for clearance through Clearstream Banking AG, Neue Börsenstraße 1, 60487 Frankfurt am Main, Federal Republic of Germany ("**CBF**"), Clearstream Banking S.A., 42 Avenue JF Kennedy, 1855 Luxembourg, Grand Duchy of Luxembourg ("**CBL**") and Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, 1210 Brussels, Kingdom of Belgium ("**Euroclear**"). The appropriate German securities number ("**WKN**") (if any), Common Code and ISIN for each Tranche of Notes allocated by CBF, CBL and Euroclear will be specified in the applicable Final Terms. If the Notes are to clear through an

additional or alternative Clearing System the appropriate information will be specified in the applicable Final Terms.

#### **Fiscal Agent and Paying Agent**

The Fiscal Agent and Paying Agent is Citibank, N.A., London Branch, Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom.

#### **Documents on Display**

So long as Notes are capable of being issued under this Prospectus, copies of the following documents will, when published, be available free of charge during normal business hours from the registered office of the Issuer and from the specified offices of the Paying Agents:

- (i) the constitutional documents (with an English translation where applicable) of the Issuer;
- (ii) this Prospectus;
- (iii) the documents incorporated by reference into this Prospectus; and
- (iv) any supplements to this Prospectus.

In the case of Notes listed on the official list of the Luxembourg Stock Exchange, the Final Terms will be displayed on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)). In the case of Notes listed on any other stock exchange, the Final Terms will be displayed on the website of the Issuer ([www.viergas.de](http://www.viergas.de)).

## DOCUMENTS INCORPORATED BY REFERENCE

The pages specified below of the following documents which have been published or which are published simultaneously with this Prospectus and filed with the CSSF shall be incorporated by reference in, and form part of, this Prospectus:

**Audited consolidated financial statements of Vier Gas Transport GmbH as of and for the fiscal year ended 31 December 2016 prepared in accordance with IFRS, included in the Vier Gas Transport GmbH group management report and consolidated financial statements for fiscal year 2016 (English language version; page reference is to pages of the pdf file)**

Consolidated Balance Sheet	page 24
Consolidated Income Statement	page 25
Consolidated Statement of Comprehensive Income	page 26
Consolidated Statement of Changes in Equity	pages 27 to 28
Consolidated Cash Flow Statement	page 29
Notes to the consolidated financial statements	pages 31 to 73
Auditor's Report	pages 75 to 77

**Audited consolidated financial statements of Vier Gas Transport GmbH as of and for the fiscal year ended 31 December 2017 prepared in accordance with IFRS, included in the Vier Gas Transport GmbH group management report and consolidated financial statements for fiscal year 2017 (English language version; page reference is to pages of the pdf file)**

Consolidated Balance Sheet	page 26
Consolidated Income Statement	page 27
Consolidated Statement of Comprehensive Income	page 28
Consolidated Statement of Changes in Equity	pages 29 to 30
Consolidated Cash Flow Statement	page 31
Notes to the consolidated financial statements	pages 33 to 78
Independent Auditor's Report	pages 79 to 85

**Condensed interim consolidated financial statements of Vier Gas Transport GmbH for the period 1 January 2018 to 30 June 2018 prepared in accordance with IAS 34 (English language version; page reference is to pages of the pdf file)**

Consolidated Balance Sheet	page 3
Consolidated Income Statement	page 4
Consolidated Statement of Comprehensive Income	page 5
Consolidated Statement of Changes in Equity	pages 6 to 7
Consolidated Cash Flow Statement	page 8
Notes to the consolidated financial statements	pages 9 to 16

The financial statements and audit opinions mentioned above are English language translations of the respective German language audited financial statements and audit opinions. The respective audit opinions refer to the respective consolidated financial statements and group management reports of Vier Gas Transport GmbH, as a whole, and not solely to the respective consolidated financial statements or annual financial statements incorporated by reference into this Prospectus.

Any information not incorporated by reference into this Prospectus but contained in one of the documents mentioned as source documents in the cross-reference lists above is either not relevant for investors or covered elsewhere in this Prospectus.

### Availability of documents incorporated by reference

All documents incorporated herein by reference are available free of charge and may be inspected during usual business hours on any working day from the date hereof for the whole life of the Prospectus at the offices of Vier Gas Transport GmbH as set out at the end of this Prospectus. In addition, such documents will be available free of charge and may be inspected during normal business hours on any working day from the date hereof for the whole life of the Prospectus at the principal office of the Fiscal Agent and will

be published on the website of the Luxembourg Stock Exchange (*www.bourse.lu*) for Notes listed on the official list of the Luxembourg Stock Exchange.

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## **NAMES AND ADDRESSES**

### **ISSUER**

#### **Vier Gas Transport GmbH**

Kallenbergstraße 5  
45141 Essen  
Germany

### **FISCAL AGENT AND PAYING AGENT**

#### **Citibank, N.A., London Branch**

Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB  
United Kingdom

### **ARRANGER**

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1102 BD Amsterdam  
The Netherlands

### **DEALERS**

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London NW1 6AA  
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#### **Commerzbank Aktiengesellschaft**

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60311 Frankfurt am Main  
Germany

#### **ING Bank N.V.**

Foppingadreef 7  
1102 BD Amsterdam  
The Netherlands

#### **RBC Europe Limited**

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#### **UniCredit Bank AG**

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To the Issuer

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To the Dealers

#### **Clifford Chance Deutschland LLP**

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### **AUDITORS**

#### **PricewaterhouseCoopers GmbH**

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