Base Prospectus

15 May 2024

This document constitutes the base prospectus of Eurogrid GmbH for the purposes of Article 8 (1) of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017, as amended (the "**Prospectus Regulation**") 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**").

Eurogrid GmbH

(Berlin, Federal Republic of Germany)
as Issuer

50Hertz Transmission GmbH

(Berlin, Federal Republic of Germany)
and

50Hertz Offshore GmbH

(Berlin, Federal Republic of Germany)
as Guarantors

€ 15,000,000,000
Debt Issuance Programme
(the "Programme")

This Prospectus has been approved by the Luxembourg *Commission de Surveillance du Secteur Financier* (the "**CSSF**"), as the competent authority under the Prospectus Regulation and the Luxembourg act relating to prospectuses for securities dated 16 July 2019 (*Loi du 16 juillet 2019 relative aux prospectus pour valeurs mobilières et portant mise en oeuvre du règlement* (UE) 2017/1129, the "**Luxembourg Law**"). The CSSF only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the economic and financial soundness of the operation or the quality and solvency of the Issuer and/or the Guarantors or of the quality of the Notes that are the subject of this Prospectus pursuant to Article 6 (4) of the Luxembourg Law. Investors should make their own assessment as to the suitability of investing in the Notes.

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 Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU, as amended ("**MiFID II**"). Notes issued under the Programme may also be listed on an alternative stock exchange or may not be listed at all.

Arrangers and Dealers

BNP PARIBAS	**COMMERZBANK**
ING	**MIZUHO**
NATWEST MARKETS	**RABOBANK**
SANTANDER CORPORATE & INVESTMENT BANKING	**UNICREDIT**

This Prospectus will be published in electronic form on the website of the Luxembourg Stock Exchange (www.luxse.com) as well as on the website of Eurogrid GmbH (https://www.eurogrid.com/de-de/Investor-Relations/Debt-Issuance-Programme).

The validity of the Prospectus will expire on 15 May 2025. Any obligation to supplement a prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when a prospectus is no longer valid.

Potential investors should be aware that any website referred to in this document does not form part of this Prospectus and has not been scrutinised or approved by the CSSF.

IMPORTANT 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, any supplement thereto and the relevant Final Terms.

Eurogrid GmbH ("**Eurogrid**" or the "**Issuer**" or the "**Company**", together with all consolidated subsidiaries, the "**Group**") with its registered office in Berlin, Federal Republic of Germany, and 50Hertz Transmission GmbH and 50Hertz Offshore GmbH (each a "**Guarantor**" and together, the "**Guarantors**"), each with its registered office in Berlin, Federal Republic of Germany and in respect of information on itself only, accept responsibility for the information given in this Prospectus. The Issuer and each Guarantor 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, the Guarantors 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, the Guarantors 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, the Guarantors 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 and the Guarantors have made all reasonable enquiries to ascertain all facts material for the purposes aforesaid.

The Issuer has undertaken with the Dealers to supplement this 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 any other person mentioned in this Prospectus, excluding the Issuer and the Guarantors, 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.

MIFID II PRODUCT GOVERNANCE / TARGET MARKET – The Final Terms in respect of any Notes may 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 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, as amended (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

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

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

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 or (ii) a customer within the meaning of Directive 2016/97/EU, as amended (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014, as amended (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling of the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

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

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

(i) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference into this Prospectus or any supplement hereto;

(ii) 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;

(iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes, including where the currency for principal or interest payments is different from the potential investor's currency;

(iv) understand thoroughly the terms of the relevant Notes and be familiar with the behaviour of financial markets;

(v) be aware that it may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Notes are transferred or other jurisdictions;

(vi) ask for its own tax adviser's advice on its individual taxation with respect to the acquisition, sale and redemption of the Notes; and

(vii) 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.

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.

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 or the Guarantors operate is taken from publicly available sources, including, but not limited to, third-party studies or the Issuer's or the Guarantors' 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 or the Guarantors' 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.

Neither the Issuer nor the Guarantors have 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, neither the Issuer nor any of the Guarantors assumes any 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 and the Guarantors' 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, the Guarantors 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 Eurogrid's and the Guarantors' business and management, their 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 and the Guarantors make 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 and the Guarantors' 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 and the Guarantors' 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*", "*Business Description of the Issuer*" and "*Business Description of the Guarantors*". These sections include more detailed descriptions of factors that might have an impact on the Issuer's and the Guarantors' business and the markets in which they operate.

In light of these risks, uncertainties and assumptions, future events described in this Prospectus may not occur. In addition, neither the Issuer nor the Guarantors 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.

GREEN BONDS OR SUSTAINABLE BONDS

Neither the Dealers nor the Issuer nor the Guarantors make any representation as to the suitability of any green bonds or sustainable bonds, including the listing or admission to trading thereof on any dedicated "green", "sustainable" or other equivalently-labelled segment of any stock exchange or securities market (whether or not regulated), to fulfil any present or future investor expectations or requirements with respect to investment criteria or guidelines which any investor or its investments are required to comply with under its own by-laws or other governing rules or investment portfolio mandates. The Dealers have not undertaken, nor are they responsible for, any assessment of the eligibility criteria for Eligible Projects (as defined in this Prospectus), any verification of whether the Eligible Projects meet such criteria or the monitoring of the use of (net) proceeds of any such Notes. Investors should refer to the Issuer’s Green Bond Framework (as defined in this Prospectus), and any public reporting by or on behalf of the Issuer in respect of the use of the (net) proceeds of any such Notes for further information. None of the Dealers makes any representation as to the suitability or contents of the Green Bond Framework.

EUROGRID GREEN BOND FRAMEWORK AND SECOND PARTY OPINION

Eurogrid has established a framework to support the issuance of sustainable financing instruments, including green bonds (the "**Green Bond Framework**"), in order to fund green projects of the Guarantors.

The Green Bond Framework has been further developed based on existing international standards such as the Green Bond Principles 2021 as published by the International Capital Market Association[1]. Eurogrid appointed imug rating GmbH (the "**Imug Rating**") to provide a second party opinion (the "**Second Party Opinion**") on the Green Bond Framework. Investors should refer to Eurogrid's website (https://www.eurogrid.com/en-us/Investor-Relations/Green-Financing) and to the Second Party Opinion, which is also available at Eurogrid's aforementioned website, for information regarding the Green Bond Framework. The second party opinion providers and providers of similar opinions and certifications are not currently subject to any specific regulatory or other regime or oversight. The Second Party Opinion and any such other opinion or certification is not, nor should be deemed to be, a recommendation by the Issuer, the Guarantors, the Dealers, any sustainability advisor or any second party opinion provider such as Imug Rating or any other person to buy, sell or hold any Notes. For more information regarding the assessment methodologies used to determine the Second Party Opinion, please refer to Imug Rating's website (which does not form a part of, nor is incorporated by reference into, this Prospectus).

For the avoidance of doubt, neither the Green Bond Framework nor the Second Party Opinion are incorporated into or form part of this Prospectus.

For further information on ESG related aspects, including on the Green Bond Framework, reference is made to the section "Use of Proceeds" of this Prospectus.

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1 https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/green-bond-principles-gbp/

Reference is also made to the risk factors as disclosed in this Prospectus, in particular to the ESG related risk factors "Risks associated with green or sustainable bonds" and "No reliance on external review".

Notes issued under the Programme will not qualify as "European Green Bonds" in accordance with the EuGB Regulation (as defined below). Any Tranche of Notes issued under this Programme and referred to as "green bond" will only comply with the criteria and processes set out in the Green Bond Framework.

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GENERAL DESCRIPTION OF THE PROGRAMME

Under this € 15,000,000,000 Debt Issuance Programme, the Issuer may from time to time issue notes (the "**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 € 15,000,000,000 (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 (the "**Tranches**"), 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 (the "**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.luxse.com). In the case of Notes listed on any other stock exchange, the Final Terms will be displayed on the website of the Issuer (https://www.eurogrid.com/de-de/Investor-Relations/Debt-Issuance-Programme).

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.

Notes under the Programme may be issued with fixed interest rates or as Notes without periodic payments of interest (zero coupon).

RISK FACTORS

The Issuer and the Guarantors believe that the following factors may affect their ability to fulfil their obligations under the Notes issued under the Programme and under the Guarantee.

*Factors which the Issuer and the Guarantors believe may be material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below. Many of the regulatory, environmental, legal and business operational risks to which 50Hertz Transmission GmbH ("**50Hertz**") is subject may, due to the group structure and contractual obligations between 50Hertz and 50Hertz Offshore GmbH ("**50Hertz Offshore**"), also have an impact on 50Hertz Offshore. Accordingly, references below to such risks relating to 50Hertz and its business also apply to 50Hertz Offshore and its business (as described in "Business Description of the Guarantors - 50Hertz Offshore GmbH").*

The Issuer and the Guarantors believe that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme. The Issuer or the Guarantors 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.

The risk factors in respect to (i) the Issuer and the Guarantors and (ii) the Notes are presented in categories depending on their nature with the most material risk factor presented first in each category:

RISKS IN RESPECT OF THE ISSUER AND THE GUARANTORS

Risks related to the Group structure

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

6. The Issuer is a holding company with no material, direct operations. The Issuer's principal asset is the equity interest it holds in 50Hertz. 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 subsidiaries and the distributions, transfers, 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, except for the Guarantors pursuant to the Guarantee, they will have no obligation, contingent or otherwise, to pay amounts due under the Notes or to make any funds available to pay those amounts, whether by dividends, distributions, advances, loans or other payments. Accordingly, all risk factors that have an impact on the Guarantors have an impact on the Issuer.

Any decisions made or actions taken within companies in which 50Hertz has minority participations (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, 50Hertz engages in economic activities with other companies through collaborations or joint undertakings, which currently includes minority participations in Elia Grid International NV/SA ("**EGI**"), TSCNET Services GmbH ("**TSCNET Services**"), CORESO SA ("**CORESO**"), Joint Allocation Office SA ("**JAO**"), European Energy Exchange AG ("**EEX**") and decarbon1ze GmbH ("**decarbon1ze**"). As 50Hertz does not hold a controlling interest in such minority participations, 50Hertz cannot ensure that all decisions taken within such companies are approved by 50Hertz 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 the minority participations.

Risks arising from regulatory, legislative and political matters

Decisions made by the German federal regulatory agency under the current regulatory framework may have a significant impact on 50Hertz

Almost the entire profit of 50Hertz as a German Transmission System Operator ("**TSO**") is generated from regulated activities via network user charges and surcharges, which are subject to regulation by the German national regulatory authority, the Federal Network Agency (*Bundesnetzagentur* – "**BNetzA**"). The two main sources of profit from regulated activities are the network user charges for access to and usage of the 50Hertz transmission system (based on an annual revenue cap) and the surcharge for the recovery of costs incurred by 50Hertz due to the obligation to connect offshore windfarms (so-called *Offshore-Netzumlage* – "**Offshore Grid Surcharge**"). In addition, 50Hertz generated considerable sales revenues from the non-profit business as part of the implementation of the support mechanism under the Renewable Energy Sources Act (*Erneuerbare Energien Gesetz* – "**EEG**").

The decisions made and the actions taken by BNetzA under the current regulatory framework may have a negative impact on 50Hertz. In particular, such decisions or actions could be based on inadequate assumptions, defective research or unreasonable efficiency goals and may fail to acknowledge costs which 50Hertz cannot avoid incurring. BNetzA is under no statutory obligation to ensure the solvency of a TSO under all circumstances and there can be no assurance that revenue limits such as the annual revenue cap imposed by BNetzA will allow 50Hertz to generate sufficient revenues, which would allow the Issuer to meet its financial obligations (for more information on the tariff setting mechanism in Germany, see section "Business Description of the Guarantors – 50Hertz Transmission GmbH" under the heading "Tariff Setting in Germany").

The determination of and potential changes to the initial level of 50Hertz' revenue cap for a regulatory period may negatively impact 50Hertz if the initial level is too low or is reduced

The initial level of the revenue cap is determined for a five-year regulatory period based upon a cost assessment for a "base" year. This cost base is subject to an efficiency benchmark resulting in an individual efficiency value (*Effizienzwert* – "**Xind**") for each TSO. The Xind cannot exceed 100 %. If the Xind is set below 100 %, the difference between 100 % and Xind is considered inefficient. In this case, the TSO has to decrease its initial level of the revenue cap in five equal annual steps of 1/5 of the inefficient difference until the end of the regulatory period. Furthermore, the initial level of the revenue cap is subject to an annual adjustment by a general productivity factor ("**Xgen**") and the inflation rate as part of the regulation formula.

The cost assessment for a "base" year concerns cost items, especially operational costs for onshore assets to set the budget for the five-year regulatory period. The regulatory framework (i.e. the Ordinance on Incentive Regulation, *Anreizregulierungsverordnung* – "**ARegV**") basically classifies some costs as permanently non-influenceable costs, others as temporarily non-influenceable costs and influenceable costs. Temporarily non-influenceable costs are determined during the cost assessment. Influenceable costs are derived from the individual efficiency factor and reduce the revenue cap. Both are subject to the adjustment by Xgen and the inflation rate. Permanently non-influenceable costs (which, in the case of 50Hertz, currently represent approximately 80 % of the costs) are not subject to the adjustment by Xind, Xgen and the inflation rate and are adjusted on an annual basis.

There is a risk that neither the base year costs nor the results of the costs assessment of the applied costs provide a sufficient basis for the cost coverage in the following regulatory period.

The initial level of the revenue cap for the fourth regulatory period is based on the costs from the base year 2021. The fourth regulatory period came into effect in 2024 and will expire in 2028.

BNetzA's decision on the initial level for the fourth regulatory period is still pending.

In the regulatory framework, a productivity factor (Xgen) is applied for each regulatory period. The Xgen value is calculated with sector data by the regulator before the start of the period. For the fourth regulatory period, which started on 1 January 2024, the regulator's decision is expected within the coming months.

There is a risk that an Xgen above zero will be set by BNetzA, reducing 50Hertz' revenue cap and thus having a negative impact on profitability.

The current regulatory framework provides for the use of a "quality factor", which allows an annual adjustment to the revenue cap. With the amendment of the ARegV in 2021, an incentive mechanism for redispatch costs was introduced for the four German TSOs. The incentive mechanism starts as a pure bonus system for the 2022 – 2023 period, followed by a bonus/malus system in 2024. The bonus/malus is calculated on a yearly basis and will be included in the revenue cap in the quality element. The bonus/malus for 50Hertz is capped at €3 Mio. Nevertheless, there may be a negative impact on the profitability of 50Hertz starting from 2024 if redispatch costs in Germany increase.

Changes to the recognition of permanently non-influenceable costs by BNetzA may negatively impact 50Hertz' annual revenue cap

A significant part of the annual revenue cap is based on the recognition of permanently non-influenceable costs associated with 50Hertz' obligations. If such costs are not completely recognised, it may negatively impact the profitability of 50Hertz. The two main categories of permanently non-influenceable costs consist of costs associated with energy management (control power, onshore grid losses, reserves, redispatch, and curtailment of renewable energies) and capital costs related to new investments.

In the context of 50Hertz' annual revenue caps, costs related to energy management may negatively impact 50Hertz if not recognized by BNetzA

The main risks regarding the energy management business result from cost increases, in particular with respect to control power, reserves, curtailment of renewable energies, procurement of energy volumes to cover onshore grid losses and redispatch costs. Such cost increases may result from volume effects and/or (except for curtailment of renewable energies) price increases (for further information on volume and price effects and financial risks arising therefrom, see "*Risks arising from markets and finances*" below).

Moreover, BNetzA approved a new definition of reasonable compensation for redispatch in 2018, which was subject to legal challenges by several generation plant operators before the Higher Regional Court of Düsseldorf. However, BNetzA reached an out-of-court settlement with the generation operators regarding a higher level of compensation. The procedural regulation was amended accordingly in 2021 to allow for full reimbursement.

Furthermore, even under the current regime, a risk remains that not all energy management costs will be fully recognised due to already included incentive elements. Currently, for onshore grid losses, prices are measured against a reference price and are subject to a bonus/malus system. For control power, the actual prices are fully recognised, whereas the costs resulting from volume differences are subject to a bonus/malus system. Both bonus/malus systems are limited.

Apart from that, several further procedural regulations exist, *inter alia* one for costs arising from European activities and one for the costs and revenues from the Inter-Transmission System Operator Compensation ("**ITC**") mechanism. These procedural regulations cover actual costs; nevertheless, liquidity risks may arise due to time lags between the incurrence of costs and the receipt of reimbursement.

Recognition of onshore investment costs in the context of 50Hertz' annual revenue cap, which may negatively impact 50Hertz if not recognized by BNetzA

Until the end of the third regulatory period in 2023, German regulation provided for a specific remuneration regime for predefined onshore transmission network investments called investment measures ("**IM**"). On 7 March 2024, 50Hertz notified the BNetzA that all IM will be transferred to the capital cost surcharge (*Kapitalkostenaufschlag* – "**KKauf**") with retroactive effect from 1 January 2024. Together with the capital cost deduction (*Kapitalkostenabzug* – "**KKab**"), this is part of the capital cost adjustment (*Kapitalkostenabgleich* – "**KKA**") which is the new remuneration regime for onshore transmission network investments applicable to the TSOs from the fourth regulatory period. Under the KKA regime, claimed cost will be subject to annual ex-post reviews of the actual costs by BNetzA. In the KKA system, for each year of the regulatory period the capital costs of the base year are reduced by depreciation (KKab) and increased by the capital costs of new investments (KKauf) within that year. The capital cost deduction is determined as part of the cost review of the base year. The KKauf takes into account new investments made after the base year and increases the fixed revenue cap over the course of the regulatory period. This enables new investments to be refinanced directly at the time of acquisition. The KKauf is calculated in accordance with Section 10a ARegV. In simple terms, it consists of the sum of the imputed depreciation, imputed interest and imputed trade tax calculated on the basis of the acquisition and production costs of the assets required for operations. The KKauf is an application procedure. The application for the KKauf can be submitted annually by June 30. When calculating the KKauf, the capitalised assets are taken into account if they were capitalised from 1 January of the year following the base year of the revenue cap to be adjusted and are expected to be capitalised by 31 December of the year for which the KKauf is approved. Only investments that are operationally necessary in accordance with Section 10a ARegV are reviewed and approved by BNetzA. Projects that are approved by the German grid development plan (GDP) are considered necessary for operations. However, it is not yet possible to estimate the extent to which projects outside the GDP will be examined and approved by the regulator. The final approval and therefore the costs recognised are confirmed by BNetzA within an ex-post assessment. It is not yet possible to assess the extent to which this will be approved by the BNetzA.

The imputed interest rate to be applied to the imputed interest rate base determined for the year is determined as the weighted average of the imputed equity interest rate and the imputed debt interest rate, whereby the imputed equity interest rate is to be weighted at 40 %and the imputed debt interest rate at 60 %. In accordance with the BNetzA decision for determining the imputed equity interest rate for new investments in January 2024, the imputed equity interest rate will be determined based on an annual update of the risk-free rate until the end of the fourth regulatory period (see also risk factor "*Insufficient return on the capital invested represents a financial risk with respect to both investments already made and future investments*"). Investments until 2023 will receive a fixed imputed equity interest rate for the respective regulatory period. When determining the imputed interest rate on borrowed capital for TSOs, the imputed interest rate on borrowed capital resulting for the respective year of acquisition is to be used for the imputed interest basis in accordance with Section 10a ARegV. The arithmetic mean of the following current yields or interest rate series published by the German Federal Bank shall be used for the imputed interest rate on borrowed capital:

1. current yields on domestic bearer bonds - corporate bonds and

2. loans to non-financial corporations over EUR 1 million, with an initial fixed interest rate with a term of more than one year and up to five years.

There is a risk that 50Hertz' costs of debt are higher than the average reference interest rate and therefore have a negative impact on 50Hertz' profitability.

Recognition of offshore investment costs in the context of Offshore Grid Surcharge, which may negatively impact 50Hertz if not recognised by BNetzA

Under the Offshore Grid Surcharge, planned costs for offshore grid connections are subject to annual ex-post reviews of the actual costs by BNetzA. If costs are not recognised (in whole or in part), this would have an impact on 50Hertz' profitability and thus ultimately the Issuer's ability to meet its debt service obligations.

Insufficient return on the capital invested represents a financial risk with respect to both investments already made and future investments

Return on equity is determined by an imputed equity and a specific rate of return on this equity. Every five years, BNetzA determines the rate of return and thereby the return on equity for the following regulatory period. The rate of return consists of a risk-free base rate calculated using historical values for the past ten years published by the Central Bank of the Federal Republic of Germany and a risk premium. BNetzA has used a capital asset pricing model to calculate the return on equity ("**Return on Equity I**"). The Return on Equity I for the third regulatory period starting in 2019 was determined by BNetzA in October 2016 at 6.91 % for investments realised after 2006 (5.12 % for investments until 2006). This meant a decrease of 24 % compared with the return on equity valid for the second regulatory period (9.05 % for investments made since 2006 and 7.14 % for investments made before 2006) that was mainly driven by the development of the base rate. In October 2021, BNetzA determined the return on equity for the fourth regulation period starting 2024. The Return on Equity I was determined at 5.07 % for investments realised after 2006 (3.51 % for investments until 2006). Thus, the Return on Equity I will decline by another 27 % compared to the current level. Along with the other German TSOs, 50Hertz appealed against this decision by BNetzA, but is not actively pursuing the case. In one model proceeding, the Higher Regional Court of Düsseldorf revoked the corresponding BNetzA decision. BNetzA appealed against the court's decision before the Federal High Court of Justice. A decision of the court is pending. Nevertheless, the BNetzA decided on 24 January 2024 to adjust the Return on Equity I for upcoming onshore investments as of 2024. The Return on Equity I for new investments in the capital cost adjustment (KKA) as of 2024 will be determined on a yearly basis by using a fixed risk premium of 3.00 % and an updated risk-free rate for the underlying year. The preliminary Return on Equity I for investments in 2024 is set to 7.09 %. Based on the yearly adjustment mechanism, the Return on Equity I level is not fixed and depends on the performance of the risk-free rate in the underlying year published by the German Federal Bank. Liquidity and profitability are negatively affected by a decreasing risk-free rate. Along with the other German TSOs, 50Hertz appealed also against this decision by BNetzA, but is not actively pursuing the case. All of the aforementioned percentages are calculated before corporate tax and after imputed trade tax. The equity to which the Return on Equity I applies is limited to 40 % of the value of the regulated asset base. If the value of the regulated asset base financed by equity exceeds 40 %, a rate of return fixed in the StromNEV is applicable ("**Return on Equity II**"). An insufficient return on equity may result if the rate of return is too low compared to the market level or if BNetzA does not recognise all balance sheet items in the calculation of the regulated asset base. Cost of debt is accepted as long as it conforms to usual market conditions (*marktüblich*). For cost of debt not allocated to investment measures, the base year mechanism applies. Thus, costs incurred in between base years might not be fully covered and can subsequently have a negative impact on liquidity and profit.

Future changes to the regulatory framework on the national and European levels may have a negative impact on 50Hertz

In 2021, the Court of Justice of the European Union ("**CJEU**") ruled, *inter alia*, that German legislation regarding the competences of BNetzA was not compliant with higher ranking European Union law. The CJEU ruled that German law infringed the BNetzA's exclusive powers by assigning the determination of methodologies for calculating or setting network tariffs to the German Federal Government. The German legislation therefore had to be amended as a result of the CJEU's ruling. With the aim to foster BNetzA's competences with regard to tariff setting and BNetzA's independence and impartiality, the Energy Industry Act (*Energiewirtschaftsgesetz* – "**EnWG**") and central parts of regulations were amended. As a result, the BNetzA has started a process to adapt the regulatory framework, initially for DSOs and gas network operators, and will extend this to TSOs in the second half of 2024. The BNetzA's timetable envisages completing most of the framework and methodology definitions by the end of 2025 and then carrying out the individual definitions. There is as yet no concrete information on the structure of the new regulatory framework, which is why the effects on 50Hertz will only become apparent in the course of the process and will then have to be assessed.

Furthermore, the implementation of the Clean Energy Package is progressing at the national and European levels. In particular, the transposition of the amended European Directive concerning the rules for the internal electricity market (Directive (EU) 2019/944) into national law was completed in July 2021. The Clean Energy Package assigned stronger market and regulatory oversight competences to the Agency for the Cooperation of Energy Regulators ("**ACER**") and the role of the European Network of TSOs for Electricity ("**ENTSO-E**") was strengthened at the expenses of the national regulatory authorities such as BNetzA and the national TSOs. The scope of the already existing mandatory regional TSO cooperation was broadened and the Regional Cooperation Centres ("**RCCs**" like TSCNET and Coreso) were entrusted with further tasks. Finally, existing (legally binding) guidelines in the electricity sector were amended in February 2021 to take into account these changes regarding tasks and responsibilities.

Regulation (EU) 2019/943 sets out the areas in which further network codes can be developed. New binding rules will be developed and existing network codes and guidelines will be further amended. These changes will considerably impact 50Hertz' business. The drafting and implementing of these new rules and their respective methodologies require considerable financial and human resources.

In December 2019, the European Commission published a set of proposals known as the "European Green Deal", which includes measures for a sustainable development of Europe's economy. Part of this European Green Deal is the so-called "European Climate Law", which aims to reach climate neutrality in Europe by 2050. The European Climate Law entered into force in July 2021. The German Federal Government amended the climate goals. The achievement of these adapted climate goals requires higher grid infrastructure investments by 50Hertz.

TSO permit to operate / certification may be revoked or could be modified

50Hertz is permitted to operate as a TSO in Germany and, while this authorisation is not limited in time, it can be revoked by the Energy Authority of the State of Berlin (*Senatsverwaltung für Wirtschaft, Energie und Betriebe (Energiewirtschaft/Energieaufsicht*)) if, for example, 50Hertz fails to maintain the personnel, technical and financial means to guarantee the continuous and reliable operation of the network in accordance with applicable law. Revocation of 50Hertz' permit would have a material adverse impact on 50Hertz and the Issuer, including their ability to meet their respective obligations under the Notes.

The unbundling regime in the EnWG provides for different models (Ownership Unbundling, Independent Transmission Operator, Independent System Operator). In a certification process, BNetzA assesses whether the unbundling provisions are met by the respective TSO. BNetzA has certified 50Hertz as an ownership unbundled TSO, but BNetzA may revoke the certification and/or impose fines on 50Hertz if it ceases to meet the unbundling provisions. Although 50Hertz would still be able to operate the network following a revocation of certification, such revocation could have a negative impact on 50Hertz' reputation and thereby affect its business results and operations.

50Hertz may incur significant costs to manage potential environmental and public health risks and to accommodate planning constraints

50Hertz' operations and assets are subject to European, national and regional regulations dealing with, *inter alia*, environmental matters, regional planning and zoning, building and environmental permits and rights of way. These regulations are often complex and subject to continual change (resulting in a potentially stricter regulatory framework or enforcement policy). The most significant environmental issues faced by 50Hertz relate to the visual impact of the infrastructure, electromagnetic fields, soil pollution, water contamination, noise and waste as well as the impact on protected species and habitats. Compliance with such regulations may impose significant additional costs on 50Hertz, including expenses relating to the implementation of preventive or remedial measures. Additional costs may also be incurred by 50Hertz in respect of, *inter alia*, compensation for the impact of infrastructure on the environment, managing environmental and public health risks or planning constraints, actual or potential liability claims, and the defence of 50Hertz in legal or administrative procedures or the settlement of third-party claims.

Moreover, for years legal grounds have been expanded to allow a greater number of field testing of high-voltage underground cables in pilot projects. Legislation has introduced greater numbers of pilot projects for alternating current ("**AC**") underground cables while, for direct current ("**DC**"), the legislature has mandated underground cables as the norm. In consequence, the costs of the concerned DC technology projects have risen significantly, as the use of high-voltage underground cables is more expensive than the use of overhead lines. This could give rise to discussions requiring increased underground cabling also for AC connections. This might lead to future changes in law and may impose additional costs on 50Hertz.

Changes to the timing and amounts of investments may negatively impact the financial position of 50Hertz

Uncertainties about the timing and size of investments caused by, for example, delays in implementing or even a political decision on the discontinuance of the energy transition, public opposition or long-lasting permission procedures could cause a lower return on investments than expected and have a negative impact on the cost of debt associated with investments in the case of a mismatch between financing needs and financing activities of 50Hertz.

In addition, the customers of 50Hertz, which include power producers, expect to have access to a reliable level of capacity to dispatch power at all times. An inability of 50Hertz to make the investments necessary to maintain sufficient capacity on the grid may lead to financial penalties being payable by 50Hertz due to, *inter alia*, damage claims by customers.

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

The Issuer and the Guarantors may inadvertently violate their legal obligations and may be liable for substantial administrative fines. In particular, accounting standards, commercial, company and tax laws and their interpretation, e.g. by accounting standard setters and committees, accounting enforcers, tax authorities and courts are subject to changes, potentially with retroactive effect. Such changes may have a negative impact on the Issuer's and the Guarantors' net assets, financial position, results of operations and key performance indicators. Furthermore, the Issuer's and the Guarantors' interpretation of applicable tax laws may differ from that of the relevant authorities. For instance, the relevant authorities may not accept the tax grouping based on the profit and loss transfer agreements between the Issuer and 50Hertz, and between 50Hertz and 50Hertz Offshore. 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 the Guarantors.

Risks arising from markets and finances

Market price developments on power exchanges could negatively impact 50Hertz' liquidity

Due to 50Hertz' activities linked with the areas of EEG management, the procurement of grid losses and balancing energy as well as the handling of congestion, 50Hertz is directly exposed to fluctuations in market prices on power exchanges in spot and futures markets as well as to market developments on balancing trading platforms. In the beginning of 2024, the average spot market prices have continued to decrease to prices in the range of the years 2021/22, while volatility remains high. This high volatility has increased the margins for which exchanges require 50Hertz to provide collateral in the form of bank guarantees or cash to execute trades. Derivative positions are marked to market on a daily basis. Changing price levels on futures markets therefore lead to a daily reassessment of derivative positions and a corresponding cash flow from or to the exchange. Increasing volatility of power prices increases the risk that collateral requirements negatively impact 50Hertz' available liquidity to a greater extent, which could require 50Hertz to draw down available credit facilities. Extraordinary developments in power prices may also have negative effects in the areas of EEG management, the procurement of grid losses and balancing energy, the handling of congestion itself and may also lead to higher financing requirements.

Mismatch in timing of generating revenues from surcharges and or grants (namely in relation to the EEG) and costs incurred to be covered by the respective surcharge/grant

With regard to obligations in respect of which 50Hertz is reimbursed through surcharges or governmental grants, 50Hertz is exposed to the risk of delay between when the costs are incurred and when the corresponding surcharge / grant is paid.

This risk applies in particular to the federal governmental grant which replaced the EEG Surcharge (see above "*Risks arising from regulatory, legislative and political matters – Decisions made by the German federal regulatory agency under the current regulatory framework may have a significant impact on 50Hertz*") and covers all cost resulting from the EEG business. While the new mechanism eliminates risks related to the collection of the EEG Surcharge, the liquidity risks associated with the timing of payments continue to exist under the new federal subsidy system i.e. the amount of the federal subsidy is already planned in September of the previous year of the due date and entered into the federal budget. In particular, a reduction in electricity market prices in the year of maturity may mean that the planned and validly included funds in the federal budget are not sufficient.

Previously, network operators were obliged to purchase all renewable energy within their network area at fixed rates. The costs incurred, as well as the produced electricity, were passed on to the four German TSOs, who sold the energy on the spot market of an energy exchange in accordance with Section 2 of the Renewable Energy Ordinance (*Erneuerbare-Energien-Verordnung – "**EEV**"*). In August 2014, this mechanism was to a large extent replaced by the principle of direct marketing (*Direktvermarktung*), according to which operators of new renewable energy facilities are obliged to sell their electricity directly or involve a direct marketeer. However, the operators of renewable energy facilities are still paid a market premium (*Marktprämie*) by the network operators in the amount of the difference between the spot price and a feed-in tariff.

Since abolishment of the EEG Surcharge, 50Hertz receives a federal grant to recover the costs of the market premium and, if renewable energy facilities are still marketed by the TSOs, the difference between the revenues for selling the energy and the feed-in tariffs. The federal grant is calculated annually in accordance with the Energy Financing Act (*Energiefinanzierungsgesetz* – "**EnFG**") and is published by 25 October for the next calendar year. The calculation is based on forecasts of factors such as spot prices and volumes of energy from renewable energy facilities. However, during the course of the year, volumes and spot prices can differ significantly from the forecasts, resulting in liquidity requirements for 50Hertz on its specific EEG account, which may have an adverse impact on its cash position. The difference between actual costs and revenues is fully recovered by federal grants in the following calendar year (see above "*Risks arising from regulatory, legislative and political matters – Decisions made by the German federal regulatory agency under the current regulatory framework may have a significant impact on 50Hertz"*).

Taking into account regional differences in the generation of renewable energy in Germany, the EnFG provides for a financial nationwide equalisation mechanism amongst the TSOs in Germany with respect to the costs resulting from paying legally fixed feed-in tariffs or, since 1 August 2014, market premiums in their control area. The TSOs in Germany with control area responsibility (*Regelzonenverantwortlichkeit*) currently share the EEG costs according to an agreed factor amongst themselves in accordance with the EnFG. Changes to the EEG cost-sharing mechanism between the TSOs in Germany with control area responsibility could therefore have a negative impact on 50Hertz' liquidity.

Mismatch in timing of generating revenues from network user charges and costs incurred to be covered by the network user charges

Network user charges are calculated on the basis of forecasted volumes of capacity and consumption. Differences between planned and actual volumes may arise for various reasons, such as loss of customers (for example, as a consequence of epidemics, such as the COVID-19 pandemic) or as consequence of armed conflicts (like the Russia – Ukraine conflict) and differing feed-in of renewable energy on the level of distribution system operators ("**DSO**"). Any mismatch between the forecasted and actual volumes forming the basis for the calculation of network user charges may have a negative impact on 50Hertz' liquidity.

The main cost risks regarding the energy management business result from cost increases, in particular with respect to control power, reserves, curtailment of renewable energies, procurement of energy volumes to cover onshore grid losses and redispatch costs. Such cost increases may result from volume effects and/or (except for curtailment of renewable energies) price increases (*inter alia* as a consequence of the Russia – Ukraine conflict). The volume effects may be exacerbated by fluctuating feed-in from renewable energy facilities, which need to be compensated to maintain a system balance between generation and consumption at all times. Due to the rapid development of renewable energy with which the grid expansion at this speed is unable to keep pace, the aforementioned effects could increase in future and may thus lead to an increase in financing needs due to a mismatch in timing.

The TEN-E Regulation (EU Regulation No 2022/869 on guidelines for Trans-European energy infrastructure) was passed in order to achieve the EU's energy policy objectives by promoting cross-border energy infrastructure. For projects of common interest ("**PCIs**"), TSOs can claim European cost sharing with other TSOs if their countries profit from those projects. In the past, the European national regulatory authorities as well as ACER decided against cost-sharing claims of other TSOs on a case-by-case basis. More projects are expected to address cost contribution applications to Germany and hence the German TSOs in the future and there is a risk that the authorities may decide differently in future cases. Even though the revision of the ARegV in 2016 considers such costs as permanently non-influenceable costs, reimbursement can only be obtained with a time-delay of two years. Accordingly, in case the German TSOs had to bear a share of the costs of PCIs, this could lead to liquidity and profitability risks. The revised TEN-E Regulation provides for a new cost sharing mechanism for offshore grids (not limited to PCIs), for which the European Commission is expected to present guidelines by June 2024. The design and therefore the impact on 50Hertz are still unclear. As Germany is likely to be a net importer of renewable electricity, there is also a risk that Germany will have to make payments and that these will be processed via the TSOs with similar effects as cost sharing for PCIs.

Supplier risks may negatively affect the budget, quality and/or the timely commissioning of infrastructure works

Electricity transmission infrastructure is a key component of the business of the Company and of the relevant affiliates of the Company. The Company and the relevant affiliates of the Company rely on a selected number of key suppliers to realize their infrastructure objectives.

Given the complexity of the infrastructure works and increasing demand in the market or as consequence of armed conflicts (like the Russia – Ukraine conflict), the Company and the relevant affiliates of the Company may be unable to find sufficient suppliers and supplies for their projects. In addition, the Company and the relevant affiliates of the Company are also exposed to the risk that their respective suppliers may fail to comply with their contractual obligations due to, for example, financial or other difficulties, arising for instance from epidemics (including the COVID-19 pandemic) or as consequence of armed conflicts (like the Russia – Ukraine conflict).

Any cancellation of or delay in the completion of infrastructure projects of the Company or the relevant affiliates of the Company could have an adverse effect on the realisation of the CAPEX plan of the Company or its relevant affiliates.

The Guarantors may not have adequate insurance coverage

The Guarantors have put into place insurance contracts necessary to operate their business in line with current industry standards. The Guarantors cannot provide an assurance that such insurance will prove to be sufficient and/or adequate. In particular, insurance may not be available or not cover certain risks whether due to faults, natural disasters, other causes such as damage to overhead lines or cables including sea cables, third-party losses, damages or blackout claims or losses as a result of terrorism, sabotage, crime etc. Furthermore, damages, losses or claims may turn out to exceed insurance coverage. Any uninsured financial loss or claim could have a material impact on the business, results of operations and financial condition of the Guarantors.

Adverse economic and credit market conditions as well as a rating downgrade may increase the Issuer’s financing costs or limit the Issuer's ability to raise additional funds

Adverse economic and credit market conditions as well as the Issuer’s credit ratings influence the Issuer’s financing costs. Furthermore, the future availability of debt financing could be limited and could influence the Issuer's ability to raise additional funds as needed. Any actual or anticipated suspension, reduction or withdrawal of a credit rating assigned to the Issuer or any Notes by one or more credit rating agencies may adversely affect the cost and terms and conditions of the Issuer’s financings and limit the Issuer’s access to the capital markets. This could harm the Issuer's ability to finance its capital expenditures and other operations and investments.

Counterparty credit risk of the customers of 50Hertz and other TSOs may have a negative impact on 50Hertz

TSOs are exposed to the risk of insolvency of various counterparties, including the DSOs paying the network tariffs, market parties obliged to pay the surcharges (such as KWK surcharge, offshore grid surcharge, StromNEV surcharge) in the control areas of the TSOs, as well as the other TSOs and their customers. Any counterparty credit risk that materialises could have a material adverse effect on 50Hertz' financial position and results of operations.

Risks arising from technology and infrastructure

Specific risks arising from grid connections of offshore wind farms may have a negative impact on 50Hertz

Planning, construction and operation of grid connections of offshore wind farms is a business involving uncertainties (e.g. weather and soil conditions) and technical challenges. Moreover, there is only a small number of potential suppliers for main components of such grid connections. Delays and changes in the planning and construction stages as well as later, unplanned outages in the operational stage are therefore possible and may result in compensation payments to the offshore windfarm operators pursuant to Section 17e EnWG, which may not be fully recoverable.

Technical problems are often only discovered in the implementation and operational stage and have to be resolved immediately. In particular, as there is still no experience with long-term operation of this technology, there is a risk that design flaws are only discovered once a grid connection system is in use. To reduce this risk, various tests are performed before production and commissioning and the cables are monitored during operation. However, this does not ensure that all or a combination of causes of errors can be identified. In extreme cases, this can lead to an entire cable system having to be replaced. With cables representing a considerable value in 50Hertz Offshore's fixed assets, this would result in high impairment charges and investment costs. Furthermore, compensation payments to the offshore windfarm operators pursuant to Section 17e EnWG would become due. Apart from potential liquidity risks, there is a risk that these costs are not fully covered by insurance or by the Offshore Grid Surcharge (depending, among other factors, on the scale of 50Hertz' potential fault) and thus resulting in a profitability risk for 50Hertz.

In the event of transmission fluctuations, disruptions, system breakdowns/blackouts of the grid, or non-implementation of emergency measures as prescribed by law, 50Hertz may be held liable for damages by its customers and/or third parties or incur additional costs

Transmission fluctuations, disruptions, system breakdowns or blackouts of the grid (caused by unforeseen events such as an overload of the very high voltage network, network imbalances, intrusions of computer viruses and natural events) that affect 50Hertz' network may result in a failure of 50Hertz to maintain a sufficient and reliable grid capacity and to deliver electricity to customers or to inject energy from power generation facilities, and may expose 50Hertz to liability claims and litigation. The probability of transmission disruptions, as well as required emergency measures, has increased with the increasing distance between the locations of generation and consumption and the volatility of energy in-feed as a result of increasing fluctuating feed-in from renewable energy facilities. Moreover, in 2019 significant generation deficits occurred in certain cases due to market behaviour of balancing group participants (which were encouraged by false incentives) which had to be balanced. Even though the auction methodology has been changed to abolish the previous incentives, it cannot be excluded that, due to similar abusive behaviour of balancing group participants, critical grid situations might arise in the future.

Furthermore, 50Hertz may also be liable if emergency measures required under Section 13 para. 2 EnWG have not been implemented as required, unless the event qualifies as *force majeure*.

A failure of the IT systems and processes or a breach of their security measures, e.g. by cyber-attacks, may have a negative impact on 50Hertz

50Hertz' operations depend on IT systems, hardware and software, own data centres, fibre optic and copper cable based communication networks. The reliability and continuity thereof are essential in particular for an efficient and reliable operation of the electricity network and the electronic transfer of funds.

In complex projects, 50Hertz' grid control system (which ensures the secure operation of its transmission grid) and its underlying IT infrastructure is being replaced by a new system and infrastructure. Due to project delays, the old grid control system must operate beyond its planned duration and operations must be secured in cooperation with the manufacturers of the subsystems. As a result of this transition, risks to the security of supply could arise. Moreover, there is no certainty that important system hardware and software failures, viruses, accidents, security breaches e.g. as a consequences of cyber-attacks or acts of terrorism and sabotage will not occur and these could impair 50Hertz' ability to provide all or part of the services or to fulfil other obligations required by law or under the contracts to which it is a party. Such failures could endanger 50Hertz' reputation, which in turn could lead to the undermining of 50Hertz' business model caused by negative regulatory and legal decisions, potentially resulting in an adverse effect on 50Hertz' financial position and results of operations.

The Issuer and 50Hertz are also subject to a number of IT security and privacy and data protection rules and regulations, including the General Data Protection Regulation (EU Regulation 2016/679) as well as the German IT Security Act (*IT-Sicherheitsgesetz*). Failure to comply with any of these acts by the Issuer or 50Hertz may have an adverse effect on their financial position and results of operations.

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

The Guarantors' electricity network (being considered as critical infrastructure) and assets are widely spread geographically and potentially exposed to acts of terrorism, sabotage or crime. Such events could negatively affect the Guarantors' 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 the Guarantors' financial condition and results of operations, particularly if the destruction caused by acts of terrorism, sabotage or crime are of major importance (e.g. through the reduction of revenues and for incurrence of costs for damages due to the unavailability of some parts or all of the network) or last for a longer period of time.

Use of innovative technologies involves higher technological risks for 50Hertz

Following extensive technical tests of the four German transmission system operators and in-depth consultation with the BNetzA and federal policymakers, it was decided for economic and ecological reasons to use the world's first extruded 525 kV cables for the large DC connections from northern to southern Germany (i.e. for 50Hertz the South-East Link (*SuedOstLink)* and South-East Link+ (*SuedOstLink+*)). This technology choice by policy makers was extended to large offshore grid connections (e.g. NOR-11-1 (*LanWin3*)). However, this decision to use an innovative technology naturally involves technological risks compared to using more established cable technology solutions. This could lead to risks of significantly higher costs and loss of reputation, which could cause the loss of business fields for 50Hertz.

Risks arising from delay regarding the construction of new lines due to delay in permission processes

The construction of new lines regularly faces opposition from local and regional stakeholders or environmental associations and triggers complex administrative proceedings, leading to long-lasting permission processes, potentially followed by court proceedings. Line construction delays are therefore still possible despite the intense efforts of 50Hertz' permission and public participation experts. This can lead to an increase in congestion and critical situations for grid operations as the new lines are urgently needed to link high-consumption areas to the production centres, mainly for transporting the ever-growing highly variable feed-in volume of renewable energies in 50Hertz' balancing zone, and also due to the shutdown of nuclear power plants in southern Germany, finalised on April 2023, and the start of the phase-out of coal-fired power generation by 2038 (the first coal-fired power plants were shut down on 1 April 2024). Any delay regarding the construction of new lines might have an adverse effect on 50Hertz's financial position and results of operations.

Risks arising from delays in the connection of renewable energy facilities

In accordance with current laws and regulations, 50Hertz is obligated to connect without undue delay all renewable energy facilities in its control area. Any delay in such connections may subject 50Hertz to damage claims which, if not allowed to be passed on, could negatively impact 50Hertz' profitability.

Risks arising from legal and regulatory requirements to be implemented in IT systems (e.g. the Digitalisation Act)

In 2016, the German Digitalisation Act (*Gesetz zur Digitalisierung der Energiewende*) entered into force. The main aspect of the Digitalisation Act for 50Hertz is the redesign of communication systems and processes to ensure the processing of a high volume of smart meter data. The responsibility for the aggregation of the metering data in order to enhance the balancing of energy generation with consumption is given to the TSOs. However, the reimbursement of the respective costs is currently under discussion with the BNetzA. The outcome of these discussions is unclear and could have a negative impact on 50Hertz' profitability.

In general, legal and regulatory requirements often lead to high implementation efforts for new processes resulting in the adaptation of IT systems that often need to be coordinated with numerous stakeholders and have ambitious deadlines. If 50Hertz is not able to implement the requirements within a set deadline or to the required extent, there is a risk of penalty payments and loss of reputation.

Risks regarding occupational health and safety and personnel

A lack or loss of highly qualified employees may result in insufficient expertise and knowhow to meet strategic objectives

50Hertz pursues an active human resources policy that aims to provide the needed levels of competencies and capacities in a tight labour market due to the highly specialised nature of its business fields. 50Hertz may, however, experience difficulties in attracting and retaining highly qualified staff required to support its operations, implement its investment programme and develop new business fields. Such a lack or loss of highly qualified staff may result in insufficient competencies and capacities, unsatisfactory quality levels, inability to maintain or operate the grid, delays in infrastructure projects or failure to achieve strategic objectives. This may negatively affect 50Hertz' earnings, financial position, reputation and results of operations.

Accidents at the Guarantors' facilities and involving the Guarantors' assets may have serious consequences

Accidents that may occur at the Guarantors' facilities or involve the Guarantors' assets (e.g. high voltage or offshore assets) may result in harm and death of humans or other serious consequences. As such, the Guarantors may be exposed to potential claims resulting in significant liabilities, use of financial and management resources and possible harm to their reputation.

RISK FACTORS IN RESPECT OF THE NOTES

Risks related to the nature of the Notes

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 ("**Holder**" meaning any holder of a proportionate co-ownership or other beneficial interest or right in the Notes) are therefore exposed to the risk of an unfavorable development of market prices of their Notes which materialize if the Holders sell the Notes prior to the final maturity of such Notes. If Holders of Notes decide to hold the Notes until final maturity, the Notes will be redeemed at the amount set out in the relevant Final Terms.

Holders of Fixed Rate Notes are particularly exposed to the risk that the price of such Notes falls as a result of changes in the market interest rate levels. While the nominal interest rate of a Fixed Rate Note as specified in the applicable Final Terms is fixed during the life of such Notes, the current interest rate on the capital market typically changes on a daily basis. As the market interest rate changes, the price of Fixed Rate Notes also changes, but in the opposite direction. If the market interest rate increases, the price of Fixed Rate Notes typically falls, until the yield of such Notes is approximately equal to the market interest rate of comparable issues. If the market interest rate falls, the price of Fixed Rate Notes typically increases, until the yield of such Notes is approximately equal to the market interest rate of comparable issues. If Holders of Fixed Rate Notes hold such Notes until maturity, changes in the market interest rate are without relevance to such Holders as the Notes will be redeemed at a specified redemption amount, usually the principal amount of such Notes.

Holders of Zero Coupon Notes are exposed to the risk that the price of the Notes 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.

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 can be no assurance regarding the future development of a market for the Notes or the ability of Holders to sell their Notes or the price at which Holders may be able to sell their Notes. If such a market were to develop, the Notes could trade at prices that may be higher or lower than the initial offering price depending on many factors, including prevailing interest rates, the Issuer's operating results, the market for similar securities and other factors, including general economic conditions, performance and prospects, as well as recommendations of securities analysts. The liquidity of, and the trading market for, the Notes may also be adversely affected by declines in the market for debt securities generally. Such a decline may affect any liquidity and trading of the Notes independent of the Issuer's financial performance and prospects. If Notes are not listed on any exchange, pricing information for such Notes may, however, be more difficult to obtain which may affect the liquidity of the Notes adversely. In an illiquid market, an investor might not be able to sell his Notes at any time at fair market prices.

Risks related to specific Terms and Conditions of the Notes

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) or for 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, the Holders of such Notes are exposed to the risk that due to such early redemption his investment will have a lower than expected yield. The Issuer can be expected to exercise his 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 his 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.

Currency Risk

Holders of Notes denominated in a foreign currency (i.e. a currency other than euro) are 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 macroeconomic 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 euro and a corresponding change in the euro value of interest and principal payments made in a currency other than euro in accordance with the terms of such Notes. If the underlying exchange rate falls and the value of the euro rises correspondingly, 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.

Risks related to the to the German Act on Debt Securities of 2009 (*Schuldverschreibungsgesetz*)

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. 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.

Under the SchVG, an initial common representative (*gemeinsamer Vertreter*) of the Holders (the "**Holders' Representative**") may be appointed by way of the terms and conditions of an issue.

No initial Holders' Representative might be appointed by the Terms and Conditions. Any appointment of a Holders' Representative post issuance of Notes will, therefore, require a majority resolution of the Holders of the Notes. If the appointment of a Holders' Representative is delayed, this will make it more difficult for Holders to take collective action to enforce their rights under the Notes.

If a Holders' Representative will be appointed by majority decision of the Holders it is possible that Holders may be deprived of their individual right to pursue and enforce its rights under the Terms and Conditions against the Issuer, if such right was passed to the Holders' Representative by majority vote who is then exclusively responsible to claim and enforce the rights of all the Holders.

The applicable Final Terms will indicate if, 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 the Notes then outstanding. Under the SchVG, even if a default notice is given by a sufficient number of Holders, it 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. Holders 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 Holders with respect to the Notes delivers default notices and such acceleration is not rescinded by majority resolution of the Holders.

Other related Risks

Risks related to Credit Ratings

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to 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. Rating agencies may also change their methodologies for rating securities in the future. Any suspension, reduction or withdrawal of the credit rating assigned to the relevant Notes by one or more of the credit rating could adversely affect the value and trading of such Notes.

Risks relating to structural subordination

Generally, claims of creditors of a subsidiary, including trade creditors, secured creditors, and creditors holding indebtedness and guarantees issued by such subsidiary, will have priority with respect to the assets and earnings of the subsidiary over the claims of creditors of its parent company. However, Holders will have direct claims against the Guarantors themselves under the Guarantee on a senior unsecured basis.

Accordingly, the Notes will be structurally subordinated to all creditors, including trade creditors, of the Issuer's subsidiaries other than the Guarantors. Any right of the Issuer and the Guarantors to receive assets of any subsidiary upon the insolvency or liquidation of the subsidiary (and the consequent rights of Holders to participate in those assets) will be structurally subordinated to the claims of these subsidiary's creditors, except to the extent the Issuer's and the Guarantors' claims do not result from (i) their respective shareholdings, (ii) shareholder loans (or their economic equivalent) subordinated by law, or (iii) contractually subordinated claims, in which case their claims would still be subordinated with respect to any assets of the subsidiary pledged to secure other indebtedness, and any indebtedness of the subsidiary senior to that held by the Issuer and the Guarantor. In addition, holders of secured indebtedness of the Issuer and the Guarantors would have a claim on the assets securing such indebtedness that is prior to the Holders and would have a claim that is *pari passu* with the Holders to the extent the security did not satisfy such indebtedness.

Risks relating to limitations of the Guarantee

The Guarantors are incorporated in the form of a German limited liability company (*Gesellschaft mit beschränkter Haftung,* "**GmbH**"). Consequently, the grant of a guarantee by it is subject to certain provisions of the German Limited Liability Company Act (*Gesetz betreffend die Gesellschaft mit beschränkter Haftung*, "**GmbHG**").

As a general rule, Sections 30 and 31 of the GmbHG prohibit a GmbH from disbursing its assets to its shareholders to the extent that the amount of the GmbH's net assets (*i.e.*, assets minus liabilities and liability reserves) is already less or would fall below the amount of its stated share capital (*Stammkapital*). The granting of a guarantee by a GmbH in order to secure liabilities of a direct or indirect parent or sister company may be considered disbursements under Sections 30 and 31 of the GmbHG. Therefore, in order to enable German subsidiaries to grant guarantees and to create security interests to secure liabilities of a direct or indirect parent or sister company without the risk of violating Sections 30 and 31 of the GmbHG, it is standard market practice for terms and conditions, credit agreements, guarantees and security documents to contain so-called "*limitation language*" in relation to subsidiaries in the legal form of a GmbH incorporated in Germany. Pursuant to such limitation language, the beneficiaries of the security interests (including any guarantee) agree, subject to certain exemptions, to require payments under the Guarantee or, as the case may be, enforce the security interests against the German subsidiary only if and to the extent that such payment or, as the case may be, enforcement does not result in the GmbH's net assets falling below its stated share capital or, as the case may be, if the net assets are already below the amount of its stated share capital, to cause such amount to be further reduced. Accordingly, the security documents and other relevant documents relating to the Guarantee provided by the Guarantors contain such limitation language and the Guarantee will be limited in the manner described. These limitations would, to the extent applicable, restrict the right of payment and would limit the claim accordingly irrespective of the granting of the subsidiary guarantee. This could lead to a situation in which the Guarantee cannot be enforced at all. German capital maintenance rules are subject to evolving case law (*Rechtsprechung*). Future court rulings may further limit the access of shareholders to assets of their subsidiaries constituted in the form of a GmbH, which can negatively affect the ability of the subsidiaries to make payments on the Guarantee and of the beneficiaries of the Guarantee to enforce the Guarantee.

Furthermore, it cannot be ruled out that the case law of the German Federal Supreme Court (*Bundesgerichtshof*) regarding so-called destructive interference (*existenzvernichtender Eingriff*) (i.e., a situation where a shareholder deprives a German limited liability company of the liquidity necessary for it to meet its own payment obligations) may be applied by courts with respect to the enforcement of a guarantee or security granted by a German (direct or indirect) subsidiary of the Issuer. In such a case, the amount of proceeds to be realised in an enforcement process may be reduced, even to zero.

In addition, enforcement of the Guarantee and security interests granted by subsidiaries of the Issuer may be limited under its respective terms to the extent that it would lead to the illiquidity (*Zahlungsunfähigkeit*) of the Guarantors.

The specific risk is that the Guarantors may be restricted in making payments under the Guarantee which in turn may result in a Holders' loss of the investment in the Notes.

Risks associated with green or sustainable bonds

In respect of any Notes issued with a specific use of proceeds, such as a green bond (the "**Green Bond**"), there can be no assurance that such use of proceeds will be suitable for the investment criteria of an investor.

The Final Terms relating to any specific Tranche of Notes may provide that it will be the Issuer's intention to apply an amount equivalent to the proceeds from an issue of those Notes specifically for projects and activities that promote climate-friendly and other environmental purposes (the "**Eligible Projects**") if specified so in the relevant Final Terms in accordance with certain prescribed eligibility criteria set out in the Green Bond Framework of the Issuer (as amended from time to time) for which a Second Party Opinion has been provided and which both can be viewed on the Issuer's website (https://www.eurogrid.com/en-us/Investor-Relations/Green-Financing). For a summary of the Green Bond Framework please refer to the section "Use of Proceeds" in this Prospectus. For the avoidance of doubt, neither the Green Bond Framework nor the Second Party Opinion are incorporated into or form part of this Prospectus.

Prospective investors should refer to the information set out in the relevant Final Terms and in the Green Bond Framework regarding such use of proceeds and must determine for themselves the relevance of such information for the purpose of any investment in such Notes together with any other investigation such investor deems necessary.

Due to the envisaged use of the proceeds from the issuance of such Tranche of Notes, the Issuer may refer to such Notes as "green bonds", "sustainable bonds" or "social bonds". The definition (legal, regulatory or otherwise) of, and market consensus as to what constitutes or may be classified as, a "green", "sustainable", "social" or an equivalently-labelled project is currently under development. In addition, it is an area which has been, and continues to be, the subject of many and wide-ranging voluntary and regulatory initiatives to develop rules, guidelines, standards, taxonomies and objectives.

For example, on 18 June 2020, Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 entered into force and applies in whole since 1 January 2023. On 6 July 2021, the European Commission has proposed a regulation on a voluntary European Green Bond Standard (the "**European Green Bond Standard**"). The standard will use the definitions of green economic activities in the Regulation (EU) 2020/852 ("**EU Taxonomy**") to define what is considered a green investment. On 1 March 2023, it was published that a preliminary political agreement had been reached on the final provisions for the regulation, which introduces a voluntary standard. To this extent, the Regulation (EU) 2023/2631 of the European Parliament and of the Council of 22 November 2023 on European Green Bonds and optional disclosures for bonds marketed as environmentally sustainable and for sustainability-linked bonds (the "**EuGB Regulation**") introduces the "European Green Bond Standard" or ("**EuGBS**") as a designation which can be used on a voluntary basis by bond issuers using definitions of green economic activities in the EU Taxonomy to define what is considered a green investment. The EuGB Regulation was published on 22 November 2023 and will apply from 21 December 2024.

Application of proceeds of such Notes for a portfolio of Eligible Projects will not result in any security, pledge, lien or other form of encumbrance of such assets for the benefit of the Holders of any such Note, nor will the performance of such projects or assets give rise to any specific claims under the Notes or attribution of losses in respect of the Notes.

The Notes issued under the Programme will not qualify as "European Green Bonds" in accordance with the EuGB Regulation. Any Tranche of Notes issued under this Programme and referred to as "Green Bond" will only comply with the criteria and processes set out in the Green Bond Framework. The Notes issued, as green bonds, under this Programme may not at any time be eligible for the Issuer to be entitled to use the designation of "European green bond" or "EuGB" nor is the Issuer under any obligation to take steps to have any such green bonds become eligible for such designation. Accordingly, in light of the continuing development of legal, regulatory and market conventions in the green, sustainable and social impact markets, no assurance can be given by the Issuer, the Guarantors or the Dealers, any sustainability advisor or second party opinion provider that the use of such proceeds for any Eligible Projects will satisfy, whether in whole or in part, any existing or future legislative or regulatory requirements, or any present or future investor expectations or requirements with respect to investment criteria or guidelines with which any investor or its investments are required to comply under its own by-laws or other governing rules or investment portfolio mandates.

Furthermore, it is not clear at this stage what impact the European Green Bond Standard may have on investor demand for, and pricing of, green use of proceeds bonds that do not meet such standard. Once the European Green Bond Standard applies and there are instruments with the European Green Bond label available on the market, this could reduce demand and liquidity for Notes issued as "green bonds" by the Issuer as well as their price.

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

While it is the intention of the Issuer to apply an amount equivalent to the proceeds of any Notes so specified for Eligible Projects in, or substantially in, the manner described in the relevant Final Terms, there can be no assurance by the Issuer, the Guarantors, the Dealers or any other person that the relevant project(s) or use(s) the subject of, or related to, any Eligible Projects will be capable of being implemented in or substantially in such manner and/or accordance with any timing schedule and that accordingly such proceeds will be totally or partially disbursed for such Eligible Projects. Nor can there be any assurance by the Issuer, the Guarantors, the Dealers or any other person that such Eligible Projects will be completed within any specified period or at all or with the results or outcome (whether or not related to the environment) as originally expected or anticipated by the Issuer. Any such event or any failure by the Issuer to do so will not give the Holder the right to early terminate the Notes or give rise to a claim to any Holders against the Issuer, the Guarantors and the Dealers.

Any of the aforementioned will not constitute an event of default under the Notes, result in an obligation of the Issuer to redeem the relevant Notes early or will be taken into account by the Issuer when determining whether any optional early redemption right shall be exercised. Further, a mismatch between the maturity of an Eligible Project and the minimum duration of any Notes for such Eligible Project will not constitute an event of default under the Notes nor give the Holder the right to terminate the Notes early.

Any failure to apply an amount equivalent to the proceeds of any issue of Notes for any Eligible Projects as aforesaid and/or withdrawal of any such opinion or certification or any such opinion or certification attesting that the Issuer is not complying in whole or in part with any matters for which such opinion or certification is opining or certifying on and/or any such Notes no longer being listed or admitted to trading on any stock exchange or securities market as aforesaid may have a material adverse effect on the value of such Notes and also potentially the value of any other Notes which are intended to finance Eligible Projects and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

Holders must be aware of the risk that if any of the afore-mentioned risks materialise this could lead to a substantial decrease of the quoted price of the Notes and a loss of the capital invested by a Holder if such Holder choses to sell the Notes in the secondary market prior to their maturity.

No Reliance on external review

As an external reviewer appointed by the Issuer, Imug Rating has provided a Second Party Opinion. The Second Party Opinion provides an opinion, not a statement of fact, to determine the sustainability quality of the instruments issued under the Green Bond Framework. Accordingly, no assurance can be given by the Issuer, the Guarantors, the Arranger, or the Dealers, any green or ESG structuring agent or any sustainability advisor or second party opinion provider that the Second Party Opinion or any other opinion of a third party provided in connection with the issuance of the Notes will be reliable or suitable.

Neither the Second Party Opinion, nor any other opinion of a third party are intended to address credit, market or other aspects or factors of any investment in the Notes by any prospective investor and such investor must determine for itself the relevance of the Second Party Opinion or any information contained therein in making any investment decision. Neither the Second Party Opinion, nor any other opinions of a third party provided in connection with the issuance of the Notes shall be deemed to be a recommendation to buy, sell or hold the Notes. The statements of opinion and value judgments expressed by the external reviewers are based on information available at the time of the preparation of the Second Party Opinion and may change during time. Furthermore, the Second Party Opinion may be amended, supplemented or replaced from time to time. In case of a withdrawal of a Second Party Opinion or any other negative change, this may have a negative impact on the value of the Notes and may affect the investment decision of portfolio mandates in Eligible Projects. Currently, providers of the second party opinions are not subject to any regulatory or other similar oversight. Neither the Second Party Opinion, nor any other opinion of a third party provided in connection with the issuance of the Notes are incorporated by reference into or do form a part of this Prospectus.

BUSINESS DESCRIPTION OF THE ISSUER

General Information

The legal and commercial name is Eurogrid GmbH (the "**Issuer**").

The Issuer operates under the laws of Germany and was incorporated as a limited liability company on 26 February 2010. The Issuer has its corporate seat in Berlin, Germany and its registered office is at Heidestraße 2, 10557 Berlin. The Issuer is registered with the commercial register of the local court (*Amtsgericht*) of Charlottenburg under registration number HRB 130427 B. The telephone number of the Issuer is +49-30-5150-2363. The website of the Issuer is https://www.eurogrid.com. The information on the website does not form part of this Prospectus unless that information is incorporated by reference into this Prospectus.

The Issuer's legal entity identifier (LEI) is 967600Q53854Z2NBCC81.

There have been no relevant recent events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer's solvency.

Object of the Issuer

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

"2.1 *The object of the Company shall be to acquire, hold and manage participations in other businesses, in particular in the transmission grid operation sector.*

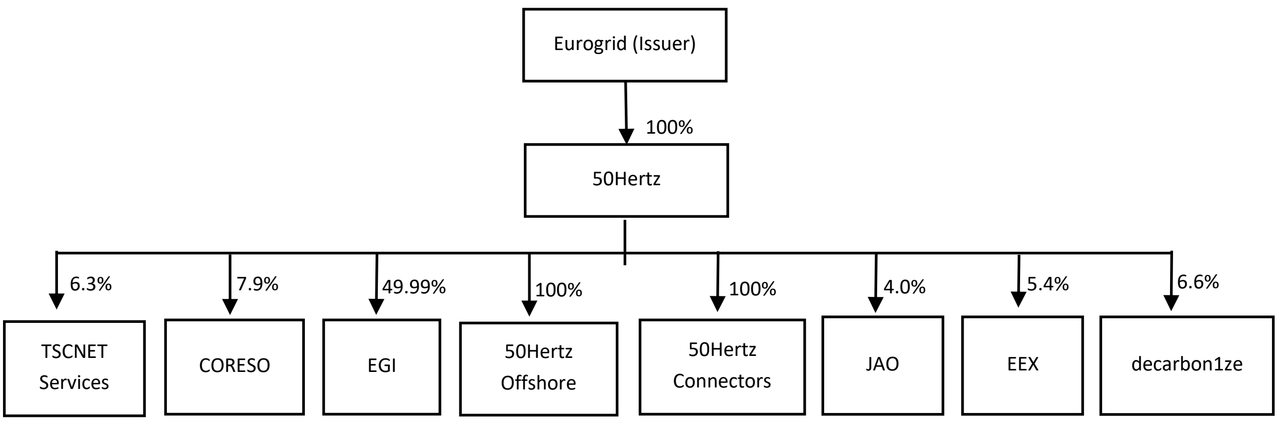
2.2 The Company may enter into all transactions and take all measures related to or useful for the object of the Company."

Business Overview

The Issuer is a holding company and as such, its principal asset is its investment in 50Hertz and its subsidiaries. See "*Business Description of the Guarantors - 50Hertz Transmission GmbH*" and "*Business Description of the Guarantors - 50Hertz Offshore GmbH*" for a description of 50Hertz and its subsidiaries, including 50Hertz Offshore.

Organisational Structure

The Issuer is the parent company of the Group. The following diagram depicts, in simplified form, the organisational structure of the Issuer and 50Hertz and its subsidiaries, including relevant minority participations, as at the date of this Prospectus:



A more detailed description of 50Hertz can be found under "*Business Description of the Guarantors - 50Hertz Transmission GmbH*".

A more detailed description of the subsidiaries of 50Hertz can be found under "*Business Description of the Guarantors - 50Hertz Transmission GmbH – Subsidiaries*".

Share Capital

The registered share capital of the Issuer amounts to € 25,000 comprising 25,000 shares with a nominal value of € 1.00 each. The share capital has been fully paid up.

Major Shareholders

80 per cent of the share capital of the Issuer is held by Eurogrid International NV/SA ("**Eurogrid International**"), a company incorporated in Brussels, Belgium and registered under 0823.637.886 RPR. Eurogrid International is directly owned by Elia Group NV/SA ("**Elia**"). 20 per cent of the share capital of the Issuer is held by Selent Netzbetreiber GmbH ("**Selent**"), a company incorporated in Frankfurt am Main, Germany and registered with the commercial register of the local court (*Amtsgericht*) of Frankfurt am Main under registration number HRB 115815. Selent is fully and directly owned by the state-owned Kreditanstalt für Wiederaufbau (Anstalt des öffentlichen Rechts) ("**KfW**").

KfW is a public-law institution (*Anstalt des öffentlichen Rechts*) serving domestic and international public policy objectives of the Federal Government of the Federal Republic of Germany ("**Federal Government**"). KfW promotes its financing activities under the umbrella brand name KfW Bankengruppe ("**KfW Group**"). KfW conducts its business in the following business sectors: standardized products primarily for small and medium-sized enterprises, business founders, start-ups, self-employed professionals and private individuals (SME Bank & Private Clients / *Mittelstandsbank & Private Kunden*), Customized Finance & Public Clients (*Individualfinanzierung & Öffentliche Kunden*), KfW Capital, Export and Project Finance, Promotion of Developing Countries and Emerging Economies, and Financial Markets. The Federal Republic of Germany holds 80 per cent of KfW's subscribed capital, and the German federal states hold the remaining 20 per cent. KfW is organized under the Law Concerning KfW *(Gesetz über die Kreditanstalt für Wiederaufbau)* as a public-law institution with unlimited duration.

Elia is a public limited liability company incorporated in Belgium with its shares listed on Euronext Brussels. Elia, a holding company, is organised, via its subsidiaries, around two electricity transmission system operators: Elia Transmission Belgium NV/SA ("**ETB**") in Belgium and 50Hertz in Germany. Besides the regulated business activities, Elia also has non-regulated business activities allowing it to develop key competencies to ensure a successful energy transition. It has a stake in entities offering a range of consultancy and engineering activities, while it also owns WindGrid SA/NV, which focusses on offshore development outside the current regulated perimeter (including the U.S.). ETB, as the Belgian TSO, owns 100 per cent of the Belgian very high voltage electricity network and owns (or has the right to use) approximately 94 per cent of the Belgian high voltage electricity network. In addition to its system operator activities in Belgium, ETB's core business is the operation, maintenance and development of very high voltage (380 kV, 220 kV and 150 kV) and high voltage (70 kV, 36 kV and 30 kV) networks to maintain a reliable electricity flow from electricity producers, whether located in Belgium or elsewhere in Europe, to distributors and large corporate clients. ETB also aims to improve the functioning of the open electricity market by acting as a market facilitator, both in the context of a single European electricity market as well as in the framework of the integration of renewable energy, in accordance with national and European policies.

In July 2018, KfW was mandated by the Federal Government pursuant to and in accordance with Article 2 paragraph 4 of the KfW Law (*Zuweisungsgeschäft*) to acquire a 20 per cent shareholding in Eurogrid International (formerly: Eurogrid International CVBA). Eurogrid International CVBA indirectly held all shares in the German transmission systems operator 50Hertz via its 100 per cent subsidiary Eurogrid. The transaction closed on 22 August 2018. In June 2019 and in accordance with its mandate by the Federal Government, KfW swapped its 20 per cent equity stake in Eurogrid International CVBA for a 20 per cent equity stake in Eurogrid. This share swap was executed to simplify the holding structure. Under the mandate, KfW is fully covered by a guarantee provided by the Federal Republic of Germany against any economic risks resulting from its investment in Eurogrid. KfW's stake in Eurogrid is held via the holding company Selent, a 100 per cent subsidiary of KfW. Selent's principal asset is its investment in Eurogrid. Selent's business purpose is to hold and administer participations in other companies, in particular in Eurogrid.

Administrative, Management, and Supervisory Bodies

The Issuer is managed by a board of managing directors comprising two managing directors (*Geschäftsführer)* as listed below. It is legally represented by two managing directors (*Geschäftsführer*) jointly or by one managing director jointly with a holder of a commercial power of attorney (*Prokura*). The managing directors are appointed and removed by the supervisory board. As of the date of this Prospectus, the managing directors of Eurogrid are as follows:

Name	Responsibility	Principal activities outside the Issuer
Stefan Kapferer	Managing Director	Member of the Executive Committee of Elia Group NV/SA Chief Executive Officer of 50Hertz Transmission GmbH Chief Executive Officer of 50Hertz Offshore GmbH Chief Executive Officer of 50Hertz Connectors GmbH Member of the Board of Directors of Elia Grid International NV/SA
Yannick Dekoninck	Managing Director	Head of Capital Markets, Elia Group NV/SA

The business address of both managing directors is Heidestraße 2, 10557 Berlin, Germany.

Supervisory Board

Eurogrid is supervised by a non-obligatory supervisory board (*Aufsichtsrat*) consisting of five members appointed by its shareholders Eurogrid International and Selent GmbH.

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

Name	Position	Principal activities outside Eurogrid	Business Address
Bert Maes	Member	Chief Executive Officer Eurogrid International NV/SA; Chief Executive Officer Nemo Link Ltd.	Eurogrid International NV/SA Sablon Tower Joseph Stevensstraat 7 1000 Brussels Belgium
Dr. Lutz-Christian Funke	Vice Chairman	Secretary General of Kreditanstalt für Wiederaufbau AöR; Managing Director of Gesellschaft zur	Palmengartenstraße 5-9, 60325 Frankfurt am Main Germany

		Beteiligungsverwaltung GZBV Verwaltungs-GmbH; Member of the Board of KfW Stiftung; Member of the Supervisory Board of IKB Deutsche Industriebank AG; Member of the Supervisory Board of 50Hertz Transmission GmbH.	
Markus Berger	Member	Member of the Supervisory Board of 50Hertz Transmission GmbH; Member of the Executive Committee and Chief Infrastructure Officer of Elia Transmission Belgium NV/SA; Member of the Executive Committee and Chief Infrastructure Officer of Elia Asset NV/SA; Chairman of the Board of Directors of Elia Engineering NV/SA; Vice-chairman of the Board of Directors of Elia Grid International NV/SA; Member of the Board of Directors of Eurogrid International NV/SA; Member or the Board of Directors of Elia Re (Lux) SA; Chairman of the Board of Directors of Nemo Link Limited; Chairman of the Board of Directors and Administrative Council Member of Cigre Belgium ASBL/VZW; Member of the Strategic Committee of Union Wallonne des Entreprises. ASBL/VZW.	Elia Transmission Belgium Elia Group NV/SA Bd. de l'Empereur 20 B – 1000 Brussels Belgium
Peter Michiels	Member	Member of the Executive Committee and Chief Alignment Officer of Elia	Elia Group NV/SA Bd. de l'Empereur 20

		Group NV/SA; Member of the Executive Committee and Chief Human Resource and Internal Communication Officer of Elia Transmission Belgium NV/SA; Member of the Executive Committee and Chief Human Resource and Internal Communication Officer of Elia Asset NV/SA; Member of the Board of Directors of Eurogrid International NV/SA; Member of the Board of Directors of Elia Engineering NV/SA; Member of the Board of Directors of WindGrid NV/SA; Member of the remuneration committee of Synergrid ASBL/VZW, Fédération des Gestionnaires de Réseaux Electricité et Gaz en Belgique.	B – 1000 Brussels Belgium
Catherine Vandenborre	Chairwoman	Chairwoman of the Supervisory Board of 50Hertz Transmission GmbH; Chairwoman of the Executive Committee and CEO ad interimof Elia Group NV/SA; Member of the Executive Committee and Chief Financial Officer of Elia Transmission Belgium NV/SA; Member of the Executive Committee and Chief Financial Officer of Elia Asset NV/SA; Chairwoman of the Board of Directors of Eurogrid International NV/SA; Member of the Board of Directors of re.alto-energy SRL/BV; Member of the Supervisory Board of re.alto-energy GmbH;	Elia Group NV/SA Bd. de l’Empereur 20 B – 1000 Brussels Belgium

Chairwoman of the Board of Directors of WindGrid NV/SA;

Chairwoman of the Board of Directors of Elia Grid International NV/SA;

Member of the Board of Directors and Chairwoman of the Audit Committee of Proximus NV/SA;

Member of the Board of Directors Fonds de pension Proximus OFP;

Director of Canel SRL/BV.

Administrative, Management, and Supervisory Bodies Conflicts of Interest

None of the members of the board of managing directors or members of the supervisory board of Eurogrid have declared that there are any potential conflicts of interest between any duties to the Issuer and their private interests or other duties.

Fiscal Year

The fiscal year of the Issuer is the calendar year.

Financial Information

The audited consolidated financial statements of the Issuer as of and for the fiscal years ended 31 December 2022 and 31 December 2023 which have been prepared in accordance with the provisions of the International Financial Reporting Standards, as adopted by the European Union ("**IFRS**") and the additional requirements of German commercial law pursuant to Sec. 315e German Commercial Code (*Handelsgesetzbuch* – "**HGB"**), and the respective qualified independent auditor's reports (*Bestätigungsvermerke des unabhängigen Abschlussprüfers*) on these audited IFRS consolidated financial statements, are incorporated by reference into this Prospectus.

The qualified independent auditor's reports are fully reproduced on pages 77 to 85 of the pdf document of the Issuer's *Consolidated financial statements for fiscal year 2022 and independent auditor's report* thereon and on pages 54 to 63 of the pdf document of the Issuer's *Consolidated financial statements for fiscal year 2023 and independent auditor's report* thereon, respectively.

Statutory Auditors

BDO AG Wirtschaftsprüfungsgesellschaft, Berlin, Katharina-Heinroth-Ufer 1, 10787 Berlin, Federal Republic of Germany ("**BDO**") was the statutory auditor of the Issuer for the fiscal years ended 31 December 2022 and 31 December 2023. BDO has conducted their audits of the Issuer's consolidated financial statements prepared in accordance with IFRS as adopted by the European Union ("**IFRS Consolidated Financial Statements**") as of and for the fiscal years ended 31 December 2022 and 31 December 2023 in accordance with Section 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institute of Public Auditors in Germany (*Institut der Wirtschaftsprüfer in Deutschland e.V. (IDW)*), and in each case issued a qualified independent auditor's report thereon.

BDO is member of the Chamber of Public Accountants (*Wirtschaftsprüferkammer*), Berlin, Federal Republic of Germany.

Statement of No Material Adverse Change

There has been no material adverse change in the prospects of the Issuer since 31 December 2023.

Significant Change in the Financial Position

There has been no significant change in the financial position and the financial performance of the Group since 31 December 2023.

Legal and Arbitration Proceedings

The Issuer has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the 12 months preceding the date of this Prospectus which may have or have had in the recent past significant effects on the financial position or profitability of the Issuer or the Group.

Material Contracts

The Issuer is party to a profit and loss transfer agreement with 50Hertz, see "*Business Description of the Guarantors - 50Hertz Transmission GmbH – Material Contracts*".

Ratings

As of the date of this Prospectus, S&P Global Ratings Europe Limited[1],[2] has assigned the long-term credit rating of BBB and Moody's Investor Services[3] has assigned an unsolicited long-term credit rating of Baa2 to the Issuer.

A credit rating assesses the creditworthiness of an entity and informs an investor therefore about the probability of the entity being able to redeem invested capital. It is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

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1 S&P Global Ratings Europe Limited (SPGRE), a Dublin-based Irish company is registered with the European Securities and Markets Authority (the "**ESMA**") as a credit rating agency (CRA) under Regulation (EC) No. 1060/2009, as amended (the "**CRA Regulation**").

2 ESMA publishes on its website (http://www.esma.europa.eu) 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 update list in the Official Journal of the European Union within 30 days following such update.

3 Moody's Investor Services is established in the European Community and is registered under the CRA Regulation.

BUSINESS DESCRIPTION OF THE GUARANTORS – 50HERTZ TRANSMISSION GMBH

General Information

The legal and commercial name is 50Hertz Transmission GmbH ("**50Hertz**").

50Hertz operates under the laws of Germany and was incorporated as a limited liability company on 10 October 2001. The company has its corporate seat in Berlin, Germany and has its registered office at Heidestraße 2, 10557 Berlin. 50Hertz is registered with the commercial register of the local court (*Amtsgericht*) of Charlottenburg under registration number HRB 84446 B. The telephone number of 50Hertz is +49-30-5150-0. The website of 50Hertz is https://www.50hertz.com. The information on the website does not form part of this Prospectus unless that information is incorporated by reference into this Prospectus.

50Hertz' legal entity identifier (LEI) is 529900N6V96MBOIRXV55.

There have been no relevant recent events particular to 50Hertz which are to a material extent relevant to the evaluation of 50Hertz' solvency.

Object of 50Hertz

Article 2 of 50Hertz' articles of association (as translated from the German original), regarding its objects, reads as follows:

"*2.1* *Object of the Company shall be the construction, acquisition, operation, commercial use and provision of energy supply and telecommunication systems, in particular of a transmission network for electrical power with lines, switching devices and substations including other auxiliary equipment and the provision of all related services.*

2.2 *The Company may enter into all transactions and take all measures serving directly or indirectly the object of the Company. In particular, the Company may acquire or incorporate companies of the same or similar kind, and participate in such domestic and foreign companies, and enter into cooperation and enterprise agreements.*"

Business Description

Regulatory Framework

Relevant German Legislation and TSO Obligations

In order to understand the business of 50Hertz, which operates in a regulated environment, an overview of the applicable regulatory framework is provided below:

The German legal framework for electricity markets is laid down in various pieces of legislation. The key act is the Energiewirtschaftsgesetz ("EnWG"), which defines the overall legal framework for the gas and electricity industry in Germany. The EnWG is supported by a number of laws, ordinances and regulatory decisions, which currently provide detailed rules on the current regime of incentive regulation, regulatory accounting methods and network access arrangements. As mentioned before, in 2021 the Court of Justice of the European Union (CJEU) ruled inter alia that German legislation regarding the competences of BNetzA is not compliant with higher ranking European Union law. With the aim to foster BNetzA's competences with regard to tariff setting and BNetzA's independence and impartiality, the EnWG and central parts of regulations were amended or partially repealed, including but not limited to the ordinances listed below. BNetzA is obliged to replace the terminated ordinances by their own regulations and decisions in due time):

- The Ordinance on Electricity Network Tariffs (*Verordnung über die Entgelte für den Zugang zu Elektrizitätsversorgungsnetzen* (*Stromnetzentgeltverordnung* — "**StromNEV**")), which establishes, *inter alia*, principles (*Grundsätze*) and methods for the network tariff calculations and further obligations of network operators (due to expire on 31 December 2028);

- The Ordinance on Electricity Network Access (*Verordnung über den Zugang zu Elektrizitätsversorgungsnetzen* (*Stromnetzzugangsverordnung* — "**StromNZV**")), which, *inter alia*, sets out the further detail on how to grant access to the transmission systems grids (and other types of grids) by way of establishing the balancing account system (*Bilanzkreissystem*), scheduling of electricity deliveries, control power and further general obligations, e.g. capacity shortage (*Engpassmanagement*), publication obligations, metering, minimum requirements for various types of contracts and the duty of certain network operators to manage the balancing account system for renewable energy (due to expire on 31 December 2025); and

- The Ordinance on Incentive Regulation ARegV, which sets out the basic rules for incentive regulation of TSOs and other network operators (as further described below in "*Tariff Setting in Germany*"). It also describes in general terms how to benchmark efficiency, which costs enter the efficiency benchmarking, the method of determining inefficiency and how this translates into yearly targets for efficiency growth (due to expire on 31 December 2028).

All TSOs in Germany with control area responsibility are subject to a number of obligations as a result of, *inter alia*, the following laws and ordinances (please note that the legal framework will be amended to implement the above mentioned CJEU ruling):

- *Network expansion obligations:* All German network operators are obliged to operate, maintain and, in line with demand, optimise and expand their network systems (Sec. 11 para. 1 EnWG). Based on this more general obligation, the German TSOs with control area responsibility are obliged to set up so-called network development plans (*Netzentwicklungspläne - "***NEP***"*) every two years in order to safeguard a coordinated development and the expansion of the German network systems. The NEP is subject to consultation and confirmation by the BNetzA. By confirmation of the NEP BNetzA confirms the network expansion projects included in the NEP. At least every four years, BNetzA provides the confirmed NEP to the Federal Government as draft for the federal demand plan (*Bundesbedarfsplan*) which is binding for the TSOs as to implementing the confirmed expansion measures as well as for the planning authorities as to the planning law and energy law related necessity of the measures. Further statutes, such as the Network Expansion Acceleration Act (*Netzausbaubeschleunigungsgesetz)* and Energy Line Expansion Act (*Energieleitungsausbaugesetz*), further promote the network expansion (including the upgrade of existing as well as the construction of new lines). The costs associated with such network expansion measures can be included in the network fee calculation. As in 2022, the legislator continued its activities to speed up approval procedures in 2023 and 2024. In 2023, in addition to the so-called ECJ Implementation Act with adjustments to the approval procedures, the implementation of the so-called EU Emergency Regulation Regulation (EU) 2022/2577) in Section 43m EnWG with temporary exemptions in the area of environmental law is particularly noteworthy. The EU Renewable Energy Directive (Directive (EU) 2023/2413), which provides for permanent exemptions in the area of environmental law, is due to be implemented in 2024.

- *Connection obligations in respect of power generation facilities*: The EnWG sets the general rules for connection of power generation facilities. According to these rules, the German TSOs with control area responsibility must connect power generation facilities to their network on technical and economic conditions that are appropriate, non-discriminatory, transparent, and no less favourable than the network operator would apply to itself or to affiliated companies. TSOs can refuse a connection if they can prove that the connection is not possible or unreasonable for operational, technical or economic reasons. The details of the procedures are laid down, *inter alia*, in the *Kraftwerks-Netzanschluss-Verordnung* ("**KraftNAV**").

- Offshore grid planning is based on the so called Network Development Plan (Netzentwicklungsplan, "NEP"), which is drawn up by the Transmission System Operators (TSOs) and confirmed by the Federal Network Agency (BNetzA). For offshore wind energy, the NEP takes into account the requirements of the so called Spatial Development Plan (Raumordnungsplan, "ROP") and the Site Development Plan (Flächenentwicklungsplan, "FEP") of the Federal Maritime and Hydrographic Agency (BSH). While the ROP defines all spatial restrictions in the EEZ, the FEP makes concrete spatial, technical and planning specifications for offshore wind turbines and offshore grid connection system to realise the specifications of the Offshore Wind Energy Act (Windenergie auf See-Gesetz, WindseeG). The BNetzA invites tenders for the capacities for wind farms specified annually in accordance with the requirements of the WindSeeG. These wind farms are to be connected by the TSOs at their expense in accordance with Section 17d of the German Electricity and Gas Supply Act (Gesetz über die Elektrizitäts- und Gasversorgung, EnWG) in line with their control area responsibility. The costs incurred in connection with this obligation are covered via the offshore grid surcharge. Since 2023, the collection of the "Offshore-surcharge" has been regulated by the EnFG. The TSOs with control area responsibility are responsible to collect the Offshore-surcharge from the electricity-intensive network customers within the meaning of Sec. 12 EnFG directly.

- *EEG and EEV (Erneuerbare-Energien-Verordnung) obligations*: To promote the use of renewable energy facilities, the former Renewable Energy Sources Act (2009) provided for a system of fixed tariffs for electricity generated from renewable sources which has been replaced for new facilities by so-called market premiums according to the current EEG that came into effect as of 1 January 2017. New wind, biomass and solar plants above a certain size will receive a bonus only if they have previously won in a tender procedure. The German TSOs with control area responsibility have to take off the energy generated by renewable energy facilities either connected directly to their network or being connected to distribution system operators ("**DSOs**") who then pass the electricity on to the TSO level and pay such fixed tariffs or market premiums to the plant operators or reimburse prior DSO payments if the facility is connected to their network. Taking into account regional differences in the generation of renewable energy, the EEG provides in Sec. 58 EEG in conjunction with the newly created Energy Financing Act (EnFG) for a nationwide equalisation mechanism amongst the TSOs with control area responsibility for the costs associated with this obligation. As a result, the four TSOs in Germany with control area responsibility share these costs amongst themselves based on an agreed mechanism, technical proceedings and necessary information exchange. After the costs resulting from the EEG were fully financed by the EEG surcharge collected by the TSOs until 2021, a federal subsidy was introduced in 2022, which covered part of the costs. Since 2023, the costs resulting from the EEG have been financed entirely by a grant from the Federal Republic of Germany. The conditions for the subsidy payment are regulated between the TSO and the Federal Republic of Germany in a public law contract (according to Sec. 9 EnFG). Under the EEV, the TSOs with control area responsibility must market the feed-in from renewable energy facilities that they have been given on the day-ahead or intraday markets of a power exchange. The costs related to meeting the EEG obligations, including the associated costs of managing and financing them, are treated as pass-through costs. In cases when there is a difference between actual costs and actual revenues in a given year, the net costs are recovered in the following years.

- *Combined Heat and Power Act ("***CHP***" Act* or *"***KWKG***"):* The declared purpose of the law is to "make a contribution", particularly in the interests of energy saving and climate and environmental protection, to transition to sustainable and greenhouse gas-neutral energy supply in the national territory of the Federal Republic of Germany, including the German exclusive economic zone (federal territory), which is completely based on renewable energies. To achieve this aim, the KWKG defines a support mechanism for CHP plants and certain newly built or expanded heat networks. The law places a duty on network operators to connect certain eligible types of CHP plants and to prioritise the feed-in of their electricity. Whilst operators of a CHP plant with a CHP capacity exceeding 100 kW are obliged to direct marketing, operators of smaller CHP plants may opt for the purchase of the CHP energy by the network operator. The production of electricity from CHP is promoted up to a certain amount with a bonus payment to be paid by the network operator to whose network the CHP plant is connected, depending on the kilowatt-hours generated and in some cases on whether the plants have won a tender issued by the BNetzA. If such a CHP plant is connected to the DSO level, costs of the DSO can be passed on to the upstream TSOs who share them pro rata to ensure that financial burdens are equally shared amongst all network operators. The equalised costs are then passed back to the downstream networks in form of a uniform nationwide "KWK-surcharge" which will then be paid by the end consumers together with the respective network fees. Since 2023, the collection of the "KWK-surcharge" has been regulated by the EnFG. The TSOs with control area responsibility are responsible to collect the KWK-surcharge from the electricity-intensive network customers within the meaning of Sec. 12 EnFG directly. The costs related to meeting the *KWKG* obligations are treated as pass-through costs.

- *Obligations related to individual grid tariffs according to StromNEV:* Grid users can apply for so-called individual grid tariffs which are, compared to the standard grid tariffs, lower and take into account that particularly large industrial grid users contribute to a permanent and steady usage of the network system. The TSOs are obligated to reimburse DSOs for loss of income resulting from such lower individual grid tariffs. The TSOs then balance their respective compensation payments towards DSOs and their own loss of income amongst each other according to a specific distribution key. The financial burden is then passed back to the downstream networks in the form of a uniform nationwide "Sec.19 StromNEV surcharge" which will then be paid by the end consumers together with the respective network fees.

- *Obligations according to Electricity Market Act:* In July 2016, the Electricity Market Act (*Strommarktgesetz*) entered into force. Main aspects with relevance to the TSOs were the introduction of several kinds of reserves (the so-called grid reserve and the grid stability units for the purpose of congestion management, voltage stability and black start capability, the capacity reserve to ensure generation adequacy and the security reserve that shall allow for a phase-out of lignite power plants and also ensure generation adequacy in the meantime). The costs resulting from these reserves are permanently non-influenceable costs in terms of the incentive regulation and therefore can be charged within the network tariffs without efficiency requirements.

- *Obligations according to the Digitalization Act (Gesetz zur Digitalisierung der Energiewende):* In May 2023, the Digitalization Act, the core of which is the new German Smart Meters Operation Act (*Messstellenbetriebsgesetz - MsbG*) has been redesigned. The main aspect of the renewed Digitalization Act which could have an impact on the TSOs is that grid operators will share in the costs arising from the rollout of smart meters. The extent to which the costs can be passed on has not yet been determined. Furthermore, the redesign of communication systems and processes to ensure the processing of a high volume of smart meter data will have an impact. The responsibility for the aggregation of the metering data for better balancing energy generation with consumption is given to the TSOs.

Regulatory agencies in Germany

The regulatory agency for the energy sector in Germany is the BNetzA in Bonn for network systems to which 100,000 or more network users are directly or indirectly connected and the specific regulatory authorities in the respective federal states for network systems to which less than 100,000 network users are directly or indirectly connected. The regulatory agencies are, *inter alia*, in charge of ensuring non-discriminatory third-party access to networks and monitoring the tariffs levied by the TSOs. 50Hertz is subject to the authority of the BNetzA.

Tariff Setting in Germany

The tariff regulation mechanism in Germany is currently determined by EnWG, StromNEV and ARegV. The grid tariffs are calculated based on the revenue cap (Sec. 17 ARegV) and comprise the onshore business. The revenue cap is determined by the BNetzA for each TSO and for each regulatory period. The revenue cap can be adjusted to account for specific cases provided for in the ARegV. The network operators are not allowed to retain revenue in excess of their individually determined revenue cap. If network operators nevertheless retain revenues in excess of their individually determined revenue cap, a compensation mechanism applies that leads to the reduction of future tariffs (Sec. 5 ARegV). Each regulatory period lasts five years, and the fourth regulatory period started on 1 January 2024 and will end on 31 December 2028. Tariffs are public and are not subject to negotiation with customers. Only certain customers (under specific circumstances that are accounted for in the relevant laws) are allowed to agree to individual tariffs according to Sec. 19 StromNEV (for example, in the case of sole use of a network asset). The Network Tariffs Modernisation Act (*Netzentgeltmodernisierungsgesetz* – "**NEMoG**"), which entered into force in July 2017 and the Ordinance on the Gradual Introduction of Uniform Federal Network Transmission Tariffs

(*Verordnung zur schrittweisen Einführung bundeseinheitlicher Übertragungsnetzentgelte*) of 5 April 2018, introduced a step by step implementation of nationwide uniform network tariffs for all German TSOs with control area responsibility. This step by step approach started in 2019 with a nationwide uniform share of 20 per cent of the individual cost basis of each TSO and led to nationwide uniform network tariffs in 2023. Moreover, the NEMoG introduces the transfer of offshore grid connection and operation costs as of 2019 to the former offshore liability surcharge which consequently was renamed offshore grid surcharge (*Offshore-Netzumlage*).

For the purposes of the revenue cap, the costs incurred by a network operator are classified into two categories as follows:

- Permanently non-influenceable costs ("**PNIC**"): these costs are generally direct pass through costs to customers and are recovered in full, albeit with a two-year time lag, unless stated otherwise. The cost items recognized in the PNIC are defined in the ARegV and include a selected number of allowed cost items, such as worker council costs, operational taxes and costs and revenues resulting from so-called procedural regulations (see below). Prior to the fourth regulatory period, there were still the investment measures ("IM") for expansion and restructuring investments in the onshore grid, which were considered PNIC and accounted for a large part of it. However, the ARegV revision in 2021 introduced the capital cost adjustment (Kapitalkostenabgleich "KKA") as the new remuneration regime for onshore transmission network investments. The new regime will replace the current regime of investment measures ("IM") in 2024. In this context, the CAPEX part of the already deducted claw backs for the third regulatory period will be refunded without interest via the regulatory accounts 2019 to 2021. Furthermore, several procedural regulations also considered as PNIC are in place covering such cost items, inter alia, relating to control power, onshore grid losses and redispatch as well as costs from European initiatives, ITC, grid reserves and auction revenues and redispatch costs on interconnectors.

- Temporarily non-influenceable costs ("**TNIC**") and influenceable costs ("**IC**"): TNIC and IC are all costs that do not classify as PNIC, e.g. maintenance costs. TNIC are all respective costs which are deemed fully efficient. They are included in the revenue cap, taking into account an annual adjustment for inflation and the Xgen. The Xgen reduces the revenue cap as part of the regulation formula and was set by section 9 ARegV at annually 1.25 per cent in the first regulatory period and annually 1.5 per cent in the second regulatory period. Pursuant to section 9 para. 3 ARegV BNetzA prior to the third regulatory period had to determine a new Xgen. With decision dated 28 November 2018 it set the Xgen for power network operators at 0.90 per cent. 50Hertz appealed against the decision concerning the power sector to the Higher Regional Court of Düsseldorf. Currently, 50Hertz is not actively pursuing the case, pending a final decision in other model proceedings. A first decision in a model proceeding was taken in 2021. On 9 July 2019, the Higher Regional Court of Düsseldorf revoked in a model procedure the corresponding BNetzA decision in the gas sector. BNetzA successfully appealed against the Higher Regional Court of Düsseldorf's decision at the BGH. BGH confirmed BNetzA's determination of Xgen on 26 January 2021. In the model proceeding BGH decided in favor of BNetzA – no changes regarding the determination of Xgen. The Xgen for the fourth regulatory period is not yet determined. The IC are also included in the revenue cap. The IC are annually adjusted with regard to inflation and a general productivity factor, but, in addition, IC are also subject to Xind (with an Xind of 100 % in the fourth regulatory period, there are no IC and no inefficient costs). The efficiency factor provides an incentive to the TSO to reduce or eliminate the inefficient costs over the course of the regulatory period. If a grid operator is deemed 100 per cent efficient, the full respective cost volume is allocated to TNIC, thus the cost basis (excluding PNIC) is only adjusted with regard to the general productivity factor and inflation by a general inflation factor computed based on a statutorily fixed formula. In addition, the current incentive mechanism provides for the use of a quality factor which could also be applied vis-à-vis the TSOs but the criteria and implementation mechanism for such a quality factor for TSOs is yet to be established by the BNetzA. Both TNIC and IC include the capital costs (i.e. remuneration for return on equity (based on a cap of 40 per cent), cost of debt (also subject to a cap), depreciation and imputed trade tax for assets which are included in the base year and do not qualify as PNIC).

The cost of capital surcharge (Kapitalkostenaufschlag "KKauf") as a new remuneration regime for onshore transmission network investments from 1 January 2024 provides for an annual adjustment of the revenue cap. However, this is neither a PNIC, a TNIC nor an IC. The KKauf is calculated in accordance with Section 10a ARegV and added to the revenue cap in accordance to ARegV Annex 1.

With regard to return on capital, the BNetzA provides separate revenue allowances for the return on equity and cost of debt. For the allowed return on equity, which is included in the TNIC/IC for assets belonging to the regulatory asset base and the PNIC for assets approved in IM, the return on equity for the third regulatory period is set at 5.12 per cent for investments made before 2006 and 6.91 per cent for investments made since 2006, based on 40 per cent of the total asset value regarded as "financed by equity" with the remainder of the investment treated as "quasi-debt". The return on equity is calculated before corporate tax and after imputed trade tax. Post tax, this return on equity for the third regulatory period would result in a rate of 4.18 per cent for investments made before 2006 and 5.64 per cent for investments made since 2006. The return on equity rate is redetermined by the BNetzA for every regulatory period. In October 2021, BNetzA determined the return on equity for the fourth regulation period starting 2024. The return on equity was determined at 5.07 per cent (post tax: 4.13 per cent) for investments realized after 2006 (3.51 per cent for investments until 2006). 50Hertz appealed against BNetzA's decision regarding the revenue cap determination of the return on equity for the fourth regulation period. A decision of the court is pending. With respect to the cost of debt, the allowed cost of debt related to TNIC/IC is capped if it cannot be proven as being in line with the market (marktkonform). The allowed cost of debt related to PNIC incurred by approved investment measures is capped at the lower of the actual cost of debt or cost of debt as calculated in accordance with a BNetzA determination – unless exceeding cost of debt is proven as being in line with the market. On 24 January 2024 the BNetzA (German regulator) announced the final decision regarding regulatory Return on Equity (RoE) for onshore investments in response to an unexpected and substantial rise in interest rates. According to this decision, the RoE for new onshore investments starting in 2024 will be determined annually, incorporating a fixed risk premium and an updated base interest rate for that specific year. This would mean an adjustment from 4.13 per cent to 5.78 per cent after tax (corresponds to 7.09 per cent before corporate income tax) for the year 2024. As for existing investments up to 2023 and projects that have already been realized, the initial unadjusted rate of 4.13% post-tax (corresponding to 5.07 per cent before corporate income tax) will be applied throughout the entire regulatory period. Following discussions with the BNetzA, it appears that the same regulations may also be extended to offshore assets. A final BNetzA decision for Offshore investments is expected in the following months.

In addition to the grid tariffs, costs and revenues regarding the offshore business are subject to the offshore grid surcharge as of 2019. The offshore grid surcharge comprises CAPEX (including return on equity) and actual OPEX according to the Ordinance on Grid Tariffs (*StromNEV*) and the Ordinance on Incentive Regulation (*ARegV*) as well as payments to offshore wind farms following the offshore liability provisions established in the EnWG to compensate for interruptions or delays of offshore grid connections. The offshore grid surcharge is calculated annually based on planned costs for year t with a later actual cost settlement in year t+1 and corresponding compensation for deviations between planned and actual costs in the offshore grid surcharge of the year t+2.

In addition to the grid tariffs and the offshore grid surcharge, 50Hertz is compensated for costs incurred related to its renewable energy obligations, including EEG and CHP/KWKG, and other obligations like the individual grid tariffs mechanism according to StromNEV subject to surcharges.

European Regulation and Laws

The activities of 50Hertz are influenced not only by the regulatory framework in Germany, but also by European Union regulation and legislative acts, which are to be implemented into German law.

In respect of electricity, the Third Energy Package – which was adopted in 2009 consisting of a set of European Union (EU) Regulations and Directives relating to the European internal energy market – also included Regulation (EC) 713/2009 establishing an Agency for the Cooperation of Energy Regulators (ACER), which is entitled to handle electricity matters within its competences. ACER is a decentralised body of the European Union with legal personality. It shall issue opinions on all questions related to the field of energy regulators. It can participate in the creation of network codes and guidelines in the fields of electricity and gas and it can make decisions regarding cross-border infrastructure within its competences, including derogations from certain provisions in the applicable regulations.

In 2018 and 2019 the European legislator adopted the so-called "Clean Energy Package", which largely replaces the Third Energy Package. However, the key principles of the Third Energy Package are maintained by the Clean Energy Package. For 50Hertz' business as a TSO the Regulation on the internal market for electricity (EU) 2019/943 ("**Electricity Regulation**") and the Directive on common rules for the internal market for electricity (EU) 2019/944 are most relevant.

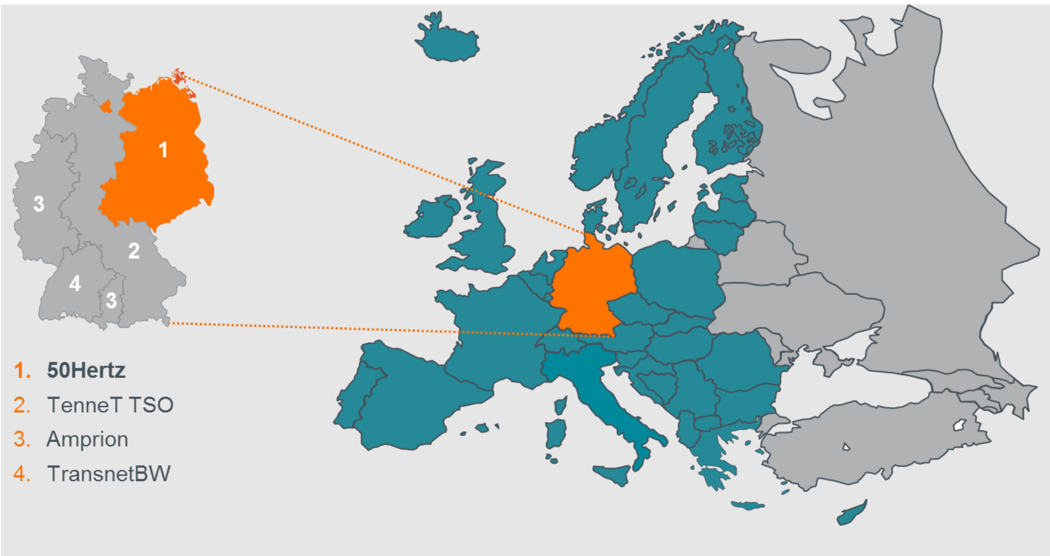
Regulation (EC) 714/2009, which was part of the Third Energy Package, sets out areas in which network codes and guidelines were to be developed. This regulation was recast by the Electricity Regulation which also requires further network codes and guidelines to be developed. Network codes and guidelines are sets of rules which apply to specific areas of the energy sector. They are based on framework guidelines developed by ACER. ENTSO-E, a non-profit organisation consisting of all European TSOs, then has to draft these new rules. They become binding after being adopted by the European Commission as a regulation via the comitology procedure. Most relevant network codes and guidelines for 50Hertz' business developed under the Third Energy Package are in particular the Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a guideline on capacity allocation and congestion management – CACM GL, Commission Regulation (EU) 2017/1485 of 2 August 2017 establishing a guideline on electricity transmission system operation – SOGL and Commission Regulation (EU) 2017/2195 of 23 November 2017 establishing a guideline on electricity balancing,- EBGL. They establish obligations on the European TSOs to cooperate on facilitating cross border energy exchanges with the aim to implement the European internal energy market.

Business Overview

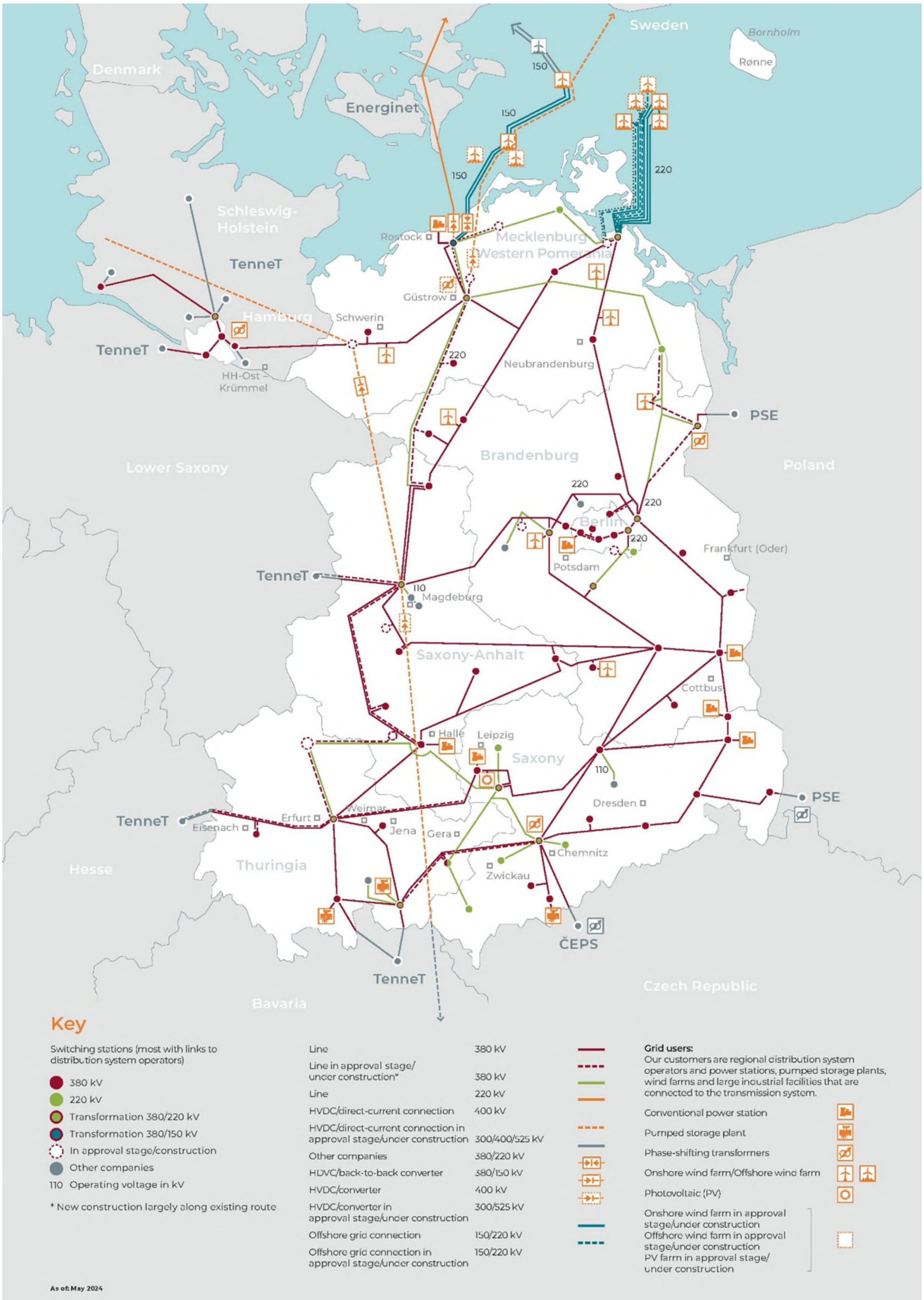
50Hertz is one of the four TSOs in Germany that owns, operates, maintains and develops a 400 kV — 150 kV transmission network with an installed capacity of around 70,000 MW (thereof around 46,000 MW renewables, thereof around 22,500 MW wind on- and offshore). The 50Hertz-grid has a circuit length of around 10,700 km in an area covering the five Eastern German states of Thuringia, Saxony, Saxony-Anhalt, Brandenburg and Mecklenburg-Western Pomerania as well as Berlin and Hamburg and also the grid connections of offshore wind farms in the Baltic Sea. 50Hertz' control area covers approximately 110,000 km² (a third of Germany) with about 18 million inhabitants. Maintenance of the transmission system, substations and switching stations is organized through five regional centers; renewable energy already accounts for over 70 per cent of the electricity consumption in the 50Hertz-grid region. This share will further increase over the next years following further investments in integrating photovoltaic generation, wind onshore and offshore wind farms in the Baltic Sea. 50Hertz' administrative centre is situated in Berlin-Mitte. In addition, 50Hertz' grid is situated at the crossroads between the Western and Northeastern European electricity markets due to the central location of its network between Denmark, Poland, the Czech Republic and Central Western Europe.

As of 31 December 2023, 50Hertz reported total assets amounting to € 10,623.4 million. In the fiscal year ended 31 December 2023, the operations of 50Hertz generated revenue of € 10,074.4 million and cash flow from operating activities of € -1,794.7 million. The average number of employees of 50Hertz in 2023 was 1,645 and in addition an average of 35 trainees.

50Hertz' location within Europe and Germany is shown below:



A map with the grid operated by 50Hertz is shown below:



Under the German legal and regulatory framework, 50Hertz performs the following services:

- *Operate a safe, reliable and efficient transmission grid on a non-discriminatory basis:* 50Hertz has to operate, maintain and develop its grid meeting the demands of its customers to the extent this is economically reasonable. In particular, the TSOs have to contribute to security of supply by providing appropriate transmission capacity and system reliability.

- *Provide grid connection and transport electricity through the high voltage grid*: 50Hertz is obligated to provide physical connection to its grid to final customers, level or downstream electricity supply grids and lines, as well as generation facilities (whose statutory priority feed-in might have to be considered in case of congestions) subject to technical and economic conditions that are appropriate, non-discriminatory, and transparent. In addition, and in accordance with regulated third party access ("**TPA**") rules, 50Hertz must also grant TPA to their grid on an economically reasonable, non-discriminatory and transparent basis.

- *Provide preferential grid connection to, and feed-in electricity produced from renewable energy sources:* With regards to electricity generated from renewable energy facilities, TSOs in Germany are under the obligation to optimise, amplify and expand their grid and, as far as economically reasonable, to ensure the purchase, transmission and distribution of such electricity. Accordingly, 50Hertz is obligated to connect without undue delay all renewable energy facilities in its control area to its transmission grid and any delay in such connections may subject 50Hertz to damage claims. In particular, 50Hertz is obligated to construct connections to all offshore wind farms in its control area under the further prerequisites of the EnWG and to share the costs incurred thereby with the other German TSOs.

- *Provide system service:* 50Hertz has the responsibility to maintain a secure and reliable energy supply system. The development of the German electricity market in recent years has led to a disproportionate share of energy being consumed in the southern and western parts of Germany, whereas the majority of the renewable energy generation is located in the northern and eastern parts of Germany. Taking into account these regional differences in the generation of renewable energy and fluctuating feed-in from renewable energy facilities, 50Hertz is focused on maintaining a system balance between generation and consumption at all times. In order to continuously balance demand and supply of electricity, 50Hertz primarily relies on the use of different types of control power (primary, secondary and tertiary control power). In addition, 50Hertz conducts congestion management measures when required and manages grid losses in its transmission system by procuring energy.

- *Manage cross-border connections:* 50Hertz operates a number of cross-border interconnections to Poland, Denmark and the Czech Republic. Their management involves non-discriminatory and transparent transfer capacity allocation mechanisms under pertinent European legislation and under EnWG.

In addition to the core businesses with respect to system operation and transmission ownership mentioned above, 50Hertz has further roles in the German electricity market:

- It is responsible as trustee for managing cash-flows resulting from the German Renewable Energy Sources Act ("**EEG**"). Amongst others, the electricity generated from renewable installations in the 50Hertz control zone under the feed-in-tariff regime is sold by 50Hertz at the day-ahead and intraday market of nominated electricity market operators.

- It is facilitator for the development of the energy market, especially in the capacity calculation regions (CCRs) Core, Hansa and Central Europe. Amongst others, 50Hertz is active in designing the European and national electricity market in a way that it serves best an efficient and secure system operation.

When the Electricity Price Brake Act came into force on 1 January 2023, far-reaching new tasks and obligations had to be established in the German energy market to mitigate the extreme increases in electricity prices for households and companies. The transmission system operators (and thus also

50Hertz) formed a key position between the electricity supply companies and end consumers to be relieved and the plant operators and distribution system operators, who financed the relief by skimming off any excess revenues. Any differences between the amounts skimmed off and the amounts to be relieved were compensated by the Economic Stabilization Fund of the Federal Republic of Germany. A public law agreement had been concluded between the Federal Republic of Germany and the transmission system operators to determine the precise details. The energy price brakes ceased to exist at the end of 2023.

Key Projects

In the upcoming five years (2024-2028), 50Hertz plans to invest €12.9 billion in Germany, after investing about €3.2 billion in the past 5 years (2019-2023). 50Hertz' most important projects at present are the South-East Link (*SuedOstLink*, the direct current connection between Saxony-Anhalt and Bavaria) and its extension to the North (*SuedOstLink+* connecting Offshore capacities from North and Baltic Sea from Mecklenburg to Bavaria) and the North-West for the same target (*NordOstLink* connecting the aforementioned DC links to the landfalls of North Sea Offshore wind connections), the completion of the Uckermark Line (*Uckermarkleitung*) and the capacity enhancement of further sections of the overheadlines Roehrsdorf-Weida-Remptendorf and Pulgar-Vieselbach, the 380kV Berlin diagonal power link (*380 kV Kabeldiagonale Berlin*) and reinforcement of pylons and ampacity increase all over the 50Hertz grid (*Mastverstärkungsprogramm, Ampacity Increase Program*). Adding new substations as well as restructuring existing ones will contribute significantly in the future to increase the number and capacity of connections with the distribution systems and improve flexibility of the grid, i.e. with phase shifters and reactive power.

From the first project planning phase, each of the grid development projects of 50Hertz is systematically accompanied by a transparent dialogue and public participation process in order to integrate external stakeholder input. This enhances the project quality, lowers the risk of delays and enhances acceptance for required new infrastructure.

Strategy

The 50Hertz strategy is developed around its mission: In the interest of society, we make the energy transition happen to decarbonize Europe by delivering the needed power infrastructure and shaping the European markets. We keep the lights on by operating a reliable and sustainable system and innovate to meet evolving consumers' needs in an efficient way and to protect people's safety. We create further value for society in the changing energy landscape. 50Hertz pursues the vision of "a successful energy transition for a sustainable world.

By establishing the company-wide "Act Now"-program, 50Hertz has embedded sustainability into its strategy and defined long-term objectives to further improve its performance along five key dimensions closely linked with its core business activities. The five key dimensions Climate Action, Environment & Circular Economy, Health & Safety, Diversity, Equity & Inclusion and Governance, Ethics & Compliance have been derived from the global Sustainable Development Goals (SDGs) of the United Nations. 50Hertz is committed to avoiding and reducing its direct CO2 emissions, increasing biodiversity around 50Hertz assets, and further advancing occupational safety and diversity in the workplace. In addition, 50Hertz will work more closely with its suppliers and partners on concepts for the reduction of the CO2-footprint, the reuse and reconditioning (circularity) of the materials used and the eco-design of its assets.

As Transmission System Operator, 50Hertz' ambition is to go beyond the mere delivery of its own value chain activities and to become an active promoter for integrating even more renewables and for helping consumers to decarbonize and electrify in order to foster climate sustainability in its grid control area. For this purpose, the strategic objective "100 percent by 2032" was established which is about achieving a 100 per cent coverage of electricity consumption through renewables in the 50Hertz grid control area by 2032. In this context, 50Hertz develops its digital skills and cooperates with many different stakeholder groups. It aims to support renewable energy sources to accelerate their deployment to meet the ambitious targets and the industry in their decarbonization efforts, achieving a leveraged contribution in fighting climate change. 50Hertz sees the future in the secure integration of maximum shares of volatile renewable energies into the grid, the system, and the market to create value for society and industry.

With the "Act Now"-program and the strategic objective "100 percent by 2032", 50Hertz has operationalized its strategy and identified activities to be delivered that become then part of the business plan.

Since 2012, the biennially issued NEP is the basis for onshore grid development projects of 50Hertz. Offshore grid development projects used to be integrated into the O-NEP. As of 2019, the O-NEP as well as the Spatial Offshore Grid Plan (*Bundesfachplan Offshore* – "**BFO**") were replaced partially by the FEP in primary responsibility of the Federal Maritime and Hydrographic Agency (*Bundesamt für Seeschifffahrt und Hydrographie*) and partially by an accordingly extended NEP responsibility by BNetzA. The FEP and NEP are since then the basis for the grid development projects of 50Hertz. The Issuer and the Guarantors will look to meet these and other financing needs through diversified sources of funding.

Subsidiaries

50Hertz' subsidiaries include its 100 per cent subsidiaries 50Hertz Offshore and 50Hertz Connectors as well as its minority shareholdings in JAO (4.0 per cent ownership), CORESO (7.9 per cent ownership), EEX (5.4 per cent ownership), EGI (49.99 per cent ownership), decarbon1ze (6.6 per cent ownership) and TSCNET Services (6.7 per cent ownership). Each is described further below:

a. *50Hertz Offshore*: 50Hertz Offshore GmbH was established in 2007 to facilitate the grid connection of the offshore wind farms to the control area of 50Hertz and operates these connections on behalf of 50Hertz as required now under Sec. 17d of the EnWG in accordance with the 2006 Infrastructure Planning Acceleration Act (*Infrastrukturplanungsbeschleunigungsgesetz 2006*). See "*Business Description of the Guarantors - 50Hertz Offshore GmbH*" for additional information on 50Hertz Offshore;

b. *50Hertz Connectors*: 50Hertz Connectors GmbH was established in 2023 in particular to plan, erect, construct, acquire, operate, maintain in particular interconnectors including offshore interconnectors both in Germany and in foreign countries;

c. *JAO*: As of 31 December 2014, 50Hertz Transmission had an 11.1 per cent shareholding in CAO Central Allocation Office GmbH ("**CAO**") based in Freising. In 2015, CAO was merged into Capacity Allocation Service Company.eu SA ("**CASC**"), Luxembourg. CASC was subsequently renamed Joint Allocation Office SA, keeping its registered office in Luxembourg. In 2017, based on all European TSOs' proposal, all European national regulatory authorities have assigned JAO the function of operating the single allocation platform in accordance with Article 49 of Regulation (EU) 2016/1719 (FCA Regulation). As a consequence, the number of JAO shareholders has increased. Currently, 50Hertz holds shares in the issued capital of JAO of 4.0 per cent;

d. *CORESO: CORESO SA* was established by Elia (which has transferred its participation to its wholly owned subsidiary ETB Belgium TSO) and RTE (French TSO). Beside 50Hertz other TSOs joined, namely National Grid ESO (UK), Terna (Italy), REN (Portugal) REE (Spain), EirGrid (Ireland) and SONI (UK Northern Ireland). The purpose of CORESO as Regional Coordination Centre (RCC according to the European Regulations) is to provide supporting services in the framework of security of supply inter alia by common system security calculations and coordination services between the respective customers or in cooperation with similar service providers; 50Hertz holds shares in the issued capital of CORESO of 7.9 per cent;

e. *EEX*: European Energy Exchange AG is an energy exchange offering e.g. exchange trading of energy and energy related products as well as registration services. 50Hertz holds shares in the issued capital of EEX of 5.4 per cent;

f. *EGI*: Elia Grid International NV/SA is a company founded by 50Hertz (49.99 per cent) and Elia (50.01 per cent.) in 2014 offering consultancy and engineering services on the international energy market. EGI owns 100 per cent of Elia Grid International GmbH, 100 per cent of Elia Grid International LLC in Saudi Arabia and 100 per cent of Elia Grid International Inc. in Canada;

g. *TSCNET Services:* TSCNET Services GmbH was registered in 2014, 50Hertz being one of the founding shareholders. Since 2013, experts dispatched from TSC member TSOs as well as additional staff work in Munich day and night (24/7), providing tailor-made coordination services for operational planning, forecast data merging, congestion assessment and capacity calculation for the control centers of TSOs in continental Europe. TSCNET Services is another of in total 6 Regional Coordination Centres (RCC according to the European Regulations). 50Hertz holds shares in the issued capital of TSCNET of 6.3 per cent. Other shareholders are also TSOs, namely Amprion (Germany), APG (Austria), ČEPS (Czech Republic), CREOS (Luxembourg), ELES (Slovenia), HOPS (Croatia), MAVIR (Hungary), PSE (Poland), SEPS (Slovakia), Swissgrid (Switzerland), TenneT TSO (Germany), TenneT TSO (the Netherlands), Transelectrica (Romania) and TransnetBW (Germany); and VUEN (Austria); and

h. *decarbon1ze*: decarbon1ze is a start-up still in the seed phase. The object of decarbon1ze is the acceleration of the energy transition through sector coupling, exploitation of renewable electric energy and low level inclusion of end costumers, the development and operation and distribution of energy management IT- and metering system and the support and execution of energy management processes 50Hertz holds shares in the issued capital of decarbon1ze of 6.6 per cent.

Major Shareholders, Organisational Structure and Share Capital

The registered share capital of 50Hertz amounts to € 200,000,000 comprising four shares with nominal values of € 25,000, € 149,975,000, € 49,000,000 and € 1,000,000, respectively. All four shares have been issued and fully paid up, and are owned by the Issuer, which acquired 50Hertz from Vattenfall Europe AG on 19 May 2010. A brief description of the organisational structure of the Issuer, 50Hertz and its subsidiaries can be found under "*Business description of the Issuer – Organizational Structure*", above.

Administrative, Management, and Supervisory Bodies

Management

50Hertz is managed by a board of managing directors, comprising five managing directors as listed below. It is legally represented by two managing directors (*Geschäftsführer*) jointly or by one managing director jointly with a holder of a commercial power of attorney (*Prokura*). The managing directors are appointed and removed by the supervisory board. The company has a personnel director (*Arbeitsdirektorin*) whose duties and powers are determined by Section 33 para 2 of the German Co-determination Act 1976 (*Mitbestimmungsgesetz 1976*). The personnel director is nominated by the trade union IG BCE (*Industriegewerkschaft Bergbau, Chemie, Energie*) and shall not be appointed or removed against the vote of the majority of the employees' representatives in the supervisory board.

As at the date of this Prospectus, the managing directors of 50Hertz are:

Name	**Responsibility**	**Principal activities outside 50Hertz**
Stefan Kapferer	Chief Executive Officer	Member of the Executive Committee of Elia Group NV/SA Managing Director of Eurogrid GmbH Chief Executive Officer of 50Hertz Offshore GmbH Chief Executive Officer of 50Hertz Connectors GmbH Member of the Board of Directors of Elia Grid International NV/SA
Marco Nix	Chief Infrastructure Projects and Financial Officer	Managing Director of 50Hertz Offshore GmbH Managing Director of 50Hertz Connectors GmbH Member of the Executive Committee of

		Elia Group NV/SA ad interim
Dr. Dirk Biermann	Chief Operations Officer	Managing Director of 50Hertz Connectors GmbH Managing Director of 50Hertz Offshore GmbH Member of the Board of Directors of Elia Grid International NV/SA Member of the Board of Directors of CORESO SA Member of the Supervisory Board of European Energy Exchange AG
Sylvia Borcherding	Chief Corporate Services Officer	None

The business address of all managing directors is Heidestraße 2, 10557 Berlin, Germany.

Supervisory Board

50Hertz is supervised by a co-determined supervisory board (*Aufsichtsrat*) consisting of six members. In accordance with the articles of association of 50Hertz, two of the supervisory board members are elected by the employees of 50Hertz and its affiliates. The remaining four members, one of whom is nominated by the trade union IG BCE, are elected by the shareholder (Eurogrid) based on the proposal of the shareholders of Eurogrid.

As at the date of this Prospectus, the members of the supervisory board of 50Hertz are:

Name	Position	Principal activities outside 50Hertz	Business Address
Catherine Vandenborre	Chairwoman	Chairwoman of the Supervisory Board of Eurogrid GmbH; Chairwoman of the Executive Committee and CEO ad interim of Elia Group NV/SA; Member of the Executive Committee and Chief Financial Officer of Elia Transmission Belgium NV/SA; Member of the Executive Committee and Chief Financial Officer of Elia Asset NV/SA;	Elia Group NV/SA Bd. de l'Empereur 20 B – 1000 Brussels Belgium

		Chairwoman of the Board of Directors of Eurogrid International NV/SA; Member of the Board of Directors of re.alto-energy SRL/BV; Member of the Supervisory Board of re.alto-energy GmbH; Chairwoman of the Board of Directors of WindGrid NV/SA; Chairwoman of the Board of Directors of Elia Grid International NV/SA; Member of the Board of Directors and Chairwoman of the Audit Committee of Proximus NV/SA; Member of the Board of Directors of Fonds de pension Proximus OFP; Director of Canel SRL/BV.	
Konrad Klingenburg*	Vice Chairman	Executive Secretary of the Executive Board of the German Confederation of Trade Unions	Deutscher Gewerkschaftsbund – Bundesvorstand Keithstraße 1 10787 Berlin Germany
Markus Berger	Member	Member of the Executive Committee and Chief Infrastructure Officer of Elia Transmission Belgium NV/SA; Member of the Executive Committee and Chief Infrastructure Officer of Elia Asset NV/SA;	Elia Transmission Belgium Elia Group NV/SA Bd. de l'Empereur 20 B – 1000 Brussels Belgium

		Chairman of the Board of Directors of Elia Engineering NV/SA; Vice-Chairman of the Board of Directors of Elia Grid International NV/SA; Member of the Board of Directors of Eurogrid International NV/SA; Member or the Board of Directors of Elia Re (Lux) SA; Chairman of the Board of Directors of Nemo Link Limited; Member of the Supervisory Board and Chairman of the Investment Committee of Eurogrid GmbH; Chairman of the Board of Directors and Administrative Council Member of Cigre Belgium ASBL; Member of the Strategic Committee of Union Wallonne des Entreprises ASBL/VZW.	
Dr. Lutz-Christian Funke	Member	Secretary General of Kreditanstalt für Wiederaufbau A.ö.R.; Managing Director of Gesellschaft zur Beteiligungsverwaltung GZBV Verwaltungs-GmbH; Member of the Board of KfW Stiftung; Member of the Supervisory Board of IKB Deutsche	Palmengartenstraße 5-9 60325 Frankfurt am Main Germany

		Industriebank AG; Member of Supervisory Board (Vice Chairman) of Eurogrid GmbH.	
Andrea Ludwig*	Member	None	50Hertz Transmission Heidestraße 2 10557 Berlin Germany
Ralf-Günter Schloms*	Member	None	50Hertz Transmission Heidestraße 2 10557 Berlin Germany

*Employee representatives.

Administrative, Management, and Supervisory Bodies Conflicts of Interest

None of the managing directors or members of the supervisory board of 50Hertz have declared that there are any potential conflicts of interest between any duties to 50Hertz and their private interests or other duties.

Fiscal Year

The fiscal year of 50Hertz is the calendar year.

Financial Information

The audited annual financial statements of 50Hertz as of and for the fiscal years ended 31 December 2022 and 31 December 2023 which have been prepared in accordance with the provisions of the HGB, and the respective unqualified independent auditor's reports (*Bestätigungsvermerke des unabhängigen Abschlussprüfers*) thereon, are incorporated by reference into this Prospectus.

Statutory Auditors

BDO AG Wirtschaftsprüfungsgesellschaft, Berlin, Katharina-Heinroth-Ufer 1, 10787 Berlin, Federal Republic of Germany ("**BDO**") was the statutory auditor of 50Hertz for the fiscal year ended 31 December 2022 and 31 December 2023. BDO has conducted their audits of the HGB annual financial statements of 50Hertz as of and for the fiscal years ended 31 December 2022 and 31 December 2023 in accordance with Section 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institute of Public Auditors in Germany (*Institut der Wirtschaftsprüfer in Deutschland e.V. (IDW)*) and in each case issued an unqualified independent auditor's report thereon.

BDO is member of the Chamber of Public Accountants (*Wirtschaftsprüferkammer*), Berlin, Federal Republic of Germany.

Statement of No Material Adverse Change

There has been no material adverse change in the prospects of 50Hertz since 31 December 2023.

Significant Change in the Financial Position

There has been no significant change in the financial position and the financial performance of the Group since 31 December 2023.

Legal and Arbitration Proceedings

50Hertz is regularly involved in legal and governmental proceedings and may also become involved in arbitration proceedings. Two disputes which are of particular note concern the initial level of 50Hertz' revenue cap:

With decision of 12 October 2019, BNetzA determined the return on equity for the fourth regulation period starting 2024. The Return on Equity I was determined at 5.07 per cent for investments realized after 2006 (3.51 per cent for investments until 2006). 50Hertz appealed against BNetzA's decision regarding the determination of the return on equity for the fourth regulation period. The court decision in favor of 50Hertz was appealed by BNetzA to the Federal Court of Justice. A decision of the court is pending. BNetzA decided on 24 January 2024 to adjust the RoE for upcoming onshore investments as of 2024. The RoE for new investments in the capital cost adjustment (KKA) as of 2024 will be determined on a yearly basis by using a fixed risk premium of 3.00 % and an updated risk-free rate for the underlying year. 50Hertz appealed against BNetzA's decision.

Moreover, BNetzA set the Xgen for the third regulatory period to 0.9 per cent in the energy sector on 28 November 2018. 50Hertz appealed against the decision to the Higher Regional Court of Düsseldorf. A first decision in a model proceeding was taken in 2021: On 9 July 2019, the Higher Regional Court of Düsseldorf revoked in a model procedure the corresponding BNetzA decision in the gas sector. BNetzA successfully appealed against the Higher Regional Court of Düsseldorf's decision at the Federal Court of Justice (BGH). BGH confirmed BNetzA's determination of Xgen on 26 January 2021 regarding the gas sector and 27 June 2023 regarding the electricity sector.

Material Contracts

50Hertz has entered into a profit and loss transfer agreement with its parent company, the Issuer, effective as of June 2010. The aim of the profit and loss transfer agreement is to create a fiscal unity between 50Hertz and the Issuer for trade and corporate tax purposes. Pursuant to the profit and loss transfer agreement, 50Hertz is obliged to transfer its profits to the Issuer and in return, the Issuer is obliged to compensate 50Hertz (in accordance with the provisions of the German Stock Corporation Act (Sec. 302 *Aktiengesetz*)) for any annual losses 50Hertz incurs during the term of the agreement and subject to the terms of the profit and loss transfer agreement. The agreement is valid for an unlimited period of time and may only be terminated after five years with a one month notice period prior to the end of a fiscal year of 50Hertz.

50Hertz is also party to a domination/ profit and loss transfer agreement with 50Hertz Offshore, see "*Business Description of the Guarantors - 50Hertz Offshore GmbH – Material Contracts*" and with 50Hertz Connectors.

On 19 May 2010, the Issuer, 50Hertz and 50Hertz Offshore entered into a German law cash pool agreement to which 50Hertz Connectors acceded in 2023 (the "**Cash Pool Agreement**"). The purpose of the Cash Pool Agreement is to optimise the treasury activities (cash, interest, foreign exchange, financing and investment management) within these three companies. However, at instigation of the BNetzA, as of 30 September 2016 the accounts to settle the EEG held by 50Hertz were removed from the cash pool process. Each Guarantor owes ongoing information disclosure duties to the Issuer (including periodically informing the Issuer of its ongoing financial position and of the occurrence of any extraordinary risks or a material deviation from its planned liquidity, revenue or profit levels) and the Issuer has corresponding information disclosure duties to the Guarantors. In addition, the Issuer has an obligation to inform the other parties about new participations or retirement of any cash pool participant. There is no fixed termination date for the Cash Pool Agreement. A prerequisite for participation in the Cash Pool Agreement is that the share capital of the participating company is fully paid up. In addition, the continued participation of a company in the Cash Pool Agreement is only possible if the company does not have negative equity, or if the company can recover its losses under a profit and loss transfer agreement. Failure to meet these conditions would trigger a right to terminate participation.

Ratings

50Hertz is not rated.

BUSINESS DESCRIPTION OF THE GUARANTORS – 50HERTZ OFFSHORE GMBH

General Information

The legal and commercial name is 50Hertz Offshore GmbH ("**50Hertz Offshore**").

50Hertz Offshore operates under the laws of Germany and was incorporated as a limited liability company on 29 June 2007. The company has its corporate seat in Berlin, Germany, and has its registered office at Heidestraße 2, 10557 Berlin. The company is registered with the commercial register of the local court (*Amtsgericht*) of Charlottenburg under registration number HRB 108780 B. The telephone number of 50Hertz Offshore is +49-30-5150-0. The website of 50Hertz Offshore is https://www.50hertz.com/. The information on the website does not form part of this Prospectus unless that information is incorporated by reference into this Prospectus.

There have been no relevant recent events particular to 50Hertz Offshore which are to a material extent relevant to the evaluation of 50Hertz Offshore's solvency.

50Hertz Offshore's legal entity identifier (LEI) is 8755005LVIN8ES5KAA34.

Object of 50Hertz Offshore

Article 2 of 50Hertz Offshore's articles of association (as translated from the German original), regarding its objects, reads as follows:

"*1. Object of the company is the construction, acquisition, maintenance, system management and operation of electricity lines as well as related equipment and facilities for the connection of offshore-plants primarily to be erected in the Baltic Sea to an electricity transmission or distribution network.*

2. The company may take all measures and enter into all transactions serving directly or indirectly the object of the company. In particular, the company may acquire or incorporate companies of the same or similar kind, and participate in such domestic and foreign companies, and enter into cooperation and enterprise agreements."

Business Overview

50Hertz Offshore was formed to facilitate the connection of offshore wind farms to the 50Hertz control area and to provide for a transparent accounting of the costs and capital employed. 50Hertz Offshore is expected to incur all the capital expenditure and other related costs related to these offshore connections.

In accordance with EnWG, 50Hertz is obliged to construct the grid connections to offshore clusters foreseen in the NEP or the Site Development Plan, as the case may be, connect wind farms to which the BNetzA has assigned capacity on the grid connection and operate the connection assets after commissioning. Furthermore, according to Sec. 17f EnWG the German connecting TSOs are obliged to distribute the costs of constructing and operating the grid connections to the offshore wind farms among them according to the electricity supply volume in their respective control areas.

By way of a framework agreement signed in November 2008 between 50Hertz and 50Hertz Offshore with its last amendment in 2021, 50Hertz has delegated the construction and technical operation of the grid connections to the offshore clusters and wind farms to 50Hertz Offshore, granting at the same time the right of being reimbursed for all respective costs. For the avoidance of doubt, this delegation did not result in 50Hertz Offshore qualifying as a TSO or itself becoming a company directly subject to regulation. 50Hertz Offshore currently has no employees and instead relies on services provided by 50Hertz pursuant to service contracts. See "*Business description of the Guarantors – 50Hertz Offshore GmbH – Material Contracts*".

Important investment needs of 50Hertz Offshore are primarily triggered by the procurement and installation of sea and land cables and other electrical equipment to connect offshore wind farms. The first commercial offshore wind farm in the Baltic Sea ("**Baltic 1**") was connected to 50Hertz' transmission grid in 2011. A second grid connection ("**Baltic 2**") was finalized in 2015; a third offshore cluster connection ("**Ostwind 1**") was approved by the BNetzA in the O-NEP in 2013, with a further approval in 2015. This grid connection consists of three cable systems and was allocated to two wind farms (Wikinger and Arkona). The commissioning of the grid connection was completed in 2019, in line with the foreseen completion dates resulting in offshore-connections accomplished for wind farms with in total more than 1.8 GW. During the 2018 capacity auction, two additional offshore wind farms (Arcadis Ost 1 and Baltic Eagle) in the Baltic Sea north of Lubmin were awarded. As a result, BNetzA has approved three additional cable systems and associated on- and offshore substations in the Cluster Westlich Adlergrund ("**Ostwind 2**"). 50Hertz Offshore commissioned the first grid connection system out of three in 2023. In the 2019 grid development plan, the grid connection OST-1-4 was awarded. The site development plan foresees a single cable solution and a platform owned and operated by 50Hertz. The 2021 auction of the associated offshore site (O-1.3) was held and awarded. By fall 2022 BNetzA has awarded 50Hertz to erect the grid connection OST-6-1 for the Gennaker wind park under the legal framework for wind farms in the 12 nautical mile zone (Sec. 17d (6) EnWG). Preparatory works and tenders for major components were awarded. Several additional offshore projects are foreseen by 50Hertz Offshore resulting in total in offshore connections planned for wind farms with about 8 GW in total. Among those, the FEP 2035 (version 2021) has awarded two 2 GW HVDC grid connection systems, one in the Baltic Sea (OST-2-4 – *Ostwind 4*) and one in the North Sea (NOR-11-1 – *LanWin3*). The size of the offshore investment portfolio may fluctuate considerably over the coming years depending on the contents of the future FEP that shall determine a "balanced distribution of projects between North and Baltic Sea" for the period after 2025. In the upcoming years (2024-2028), 50Hertz Offshore plans to invest €7.8 billion, after investing about € 1.6 billion in the past 5 years (2019-2023).

As of 31 December 2023, the total assets of 50Hertz Offshore, which mainly consisted of grid connection related assets and assets under construction, amounted to € 2,995.1 million. 50Hertz Offshore's income is driven by direct operating costs and imputed regulatory costs linked to the offshore activities, which are chargeable to 50Hertz. Revenue for the fiscal year ended 31 December 2023 amounted to € 264.6 million.

Major Shareholders, Organisational Structure and Share Capital

The registered share capital of 50Hertz Offshore amounts to € 1,000,000, comprising one share with a nominal value of € 1,000,000 which has been issued and is fully paid up. 50Hertz Offshore is a wholly owned subsidiary of 50Hertz. A brief description of the organisational structure of 50Hertz and its subsidiaries including 50Hertz Offshore can be found under "*Business description of the Guarantors – 50Hertz Transmission GmbH - Subsidiaries*", above.

Administrative and Management Bodies

50Hertz Offshore is managed by a board of managing directors. The board of managing directors comprises three managing directors as listed below. 50Hertz Offshore is represented by two managing directors jointly or by one managing director together with a holder of a commercial power-of-attorney (*Prokurist*). The managing directors are appointed and removed by the shareholder (50Hertz Transmission).

As at the date of this Prospectus, the managing directors of 50Hertz Offshore are:

Name	Responsibility	Principal activities outside 50Hertz Offshore
Marco Nix	Managing Director	Managing Director of 50Hertz Transmission GmbH Managing Director of 50Hertz Connectors GmbH
Dr. Dirk Biermann	Managing Director	Managing Director of 50Hertz Transmission GmbH Managing Director of 50Hertz Connectors GmbH

		Member of the Board of Directors of Elia Grid International NV/SA Member of the Board of Directors of CORESO SA Member of the Supervisory Board of European Energy Exchange AG
Stefan Kapferer	Managing Director	Member of the Executive Committee of Elia Group NV/SA Chief Executive Officer of 50Hertz Transmission GmbH Chief Executive Officer of 50Hertz Connectors GmbH Managing Director of Eurogrid GmbH Member of the Board of Directors of Elia Grid International NV/SA

The business address of all managing directors is Heidestraße 2, 10557 Berlin, Germany.

Administrative and Management Bodies - Conflicts of Interest

None of the managing directors of 50Hertz Offshore have declared that there are any potential conflicts of interest between any duties to 50Hertz Offshore and their private interests or other duties.

Fiscal Year

The fiscal year of 50Hertz Offshore is the calendar year.

Financial Information

The audited annual financial statements of 50Hertz Offshore as of and for the fiscal years ended 31 December 2022 and 31 December 2023, which have been prepared in accordance with the provisions of the HGB, and the respective unqualified independent auditor's reports (*Bestätigungsvermerke des unabhängigen Abschlussprüfers*) thereon, are incorporated by reference into this Prospectus.

Statutory Auditors

BDO AG Wirtschaftsprüfungsgesellschaft, Berlin, Katharina-Heinroth-Ufer 1, 10787 Berlin, Federal Republic of Germany ("**BDO**") was the statutory auditor of 50Hertz Offshore for the fiscal year ended 31 December 2022 and 31 December 2023. BDO has audited the HGB annual financial statements of 50Hertz Offshore as of and for the fiscal years ended 31 December 2022 and 31 December 2023 in accordance with Section 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institute of Public Auditors in Germany (*Institut der Wirtschaftsprüfer in Deutschland e.V. (IDW)*) and, in each case, issued an unqualified independent auditor's report thereon.

BDO is member of the Chamber of Public Accountants (*Wirtschaftsprüferkammer*), Berlin, Federal Republic of Germany.

Statement of No Material Adverse Change

There has been no material adverse change in the prospects of 50Hertz Offshore since 31 December 2023.

Significant Change in the Financial Position

There has been no significant change in the financial position and the financial performance of the Group since 31 December 2023.

Legal and Arbitration Proceedings

50Hertz Offshore has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which 50Hertz Offshore is aware) during the 12 months preceding the date of this Prospectus which may have or have had in the recent past significant effects on the financial position or profitability of 50Hertz Offshore or the Group.

Material Contracts

50Hertz Offshore has entered into a domination/profit and loss transfer agreement with its parent company, 50Hertz, effective as of January 2008. The aim of the domination/profit and loss transfer agreement is to achieve a fiscal unity between 50Hertz and 50Hertz Offshore for trade tax and corporate tax purposes. Pursuant to the domination part of the agreement, 50Hertz is entitled to issue instructions to the management of 50Hertz Offshore. Pursuant to the profit and loss transfer part of the agreement, 50Hertz Offshore is obliged to transfer its profits to 50Hertz and in return, 50Hertz is obliged to compensate 50Hertz Offshore (in accordance with the provisions of the German Stock Corporation Act (Sec. 302 *Aktiengesetz (AktG)*) and subject to the terms of the profit and loss transfer agreement) for any annual losses 50Hertz Offshore incurs during the term of the agreement. The agreement was concluded for a fixed term until 31 December 2013, and thereafter it is automatically renewed if not terminated by three months' notice prior to the end of the respective fiscal year of 50Hertz Offshore.

50Hertz Offshore is also party to the Cash Pool Agreement between the Issuer, 50Hertz and 50Hertz Connectors (see "*Business Description of the Guarantors – 50Hertz Transmission GmbH – Material Contracts*").

The business of 50Hertz Offshore is based on a framework agreement signed in November 2008 with 50Hertz, under which 50Hertz has delegated its obligation to construct and operate the grid connections to the offshore clusters and wind farms to 50Hertz Offshore, granting at the same time the right of being reimbursed for all respective costs. Further, as 50Hertz Offshore currently has no employees and instead relies on services provided by 50Hertz pursuant to service contracts, such service contracts are of material importance to the business of 50Hertz Offshore.

Ratings

50Hertz Offshore is not rated.

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); and

Option II – Terms and Conditions for Notes without periodic interest payments (Zero Coupon Notes).

In addition, a separate set of Terms and Conditions for Notes with fixed interest rates, included in the Debt Issuance Programme Prospectus of the Issuer dated 13 May 2015, is incorporated by reference into this Prospectus for the purpose of a potential increase of Notes outstanding and originally issued prior to the date of this Prospectus ("**Option I A**").

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 I A or Option II, 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 I A or Option II and of the respective further options contained in each of Option I, Option I A or Option II 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 I A or Option II shall be applicable to the individual issue of Notes. Each of the sets of Terms and Conditions of Option I, Option I A or Option II 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 two 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 without periodic interest payments (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 or Option II 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 15 May 2024 (the "**Agency Agreement**") between Eurogrid GmbH, 50Hertz Transmission GmbH, 50Hertz Offshore GmbH and ING Bank N.V. as fiscal agent (the "**Fiscal Agent**", which expression shall include any successor fiscal agent there under) 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 Eurogrid GmbH ("**Eurogrid**" 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]**) 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 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 Depositary**" 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 an 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 an 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 AND GUARANTEE)

(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 mortgage, land charge, lien or any other security right in rem (*dingliches Sicherungsrecht*) over any or all of its present or future assets, as security for any present or future Capital Market Indebtedness or any guarantee or other suretyship in respect of any such Capital Market Indebtedness, and (ii) to procure, to the extent legally permissible, that none of its Material Subsidiaries will grant or permit to subsist any mortgage, land charge, lien or any other security right in rem (*dingliches Sicherungsrecht*) over any or all of its present or future assets, as security for any present or future Capital Market Indebtedness or any guarantee or other suretyship in respect of any such Capital Market Indebtedness, unless at the same time the Holders share equally and rateably in such security or other security as shall be approved by an independent accounting firm as being equivalent security has been made available to Holders.

For purposes of these Terms and Conditions, "**Capital Market Indebtedness**" means any obligation for the payment of borrowed money (including contingent liabilities) which is represented by any bond or debt security with an original maturity of more than one year which is, or is intended to be, or is capable of being listed or traded on a stock exchange or other recognised securities market.

(3) *Guarantee and Negative Pledge*.

(a) Each of 50Hertz Transmission GmbH and 50Hertz Offshore GmbH (each of them a "**Guarantor**" and together the "**Guarantors**") has given an unconditional and irrevocable guarantee (the "**Guarantee**") under which the Guarantors jointly and severally guarantee subject to certain limitations set out therein for the due and punctual payment of principal of, and interest on, and any other amounts payable under any Notes.

The Guarantee constitutes a contract for the benefit of the Holders from time to time as third party beneficiaries in accordance with Section 328 paragraph 1 of the German Civil Code (*BGB*)[1], giving rise to the right of each Holder to require performance of the Guarantee directly from the relevant Guarantor and to enforce the Guarantee directly against the relevant Guarantor. Copies of the Guarantee may be obtained free of charge at the specified office of the Fiscal Agent.

(b) Each Guarantor has undertaken in the Guarantee, as 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, (i) not to grant or permit to subsist any mortgage, land charge, lien or any other security right in rem (*dingliches Sicherungsrecht*) over any or all of its present or future assets, as security for any present or future Capital Market Indebtedness or any guarantee or other suretyship in respect of any such Capital Market Indebtedness (as defined in § 2 (2)), and (ii) to procure, to the extent legally possible, that none of its Material Subsidiaries will grant or permit to subsist any mortgage, land charge, lien or any other security right in rem (*dingliches Sicherungsrecht*) over any or all of its present or future assets, as security for any present or future Capital Market 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 as being equivalent security has been made available to Holders.

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[1] An English language convenience translation of Section 328 paragraph 1 of the German Civil Code (*BGB*) reads as follows: "A contract may stipulate performance for the benefit of a third party, to the effect that the third party acquires the right directly to demand performance".

(c) For purposes of these Terms and Conditions, "**Material Subsidiary**" means a Subsidiary of the Issuer, or, as applicable, a Guarantor, (i) which, based on the latest audited annual consolidated financial statements of the Issuer (*Konzernabschluss*) and the latest audited annual financial statements of the relevant Subsidiary, has (x) unconsolidated gross assets (i.e. the sum of fixed assets (*Anlagevermögen*) and current assets (*Umlaufvermögen*) within the meaning of Section 266 paragraph 2 of the German Commercial Code (*HGB*) (without group internal positions) representing 10 per cent. or more of the consolidated gross assets of the Issuer, (y) unconsolidated operating profits before net interest expenses and taxes (without group internal positions) representing 10 per cent. or more of the consolidated operating profits before net interest expenses and taxes of the Issuer, or (ii) to which all or substantially all of the assets of a Subsidiary which was a Material Subsidiary before such transfer having occurred have been transferred, or to which such assets have passed in any other way, in which case the disposing entity will cease to be a Material Subsidiary. "**Subsidiary**" means (i) an entity of which a person owns directly or indirectly more than 50 per cent. of the voting capital or similar right of ownership or (ii) an entity which is controlled, directly or indirectly, by a person within the meaning of Section 17 of the German Stock Corporation Act (*Aktiengesetz*).

§ 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 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[2] 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]**.**]**

[2] 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) *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 relevant Calculation Period divided by 360, calculated as follows:

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

Where:

"**DCF**" means Day Count Fraction;

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

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

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

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

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

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless that number would be 31 and D_1 is greater than 29, in which case D_2 will be 30.**]**

[In the case of 30E/360 or Eurobond Basis the following applies: the number of days in the relevant Calculation Period divided by 360, calculated as follows:

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

Where:

"**DCF**" means Day Count Fraction;

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

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

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

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

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

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

§ 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 or, as the case may be, the Guarantors 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 T2 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 real time gross settlement system operated by the Eurosystem or any successor/replacement ("**T2**") 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 or, as the case may be, the Guarantors 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 Berlin-Tiergarten) 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 or the Guarantors, as the case may be, are 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 or a Guarantor, as the case may be, 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 Final Redemption Amount (as defined above), 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 or the Guarantors 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, the Guarantors or any direct or indirect subsidiary of the Issuer or the Guarantors 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 in whole but not in part 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.

Call Redemption Date(s)	*Call Redemption Amount(s)*
[Call Redemption Date(s)]	**[Call Redemption Amount(s)]**
[•]	**[•]**
[•]	**[•]]**

[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.

Call Redemption Period(s)	*Call Redemption Amount(s)*
[Call Redemption Period(s)]	**[Call Redemption Amount(s)]**
[•]	**[•]**
[•]	**[•]]**

[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:

(i) the Series of Notes subject to redemption;

(ii) 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;

(iii) 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

(iv) 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:

(i) the Series of Notes subject to redemption;

(ii) 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

(iii) 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.

Put Redemption Date(s)	*Put Redemption Amount(s)*
[Put Redemption Dates(s)]	**[Put Redemption Amount(s)]**
[•]	**[•]**
[•]	**[•]**

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]**%. "**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,**][**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:

ING Bank N.V.
Issuer Services
Attn: Shafie Ishaak
Location Code: TRC 02.039
Foppingadreef 7
1102 BD Amsterdam
The Netherlands
Tel.:+31 (0)20 5636619
Email: iss.pas@ing.com

[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) 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

(b) payments which are to be withheld or deducted by reason of the relevant Holder having some connection with Germany other than the mere holding of the Notes; or

(c) 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

(d) payments where such withholding or deduction is imposed pursuant to (i) any European Union Directive or Regulation concerning the taxation of interest, 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

(e) payments pursuant to, or as a consequence of (i) an international agreement, to which Germany is a party, or (ii) a directive or regulation passed pursuant to, or in the consequence of, such agreement, 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 which are payable by reason of a change in law that becomes effective more than 30 days after the relevant payment becomes due, or is duly provided for and notice thereof is published in accordance with § 13, whichever occurs later; or

(h) 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

(i) 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.

For the avoidance of doubt, the withholding tax (*Kapitalertragsteuer*) currently levied in the Federal Republic of Germany at the level of the custodian bank or collecting agent and the solidarity surcharge (*Solidaritätszuschlag*) imposed thereon pursuant to tax law as in effect as of the date of issue of the Notes do not constitute a tax or duty as described above in respect of which Additional Amounts would be payable by the Issuer.

§ 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) any Guarantor fails to pay amounts payable under the Guarantee within 30 days from the relevant due date, or

(c) the Issuer fails to duly perform any other material obligation arising from the Notes or any Guarantor fails to perform any other material obligation arising from the Guarantee 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

(d) (i) any Capital Market Indebtedness of the Issuer or any of its Material Subsidiaries or of any Guarantor 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 or any Guarantor or any of its Material Subsidiaries fails to fulfill any payment obligation under any Capital Market Indebtedness or under any guarantees or suretyships given for any Capital Market 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 or the respective Guarantor 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

(e) the Issuer or any Guarantor announces its inability to meet its financial obligations or ceases its payments generally; or

(f) a court opens insolvency proceedings against the Issuer or any Guarantor and such proceedings are instituted and have not been discharged or stayed within 90 days, or the Issuer or the Guarantor applies for or institutes such proceedings; or

(g) the Issuer or any Guarantor 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 or the relevant Guarantor in connection with the Notes or the Guarantee**;** or

(h) any governmental order, decree or enactment shall be made in or by the Federal Republic of Germany whereby the Issuer or any Guarantor is prevented from observing and performing in full its obligations as set forth in these Terms and Conditions and in the Guarantee, respectively, and this situation is not cured within 90 days; or

(i) the Guarantee ceases to be valid and legally binding.

(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 fulfill 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 and the Guarantors if they are not themselves the Substitute Debtor irrevocably and unconditionally guarantee in favor of each Holder the payment of all sums payable by the Substitute Debtor in respect of the Notes on terms equivalent to the terms of the Guarantee (the "**Substitution Guarantee**");

(c) the Substitute Debtor, the Issuer and the Guarantors have obtained all necessary governmental and regulatory approvals and consents for such substitution and for the giving by the Issuer and the Guarantors if they are not themselves the Substitute Debtor of the Substitution Guarantee 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 given by the Issuer and the Guarantors if they are not themselves the Substitute Debtor are each valid and binding in accordance with their respective terms and enforceable by each Holder;

(d) § 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 legally binding against the Issuer and the Guarantors if they are not themselves the Substitute Debtor;

(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 Gesamtemissione*n) (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% 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.

(9) *Guarantee.* The provisions set out above applicable to the Notes shall apply *mutatis mutandis* to the Guarantee and any Substitution Guarantee.

§ 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.luxse.com). 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 any Guarantor or to which such Holder and the Issuer or any Guarantor 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 without periodic interest payments ("Zero Coupon Notes")

§ 1
(CURRENCY, DENOMINATION, FORM)

(1) *Currency; Denomination*. This Series of Notes (the "**Notes**") of Eurogrid GmbH ("**Eurogrid**" 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]**) 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**"). 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 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 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 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 Depositary**" 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 an 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 an 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 AND GUARANTEE)

(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 mortgage, land charge, lien or any other security right in rem (*dingliches Sicherungsrecht*) over any or all of its present or future assets, as security for any present or future Capital Market Indebtedness or any guarantee or other suretyship in respect of any such Capital Market Indebtedness, and (ii) to procure, to the extent legally permissible, that none of its Material Subsidiaries will grant or permit to subsist any mortgage, land charge, lien or any other security right in rem (*dingliches Sicherungsrecht*) over any or all of its present or future assets, as security for any present or future Capital Market Indebtedness or any guarantee or other suretyship in respect of any such Capital Market Indebtedness, unless at the same time the Holders share equally and rateably in such security or other security as shall be approved by an independent accounting firm as being equivalent security has been made available to Holders.

For purposes of these Terms and Conditions, "**Capital Market Indebtedness**" means any obligation for the payment of borrowed money (including contingent liabilities) which is represented by any bond or debt security with an original maturity of more than one year which is, or is intended to be, or is capable of being listed or traded on a stock exchange or other recognised securities market.

(3) *Guarantee and Negative Pledge*.

(a) Each of 50Hertz Transmission GmbH and 50Hertz Offshore GmbH (each of them a "**Guarantor**" and together the "**Guarantors**") has given an unconditional and irrevocable guarantee (the "**Guarantee**") under which the Guarantors jointly and severally guarantee subject to certain limitations set out therein for the due and punctual payment of principal of, and interest on, and any other amounts payable under any Notes.

The Guarantee constitutes a contract for the benefit of the Holders from time to time as third party beneficiaries in accordance with Section 328 paragraph 1 of the German Civil Code (*BGB*)[1], giving rise to the right of each Holder to require performance of the Guarantee directly from the relevant Guarantor and to enforce the Guarantee directly against the relevant Guarantor. Copies of the Guarantee may be obtained free of charge at the specified office of the Fiscal Agent.

(b) Each Guarantor has undertaken in the Guarantee, as 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, (i) not to grant or permit to subsist any mortgage, land charge, lien or any other security right in rem (*dingliches Sicherungsrecht*) over any or all of its present or future assets, as security for any present or future Capital Market Indebtedness or any guarantee or other suretyship in respect of any such Capital Market Indebtedness (as defined in § 2 (2)), and (ii) to procure, to the extent legally possible, that none of its Material Subsidiaries will grant or permit to subsist any mortgage, land charge, lien or any other security right in rem (*dingliches Sicherungsrecht*) over any or all of its present or future assets, as security for any present or future Capital Market 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 as being equivalent security has been made available to Holders.

(c) For purposes of these Terms and Conditions, "**Material Subsidiary**" means a Subsidiary of the Issuer, or, as applicable, a Guarantor, (i) which, based on the latest audited annual consolidated financial statements of the Issuer (*Konzernabschluss*) and the latest audited annual financial statements of the relevant Subsidiary, has (x) unconsolidated gross assets (i.e. the sum of fixed assets (*Anlagevermögen*) and current assets (*Umlaufvermögen*) within the meaning of Section 266 paragraph 2 of the German Commercial Code (*HGB*) (without group internal positions) representing 10 per cent. or more of the consolidated gross assets of the Issuer, (y) unconsolidated operating profits before net interest expenses and taxes (without group internal positions) representing 10 per cent. or more of the consolidated operating profits before net interest expenses and taxes of the Issuer, or (ii) to which all or substantially all of the assets of a Subsidiary which was a Material Subsidiary before such transfer having occurred have been transferred, or to which such assets have passed in any other way, in which case the disposing entity will cease to be a Material Subsidiary. "**Subsidiary**" means (i) an entity of which a person owns directly or indirectly more than 50 per cent. of the voting capital or similar right of ownership or (ii) an entity which is controlled, directly or indirectly, by a person within the meaning of Section 17 of the German Stock Corporation Act (*Aktiengesetz*).

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[1] An English language convenience translation of Section 328 paragraph 1 of the German Civil Code (*BGB*) reads as follows: "A contract may stipulate performance for the benefit of a third party, to the effect that the third party acquires the right directly to demand performance".

§ 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[2] 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 relevant Calculation Period divided by 360, calculated as follows:

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

Where:

"**DCF**" means Day Count Fraction;

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

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

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

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

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

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless that number would be 31 and D_1 is greater than 29, in which case D_2 will be 30.**]**

[In the case of 30E/360 or Eurobond Basis the following applies: the number of days in the relevant Calculation Period divided by 360, calculated as follows:

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

Where:

"**DCF**" means Day Count Fraction;

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

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

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

"**M_2**" is the calendar month, expressed as a number, in which the day immediately following the last day

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[2] 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.

included in the Calculation Period falls;

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

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

§ 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 or, as the case may be, the Guarantors 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 T2 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 real time gross settlement system operated by the Eurosystem or any successor/replacement ("**T2**") 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 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 or, as the case may be, the Guarantors 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 Berlin-Tiergarten) 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 or the Guarantors, as the case may be, are required to pay Additional Amounts (as defined in § 7 herein) at maturity or upon sale or exchange of any Note, and this obligation cannot be avoided by the use of reasonable measures available to the Issuer or a Guarantor, as the case may be, 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 Amortized Face Amount (as defined below).

However, no such notice of redemption may be given (i) earlier than 90 days prior to the earliest date on which the Issuer or the Guarantors 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, the Guarantors or any direct or indirect subsidiary of the Issuer or the Guarantors 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 in whole but not in part at their Amortized Face Amount (as defined below).**]**

[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.

Call Redemption Date(s)	*Call Redemption Amount(s)*
[Call Redemption Date(s)]	**[Call Redemption Amount(s)]**
[•]	**[•]**
[•]	**[•]]**

[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.

Call Redemption Period(s)	*Call Redemption Amount(s)*
[Call Redemption Period(s)]	**[Call Redemption Amount(s)]**
[•]	**[•]**
[•]	**[•]]**

[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:

(i) the Series of Notes subject to redemption;

(ii) 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;

(iii) 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

(iv) 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).

[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:

(i) the Series of Notes subject to redemption;

(ii) 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

(iii) 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.

Put Redemption Date(s)	*Put Redemption Amount(s)*
[Put Redemption Dates(s)]	**[Put Redemption Amount(s)]**
[•]	**[•]**
[•]	**[•]**

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)**]** *Amortized Face Amount*.

(a) The "**Amortized Face Amount**" of a Note shall be an amount equal to the sum of:

(i) **[Reference Price]** (the "**Reference Price** "), and

(ii) the product of **[Amortization Yield]** (compounded annually) and the Reference Price from (and including) **[Issue Date]** to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Notes become due and payable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year (the "**Calculation Period**") shall be made on the basis of the Day Count Fraction (as defined in § 3).

If the Issuer fails to pay the Amortized Face Amount when due, the Amortized Face Amount of a Note shall be calculated as provided herein, except that references in subparagraph (a)(ii) above to the date fixed for redemption or (as the case may be) the date on which such Note becomes due and payable shall refer to the date on which, upon due presentation and surrender of the relevant Note (if required), payment is made. In such case, § 3 (2) does not apply.

[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 Amortized Face 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 using the Comparable Benchmark Yield plus **[percentage]**%. "**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,**][**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:

ING Bank N.V.
Issuer Services
Attn: Shafie Ishaak
Location Code: TRC 02.039
Foppingadreef 7
1102 BD Amsterdam
The Netherlands
Tel.:+31 (0)20 5636619
Email: iss.pas@ing.com

[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) 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

(b) payments which are to be withheld or deducted by reason of the relevant Holder having some connection with Germany other than the mere holding of the Notes; or

(c) 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

(d) payments where such withholding or deduction is imposed pursuant to (i) any European Union Directive or Regulation concerning the taxation of interest, 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

(e) payments pursuant to, or as a consequence of (i) an international agreement, to which Germany is a party, or (ii) a directive or regulation passed pursuant to, or in the consequence of, such agreement; 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 which are payable by reason of a change in law that becomes effective more than 30 days after the relevant payment becomes due, or is duly provided for and notice thereof is published in accordance with § 13, whichever occurs later; or

(h) 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

(i) 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.

For the avoidance of doubt, the withholding tax (*Kapitalertragsteuer*) currently levied in the Federal Republic of Germany at the level of the custodian bank or collecting agent and the solidarity surcharge (*Solidaritätszuschlag*) imposed thereon pursuant to tax law as in effect as of the date of issue of the Notes do not constitute a tax or duty as described above in respect of which Additional Amounts would be payable by the Issuer.

§ 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 Amortized Face Amount (as described in § 5 **[**(7)**]**), 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) any Guarantor fails to pay amounts payable under the Guarantee within 30 days from the relevant due date, or

(c) the Issuer fails to duly perform any other material obligation arising from the Notes or any Guarantor fails to perform any other material obligation arising from the Guarantee 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

(d) (i) any Capital Market Indebtedness of the Issuer or any of its Material Subsidiaries or of any Guarantor 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 or any Guarantor or any of its Material Subsidiaries fails to fulfill any payment obligation under any Capital Market Indebtedness or under any guarantees or suretyships given for any Capital Market 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 or the respective Guarantor 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

(e) the Issuer or any Guarantor announces its inability to meet its financial obligations or ceases its payments generally; or

(f) a court opens insolvency proceedings against the Issuer or any Guarantor and such proceedings are instituted and have not been discharged or stayed within 90 days, or the Issuer or the Guarantor applies for or institutes such proceedings; or

(g) the Issuer or any Guarantor 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 or the relevant Guarantor in connection with the Notes or the Guarantee**;** or

(h) any governmental order, decree or enactment shall be made in or by the Federal Republic of Germany whereby the Issuer or any Guarantor is prevented from observing and performing in full its obligations as set forth in these Terms and Conditions and in the Guarantee, respectively, and this situation is not cured within 90 days; or

(i) the Guarantee ceases to be valid and legally binding.

(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 fulfill 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 and the Guarantors if they are not themselves the Substitute Debtor irrevocably and unconditionally guarantee in favor of each Holder the payment of all sums payable by the Substitute Debtor in respect of the Notes on terms equivalent to the terms of the Guarantee (the "**Substitution Guarantee**");

(c) the Substitute Debtor, the Issuer and the Guarantors have obtained all necessary governmental and regulatory approvals and consents for such substitution and for the giving by the Issuer and the Guarantors if they are not themselves the Substitute Debtor of the Substitution Guarantee 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 given by the Issuer and the Guarantors if they are not themselves the Substitute Debtor are each valid and binding in accordance with their respective terms and enforceable by each Holder;

(d) § 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 legally binding against the Issuer and the Guarantors if they are not themselves the Substitute Debtor;

(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 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% 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.

(9) *Guarantee.* The provisions set out above applicable to the Notes shall apply *mutatis mutandis* to the Guarantee and any Substitution Guarantee.

§ 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.luxse.com). 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 any Guarantor or to which such Holder and the Issuer or any Guarantor 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

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU, as amended ("**MiFID II**"); or (ii) a customer within the meaning of Directive 2016/97/EU, as amended (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014, as amended or superseded (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.][1]

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

[MiFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ELIGIBLE COUNTERPARTIES 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 are appropriate [including investment advice, portfolio management, 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]. [Insert further details on target market, client categories etc.]

[UK MIFIR PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ELIGIBLE COUNTERPARTIES ONLY TARGET MARKET – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK**

[1] Include legend unless the Final Terms specify "Prohibition of Sales to EEA Retail Investors" as "Not Applicable".

[2] Include legend unless the Final Terms specify "Prohibition of Sales to UK Retail Investors" as "Not Applicable".

MiFIR"); and (ii) all channels for distribution of the Notes are appropriate [including investment advice, portfolio management, non-advised sales and pure execution services][, subject to the distributor's suitability and appropriateness obligations under COBS, 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 FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels[, subject to the distributor's suitability and appropriateness obligations under COBS, as applicable]. [Insert further details on target market, client categories etc.][3]

[Date]

FINAL TERMS

Eurogrid GmbH

[Title of relevant Series of Notes**]**[4]

Series: **[•]**, Tranche **[•]**

issued pursuant to the

€ 15,000,000,000
Debt Issuance Programme

dated [•] May 2024

of

Eurogrid GmbH

guaranteed by
50Hertz Transmission GmbH and
50Hertz Offshore GmbH

Issue Price: **[ ]** per cent.

Issue Date: **[ ]**[5]
Trade Date **[ ]**

These are the Final Terms of an issue of Notes under the € 15,000,000,000 Debt Issuance Programme of Eurogrid GmbH (the "**Programme**") which have been prepared for the purpose of Article 8 (4) of Regulation (EU) 2017/1129, as amended. Full information on Eurogrid GmbH as issuer, 50Hertz Transmission GmbH and 50Hertz Offshore GmbH as guarantors and the offer of the Notes is only available on the basis of the combination of the prospectus dated 15 May 2024 **[**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

[3] Include legend in case UK MiFIR target market assessment in respect of the Notes is "Professional Investors and Eligible Counterparties only". The legend may not be necessary if the Dealers in relation to the Notes are also not subject to UK MiFIR and therefore there are no UK MiFIR manufacturers. Depending on the location of the manufacturers, there may be situations where either the MiFID II product governance legend or the UK MiFIR product governance legend or both are included.

[4] In case Green Bonds are issued, include the term "Green Bond" in the title of the Notes.

[5] 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.

Luxembourg Stock Exchange (www.luxse.com) and on the website of Eurogrid GmbH (https://www.eurogrid.com/de-de/Investor-Relations/Debt-Issuance-Programme) and copies may be obtained free of charge at the specified office of the Fiscal Agent and from Eurogrid GmbH, Heidestraße 2, 10557 Berlin, Germany.

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.luxse.com). In case of Notes listed on any other stock exchange, the Final Terms will be displayed on the website of Eurogrid GmbH (https://www.eurogrid.com/de-de/Investor-Relations/Debt-Issuance-Programme). In 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 **[●].]**[6]

[To the extent that they relate to the terms and conditions of the Notes, these Final Terms are also to be read together with the terms and conditions of the Notes contained in prospectus dated 13 May 2015 pertaining to the Programme, as incorporated by reference into this Prospectus.**]**[7]

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6 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.

7 Insert in the case of an increase of an issue of Notes which were issued under the prospectus dated 13 May 2015.

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 I A or Option II, 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 or Option I A[8] including relevant further options contained therein, and complete relevant placeholders**]**

[in the case of Zero Coupon Notes replicate here the relevant provisions of Option II 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 I A or Option II, 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**]** **[**Zero Coupon**]** Notes (the "**Terms and Conditions**") set forth in the Prospectus as **[**Option I**]** **[**Option I A**]**[9] **[**Option II**]**. 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[10]	**[ ]**

☐ **Permanent Global Note**

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

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[8] In case of an increase of an issue of Notes which were originally issued prior to the date of this Prospectus, the Terms and Conditions of the Tranches have to be identical in all respects, but may have different issue dates, interest commencement dates, issue prices and dates for first interest payments.

[9] In case of an increase of an issue of Notes which were originally issued prior to the date of this Prospectus, the Terms and Conditions of the Tranches have to be identical in all respects, but may have different issue dates, interest commencement dates, issue prices and dates for first interest payments.

[10] At least € 100,000 or its equivalent in any other currency.

Global Note[11]

☐ 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**]**

INTEREST (§ 3)

☐ **Fixed Rate Notes [(Option I)] [(Option I A)]**

Rate of Interest and Interest Payment Dates

Rate of Interest	**[ ]** per cent. *per annum*
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	**[ ]**

☐ **Zero Coupon Notes (Option II)**

Amortized Face Amount

Reference Price	**[ ]**
Amortization Yield	**[ ]**

Day Count Fraction

☐ Actual/Actual (ICMA)

☐ 30/360, 360/360 or Bond Basis

☐ 30E/360 or Eurobond Basis

[11] Complete for Notes kept in custody on behalf of the ICSDs.

PAYMENTS (§ 4)

Payment Business Day

☐ Relevant Financial Center(s) **[ ]**

☐ Clearing System and T2

REDEMPTION (§ 5)

Final Redemption

Maturity Date[12] **[ ]**

Early Redemption

Early Redemption at the Option of the Issuer for reason of Minimal Outstanding Principal Amount **[**Yes/No**]**

Early Redemption at the Option of the Issuer at specified Call Redemption Amounts **[**Yes/No**]**

Call Redemption Date(s) **[**Not applicable.**][ ]**

Call Redemption Period(s) **[**Not applicable.**][ ]**

Call Redemption Amount(s) **[ ]**

Minimum Notice[13] **[ ]**

Maximum Notice **[ ]**

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

☐ Relevant time **[ ]**

Relevant screen page **[ ]**

☐ Maturity Date

☐ First call date **[ ]**

Minimum Notice[14] **[ ]**

Maximum Notice **[ ]**

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[12] Minimum maturity of one year following the Issue Date.

[13] Euroclear requires a minimum notice period of five days.

[14] Euroclear requires a minimum notice period of five days.

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.

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

Name of Holders' Representative	**[ ]**
Address of Holders' Representative	**[ ]**

Part II.: ADDITIONAL INFORMATION[15]

A. Essential information

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

Use of proceeds

[The net proceeds from this issuance of Notes will be used for general corporate and financing purposes of the Issuer.**]** **[**The Issuer intends to use an amount equal to the net proceeds from this issuance of the Notes for Eligible Projects in line with the Green Bond Framework.**]** **[**Specify criteria which will be used to determine how the proceeds are allocated for sustainable purposes**]** **[ ]**

[Estimated net proceeds[16]] **[ ]**

Eurosystem eligibility[17]

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

[Yes. Note that the designation "Yes" simply means that the Notes are intended upon issue to be deposited with (i) in the case of an 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 intraday 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 intraday 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.]

B. Information concerning the securities to be admitted to trading

Securities Identification Numbers

Common Code **[ ]**

ISIN **[ ]**

German Securities Code (WKN) **[ ]**

Any other securities number **[ ]**

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15 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.

16 If proceeds are intended for more than one use they will need to be split out and presented in order of priority.

17 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.

Yield to final maturity[18] **[ ]**

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

C. 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**]**

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 **[ ]**

Prohibition of Sales to EEA Retail Investors **[Not applicable] [Applicable]**

(If the Notes clearly do not constitute "packaged" products, "Not Applicable" should be specified. If the Notes may constitute "packaged" products, "Applicable" should be specified.)

Prohibition of Sales to UK Retail Investors **[Not applicable] [Applicable]**

(If the Notes clearly do not constitute "packaged" products, "Not Applicable" should be specified. If the Notes may constitute "packaged" products, "Applicable" should be specified.)

E. Additional Information

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

[include brief explanation of the meaning of the rating if this has previously been published by the rating provider]

[S&P Global Ratings Europe Limited is established in the Republic of Ireland 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.**]** **[**Moody's Investor Services is established in the European Community and is registered under Regulation (EC) No

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[18] Only applicable for Fixed Rate Notes.

1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as most recently amended by the CRA Regulation**]** **[**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) 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.]

[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 or the Guarantors have not independently verified any such information and accept no responsibility for the accuracy thereof.**]**

GUARANTEE AND NEGATIVE PLEDGE ("GUARANTEE")

of

50Hertz Transmission GmbH, Berlin, Federal Republic of Germany, and of 50Hertz Offshore GmbH, Berlin, Federal Republic of Germany, for the benefit of the holders of notes (the "Notes"), issued by Eurogrid GmbH, Berlin, Germany under its € 15,000,000,000 Debt Issuance Programme (the "Programme")

WHEREAS:

(A) Eurogrid GmbH ("**Eurogrid**" or the "**Issuer**") intends to issue Notes under the Programme from time to time, the outstanding aggregate nominal amount of which will not exceed the programme amount of € 15,000,000,000.

(B) The Notes will be issued with Terms and Conditions under German law (as amended, supplemented or modified by the applicable Final Terms, or, subsequent to their issuance, by majority resolution of the Holders, the "**Conditions**").

(C) Each of 50Hertz Transmission GmbH and 50Hertz Offshore GmbH (each of them a "**Guarantor**" and together, the "**Guarantors**") intends to give an unconditional and irrevocable guarantee under which the Guarantors jointly and severally guarantee subject to certain limitations for the due and punctual payment of principal of, and interest on, and any other amounts payable under any Notes. Each Guarantor furthermore intends to enter into a negative pledge for the benefit of each Holder of Notes that may be issued under the Programme from time to time.

IT IS AGREED AS FOLLOWS:

(1) Guarantee: Each Guarantor jointly and severally (*als Gesamtschuldner*) and unconditionally and irrevocably guarantees (*garantiert*) by way of independent payment obligation (*selbständiges Zahlungsversprechen*) to each Holder of a Note (which expression shall include any Note represented by a Temporary Global Note or Permanent Global Note) issued by Eurogrid on or after the date hereof under the Programme, the due and punctual payment of the principal of, and interest on, the Notes and any other amounts which may be payable under the relevant Note, as and when the same shall become due, in accordance with the Conditions.

(2) Status of Guarantee: This Guarantee constitutes an unconditional, irrevocable, unsecured (subject to paragraph (4) hereunder) and unsubordinated obligation of the respective Guarantor on a joint and several basis, and ranks pari passu with all other present or future unsecured and unsubordinated obligations of the respective Guarantor outstanding from time to time, subject to any obligations preferred by law.

(3) Payments Free of Taxes: All amounts payable in respect of this Guarantee 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, unless such deduction or withholding is required by law. In that event the Guarantor 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) 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 Guarantor from payments of principal or interest made by it; or

(b) 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

(c) 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

(d) 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

(e) 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

(f) 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

(g) 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

(h) 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

(i) 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.

(4) Negative Pledge: Each Guarantor undertakes towards each Holder, 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, (i) not to grant or permit to subsist any mortgage, land charge, lien

or any other security right in rem (*dingliches Sicherungsrecht*) over any or all of its present or future assets, as security for any present or future Capital Market Indebtedness or any guarantee or other suretyship in respect of any such Capital Market Indebtedness s, and (ii) to procure, to the extent legally permissible, that none of its Material Subsidiaries will grant or permit to subsist any mortgage, land charge, lien or any other security right in rem (*dingliches Sicherungsrecht*) over any or all of its present or future assets, as security for any present or future Capital Market Indebtedness or any guarantee or other suretyship in respect of any such Capital Market 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 as being equivalent security has been made available to Holders.

For these purposes, "**Capital Market Indebtedness**" means any obligation for the payment of borrowed money (including contingent liabilities) which is represented by any bond or debt security with an original maturity of more than one year which is, or is intended to be, or is capable of being listed or traded on a stock exchange or other recognised securities market.

For these purposes, "Material Subsidiary" means a Subsidiary of the Guarantor, (i) which, based on the latest audited annual consolidated financial statements of the Issuer (*Konzernabschluss*) and the latest audited annual financial statements of the relevant Subsidiary, has (x) unconsolidated gross assets (i.e. the sum of fixed assets (*Anlagevermögen*) and current assets (*Umlaufvermögen*) within the meaning of Section 266 paragraph 2 of the German Commercial Code (HGB) (without group internal positions) representing 10 per cent. or more of the consolidated gross assets of the Issuer, (y) unconsolidated operating profits before net interest expenses and taxes (without group internal positions) representing 10 per cent. or more of the consolidated operating profits before net interest expenses and taxes of the Issuer, or (ii) to which all or substantially all of the assets of a Subsidiary which was a Material Subsidiary before such transfer having occurred have been transferred, or to which such assets have passed in any other way, in which case the disposing entity will cease to be a Material Subsidiary. "**Subsidiary**" means (i) an entity of which a person owns directly or indirectly more than 50 per cent. of the voting capital or similar right of ownership or (ii) an entity which is controlled, directly or indirectly, by a person within the meaning of Section 17 of the German Stock Corporation Act (*Aktiengesetz*).

(5) Separate Liability: The obligations of each Guarantor under this Guarantee (i) shall be separate and independent from the obligations of the Issuer under the Notes as well as from the obligations of the other Guarantor or any other present or future guarantor of the Notes, and (ii) shall exist irrespective of the legality, validity and binding effect or enforceability of the Notes issued under the Programme. Payment of any amounts under the Guarantee excludes the right of a Holder to demand payment of such amounts from the Issuer. Nothing in this Guarantee shall limit own objections or legal defences of a Guarantor against a Holder or the non-occurrence of a payment obligation under the Guarantee (*Nichtvorliegen eines Garantiefalls*).

(6) Avoidance of Payments: If a payment of a Guarantor under the Guarantee was challenged or reduced in an insolvency or liquidation or on a similar legal basis, the obligations of the Guarantors remain as if the payment, the waiver, reduction or avoidance would not have occurred.

(7) Extension to obligations of Substitute Debtor: The obligations of each Guarantor under this Guarantee shall, without any further act or thing being required to be done or to occur, extend to the obligations of any Substitute Debtor which is not the Guarantor arising in respect of any Note by virtue of a substitution pursuant to the Conditions.

(8) Contract for the benefit of third parties: This Guarantee constitutes a contract for the benefit of the Holders from time to time as third party beneficiaries pursuant to Sec. 328 (1) of the German Civil Code (*BGB*). They give rise to the right of each such Holder to require performance of the obligations undertaken herein directly from each Guarantor, and to enforce such obligations directly against each Guarantor.

Any Holder has the right in case of non-performance of any payments on the Notes to enforce the Guarantee by filing a suit directly against the respective Guarantor without the need to take prior proceedings against the Issuer.

(9) Limitations on Enforcement: The enforcement of claims under the Guarantee is subject to the following limitations (the "**Limitations on Enforcement**"):

(a) No Holder nor any other person shall be entitled to enforce the Guarantee against a Guarantor if (i) the Guarantee secures an obligation of an affiliated company (*verbundenes Unternehmen*) within the meaning of Section 15 of the German Stock Corporation Act (*Aktiengesetz*) (the "**Stock Corporation Act**") (in each case other than any of the relevant Guarantor's direct or indirect subsidiaries), and (ii) the enforcement of the Guarantee would cause

(x) the relevant Guarantor's net assets (*Nettovermögen*) (the "**Net Assets**") to be less than its stated share capital (*Stammkapital*) (*Begründung einer Unterbilanz*), or

(y) (if its Net Assets are already lower than its stated share capital) such amount to be further reduced (*Vertiefung einer Unterbilanz*),

and thereby affects its assets which are required for the obligatory preservation of its stated share capital according to Section 30 et seq. of the German Limited Liability Companies Act (*Gesetz betreffend die Gesellschaften mit beschränkter Haftung*) (the "**GmbH-Act**") (each, a "**Capital Impairment**"); or

(z) such Guarantor demonstrates that such enforcement has the effect that the Guarantor would be unable to make payments as they fall due (*Zahlungsunfähigkeit*), thereby taking into account all possible measures in order to increase its liquidity (*Zahlungsfähigkeit*) to the extent necessary to satisfy the amounts demanded under this Guarantee (a "**Liquidity Impairment**").

(b) For the purpose of determining whether a Capital Impairment has occurred:

(i) any recourse claim (*Rückgriffsanspruch*) which the relevant Guarantor has, or would acquire against a shareholder or another affiliate in the meaning of section 15 of the Stock Corporation Act as a result of the enforcement of the Guarantee, shall be taken into account to the extent that such recourse claim is valuable (*werthaltig*). To the extent that there is such valuable (*werthaltig*) recourse claim, no Limitations on Enforcement apply;

(ii) the value of the Net Assets shall be determined in accordance with accounting principles generally accepted in Germany from time to time consistently applied by the relevant Guarantor in preparing its unconsolidated balance sheets (*Jahresabschluss* according to Section 42 of the GmbH-Act and Sections 242 and 264 of the German Commercial Code (*Handelsgesetzbuch*)) in the previous years;

(iii) in case the stated share capital of the relevant Guarantor is not fully paid up (*nicht voll eingezahlt*) and has not been demanded (*nicht eingefordert*), the amount which is not paid up and not demanded shall be deducted from the stated share capital;

(iv) the amount of any increase of the relevant Guarantor's stated share capital that has been effected out of retained earnings (*Kapitalerhöhung aus Gesellschaftsmitteln*) shall be disregarded to the extent that such increase would cause such Guarantor's Net Assets to fall below its stated share capital.

(c) The Limitations on Enforcement do not apply to a Guarantor:

(i) if and to the extent that such Guarantor's managing directors (*Geschäftsführer*) on behalf of such Guarantor have not notified (in accordance with § 13 of the Conditions (Notices)) the relevant Holder in writing within 15 Guarantee Business Days after the

Holder has notified such Guarantor of its intention to demand payment under the Guarantee that a Capital Impairment or Liquidity Impairment would occur (setting out in reasonable detail (including an up-to-date balance sheet) to what extent a Capital Impairment or Liquidity Impairment would occur and establishing prima facie evidence (*glaubhaft machen*) that the measures undertaken in accordance with Clause (8)(d)(i) below would not prevent such Capital Impairment or Liquidity Impairment); (A "**Guarantee Business Day**" means a day (other than a Saturday or a Sunday) on which banks are open for general business in Amsterdam (The Netherlands), London (United Kingdom), Luxembourg (Luxembourg), Berlin and Frankfurt am Main (Germany)) and/or

(ii) if such Guarantor has not provided (in accordance with § 13 of the Conditions (Notices)) an Auditors' Determination (as defined below) to the relevant Holder within 45 days from the date the Holder has received the written notice by the managing director(s) (*Geschäftsführer*) of such Guarantor referred to above; and/or

(iii) in relation to amounts that correspond to such part of the issuance proceeds of the Notes (if any) that have been on-lent or otherwise passed on to such Guarantor or any of its subsidiaries and have not been repaid by such Guarantor; and/or

(iv) with regards to a Limitation of Enforcement due to a Capital Impairment only, if and so long as a domination agreement (*Beherrschungsvertrag*) and/or a profit and loss transfer agreement (*Gewinn- und Verlustabführungsvertrag*) (either directly or through a chain of domination and/or profit and loss transfer agreements) is or becomes effective between such Guarantor and the Issuer, unless the relevant Guarantor would not be able to recover (including being restricted from enforcing or exercising any right to recover) the annual loss (*Jahresfehlbetrag*) which the Issuer in its capacity as dominating entity (*herrschendes Unternehmen*) is obliged to pay pursuant to Section 302 Stock Corporation Act; and/or

(v) if and to the extent, at the time of enforcement of the Guarantee, the restrictions under Clause (9)(a) are, due to a change of the applicable laws or otherwise, not required to protect the managing directors of the relevant Guarantor or of any of its direct or indirect shareholders from the risk of personal liability; and/or

(vi) if and to the extent that a Guarantor is legally permitted to take measures (including, without limitation, setting-off claims) to avoid the demanding of payment under the Guarantee causing a Capital Impairment provided that it is commercially justifiable to take such measures.

(d) If any Guarantor intends to demonstrate that the enforcement of the Guarantee would lead to the occurrence of a Capital Impairment or a Liquidity Impairment, then such Guarantor shall:

(i) realise at market value all of its assets that are shown in its balance sheet with a book value (*Buchwert*) which is significantly lower than its market value and which are not necessary for such Guarantor's business (*nicht betriebsnotwendig*), to the extent necessary to satisfy the amounts demanded under the Guarantee; and

(ii) instruct, at its own cost and expense, an independent accounting firm of international standing to determine whether (and, if so, to what extent) payment under the Guarantee would cause a Capital Impairment or Liquidity Impairment, taking into account the adjustments set forth under Clauses (9)(b), (9)(c) and (9)(d)(i) (the "**Auditors' Determination**").

(e) The Limitations on Enforcement do not affect the right of the Holders to claim again any outstanding amount under the Guarantee at a later point in time if and to the extent that Clause (9) would allow this at that later point in time.

(10) ING Bank N.V., which accepted this Guarantee, in its capacity as Fiscal Agent does not act in a relationship of agency or trust, a fiduciary or in any other similar capacity for the Holders.

(11) Exercise of Guarantors' Rights: So long as any sum remains payable under the Notes or this Guarantee, no right of the Guarantors, by reason of the performance of any of its obligations under this Guarantee, to be indemnified by the Issuer or to take the benefit of or enforce any security or other guarantee or indemnity shall be exercised or enforced. For the avoidance of doubt, this shall not apply to any claim pursuant to, or within the meaning of, Section 302 of the German Stock Corporation Act or any successor provision.

(12) Amendment of Guarantee: The Holders may consent to amendments of this Guarantee by majority resolution passed in accordance with § 12 of the Conditions, provided that no obligation to make any payment or render any other performance shall be imposed on any Holder by majority resolution. Majority resolutions shall be binding on all Holders. Resolutions which do not provide for identical conditions for all Holders are void, unless Holders who are disadvantaged have expressly consented to their being treated disadvantageously.

(13) Terms used herein and not otherwise defined herein shall have the meaning attributed to them in the Conditions.

(14) This Guarantee shall be governed by, and construed in accordance with, German law.

(15) This Guarantee is written in the English language only.

(16) Place of performance shall be Berlin.

(17) Non-exclusive place of jurisdiction for all legal proceedings arising out of or in connection with this Guarantee against the Guarantors shall be Frankfurt am Main.

14 April 2023

50Hertz Transmission GmbH

50Hertz Offshore GmbH

We accept the terms of the above Guarantee without recourse, warranty or liability.

14 April 2023

ING Bank N.V.

USE OF PROCEEDS

1. Use of Proceeds – General

Except as disclosed in the relevant Final Terms, as applicable, an amount equal to 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 other than using the net proceeds for the Issuer's general corporate purposes, then this will also be stated in the applicable Final Terms.

In particular, the relevant Final Terms may specify that it is the intention of the Issuer to apply an amount equivalent to the net proceeds from the issue of the Notes as described below in "**2. Green Bonds**".

Notes issued under the Programme will not qualify as "European Green Bonds" in accordance with the EuGB Regulation. Any Tranche of Notes issued under this Programme and referred to as "Green Bond" will only comply with the criteria and processes set out in the Issuer's Green Bond Framework.

2. Use of Proceeds – Green Bonds

Summary Information on the Green Bond Framework of Eurogrid GmbH

Use of Proceeds

The proceeds of Green Bonds by the Issuer will be applied to finance, refinance and/or invest in Eligible Projects (as described below) selected in accordance with the Green Bond Framework. The Green Bond Framework follows the ICMA Green Bond Principles 2021. The portfolio of Eligible Projects may include investments in projects/ assets made 24 months before the respective Green Bond issuance.

Eligible Projects means projects and assets of 50Hertz or 50Hertz Offshore that contribute to the integration of renewable energies into the transmission system or between transmission systems as well as the transportation of renewable energies and which include projects in the following categories:

(a) Offshore renewable energy projects and assets in order to integrate offshore wind energy into the onshore electricity transmission system(s).

(b) Onshore projects to enhance the transmission system's capacity for renewable energy.

With the means of issuing Green Bonds, the Issuer aims to contribute to environmental sustainability in alignment with the Sustainable Development Goals of the UN Agenda 2030 (the "**SDGs**") and the environmental objective of climate change mitigation according to the EU Taxonomy Regulation.

The Issuer may update the Green Bond Framework from time to time and also enhance the eligibility criteria defined in the Green Bond Framework.

Process for Project Evaluation and Selection

The Issuer's treasury department and 50Hertz' sustainability manager jointly evaluate and select the Eligible Projects in line with the eligibility criteria defined in the Green Bond Framework and 50Hertz' Management Board approves the evaluation and selection of Eligible Projects. Eligible Projects are assessed on their contribution to decarbonisation. It is envisaged that they meet the following criteria:

- Directly connecting or expanding existing direct connection of renewable energy generation, i.e. to wind (on-and offshore) and solar energy, being production plants that are CO2 free;
- and/or increase of transport capacity of the system to consequently increase the amount of renewable energy in 50Hertz' grid;
- and/or in case of substation projects increase the amount of renewable energy integrated in the system for long distance transport and/or made available for the distribution to consumers.

Management of Proceeds

The Issuer will pass the Green Bond proceeds through to 50Hertz respectively via 50Hertz to 50Hertz Offshore into separate Green Bond subaccounts. 50Hertz/50Hertz Offshore monitor and track an amount equal to the net proceeds through their internal accounting system to seek to allocate 100% of this amount to a portfolio of Eligible Projects, (the "**Project Portfolio**"). If an Eligible Project in the applicable Project Portfolio ceases to be eligible, the proceeds will be re-allocated to different selected Eligible Projects in the applicable Project Portfolio, as soon as reasonably practicable. Pending the full allocation to the applicable Project Portfolio, 50Hertz respectively 50Hertz Offshore will hold and / or invest the subaccount balance of net proceeds not yet allocated, at its own discretion, by cashpooling in the Issuer's treasury liquidity portfolio. The Issuer is investing available cash out of its cashpool in banks' current accounts, term or termination deposits. Such monies will not be invested in any greenhouse gas intensive activities or controversial activities.

Reporting

Reporting on the use of proceeds and impact evaluation will be available to investors within one year from the date of the respective Green Bond issuance and annually thereafter until the proceeds have been fully allocated (the "**Green Bond Report**"). The Green Bond Report will be published on the Issuer's website, along with a letter of an external independent third party (see below) and assertions by the Issuer's management that the net proceeds of the Green Bond were allocated to selected Eligible Projects.

In case of substantial changes regarding potential Eligible Projects such information will be reported on the Issuer's website whenever they occur.

External Review

The Issuer has appointed Imug Rating to provide a Second Party Opinion on the Green Bond Framework to confirm that the Green Bond Framework follows the ICMA Green Bond Principles 2021.

Starting one year after a Green Bond issuance until full allocation of the proceeds the Issuer is going to request on an annual basis a limited assurance letter on the allocation of Green Bond proceeds to Eligible Projects provided by an external independent third party.

Important Notice

The Green Bond Framework and the Second Party Opinion can both be viewed on the Issuer's website. For the avoidance of doubt, neither the Green Bond Framework nor the Second Party Opinion are incorporated into or form part of this Prospectus.

Reference is made to the risk factors as disclosed in this Prospectus, in particular to the ESG related risk factor "Risks associated with green or sustainable bonds" and "No reliance on external review" with regard to specific risks associated with ESG aspects of Notes.

WARNING REGARDING TAXATION

PROSPECTIVE PURCHASERS OF THE NOTES ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF BONDS, INCLUDING THE EFFECT OF ANY STATE OR LOCAL TAXES, UNDER THE TAX LAWS OF GERMANY AND EACH COUNTRY OF WHICH THEY ARE RESIDENTS. THE RESPECTIVE RELEVANT TAX LEGISLATION MAY HAVE AN IMPACT ON THE INCOME RECEIVED FROM THE NOTES.

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 (the "**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 15 May 2024 (the "**Dealer Agreement**") and made between the Issuer, the Guarantors 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.

No public offering

No action has been or will be taken in any country or jurisdiction by the Issuer or the Dealers that would permit a public offering of the Notes, or possession or distribution of any offering material in relation thereto, in any country or jurisdiction where action for that purpose is required. Persons who have access to this Prospectus are required by the Issuer and the Dealers to comply with all applicable laws and regulations in each country or jurisdictions in or from which they purchase, offer, sell or deliver the Notes or have in their possession or distribution such offering material, in all cases at their own expense.

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 the Guarantors, 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.

United States of America (the "United States")

(a) 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.

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.

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.

(b) From and after the time that the Issuer notifies the Dealers in writing that it is no longer able to make the representation set forth in Clause 4.1(p)(i) of the Dealer Agreement, 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."

(c) 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.

(d) 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 and the Guarantors, if applicable.

(e) 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 "**TEFRA 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 "**TEFRA D Rules**"), as specified in the Final Terms.

In addition, where the TEFRA 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 TEFRA C Rules.

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

(i) except to the extent permitted under the TEFRA 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 TEFRA 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 TEFRA D Rules.

European Economic Area

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

(ii) a customer within the meaning of Directive (EU) 2016/97, as amended (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

United Kingdom

Prohibition of Sales to UK Retail Investors

Unless the relevant Final Terms in respect of any Notes specify "*Prohibition of Sales to UK Retail Investors*" as "*Not Applicable*", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Prospectus as completed by the Final Terms in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision, the expression "**retail investor**" means a person who is one (or more) of the following:

(a) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or

(b) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended ("**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA.

Other regulatory restrictions

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

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or any Guarantor; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Japan

Each Dealer has acknowledged and each further Dealer to be appointed under the Programme will be required to acknowledge that the Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the "**FIEA**") and each Dealer has represented and agreed, and each further Dealer to be appointed under the Programme will be required to represent and agree, that it has not offered or sold and will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit, of any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or entity organised under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

GENERAL INFORMATION

Responsibility Statement

The Issuer and each Guarantor in respect of information on itself only, accept responsibility for the information given in this Prospectus. The Issuer and each Guarantor 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.

ING Bank N.V. in its capacity as fiscal agent and listing agent, does not accept any responsibility whatsoever for the contents of this Prospectus nor for any other statements made or purported to be made by either themselves or on their behalf in connection with Eurogrid. Accordingly, ING Bank N.V. disclaims any and all liability, whether arising in tort or contract or otherwise in respect of this Prospectus and/or any such statement.

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 Eurogrid 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 has been duly authorised by the Managing Board of the Issuer and the shareholder of the Issuer on 11 May 2015.

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. The Guarantors have obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the Guarantee and performance of their obligations under the Guarantee.

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 ING Bank N.V., Bijlmerdreef 106, 1102 CT Amsterdam, The Netherlands.

Luxembourg Listing Agent

The Luxembourg Listing Agent is ING Luxembourg SA, 26, Place de la Gare, L-2965 Luxembourg, Grand Duchy of Luxembourg.

Documents on Display

So long as Notes are capable of being issued under this Prospectus and in any event for a period of at least ten years, 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) this Prospectus;

(ii) the documents incorporated by reference into this Prospectus;

(iii) any supplements to this Prospectus;

(iv) the Guarantee;

(v) the constitutional documents (with an English translation where applicable) of each of the Issuer, 50Hertz and 50Hertz Offshore;

(vi) the most current version of the Green Bond Framework; and

(vii) the most current version of the Second Party Opinion in relation to the Green Bond Framework.

This Prospectus, any document incorporated by reference and any supplement to this Prospectus will be published on the website of the Luxembourg Stock Exchange (www.luxse.com) and on the website of the Issuer (https://www.eurogrid.com/de-de/Investor-Relations/Debt-Issuance-Programme).

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.luxse.com). In the case of Notes listed on any other stock exchange, the Final Terms will be displayed on the website of the Issuer (https://www.eurogrid.com/de-de/Investor-Relations/Debt-Issuance-Programme).

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 the omission of which would render the reproduced information inaccurate or misleading and (ii) neither the Issuer nor any Dealer has independently verified any such information and neither the Issuer nor any Dealer accepts any responsibility for the accuracy thereof.

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 Eurogrid GmbH as of and for the fiscal year ended 31 December 2022 prepared in accordance with IFRS, included in the consolidated financial statements for fiscal year 2022 of Eurogrid GmbH and the independent auditor's report thereon (English language version)

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Consolidated statement of profit or loss	2
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https://www.eurogrid.com/Portals/1/Content/Investor%20Relations/Debt%20Issuance%20Programme/Included%20Documents/2022/Eurogrid%20GmbH%20Consolidated%20Financial%20Statements%20and%20Auditor's%20Report%202022.pdf?ver=2cuNgPIH-Pph67Ld3m81DQ%3d%3d

Audited consolidated financial statements of Eurogrid GmbH as of and for the fiscal year ended 31 December 2023 prepared in accordance with IFRS, included in the consolidated financial statements for fiscal year 2023 of Eurogrid GmbH and the independent auditor's report thereon (English language version)

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https://www.eurogrid.com/xspProxy/api/StaticFiles/Eurogrid/Content/Investor%20Relations/Debt%20Issuance%20Programme/Included%20Documents/2023/Eurogrid%20GmbH%20Consolidated%20Financial%20Statements%20and%20Auditor's%20Report%202023%20English.pdf

Audited annual financial statements of 50Hertz Transmission GmbH as of and for the fiscal year ended 31 December 2022 prepared in accordance with HGB, included in the Financial statements of 50Hertz Transmission GmbH, Berlin as of 31 December 2022 and the independent auditor's report thereon (English language version)

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Income statement	4

Statement of cash flows	5
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https://www.eurogrid.com/Portals/1/Content/Investor%20Relations/Debt%20Issuance%20Programme/Included%20Documents/2022/50Hertz%20Transmission%20GmbH%20Financial%20Statements%20and%20Auditor's%20Report%202022.pdf?ver=gdidrsFoul2ir5jNNX20Mg%3d%3d

Audited annual financial statements of 50Hertz Transmission GmbH as of and for the fiscal year ended 31 December 2023 prepared in accordance with HGB, included in the Financial statements of 50Hertz Transmission GmbH, Berlin as of 31 December 2023 and the independent auditor's report thereon (English language version)

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https://www.eurogrid.com/xspProxy/api/StaticFiles/Eurogrid/Content/Investor%20Relations/Debt%20Issuance%20Programme/Included%20Documents/2023/50Hertz%20Transmission%20GmbH%20Financial%20Statements%20and%20Auditor's%20Report%202023%20English.pdf

Audited annual financial statements of 50Hertz Offshore GmbH as of and for the fiscal year ended 31 December 2022 prepared in accordance with HGB, included in the Annual financial statements of 50Hertz Offshore GmbH, Berlin as of 31 December 2022 and independent auditor's report thereon (English language version)

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https://www.eurogrid.com/Portals/1/Content/Investor%20Relations/Debt%20Issuance%20Programme/Included%20Documents/2022/50Hertz%20Offshore%20GmbH%20Financial%20Statements%20and%20Auditor's%20Report%202022.pdf?ver=QNSXqpOognOIijKPD6MDzQ%3d%3d

Audited annual financial statements of 50Hertz Offshore GmbH as of and for the fiscal year ended 31 December 2023 prepared in accordance with HGB, included in the Annual financial statements of 50Hertz Offshore GmbH, Berlin as of 31 December 2023 and independent auditor's report thereon (English language version)

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https://www.eurogrid.com/xspProxy/api/StaticFiles/Eurogrid/Content/Investor%20Relations/Debt%20Issuance%20Programme/Included%20Documents/2023/50Hertz%20Offshore%20GmbH%20Financial%20Statements%20and%20Auditor's%20Report%202023%20English.pdf

The financial statements and independent auditor's reports mentioned above are English language translations of the respective German language audited financial statements and independent auditor's reports. The respective independent auditor's reports refer to the respective consolidated financial statements and group management reports of Eurogrid GmbH, the respective annual financial statements and management reports of 50Hertz Transmission GmbH and the respective annual financial statements and management reports of 50Hertz Offshore GmbH, each as a whole, and not solely to the respective consolidated financial statements or annual financial statements incorporated by reference into this Prospectus.

Debt Issuance Programme Prospectus of the Issuer dated 13 May 2015

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https://www.eurogrid.com/Portals/1/Content/Investor%20Relations/Debt%20Issuance%20Programme/Prospectus/2015/20150513%20Eurogrid%20GmbH%20Prospectus.pdf?ver=2015-05-13-162428-000

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 Eurogrid 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 usual business hours on any working day from the date hereof for the whole life of the Prospectus at the principal office in Luxembourg of ING Luxembourg SA for Notes listed on the official list of the Luxembourg Stock Exchange and will be published on the website of the Luxembourg Stock Exchange (www.luxse.com).

NAMES AND ADDRESSES

ISSUER

Eurogrid GmbH
Heidestraße 2
10557 Berlin
Federal Republic of Germany

GUARANTORS

50Hertz Transmission GmbH
Heidestraße 2
10557 Berlin
Federal Republic of Germany

50Hertz Offshore GmbH
Heidestraße 2
10557 Berlin
Federal Republic of Germany

FISCAL AGENT AND PAYING AGENT

ING Bank N.V.
Bijlmerdreef 106
1102 CT Amsterdam
The Netherlands

LUXEMBOURG LISTING AGENT

ING Luxembourg SA
26, Place de la Gare
L-2965 Luxembourg
Grand Duchy of Luxembourg

ARRANGERS

Banco Santander, S.A.
Ciudad Grupo Santander
Avenida de Cantabria s/n
Edificio Encinar, planta baja,
28660, Boadilla del Monte, Madrid
Spain

BNP Paribas
16, boulevard des Italiens
75009 Paris
France

Commerzbank Aktiengesellschaft
Kaiserstraße 16 (Kaiserplatz)
60311 Frankfurt am Main
Federal Republic of Germany

Coöperatieve Rabobank U.A.
Croeselaan 18
3521 CB Utrecht
The Netherlands

ING Bank N.V.
Foppingadreef 7
1102 BD Amsterdam
The Netherlands

Mizuho Securities Europe GmbH
Taunustor 1
60310 Frankfurt am Main
Germany

NatWest Markets NV
Claude Debussylaan 94
Amsterdam 1082 MD
The Netherlands

UniCredit Bank GmbH
Arabellastrasse 12
81925 Munich
Federal Republic of Germany

DEALERS

Banco Santander, S.A.
Ciudad Grupo Santander
Avenida de Cantabria s/n
Edificio Encinar, planta baja,
28660, Boadilla del Monte, Madrid
Spain

BNP Paribas
16, boulevard des Italiens
75009 Paris
France

Commerzbank Aktiengesellschaft
Kaiserstraße 16 (Kaiserplatz)
60311 Frankfurt am Main
Federal Republic of Germany

Coöperatieve Rabobank U.A.
Croeselaan 18
3521 CB Utrecht
The Netherlands

ING Bank N.V.
Foppingadreef 7
1102 BD Amsterdam
The Netherlands

Mizuho Securities Europe GmbH
Taunustor 1
60310 Frankfurt am Main
Germany

NatWest Markets N.V.
Claude Debussylaan 94
1082 MD Amsterdam
The Netherlands

UniCredit Bank GmbH
Arabellastrasse 12
81925 Munich
Federal Republic of Germany

LEGAL ADVISERS

To the Issuer and the Guarantors as to German law

White & Case LLP
Bockenheimer Landstraße 20
60323 Frankfurt am Main
Federal Republic of Germany

To the Dealers as to German law

Hogan Lovells International LLP
Grosse Gallusstrasse 18
60312 Frankfurt am Main
Federal Republic of Germany

AUDITORS

To the Issuer

BDO AG
Wirtschaftsprüfungsgesellschaft
Katharina-Heinroth-Ufer 1
10787 Berlin
Federal Republic of Germany

To the Guarantors

BDO AG
Wirtschaftsprüfungsgesellschaft
Katharina-Heinroth-Ufer 1
10787 Berlin
Federal Republic of Germany