WHOLESALE BASE PROSPECTUS

NATURGY FINANCE B.V.
(*Formerly Gas Natural Fenosa Finance B.V.; incorporated with limited liability in The Netherlands and having its statutory domicile in Amsterdam*)

Guaranteed by

NATURGY ENERGY GROUP, S.A.
(*Formerly Gas Natural SDG, S.A.; incorporated with limited liability in the Kingdom of Spain*)

euro 12,000,000,000
Euro Medium Term Note Programme

Under this €12,000,000,000 Euro Medium Term Note Programme (the "**Programme**"), Naturgy Finance B.V. (the "**Issuer**") may from time to time issue notes in bearer form (the "**Notes**") guaranteed by Naturgy Energy Group, S.A. (the "**Guarantor**" and, together with its consolidated subsidiaries, the "**Group**" or "**Naturgy**"). The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed €12,000,000,000 (or its equivalent in other currencies). The Issuer and the Guarantor may decide to increase the amount of the Programme.

This document constitutes a base prospectus (the "**Base Prospectus**") for the purposes of Article 8 of Regulation (EU) 2017/1129 as amended (the "**Prospectus Regulation**"). This Base Prospectus has been approved by the *Commission de Surveillance du Secteur Financier* (the "**CSSF**") as competent authority for the purposes of the Prospectus Regulation. The CSSF only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed under Luxembourg and EU law pursuant to the Prospectus Regulation. Such approval by the CSSF should not be considered as an endorsement of the Issuer or the Guarantor that are the subject of this Base Prospectus nor as an endorsement of the quality of the Notes issued under the Programme. Investors should make their own assessment as to the suitability of investing in such Notes. The CSSF gives no undertaking as to the economic and financial soundness of the transaction or the quality or solvency of the Issuer in line with the provisions of Article 6(4) of the Luxembourg Act dated 16 July 2019 relating to prospectuses for securities (the "**Luxembourg Act**").

This Base Prospectus is valid for twelve months from its date (i.e., until 15 December 2024) in relation to Notes which are to be admitted to trading on a regulated market in the European Economic Area (the "EEA"). The obligation to supplement this Base Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Base Prospectus is no longer valid. For the purposes of the Transparency Directive 2004/109/EC, Naturgy Finance B.V. has selected Luxembourg as its 'home member state'. The 'home member state' of the Guarantor for such purposes is Spain.

Application has also been made to the Luxembourg Stock Exchange for the Notes issued within twelve months from the date hereof to be listed on the official list of the Luxembourg Stock Exchange and to be admitted to trading on the Luxembourg Stock Exchange's regulated market (which is a regulated market for the purposes of the Markets in Financial Instruments Directive 2014/65/EU). Application may also be made to list such Notes on such other or further competent authorities, stock exchanges and/or quotation systems as may be agreed with the Issuer and the Guarantor. According to the Luxembourg Act, the CSSF is not competent for approving prospectuses for the listing of money market instruments having a maturity at issue of less than twelve months and complying with the definition of securities.

An investment in Notes issued under the Programme involves certain risks. For a discussion of these risks see "Risk Factors" below.

As at the date of this Base Prospectus the Guarantor has been assigned a long-term credit rating of BBB (stable outlook) by S&P Global Ratings ("**S&P**") and BBB (stable outlook) by Fitch Ratings ("**Fitch Ratings**"). Each of S&P and Fitch Ratings is established in the European Union and registered under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**"). Notes issued under the Programme may be rated or unrated. Where a Tranche of Notes is rated, such rating

will be specified in the relevant Final Terms. Such rating will not necessarily be the same as the rating assigned to Notes already issued. Whether or not a rating in relation to any Tranche of Notes will be treated as having been issued by a credit rating agency established in the European Union and registered under the CRA Regulation will be disclosed in the relevant Final Terms. A list of rating agencies registered under the CRA Regulation can be found at *https://www.esma.europa.eu/supervision/credit-rating-agencies/risk*. A rating is not a recommendation to buy, sell or hold Notes and may be subject to suspension, change or withdrawal by the assigning rating agency.

Arranger

Citigroup

Dealers

Barclays	BBVA
BNP PARIBAS	CaixaBank
Citigroup	Crédit Agricole CIB
HSBC	IMI – Intesa Sanpaolo
ING	J.P. Morgan
Morgan Stanley	MUFG
Santander Corporate & Investment Banking	Société Générale Corporate & Investment Banking
UniCredit	

The date of this Base Prospectus is 15 December 2023.

Each of the Issuer and the Guarantor accepts responsibility for the information contained in this Base Prospectus and any applicable Final Terms (as defined below). The information contained in this Base Prospectus is, to the best of the knowledge of each of the Issuer and the Guarantor, in accordance with the facts and this Base Prospectus contains no omission likely to affect the import of such information.

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

References herein to "**Conditions**" are to the *Terms and Conditions of Notes issued by the Issuer prior to the Effective Date of Conversion* or to the *Terms and Conditions of Notes issued by the Issuer on or following the Effective Date of Conversion*, as the case may be. See "*—Conversion of Naturgy Finance B.V.*" below and the section entitled "*Conversion of Naturgy Finance B.V.*" in this Base Prospectus.

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

No person is or has been authorised to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other information provided in connection with the Programme or any Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Guarantor or any of the Dealers.

Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Notes (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation or as constituting an invitation or offer by the Issuer, the Guarantor or any of the Dealers that any recipient of this Base Prospectus or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing Notes should make its own independent investigation of the affairs, and its own appraisal of the creditworthiness, of the Issuer and/or the Guarantor. Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Notes constitutes an offer by or on behalf of the Issuer and/or the Guarantor or any of the Dealers to any person to subscribe for or to purchase any Notes.

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

The delivery of this Base Prospectus does not at any time imply that the information contained herein concerning the Issuer and/or the Guarantor is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers expressly do not undertake to review the financial condition or affairs of the Issuer and/or the Guarantor during the life of the Programme. Investors should review, *inter alia*, the most recent financial statements of the Issuer and the Guarantor when deciding whether or not to purchase any of the Notes.

The distribution of this Base Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. Persons into whose possession this Base Prospectus or any Notes come must inform themselves about, and observe, any such restrictions. The Issuer, the Guarantor, the Arranger and the Dealers do not represent that this Base Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Guarantor, the Arranger or the Dealers that would permit a public offering of any Notes or distribution of this document in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. In particular, the Notes and the obligations of the Guarantor under the Deed of Guarantee have not been and will not be registered under the United States Securities Act 1933, as amended (the "**Securities Act**"), or with any securities regulatory authority of any state or other jurisdiction of the United States and include Notes in bearer form that are subject to U.S. tax law requirements. The Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act ("**Regulation S**")) unless the Notes are registered under the Securities Act, or an exemption from such registration requirements is available. There are restrictions on the distribution of this Base Prospectus and the offer or sale of Notes in the United States, the European Economic Area (including the Republic of Italy, Spain and The Netherlands), the United Kingdom, Switzerland, Japan and Singapore, see "*Subscription and Sale*".

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

Amounts payable under the Notes may be calculated by reference, *inter alia*, to the Euro Interbank Offered Rate ("**EURIBOR**") or the Sterling Overnight Index Average ("**SONIA**"). As at the date of this Base Prospectus, the European Money Markets Institute (as administrator of EURIBOR) is included in the European Securities and Markets Authority's ("**ESMA**") register of administrators under Article 36 of Regulation (EU) No. 2016/1011 (the "**BMR**"). As at the date of this Base Prospectus, the Bank of England is not included in ESMA's register of administrators under Article 36 of the BMR. As far as the Issuer and the Guarantor are aware, the transitional provisions in Article 51 of the Benchmarks Regulation apply, such that the Bank of England, as administrator of SONIA, is not currently required to obtain recognition, endorsement or equivalence.

*In this Base Prospectus, unless otherwise specified or the context otherwise requires, references to "**U.S. dollars**" and "**U.S.$**" are to the currency of the United States of America, references to "**Yen**" are to the currency of Japan, references to "**Brazilian Real**" and "**BRL**" are to the currency of Brazil, references to "**Chilean peso**" and "**CLP**" are to the currency of Chile, references to "**Colombian peso**" are to the currency of Colombia and references to "**Sterling**" are to the currency of the United Kingdom. References to "**euro**" and to "**€**" are to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended. Conversions into euro of amounts expressed in currencies other than euro in this Base Prospectus are provided for convenience only and, unless indicated otherwise, represent an estimate of such euro amounts based on publicly available conversion rates as at 30 June 2023. No representation is made that these amounts could have been, or could be, converted into euro at that rate or any other rate.*

In this Base Prospectus, unless otherwise specified or the context otherwise requires, a reference to a law or a provision of a law is a reference to that law or provision as extended, amended or re-enacted.

NO ACTIVE TRADING MARKET

Notes issued under the Programme will be new securities which may not be widely distributed and for which there is currently no active trading market (unless, in the case of any particular Tranche, such Tranche is to be consolidated with and form a single series with an outstanding Tranche of Notes). If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer and the Guarantor. Although applications have been made to the Luxembourg Stock Exchange for the Notes issued under the Programme to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the official list of the Luxembourg Stock Exchange, there is no assurance that such applications will be accepted, that any particular Tranche of Notes will be so admitted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for any particular Tranche of Notes.

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 (EU) 2016/97 of the European Parliament and of the Council of 20 January 2016 on insurance distribution, 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 the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person

who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of 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 ("**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97 of the European Parliament and of the Council of 20 January 2016 on insurance distribution, 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. 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.

MiFID II PRODUCT GOVERNANCE / TARGET MARKET

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

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

UK MiFIR PRODUCT GOVERNANCE / TARGET MARKET

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

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

NOTIFICATION UNDER SECTION 309B(1)(C) OF THE SECURITIES AND FUTURES ACT 2001 OF SINGAPORE (THE SFA) – Unless otherwise stated in the Final Terms in respect of any Notes, all Notes issued or to be issued under the Programme shall be prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

ALTERNATIVE PERFORMANCE MEASURES

Certain alternative performance measures (as defined in the ESMA Guidelines on Alternative Performance Measures) ("**Alternative Performance Measures**" or "**APMs**") are included in this Base Prospectus (which reference includes any information incorporated by reference herein). Such APMs, which are not required by, and have not been prepared in accordance with, International Financial Reporting Standards as adopted by the European Union ("**IFRS-EU**"), have been extracted or derived from the accounting records of the Group.

The Guarantor believes these measures will assist securities analysts, investors and other interested parties in the understanding of the Group's results of operations and financial position. These APMs should be viewed as complementary to, rather than a substitute for, the figures determined according to IFRS-EU. Such APMs have not been audited or reviewed, and are not recognised measures of financial performance or liquidity under IFRS-EU but are used by management to monitor the underlying performance of the business, operations and financial condition of the Group.

These APMs may not be indicative of the Group's historical results, nor are such measures meant to be predictive of its future results. The Guarantor has presented these APMs in this Base Prospectus because it considers them to be important supplemental measures of the Group's performance or liquidity, because these and similar measures are seen to be used widely in the sector in which it operates as a means of evaluating a company's operating performance and liquidity. However, not all companies calculate such APMs in the same manner or on a consistent basis. As a result, these measures

may not be comparable to measures used by other companies under the same or similar names. and they should not be considered as a substitute for financial measures computed in accordance with IFRS-EU.

Accordingly, undue reliance should not be placed on such APMs contained in this Base Prospectus.

For the definitions and reconciliations of such APMs, see "Alternative performance metrics" in Appendix I to the consolidated annual directors' report of the Guarantor for the year ended 31 December 2022 and Appendix I of the interim consolidated directors' report of the Guarantor for the six-month period ended 30 June 2023 (the "**Interim Consolidated Directors' Report 2023**") which are incorporated by reference in this Base Prospectus for information on APMs contained in this Base Prospectus.

CONVERSION OF NATURGY FINANCE B.V.

On 30 November 2023, the board of directors of the Issuer agreed to effectuate a statutory cross-border conversion to be carried out pursuant to Directive (EU) 2019/2121 and the relevant implementing legislation in the Netherlands and Spain and whereby the Issuer, without being dissolved or wound up or going into liquidation, transfers its registered office from the Netherlands to Spain and converts its legal form from a Dutch limited company (*B.V.* or *besloten vennootschap*) to a Spanish limited company (*S.A.* or *sociedad anónima*).

Consequently, the Terms and Conditions included in this Base Prospectus on pages 31 to 65 (*Terms and Conditions of Notes issued by the Issuer prior to the Effective Date of Conversion*) will apply to any Notes issued prior to the Effective Date of Conversion (as defined in the section entitled "*Conversion of Naturgy Finance B.V.*") and the Terms and Conditions included in this Base Prospectus on pages 66 to 100 (*Terms and Conditions of Notes issued by the Issuer on or following the Effective Date of Conversion*) will apply to any Notes issued by the Issuer on or following the Effective Date of Conversion. See the section entitled "*Conversion of Naturgy Finance B.V.*" for more information.

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GENERAL DESCRIPTION OF THE PROGRAMME

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this document and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms. Words and expressions defined in "Form of the Notes", "Terms and Conditions of Notes Issued by the Issuer prior to the Effective Date of Conversion", "Terms and Conditions of Notes Issued by the Issuer on or following the Effective Date of Conversion" and "Conversion of Naturgy Finance B.V.", as applicable, below shall have the same meanings in this overview.

Issuer:	Naturgy Finance B.V. (see the section entitled "*Conversion of Naturgy Finance B.V.*")
LEI:	2138005FTXOJUBQ5J563
Guarantor:	Naturgy Energy Group, S.A.
Description:	Euro Medium Term Note Programme
Arranger:	Citigroup Global Markets Europe AG
Dealers:	Banco Bilbao Vizcaya Argentaria, S.A. Banco Santander, S.A. Barclays Bank Ireland PLC BNP Paribas CaixaBank, S.A. Citigroup Global Markets Europe AG Crédit Agricole Corporate and Investment Bank HSBC Continental Europe ING Bank N.V. Intesa Sanpaolo S.p.A. J.P. Morgan SE Morgan Stanley Europe SE MUFG Securities (Europe) N.V. Société Générale UniCredit Bank GmbH and any other dealer appointed from time to time by the Issuer either in respect of the Programme generally in or in relation to a particular Tranche (as defined below) of Notes only.
Agent:	Citibank, N.A., London Branch
Amount:	Up to euro 12,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement) aggregate principal amount of Notes outstanding at any time. The Issuer and the Guarantor may increase the amount of the Programme in accordance with the terms of the Programme Agreement.
Distribution:	Subject to applicable selling restrictions, Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.

Currencies:	Subject to any applicable legal or regulatory restrictions, such currencies as may be agreed between the Issuer, the Guarantor and the relevant Dealer including but not limited to euro, U.S. dollars, Yen and Sterling. Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time.
Maturities:	Such maturities as may be agreed between the Issuer, the Guarantor and the relevant Dealer and as indicated in the applicable final terms for such issue of Notes (the "**Final Terms**"), subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer, the Guarantor or the relevant Specified Currency. Unless permitted by then current laws and regulations, where Notes have a maturity of less than one year and either (a) the issue proceeds are received by the Issuer in the United Kingdom or (b) the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the United Kingdom, such Notes must: (i) have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be issued only to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses; or (ii) be issued in other circumstances which do not constitute a contravention of section 19 of the Financial Services and Markets Act 2000 by the Issuer.
Issue Price:	Notes may be issued at an issue price which is at par or at a discount to, or premium over, par. The issue price and the nominal amount of the relevant tranche of Notes will be determined before filing of the relevant Final Terms of each Tranche on the basis of the prevailing market conditions.
Form of Notes:	Each Tranche of Notes will initially be represented by a temporary global note ("**Temporary Global Note**") which will: (i) if the global Notes are intended to be issued in new global note ("**NGN**") form, as stated in the applicable Final Terms, be delivered on or prior to the relevant Issue Date to a common safekeeper (the "**Common Safekeeper**") for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, S.A. ("**Clearstream, Luxembourg**"); or (ii) if the global Notes are not intended to be issued in NGN form, be delivered on or prior to the relevant Issue Date to a common depositary (the "**Common Depositary**") for Euroclear and Clearstream, Luxembourg.

	Interests in each Temporary Global Note will be exchanged either for interests in a permanent global Note ("**Permanent Global Note**") or definitive Notes (as indicated in the applicable Final Terms) in either case not earlier than 40 days after the Issue Date upon certification of non-U.S. beneficial ownership as required by U.S. Treasury Regulations. Each Permanent Global Note will be exchangeable, unless otherwise specified in the applicable Final Terms, in whole but not in part for definitive Notes in accordance with its terms. Any interest in a global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear, Clearstream, Luxembourg and for any other agreed clearance system as appropriate.
Fixed Rate Notes:	Fixed interest will be payable on such date or dates as may be agreed between the Issuer, the Guarantor and the relevant Dealer (as indicated in the applicable Final Terms) and on redemption.
Floating Rate Notes:	Floating Rate Notes will bear interest at a rate determined separately for each Series as follows: (i) on the same basis as the floating rate under a notional interest-rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the relevant ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc. ("**ISDA**"), and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series); or (ii) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service; or (iii) on such other basis as may be agreed between the Issuer, the Guarantor and the relevant Dealer, as indicated in the applicable Final Terms. The Margin (if any) relating to such Floating Rate Notes will be agreed between the Issuer, the Guarantor and the relevant Dealer for each Series of Floating Rate Notes. Floating Rate Notes may also have a maximum interest rate, a minimum interest rate, or both (as indicated in the applicable Final Terms). Interest on Floating Rate Notes in respect of each Interest Period, as selected prior to the issue by the Issuer, the Guarantor and the relevant Dealer(s), will be payable on the first day of the next Interest Period or, in the case of the final Interest Payment Date, on the Maturity Date specified in the applicable Final Terms and will be calculated in accordance with the relevant Day Count Fraction or as otherwise indicated in the applicable Final Terms.
Interest Periods for Floating Rate Notes:	Such period(s) as the Issuer, the Guarantor and the relevant Dealer may agree (as indicated in the applicable Final Terms).

Zero Coupon Notes:	Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest other than in the case of late payment.
Redemption:	Unless previously redeemed or purchased and cancelled, each Note will be redeemed by the Issuer, failing which the Guarantor at its Final Redemption Amount on the Maturity Date (in the case of a Note other than a Floating Rate Note) or on the Specified Interest Payment Date falling in the Redemption Month (in the case of a Floating Rate Note). Such Final Redemption Amount in respect of any Note shall be its principal amount or such higher amount as may be specified in the relevant Final Terms. The Final Terms relating to each Tranche of Notes will indicate either that such Notes cannot be redeemed prior to their stated maturity (other than in specified instalments (see below) or for taxation reasons or following an Event of Default) or that such Notes will be redeemable prior to their stated maturity at the option of the Issuer and/or the Noteholders. The Final Terms may provide that such Notes may be redeemable in two or more instalments of such amounts and on such dates as are indicated in the applicable Final Terms. Notes which have a maturity of less than one year may be subject to restrictions on their denomination and distribution. See "*Maturities*" above.
Denominations of Notes:	Definitive Notes will be in such denominations as may be specified in the relevant Final Terms, save that: (i) the minimum denomination of each Note will be such amount as may be allowed or required, from time to time, by the relevant regulatory authority or any laws or regulations applicable to the relevant Specified Currency; and (ii) the minimum denomination of each Note admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances that require the publication of a prospectus under the Prospectus Regulation will be euro 100,000 (or its equivalent in any other currency as at the date of issue of the Notes). So long as the Notes are represented by a Temporary Global Note or Permanent Global Note and the relevant clearing system(s) so permit, the Notes will be tradeable only (a) if the Specified Denomination stated in the relevant Final Terms is "euro 100,000 (or its equivalent in another currency)", in the authorised denomination of euro 100,000 (or its equivalent in another currency) and integral multiples of euro 100,000 (or its equivalent in another currency) thereafter, or (b) if the Specified Denomination stated in the relevant Final Terms is "euro 100,000 (or its equivalent in another currency) and integral multiples of euro 1,000 (or its equivalent in another currency) in excess thereof", in the minimum authorised denomination of euro 100,000 (or its equivalent in another currency) and higher integral multiples

	of euro 1,000 (or its equivalent in another currency), notwithstanding that no definitive Notes will be issued with a denomination above euro 199,000 (or its equivalent in another currency).
Taxation on Notes issued prior to the Effective Date of Conversion:	Subject to certain exceptions, all payments in respect of Notes issued by the Issuer will be made without deduction for or on account of withholding taxes. See Condition 10 (*Taxation*) of the "*Terms and Conditions of Notes Issued by the Issuer prior to the Effective Date of Conversion*" and section entitled "*Taxation and Disclosure of Information in Connection with the Notes*".
Taxation on Notes issued on or following the Effective Date of Conversion:	Subject to certain exceptions, all payments in respect of Notes issued by the Issuer will be made without deduction for or on account of withholding taxes. See Condition 10 (*Taxation*) of the "*Terms and Conditions of Notes Issued by the Issuer on or following the Effective Date of Conversion*".
Status of the Notes:	The Notes will constitute direct, unconditional, unsubordinated and (subject to the Negative Pledge referred to below) unsecured obligations of the Issuer and will rank *pari passu* without any preference among themselves and (subject to any applicable statutory exceptions) at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer.
Status of the Guarantee:	The Notes will be unconditionally and irrevocably guaranteed by the Guarantor pursuant to a deed of guarantee (the "**Deed of Guarantee**"). The obligations of the Guarantor under the Deed of Guarantee will constitute direct, unconditional unsubordinated and (subject to Condition 4 (*Negative Pledge*)) unsecured obligations of the Guarantor and (subject to any applicable statutory exceptions) will rank at least *pari passu* with all other present and future outstanding, unsecured and unsubordinated obligations of the Guarantor.
Cross-Default:	The Notes will contain a cross-default in respect of Relevant Indebtedness (as defined in Condition 4 (*Negative Pledge*)) of the Issuer or the Guarantor and certain of their subsidiaries.
Negative Pledge:	The Notes will have the benefit of a negative pledge in respect of Relevant Indebtedness of the Issuer, the Guarantor and certain of their subsidiaries. The negative pledge is subject to permitted security interests which include, but are not limited to, certain security interests created in respect of the project finance activities of the Group. For the details of the negative pledge provision, please refer to Condition 4 (*Negative Pledge*).

Rating:	Notes issued under the Programme may be rated or unrated. Where a Tranche of Notes is rated, such rating will be specified in the relevant Final Terms. Such rating will not necessarily be the same as the rating assigned to Notes already issued. Whether or not a rating in relation to any Tranche of Notes will be treated as having been issued by a credit rating agency established in the European Union and registered under the CRA Regulation on credit rating agencies will be disclosed in the relevant Final Terms. A rating is not a recommendation to buy, sell or hold Notes and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.
Listing and Admission to Trading:	Application has been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the official list of the Luxembourg Stock Exchange or as otherwise specified in the relevant Final Terms. The Final Terms relating to each issue will state on which stock exchange(s) the Notes are to be listed.
Governing Law:	Save as otherwise set out in the paragraph below, the conditions of the Notes will be governed by, and construed in accordance with, English law. In relation to Notes issued prior to the Effective Date of Conversion, Condition 3 (*Status of the Deed of Guarantee*) will be governed by Spanish law. In relation to Notes issued on or following the Effective Date of Conversion, Condition 2 (*Status of the Notes*) and Condition 3 (*Status of the Deed of Guarantee*) will be governed by Spanish law. In addition, the Notes will be issued in accordance with the formalities prescribed by Spanish law.
Selling Restrictions:	There are local and worldwide selling restrictions in relation to the laws of the United States, the European Economic Area (including the Republic of Italy, Spain and The Netherlands), the United Kingdom, Switzerland, Japan and Singapore and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes. See "*Subscription and Sale*". The Notes are Category 2 for the purposes of Regulation S under the Securities Act.

	The Notes will be issued in compliance with 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 Code) ("**TEFRA D**") unless the Notes are issued other than in compliance with TEFRA D but in circumstances in which the Notes will not constitute "*registration—required obligations*" under the United States Tax Equity and Fiscal Responsibility Act of 1982 ("**TEFRA**"), which circumstances will be referred to in the relevant Final Terms as a transaction to which TEFRA is not applicable.
Redenomination:	Certain Notes may be redenominated in euro. See Condition 7 (*Payments*).

RISK FACTORS

Prospective investors should carefully consider all the information set forth in this Base Prospectus, the applicable Final Terms and any documents incorporated by reference into this Base Prospectus, as well as their own personal circumstances, before deciding to invest in any Notes. Prospective investors should have particular regard to, among other matters, the considerations set out in this section of this Base Prospectus.

Each of the Issuer and the Guarantor believes that each of the following factors may affect its ability to fulfil its obligations under Notes issued under the Programme. All of these factors are contingencies which may or may not occur and neither the Issuer nor the Guarantor is in a position to express a view on the likelihood of any such contingency occurring. In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

Those risk factors that each of the Issuer and the Guarantor believe are the most material as at the date of this Base Prospectus have been presented first in each category. The order of presentation of the categories themselves or the remaining risk factors in each category is not intended to be an indication of the probability of their occurrence or of their potential effect on the Issuer's or the Guarantor's ability to fulfil their obligations under the Notes.

Each of the Issuer and the Guarantor believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme as at the date of this Base Prospectus, but the inability of the Issuer or the Guarantor to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons which may not be considered significant risks by the Issuer and the Guarantor based on information currently available to them or which they may not currently be able to anticipate. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus, including the descriptions of the Issuer and the Guarantor, as well as the documents incorporated by reference, and reach their own views prior to making any investment decisions.

Before making an investment decision with respect to any Notes, prospective investors should consult their own stockbroker, bank manager, lawyer, accountant or other financial, legal and tax advisers and carefully review the risks entailed by an investment in the Notes and consider such an investment decision in the light of the prospective investor's personal circumstances.

(I) RISK FACTORS THAT MAY AFFECT THE ISSUER'S AND THE GUARANTOR'S ABILITY TO FULFIL THEIR OBLIGATIONS UNDER THE NOTES

1. LEGAL AND REGULATORY RISKS

Risks relating to the Group's regulatory environment

The Group operates in a highly regulated environment that impacts both regulated and liberalised activities and, as a result, the Guarantor and its subsidiaries are required to comply with a wide variety of legal rules and regulations applying to the natural gas and electricity sectors. In particular, gas and electricity distribution are regulated businesses in most of the countries in which the Group carries out these activities. In addition, the Group is subject to laws and regulations concerning prices, environmental requirements and other aspects of its activities in each of the countries in which it operates. An overview of such laws and regulations is available at Note 2 of Appendix IV (*Regulatory Framework*) of the Guarantor's consolidated annual accounts for the year ended 31 December 2022, which are incorporated by reference in this Base Prospectus.

Although such overview, as complimented by the information set out below, contains all the information that the Group considers material as at the date of this Base Prospectus and in the context of the issue of the Notes, it does not constitute an exhaustive description of all applicable laws and regulations affecting the Group. Prospective investors and their advisers should make their own analysis of the legislation and regulations applicable to the Group and of the impact they may have on the Group and any investment in the Notes and should not rely on such overview only.

The laws and regulations governing the natural gas and electricity sectors in the countries where the Group operates are typically subject to periodic review by the regulatory authorities. Following such reviews, or as a result of the approval of new laws and regulations, the regulatory frameworks prevailing in those jurisdictions, along with the interpretation of the applicable rules, may be modified, and such modifications may be significant in certain instances. Additionally, the regulatory authorities periodically update the

tariffs and remunerations of the regulated activities, which may result in adverse variations in the income or remuneration of the Group. As at the date of this Base Prospectus, such tariff reviews are ongoing in Brazil for gas distribution activities, and tariff reviews for natural gas distribution are foreseen in Argentina for 2023 and 2024 and a new law is currently being processed in Chile, which could result in a reduction of tariffs for Metrogas, S.A. ("**Metrogas**").

In particular, during the year 2020 the Spanish National Commission on Markets and Competition (*Comisión Nacional de los Mercados y la Competencia*) (the "**CNMC**") continued the work started in 2019 of establishing framework methodologies for the calculation of the remuneration of the electricity transmission and distribution activities for the period 2020 to 2025. However, as at the date of this Base Prospectus, final annual remuneration of distribution activities for the years 2020 through 2023 and transmission activities for the years 2021 through 2023, in line with the framework methodologies for these activities, are still pending approval by the CNMC and, as a result, provisional remunerations are currently being applied.

During 2020, the CNMC approved the methodology for the calculation of the tolls payable for the use of the electricity transmission and distribution networks for 2020 through 2025. These tolls are calculated according to this new methodology, are set on an annual basis by the CNMC and have applied since 1 June 2021.

Regarding gas distribution, during the years 2019 and 2020 the CNMC approved the remuneration methodology for transmission and distribution activities for the period 2021 through 2026 maintaining the activity-based remuneration from the previous period, with a remuneration reduction estimated at 16.8% (compared to 2020) as sector average for the last year of the six-year period to be applied progressively. In accordance with this remuneration methodology, the CNMC's resolution of 19 May 2022, which was published in the Official State Gazette on 25 May 2022, established the remuneration for regulated gas transportation and distribution activities for the gas year 2023, which commenced on 1 October 2022 and ended on 30 September 2023. The remuneration for regulated gas transportation and distribution activities for the gas year 2024, which commenced on 1 October 2023 and will end on 30 September 2024, has been approved by the CNMC's resolution of 30 May 2023, published in the Official State Gazette on 2 June 2023.

As was the case for the electricity sector, the CNMC also approved in 2020 the methodology for the calculation of the tolls to be paid for the use of the gas transportation, regasification and distribution networks. These tolls are calculated according to this new methodology and are set annually by the CNMC. These tolls have applied for regasification networks since 1 October 2020, and since 1 October 2021 for transportation and distribution networks.

Detailed information on the remuneration for electricity and gas transmission and distribution activities can be found on the CNMC website (www.cnmc.es).

Following the decision of the Spanish parliament to hold early elections in July 2023, a draft bill on the creation of a national fund for the sustainability of the electricity system and a draft bill on the remuneration of CO_2 not emitted in the electricity market have expired and are no longer before the Spanish parliament (unless new bills are submitted).

Since 2021, several laws relating to the energy sector have been approved. On 14 September 2021, the Spanish government approved Royal Decree Law 17/2021 (*Real Decreto-ley 17/2021*) establishing temporary measures to mitigate the impact on consumers of high electricity and gas prices. These measures have been mainly extended by subsequent Royal Decree Laws until 31 December 2023. As at the date of this Base Prospectus, it is currently expected that these measures could be further extended until the end of 2024 based on declarations made by certain members of the government. These measures affect various areas in which the Group operates, such as generation or gas and electricity commercialisation, and include, among other measures:

- the establishment by Royal Decree Law 23/2021 of a temporary reduction of the extra remuneration received by non-emitting infra-marginal power generation plants for the price of gas internalised in the wholesale electricity market, excluding energy volumes sold at a fixed price under long-term supply contracts. Pursuant to Royal Decree Law 6/2022, of 31 March 2022, such excluded energy is limited to volumes sold below a fixed price of €67 per MWh. For vertically integrated undertakings, such as the Group, the relevant price for applying the clawback is the one that any supply company of the Group charges to end consumers;

- the establishment of long-term auctions for the allocation of manageable and non-emitting infra-marginal energy produced by the four Spanish "dominant operators" (one of which is the Group). As of the date of this Base Prospectus, these long-term auctions have not taken place yet. The potential impact of an eventual long-term auction will depend on the difference between the price of the auction and the reposition cost;

- the extension by Royal Decree Law 3/2023 of the production cost adjustment mechanism until 31 December 2023 to reduce the price of electricity in the wholesale market regulated in Royal Decree Law 10/2022. The extension of this mechanism, also known as the "Iberian mechanism", was approved by the European Commission on 25 April 2023. However, as at the date of this Base Prospectus, this adjustment has not been applied since 27 February 2023 as a result of gas prices having been below the applicable threshold; and

- the introduction by Royal Decree Law 18/2022 of a limitation on the increase of the cost of gas to be included in the gas regulated tariff during quarterly reviews as well as the creation of a new regulated tariff for centralised boilers. Any deficit derived from this measure is recoverable by the regulated gas supplier periodically and covered by the general state budget.

- regarding the new financing mechanism of the electricity social bonus introduced by Royal Decree Law 6/2022, regulatory modifications have been adopted for the recognition of the cost of the social bonus in the remuneration of electricity activities subject to regulated remuneration, except for transmission and distribution activities which, as at the date of this Base Prospectus are expected to be included by CNMC in the remuneration for 2024.

Furthermore, a number of regulations relating to energy and climate have been published during 2023 as part of the European Union's "Fit for 55" package, which includes legislation on increasing policy ambition to reduce CO_2 emissions and the promotion of renewable energies and energy efficiency with the aim of reaching the new emissions reduction target of 55% in 2030 (compared to 1990).

As at the date of this Base Prospectus, the rest of the "Fit for 55" package continues to be negotiated between the EU institutions and includes, among other legislation, the review of the Energy Efficiency in Buildings Directive, the Regulation and the Directive on the internal gas market and a new regulation on methane emissions, which are expected to be approved by the end of March 2024.

As at the date of this Base Prospectus, the European Commission's proposal to reform the electricity market, which was presented on 14 March 2023, is currently being negotiated with the European Council and the European Parliament. Subject to approval, the reform contemplates, among other things, promoting long-term renewable energy and new generation investments contracts, elimination of the simplification and temporary nature of the approval procedure of capacity mechanisms, greater flexibility of the system using demand response and storage, with member states which adopt such measures using them in the event of a crisis to provide greater protection of end consumers. The final text is expected to be approved by the end of March 2024.

Finally, as a continuation of the measures adopted in 2022 in response to the conflict in Ukraine, on 31 March 2023, Council Regulation (EU) 2023/706 of 30 March 2023 was published in the Official Journal of the European Union modifying Regulation (EU) 2022/1369, with the objective of extending the voluntary reduction in gas consumption of 15% for the period between 1 April 2023 and 31 March 2024. The same exemptions defined in Regulation (EU) 2022/1369 still apply.

The Group is unable to predict future changes to any of the laws or regulations applicable to its businesses or their interpretation. The introduction of any such changes or new regulatory requirements may adversely impact the remuneration received by the Group for its regulated activities, as well its operating, capital and raw material costs, all of which could have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

Risks related to increasing levels of taxes in certain jurisdictions where the Group operates

In the context of the current uncertain macroeconomic environment, and as a response to rising consumer prices, certain governments have introduced certain measures, including temporary taxes ("windfall taxes") on companies and/or financial institutions that are deemed to have made unreasonably high profits due to unusually favourable market factors (such as global commodity prices or a higher interest rate environment).

On 14 September 2021, the Spanish government passed Royal Decree Law 17/2021 which introduced, among other things, measures aimed at mitigating the impact of high electricity market prices on consumers, such as a temporary windfall profit reduction mechanism on remuneration from electricity production activity, currently in force until 31 December 2023. See "*—Risks relating to the Group's regulatory environment*".

On 28 December 2022, Law 38/2022, of 27 December was published in the Official Journal, which creates a temporary energy tax of 1.2% of the net amount of the turnover for the years 2022 and 2023 (to be paid in 2023 and 2024) of the main operators of regulated activities in the energy sector, including the Group. However, certain members of the Spanish government have proposed to extend its application beyond this initial two-year period.

Any of the above measures could materially and adversely impact the Group's profits and, as a result, have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

Risks relating to concessions, licences and other administrative authorisations

Given the highly regulated nature of some of the gas and electricity sectors in which the Group operates, some of its activities are subject to obtaining relevant concessions, licences or other administrative authorisations, which can be time-consuming and costly. Furthermore, some of the Group's renewable activities are also subject to obtaining the relevant concessions, licences or other administrative authorisations, which can be time-consuming and costly. Operating without the necessary concessions, licences or authorisations can result in a sanction.

The return on, and performance of, the Group's investments are therefore conditional on obtaining and maintaining the relevant administrative concessions and authorisations in the medium and long term, which, in many cases, is outside of the Group's control. Any new political, social or economic conditions in these jurisdictions could affect the validity of the Group's concessions, licences or other administrative authorisations, as well as have unforeseeable consequences for the Group's business plan and materially adversely affect the revenue from the Group's activities and return on investment in such jurisdictions.

In addition, it should be noted that many of the Group's concessions are subject to the satisfaction of certain commitments which, if not met, can lead to sanctions, reductions in revenue, revocation of the concessions and enforcement of any guarantees or surety bonds, which could materially and adversely impact the return on the Group's investments and, as a result, have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

Risks relating to environmental laws and regulations

The Group is subject to extensive environmental protection laws and regulations that require the preparation of environmental impact studies, the maintenance of relevant authorisations, licences and permits and the fulfilment of certain other requirements. Any such environmental authorisations and licences may not be granted or may be revoked as a result of a breach of the conditions imposed by such authorisations or otherwise.

In addition, the Group is subject to changes in the legal and regulatory framework related to environmental and climate change concerns in the countries in which it operates. Given the continued and increased attention to climate change and the global drive towards low-carbon economies and energy sources, the Group's business could be impacted by the implementation of new legal and regulatory measures (including taxes) aimed at mitigating the effects of climate change, resulting in increased compliance costs and operational restrictions for the Group. In addition, there can be no assurance that the Group will be able to adapt its business model and strategy successfully to any such changes to the legal and regulatory framework applicable to it.

Any of the above could have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

Risks relating to litigation and arbitration

The sectors in which the Group operates have grown more litigious in recent years, as a result of the volatility of fuel and natural gas prices and greater competition in the liberalised market, among other factors. The Guarantor and certain of its subsidiaries are currently involved in a number of judicial, arbitration and regulatory proceedings and, as at the date of this Base Prospectus, it is foreseeable that those

will substantially increase in the coming months due to the high volatility of energy commodities and its price differentials. While the Group will try to settle proceedings by reaching agreements (as it has achieved in the past), if litigation proceedings are commenced and continued, their retroactive effects could reach relevant economic amounts once the awards are issued several years after their initiation. Given the nature of the Group's business and the sectors in which it operates, the amounts involved in such proceedings can be significant. See "*Description of Naturgy Energy Group, S.A.—Litigation and Arbitration*" for a description of the Group's main judicial, arbitration and regulatory proceedings as at the date of this Base Prospectus.

An adverse outcome in one or more of those proceedings (including out-of-court settlements), or any future proceedings, could have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

2. RISKS RELATING TO THE GROUP'S BUSINESS ACTIVITIES AND INDUSTRIES

The Group is exposed to price variations in crude oil, natural gas and electricity

A significant portion of the Group's operating expenses relate to the purchase of natural gas and liquefied natural gas ("**LNG**") for commercialisation in the regulated and deregulated markets in which it operates and for fuelling its combined cycle gas turbine ("**CCGT**") plants for electricity generation. Although the prices that the Group charges its gas customers generally reflect the market price of natural gas, in changing market conditions the adjustments it makes to its sale prices may not fully reflect the changes in the cost of natural gas supplies. In addition to increasing costs in the Group's natural gas business, higher gas prices can also inflate its electricity generation costs, as natural gas is used to fuel its CCGT plants. Lower short-term gas prices may also harm the competitiveness of the Group's gas procurement portfolio for supplying its customers and limit the competitiveness of its CCGT power production since lower spot gas prices can imply lower procurement costs for competing gas suppliers and also lower power wholesale prices, putting pressure on companies with long-term purchase commitments.

The prices for such commodities have historically fluctuated and the Group cannot be certain that prices will remain within projected levels. Despite the fact that the annual average price of a barrel of Brent crude oil was stable in preceding years, at U.S.$111.3 in 2011, U.S.$111.6 in 2012, U.S.$108.7 in 2013 and U.S.$99.1 in 2014, prices are now highly volatile, amounting to an average of U.S.$52.5 in 2015, U.S.$43.7 in 2016, U.S.$54.3 in 2017, U.S.$67.7 in 2018, U.S.$64.2 in 2019, U.S.$41.69 in 2020, U.S.$70.86 in 2021 and U.S.$101.19 in 2022 (source: *Platts Brent Dated*). The average price of a barrel of Brent crude oil amounted to U.S.$83.01 in the period from January through October 2023 , while the average forward price for a barrel of crude oil for 2023 amounted to U.S.$81.9 as at 7 November 2023 (source: *Platts Brent Dated*).

Crude oil and natural gas prices are highly influenced by geopolitical factors, including but not limited to, demand in China, India and Japan, oversupply and overdemand of crude oil and raw materials, the initial general collapse and current surge in the commodity markets due to the slowdown of global economic activity and subsequent recovery as a result of the COVID-19 pandemic, the strong U.S. dollar, the Russia-Ukraine conflict related sanctions, the military conflict in Israel and Gaza as well as general market volatility.

Additionally, new procurement contracts from the U.S. (Sabine Pass and Corpus Christi) are exposed to the Henry Hub index, which is also highly volatile, with the annual average price of one million British Thermal Units (BTU) of natural gas amounting to U.S.$2.46 in 2016, U.S.$3.10 in 2017, U.S.$2.86 in 2018, U.S.$2.56 in 2019, U.S.$2.08 in 2020, U.S.$3.85 in 2021 and U.S.$6.64 in 2022 (source: *NYMEX New York Mercantile Exchange*). The average price of one million British Thermal Units (BTU) for the months of January through September 2023 and January through October 2023 amounted to U.S.$2.69 and U.S.$2.70, respectively (source: *NYMEX New York Mercantile Exchange*). Finally, increasingly liquid final destination markets may not sufficiently reflect existing long-term gas procurement contract prices.

The price of electricity in Spain is also highly volatile due to the market share of renewable technologies and their dependence on climate conditions and also because of the volatility of thermal energy technologies that define the price of electricity in Spain since it is the marginal technology required to cover electricity demand. The average price per MWh of electricity fell from €47.25 in 2012 to €44.19 in 2013 and to €41.97 in 2014, rising to €52.02 in 2015, falling significantly to €39.67 in 2016, rising again to €52.24 in 2017 and to €57.29 in 2018, falling to €47.68 in 2019, falling further to €33.97 in 2020, rising significantly to €111.61 in 2021 and €167.72 in 2022, and falling to €90.96 for the months of January through October 2023 (source: *OMIE*), and which, as at the date of the Base Prospectus is expected to increase again in 2024 as reflected

by the forward curves of pool prices mainly due to the decrease in market gas prices, with the weather and the variability in dispatch of renewable energy (hydro, wind and solar) as other causes.

The Group's business activities include wholesale natural gas sales to electricity producers and others. With respect to such transactions, its results of operations are likely to depend largely upon prevailing market prices in regional markets and other competitive markets. These market prices may not correlate with long-term gas procurement contracts. As a result, the Group's natural gas wholesale business is exposed to risks of fluctuating commodity prices and movements in the price of electricity.

There can be no assurance that the Group will be able to fully pass on its costs to its gas and electricity customers or to negotiate a decrease in wholesale prices with its suppliers, or otherwise offset such variations through hedging arrangements and other risk management techniques.

Additionally, long-term gas purchase contracts typically provide for regular price revision mechanisms: the parties have the right to request a review of the gas purchase price in certain circumstances, and in the event the parties are unable to reach an agreement, such contracts provide for an independent system or formula for setting the price. The Group is periodically subject to such procedures, which may potentially result in the unfavourable pricing of gas or delayed or lack of pass-through of market conditions to the gas suppliers. Long-term gas purchase contracts also typically require the purchase of a certain amount of natural gas and LNG during specified contract periods, usually on a yearly basis. The Group is contractually bound to purchase such minimum volumes even if it does not take the gas (sometimes known as "take-or-pay" clauses). Some agreements provide for a recovery of the amount paid to purchase such minimum gas volumes (sometimes known as "make-up" clauses) in certain circumstances. However, the Group may be subject to such "take-or-pay" clauses without the possibility to recover the gas volumes or amounts it pays.

Any such variations in commodity prices could have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

Impact of weather and climate conditions

The demand for electricity and natural gas, as well as electricity and gas prices, are closely related to climate. Generally, natural gas demand is higher during the cold weather months of October through March in Europe and Mexico (or April through September in Argentina and Chile and, to a lesser extent, Brazil) and lower during the warm weather months of April through September in Europe and Mexico (or October through March in Argentina and Chile and, to a lesser extent, Brazil). A significant portion of demand for natural gas in the winter months relates to the production of electricity and heat and, in the summer months, to the production of electricity for air-conditioning systems. The revenues and results of operations of the Group's natural gas operations could be negatively affected by periods of unseasonable warm weather during the autumn and winter months, due to decreases in factors such as price and volume. Likewise, electricity demand may decrease during mild summers as a result of reduced demand for air-conditioning, negatively impacting revenues generated from the Group's electricity generation and distribution businesses and its commercialisation of natural gas.

The Group's operations involve hydroelectric and wind generation in Spain and Latin America, and, accordingly, the Group is dependent upon hydrological conditions prevailing from time to time in the geographic regions in which its hydroelectric and wind generation facilities are located. If hydrological and wind conditions result in droughts or other conditions that negatively affect the Group's hydroelectric and wind generation business, this could have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

Moreover, the Group may be impacted by the physical and environmental effects of climate change, which are difficult to predict. Possible outcomes include less stable or predictable weather patterns, which could result in more frequent or severe storms and other weather conditions (such as flooding, drought and hurricanes) that could increase the Group's operating costs and interfere with its business operations, particularly when located in areas that typically experience more severe weather conditions, such as atypical wind/cyclonic storms in Spain; hurricanes, earthquakes and tsunamis in Puerto Rico; hurricanes, earthquakes, tsunamis and floodings in Mexico; earthquakes in Chile and earthquakes and floodings in Panama and Costa Rica. In addition, significant climatic changes, including a gradual, steady increase in global temperatures, could affect consumer behaviour and global or regional demand for energy products such as natural gas. There can be no assurance that the Group will be able to adapt its business model and strategy successfully to the evolving physical and environmental effects of climate change. Any failure to do so could have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

Environmental and climate related risks

The Group is subject to risks associated with key environmental issues such as climate change, water and biodiversity. These risks include changes to energy policies, laws and regulations aimed at mitigating climate change, which includes driving renewable energies and the promotion of energy efficiency. Any such changes could result in increased compliance costs and operational restrictions for the Group. See "— *Legal and Regulatory Risks—Risks relating to environmental laws and regulations*".

The Group is also exposed to the physical and environmental effects of climate change, which could negatively affect the operation of the Group's power generation and electricity distribution assets as well as resulting in a change to consumer behaviour and reduced demand for the Group's products. See "— *Impact of weather and climate conditions*".

The growing public concern with regards to climate change or environmental protection more generally could also have an adverse impact on the Group's ability to carry out new investment projects or otherwise harm its reputation. For example, concerns about fugitive emissions of methane in natural gas extraction processes could result in natural gas being seen as equally harmful as more carbon-intensive fossil fuels.

In addition, if the Group fails to keep pace with technological improvements or innovations that support the transition to a lower carbon, energy efficient economic system, this could have an adverse effect on its business and prospects.

While the Group analyses these and other risks associated with climate change and the wider environment and establishes goals to mitigate their impact on the Group, there can be no assurance that the Group will be able to mitigate such risks effectively or at all. As a result, any of the above could have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

Gas volume risks

Most purchases of natural gas and LNG are made pursuant to long-term contracts with clauses (sometimes known as "take-or-pay" clauses) that require the Group to purchase a certain amount of natural gas and LNG during specified contract periods. Pursuant to these contracts, even if the Group requires less than the minimum contracted amount, it is still contractually bound to pay for the minimum contracted amount, thereby paying for an amount of gas or LNG that is greater than its operational needs or to pay a fixed price amount for such gas irrespective of whether it takes the gas or not. When the Group enters into contracts with "take-or-pay" provisions, it negotiates the contracted amount based on forecasts of its anticipated future needs and the competitiveness of such gas. Such forecasts are based on previous experience and the information then available to the Group, but actual volume requirements may prove to be lower than those projected at the time the contracts are entered into. Any significant variation in the forecasted levels of demand or price competitiveness could result in the Group being required to pay for quantities of natural gas that exceed its actual needs, regardless of whether it elects to take delivery of the excess quantities of gas, which could, in turn, have a material adverse effect on the Group's operational costs and, as a result, its business, prospects, financial condition and results of operations.

There may exist other volume risks, such as unexpected demand contractions due to mild weather or sudden unexpected demand rise such as the surge in consumption experienced as at the date of this Base Prospectus due to, among other things, the supply-demand shock resulting from the rapid economic recovery following the COVID-19 pandemic in 2021. A further risk may derive from the fact that certain industrial customers may not be able to maintain their activity level at the current level of energy prices, which could therefore reduce their demand.

In addition, many integrated oil and gas companies have been reluctant to finance new projects, as their broader goal is the transition to renewables, which in turn may adversely affect gas storage levels in Europe.

As at the date of this Base Prospectus, gas indexes decreased in 2023 due to very high gas storage levels in the European Union, an unusually low gas demand in Europe during the winter, due to mild weather, an increased supply as well as contained demand for gas. A variety of flexibility levers are being applied in response to the high gas storage levels, such as coal-fired power generation, gas demand reduction, floating LNG storage and regasification units as well as alternative gas supply options. However, the situation remains precarious and any adverse weather conditions (such as cold snaps); operational issues (such as gas supply shortages); or geopolitical shocks could lead to high volatility and very high gas prices.

Furthermore, despite the stability of gas prices as at the date of this Base Prospectus, increased volatility in the TTF Natural Gas Price Index in recent months reflects an increased uncertainty and a higher probability of prices of gas increasing. In addition, the heightened geopolitical tensions following Russia's invasion of Ukraine as well as the ongoing military conflict in Israel and Gaza could further disrupt regional and global gas markets and affect the European gas supply. Moreover, any further escalation of the conflict could threaten oil transportation routes and disrupt the flow of oil and gas globally, which, in turn, could lead to higher gas prices.

Any shortage experienced by the Group's gas suppliers or high gas prices may have a material adverse effect on the Group's operating costs and, consequently, on its business, prospects, financial condition and results.

Development of the Group's electricity activities

The success of the Group's electricity sector operations could be adversely affected by factors beyond the control of the Group, including the following:

- increases in the cost of generation, including increases in fuel costs and CO_2 prices;
- reduced competitiveness of the Group's gas procurement to be used in the Group's power generation facilities;
- the possibility of a reduction in the projected rate of growth in electricity usage as a result of factors such as economic or weather conditions;
- the implementation of energy conservation schemes;
- risks incidental to the operation and maintenance of electricity generation facilities;
- the increasing price volatility that has resulted from deregulation and changes in the market as well as the recent commodity price environment, due to the supply-demand shock resulting from the rapid post-COVID-19 economic recovery, the escalating geopolitical tensions due to Russia's invasion of Ukraine and the ongoing military conflict in Israel and Gaza;
- surplus electricity generation capacity in the markets served by the electricity plants the Group owns or in which it has an interest;
- generation-commercialisation imbalances that may result in the exposure of the Group to electricity price volatility;
- the imposition of new requirements by regulatory authorities resulting from the current increases in the price of power in the jurisdictions in which the Group operates; and
- alternative sources and supplies of energy becoming available due to new technologies and increasing interest in renewable energy and cogeneration.
- Should any of these risks materialise, they could have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

Level of competitiveness in supply activities in the gas and electricity market

The Group operates in a highly competitive environment in the gas and electricity markets in the different countries in which it carries on its business. In particular, the liberalisation processes that have taken place in energy markets both in Spain and in other key markets have had a negative impact on energy prices and margins as they are influenced by international energy prices and tend to be more volatile. This can generate inefficiencies in the pass-through of the volatility of the energy scenario to customers.

There is also a negative impact on the market share of retail supply, especially in the gas business. The Group may continue to lose market share due to the entry of new suppliers into the market or existing suppliers. Its portfolio of long-term gas supply contracts may become less competitive if the relevant price indices of such portfolio and those of the final markets differ. A further decline in market share could have a significant adverse effect on the Group's business, prospects, financial condition and results of operations.

In the electricity industry, liberalisation has led to increased competition as a result of consolidation and the entry of new market participants in the European Union electricity markets, including the Spanish electricity market. The liberalisation of the electricity industry in the European Union has also led to lower electricity prices in some market segments as a result of the entry of new competitors and cross-border energy suppliers as well as the establishment of European electricity exchanges, which in turn has led to increased liquidity in the electricity markets. This liberalisation of the electricity market means that many areas of the Group's business must develop in a more competitive environment.

If the Group were unable to adapt to or adequately manage this competitive market its business, prospects, financial condition and results of operations could be materially adversely affected.

3. RISKS RELATING TO THE GROUP'S OPERATIONS

Operating risks

The Group's operations are subject to certain inherent risks, including fraud events, cyber-criminal attacks, pipeline ruptures, breakdowns affecting its electricity generation assets and LNG tankers, explosions, pollution, release of toxic substances, fires, adverse weather conditions or catastrophic natural events (such as earthquakes, hurricanes and floods that have affected the islands of Puerto Rico in the past decades), failure by gas and fuel suppliers or other third parties to fulfil contractual obligations, sabotage, accidental damage to its gas and electricity distribution networks or electricity generation assets and other hazards and *force majeure* events, any of which could result in personal injury and/or damage to, or the destruction of, the Group's facilities and other properties or an interruption in gas supply and/or electricity generation.

Moreover, Naturgy's construction projects are subject to certain intrinsic risks, such as accidental damage, supplier stock ruptures, cargo delays or cancellations, supplier design errors, fires, adverse weather conditions, release of toxic substances, explosions, failure by suppliers or other third parties to fulfil contractual obligations and other hazards and *force majeure* events, any of which could result in personal injury and/or damage to, or the destruction of, the Group's facilities and other properties affecting the construction planning and delaying the start of operations of new generation assets.

Additionally, the Group may be subject to civil, administrative and criminal liability claims for personal injury and/or other damages caused in the ordinary course of its activities, such as loss of information of third parties due to cyber-criminal attack, failures in its distribution network, gas explosions, wildfires, pollution or toxic spills or incidents with its generating plants. Such claims could result in the payment of compensation under the laws of certain countries where the Group operates, which could, to the extent the Group's civil liability insurance policies do not cover such damages, have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

Furthermore, if operations at compression stations on the Europe-Maghreb pipeline were to be interrupted, suppliers may notify the Group of a reduction in supply levels or seek to enforce *force majeure* provisions with a view to terminating the corresponding supply agreements. The Group is not generally able to predict the occurrence of these or similar events and they may cause unanticipated interruptions in its gas supply and electricity generation activities. While the Group seeks to obtain insurance cover for risks such as damage to property and loss of profit, its financial condition and results of operations may be adversely affected to the extent any losses are uninsured, exceed the applicable limitations under its insurance policies, are subject to the payment of excesses or to the extent the premiums payable in respect of such policies are increased as a result of insurance claims.

The Group enters into long-term gas supply contracts and, consequently, its gas supply is subject to the risk of non-fulfilment by its contractual counterparties. In the event that insufficient gas is supplied to the Group due to the failure of a counterparty to deliver contracted amounts of gas or for any other reason, the Group could be required to seek alternative sources of gas in order to ensure continued supply. This may require purchases on the "spot" market (a non-organised market aimed at short-term commercialisation in gas, primarily LNG), to acquire the gas required. Such "spot" purchases may only be available on more expensive terms than under the current supply contracts to which the Group is party, and this cost may not be recoverable under such contracts. The Group cannot provide any assurance that, in such circumstances, it would be able to acquire the gas needed to guarantee supply on reasonable terms, or at all, and any failure to do so could have a negative effect on its business, prospects, financial condition and results of operations.

If any of these operating risks were to materialise, they could have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

Construction and development of new infrastructure

The construction and development of natural gas supply and distribution infrastructure and the exploration, production and sale of LNG, as well as electricity generation and distribution projects, can be time-consuming and highly complex. Any increase in the costs of, cancellation of and/or delay in the completion of, the Group's projects under development and projects proposed for development could have a material adverse effect on its business, prospects, financial condition and results of operations. In particular, if the Group were unable to complete projects under development, it would not be able to recover the costs incurred and its profitability, and, as a result, its business, prospects, financial condition and results of operations, could be materially adversely affected.

Risks related to cybersecurity

Naturgy aims to evolve and adapt to new trends and technologies, such as cloud migration and artificial intelligence. As a result, the Group may be affected by threats to the availability, confidentiality, integrity and privacy of both information assets and technologies which support its business processes, as well as the risk of non-compliance with regulations related to cybersecurity.

Examples of these threats include unauthorised access to, as well as the use, disclosure, degradation, interruption, modification or destruction of information, including as a consequence of acts of terrorism, malicious and ransomware attacks, denial-of-service attacks, sabotage and account takeovers, phishing attacks and other intentional acts. Such attacks and unauthorised access to the Group's IT systems may also affect essential services operations and compromise business data and customer information resulting in fines and penalties as a consequence of the violation of data protection regulations and other legal requirements. Such threats could also damage the reputation of the Group.

Any of the above could have a material adverse effect on the Group's business, prospects, financial condition or results of operations.

4. RISKS RELATING TO MACRO-ECONOMIC CONDITIONS AND COUNTRY RISKS

The uncertain macroeconomic climate

The Group is directly and indirectly subject to inherent risks arising from general economic conditions in Spain, the other countries in which it operates and the global economy more generally.

As at the date of this Base Prospectus, the global growth outlook remains marked by extreme uncertainty. Current risk factors mainly result from the ongoing impact of the COVID-19 pandemic, the heightened geopolitical tensions following Russia's invasion of Ukraine or the ongoing military conflict in Israel and Gaza, which have exacerbated inflationary pressures, slowed overall economic growth, created supply chain bottlenecks and increased volatility in commodity and financial markets.

Following Russia's invasion of Ukraine that started on 24 February 2022, economies around the world, including the United States, the European Union and the United Kingdom, announced the imposition of comprehensive trade sanctions targeting Russian individuals, companies and institutions. Such sanctions, as well as the countersanctions imposed by Russia, have resulted in a significant reduction in trading volumes between these economies and Russia, which has led to increased commodity prices on global markets for oil, natural gas and grain, among other products.

As part of its diversified portfolio, the Group has a long-term procurement gas contract of Russian origin in place as at the date of this Base Prospectus, which was signed in 2013 with an international consortium. For the six-month periods ended 30 June 2023 and 2022, such contract accounted for 14% of Naturgy's gas procurement, respectively. As at the date of this Base Prospectus, this contract is not affected by any type of sanction. However, there can be no guarantee that the Group will be able to maintain this contract in the event that there are further trade sanctions imposed by the European Union or other economies, and if such contract was terminated, the Group's gas supply would be adversely affected.

As at the date of this Base Prospectus, gas indexes decreased in 2023 due to very high gas storage levels in the European Union, an unusually low gas demand in Europe during the winter, due to mild weather, an increased supply as well as contained demand of gas. Despite the stability of gas prices as at the date of this Base Prospectus, increased volatility in the TTF Natural Gas Price Index in recent months reflects an increased uncertainty and a higher probability of prices of gas increasing.

The combined effect of the COVID-19 pandemic and the sanctions imposed in the context of the conflict in Ukraine are likely to have an adverse effect on business and consumer confidence and the global economy generally. There is a risk that lower business and consumer confidence and activity and an energy-fuelled inflation shock could result in higher unemployment rates and lower global economic growth at a time when the global economy is still recovering from the effects of the COVID-19 pandemic. For example, as at the date of this Base Prospectus, the European Central Bank ("**ECB**") has raised its inflation projections and cut its growth outlook as the conflict in Ukraine is likely to keep commodity prices high, weakening households' purchasing power and firms' ability to invest. The ECB also decided to raise the three key ECB interest rates by 25 basis points in September 2023 with the objective of inflation returning to 2% in the medium term. As a result, the interest rate of the Group's main financing increased to 4.50%, effective from 20 September 2023.

The Group is exposed to the uncertain macroeconomic climate in a number of ways:

- An economic downturn in any of the countries in which the Group operates negatively affects business and consumer confidence, unemployment trends and the state of the residential and commercial real estate sector. This in turn, may impact the Group's customers, resulting in their inability to pay amounts owed to the Group and may affect demand for the Group's goods and services. What is more, given that as at 30 September 2023, more than half of the Group's operating assets were located in Spain, any economic downturn affecting the Spanish economy would have a material adverse effect on the Group's business.

- An economic downturn also negatively affects the state of the equity, bond and foreign exchange markets, including their liquidity. This might affect the reasonable value of financial assets and liabilities and increase the Group's financing costs, all of which could give rise to an impairment of the goodwill and the intangible or tangible fixed assets of the Group.

- A sharp economic recovery may create short to mid-term disbalances, including supply-demand disbalances, which may increase procurement costs and the Group may not be able to pass on such cost increases to its customers. In general, sudden increases in the spot markets where the Group operates due to energetic supply-demand disbalances, can generate inefficiency in the pass-through of the volatility of the energy scenario to its customers.

- The current energy transition transformation may adversely impact the Group's activities, in particular due to increasing governmental intervention in the energy sector.

The Group is not able to predict how the economic cycle is likely to develop in the short term or the coming years, including as a result of the impact of COVID-19, the conflict in Ukraine, the military conflict in Israel and Gaza or otherwise. Any further deterioration or a rapid change of the current economic situation in the markets in which the Group operates could have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

Geographical exposure

The Group has interests in countries with varied political, economic and social environments, focused on three main geographical areas, Europe, Latin America and the Middle East and the Maghreb.

Europe

Operations and investments in Europe are exposed to various risks, including, but not limited to, risks relating to the following:

- unexpected and sudden changes in governmental regulation; and

- changes in governmental, fiscal, economic or tax policies.

Latin America

A significant portion of the Group's operating income is generated by its Latin American subsidiaries. Operations and investments in Latin America are exposed to various risks that are inherent to the region:

- significant governmental influence over local economies;

- substantial fluctuations in economic growth;

- high levels of inflation;
- devaluation, depreciation or over-valuation of local and foreign currencies;
- exchange controls or restrictions on expatriation of earnings;
- volatile domestic interest rates;
- changes in governmental, fiscal, economic or tax policies;
- unexpected changes in governmental regulation;
- expropriation of assets or businesses;
- social unrest; and
- general political and macro-economic instability.

Most or all of these factors have arisen at various times in the last two decades in the most important Latin American markets: Argentina, Brazil, Chile, Colombia and Mexico.

The Middle East and the Maghreb

The Group has both proprietary assets and significant gas supply contracts in various countries in the Middle East and the Maghreb. Political instability in the area can result in physical damage to assets of companies in which the Group participates as well as in obstructing the operations of these or other companies causing interruption in gas supply.

The Group is not able to predict the occurrence of any of these risks or other risks related to the Group's operations and interests in Latin America or the Middle East and the Maghreb, or the magnitude of their impact, and any of the above risks could have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

5. RISKS RELATING TO THE GROUP'S STRATEGY

Business strategy

On 27 July 2021, the Guarantor's Board of Directors approved a new Strategic Plan for the period 2021 through 2025 (the "**Strategic Plan**"), during which the Group aims to strengthen its role in the energy transition and decarbonisation. The Strategic Plan is part of the Group's strong commitment to Environmental, Social and Governance ("**ESG**") criteria that the Group has been implementing in recent years and includes a Sustainability Plan with targets for 2025 in the ESG areas. This includes the objective of achieving zero emissions by 2050 and close to 60% of installed power from renewable sources, among other targets and objectives. See "*Description of Naturgy Energy Group, S.A.—New Strategic Plan 2021-2025*" for a description of the Group's new Strategic Plan.

In addition, on 10 February 2022, Naturgy communicated the decision of its Board of Directors to launch Project Gemini, which consists of the significant reorganisation of the Group's group of companies, of which the Guarantor is the parent company. In July 2023, Naturgy's management team updated the status of Project Gemini and the Guarantor's Board of Directors confirmed its strategic sense and requested the management team to continue analysing the possible execution alternatives and its associated calendars. As at the date of this Base Prospectus, the analysis undergone to date confirmed the suitability and strategic sense of Project Gemini, although it is not possible to estimate a precise timing for its execution. See "*Description of Naturgy Energy Group, S.A.—Project Gemini*".

The Group's ability to achieve its strategic targets and objectives is subject to a variety of risks. These risks include:

- an inability to manage more challenging gas markets and price evolution, resulting in an adverse impact on the profitability of the Group's liberalised businesses;
- an inability to successfully manage the requirements of regulatory frameworks if stricter-than-expected regulatory measures were to be imposed in relation to the international distribution of gas and electricity generation;

- an inability to successfully manage the businesses of the Group in the context of the changing political and regulatory environment, including the potential risk of intervention and/or liquidation of any of the Group's businesses. In particular, an inability to manage new populist political and social environments in countries that lead to worse regulations in regulated businesses impacting the profitability of the Group's businesses in such countries;

- the possibility of a new recession in the Spanish, European, Latin American or any other economy where the Group operates, or the actual or threatened default by any major economy on its sovereign debt, which would negatively affect the performance of the Group's businesses;

- an inability to properly manage foreign exchange evolutions, resulting in a negative impact on the Group's profitability;

- an inability to extend contracts that expire over the short and medium term, resulting in decreased cash flow and a negative impact on the Group's profitability;

- a stagnation in the number of customers due to a lack of success in marketing campaigns targeted at gas and electricity consumers;

- an inability to achieve the desired level of flexibility and diversification in gas supplies and access to gas reserves;

- an inability to renegotiate contracts that expire or the conditions of which no longer reflect the existing market situation, which may negatively impact the Group's profitability;

- an inability to terminate or renegotiate in satisfactory terms the existing long-term contracts in the context of the current uncertain business environment;

- the inclusion of "take-or-pay" or minimum payment clauses in supply or capacity contracts, potentially imposing an obligation on the Group to pay for a larger volume of gas or associated services than it requires or to pay for a minimum amount of gas or services, irrespective of whether it takes the gas or uses the services or not;

- an inability to consolidate the Group's multi-service business strategy or to increase the current rate of multi-product contracts per customer;

- an inability to achieve the energy transition and the reorientation of the Group's business strategy at the speed and success required by the market and public policies;

- an inability to execute the Group's current efficiency plan;

- an inability to fulfil the current dividend plan as a result of lower cash generation; and

- an inability to successfully manage the Group's minority shareholders in the different businesses belonging to the Group.

The Group may be significantly affected by the regulatory decisions adopted or announced after the Council of Ministers of 14 September 2021. See "*—Legal and Regulatory Risks—Risks relating to the Group's regulatory environment*" above for more information.

The Group has analysed the effects and potential economic, accounting and other impacts these measures may have, as well as any mitigating actions to be taken. However, at this time, it is impracticable to measure such effects due to the uncertainties mentioned above and the difficulty involved in modelling the impact on its business. Any of these factors could affect the effective fulfilment of the Strategic Plan, which is subject, like any plan, to the regulatory hypotheses, scenarios as well as their projections materialising, and the measures designed being implemented in the manner and within the timeframe envisaged.

The Group can provide no assurance that it will be able to implement its Strategic Plan successfully, either in full or in part. Were the Group to fail to achieve the strategic objectives and targets formulated in the Strategic Plan, or if those targets and objectives, once attained, did not generate the benefits initially anticipated, this could have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

Risks related to acquisitions, investments and disposals

As part of the Group's strategy, the Group may engage in acquisitions, investments and total or partial disposals of interests. There can be no assurance that the Group will identify suitable acquisition opportunities, obtain the financing necessary to complete and support such acquisitions or investments, acquire businesses on satisfactory terms, or that any acquired business will prove to be profitable. In addition, acquisitions, investments and divestments involve a number of risks associated with unanticipated events, including difficulties in relation to the operational integration of such new businesses in the Group or the disintegration of such businesses from the Group and risks arising from provisions in contracts that are triggered by a change of control of an acquired company or from provisions in contracts relating to the units to be divested. Any total or partial disposal of any interest may also adversely affect the Group's financial condition. Any of the above factors could have a material adverse impact on the Group's business, prospects, financial condition and results of operations.

(II) RISKS RELATING TO WITHHOLDING

Risks in relation to Spanish Taxation in respect of payments made by the Guarantor

Whilst the Guarantor considers that payments under the Guarantee should be characterised as an indemnity and, accordingly, be made free and clear of, and without withholding or deduction for, any taxes imposed by the Kingdom of Spain, there are certain circumstances outside the Guarantor's control, which would require the Guarantor to withhold tax at the then-applicable rate (currently 19 per cent.) from any payment of interest in respect of the Notes. In such circumstances, neither the Issuer nor the Guarantor will pay any additional amounts with respect to any such withholding and investors would receive less interest than expected. This could also adversely affect the price of the Notes. See "*Taxation and Disclosure of Information in Connection with the Notes—Taxation in Spain—Payments under the Guarantee*".

Prospective purchasers of the Notes should consult their own tax advisers as to the consequences under the tax laws of the Kingdom of Spain of receiving payments of interest under the Notes.

(III) RISKS RELATED TO THE NOTES ISSUED UNDER THE PROGRAMME

1. RISKS RELATED TO THE STRUCTURE OF A PARTICULAR ISSUE OF NOTES

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors.

Notes subject to optional redemption by the Issuer

The Conditions provide that, if so specified in the relevant Final Terms, Notes may be subject to early redemption at the option of the Issuer in certain circumstances. See Condition 6 (*Redemption and Purchase*). An optional redemption feature of Notes is likely to limit their market value. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This may also be true prior to any redemption period.

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

Notes issued at a substantial discount or premium

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

Notes linked to SONIA

The market continues to develop in relation to SONIA as a reference rate in the capital markets and its adoption as an alternative to the London Interbank Offered Rate. In particular, market participants and relevant working groups are exploring alternative reference rates based on SONIA, including term SONIA

reference rates (which seek to measure the market's forward expectation of an average SONIA rate over a designated term). As a result, the market or a significant part thereof may adopt an application of SONIA that differs significantly from that set out in the Conditions and used in relation to Notes that reference a SONIA rate issued under this Base Prospectus.

Interest on Notes which reference SONIA is only capable of being determined at the end of the relevant Observation Period and immediately prior to the relevant Interest Payment Date. It may be difficult for investors in Notes which reference a SONIA rate to reliably estimate the amount of interest which will be payable on such Notes, and some investors may be unable or unwilling to trade such Notes without changes to their IT systems, both of which could adversely impact the liquidity of such Notes. Further, if Notes referencing SONIA become due and payable as a result of an Event of Default under Condition 11 (*Events of Default*) are redeemed early on a date other than an Interest Payment Date, the rate of interest payable for the final Interest Period in respect of such Notes shall only be determined immediately prior to the date on which the Notes become due and payable and shall not be reset thereafter.

In addition, the manner of adoption or application of SONIA reference rates in the Eurobond markets may differ materially compared with the application and adoption of SONIA in other markets, such as the derivatives and loan markets. Investors should carefully consider how any mismatch between the adoption of SONIA reference rates across these markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of Notes referencing a SONIA rate.

Further, if SONIA does not prove to be widely used in securities such as the Notes, the trading price of such Notes linked to SONIA may be lower than those of Notes linked to indices that are more widely used. Investors in such Notes may not be able to sell such Notes at all or may not be able to sell such Notes at prices that will provide them with a yield comparable to similar investments that have a developed secondary market, and may consequently suffer from increased pricing volatility and market risk.

Investors should consider these matters when making their investment decision with respect to any such relevant Notes.

Fixed/Floating Rate Notes

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

Calculation Agent

The Issuer may appoint a Dealer as Calculation Agent in respect of an issuance of Notes under the Programme. In such a case the Calculation Agent is likely to be a member of an international financial group that is involved, in the ordinary course of its business, in a wide range of banking activities out of which conflicting interests may arise. Whilst such a Calculation Agent will, where relevant, have information barriers and procedures in place to manage conflicts of interest, it may in its other banking activities from time to time be engaged in transactions involving an index or related derivatives which may affect amounts receivable by Noteholders during the term and on the maturity of the Notes or the market price, liquidity or value of the Notes and which could be deemed to be adverse to the interests of the Noteholders.

2. RISKS RELATED TO ANY ISSUE OF NOTES

The Notes may be redeemed prior to maturity

In the case of any particular Tranche of Notes, the relevant Final Terms specify that the Notes are redeemable at the Issuer's option, for example pursuant to Condition 6(c) (*Redemption at the Option of the Issuer*), Condition 6(d) (*Residual Maturity Call Option*), Condition 6(e) (*Redemption following a Substantial Purchase Event*) or Condition 6(f) (*Make-Whole Redemption*). In certain circumstances the Issuer may choose to redeem the Notes at times when prevailing interest rates may be relatively low. In

such circumstances, an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the relevant Tranche of Notes.

The regulation and reform of benchmarks may adversely affect the value of Notes referencing such benchmarks.

Reference rates and indices, including interest rate benchmarks, which are deemed to be "benchmarks" are the subject of recent national and international regulatory guidance and proposals for reform. This has resulted in regulatory reform and changes to existing benchmarks, with further changes anticipated. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes referencing such a benchmark.

Regulation (EU) 2016/1011 (the "**BMR**") and Regulation (EU) 2016/1011 as it forms part of UK domestic law by virtue of the EUWA (the "**UK BMR**") apply to "contributors", "administrators" and "users" of "benchmarks" in the EU and the UK, respectively and could have a material impact on any Notes referencing a benchmark, in particular, if the methodology or other terms of the relevant benchmark are changed in order to comply with the requirements of the BMR or the UK BMR. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the relevant benchmark.

The Euro Interbank Offered Rate ("**EURIBOR**") and other interest rates or other types of rates and indices which are deemed to be "benchmarks" are the subject of ongoing national and international regulatory reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes referencing such a benchmark.

The potential elimination of any benchmark, or changes in the manner of administration of any benchmark, could require an adjustment to the Conditions, or result in other consequences, in respect of any Notes referencing such benchmark.

Under the Conditions, certain replacement provisions will apply if a benchmark (or any component part thereof) used as a reference for the calculation of interest amounts payable under the Floating Rate Notes were to be discontinued or otherwise become unavailable. See Condition 5(i) (*Benchmark discontinuation*).

For example, where Screen Rate Determination is specified as the manner in which the Rate of Interest in respect of Floating Rate Notes is to be determined, the Conditions provide that the Rate of Interest shall be determined by reference to the Relevant Screen Page (or its successor or replacement). In circumstances where such Original Reference Rate is discontinued, neither the Relevant Screen Page, nor any successor or replacement may be available, in which case the Rate of Interest to be determined by the Calculation Agent by reference to quotations from banks communicated to the Calculation Agent. Where such quotations are not available (as may be the case if the relevant banks are not submitting rates for the determination of such Original Reference Rate), the Rate of Interest may ultimately revert to the Rate of Interest applicable as at the last preceding Interest Determination Date before the Original Reference Rate was discontinued.

Uncertainty as to the continuation of the Original Reference Rate, the availability of quotes from reference banks, and the rate that would be applicable if the Original Reference Rate is discontinued may adversely affect the value of, and return on, the Floating Rate Notes.

If a Benchmark Event (as defined in Condition 5(i) (*Benchmark discontinuation*)) occurs (which, among other events, includes the permanent discontinuation of an Original Reference Rate), the Issuer shall use its reasonable endeavours to appoint an Independent Adviser. The Independent Adviser shall endeavour to determine a Successor Rate or Alternative Rate to be used in place of the Original Reference Rate. The use of any such Successor Rate or Alternative Rate to determine the Rate of Interest is likely to result in Notes initially linked to or referencing the Original Reference Rate performing differently (which may include payment of a lower Rate of Interest) than they would do if the Original Reference Rate were to continue to be referenced.

Where ISDA Determination is specified as the manner in which the Rate of Interest in respect of Floating Rate Notes is to be determined, the Conditions provide that the Rate of Interest in respect of the Notes shall be determined by reference to the relevant Floating Rate Option in the ISDA Definitions. Where the

Floating Rate Option specified is an "IBOR" Floating Rate Option, the Rate of Interest may be determined by reference to the relevant screen rate or the rate determined on the basis of quotations from certain banks.

If the relevant IBOR is permanently discontinued and the relevant screen rate or quotations from banks (as applicable) are not available, the operation of these provisions may lead to uncertainty as to the Rate of Interest that would be applicable, and may, adversely affect the value of, and return on, the Floating Rate Notes.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the BMR or the UK BMR reforms in making any investment decision with respect to any Notes referencing a benchmark.

It may be difficult for Holders to enforce judgments obtained before English courts against the Issuer in the Netherlands.

Following the UK departure from the European Union, the main EU instruments on jurisdiction and enforcement of judgments – namely Regulation (EU) No 1215/2012 (the "**Recast Brussels Regulation**") and the Convention on Jurisdiction and the Recognition and Enforcement of Judgments in Civil and Commercial Matters made in Lugano on 30 October 2007 (the "**Lugano Convention**") – no longer apply to civil and commercial cases commenced in the UK on or after 1 January 2021.

As a result, persons enforcing a judgment obtained before English courts can no longer benefit from the recognition of such judgment in EU courts (including the Netherlands and Spain) under the Recast Brussels Regulation or the Lugano Convention. While the UK applied to re-accede to the Lugano Convention as an independent contracting state, the European Union rejected the UK's accession on 4 May 2021. As the agreement of all participating states of the Lugano Convention is necessary for such accession, the rejection of the European Union means that the United Kingdom cannot accede to the Lugano Convention for the time being.

On 28 September 2020, the UK deposited its instrument of accession to the Hague Convention on Choice of Court Agreements 2005 (the "**Hague Convention**"). The Hague Convention is an international convention which requires contracting states to recognise and respect exclusive jurisdiction clauses in favour of other contracting states and to enforce related judgments. While the UK's accession to the Hague Convention preserves the status quo between the UK and the EU in many respects as to matters of jurisdiction and enforcement, the scope of the Hague Convention is limited to contracts with exclusive jurisdiction clauses and there is no assurance that such judgments will be recognised on exactly the same terms and in the same conditions as under the Recast Brussels Regulation. In addition, it is unlikely that so-called "asymmetric exclusive jurisdiction" clauses, such as Condition 18, would be considered "exclusive" for the purposes of the Hague Convention.

Therefore, unless and until the UK is able to accede to the Lugano Convention in the future, and if proceedings fall outside the scope of the Hague Convention, then UK and EU member state courts will have recourse to their own domestic laws and conflict of law rules to determine questions of jurisdiction and enforceability of judgments. For example, it is expected that a final and conclusive civil judgment for the payment of money rendered by a court in England against the Guarantor under the Notes which is enforceable in England should be capable of being recognised and enforced by the Spanish courts according and subject to the limitations set forth in articles 41 *et seq*. of the Spanish Law on International Legal Cooperation in Civil Matters (*Ley de Cooperación Jurídica Internacional en materia civil*) and article 523 of the Spanish Law of Civil Procedure (*Ley de Enjuiciamiento Civil*).

Conversely, any such judgment obtained against the Issuer will, in principle, neither be recognised nor enforceable in the Netherlands.

However, with regards to Notes issued by the Issuer, a final judgment obtained in an English court and not rendered by default (*verstek*) and which is not subject to appeal or other means of contestation and is enforceable in England with respect to the obligations of the Issuer under the Notes may be relitigated before a competent Dutch court and should generally be upheld and be regarded by a Dutch court of competent jurisdiction as conclusive evidence when asked to render a judgment in accordance with that judgment by an English court, without substantive re-examination or re-litigation on the merits of the subject matter thereof. The foregoing assumes that the judgment has been rendered by a court of competent jurisdiction in accordance with the principles of natural justice, its content and enforcement do not conflict

with Dutch public policy and that it has not been rendered in proceedings of a criminal or tax or other public law nature.

Therefore, the enforcement by Holders in the Netherlands of a judgment obtained against the Issuer in the courts of England may be difficult and could be subject to significant delays and costs.

3. RISKS RELATED TO THE DENOMINATIONS OF THE NOTES

In relation to any issue of Notes which under the Conditions have a minimum denomination of euro 100,000 plus a higher integral multiple of another smaller amount (or, where the specified currency is not euro, its equivalent in the specified currency) (each, a "**Specified Denomination***"),* it is possible that Notes may be traded in the clearing systems in amounts in excess of euro 100,000 (or its equivalent in the specified currency). In such a case, should definitive Notes be required to be issued, a holder who, as a result of trading, holds a principal amount of less than euro 100,000 (or its equivalent in the specified currency) in its account with the relevant clearing system at the relevant time may not receive all of its entitlement in the form of definitive Notes, and consequently may not be able to receive interest or principal in respect of all of its entitlement, unless and until such time as its holding becomes an integral multiple of a Specified Denomination. Furthermore, at any meeting of Noteholders while Notes are represented by a Permanent Global Note, any vote cast shall only be valid if it is in respect of a minimum of euro 100,000 (or its equivalent in the specified currency).

DOCUMENTS INCORPORATED BY REFERENCE

The information set out in the table below shall be deemed to be incorporated in, and to form part of, this Base Prospectus provided however that (i) any statement contained in any document incorporated by reference in, and forming part of, this Base Prospectus shall be deemed to be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained herein modifies or supersedes such statement and (ii) any information which is not expressly listed in the table below does not form part of this Base Prospectus and is either not relevant or is covered elsewhere in this Base Prospectus.

Such documents will be made available, free of charge, during usual business hours at the specified offices of the Agent, unless such documents have been modified or superseded, and on the website of the Guarantor at:

In case of the document listed under (A) in the table below:

https://stpropwebcorporativangy.blob.core.windows.net/uploads/2023/07/Memoria_Junio_2023_INGLES_RESUMIDOS_ENTN.pdf

In case of the document listed under (B) in the table below:

https://stpropwebcorporativangy.blob.core.windows.net/uploads/2023/07/NEG_2022_Consolidated_Accounts_EMTN.pdf

In case of the document listed under (C) in the table below:

https://www.naturgy.com/files/Annual_Consolidated_Financial_Report_Naturgy_2021.pdf

In case of the document listed under (D) in the table below:

https://www.naturgy.com/files/Naturgy_Finance_2022.pdf

In case of the document listed under (E) in the table below:

https://www.naturgy.com/app/uploads/2023/02/NaturgyEMTN2022_FY2021NFBV264232473.1.pdf

In case of the document listed under (F) in the table below:

https://www.naturgy.com/app/uploads/2023/02/EMTN_Base_Prospectus_2013.pdf

In case of the document listed under (G) in the table below:

https://www.naturgy.com/app/uploads/2023/02/EMTN_Base_Prospectus_2014.pdf

In case of the document listed under (H) in the table below:

https://www.naturgy.com/app/uploads/2023/02/EMTN_Base_Prospectus_2015.pdf

In case of the document listed under (I) in the table below:

https://www.naturgy.com/app/uploads/2023/02/EMTN_Base_Prospectus_2016.pdf

In case of the document listed under (J) in the table below:

https://www.naturgy.com/app/uploads/2023/02/EMTN_Base_Prospectus_2017.pdf

In case of the document listed under (K) in the table below:

https://www.naturgy.com/app/uploads/2023/02/EMTN_Base_Prospectus_2018.pdf

In case of the document listed under (L) in the table below:

https://www.naturgy.com/app/uploads/2023/02/Base_Prospectus_2020.pdf

The page references indicated for each document are to the page numbering of the electronic copies of such documents as available at the links set forth above.

For the avoidance of doubt, unless specifically incorporated by reference into this Base Prospectus, information contained on any website referred to in this Base Prospectus does not form part of this Base Prospectus. The CSSF as competent authority has not scrutinised or approved the information on any website referred to in this Base Prospectus.

Any statement contained in a document that is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Base Prospectus. To the extent that any document or information incorporated by reference to this Base Prospectus itself incorporates any information by reference, either expressly or impliedly, such information will not form part of this Base Prospectus for the purposes of the Prospectus Regulation, except where such information or documents are stated within this Base Prospectus as specifically being incorporated by reference or where this Base Prospectus is specifically defined as including such information.

SUPPLEMENT TO THIS BASE PROSPECTUS

If at any time the Issuer shall be required to prepare a supplement to this Base Prospectus pursuant to Article 23 of the Prospectus Regulation, the Issuer and the Guarantor shall prepare and make available an appropriate supplement to this Base Prospectus or a further base prospectus, which, in respect of any subsequent issue of Notes to be listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the Luxembourg Stock Exchange's regulated market, shall constitute a "Supplement to the Base Prospectus", as required by the Prospectus Regulation.

CONVERSION OF NATURGY FINANCE B.V.

On 30 November 2023, the board of directors of the Issuer agreed to effectuate a statutory cross-border conversion to be carried out pursuant to Directive (EU) 2019/2121 and the relevant implementing legislation in the Netherlands and Spain and whereby the Issuer, without being dissolved or wound up or going into liquidation, transfers its registered office from the Netherlands to Spain and converts its legal form from a Dutch limited company (*B.V.* or *besloten vennootschap*) to a Spanish limited company (*S.A.* or *sociedad anónima*) (the "**Conversion**").

In connection with the Conversion, the Issuer prepared common draft terms of conversion (the "**Conversion Proposal**"). On 11 December 2023, the Conversion Proposal was filed with the Dutch Chamber of Commerce and made available at the offices of the Issuer and a notification was published on 14 December 2023 in the Dutch State Gazette (*Staatscourant*) (the "**Conversion Notice**"). The Issuer also published a regulatory announcement on the Luxembourg Stock Exchange which is available at https://www.naturgy.com/en/shareholders-and-investors/investors/fixed-income/euro-medium-term-notes-programme-emtn/ (the "**Regulatory Announcement**"). The Conversion Proposal, Conversion Notice and Regulatory Announcement do not form part of this Base Prospectus and are not incorporated by reference in it.

From the date of the Conversion Notice, two periods commenced, namely (i) a four-week waiting period before the general meeting of the sole shareholder of the Issuer may resolve upon the Conversion and (ii) a three month creditor opposition period (together, the "**Conversion Process**").

Consequently, as at the date of this Base Prospectus, the Conversion Process is ongoing and completion of the Conversion, by means of the registration of the Conversion with the Madrid Commercial Registry (the "**Effective Date of Conversion**"), is expected to occur during the last week of February 2024. However, there can be no assurance that the Conversion will be completed by that date or at all.

Upon completion of the Conversion (and with effect from the Effective Date of Conversion), the Issuer will become a limited liability company (*sociedad anónima*) governed by the laws of Spain, under the name Naturgy Finance Iberia, S.A. and with its registered office at Avenida de América, 38, 28028, Madrid, Spain. Pursuant to Directive (EU) 2019/2121 and the relevant implementing legislation in the Netherlands and Spain, the assets and liabilities of the Issuer prior to the Effective Date of Conversion, including all contracts, credits, rights and obligations, will be those of the Issuer as so converted.

The Issuer intends to publish a Supplement to this Base Prospectus following the Effective Date of Conversion in order to inform Noteholders of the completion of the Conversion.

TERMS AND CONDITIONS OF NOTES ISSUED BY THE ISSUER PRIOR TO THE EFFECTIVE DATE OF CONVERSION

For any Notes issued by the Issuer prior to the Effective Date of Conversion (as defined in "Conversion of Naturgy Finance B.V.") the following terms and conditions will be used.

The following is the text of the terms and conditions which, subject to completion in accordance with the provisions of the relevant Final Terms, will be endorsed on each Note in definitive form issued by Naturgy Finance B.V. under the Programme. The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described in the Base Prospectus dated 15 December 2023 relating to the Notes, under "Form of the Notes".

Naturgy Finance B.V. (the "**Issuer**") has established a Euro Medium Term Note Programme (the "**Programme**") for the issuance of up to €12,000,000,000 in aggregate nominal amount of Notes (the "**Notes**") guaranteed by Naturgy Energy Group, S.A.

Notes issued under the Programme are issued in series (each a "**Series**") and each Series may comprise one or more tranches (each a "**Tranche**") of Notes. Each Tranche is the subject of final terms (the "**Final Terms**") which completes these terms and conditions (the "**Conditions**"). The terms and conditions applicable to any particular Tranche of Notes are these Conditions as completed by the relevant Final Terms. All subsequent references in these Conditions to "Notes" are to the Notes which are the subject of the relevant Final Terms. The Notes are the subject of an amended and restated agency agreement dated on or about 15 December 2023 (the "**Agency Agreement**", which expression shall include any further amendments or supplements thereto) and made between the Issuer, Naturgy Energy Group, S.A. as Guarantor (the "**Guarantor**"), Citibank, N.A., London Branch in its capacity as Agent (the "**Agent**" or "**Calculation Agent**", which expressions shall include any successor to Citibank, N.A., London Branch in its capacity as such) and the Paying Agents named therein (the "**Paying Agents**", which expression shall include the Agent and any substitute or additional Paying Agents appointed in accordance with the Agency Agreement). The Notes, the Receipts and the Coupons (each as defined below) also have the benefit of a deed of covenant (the "**Deed of Covenant**", which expression shall include any amendments or supplements thereto) dated on or about 15 December 2023 executed by the Issuer in relation to the Notes. The Guarantor has, for the benefit of the holders of the Notes from time to time (the "**Noteholders**"), executed and delivered a deed of guarantee (the "**Deed of Guarantee**") dated on or about 15 December 2023 under which it has guaranteed the due and punctual payment of all amounts due by the Issuer under the Notes and the Deed of Covenant as and when the same shall become due and payable.

Interest bearing definitive Notes (unless otherwise indicated in the applicable Final Terms) have interest coupons ("**Coupons**") and, if indicated in the applicable Final Terms, talons for further Coupons ("**Talons**") attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Definitive Notes repayable in instalments have receipts ("**Receipts**") for the payment of the instalments of principal (other than the final instalment) attached on issue.

Copies of the Deed of Covenant, the Agency Agreement, the Deed of Guarantee and the Final Terms applicable to the Notes are available for inspection during normal business hours at the specified office of each of the Paying Agents. If the Notes are to be admitted to trading on the regulated market of the Luxembourg Stock Exchange, the applicable Final Terms will be published on the website of the Luxembourg Stock Exchange at *www.luxse.com*. All persons from time to time entitled to the benefit of obligations under any Notes are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Deed of Covenant, the Agency Agreement, the Deed of Guarantee and the applicable Final Terms, which are binding on them.

Words and expressions defined in the Deed of Covenant, the Agency Agreement, the Deed of Guarantee or used in the applicable Final Terms shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency, the applicable Final Terms will prevail.

1. Form, Denomination and Title

The Notes are in bearer form and, in the case of definitive Notes, serially numbered in the Specified Currency and the Specified Denomination(s), provided that in the case of any Notes which are to be admitted to trading on a regulated market within the European Economic Area or offered to the

public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Regulation, the minimum Specified Denomination shall be euro 100,000 (or its equivalent in any other currency as at the date of issue of those Notes). Notes of one Specified Denomination may not be exchanged for Notes of another Denomination.

So long as the Notes are represented by a Temporary Global Note or Permanent Global Note and the relevant clearing system(s) so permit, the Notes will be tradeable only (a) if the Specified Denomination stated in the relevant Final Terms is "euro 100,000 (or its equivalent in another currency)", in the authorised denomination of euro 100,000 (or its equivalent in another currency) and integral multiples of euro 100,000 (or its equivalent in another currency) thereafter, or (b) if the Specified Denomination stated in the relevant Final Terms is "euro 100,000 (or its equivalent in another currency) and integral multiples of euro 1,000 (or its equivalent in another currency) in excess thereof", in the minimum authorised denomination of euro 100,000 (or its equivalent in another currency) and higher integral multiples of euro 1,000 (or its equivalent in another currency), notwithstanding that no definitive Notes will be issued with a denomination above euro 199,000 (or its equivalent in another currency).

Definitive Notes are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in these Conditions are not applicable.

Subject as set out below, title to the Notes, Receipts and Coupons will pass by delivery. Subject as set out below, the Issuer, the Guarantor, and any Paying Agent may deem and treat (and no such person will be liable for so deeming and treating) the bearer of any Note, Receipt or Coupon as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a global Note, each person who is for the time being shown in the records of Euroclear Bank SA/NV ("**Euroclear**") or of Clearstream Banking, S.A. ("**Clearstream, Luxembourg**") as the holder of a particular nominal amount of Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be deemed to be the holder of such nominal amount of Notes for all purposes other than with respect to the payment of principal or interest on the Notes, for which purpose the bearer of the relevant global Note shall be deemed to be the holder of such nominal amount of Notes in accordance with and subject to the terms of the relevant global Note (and the expressions "**Noteholder"** and "**holder of Notes**" and related expressions shall be construed accordingly). Notes which are represented by a global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear or of Clearstream, Luxembourg, as the case may be.

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, except in relation to Notes issued in NGN form, be deemed to include a reference to any additional or alternative clearance system approved by the Issuer, the Guarantor and the Agent.

2. Status of the Notes

The Notes and the relative Receipts and Coupons (if any) are direct, unconditional, unsubordinated and (subject to Condition 4 (*Negative Pledge*)) unsecured obligations of the Issuer ranking *pari passu* without any preference among themselves and (subject to any applicable statutory exceptions) at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer.

3. Status of the Deed of Guarantee

The payment of principal and interest together with all other sums payable by the Issuer in respect of the Notes has been unconditionally and irrevocably guaranteed by the Guarantor. The obligations of the Guarantor under the Deed of Guarantee constitute direct, unconditional, unsubordinated and (subject to Condition 4 (*Negative Pledge*)) unsecured obligations of the Guarantor and (subject to any applicable statutory exceptions) rank *pari passu* with all other present and future outstanding, unsecured and unsubordinated obligations of the Guarantor.

*In the event of insolvency (concurso) of the Guarantor, under the Spanish Recast Insolvency Law approved by Royal Legislative Decree 1/2020, of 5 May (as amended and restated pursuant to Law 16/2022, of 5 September, the "**Spanish Recast Insolvency Law**"), claims under the Guarantee relating to the Notes (unless they qualify by law as subordinated credits under Article 281.1 of the Spanish Recast Insolvency Law) will be ordinary credits (créditos ordinarios) as defined in the Spanish Recast Insolvency Law. Ordinary credits rank below credits against the insolvency estate (créditos contra la masa) and credits with a general or special privilege (créditos con privilegio general o especial). Ordinary credits rank above subordinated credits and the rights of shareholders. Interest on the Notes (other than interest accruing under secured liabilities up to an amount equal to the lower of the value of the asset subject to the security or the maximum secured liability under the relevant security) accrued but unpaid as at the commencement of any insolvency proceeding (concurso) relating to the Issuer under Spanish law shall thereupon constitute subordinated obligations of the Issuer ranking below its unsecured and unsubordinated obligations. Under Spanish law, accrual of interest on the Notes (other than interest accruing under secured liabilities up to an amount equal to the lower of the value of the asset subject to the security or the maximum secured liability under the relevant security) shall be suspended as from the date of any declaration of insolvency (concurso) of the Issuer.*

4. Negative Pledge

So long as any Note remains outstanding (as defined in the Agency Agreement):

(a) neither the Issuer nor the Guarantor shall create or permit to subsist any Security Interest (other than a Permitted Security Interest) upon the whole or any part of its present or future undertaking, assets or revenues (including uncalled capital) to secure any Relevant Indebtedness or any Guarantee of any Relevant Indebtedness; and

(b) the Issuer and the Guarantor shall procure that none of their respective Subsidiaries will create or permit to subsist any Security Interest (other than a Permitted Security Interest) upon the whole or any part of its present or future undertaking, assets or revenues (including uncalled capital) to secure any Relevant Indebtedness or any Guarantee of any Relevant Indebtedness,

without at the same time or prior thereto (i) securing the Notes and/or, as the case may be, the Guarantor's obligations under the Deed of Guarantee, equally and rateably therewith or (ii) providing such other security for the Notes and/or, as the case may be, the Guarantor's obligations under the Deed of Guarantee, as may be approved by an Extraordinary Resolution (as defined in the Agency Agreement) of Noteholders.

In these Conditions:

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

(a) any obligation to purchase such Indebtedness;

(b) any obligation to lend money, to purchase or subscribe shares or other securities or to purchase assets or services in order to provide funds for the payment of such Indebtedness;

(c) any indemnity against the consequences of a default in the payment of such Indebtedness; and

(d) any other agreement to be responsible for such Indebtedness;

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

(a) amounts raised by acceptance under any acceptance credit facility;

(b) amounts raised under any note purchase facility;

(c) the amount of any liability in respect of leases or hire purchase contracts which would, in accordance with applicable law and generally accepted accounting principles, be treated as finance or capital leases;

(d) the amount of any liability in respect of any purchase price for assets or services the payment of which is deferred for a period in excess of 60 days; and

(e) amounts raised under any other transaction (including, without limitation, any forward sale or purchase agreement) having the commercial effect of a borrowing;

"**Permitted Security Interest**" means:

(a) in relation to the Issuer or any of its Subsidiaries:

(i) any Security Interest arising by operation of law and in the ordinary course of business of the Issuer or any of its Subsidiaries which does not (either alone or together with any one or more other such Security Interests) materially impair the operation of such business and which has not been enforced against the assets to which it attaches; and

(ii) any Security Interest that does not fall within sub-paragraph (i) above and that secures Relevant Indebtedness which, when aggregated with Relevant Indebtedness secured by all other Security Interests permitted under this sub-paragraph, does not exceed euro 50,000,000 (or its equivalent in other currencies); and

(b) in relation to the Guarantor or any of its Subsidiaries:

(i) any Security Interest in existence on 29 October 1999 to the extent that it secures Relevant Indebtedness outstanding on such date;

(ii) any Security Interest arising by operation of law and in the ordinary course of business of the Guarantor or any of its Subsidiaries which does not (either alone or together with any one or more other such Security Interests) materially impair the operation of such business and which has not been enforced against the assets to which it attaches;

(iii) any Security Interest to secure Project Finance Debt;

(iv) any Security Interest created in respect of Relevant Indebtedness of an entity that has merged with, or has been acquired (whether in whole or in part) by, the Guarantor or any of its Subsidiaries, provided that such Security Interest:

(A) was in existence at the time of such merger or acquisition;

(B) was not created for the purpose of providing security in respect of the financing of such merger or acquisition; and

(C) is not increased in amount or otherwise extended following such merger or acquisition other than pursuant to a legal or contractual obligation (x) which was assumed (by operation of law, agreement or otherwise) prior to such merger or acquisition by an entity which, at such time, was not a Subsidiary of the Guarantor, and (y) which remains legally binding on such entity at the time of such merger or acquisition; and

(v) any Security Interest that does not fall within sub-paragraphs (i), (ii), (iii) or (iv) above and that secures Relevant Indebtedness which, when aggregated with Relevant Indebtedness secured by all other Security Interests permitted under this sub-paragraph, does not exceed euro 50,000,000 (or its equivalent in other currencies);

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

"**Project Finance Assets**" means the assets (including, for the avoidance of doubt, shares (or other interests)) of a Project Finance Entity;

"**Project Finance Entity**" means any entity in which the Guarantor or any of its Subsidiaries holds an interest whose only assets and business are constituted by: (i) the ownership, creation, development, construction, improvement, exploitation or operation of one or more of such entity's assets, or (ii) shares (or other interests) in the capital of other entities that satisfy limb (i) of this definition;

"**Project Finance Debt**" means any Relevant Indebtedness:

(a) incurred by a Project Finance Entity in respect of the activities of such entity or another Project Finance Entity in which it holds shares (or other interests); or

(b) any Subsidiary formed exclusively for the purpose of financing a Project Finance Entity,

where, in each case, the holders of such Relevant Indebtedness have no recourse against the Guarantor or any of its Subsidiaries (or its or their respective assets), except for recourse to (y) the Project Finance Assets of such Project Finance Entities; and (z) in the case of (b) above only, the Subsidiary incurring such Relevant Indebtedness.

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

"**Security Interest**" means any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction; and

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

(a) whose affairs and policies the first Person controls or has the power to control, whether by ownership of share capital, contract, the power to appoint or remove members of the governing body of the second Person or otherwise; or

(b) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, fully consolidated with those of the first Person.

5. Interest

(a) *Interest on Fixed Rate Notes*

(i) Each Fixed Rate Note shall bear interest on its nominal amount from, and including, the Interest Commencement Date (which shall be the date of issue thereof or such other date as may be specified in the relevant Final Terms) in respect thereof at the rate *per annum* (expressed as a percentage) equal to the Rate(s) of Interest specified in the relevant Final Terms and on the Maturity Date specified in the relevant Final Terms if that date does not fall on an Interest Payment Date.

(ii) The first payment of interest will be made on the Interest Payment Date next following the Interest Commencement Date and, if the period between the Interest Commencement Date and the first Interest Payment Date is different from the periods between Interest Payment Dates, will amount to the initial Broken Amount specified in the relevant Final Terms. If the Maturity Date is not an Interest Payment Date, interest from, and including, the preceding Interest Payment Date (or from the Interest Commencement Date, as the case may be)

to, but excluding, the Maturity Date will amount to the final Broken Amount specified in the relevant Final Terms.

If interest is required to be calculated for a period ending other than on an Interest Payment Date, such interest shall be calculated by applying the Rate of Interest to each Calculation Amount, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

If a Fixed Coupon Amount or a Broken Amount is specified in the applicable Final Terms, the amount of interest payable on each Interest Payment Date will amount to the Fixed Coupon Amount or, if applicable, the Broken Amount so specified.

If interest is required to be calculated for a period of other than a full year, such interest shall be calculated using the applicable Day Count Fraction pursuant to Condition 5(e) (*Determination of Rate of Interest and Calculation of Interest Amount*).

(b) *Interest on Floating Rate Notes*

(i) ***Specified Interest Payment Dates***

Each Floating Rate Note bears interest on its outstanding nominal amount from (and including) the Interest Commencement Date specified in the applicable Final Terms and such interest will be payable in arrear on each interest payment date (each a "**Specified Interest Payment Date**") which (save as otherwise mentioned in these Conditions or the applicable Final Terms) falls the number of months or other period specified as the Interest Period in the applicable Final Terms after the preceding Specified Interest Payment Date or, in the case of the First Interest Payment Date, after the Interest Commencement Date.

If a business day convention is specified in the applicable Final Terms and if any Specified Interest Payment Date would otherwise fall on a day which is not a Business Day (as defined below), then, if the business day convention specified is:

(A) in any case where Interest Periods are specified in accordance with Condition 5(b)(i) above, the Floating Rate Convention, such Specified Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event: (A) such Specified Interest Payment Date shall be brought forward to the immediately preceding Business Day; and (B) each subsequent Specified Interest Payment Date shall be the last Business Day in the month which falls the number of months or other period specified as the Interest Period in the applicable Final Terms after the preceding applicable Specified Interest Payment Date occurred; or

(B) the Following Business Day Convention, such Specified Interest Payment Date shall be postponed to the next day which is a Business Day; or

(C) the Modified Following Business Day Convention, such Specified Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Specified Interest Payment Date shall be brought forward to the immediately preceding Business Day; or

(D) the Preceding Business Day Convention, such Specified Interest Payment Date shall be brought forward to the immediately preceding Business Day.

"**Business Day**" means:

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

(B) in the case of euro, any day on which the T2 (as defined in Condition 5(b)(iv)) is open for the settlement of payments (a "**TARGET Business Day**"); and/or

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

(ii) ***Rate of Interest for Floating Rate Notes***

The Rate of Interest payable from time to time in respect of Floating Rate Notes will be determined in the manner specified in the applicable Final Terms.

(iii) ***ISDA Determination for Floating Rate Notes***

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any) provided that in any circumstances where under the ISDA Definitions the Calculation Agent would be required to exercise any discretion, including the selection of any reference banks and seeking quotations from reference banks, when calculating the relevant ISDA Rate, the relevant determination(s) which require the Calculation Agent to exercise its discretion shall instead be made by the Issuer or its designee. For the purposes of this sub-paragraph (iii), "**ISDA Rate**" for an Interest Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent or other person specified in the applicable Final Terms under an interest rate swap transaction if the Calculation Agent or that other person were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the ISDA Definitions, and under which:

(x) if the Final Terms specify either the "2006 ISDA Definitions" or "2021 ISDA Definitions" as the applicable ISDA Definitions:

(A) the Floating Rate Option (as defined in the relevant ISDA Definitions) is as specified in the applicable Final Terms;

(B) the Designated Maturity (as defined in the relevant ISDA Definitions), if applicable, is a period specified in the relevant Final Terms;

(C) the relevant Reset Date (as defined in the relevant ISDA Definitions) unless otherwise specified in the relevant Final Terms, has the meaning given to it in the ISDA Definitions; and

(D) if the specified Floating Rate Option is an Overnight Floating Rate Option (as defined in the relevant ISDA Definitions),

Compounding is specified to be applicable in the relevant Final Terms and:

(I) if Compounding with Lookback is specified as the Compounding Method in the relevant Final Terms, Lookback is the number of the Applicable Business Days (as defined in the relevant ISDA Definitions) specified in the relevant Final Terms;

(II) if Compounding with Observation Period Shift is specified as the Compounding Method in the relevant Final Terms, (a) Observation Period Shift is the number of Observation Period Shift Business Days (as defined in the relevant ISDA Definitions) specified in the relevant Final Terms and (b) Observation Period Shift Additional Business Days (as defined in the relevant ISDA Definitions), if applicable, are the days specified in the relevant Final Terms; or

(III) if Compounding with Lockout is specified as the Compounding Method in the relevant Final Terms, (a) Lockout is the number of Lockout Period Business Days (as defined in the relevant ISDA Definitions) specified in the relevant Final Terms and (b) Lockout Period Business Days, if applicable, are the days specified in the relevant Final Terms;

(E) if the specified Floating Rate Option is an Overnight Floating Rate Option (as defined in the ISDA Definitions), Averaging is specified to be applicable in the relevant Final Terms and:

(I) Averaging with Lookback is specified as the Averaging Method in the relevant Final Terms, Lookback is the number of Applicable Business Days (as defined in the ISDA Definitions) specified in the relevant Final Terms; or

(II) Averaging with Observation Period Shift is specified as the Averaging Method in the relevant Final Terms, (a) Observation Period Shift is the number of Observation Period Shift Business Days (as defined in the ISDA Definitions) specified in the relevant Final Terms and (b) Observation Period Shift Additional Business Days (as defined in the ISDA Definitions), if applicable, are the days specified in the relevant Final Terms; or

(III) Averaging with Lockout is specified as the Averaging Method in the relevant Final Terms, (a) Lockout is the number of Lockout Period Business Days (as defined in the ISDA Definitions) specified in the relevant Final Terms and (b) Lockout Period Business Days, if applicable, are the days specified in the relevant Final Terms; and

(F) if the specified Floating Rate Option is an Index Floating Rate Option (as defined in the relevant ISDA Definitions) and Index Provisions are specified to be applicable in the relevant Final Terms, the Compounded Index Method with Observation Period Shift shall be applicable and, (a) Observation Period Shift is the number of Observation Period Shift Business Days (as defined in the relevant ISDA Definitions) specified in the

relevant Final Terms and (b) Observation Period Shift Additional Business Days (as defined in the relevant ISDA Definitions) are the days, if applicable, specified in the relevant Final Terms);

(y) references in the relevant ISDA Definitions to:

(A) "Confirmation" shall be deemed to be references to the relevant Final Terms;

(B) "Calculation Period" shall be deemed to be references to the relevant Interest Period;

(C) "Termination Date" shall be deemed to be references to the Maturity Date; and

(D) "Effective Date" shall be deemed to be references to the Interest Commencement Date;

(z) if the relevant Final Terms specify the "2021 ISDA Definitions" as the applicable ISDA Definitions:

(A) "Administrator/Benchmark Event" shall be disapplied; and

(B) if the Temporary Non-Publication Fallback for any specified Floating Rate Option is specified to be "Temporary Non-Publication – Alternative Rate" in the Floating Rate Matrix of the 2021 ISDA Definitions, the reference to "Calculation Agent Alternative Rate Determination" in the definition of "Temporary Non-Publication – Alternative Rate" shall be replaced by "Temporary Non-Publication Fallback – Previous Day's Rate".

Where this sub-paragraph (iii) applies, in respect of each relevant Interest Period, the Calculation Agent will be deemed to have discharged its obligations under paragraph (e) below in respect of the determination of the Rate of Interest if it has determined the Rate of Interest in respect of such Interest Period in the manner provided in this sub-paragraph (iii).

"**2006 ISDA Definitions**" means, in relation to a Series of Notes, the 2006 ISDA Definitions (as supplemented, amended and updated as at the date of the issue of the first Tranche of Notes of such Series) as published by ISDA (copies of which may be obtained from ISDA at www.isda.org);

"**2021 ISDA Definitions**" means, in relation to a Series of Notes, the latest version of the 2021 ISDA Interest Rate Derivatives Definitions (including each Matrix (and any successor Matrix thereto), as defined in such 2021 ISDA Interest Rate Derivatives Definitions) as at the date of issue of the first Tranche of Notes of such Series, as published by ISDA on its website (www.isda.org); and

"**ISDA Definitions**" means the 2006 ISDA Definitions or the 2021 ISDA Definitions, as specified in the relevant Final Terms.

(iv) ***Screen Rate Determination for Floating Rate Notes***

Where so specified in the applicable Final Terms, the Rate of Interest for each Interest Period will, subject as provided below, be either:

(A) the offered quotation (if there is only one quotation on the Relevant Screen Page (as indicated in the applicable Final Terms)), expressed as a percentage rate *per annum*; or

(B) the arithmetic mean (rounded if necessary to the fourth decimal place, with 0.00005 being rounded upwards) of the offered quotations (expressed as a percentage rate *per annum*),

for deposits in the Specified Currency for that Interest Period which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00a.m. (London time or, where the Reference Rate is EURIBOR, Brussels time) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Calculation Agent. If five or more such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

If the Relevant Screen Page is not available or if, in the case of (A) above, no such quotation appears or, in the case of (B) above, fewer than three of such offered quotations appear, in each case as at such time, the Issuer or an agent on its behalf shall request the principal London office of each of the Reference Banks (as defined below) or, in the case of the determination of EURIBOR, the principal office of each of four EURIBOR Reference Banks (as defined below) to provide the Calculation Agent with its offered quotation (expressed as a percentage rate *per annum*) for deposits in the Specified Currency for the relevant Interest Period to leading banks in the London inter-bank market (or, in the case of the determination of EURIBOR, where the Reference Rate of EURIBOR is used for Notes denominated or payable in euro, the Eurozone interbank market) as at 11.00 a.m. (London time or, where the Reference Rate is EURIBOR, Brussels time) on the Interest Determination Date in question. If two or more of the Reference Banks or, as the case may be, EURIBOR Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean (rounded as provided above) of such offered quotations plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Calculation Agent.

If on any Interest Determination Date one only or none of the Reference Banks or, as the case may be, EURIBOR Reference Banks, provides the Calculation Agent with such an offered quotation as provided above, the Rate of Interest for the relevant Interest Period shall be the rate *per annum* which the Calculation Agent determines as being the arithmetic mean (rounded as provided above) of the rates, as communicated to the Calculation Agent by the Reference Banks or, as the case may be, EURIBOR Reference Banks, or any two or more of them, at which such banks were offered, as at 11.00a.m. (London time or, where the Reference Rate is EURIBOR, Brussels time) on the relevant Interest Determination Date, deposits in the Specified Currency for the relevant Interest Period by leading banks in the London inter-bank market (or, in the case of the determination of EURIBOR, where the Reference Rate of EURIBOR is used for Notes denominated or payable in euro, the Eurozone interbank market) plus or minus (as indicated in the applicable Final Terms) the Margin (if any) or, if fewer than two of the Reference Banks or, as the case may be, EURIBOR Reference Banks, provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for the relevant Interest Period, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for the relevant Interest Period, at which, on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in the London inter-bank market (or, in the case of the determination of EURIBOR, the Eurozone interbank market) (or, as the case may be, the quotations of such bank or banks to the Calculation Agent) plus or minus (as indicated in the applicable Final Terms) the Margin (if any), provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this sub-paragraph (iv), the Rate of Interest shall be the

sum of the Margin and the offered rate or (as the case may be) the arithmetic mean of the offered rates last determined in relation to the Notes in respect of the preceding Interest Period.

In these Conditions:

"**Reference Banks**" means, in the case of (A) above, those banks whose offered rate was used to determine such quotation when such quotation last appeared on the Relevant Screen Page and, in the case of (B) above, those banks whose offered quotations last appeared on the Relevant Screen Page when no fewer than three such offered quotations appeared;

"**EURIBOR Reference Bank**" means a major bank operating in the Eurozone interbank market and "**EURIBOR Reference Banks**" shall be construed accordingly;

"**Interest Determination Date**" means, with respect to a Rate of Interest and Interest Period, the date specified as such in the relevant Final Terms or, if none is so specified, (i) the first day of such Interest Period if the Specified Currency is Sterling or (ii) the second Business Day in London prior to the commencement of such Interest Period if the Specified Currency is neither Sterling nor euro or (iii) the second TARGET Business Day prior to the commencement of such Interest Period if the Specified Currency is euro; and

"**T2**" means the real time gross settlement system operated by the Eurosystem, or any successor system.

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined and the Reference Rate is specified in the applicable Final Terms is SONIA, the foregoing provisions of Condition 5(b)(iv) will not apply and the Rate of Interest for the relevant Interest Period will, subject as provided below, be Compounded Daily SONIA with respect to such Interest Period plus or minus (as indicated in the applicable Final Terms) the applicable Margin (if any).

"**Compounded Daily SONIA**" means, with respect to an Interest Period, the rate of return of a daily compound interest investment during the Observation Period (with the daily Sterling overnight reference rate as reference rate for the calculation of interest) and will be calculated by the Calculation Agent on the Interest Determination Date, as follows, and the resulting percentage will be rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards:

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

where:

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

"**do**" is the number of London Banking Days in the relevant Observation Period;

"**i**" is a series of whole numbers from one to d_o, each representing the relevant London Banking Day in chronological order from, and including, the first London Banking Day in the relevant Observation Period;

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

"$\mathbf{n_i}$", for any London Banking Day "*i*" in the relevant Observation Period means the number of calendar days from and including such day "*i*" up to but excluding the following London Banking Day;

"**Observation Period**" means the period from and including the date falling five London Banking Days prior to the first day of the relevant Interest Period (and

the first Interest Period shall begin on and include the Interest Commencement Date) and ending on, but excluding, the date falling five London Banking Days prior to the Interest Payment Date for such Interest Period (or the date falling five London Banking Days prior to such earlier date, if any, on which the Notes become due and payable);

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

"**SONIA$_i$**" means, in respect of any London Banking Day "*i*", the SONIA reference rate for that day.

For the avoidance of doubt, the formula for the calculation of Compounded Daily SONIA only compounds the SONIA reference rate in respect of any London Banking Day. The SONIA reference rate applied to a day that is a non-London Banking Day will be taken by applying the SONIA reference rate for the previous London Banking Day but without compounding.

Subject to Condition 5(i), if, in respect of any London Banking Day in the relevant Observation Period, the Calculation Agent determines that the SONIA reference rate is not available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, the SONIA reference rate shall be:

(A) the Bank of England's Bank Rate (the "**Bank Rate**") prevailing at close of business on the relevant London Banking Day; plus (ii) the mean of the spread of the SONIA reference rate to the Bank Rate over the previous five days on which a SONIA reference rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads) to the Bank Rate, each as determined by the Calculation Agent; or

(B) if the Bank Rate is not published by the Bank of England at close of business on the relevant London Banking Day, the SONIA reference rate published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) for the first preceding London Banking Day on which the SONIA reference rate was published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors).

If the relevant Series become due and payable in accordance with Condition 11 (*Events of Default*), the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the applicable Final Terms be deemed to be the date on which such Notes became due and payable and the Rate of Interest on such Notes shall, for so long as any such Notes remain outstanding, be that determined on such date.

(c) *Accrual of Interest*

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the due date for its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue thereon (as well after as before any demand or judgement) at the rate then applicable to the principal amount of the Notes or such other rate as may be specified in the relevant Final Terms until the date on which, upon (except in the case of any payment where presentation and/or surrender of the relevant Note is

not required as a precondition of payment) due presentation of the relevant Note, the relevant payment is made or, if earlier (except in the case of any payment where presentation and/or surrender of the relevant Note is not required as a precondition of payment), the seventh day after the date on which the Agent having received the funds required to make such payment, notice is given to the Noteholders in accordance with Condition 15 (*Notices*) of that circumstance (except to the extent that there is failure in the subsequent payment thereof to the relevant Noteholder).

(d) *Minimum and/or Maximum Rate of Interest*

If the applicable Final Terms specify a Minimum Rate of Interest for any Interest Period then, in the event that the Rate of Interest in respect of any such Interest Period determined in accordance with the above provisions is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest. If the applicable Final Terms specify a Maximum Rate of Interest for any Interest Period then, in the event that the Rate of Interest in respect of any such Interest Period determined in accordance with the above provisions is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(e) *Determination of Rate of Interest and Calculation of Interest Amount*

With respect to Floating Rate Notes, the Calculation Agent will, at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest and calculate the amount of interest (the "**Interest Amount**") payable in respect of any Notes in respect of each Calculation Amount (as specified in the relevant Final Terms) for the relevant Interest Period.

Each Interest Amount for Fixed Rate Notes and Floating Rate Notes shall be calculated by applying the Rate of Interest to each Calculation Amount multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest on any Note for any period of time (whether or not constituting an Interest Period, the "**Calculation Period**"):

(i) if "**Actual/Actual**" or "**Actual/Actual (ISDA)**" is specified in the relevant Final Terms as being applicable, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366; and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

(ii) if "**Actual/365 (Fixed)**" is specified in the relevant Final Terms as being applicable, the actual number of days in the Calculation Period divided by 365;

(iii) if "**Actual/360**" is specified in the relevant Final Terms as being applicable, the actual number of days in the Calculation Period divided by 360;

(iv) if "**30/360, 360/360**" or "**Bond Basis**" is specified in the relevant Final Terms as being applicable, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

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

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

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

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

"**D_1**" is the first calendar day, expressed as a number, of the Interest 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 Interest Period, unless such number would be 31 and D_2 is greater than 29, in which case D_2 will be 30;

In these Conditions "**sub-unit**" means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, means one cent.

(v) if "**30E/360**" or "**Eurobond Basis**" is specified in the relevant Final Terms as being applicable, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

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

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

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

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

"**D_1**" is the first calendar day, expressed as a number, of the Interest 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 Interest Period, unless such number would be 31, in which case D_2 will be 30;

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

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

where:

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

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

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

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

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

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

(vii) if "**Actual/Actual (ICMA)**" is specified in the relevant Final Terms as being applicable:

where the Calculation Period is equal to or shorter than the Determination Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Calculation Period; and (2) the number of Determination Periods in any period of one year; and

where the Calculation Period is longer than one Determination Period, the sum of:

(i) the actual number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the actual number of days in such Determination Period; and (2) the number of Determination Periods in any period of one year; and

(ii) the actual number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the actual number of days in such Determination Period; and (2) the number of Determination Periods in any period of one year.

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

"**Determination Date**" means the date specified as such in the relevant Final Terms or, if none is so specified, the Interest Payment Date(s) or the Specified Interest Payment Dates, as the case may be; and

"**Rate of Interest**" means the rate of interest payable from time to time in respect of the Notes and that is either specified or calculated in accordance with the provisions in the relevant Final Terms.

(f) *Change of Interest Basis*

If Change of Interest Basis is specified in the relevant Final Terms as being applicable, the Final Terms will indicate the relevant Interest Periods to which the Fixed Rate Note Provisions, Floating Rate Note Provisions and/or Zero Coupon Note Provisions shall apply.

(g) *Notification of Rate of Interest and Interest Amount*

The Calculation Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date or Specified Interest Payment Date, as the case may be, to be notified to the Issuer, the Guarantor and, if the Notes are

listed on a stock exchange, quotation system or other relevant authority and the rules of such exchange, quotation system or other relevant authority so require, to any such relevant exchange, quotation system and/or other relevant authority, and to be published in accordance with Condition 15 (*Notices*) as soon as possible after their determination but (i) in no event later than the first day of the relevant Interest Period thereafter, if determined prior to such time or (ii) in all other cases, as soon as practicable but in no event later than the fourth Business Day after such determination. Each Interest Amount and Interest Payment Date or Specified Interest Payment Date, as the case may be, so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes are listed on a stock exchange, quotation system or other relevant authority and the rules of such exchange, quotation system or other relevant authority so require, any such amendment will be promptly notified to any such relevant exchange, quotation system and/or other relevant authority.

(h) *Certificates to be final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5 shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Guarantor, the Agent, the Paying Agents and all Noteholders and (in the absence as aforesaid) no liability to the Issuer, the Guarantor or the Noteholders shall attach to the Agent in connection with the exercise or non-exercise by them of their powers, duties and discretions pursuant to such provisions.

(i) *Benchmark discontinuation*

(i) ***Independent Adviser***

If the Issuer determines that a Benchmark Event has occurred in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 5(i)(ii)) and, in either case, an Adjustment Spread and any Benchmark Amendments (in accordance with Conditions 5(i)(iii) and 5(i)(iv)). In making such determination, the Independent Adviser appointed pursuant to this Condition 5(i) shall act in good faith and in a commercially reasonable manner as an expert. In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Paying Agents, the Noteholders or the Couponholders for any determination made by it, pursuant to this Condition 5(i).

If (i) the Issuer is unable to appoint an Independent Adviser; or (ii) the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 5(i) prior to the relevant Interest Determination Date, the Rate of Interest shall be (i) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin, Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Period in place of the Margin, Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Period); or (ii) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to such Series for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin and any Maximum Rate of Interest or Minimum Rate of Interest applicable to the first Interest Period).

For the avoidance of doubt, the above paragraph shall apply to the relevant next succeeding Interest Accrual Period only and any subsequent Interest Accrual Periods are subject to the subsequent operation of, and to adjustment as provided in, the first paragraph of this Condition 5(i)(i).

(ii) ***Successor Rate or Alternative Rate***

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

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

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

(iii) ***Adjustment Spread***

If the Independent Adviser, following consultation with the Issuer, determines that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be), the Independent Adviser, following consultation with the Issuer, shall determine the quantum of, or the formula or methodology for determining, the Adjustment Spread and such Adjustment Spread shall then be applied to the Successor Rate or the Alternative Rate (as the case may be). If the Independent Adviser is unable to determine the quantum of, or a formula or methodology for determining, such Adjustment Spread, then the Successor Rate or Alternative Rate (as applicable) will apply without an Adjustment Spread.

(iv) ***Benchmark Amendments***

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

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

The Paying Agents shall not be obliged to effect any Benchmark Amendment if in the sole opinion of the relevant Paying Agent doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the relevant Paying Agent in these Conditions and/or the Agency Agreement in any way.

(v) ***Notices, etc.***

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments determined under this Condition 5(i) will be notified promptly by the Issuer to the Calculation Agent, the Paying Agents and, in accordance with Condition 15 (*Notices*), the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

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

(vi) ***Survival of Original Reference Rate***

Without prejudice to the obligations of the Issuer under Condition 5(i)(i) (*Independent Adviser*), (ii) (*Successor Rate or Alternative Rate*), (iii) (*Adjustment Spread*) and (iv) (*Benchmark Amendments*), the Original Reference Rate and the fallback provisions provided for in Condition 5(b)(iv) (*Screen Rate Determination for Floating Rate Notes*) will continue to apply unless and until a Benchmark Event has occurred.

(vii) ***Definitions***

As used in this Condition 5(i):

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

(a) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or

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

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

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

"**Benchmark Amendments**" has the meaning given to it in Condition 5(i)(iv) (*Benchmark Amendments*);

"**Benchmark Event**" means:

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

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

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

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

(e) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate is or will be (or is or will be deemed by such supervisor to be) no longer representative of its relevant underlying market; or

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

provided that the Benchmark Event shall be deemed to occur (A) in the case of sub-paragraphs (b) and (c) above, on the date of the cessation of publication of the Original Reference Rate or the discontinuation of the Original Reference Rate, as the case may be, (B) in the case of sub-paragraph (d) above, on the date of the prohibition of use of the Original Reference Rate and (C) in the case of sub-paragraph (e) above, on the date with effect from which the Original Reference Rate will no longer be (or will be deemed by the relevant supervisor to no longer be) representative of its relevant underlying market and which is specified in the relevant public statement, and, in each case, not the date of the relevant public statement;

"**Independent Adviser**" means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer under Condition 5(i)(i);

"**Original Reference Rate**" means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof) on the Notes or any Successor Rate or Alternative Rate (or, in each case any component thereof), as applicable;

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

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

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

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

6. Redemption and Purchase

(a) ***Redemption at Maturity***

Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the Issuer, failing which the Guarantor at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms in the relevant Specified Currency on the Maturity Date specified in the applicable Final Terms (in the case of a Note other than a Floating Rate Note) or on the Specified Interest Payment Date falling in the Redemption Month specified in the applicable Final Terms (in the case of a Floating Rate Note). Such Final Redemption Amount in respect of any Note shall be its principal amount or such higher amount as may be specified in the relevant Final Terms.

(b) ***Redemption for Tax Reasons***

If, in relation to any Series of Notes (i) as a result of any change in the laws or regulations of The Netherlands or the Kingdom of Spain, as applicable, or of any political subdivision thereof or any authority or agency therein or thereof having power to tax or in the interpretation or administration of any such laws or regulations which becomes effective on or after the date of issue of such Notes or any earlier date specified in the Final Terms the Issuer or the Guarantor, as applicable, would be required to pay additional amounts as provided in Condition 10 (*Taxation*) and (ii) such circumstances are evidenced by the delivery by the Issuer or the Guarantor, as applicable, to the Agent of a certificate signed by two managing directors of the Issuer or two directors of the Guarantor, as applicable, stating that such circumstances prevail and describing the facts leading thereto and an opinion of independent legal advisers of recognised standing to the effect that such circumstances prevail, the Issuer may, at its option and having given no less than 30 nor more than 60 days' notice (ending, in the case of Notes which bear interest at a floating rate, on a day upon which interest is payable) to the Noteholders in accordance with Condition 15 (*Notices*) (which notice shall be irrevocable), redeem all (but not some only) of the outstanding Notes comprising the relevant Series at their early tax redemption amount (the "**Early Redemption Amount Tax**") (which shall be their principal amount or at such other Early Redemption Amount Tax as may be specified in or determined in accordance with the relevant Final Terms) less, in the case of any Instalment Note, the aggregate amount of all instalments that shall have become due and payable in respect of such Note prior to the date fixed for redemption under any other Condition (which amount, if and to the extent not then paid, remains due and payable), together with accrued interest (if any) thereon, provided, however, that no such notice of redemption may be given earlier than 90 days (or, in the case of Notes which bear interest at a floating rate a number of days which is equal to the aggregate of the number of days falling within the then current interest period applicable to the Notes plus 60 days) prior to the earliest date on which the Issuer or the Guarantor, as applicable, would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

(c) ***Redemption at the Option of the Issuer***

If a Call Option is specified in the relevant Final Terms as being applicable, the Issuer may, having (unless otherwise specified in the applicable Final Terms) given not more than 60 nor less than 30 days' notice to the Agent and, in accordance with Condition 15 (*Notices*), the Noteholders (which notice shall be irrevocable), redeem all or some only of the Notes then outstanding on the Optional Redemption Date(s) and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Final Terms together, if applicable, with interest accrued to (but excluding) the relevant Optional Redemption Date(s). In the event of a redemption of some only of the Notes, such redemption must be of a nominal amount being the Minimum Redemption Amount or a Maximum Redemption Amount, both as indicated in the applicable Final Terms. In the case of a partial redemption of definitive Notes, the Notes to be redeemed will be selected individually by lot, subject to compliance with applicable law and the rules of each listing authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation, not more than 60 days prior to the date fixed for redemption and a list of the Notes called for redemption will be published in accordance with Condition 15 (*Notices*) not less than 30 days prior to such date. In the case of a partial redemption of Notes which are represented by a global Note, the relevant Notes will be selected in accordance with the rules of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear

and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion).

(d) ***Residual Maturity Call Option***

If a Residual Maturity Call Option is specified in the relevant Final Terms as being applicable, the Issuer may, on giving not less than 15 nor more than 30 days' irrevocable notice to the Noteholders in accordance with Condition 15 (*Notices*) (which notice shall specify the date fixed for redemption (the "**Residual Maturity Call Option Redemption Date**")), redeem all (but not only some) of the outstanding Notes comprising the relevant Series at their principal amount together with interest accrued to, but excluding, the Residual Maturity Call Option Redemption Date, which shall be no earlier than (i) three months before the Maturity Date in respect of Notes having a maturity of not more than ten years, (ii) six months before the Maturity Date in respect of Notes having a maturity of more than ten years, or (iii) as otherwise specified in the relevant Final Terms (each such period, the "**Maturity Call Option Redemption Period**").

For the purpose of the preceding paragraph, the maturity of not more than ten years or the maturity of more than ten years shall be determined as from the Issue Date of the first Tranche of the relevant Series of Notes.

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

(e) ***Redemption following a Substantial Purchase Event***

If a Substantial Purchase Event is specified in the Final Terms as being applicable and a Substantial Purchase Event has occurred and is continuing, then the Issuer may, subject to having given not less than 15 nor more than 30 days' notice to the Agent, and, in accordance with Condition 15 (*Notices*), the Noteholders (which notice shall be irrevocable), redeem the Notes comprising the relevant Series in whole, but not in part, in accordance with these Conditions at any time, in each case at their principal amount, together with any accrued and unpaid interest up to (but excluding) the date of redemption.

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

a "**Substantial Purchase Event**" shall be deemed to have occurred if at least 75 per cent. of the aggregate principal amount of the Notes of the relevant Series originally issued (which for these purposes shall include any further Notes of the same Series issued subsequently) is purchased or redeemed by the Issuer, the Guarantor or any Subsidiary of the Guarantor (and in each case is cancelled in accordance with Condition 6(l) (*Cancellation*);

(f) ***Make-Whole Redemption***

If a Make-Whole Redemption is specified in the relevant Final Terms as being applicable, then the Issuer may, subject to compliance with all relevant laws, regulations and directives and on giving not less than 15 nor more than 30 days' notice to the Agent, and, in accordance with Condition 15 (*Notices*), the Noteholders redeem the Notes comprising the relevant Series, in whole or in part, at any time or from time to time (but no later than the Residual Maturity Call Option Redemption Date (as defined in Condition 6(d) (*Residual Maturity Call Option*) above) if applicable), prior to their Maturity Date (the "**Make-Whole Redemption Date**") at their Make-Whole Redemption Amount (as defined below).

In the case of a partial redemption of Notes, the Notes to be redeemed ("**Redeemed Notes**") will (i) in the case of Redeemed Notes represented by definitive Notes, be selected individually by lot, not more than 30 days prior to the date fixed for redemption and (ii) in the case of Redeemed Notes represented by a global Note, be selected in accordance with the rules of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a

reduction in nominal amount, at their discretion), in each case of (i) and (ii) above, always subject to compliance with any applicable laws and stock exchange requirements. In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 15 (*Notices*) not less than 15 days prior to the date fixed for redemption.

"**Make-Whole Redemption Amount**" means in respect of any Notes to be redeemed an amount, calculated by, at the election of the Issuer, a leading investment, merchant or commercial bank or an independent financial adviser with appropriate expertise appointed by the Issuer for the purposes of calculating the relevant amount, and notified to the Noteholders in accordance with Condition 15 (*Notices*), equal to the greater of (x) 100 per cent. of the nominal amount of the Notes so redeemed and, (y) the sum of the then present values of the remaining scheduled payments of principal and interest on such Notes until (A) if the Residual Maturity Call Option is specified in the relevant Final Terms as being applicable, the first day of the relevant Maturity Call Option Redemption Period or (B) in all other cases, the Maturity Date (in each case not including any interest accrued on the Notes to, but excluding, the relevant Make-Whole Redemption Date) discounted to the relevant Make-Whole Redemption Date on an annual basis at the Make-Whole Redemption Rate (specified in the relevant Final Terms) plus a Make-Whole Redemption Margin (specified in the relevant Final Terms), plus in each case of (x) and (y) above, any interest accrued on the Notes to, but excluding, the Make-Whole Redemption Date.

(g) ***Redemption at the Option of the Noteholders***

If a Put Option is specified in the relevant Final Terms as being applicable, upon any Noteholder giving to the Issuer and the Guarantor in accordance with Condition 15 (*Notices*) not more than 60 nor less than 30 days' notice (which notice shall be irrevocable), the Issuer will, upon the expiry of such notice, redeem subject to, and in accordance with, the terms specified in the applicable Final Terms in whole (but not in part) such Note on the Optional Redemption Date and at the Optional Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms together, if applicable, with interest accrued to (but excluding) the relevant Optional Redemption Date.

(h) ***Redemption at the Option of the Noteholders upon a Change of Control***

If a Change of Control Put Option is specified in the relevant Final Terms as being applicable and a Change of Control occurs and, during the Change of Control Period, a Rating Downgrade occurs (together, a "**Change of Control Event**"), each holder of Notes will have the option (the "**Change of Control Put Option**") to require the Issuer to redeem or, at the Issuer's option, to procure the purchase of such Notes on the Change of Control Redemption Date at the Change of Control Redemption Amount.

A "**Change of Control**" shall be deemed to have occurred at each time that any person or persons acting in concert ("**Relevant Persons**") or any person or persons acting on behalf of such Relevant Persons, acquire(s) control, directly or indirectly, of the Guarantor.

"**control**" means: (a) the acquisition or control of more than 50 per cent. of the voting rights of the issued share capital of the Guarantor; or (b) the right to appoint and/or remove all or the majority of the members of the Guarantor's Board of Directors or other governing body, whether obtained directly or indirectly, whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise.

"**Change of Control Period**" means the period commencing on the date on which the relevant Change of Control occurs or the date of the first relevant Potential Change of Control Announcement, whichever is the earlier, and ending on the date which is 90 days after the date of the occurrence of the relevant Change of Control.

"**Potential Change of Control Announcement**" means any public announcement or statement by the Issuer or any actual or *bona fide* potential bidder relating to any potential Change of Control.

"**Rating Agency**" means any of the following: (a) Standard & Poor's Rating Services, a division of The McGraw Hill Companies, Inc. ("**S&P**"); (b) Moody's Investors Service Limited ("**Moody's**"); (c) Fitch Ratings Ltd ("**Fitch Ratings**"); or (d) any other credit rating agency of equivalent international standing specified from time to time by the Issuer and, in each case, their respective successors or affiliates.

A "**Rating Downgrade**" shall be deemed to have occurred in respect of a Change of Control if, within the Change of Control Period, the rating previously assigned to the Guarantor is lowered by at least two full rating notches (by way of example, BB+ to BB-, in the case of S&P) (a "**downgrade**") or withdrawn, in each case, by the requisite number of Rating Agencies (as defined below), and is not, within the Change of Control Period, subsequently upgraded (in the case of a downgrade) or reinstated (in the case of a withdrawal) to its earlier credit rating or better, such that there is no longer a downgrade or withdrawal by the requisite number of Rating Agencies. For these purposes, the "**requisite number of Rating Agencies**" shall mean (i) at least two Rating Agencies, if, at the time of the rating downgrade or withdrawal, three or more Rating Agencies have assigned a credit rating to the Guarantor, or (ii) at least one Rating Agency if, at the time of the rating downgrade or withdrawal, fewer than three Rating Agencies have assigned a credit rating to the Guarantor.

Notwithstanding the foregoing, no Rating Downgrade shall be deemed to have occurred in respect of a particular Change of Control if (a) following such a downgrade, the Guarantor is still assigned an Investment Grade Rating by one or more of the Rating Agencies effecting the downgrade, or (b) the Rating Agencies effecting the downgrade or withdrawing their rating do not publicly announce or otherwise confirm in writing to the Issuer that such reduction or withdrawal was the result, in whole or part, of any event or circumstance comprised in, or arising as a result of, or in respect of, the applicable Change of Control.

"**Investment Grade Rating**" means: (1) with respect to S&P, any of the categories from and including AAA to and including BBB- (or equivalent successor categories); (2) with respect to Moody's, any of the categories from and including Aaa to and including Baa3 (or equivalent successor categories); (3) with respect to Fitch Ratings, any of the categories from and including AAA to and including BBB- (or equivalent successor categories); and (4) with respect to any other credit rating agency of equivalent international standing specified from time to time by the Issuer, a rating that is equivalent to, or better than, the foregoing.

"**Change of Control Redemption Amount**" means an amount equal to par plus interest accrued to but excluding the Change of Control Redemption Date.

Promptly upon the Issuer becoming aware that a Change of Control Event has occurred, the Issuer shall give notice (a "**Change of Control Event Notice**") to the Agent, the Paying Agents and the Noteholders in accordance with Condition 15 (*Notices*) specifying the nature of the Change of Control Event and the circumstances giving rise to it and the procedure for exercising the Change of Control Put Option, as well as the date upon which the Put Period (as defined below) will end and the Change of Control Redemption Date (as defined below).

To exercise the Change of Control Put Option to require redemption or, as the case may be, purchase of a Note under this section, the holder of that Note must transfer or cause to be transferred its Notes to be so redeemed or purchased to the account of the Paying Agent specified in the Put Option Notice for the account of the Issuer within the period (the "**Put Period**") of 45 days after the Change of Control Event Notice is given together with a duly signed and completed notice of exercise in the form (for the time being current) obtainable from the specified office of any Paying Agent (a "**Put Option Notice**") and in which the holder may specify a bank account to which payment is to be made under this section.

The Issuer shall redeem or, at the option of the Issuer, procure the purchase of the Notes in respect of which the Change of Control Put Option has been validly exercised as provided above, and subject to the transfer of such Notes to the account of the Paying

Agent for the account of the Issuer as described above on the date which is the fifth Business Day following the end of the Put Period (the "**Change of Control Redemption Date**"). Payment in respect of any Note so transferred will be made in the relevant Specified Currency to the holder to the relevant Specified Currency denominated bank account in the Put Option Notice on the Change of Control Redemption Date via the relevant account holders.

If 80 per cent. or more in principal amount of the Notes outstanding of a Series at the beginning of the Change of Control Period have been redeemed or purchased pursuant to the foregoing provisions of this Condition 6(h) (*Redemption at the Option of the Noteholders upon a Change of Control*), the Issuer may, at its option, on not less than five nor more than 10 Business Days' notice to the Noteholders given in accordance with Condition 15 (*Notices*) within 60 days after the Change of Control Redemption Date, redeem or, at its option, purchase (or procure the purchase of) all (but not some only) of the remaining Notes of that Series, each at par together with (or, where purchased, together with an amount equal to) interest accrued to (but excluding) the date of such redemption or purchase.

(i) ***Early Redemption Amounts***

For the purposes of this Condition 6, Zero Coupon Notes will be redeemed at an amount equal to the sum of:

(A) the Reference Price specified in the applicable Final Terms; and

(B) the product of the Accrual Yield specified in the applicable Final Terms (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable,

or such other amount as is provided in the applicable Final Terms.

Where any calculation of an early redemption amount is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed.

(j) ***Instalments***

If the Notes are repayable in instalments, they will be repaid in the Instalment Amounts and on the Instalment Date specified in the applicable Final Terms.

(k) ***Purchases***

The Issuer, the Guarantor or any Subsidiary of the Guarantor may at any time purchase Notes (together, in the case of definitive Notes, with all unmatured Receipts and Coupons appertaining thereto) in any manner and at any price. In the case of a purchase by tender, such tender must be made available to all Noteholders alike. The Issuer, the Guarantor or any Subsidiary of the Guarantor will be entitled to hold and deal with Notes so purchased as the Issuer, the Guarantor or the relevant Subsidiary of the Guarantor thinks fit.

(l) ***Cancellation***

All Notes which are redeemed in full will forthwith be cancelled and Notes which are purchased by or on behalf of the Issuer, the Guarantor or any Subsidiary of the Guarantor may, at the election of the Issuer, be cancelled (together in each case with all unmatured Receipts and Coupons attached thereto or delivered therewith). Notes purchased by or on behalf of the Issuer, the Guarantor or any Subsidiary of the Guarantor may not be reissued or resold other than to the Issuer, the Guarantor or any Subsidiary of the Guarantor.

(m) ***Late Payment on Zero Coupon Notes***

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to this Condition 6 or upon its becoming due and repayable as provided in Condition 11 (*Events of Default*) is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in paragraph (i) above as though the references therein to the date fixed for redemption or the date upon which the Zero Coupon Note becomes due and repayable were replaced by references to the date which is the earlier of:

(i) the date on which all amounts due in respect of the Zero Coupon Note have been paid; and

(ii) the date on which the full amount of the moneys payable has been received by the Agent and notice to that effect has been given in accordance with Condition 15 (*Notices*).

7. Payments

(a) ***Method of Payment***

Subject as provided below:

(i) payments in a currency other than euro will be made by transfer to an account in the relevant Specified Currency maintained by the payee with, or by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency; and

(ii) payments in euro will be made by transfer to a euro account (or any other account to which euro may be credited or transferred) maintained by the payee with a bank in the Eurozone.

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 10 (*Taxation*).

In these Conditions:

"**Eurozone**" means the zone comprising the Participating Member States;

"**Participating Member State**" means a Member State of the European Union that adopts or has adopted the euro as its lawful currency in accordance with the Treaty; and

"**Treaty**" means the Treaty establishing the European Communities, as amended.

(b) ***Presentation of Notes, Receipts, Coupons and Talons***

Payments of principal in respect of definitive Notes will (subject as provided below) be made in the manner provided in paragraph (a) above against surrender of definitive Notes and payments of interest in respect of definitive Notes will (subject as provided below) be made as aforesaid against surrender of Coupons, in each case at the specified office of any Paying Agent outside the United States.

Payments of instalments (if any) of principal, other than the final instalment, will (subject as provided below) be made against presentation and surrender of the relevant Receipt. Each Receipt must be presented for payment of the relevant instalment together with the definitive Note to which it appertains. Receipts presented without the definitive Notes to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any definitive Note becomes due and repayable, unmatured Receipts (if any) appertaining thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Fixed Rate Notes in definitive form should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include

Coupons falling to be issued on exchange of matured Talons) failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of ten years after the Relevant Date (as defined in Condition 10 (*Taxation*)) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 14 (*Prescription*)) or, if later, five years from the date on which such Coupon would otherwise have become due. Upon any Fixed Rate Note becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note in definitive form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof.

If the due date for redemption of any definitive Note is not an Interest Payment Date or a Specified Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or Specified Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Note.

Payments of principal and interest (if any) in respect of Notes represented by any global Note will (subject as provided below) be made in the manner specified above in relation to definitive Notes and otherwise in the manner specified in the relevant global Note, against presentation or surrender, as the case may be, of such global Note (if it is not intended to be issued in NGN form), at the specified office of the Agent. A record of each payment made against presentation or surrender of such global Note, distinguishing between any payment of principal and any payment of interest, will be made on such global Note by the Agent and such record shall be *prima facie* evidence that the payment in question has been made.

The holder of the relevant global Note shall be the only person entitled to receive payments in respect of Notes represented by such global Note and the Issuer or, as the case may be, the Guarantor will be discharged by payment to, or to the order of, the holder of such global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular nominal amount of Notes must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for its share of each payment so made by the Issuer or, as the case may be, the Guarantor to, or to the order of, the holder of the relevant global Note. No person other than the holder of the relevant global Note shall have any claim against the Issuer or, as the case may be, the Guarantor in respect of any payments due on that global Note.

Payments of interest in respect of the Notes will be made at the specified office of a Paying Agent in the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)) if:

(i) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment at such specified offices outside the United States of the full amount of interest on the Notes in the manner provided above when due;

(ii) payment of the full amount of such interest at such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions; and

(iii) such payment is then permitted under United States law without involving, in the opinion of the Issuer and the Guarantor, adverse tax consequences to the Issuer.

(c) ***Redenomination***

The Issuer may, without the consent of the Noteholders or the holders of related Receipts or Coupons on giving at least 30 days' prior notice to the Noteholders in accordance with Condition 15 (*Notices*), elect that, with effect from the Redenomination Date specified in the notice, the Notes shall be redenominated in euro. The election will have effect as follows:

(i) each Specified Denomination will be deemed to be denominated in such amount of euro as is equivalent to its denomination in the Specified Currency at the Established Rate, subject to such provisions (if any) as to rounding (and payments in respect of fractions consequent on rounding) as the Issuer may decide, and as may be specified in the notice;

(ii) after the Redenomination Date, all payments in respect of the Notes, the Receipts and the Coupons will be made solely in euro, including payments of interest in respect of periods before the Redenomination Date, as though references in the Notes to the Specified Currency were to euro; and

(iii) such changes shall be made to these Conditions as the Issuer may decide and as may be specified in the notice, to conform them to conventions then applicable to instruments denominated in euro or to enable the Notes to be consolidated with one or more issues of other notes, whether or not originally denominated in the Specified Currency or euro.

(d) ***Exchangeability***

The Issuer may without the consent of the Noteholders or the holders of related Receipts or Coupons, on giving at least 30 days' prior notice to the Noteholders in accordance with Condition 15 (*Notices*), elect that, with effect from the Redenomination Date or such later date for payment of interest under the Notes as it may specify in the notice, the Notes shall be exchangeable for Notes expressed to be denominated in euro in accordance with such arrangements as the Issuer may decide and as may be specified in the notice, including arrangements under which Receipts and Coupons unmatured at the date so specified become void.

In this Condition, the following expressions have the following meanings:

"**Established Rate**" means the rate for conversion of the Specified Currency (including compliance with rules relating to roundings in accordance with applicable European Community regulations) into euro established by the Council of the European Union pursuant to Article 109(4) of the Treaty; and

"**Redenomination Date**" means any date for payment of interest under the Notes specified by the Issuer which falls on or after the date on which the country of the Specified Currency adopts the euro as its lawful currency in accordance with the Treaty.

(e) ***Payment Day***

If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, unless otherwise specified in the applicable Final Terms, "**Payment Day**" means any day which is both:

(i) a day (other than a Saturday or a Sunday) on which banks are open for business in:

(A) the relevant place of presentation; and

(B) any Additional Financial Centre specified in the applicable Final Terms; and

(ii) either (1) in relation to Notes denominated in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments in the principal financial centre of the relevant Specified Currency (if other than London and which if the Specified Currency is Australian dollars shall be Melbourne) or (2) in relation to notes denominated in euro, a day on which the T2 (as defined in Condition 5(b)(iv)) is operating.

(f) ***Interpretation of Principal and Interest***

Any reference in these Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

(i) any additional amounts which may be payable with respect to principal under Condition 10 (*Taxation*);

(ii) the Final Redemption Amount of the Notes;

(iii) the Early Redemption Amount of the Notes;

(iv) the Optional Redemption Amount(s) (if any) of the Notes;

(v) in relation to Notes redeemable in instalments, the Instalment Amounts; and

(vi) any premium and any other amounts which may be payable under or in respect of the Notes.

Any reference in these Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 10 (*Taxation*).

8. Agent and Paying Agents

The names of the initial Agent and the initial Paying Agents and their initial specified offices are set out below.

The Issuer and the Guarantor are entitled to vary or terminate the appointment of any Paying Agent and/or appoint additional or other Paying Agents and/or approve any change in the specified office through which any Paying Agent acts, provided that:

(a) so long as the Notes are admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant listing authority, stock exchange and/or quotation system;

(b) there will at all times be a Paying Agent with a specified office acting in continental Europe; and

(c) there will at all times be an Agent.

In addition, the Issuer and the Guarantor shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in the final paragraph of Condition 7(b) (*Presentation of Notes, Receipts, Coupons and Talons*). 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 Noteholders in accordance with Condition 15 (*Notices*) provided that no such variation, termination, appointment or change shall take effect (except in the case of insolvency) within 15 days before or after any Interest Payment Date or Specified Interest Payment Date, as the case may be.

9. Exchange of Talons

On and after the Interest Payment Date or the Specified Interest Payment Date, as appropriate, on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Agent or any Paying Agent

in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Notes to which it appertains) a further Talon, subject to the provisions of Condition 13 (*Replacement of Notes, Receipts, Coupons and Talons*). Each Talon shall, for the purposes of these Conditions, be deemed to mature on the Interest Payment Date or the Specified Interest Payment Date (as the case may be) on which the final Coupon comprised in the relative Coupon sheet matures.

10. Taxation

All amounts payable (whether in respect of principal, redemption amount, interest or otherwise) in respect of the Notes will be made free and clear of and without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of The Netherlands or the Kingdom of Spain, as the case may be, or any political subdivision thereof or any authority or agency therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law or required pursuant to an agreement described in Section 1471(b) of the Code. In that event, the Issuer, failing which the Guarantor, will pay such additional amounts as may be necessary in order that the net amounts receivable by any Noteholder after such withholding or deduction shall equal the respective amounts which would have been receivable by such Noteholder in the absence of such withholding or deduction; except that no such additional amounts shall be payable in relation to any payment in respect of any Notes or Coupon:

(a) to, or to a third party on behalf of, a Noteholder who is liable to such taxes, duties, assessments or governmental charges in respect of such Notes by reason of it having some connection with The Netherlands or, as applicable, the Kingdom of Spain other than the mere holding of such Notes or Coupon; or

(b) presented for payment more than thirty days after the Relevant Date, except to the extent that the relevant Noteholder would have been entitled to such additional amounts on presenting the same for payment on the expiry of such period of thirty days; or

(c) where such withholding or deduction is required to be made pursuant to the Dutch Withholding Tax Act 2021 (*Wet Bronbelasting 2021*);

(d) where such withholding or deduction is required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

For the purposes of these Conditions, "**Relevant Date**" means, in respect of any payment, the date on which such payment first becomes due and payable, but if the full amount of the moneys payable has not been received by the Agent on or prior to such due date, it means the first date on which, the full amount of such moneys having been so received and being available for payment to Noteholders, notice to that effect shall have been duly given to the Noteholders of the relevant Series in accordance with Condition 15 (*Notices*).

If the Issuer or the Guarantor, as the case may be, becomes subject at any time to any taxing jurisdiction other than or in addition to The Netherlands or the Kingdom of Spain, as the case may be, references herein to The Netherlands and the Kingdom of Spain respectively shall be read and construed as references to The Netherlands or the Kingdom of Spain, as the case may be, and/or to such other jurisdiction.

Any reference in these Conditions to principal, redemption amount and/or interest in respect of the Notes shall be deemed also to refer to any additional amounts which may be payable under this Condition 10.

11. Events of Default

The following events or circumstances (each an "**Event of Default**") shall be acceleration events in relation to the Notes of any Series, namely:

(a) ***Non-payment***: the Issuer fails to pay any amount of principal in respect of the Notes within 7 days of the due date for payment thereof or fails to pay any amount of interest in respect of the Notes within 14 days of the due date for payment thereof; or

(b) ***Breach of other obligations***: the Issuer or the Guarantor defaults in the performance or observance of any of its other obligations under or in respect of the Notes or the Deed of Guarantee and such default remains unremedied for 30 days after written notice thereof, addressed to the Issuer and the Guarantor by any Noteholder, has been delivered to the Issuer and the Guarantor or to the specified office of the Agent; or

(c) ***Cross-default of the Issuer, the Guarantor or a Principal Subsidiary***: (i) any Relevant Indebtedness (as defined in Condition 4 (*Negative Pledge*)) of the Issuer, the Guarantor or any of their respective Principal Subsidiaries is not paid when due or (as the case may be) within any originally applicable grace period; (ii) any such Relevant Indebtedness becomes (or becomes capable of being declared) due and payable prior to its stated maturity otherwise than at the option of the Issuer, the Guarantor or (as the case may be) the relevant Principal Subsidiary or (provided that no event of default, howsoever described, has occurred) any person entitled to such Relevant Indebtedness; or (iii) the Issuer, the Guarantor or any of their respective Principal Subsidiaries fails to pay when due any amount payable by it under any Guarantee of any Relevant Indebtedness, provided that the amount of Relevant Indebtedness referred to in sub-paragraph (i) and/or sub-paragraph (ii) above and/or the amount payable under any Guarantee referred to in sub-paragraph (iii) above individually or in the aggregate exceeds €75,000,000 (or its equivalent in any other currency or currencies); or

(d) ***Unsatisfied judgement***: one or more judgement(s) or order(s) for the payment of any amount is rendered against the Issuer, the Guarantor or any of their respective Principal Subsidiaries (if any) and continue(s) unsatisfied and unstayed for a period of 30 days after the date(s) thereof or, if later, the date therein specified for payment, provided that the amount subject of such judgement(s) or order(s), individually or in the aggregate, exceeds €75,000,000; or

(e) ***Security enforced***: a secured party takes possession, or a receiver, manager or other similar officer is appointed, of the whole or any part of the undertaking, assets and revenues of the Issuer, the Guarantor or any of their respective Principal Subsidiaries (if any), provided that the individual or aggregate value of all undertaking, assets and revenues subject to such enforcement exceeds €75,000,000; or

(f) ***Insolvency, etc.***: (i) the Issuer, the Guarantor or any of their respective Principal Subsidiaries (if any) becomes insolvent, is adjudicated bankrupt (or applies for an order of bankruptcy) or is unable to pay its debts as they fall due, (ii) an administrator or liquidator of the Issuer, the Guarantor or any of their respective Principal Subsidiaries (if any) or of the whole or any part of the undertaking, assets and revenues of the Issuer, the Guarantor or any of their respective Principal Subsidiaries (if any) is appointed (or application for any such appointment is made), (iii) the Issuer, the Guarantor or any of their respective Principal Subsidiaries (if any) takes any action for a readjustment or deferment of any of its obligations generally or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a general moratorium in respect of any of its Indebtedness or any Guarantee of any Indebtedness given by it or (iv) the Issuer, the Guarantor or any of their respective Principal Subsidiaries (if any) ceases or threatens to cease to carry on all or substantially all of its business (otherwise than, in the case of a Principal Subsidiary of the Issuer (if any) or a Principal Subsidiary of the Guarantor (other than the Issuer), for the purposes of, or pursuant to, an amalgamation, reorganisation or restructuring whilst solvent); or

(g) ***Winding up, etc.***: an order is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Issuer, the Guarantor or any of their respective Principal Subsidiaries (if any) (otherwise than, in the case of a Principal Subsidiary of the Issuer (if any) or a Principal Subsidiary of the Guarantor, for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent); or

(h) ***Analogous event***: any event occurs which under the laws of The Netherlands or the Kingdom of Spain has an analogous effect to any of the events referred to in paragraphs (d) to (g) above including, but not limited to, *surseance van betaling* and *concurso* respectively; or

(i) ***Failure to take action, etc.***: any action, condition or thing at any time required to be taken, fulfilled or done in order (i) to enable the Issuer and the Guarantor lawfully to enter into, exercise their respective rights and perform and comply with their respective obligations under and in respect of the Notes and the Deed of Guarantee, (ii) to ensure that those obligations are legal, valid, binding and enforceable and (iii) to make the Notes, the Receipts, the Coupons and the Guarantee admissible in evidence in the courts of The Netherlands and the Kingdom of Spain is not taken, fulfilled or done; or

(j) ***Unlawfulness***: it is or will become unlawful for the Issuer or the Guarantor to perform or comply with any of its obligations under or in respect of the Notes or the Deed of Guarantee; or

(k) ***Deed of Guarantee not in force***: the Deed of Guarantee is not (or is claimed by the Guarantor not to be) in full force and effect; or

(l) ***Controlling shareholder***: the Issuer ceases to be wholly-owned and controlled by the Guarantor.

If any Event of Default shall occur in relation to any Series of Notes, any Noteholder of the relevant Series may, by written notice to the Issuer and the Guarantor, at the specified office of the Agent, declare that such Note and (if the Note is interest-bearing) all interest then accrued on such Note shall be forthwith due and payable, whereupon the same shall become immediately due and payable at its early termination amount (the "**Early Termination Amount**") (which shall be its principal amount or such other Early Termination Amount as may be specified in or determined in accordance with the relevant Final Terms) less, in the case of any Instalment Note, the aggregate amount of all instalments that shall have become due and payable in respect of such Note under any other Condition prior to the date fixed for redemption (which amount, if and to the extent not then paid, remains due and payable), together with all interest (if any) accrued thereon without presentment, demand, protest or other notice of any kind, all of which the Issuer will expressly waive, anything contained in such Notes to the contrary notwithstanding, unless, prior thereto, all Events of Default in respect of the Notes of the relevant Series shall have been cured.

In these Conditions:

"**Group**" means the Guarantor and its Subsidiaries from time to time; and

"**Principal Subsidiary**" means, at any time, a Subsidiary of the Guarantor whose total assets, income before taxes or sales (excluding intra-group items) then equal or exceed ten per cent. (10%) of the total assets, income before taxes or sales of the Group (on a consolidated basis) and, for this purpose:

(a) the total assets, income before taxes and sales of a Subsidiary of the Guarantor will be determined from its financial statements (consolidated if it has Subsidiaries) upon which the latest annual audited financial statements of the Group have been based;

(b) if a Subsidiary of the Guarantor becomes a member of the Group after the date on which the latest audited financial statements of the Group have been prepared, the total assets, income before taxes and sales of that Subsidiary will be determined from its latest annual financial statements;

(c) the total assets, income before taxes and sales of the Group will be determined from its latest annual audited financial statements, adjusted (where appropriate) to reflect the total assets, income before taxes and sales of any company or business subsequently acquired or disposed of; and

(d) if a Principal Subsidiary disposes of all or substantially all of its assets to another Subsidiary of the Guarantor, the disposing Subsidiary will immediately cease to be Principal Subsidiary and the other Subsidiary (if it is not already) will immediately

become a Principal Subsidiary and, for the avoidance of doubt, the subsequent financial statements of those Subsidiaries and the Group will be used to determine whether those Subsidiaries are Principal Subsidiaries or not.

A report by the Directors of the Guarantor that, in their opinion, a Subsidiary of the Guarantor is or is not or was or was not at any particular time or throughout any specified period a Principal Subsidiary, accompanied by a report by the Auditors addressed to the Directors of the Guarantor as to proper extraction of the figures used by the Directors of the Guarantor in determining the Principal Subsidiaries of the Guarantor and mathematical accuracy of the calculations shall, in the absence of manifest error, be conclusive and binding on the Noteholders.

12. Meetings of Noteholders

The Agency Agreement contains provisions (which shall have effect as if incorporated by reference herein) for convening meetings (which may be physical or virtual meetings, including meetings held by conference call or on a videoconference platform) of the Noteholders of any Series to consider any matter affecting their interests, including (without limitation) the modification by Extraordinary Resolution (as defined below) of these Conditions. An Extraordinary Resolution passed at any meeting of the Noteholders of any Series will be binding on all Noteholders of such Series, whether or not they are present at the meeting, and on all holders of Coupons relating to Notes of such Series.

"**Extraordinary Resolution**" means a resolution passed at a meeting of the Noteholders duly convened and held by a majority consisting of not less than 75 per cent. of the persons voting thereat upon a show of hands or if a poll be duly demanded then by a majority consisting of not less than 75 per cent. of the votes given on such poll.

The Agency Agreement provides that a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. in nominal value of the Notes outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held. Such a resolution in writing may be contained in a single document or in several documents in the same form, each signed by or on behalf of one or more Noteholders.

13. Replacement of Notes, Receipts, Coupons and Talons

Should any Note, Receipt, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Agent in London (or such other place as may be notified to the Noteholders), subject to all applicable laws and listing authority, stock exchange and/or quotation system requirements upon payment by the claimant of the expenses incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer and the Guarantor may reasonably require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

14. Prescription

The Notes, Receipts and Coupons will become void unless presented for payment within a period of ten years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 10 (*Taxation*)) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition 14 or Condition 7(b) (*Presentation of Notes, Receipts, Coupons and Talons*) or any Talon which would be void pursuant to Condition 7(b) (*Presentation of Notes, Receipts, Coupons and Talons*).

15. Notices

All notices regarding the Notes shall be valid if published in one or more leading English language daily newspapers with circulation in the United Kingdom (which is expected to be the *Financial Times*) and, so long as the Notes are listed on the official list of the Luxembourg Stock Exchange and the rules of that stock exchange so require, published either on the website of the Luxembourg Stock Exchange (*www.luxse.com*) or in a leading newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or, if such publication shall not be practicable, in an English language newspaper of general circulation in Europe. Any such notice

shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made.

Until such time as any definitive Notes are issued, there may, so long as any global Note is held in its entirety on behalf of Euroclear and/or Clearstream, Luxembourg be substituted for such publication as aforesaid the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the Noteholders in accordance with their respective rules and operating procedures. Any such notice shall be deemed to have been given to the Noteholders on the day on which the notice was given to Euroclear and/or Clearstream, Luxembourg, as appropriate.

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

16. Further Issues

The Issuer shall be at liberty from time to time without the consent of the Noteholders to create and issue further notes ranking *pari passu* in all respects (or in all respects save for the first payment of interest thereon) with the outstanding Notes and so that the same shall be consolidated and form a single series with the outstanding Notes.

17. Substitution of the Issuer

(a) The Issuer and the Guarantor may with respect to any Series of Notes issued by the Issuer (the "**Relevant Notes**") without the consent of any Noteholder, substitute for the Issuer any other body corporate incorporated in any country in the world as the debtor in respect of the Notes and the Agency Agreement (the "**Substituted Debtor**") upon notice by the Issuer, the Guarantor and the Substituted Debtor to be given by publication in accordance with Condition 15 (*Notices*), *provided that:*

(i) neither the Issuer nor the Guarantor are in default in respect of any amount payable under any of the Relevant Notes;

(ii) the Issuer, the Guarantor and the Substituted Debtor have entered into such documents (the "**Documents**") as are necessary to give effect to the substitution and in which the Substituted Debtor has undertaken in favour of each Noteholder of the Relevant Notes to be bound by these Conditions and the provisions of the Agency Agreement as the debtor in respect of such Notes in place of the Issuer (or of any previous substitute under this Condition 17);

(iii) if the Substituted Debtor is resident for tax purposes in a territory (the "**New Residence**") other than that in which the Issuer prior to such substitution was resident for tax purposes (the "**Former Residence**") the Documents contain an undertaking and/or such other provisions as may be necessary to ensure that each Noteholder of the Relevant Notes has the benefit of an undertaking in terms corresponding to the provisions of Condition 10 (*Taxation*), with, where applicable, the substitution of references to the Former Residence with references to the New Residence;

(iv) the Guarantor guarantees the obligations of the Substituted Debtor in relation to outstanding Relevant Notes;

(v) the Substituted Debtor, the Issuer and the Guarantor have obtained all necessary governmental approvals and consents for such substitution and for the performance by the Substituted Debtor of its obligations under the Documents and for the performance by the Guarantor of its obligations under the Guarantee as they relate to the obligations of the Substituted Debtor under the Documents;

(vi) each stock exchange on which the Relevant Notes are listed shall have confirmed that, following the proposed substitution of the Substituted Debtor, the Relevant Notes will continue to be listed on such stock exchange;

(vii) a legal opinion shall have been delivered to the Agent (from whom copies will be available) from lawyers of recognised standing in the country of incorporation of the Substituted Debtor, confirming, as appropriate, that upon the substitution taking place (A) the requirements of this Condition 17, save as to the giving of notice to the Noteholders have been met and (B) the Notes, Coupons and Talons are legal, valid and binding obligations of the Substituted Debtor enforceable in accordance with their terms;

(viii) any Rating Agency which has issued a rating in connection with the Relevant Notes shall have confirmed that following the proposed substitution of the Substituted Debtor, the credit rating of the Relevant Notes will not be adversely affected; and

(ix) if applicable, the Substituted Debtor has appointed a process agent as its agent in England to receive service of process on its behalf in relation to any legal proceedings in England arising out of or in connection with the Relevant Notes and any Coupons.

(b) Upon the execution of the Documents and the delivery of the legal opinions, the Substituted Debtor shall succeed to, and be substituted for, and may exercise every right and power, of the Issuer under the Relevant Notes and the Agency Agreement with the same effect as if the Substituted Debtor had been named as the Issuer herein, and the Issuer shall be released from its obligations under the Relevant Notes and under the Agency Agreement.

(c) After a substitution pursuant to Condition 17(a), the Substituted Debtor may, without the consent of any Noteholder, effect a further substitution. All the provisions specified in Condition 17(a) and 17(b) shall apply *mutatis mutandis*, and references in these Conditions to the Issuer shall, where the context so requires, be deemed to be or include references to any such further Substituted Debtor.

(d) After a substitution pursuant to Condition 17(a) or 17(c) any Substituted Debtor may, without the consent of any Noteholder, reverse the substitution, *mutatis mutandis*.

(e) The Documents shall be delivered to, and kept by, the Agent. Copies of the Documents will be available free of charge at the specified office of each of the Agents.

18. Governing Law; Submission to Jurisdiction

The Agency Agreement, the Deed of Covenant, the Deed of Guarantee and the Notes and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law, save for Condition 3 (*Status of the Deed of Guarantee*) which shall be governed by, and shall be construed in accordance with, Spanish law. The Issuer and the Guarantor irrevocably agree for the benefit of the Noteholders that the courts of England shall have jurisdiction to hear and determine any suit, action or proceedings, and to settle any disputes (together, "**Proceedings**"), which may arise out of, or in connection with, the Agency Agreement, the Deed of Covenant, the Deed of Guarantee and the Notes and, for such purpose, irrevocably submit to the jurisdiction of such courts.

The Issuer and the Guarantor irrevocably and unconditionally waive and agree not to raise any objection which any of them may have now or subsequently to the laying of the venue of any Proceedings in the courts of England and any claim that any Proceedings have been brought in an inconvenient forum and further irrevocably and unconditionally agree that a judgement in any Proceedings brought in the courts of England shall be conclusive and binding upon each of them and may be enforced in the courts of any other jurisdiction. Nothing in this Condition shall limit any right to take Proceedings against the Issuer and/or the Guarantor in any other court of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not.

The Issuer and the Guarantor irrevocably and unconditionally appoint Law Debenture Corporate Services Limited at 8th Floor, 100 Bishopsgate, London, EC2N 4AG, United Kingdom, as agent for service of process in England in respect of any Proceedings in England and undertake that in the event of it ceasing so to act the Issuer and the Guarantor will forthwith appoint a further person as their agent for that purpose and notify the name and address of such person to the Agent and agree that, failing such appointment within fifteen days, any Noteholder shall be entitled to appoint such a person by written notice addressed to the Issuer and the Guarantor and delivered to the Issuer and the Guarantor or to the specified office of the Agent. Nothing contained herein shall affect the right of any Noteholder to serve process in any other manner permitted by law.

19. Rights of Third Parties

No person shall have any right to enforce any term or condition of any Notes under the Contracts (Rights of Third Parties) Act 1999.

TERMS AND CONDITIONS OF NOTES ISSUED BY THE ISSUER ON OR FOLLOWING THE EFFECTIVE DATE OF CONVERSION

For any Notes issued by the Issuer on or following the Effective Date of Conversion (as defined in "Conversion of Naturgy Finance B.V.") the following terms and conditions will be used.

The following is the text of the terms and conditions which, subject to completion in accordance with the provisions of the relevant Final Terms, will be endorsed on each Note in definitive form issued by the Issuer under the Programme. The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described in the Base Prospectus dated 15 December 2023 relating to the Notes, under "Form of the Notes".

Naturgy Finance Iberia, S.A. (the "**Issuer**") has established a Euro Medium Term Note Programme (the "**Programme**") for the issuance of up to €12,000,000,000 in aggregate nominal amount of Notes (the "**Notes**") guaranteed by Naturgy Energy Group, S.A.

Notes issued under the Programme are issued in series (each a "**Series**") and each Series may comprise one or more tranches (each a "**Tranche**") of Notes. Each Tranche is the subject of final terms (the "**Final Terms**") which completes these terms and conditions (the "**Conditions**"). The terms and conditions applicable to any particular Tranche of Notes are these Conditions as completed by the relevant Final Terms. All subsequent references in these Conditions to "Notes" are to the Notes which are the subject of the relevant Final Terms. The Notes are the subject of an amended and restated agency agreement dated on or about 15 December 2023 (the "**Agency Agreement**", which expression shall include any further amendments or supplements thereto) and made between the Issuer, Naturgy Energy Group, S.A. as Guarantor (the "**Guarantor**"), Citibank, N.A., London Branch in its capacity as Agent (the "**Agent**" or "**Calculation Agent**", which expressions shall include any successor to Citibank, N.A., London Branch in its capacity as such) and the Paying Agents named therein (the "**Paying Agents**", which expression shall include the Agent and any substitute or additional Paying Agents appointed in accordance with the Agency Agreement). The Notes, the Receipts and the Coupons (each as defined below) also have the benefit of a deed of covenant (the "**Deed of Covenant**", which expression shall include any amendments or supplements thereto) dated on or about 15 December 2023 executed by the Issuer in relation to the Notes. The Guarantor has, for the benefit of the holders of the Notes from time to time (the "**Noteholders**"), executed and delivered a deed of guarantee (the "**Deed of Guarantee**") dated on or about 15 December 2023 under which it has guaranteed the due and punctual payment of all amounts due by the Issuer under the Notes and the Deed of Covenant as and when the same shall become due and payable. If so required by Spanish law, the Issuer will execute an escritura pública (the "**Public Deed**") before a Spanish Notary Public in relation to the Notes and will register such Public Deed with the Mercantile Registry of Madrid on or prior to the issue date of the Notes. The Public Deed contains, among other information, the terms and conditions of the Notes.

Interest bearing definitive Notes (unless otherwise indicated in the applicable Final Terms) have interest coupons ("**Coupons**") and, if indicated in the applicable Final Terms, talons for further Coupons ("**Talons**") attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Definitive Notes repayable in instalments have receipts ("**Receipts**") for the payment of the instalments of principal (other than the final instalment) attached on issue.

Copies of the Deed of Covenant, the Agency Agreement, the Deed of Guarantee and the Final Terms applicable to the Notes are available for inspection during normal business hours at the specified office of each of the Paying Agents. If the Notes are to be admitted to trading on the regulated market of the Luxembourg Stock Exchange, the applicable Final Terms will be published on the website of the Luxembourg Stock Exchange at *www.luxse.com*. All persons from time to time entitled to the benefit of obligations under any Notes are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Deed of Covenant, the Agency Agreement, the Deed of Guarantee and the applicable Final Terms, which are binding on them.

Words and expressions defined in the Deed of Covenant, the Agency Agreement, the Deed of Guarantee or used in the applicable Final Terms shall have the same meanings where used in these

Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency, the applicable Final Terms will prevail.

1. Form, Denomination and Title

The Notes are in bearer form and, in the case of definitive Notes, serially numbered in the Specified Currency and the Specified Denomination(s), provided that in the case of any Notes which are to be admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Regulation, the minimum Specified Denomination shall be euro 100,000 (or its equivalent in any other currency as at the date of issue of those Notes). Notes of one Specified Denomination may not be exchanged for Notes of another Denomination.

So long as the Notes are represented by a Temporary Global Note or Permanent Global Note and the relevant clearing system(s) so permit, the Notes will be tradeable only (a) if the Specified Denomination stated in the relevant Final Terms is "euro 100,000 (or its equivalent in another currency)", in the authorised denomination of euro 100,000 (or its equivalent in another currency) and integral multiples of euro 100,000 (or its equivalent in another currency) thereafter, or (b) if the Specified Denomination stated in the relevant Final Terms is "euro 100,000 (or its equivalent in another currency) and integral multiples of euro 1,000 (or its equivalent in another currency) in excess thereof", in the minimum authorised denomination of euro 100,000 (or its equivalent in another currency) and higher integral multiples of euro 1,000 (or its equivalent in another currency), notwithstanding that no definitive Notes will be issued with a denomination above euro 199,000 (or its equivalent in another currency).

Definitive Notes are issued with Coupons attached.

Subject as set out below, title to the Notes, Receipts and Coupons will pass by delivery. Subject as set out below, the Issuer, the Guarantor, and any Paying Agent may deem and treat (and no such person will be liable for so deeming and treating) the bearer of any Note, Receipt or Coupon as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a global Note, each person who is for the time being shown in the records of Euroclear Bank SA/NV ("**Euroclear**") or of Clearstream Banking, S.A. ("**Clearstream, Luxembourg**") as the holder of a particular nominal amount of Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be deemed to be the holder of such nominal amount of Notes for all purposes other than with respect to the payment of principal or interest on the Notes, for which purpose the bearer of the relevant global Note shall be deemed to be the holder of such nominal amount of Notes in accordance with and subject to the terms of the relevant global Note (and the expressions "**Noteholder**" and "**holder of Notes**" and related expressions shall be construed accordingly). Notes which are represented by a global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear or of Clearstream, Luxembourg, as the case may be.

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, except in relation to Notes issued in NGN form, be deemed to include a reference to any additional or alternative clearance system approved by the Issuer, the Guarantor and the Agent.

2. Status of the Notes

The Notes and the relative Receipts and Coupons (if any) are direct, unconditional, unsubordinated and (subject to Condition 4 (*Negative Pledge*)) unsecured obligations of the Issuer ranking *pari passu* without any preference among themselves and (subject to any applicable statutory exceptions) at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer.

Holders of Notes acknowledge that all Notes issued or to be issued by the Issuer under the Programme shall rank *pari passu* among themselves regardless of their respective issue date.

*In the event of insolvency (concurso) of the Issuer, under the Spanish Recast Insolvency Law approved by Royal Legislative Decree 1/2020, of 5 May (as amended and restated pursuant to Law 16/2022, of 5 September, the "***Spanish Recast Insolvency Law***"), claims relating to the Notes (unless they qualify by law as subordinated credits under Article 281.1 of the Spanish Recast Insolvency Law) will be ordinary credits (créditos ordinarios) as defined in the Spanish Recast Insolvency Law. Ordinary credits rank below credits against the insolvency estate (créditos contra la masa) and credits with a general or special privilege (créditos con privilegio general o especial). Ordinary credits rank above subordinated credits and the rights of shareholders. Interest on the Notes (other than interest accruing under secured liabilities up to an amount equal to the lower of the value of the asset subject to the security or the maximum secured liability under the relevant security) accrued but unpaid as at the commencement of any insolvency proceeding (concurso) relating to the Issuer under Spanish law shall thereupon constitute subordinated obligations of the Issuer ranking below its unsecured and unsubordinated obligations. Under Spanish law, accrual of interest on the Notes (other than interest accruing under secured liabilities up to an amount equal to the lower of the value of the asset subject to the security or the maximum secured liability under the relevant security) shall be suspended as from the date of any declaration of insolvency (concurso) of the Issuer.*

3. Status of the Deed of Guarantee

The payment of principal and interest together with all other sums payable by the Issuer in respect of the Notes has been unconditionally and irrevocably guaranteed by the Guarantor. The obligations of the Guarantor under the Deed of Guarantee constitute direct, unconditional, unsubordinated and (subject to Condition 4 (*Negative Pledge*)) unsecured obligations of the Guarantor and (subject to any applicable statutory exceptions) rank *pari passu* with all other present and future outstanding, unsecured and unsubordinated obligations of the Guarantor.

In the event of insolvency (concurso) of the Guarantor, under the Spanish Recast Insolvency Law, claims under the Guarantee relating to the Notes (unless they qualify by law as subordinated credits under Article 281.1 of the Spanish Recast Insolvency Law) will be ordinary credits (créditos ordinarios) as defined in the Spanish Recast Insolvency Law. Ordinary credits rank below credits against the insolvency estate (créditos contra la masa) and credits with a general or special privilege (créditos con privilegio general o especial). Ordinary credits rank above subordinated credits and the rights of shareholders. Interest on the Notes (other than interest accruing under secured liabilities up to an amount equal to the lower of the value of the asset subject to the security or the maximum secured liability under the relevant security) accrued but unpaid as at the commencement of any insolvency proceeding (concurso) relating to the Issuer under Spanish law shall thereupon constitute subordinated obligations of the Issuer ranking below its unsecured and unsubordinated obligations. Under Spanish law, accrual of interest on the Notes (other than interest accruing under secured liabilities up to an amount equal to the lower of the value of the asset subject to the security or the maximum secured liability under the relevant security) shall be suspended as from the date of any declaration of insolvency (concurso) of the Issuer.

4. Negative Pledge

So long as any Note remains outstanding (as defined in the Agency Agreement):

(a) neither the Issuer nor the Guarantor shall create or permit to subsist any Security Interest (other than a Permitted Security Interest) upon the whole or any part of its present or future undertaking, assets or revenues (including uncalled capital) to secure any Relevant Indebtedness or any Guarantee of any Relevant Indebtedness; and

(b) the Issuer and the Guarantor shall procure that none of their respective Subsidiaries will create or permit to subsist any Security Interest (other than a Permitted Security Interest) upon the whole or any part of its present or future undertaking, assets or revenues (including uncalled capital) to secure any Relevant Indebtedness or any Guarantee of any Relevant Indebtedness,

without at the same time or prior thereto (i) securing the Notes and/or, as the case may be, the Guarantor's obligations under the Deed of Guarantee, equally and rateably therewith or (ii) providing such other security for the Notes and/or, as the case may be, the Guarantor's obligations

under the Deed of Guarantee, as may be approved by an Extraordinary Resolution (as defined in the Agency Agreement) of Noteholders.

In these Conditions:

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

(a) any obligation to purchase such Indebtedness;

(b) any obligation to lend money, to purchase or subscribe shares or other securities or to purchase assets or services in order to provide funds for the payment of such Indebtedness;

(c) any indemnity against the consequences of a default in the payment of such Indebtedness; and

(d) any other agreement to be responsible for such Indebtedness;

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

(a) amounts raised by acceptance under any acceptance credit facility;

(b) amounts raised under any note purchase facility;

(c) the amount of any liability in respect of leases or hire purchase contracts which would, in accordance with applicable law and generally accepted accounting principles, be treated as finance or capital leases;

(d) the amount of any liability in respect of any purchase price for assets or services the payment of which is deferred for a period in excess of 60 days; and

(e) amounts raised under any other transaction (including, without limitation, any forward sale or purchase agreement) having the commercial effect of a borrowing;

"**Permitted Security Interest**" means:

(a) in relation to the Issuer or any of its Subsidiaries:

  (i) any Security Interest arising by operation of law and in the ordinary course of business of the Issuer or any of its Subsidiaries which does not (either alone or together with any one or more other such Security Interests) materially impair the operation of such business and which has not been enforced against the assets to which it attaches; and

  (ii) any Security Interest that does not fall within sub-paragraph (A) above and that secures Relevant Indebtedness which, when aggregated with Relevant Indebtedness secured by all other Security Interests permitted under this sub-paragraph, does not exceed euro 50,000,000 (or its equivalent in other currencies); and

(b) in relation to the Guarantor or any of its Subsidiaries:

  (i) any Security Interest in existence on 17 November 2005 to the extent that it secures Relevant Indebtedness outstanding on such date;

  (ii) any Security Interest arising by operation of law and in the ordinary course of business of the Guarantor or any of its Subsidiaries which does not (either alone or together with any one or more other such Security Interests) materially impair the operation of such business and which has not been enforced against the assets to which it attaches;

  (iii) any Security Interest to secure Project Finance Debt;

(iv) any Security Interest created in respect of Relevant Indebtedness of an entity that has merged with, or has been acquired (whether in whole or in part) by, the Guarantor or any of its Subsidiaries, provided that such Security Interest:

(A) was in existence at the time of such merger or acquisition;

(B) was not created for the purpose of providing security in respect of the financing of such merger or acquisition; and

(C) is not increased in amount or otherwise extended following such merger or acquisition other than pursuant to a legal or contractual obligation (x) which was assumed (by operation of law, agreement or otherwise) prior to such merger or acquisition by an entity which, at such time, was not a Subsidiary of the Guarantor, and (y) which remains legally binding on such entity at the time of such merger or acquisition; and

(v) any Security Interest that does not fall within sub-paragraphs (i), (ii), (iii) or (iv) above and that secures Relevant Indebtedness which, when aggregated with Relevant Indebtedness secured by all other Security Interests permitted under this sub-paragraph, does not exceed euro 50,000,000 (or its equivalent in other currencies);

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

"**Project Finance Assets**" means the assets (including, for the avoidance of doubt, shares (or other interests)) of a Project Finance Entity;

"**Project Finance Entity**" means any entity in which the Guarantor or any of its Subsidiaries holds an interest whose only assets and business are constituted by: (i) the ownership, creation, development, construction, improvement, exploitation or operation of one or more of such entity's assets, or (ii) shares (or other interests) in the capital of other entities that satisfy limb (i) of this definition;

"**Project Finance Debt**" means any Relevant Indebtedness:

(a) incurred by a Project Finance Entity in respect of the activities of such entity or another Project Finance Entity in which it holds shares (or other interests); or

(b) any Subsidiary formed exclusively for the purpose of financing a Project Finance Entity,

where, in each case, the holders of such Relevant Indebtedness have no recourse against the Guarantor or any of its Subsidiaries (or its or their respective assets), except for recourse to (y) the Project Finance Assets of such Project Finance Entities; and (z) in the case of (b) above only, the Subsidiary incurring such Relevant Indebtedness.

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

"**Security Interest**" means any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction; and

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

(a) whose affairs and policies the first Person controls or has the power to control, whether by ownership of share capital, contract, the power to appoint or remove members of the governing body of the second Person or otherwise; or

(b) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, fully consolidated with those of the first Person.

5. Interest

(a) *Interest on Fixed Rate Notes*

(i) Each Fixed Rate Note shall bear interest on its nominal amount from, and including, the Interest Commencement Date (which shall be the date of issue thereof or such other date as may be specified in the relevant Final Terms) in respect thereof at the rate *per annum* (expressed as a percentage) equal to the Rate(s) of Interest specified in the relevant Final Terms and on the Maturity Date specified in the relevant Final Terms if that date does not fall on an Interest Payment Date.

(ii) The first payment of interest will be made on the Interest Payment Date next following the Interest Commencement Date and, if the period between the Interest Commencement Date and the first Interest Payment Date is different from the periods between Interest Payment Dates, will amount to the initial Broken Amount specified in the relevant Final Terms. If the Maturity Date is not an Interest Payment Date, interest from, and including, the preceding Interest Payment Date (or from the Interest Commencement Date, as the case may be) to, but excluding, the Maturity Date will amount to the final Broken Amount specified in the relevant Final Terms.

If interest is required to be calculated for a period ending other than on an Interest Payment Date, such interest shall be calculated by applying the Rate of Interest to each Calculation Amount, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

If a Fixed Coupon Amount or a Broken Amount is specified in the applicable Final Terms, the amount of interest payable on each Interest Payment Date will amount to the Fixed Coupon Amount or, if applicable, the Broken Amount so specified.

If interest is required to be calculated for a period of other than a full year, such interest shall be calculated using the applicable Day Count Fraction pursuant to Condition 5(e) (*Determination of Rate of Interest and Calculation of Interest Amount*).

(b) *Interest on Floating Rate Notes*

(i) ***Specified Interest Payment Dates***

Each Floating Rate Note bears interest on its outstanding nominal amount from (and including) the Interest Commencement Date specified in the applicable Final Terms and such interest will be payable in arrear on each interest payment date (each a "**Specified Interest Payment Date"**) which (save as otherwise mentioned in these Conditions or the applicable Final Terms) falls the number of months or other period specified as the Interest Period in the applicable Final Terms after the preceding Specified Interest Payment Date or, in the case of the First Interest Payment Date, after the Interest Commencement Date.

If a business day convention is specified in the applicable Final Terms and if any Specified Interest Payment Date would otherwise fall on a day which is not a Business Day (as defined below), then, if the business day convention specified is:

(A) in any case where Interest Periods are specified in accordance with Condition 5(b)(i) above, the Floating Rate Convention, such Specified Interest Payment Date shall be postponed to the

next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Specified Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Specified Interest Payment Date shall be the last Business Day in the month which falls the number of months or other period specified as the Interest Period in the applicable Final Terms after the preceding applicable Specified Interest Payment Date occurred; or

(B) the Following Business Day Convention, such Specified Interest Payment Date shall be postponed to the next day which is a Business Day; or

(C) the Modified Following Business Day Convention, such Specified Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Specified Interest Payment Date shall be brought forward to the immediately preceding Business Day; or

(D) the Preceding Business Day Convention, such Specified Interest Payment Date shall be brought forward to the immediately preceding Business Day.

"Business Day" means:

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

(b) in the case of euro, any day on which the T2 (as defined in Condition 5(b)(iv)) is open for the settlement of payments (a "**TARGET Business Day**"); and/or

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

(ii) ***Rate of Interest for Floating Rate Notes***

The Rate of Interest payable from time to time in respect of Floating Rate Notes will be determined in the manner specified in the applicable Final Terms.

(iii) ***ISDA Determination for Floating Rate Notes***

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any) provided that in any circumstances where under the ISDA Definitions the Calculation Agent would be required to exercise any discretion, including the selection of any reference banks and seeking quotations from reference banks, when calculating the relevant ISDA Rate, the relevant determination(s) which require the Calculation Agent to exercise its discretion shall instead be made by the Issuer or its designee. For the purposes of this sub-paragraph (iii), "**ISDA Rate**" for an Interest Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent or other person specified in the applicable Final Terms under an interest rate swap transaction if the Calculation Agent or that other

person were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the ISDA Definitions, and under which:

(x) if the Final Terms specify either the "2006 ISDA Definitions" or "2021 ISDA Definitions" as the applicable ISDA Definitions:

(A) the Floating Rate Option (as defined in the relevant ISDA Definitions) is as specified in the applicable Final Terms;

(B) the Designated Maturity (as defined in the relevant ISDA Definitions), if applicable, is a period specified in the relevant Final Terms;

(C) the relevant Reset Date (as defined in the relevant ISDA Definitions) unless otherwise specified in the relevant Final Terms, has the meaning given to it in the ISDA Definitions; and

(D) if the specified Floating Rate Option is an Overnight Floating Rate Option (as defined in the relevant ISDA Definitions), Compounding is specified to be applicable in the relevant Final Terms and:

(I) if Compounding with Lookback is specified as the Compounding Method in the relevant Final Terms, Lookback is the number of the Applicable Business Days (as defined in the relevant ISDA Definitions) specified in the relevant Final Terms;

(II) if Compounding with Observation Period Shift is specified as the Compounding Method in the relevant Final Terms, (a) Observation Period Shift is the number of Observation Period Shift Business Days (as defined in the relevant ISDA Definitions) specified in the relevant Final Terms and (b) Observation Period Shift Additional Business Days (as defined in the relevant ISDA Definitions), if applicable, are the days specified in the relevant Final Terms; or

(III) if Compounding with Lockout is specified as the Compounding Method in the relevant Final Terms, (a) Lockout is the number of Lockout Period Business Days (as defined in the relevant ISDA Definitions) specified in the relevant Final Terms and (b) Lockout Period Business Days, if applicable, are the days specified in the relevant Final Terms;

(E) if the specified Floating Rate Option is an Overnight Floating Rate Option (as defined in the ISDA Definitions), Averaging is specified to be applicable in the relevant Final Terms and:

(I) Averaging with Lookback is specified as the Averaging Method in the relevant Final Terms, Lookback is the number of Applicable Business Days (as defined in the ISDA Definitions) specified in the relevant Final Terms; or

(II) Averaging with Observation Period Shift is specified as the Averaging Method in the relevant Final Terms, (a) Observation Period Shift is the number of Observation Period Shift Business Days (as defined in the ISDA Definitions) specified in the relevant

Final Terms and (b) Observation Period Shift Additional Business Days (as defined in the ISDA Definitions), if applicable, are the days specified in the relevant Final Terms; or

(III) Averaging with Lockout is specified as the Averaging Method in the relevant Final Terms, (a) Lockout is the number of Lockout Period Business Days (as defined in the ISDA Definitions) specified in the relevant Final Terms and (b) Lockout Period Business Days, if applicable, are the days specified in the relevant Final Terms; and

(F) if the specified Floating Rate Option is an Index Floating Rate Option (as defined in the relevant ISDA Definitions) and Index Provisions are specified to be applicable in the relevant Final Terms, the Compounded Index Method with Observation Period Shift shall be applicable and, (a) Observation Period Shift is the number of Observation Period Shift Business Days (as defined in the relevant ISDA Definitions) specified in the relevant Final Terms and (b) Observation Period Shift Additional Business Days (as defined in the relevant ISDA Definitions) are the days, if applicable, specified in the relevant Final Terms);

(y) references in the relevant ISDA Definitions to:

(A) "Confirmation" shall be deemed to be references to the relevant Final Terms;

(B) "Calculation Period" shall be deemed to be references to the relevant Interest Period;

(C) "Termination Date" shall be deemed to be references to the Maturity Date; and

(D) "Effective Date" shall be deemed to be references to the Interest Commencement Date;

(z) if the relevant Final Terms specify the "2021 ISDA Definitions" as the applicable ISDA Definitions:

(A) "Administrator/Benchmark Event" shall be disapplied; and

(B) if the Temporary Non-Publication Fallback for any specified Floating Rate Option is specified to be "Temporary Non-Publication – Alternative Rate" in the Floating Rate Matrix of the 2021 ISDA Definitions, the reference to "Calculation Agent Alternative Rate Determination" in the definition of "Temporary Non-Publication – Alternative Rate" shall be replaced by "Temporary Non-Publication Fallback – Previous Day's Rate".

Where this sub-paragraph (iii) applies, in respect of each relevant Interest Period, the Calculation Agent will be deemed to have discharged its obligations under paragraph (e) below in respect of the determination of the Rate of Interest if it has determined the Rate of Interest in respect of such Interest Period in the manner provided in this sub-paragraph (iii).

"**2006 ISDA Definitions**" means, in relation to a Series of Notes, the 2006 ISDA Definitions (as supplemented, amended and updated as at the date of the issue of the first Tranche of Notes of such Series) as published by ISDA (copies of which may be obtained from ISDA at www.isda.org);

"**2021 ISDA Definitions**" means, in relation to a Series of Notes, the latest version of the 2021 ISDA Interest Rate Derivatives Definitions (including each Matrix (and any successor Matrix thereto), as defined in such 2021 ISDA Interest Rate Derivatives Definitions) as at the date of issue of the first Tranche of Notes of such Series, as published by ISDA on its website (www.isda.org); and

"**ISDA Definitions**" means the 2006 ISDA Definitions or the 2021 ISDA Definitions, as specified in the relevant Final Terms.

(iv) ***Screen Rate Determination for Floating Rate Notes***

Where so specified in the applicable Final Terms, the Rate of Interest for each Interest Period will, subject as provided below, be either:

(A) the offered quotation (if there is only one quotation on the Relevant Screen Page (as indicated in the applicable Final Terms)), expressed as a percentage rate *per annum*; or

(B) the arithmetic mean (rounded if necessary to the fourth decimal place, with 0.00005 being rounded upwards) of the offered quotations (expressed as a percentage rate *per annum*),

for deposits in the Specified Currency for that Interest Period which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00a.m. (London time or, where the Reference Rate is EURIBOR, Brussels time) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Calculation Agent. If five or more such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

If the Relevant Screen Page is not available or if, in the case of (A) above, no such quotation appears or, in the case of (B) above, fewer than three of such offered quotations appear, in each case as at such time, the Issuer or an agent on its behalf shall request the principal London office of each of the Reference Banks (as defined below) or, in the case of the determination of EURIBOR, the principal office of each of four EURIBOR Reference Banks (as defined below) to provide the Calculation Agent with its offered quotation (expressed as a percentage rate *per annum*) for deposits in the Specified Currency for the relevant Interest Period to leading banks in the London inter-bank market (or, in the case of the determination of EURIBOR, where the Reference Rate of EURIBOR is used for Notes denominated or payable in euro, the Eurozone interbank market) as at 11.00 a.m. (London time or, where the Reference Rate is EURIBOR, Brussels time) on the Interest Determination Date in question. If two or more of the Reference Banks or, as the case may be, EURIBOR Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean (rounded as provided above) of such offered quotations plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Calculation Agent.

If on any Interest Determination Date one only or none of the Reference Banks or, as the case may be, EURIBOR Reference Banks, provides the Calculation Agent with such an offered quotation as provided above, the Rate of Interest for the relevant Interest Period shall be the rate *per annum* which the Calculation Agent determines as being the arithmetic mean (rounded as provided above) of the rates, as communicated to the Calculation Agent by the Reference Banks or, as the case may be, EURIBOR Reference Banks, or any two or more of them, at which such banks were offered, as at 11.00a.m. (London time or, where the Reference Rate is EURIBOR, Brussels time) on the relevant Interest

Determination Date, deposits in the Specified Currency for the relevant Interest Period by leading banks in the London inter-bank market (or, in the case of the determination of EURIBOR, where the Reference Rate of EURIBOR is used for Notes denominated or payable in euro, the Eurozone interbank market) plus or minus (as indicated in the applicable Final Terms) the Margin (if any) or, if fewer than two of the Reference Banks or, as the case may be, EURIBOR Reference Banks, provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for the relevant Interest Period, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for the relevant Interest Period, at which, on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in the London inter-bank market (or, in the case of the determination of EURIBOR, the Eurozone interbank market) (or, as the case may be, the quotations of such bank or banks to the Calculation Agent) plus or minus (as indicated in the applicable Final Terms) the Margin (if any), provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this sub-paragraph (iv), the Rate of Interest shall be the sum of the Margin and the offered rate or (as the case may be) the arithmetic mean of the offered rates last determined in relation to the Notes in respect of the preceding Interest Period.

In these Conditions:

"**Reference Banks**" means, in the case of (A) above, those banks whose offered rate was used to determine such quotation when such quotation last appeared on the Relevant Screen Page and, in the case of (B) above, those banks whose offered quotations last appeared on the Relevant Screen Page when no fewer than three such offered quotations appeared;

"**EURIBOR Reference Bank**" means a major bank operating in the Eurozone interbank market and "**EURIBOR Reference Banks**" shall be construed accordingly;

"**Interest Determination Date**" means, with respect to a Rate of Interest and Interest Period, the date specified as such in the relevant Final Terms or, if none is so specified, (i) the first day of such Interest Period if the Specified Currency is Sterling or (ii) the second Business Day in London prior to the commencement of such Interest Period if the Specified Currency is neither Sterling nor euro or (iii) the second TARGET Business Day prior to the commencement of such Interest Period if the Specified Currency is euro; and

"**T2**" means the real time gross settlement system operated by the Eurosystem, or any successor system.

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined and the Reference Rate is specified in the applicable Final Terms is SONIA, the foregoing provisions of Condition 5(b)(iv) will not apply and the Rate of Interest for the relevant Interest Period will, subject as provided below, be Compounded Daily SONIA with respect to such Interest Period plus or minus (as indicated in the applicable Final Terms) the applicable Margin (if any).

"**Compounded Daily SONIA**" means, with respect to an Interest Period, the rate of return of a daily compound interest investment during the Observation Period (with the daily Sterling overnight reference rate as reference rate for the calculation of interest) and will be calculated by the Calculation Agent on the Interest Determination Date, as follows, and the resulting percentage will be rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards:

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

where:

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

"d_o" is the number of London Banking Days in the relevant Observation Period;

"**i**" is a series of whole numbers from one to d_o, each representing the relevant London Banking Day in chronological order from, and including, the first London Banking Day in the relevant Observation Period;

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

"$\mathbf{n_i}$"**,** for any London Banking Day "*i*" in the relevant Observation Period, means the number of calendar days from and including such day "*i*" up to but excluding the following London Banking Day;

"**Observation Period**" means the period from and including the date falling five London Banking Days prior to the first day of the relevant Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) and ending on, but excluding, the date falling five London Banking Days prior to the Interest Payment Date for such Interest Period (or the date falling five London Banking Days prior to such earlier date, if any, on which the Notes become due and payable);

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

"$\mathbf{SONIA_i}$" means, in respect of any London Banking Day "*i*", the SONIA reference rate for that day.

For the avoidance of doubt, the formula for the calculation of Compounded Daily SONIA only compounds the SONIA reference rate in respect of any London Banking Day. The SONIA reference rate applied to a day that is a non-London Banking Day will be taken by applying the SONIA reference rate for the previous London Banking Day but without compounding.

Subject to Condition 5(i), if, in respect of any London Banking Day in the relevant Observation Period, the Calculation Agent determines that the SONIA reference rate is not available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, the SONIA reference rate shall be:

(a) the Bank of England's Bank Rate (the "**Bank Rate**") prevailing at close of business on the relevant London Banking Day; plus (ii) the mean of the spread of the SONIA reference rate to the Bank Rate over the previous five days on which a SONIA reference rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads) to the Bank Rate, each as determined by the Calculation Agent; or

(b) if the Bank Rate is not published by the Bank of England at close of business on the relevant London Banking Day, the SONIA reference rate published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) for the first preceding London Banking Day on which the SONIA reference rate was published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors).

If the relevant Series become due and payable in accordance with Condition 11 (*Events of Default*), the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the applicable Final Terms be deemed to be the date on

which such Notes became due and payable and the Rate of Interest on such Notes shall, for so long as any such Notes remain outstanding, be that determined on such date.

(c) *Accrual of Interest*

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the due date for its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue thereon (as well after as before any demand or judgement) at the rate then applicable to the principal amount of the Notes or such other rate as may be specified in the relevant Final Terms until the date on which, upon (except in the case of any payment where presentation and/or surrender of the relevant Note is not required as a precondition of payment) due presentation of the relevant Note, the relevant payment is made or, if earlier (except in the case of any payment where presentation and/or surrender of the relevant Note is not required as a precondition of payment), the seventh day after the date on which the Agent having received the funds required to make such payment, notice is given to the Noteholders in accordance with Condition 15 (*Notices*) of that circumstance (except to the extent that there is failure in the subsequent payment thereof to the relevant Noteholder).

(d) *Minimum and/or Maximum Rate of Interest*

If the applicable Final Terms specify a Minimum Rate of Interest for any Interest Period then, in the event that the Rate of Interest in respect of any such Interest Period determined in accordance with the above provisions is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest. If the applicable Final Terms specify a Maximum Rate of Interest for any Interest Period then, in the event that the Rate of Interest in respect of any such Interest Period determined in accordance with the above provisions is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(e) *Determination of Rate of Interest and Calculation of Interest Amount*

With respect to Floating Rate Notes, the Calculation Agent will, at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest and calculate the amount of interest (the "**Interest Amount**") payable in respect of any Notes in respect of each Calculation Amount (as specified in the relevant Final Terms) for the relevant Interest Period.

Each Interest Amount for Fixed Rate Notes and Floating Rate Notes shall be calculated by applying the Rate of Interest to each Calculation Amount multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest on any Note for any period of time (whether or not constituting an Interest Period, the "**Calculation Period**"):

(a) if "**Actual/Actual**" or "**Actual/Actual (ISDA)**" is specified in the relevant Final Terms as being applicable, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366; and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

(b) if "**Actual/365 (Fixed)**" is specified in the relevant Final Terms as being applicable, the actual number of days in the Calculation Period divided by 365;

(c) if "**Actual/360**" is specified in the relevant Final Terms as being applicable, the actual number of days in the Calculation Period divided by 360;

(d) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified in the relevant Final Terms as being applicable, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

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

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

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

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

"***D_1***" is the first calendar day, expressed as a number, of the Interest 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 Interest Period, unless such number would be 31 and D_2 is greater than 29, in which case D_2 will be 30;

In these Conditions "**sub-unit**" means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, means one cent.

(e) if "**30E/360**" or "**Eurobond Basis**" is specified in the relevant Final Terms as being applicable, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

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

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

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

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

"**D_1**" is the first calendar day, expressed as a number, of the Interest 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 Interest Period, unless such number would be 31, in which case D_2 will be 30;

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

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

where:

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

"Y_2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

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

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

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

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

(g) if "**Actual/Actual (ICMA)**" is specified in the relevant Final Terms as being applicable:

(i) where the Calculation Period is equal to or shorter than the Determination Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Calculation Period; and (2) the number of Determination Periods in any period of one year; and

(ii) where the Calculation Period is longer than one Determination Period, the sum of:

(A) the actual number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the actual number of days in such Determination Period; and (2) the number of Determination Periods in any period of one year; and

(B) the actual number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the actual number of days in such Determination Period; and (2) the number of Determination Periods in any period of one year.

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

"Determination Date" means the date specified as such in the relevant Final Terms or, if none is so specified, the Interest Payment Date(s) or the Specified Interest Payment Dates, as the case may be; and

"Rate of Interest" means the rate of interest payable from time to time in respect of the Notes and that is either specified or calculated in accordance with the provisions in the relevant Final Terms.

(f) *Change of Interest Basis*

If Change of Interest Basis is specified in the relevant Final Terms as being applicable, the Final Terms will indicate the relevant Interest Periods to which the Fixed Rate Note Provisions or the Floating Rate Note Provisions shall apply.

(g) *Notification of Rate of Interest and Interest Amount*

The Calculation Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date or Specified Interest Payment Date, as the case may be, to be notified to the Issuer, the Guarantor and, if the Notes are listed on a stock exchange, quotation system or other relevant authority and the rules of such exchange, quotation system or other relevant authority so require, to any such relevant exchange, quotation system and/or other relevant authority, and to be published in accordance with Condition 15 (*Notices*) as soon as possible after their determination but (i) in no event later than the first day of the relevant Interest Period thereafter, if determined prior to such time or (ii) in all other cases, as soon as practicable but in no event later than the fourth Business Day after such determination. Each Interest Amount and Interest Payment Date or Specified Interest Payment Date, as the case may be, so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes are listed on a stock exchange, quotation system or other relevant authority and the rules of such exchange, quotation system or other relevant authority so require, any such amendment will be promptly notified to any such relevant exchange, quotation system and/or other relevant authority.

(h) *Certificates to be final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5 shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Guarantor, the Agent, the Paying Agents and all Noteholders and (in the absence as aforesaid) no liability to the Issuer, the Guarantor or the Noteholders shall attach to the Agent in connection with the exercise or non-exercise by them of their powers, duties and discretions pursuant to such provisions.

(i) *Benchmark discontinuation*

(i) ***Independent Adviser***

If the Issuer determines that a Benchmark Event has occurred in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 5(i)(ii)) and, in either case, an Adjustment Spread and any Benchmark Amendments (in accordance with Conditions 1.1(i)(iii)(iii) and 1.1(i)(iv)). In making such determination, the Independent Adviser appointed pursuant to this Condition 5(i) shall act in good faith and in a commercially reasonable manner as an expert. In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Paying Agents, the Noteholders or the Couponholders for any determination made by it, pursuant to this Condition 5(i).

If (i) the Issuer is unable to appoint an Independent Adviser; or (ii) the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 5(i) prior to the relevant Interest Determination Date, the Rate of Interest shall be (i) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin, Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Period in

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

For the avoidance of doubt, the above paragraph shall apply to the relevant next succeeding Interest Accrual Period only and any subsequent Interest Accrual Periods are subject to the subsequent operation of, and to adjustment as provided in, the first paragraph of this Condition 1.1(i)(i).

(ii) ***Successor Rate or Alternative Rate***

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

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

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

(iii) ***Adjustment Spread***

If the Independent Adviser, following consultation with the Issuer, determines that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be), the Independent Adviser, following consultation with the Issuer, shall determine the quantum of, or the formula or methodology for determining, the Adjustment Spread and such Adjustment Spread shall then be applied to the Successor Rate or the Alternative Rate (as the case may be). If the Independent Adviser is unable to determine the quantum of, or a formula or methodology for determining, such Adjustment Spread, then the Successor Rate or Alternative Rate (as applicable) will apply without an Adjustment Spread.

(iv) ***Benchmark Amendments***

If any Successor Rate or Alternative Rate and, in either case, the applicable Adjustment Spread is determined in accordance with this Condition 5(i) and the Independent Adviser and the Issuer agree (i) that amendments to these Conditions and/or the Agency Agreement are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and/or (in either case) the applicable Adjustment Spread (such amendments, the "**Benchmark Amendments**") and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 1.1(i)(v) (*Notices, etc.*), without any requirement for the consent or approval of Noteholders, vary these Conditions and/or the Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice.

In connection with any such variation in accordance with this Condition 1.1(i)(iv), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

The Paying Agents shall not be obliged to effect any Benchmark Amendment if in the sole opinion of the relevant Paying Agent doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the relevant Paying Agent in these Conditions and/or the Agency Agreement in any way.

(v) ***Notices, etc.***

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments determined under this Condition 5(i) will be notified promptly by the Issuer to the Calculation Agent, the Paying Agents and, in accordance with Condition 15 (*Notices*), the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

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

(vi) ***Survival of Original Reference Rate***

Without prejudice to the obligations of the Issuer under Condition 5(i)(i) (*Independent Adviser*), (ii) (*Successor Rate or Alternative Rate*), (iii) (*Adjustment Spread*) and (iv) (*Benchmark Amendments*), the Original Reference Rate and the fallback provisions provided for in Condition 5(b)(iv) (*Screen Rate Determination for Floating Rate Notes*) will continue to apply unless and until a Benchmark Event has occurred.

(vii) ***Definitions***

As used in this Condition 5(i):

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

(a) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or

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

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

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

"Benchmark Amendments" has the meaning given to it in Condition 1.1(i)(iv) (*Benchmark Amendments*);

"Benchmark Event" means:

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

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

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

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

(e) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate is or will be (or is or will be deemed by such supervisor to be) no longer representative of its relevant underlying market; or

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

provided that the Benchmark Event shall be deemed to occur (A) in the case of sub-paragraphs (b) and (c) above, on the date of the cessation of publication of the Original Reference Rate or the discontinuation of the Original Reference Rate, as the case may be, (B) in the case of sub-paragraph (d) above, on the date of the prohibition of use of the Original Reference Rate and (C) in the case of sub-paragraph (e) above, on the date with effect from which the Original Reference Rate will no longer be (or will be deemed by the relevant supervisor to no longer be) representative of its relevant underlying market and which is specified in the relevant public statement, and, in each case, not the date of the relevant public statement.

"Independent Adviser" means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer under Condition 1.1(i)(i) (*Independent Adviser*);

"Original Reference Rate" means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof) on the Notes or any Successor Rate or Alternative Rate (or, in each case any component thereof), as applicable;

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

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

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

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

6. Redemption and Purchase

(a) *Redemption at Maturity*

Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the Issuer, failing which the Guarantor at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms in the relevant Specified Currency on the Maturity Date specified in the applicable Final Terms (in the case of a Note other than a Floating Rate Note) or on the Specified Interest Payment Date falling in the Redemption Month specified in the applicable Final Terms (in the case of a Floating Rate Note). Such Final Redemption Amount in respect of any Note shall be its principal amount or such higher amount as may be specified in the relevant Final Terms.

(b) *Redemption for Tax Reasons*

If, in relation to any Series of Notes (i) as a result of any change in the laws or regulations of the Kingdom of Spain or of any political subdivision thereof or any authority or agency therein or thereof having power to tax or in the interpretation or administration of any such laws or regulations which becomes effective on or after the date of issue of such Notes or any earlier date specified in the Final Terms the Issuer or the Guarantor, as applicable, would be required to pay additional amounts as provided in Condition 10 (*Taxation*) and (ii) such circumstances are evidenced by the delivery by the Issuer or the Guarantor, as applicable, to the Agent of a certificate signed by a director of the Issuer or two directors of the Guarantor, as applicable, stating that such circumstances prevail and describing the facts leading thereto and an opinion of independent legal advisers of recognised standing to the effect that such circumstances prevail, the Issuer may, at its option and having given no less than 30 nor more than 60 days' notice (ending, in the case of Notes which bear interest at a floating rate, on a day upon which interest is payable) to the Noteholders in accordance with Condition 15 (*Notices*) (which notice shall be irrevocable), redeem all (but not some only) of the outstanding Notes comprising the relevant Series at their early tax redemption amount (the "**Early Redemption Amount Tax**") (which shall be their principal amount (or at such other Early Redemption Amount Tax) as may be specified in or determined in accordance with the relevant Final Terms) less, in the case of any Instalment Note, the aggregate amount of all instalments that shall have become due and payable in respect of such Note prior to the date fixed for redemption under any other Condition (which amount, if and to the extent not then paid, remains due and payable), together with accrued interest (if any) thereon, provided, however, that no such notice of redemption may be given earlier than 90 days (or, in the case of Notes which bear interest at a floating rate a number of days which is equal to the aggregate of the number of days falling within the then current interest period applicable to the Notes plus 60 days) prior to the earliest date on which the Issuer or the Guarantor, as applicable, would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

(c) *Redemption at the Option of the Issuer*

If a Call Option is specified in the relevant Final Terms as being applicable, the Issuer may, having (unless otherwise specified in the applicable Final Terms) given not more than 60 nor less than 30 days' notice to the Agent and, in accordance with Condition 15 (*Notices*), the Noteholders (which notice shall be irrevocable), redeem all or some only of the Notes then outstanding on the Optional Redemption Date(s) and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Final Terms together, if applicable, with interest accrued to (but excluding) the relevant Optional Redemption Date(s). In the event of a redemption of some only of the Notes, such redemption must be of a nominal amount being the Minimum Redemption Amount or a Maximum Redemption Amount, both as indicated in the applicable Final Terms, and shall be carried out in accordance with applicable Spanish law requirements. In the case of a partial redemption of definitive Notes, the Notes to be redeemed will be selected individually by lot, subject to compliance with applicable law (including applicable Spanish law requirements) and the rules of each listing authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation, not more than 60 days prior to the date fixed for redemption and a list of the Notes called for redemption will be published in accordance with Condition 15 (*Notices*) not less than 30 days prior to such date. In the case of a partial redemption of Notes which are represented by a global Note, the relevant Notes will be selected in accordance with the rules of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion).

(d) Residual *Maturity Call Option*

If a Residual Maturity Call Option is specified in the relevant Final Terms as being applicable, the Issuer may, on giving not less than 15 nor more than 30 days' irrevocable notice to the Noteholders in accordance with Condition 15 (*Notices*) (which notice shall specify the date fixed for redemption (the "**Residual Maturity Call Option Redemption Date**")), redeem all (but not only some) of the outstanding Notes comprising the relevant Series at their principal amount together with interest accrued to, but excluding, the Residual Maturity Call Option Redemption Date, which shall be no earlier than (i) three months before the Maturity Date in respect of Notes having a maturity of not more than ten years, (ii) six months before the Maturity Date in respect of Notes having a maturity of more than ten years, or (iii) as otherwise specified in the relevant Final Terms (each such period, the "**Maturity Call Option Redemption Period**").

For the purpose of the preceding paragraph, the maturity of not more than ten years or the maturity of more than ten years shall be determined as from the Issue Date of the first Tranche of the relevant Series of Notes.

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

(e) *Redemption following a Substantial Purchase Event*

If a Substantial Purchase Event is specified in the Final Terms as being applicable and a Substantial Purchase Event has occurred and is continuing, then the Issuer may, subject to having given not less than 15 nor more than 30 days' notice to the Agent, and, in accordance with Condition 15 (*Notices*), the Noteholders (which notice shall be irrevocable), redeem the Notes comprising the relevant Series in whole, but not in part, in accordance with these Conditions at any time, in each case at their principal amount, together with any accrued and unpaid interest up to (but excluding) the date of redemption.

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

a "**Substantial Purchase Event**" shall be deemed to have occurred if at least 75 per cent. of the aggregate principal amount of the Notes of the relevant Series originally issued (which for these purposes shall include any further Notes of the same Series issued subsequently) is purchased or redeemed by the Issuer, the Guarantor or any Subsidiary

of the Guarantor (and in each case is cancelled in accordance with Condition 6(l) (*Cancellation*));

(f) *Make-Whole Redemption*

If a Make-Whole Redemption is specified in the relevant Final Terms as being applicable, then the Issuer may, subject to compliance with all relevant laws, regulations and directives and on giving not less than 15 nor more than 30 days' notice to the Agent, and, in accordance with Condition 15 (*Notices*), the Noteholders redeem the Notes comprising the relevant Series, in whole or in part, at any time or from time to time (but no later than the Residual Maturity Call Option Redemption Date (as defined in Condition 6(d) (*Residual Maturity Call Option*) above) if applicable), prior to their Maturity Date (the "**Make-Whole Redemption Date**") at their Make-Whole Redemption Amount (as defined below).

In the case of a partial redemption of Notes, the Notes to be redeemed ("**Redeemed Notes**") will (i) in the case of Redeemed Notes represented by definitive Notes, be selected individually by lot, not more than 30 days prior to the date fixed for redemption and (ii) in the case of Redeemed Notes represented by a global Note, be selected in accordance with the rules of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion), in each case of (i) and (ii) above, always subject to compliance with any applicable laws and stock exchange requirements. In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 15 (*Notices*) not less than 15 days prior to the date fixed for redemption.

"**Make-Whole Redemption Amount**" means in respect of any Notes to be redeemed an amount, calculated by, at the election of the Issuer, a leading investment, merchant or commercial bank or an independent financial adviser with appropriate expertise appointed by the Issuer for the purposes of calculating the relevant amount, and notified to the Noteholders in accordance with Condition 15 (*Notices*), equal to the greater of (x) 100 per cent. of the nominal amount of the Notes so redeemed and, (y) the sum of the then present values of the remaining scheduled payments of principal and interest on such Notes until (A) if the Residual Maturity Call Option is specified in the relevant Final Terms as being applicable, the first day of the relevant Maturity Call Option Redemption Period or (B) in all other cases, the Maturity Date (in each case not including any interest accrued on the Notes to, but excluding, the relevant Make-Whole Redemption Date) discounted to the relevant Make-Whole Redemption Date on an annual basis at the Make-Whole Redemption Rate (specified in the relevant Final Terms) plus a Make-Whole Redemption Margin (specified in the relevant Final Terms), plus in each case of (x) and (y) above, any interest accrued on the Notes to, but excluding, the Make-Whole Redemption Date.

(g) *Redemption at the Option of the Noteholders*

If a Put Option is specified in the relevant Final Terms as being applicable, upon any Noteholder giving to the Issuer and the Guarantor in accordance with Condition 15 (*Notices*) not more than 60 nor less than 30 days' notice (which notice shall be irrevocable), the Issuer will, upon the expiry of such notice, redeem subject to, and in accordance with, the terms specified in the applicable Final Terms in whole (but not in part) such Note on the Optional Redemption Date and at the Optional Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms together, if applicable, with interest accrued to (but excluding) the relevant Optional Redemption Date.

(h) *Redemption at the Option of the Noteholders upon a Change of Control*

If a Change of Control Put Option is specified in the relevant Final Terms as being applicable and a Change of Control occurs and, during the Change of Control Period, a Rating Downgrade occurs (together, a "**Change of Control Event**"), each holder of Notes will have the option (the "**Change of Control Put Option**") to require the Issuer

to redeem or, at the Issuer's option, to procure the purchase of such Notes on the Change of Control Redemption Date at the Change of Control Redemption Amount.

A "**Change of Control**" shall be deemed to have occurred at each time that any person or persons acting in concert ("**Relevant Persons**") or any person or persons acting on behalf of such Relevant Persons, acquire(s) control, directly or indirectly, of the Guarantor.

"control" means: (a) the acquisition or control of more than 50 per cent. of the voting rights of the issued share capital of the Guarantor; or (b) the right to appoint and/or remove all or the majority of the members of the Guarantor's Board of Directors or other governing body, whether obtained directly or indirectly, whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise.

"Change of Control Period" means the period commencing on the date on which the relevant Change of Control occurs or the date of the first relevant Potential Change of Control Announcement, whichever is the earlier, and ending on the date which is 90 days after the date of the occurrence of the relevant Change of Control.

"Potential Change of Control Announcement" means any public announcement or statement by the Issuer or any actual or *bona fide* potential bidder relating to any potential Change of Control.

"Rating Agency" means any of the following: (a) Standard & Poor's Rating Services, a division of The McGraw Hill Companies, Inc. ("**S&P**"); (b) Moody's Investors Service Limited ("**Moody's**"); (c) Fitch Ratings Ltd ("**Fitch Ratings**"); or (d) any other credit rating agency of equivalent international standing specified from time to time by the Issuer and, in each case, their respective successors or affiliates.

A "**Rating Downgrade**" shall be deemed to have occurred in respect of a Change of Control if, within the Change of Control Period, the rating previously assigned to the Guarantor is lowered by at least two full rating notches (by way of example, BB+ to BB- , in the case of S&P) (a "**downgrade**") or withdrawn, in each case, by the requisite number of Rating Agencies (as defined below), and is not, within the Change of Control Period, subsequently upgraded (in the case of a downgrade) or reinstated (in the case of a withdrawal) to its earlier credit rating or better, such that there is no longer a downgrade or withdrawal by the requisite number of Rating Agencies. For these purposes, the "**requisite number of Rating Agencies**" shall mean (i) at least two Rating Agencies, if, at the time of the rating downgrade or withdrawal, three or more Rating Agencies have assigned a credit rating to the Guarantor, or (ii) at least one Rating Agency if, at the time of the rating downgrade or withdrawal, fewer than three Rating Agencies have assigned a credit rating to the Guarantor.

Notwithstanding the foregoing, no Rating Downgrade shall be deemed to have occurred in respect of a particular Change of Control if (a) following such a downgrade, the Guarantor is still assigned an Investment Grade Rating by one or more of the Rating Agencies effecting the downgrade, or (b) the Rating Agencies effecting the downgrade or withdrawing their rating do not publicly announce or otherwise confirm in writing to the Issuer that such reduction or withdrawal was the result, in whole or part, of any event or circumstance comprised in, or arising as a result of, or in respect of, the applicable Change of Control.

"**Investment Grade Rating**" means: (1) with respect to S&P, any of the categories from and including AAA to and including BBB- (or equivalent successor categories); (2) with respect to Moody's, any of the categories from and including Aaa to and including Baa3 (or equivalent successor categories); (3) with respect to Fitch Ratings, any of the categories from and including AAA to and including BBB- (or equivalent successor categories); and (4) with respect to any other credit rating agency of equivalent international standing specified from time to time by the Issuer, a rating that is equivalent to, or better than, the foregoing.

"**Change of Control Redemption Amount**" means an amount equal to par plus interest accrued to but excluding the Change of Control Redemption Date.

Promptly upon the Issuer becoming aware that a Change of Control Event has occurred, the Issuer shall give notice (a "**Change of Control Event Notice**") to the Agent, the Paying Agents and the Noteholders in accordance with Condition 15 (*Notices*) specifying the nature of the Change of Control Event and the circumstances giving rise to it and the procedure for exercising the Change of Control Put Option, as well as the date upon which the Put Period (as defined below) will end and the Change of Control Redemption Date (as defined below).

To exercise the Change of Control Put Option to require redemption or, as the case may be, purchase of a Note under this section, the holder of that Note must transfer or cause to be transferred its Notes to be so redeemed or purchased to the account of the Paying Agent specified in the Put Option Notice for the account of the Issuer within the period (the "**Put Period**") of 45 days after the Change of Control Event Notice is given together with a duly signed and completed notice of exercise in the form (for the time being current) obtainable from the specified office of any Paying Agent (a "**Put Option Notice**") and in which the holder may specify a bank account to which payment is to be made under this section.

The Issuer shall redeem or, at the option of the Issuer, procure the purchase of the Notes in respect of which the Change of Control Put Option has been validly exercised as provided above, and subject to the transfer of such Notes to the account of the Paying Agent for the account of the Issuer as described above on the date which is the fifth Business Day following the end of the Put Period (the "**Change of Control Redemption Date**"). Payment in respect of any Note so transferred will be made in the relevant Specified Currency to the holder to the relevant Specified Currency denominated bank account in the Put Option Notice on the Change of Control Redemption Date via the relevant account holders.

If 80 per cent. or more in principal amount of the Notes outstanding of a Series at the beginning of the Change of Control Period have been redeemed or purchased pursuant to the foregoing provisions of this Condition 6(h), the Issuer may, at its option, on not less than five nor more than 10 Business Days' notice to the Noteholders given in accordance with Condition 15 (*Notices*) within 60 days after the Change of Control Redemption Date, redeem or, at its option, purchase (or procure the purchase of) all (but not some only) of the remaining Notes of that Series, each at par together with (or, where purchased, together with an amount equal to) interest accrued to (but excluding) the date of such redemption or purchase.

(i) *Early Redemption Amounts*

Where any calculation of an early redemption amount is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed.

(j) *Instalments*

If the Notes are repayable in instalments, they will be repaid in the Instalment Amounts and on the Instalment Date specified in the applicable Final Terms.

(k) *Purchases*

The Issuer, the Guarantor or any Subsidiary of the Guarantor may at any time purchase Notes (together, in the case of definitive Notes, with all unmatured Receipts and Coupons appertaining thereto) in any manner and at any price. In the case of a purchase by tender, such tender must be made available to all Noteholders alike. The Issuer, the Guarantor or any Subsidiary of the Guarantor will be entitled to hold and deal with Notes so purchased as the Issuer, the Guarantor or the relevant Subsidiary of the Guarantor thinks fit.

(l) *Cancellation*

All Notes which are redeemed in full will forthwith be cancelled and Notes which are purchased by or on behalf of the Issuer, the Guarantor or any Subsidiary of the Guarantor

may, at the election of the Issuer, be cancelled (together in each case with all unmatured Receipts and Coupons attached thereto or delivered therewith). Notes purchased by or on behalf of the Issuer, the Guarantor or any Subsidiary of the Guarantor may not be reissued or resold other than to the Issuer, the Guarantor or any Subsidiary of the Guarantor.

7. Payments

(a) *Method of Payment*

Subject as provided below:

(i) payments in a currency other than euro will be made by transfer to an account in the relevant Specified Currency maintained by the payee with, or by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency; and

(ii) payments in euro will be made by transfer to a euro account (or any other account to which euro may be credited or transferred) maintained by the payee with a bank in the Eurozone.

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 10 (*Taxation*).

In these Conditions:

"Eurozone" means the zone comprising the Participating Member States;

"Participating Member State" means a Member State of the European Union that adopts or has adopted the euro as its lawful currency in accordance with the Treaty; and

"Treaty" means the Treaty establishing the European Communities, as amended.

(b) ***Presentation of Notes, Receipts, Coupons and Talons***

Payments of principal in respect of definitive Notes will (subject as provided below) be made in the manner provided in paragraph (a) above against surrender of definitive Notes and payments of interest in respect of definitive Notes will (subject as provided below) be made as aforesaid against surrender of Coupons, in each case at the specified office of any Paying Agent outside the United States.

Payments of instalments (if any) of principal, other than the final instalment, will (subject as provided below) be made against presentation and surrender of the relevant Receipt. Each Receipt must be presented for payment of the relevant instalment together with the definitive Note to which it appertains. Receipts presented without the definitive Notes to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any definitive Note becomes due and repayable, unmatured Receipts (if any) appertaining thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Fixed Rate Notes in definitive form should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons) failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of ten years after the Relevant Date (as defined in Condition 10 (*Taxation*)) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 14 (*Prescription*)) or, if later, five years from the date on which such Coupon would otherwise have become due. Upon any Fixed Rate Note becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note in definitive form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof.

If the due date for redemption of any definitive Note is not an Interest Payment Date or a Specified Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or Specified Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Note.

Payments of principal and interest (if any) in respect of Notes represented by any global Note will (subject as provided below) be made in the manner specified above in relation to definitive Notes and otherwise in the manner specified in the relevant global Note, against presentation or surrender, as the case may be, of such global Note (if it is not intended to be issued in NGN form) at the specified office of the Agent. A record of each payment made against presentation or surrender of such global Note, distinguishing between any payment of principal and any payment of interest, will be made on such global Note by the Agent and such record shall be *prima facie* evidence that the payment in question has been made.

The holder of the relevant global Note shall be the only person entitled to receive payments in respect of Notes represented by such global Note and the Issuer or, as the case may be, the Guarantor will be discharged by payment to, or to the order of, the holder of such global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular nominal amount of Notes must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for its share of each payment so made by the Issuer or, as the case may be, the Guarantor to, or to the order of, the holder of the relevant global Note. No person other than the holder of the relevant global Note shall have any claim against the Issuer or, as the case may be, the Guarantor in respect of any payments due on that global Note.

Payments of interest in respect of the Notes will be made at the specified office of a Paying Agent in the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)) if:

(i) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment at such specified offices outside the United States of the full amount of interest on the Notes in the manner provided above when due;

(ii) payment of the full amount of such interest at such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions; and

(iii) such payment is then permitted under United States law without involving, in the opinion of the Issuer and the Guarantor, adverse tax consequences to the Issuer.

(c) *Redenomination*

The Issuer may, without the consent of the Noteholders or the holders of related Receipts or Coupons on giving at least 30 days' prior notice to the Noteholders in accordance with Condition 15 (*Notices*), elect that, with effect from the Redenomination Date specified in the notice, the Notes shall be redenominated in euro. The election will have effect as follows:

(i) each Specified Denomination will be deemed to be denominated in such amount of euro as is equivalent to its denomination in the Specified Currency at the Established Rate, subject to such provisions (if any) as to rounding (and payments in respect of fractions consequent on rounding) as the Issuer may decide, and as may be specified in the notice;

(ii) after the Redenomination Date, all payments in respect of the Notes, the Receipts and the Coupons will be made solely in euro, including payments of interest in respect of periods before the Redenomination Date, as though references in the Notes to the Specified Currency were to euro; and

(iii) such changes shall be made to these Conditions as the Issuer may decide and as may be specified in the notice, to conform them to conventions then applicable to instruments denominated in euro or to enable the Notes to be consolidated with one or more issues of other notes, whether or not originally denominated in the Specified Currency or euro.

(d) *Exchangeability*

The Issuer may without the consent of the Noteholders or the holders of related Receipts or Coupons, on giving at least 30 days' prior notice to the Noteholders in accordance with Condition 15 (*Notices*), elect that, with effect from the Redenomination Date or such later date for payment of interest under the Notes as it may specify in the notice, the Notes shall be exchangeable for Notes expressed to be denominated in euro in accordance with such arrangements as the Issuer may decide and as may be specified in the notice, including arrangements under which Receipts and Coupons unmatured at the date so specified become void.

In this Condition, the following expressions have the following meanings:

"**Established Rate**" means the rate for conversion of the Specified Currency (including compliance with rules relating to roundings in accordance with applicable European Community regulations) into euro established by the Council of the European Union pursuant to Article 109(4) of the Treaty; and

"**Redenomination Date**" means any date for payment of interest under the Notes specified by the Issuer which falls on or after the date on which the country of the Specified Currency adopts the euro as its lawful currency in accordance with the Treaty.

(e) *Payment Day*

If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, unless otherwise specified in the applicable Final Terms, "**Payment Day**" means any day which is both:

(i) a day (other than a Saturday or a Sunday) on which banks are open for business in:

(A) the relevant place of presentation; and

(B) any Additional Financial Centre specified in the applicable Final Terms; and

(ii) either (1) in relation to Notes denominated in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments in the principal financial centre of the relevant Specified Currency (if other than London and which if the Specified Currency is Australian dollars shall be Melbourne) or (2) in relation to notes denominated in euro, a day on which the T2 (as defined in Condition 5(b)(iv) (*Screen Rate Determination for Floating Rate Notes*)) is operating.

(f) *Interpretation of Principal and Interest*

Any reference in these Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

(i) any additional amounts which may be payable with respect to principal under Condition 10 (*Taxation*);

(ii) the Final Redemption Amount of the Notes;

(iii) the Early Redemption Amount of the Notes;

(iv) the Optional Redemption Amount(s) (if any) of the Notes;

(v) in relation to Notes redeemable in instalments, the Instalment Amounts; and

(vi) any premium and any other amounts which may be payable under or in respect of the Notes.

Any reference in these Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 10 (*Taxation*).

8. Agent and Paying Agents

The names of the initial Agent and the initial Paying Agents and their initial specified offices are set out below.

The Issuer and the Guarantor are entitled to vary or terminate the appointment of any Paying Agent and/or appoint additional or other Paying Agents and/or approve any change in the specified office through which any Paying Agent acts, provided that:

(a) so long as the Notes are admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant listing authority, stock exchange and/or quotation system;

(b) there will at all times be a Paying Agent with a specified office acting in continental Europe;

(c) there will at all times be an Agent; and

(d) each of the Issuer and the Guarantor will ensure that it maintains a Paying Agent in a Member State of the European Union that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive.

In addition, the Issuer and the Guarantor shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in the final paragraph of Condition 7(b) (*Presentation of Notes, Receipts, Coupons and Talons*). 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 Noteholders in accordance with Condition 15 (*Notices*) provided that no such variation, termination, appointment or change shall take effect (except in the case of insolvency) within 15 days before or after any Interest Payment Date or Specified Interest Payment Date, as the case may be.

9. Exchange of Talons

On and after the Interest Payment Date or the Specified Interest Payment Date, as appropriate, on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Agent or any Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Notes to which it appertains) a further Talon, subject to the provisions of Condition 13 (*Replacement of Notes, Receipts, Coupons and Talons*). Each Talon shall, for the purposes of these Conditions, be deemed to mature on the Interest Payment Date or the Specified Interest Payment Date (as the case may be) on which the final Coupon comprised in the relative Coupon sheet matures.

10. Taxation

All amounts payable (whether in respect of principal, redemption amount, interest or otherwise) in respect of the Notes will be made free and clear of and without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the Kingdom of Spain or any political subdivision thereof or any authority or agency therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law or required pursuant to an agreement described in Section 1471(b) of the Code. In that event, the Issuer, failing which the Guarantor, will pay such additional amounts as may be necessary in order that the net amounts receivable by any Noteholder after such withholding or deduction shall equal the respective amounts which would have been receivable by such Noteholder in the absence of such withholding or deduction; except that no such additional amounts shall be payable in relation to any payment in respect of any Notes or Coupon:

(a) to, or to a third party on behalf of, a Noteholder who is liable to such taxes, duties, assessments or governmental charges in respect of such Notes by reason of it having some connection with the Kingdom of Spain other than the mere holding of such Notes or Coupon; or

(b) presented for payment more than thirty days after the Relevant Date, except to the extent that the relevant Noteholder would have been entitled to such additional amounts on presenting the same for payment on the expiry of such period of thirty days; or

(c) to, or to a third party on behalf of, a Noteholder who does not provide the information concerning such Noteholder's identity and tax residence to the Issuer or the Guarantor or an agent acting on behalf of the Issuer or the Guarantor as may eventually be required (i) in order to comply with any new procedures that may be implemented as a consequence of an amendment, modification or interpretation of Royal Decree 1065/2007; or (ii) in case the Notes are represented by definitive Notes; or

(d) where such withholding or deduction is required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

For the purposes of these Conditions, "**Relevant Date**" means, in respect of any payment, the date on which such payment first becomes due and payable, but if the full amount of the moneys payable has not been received by the Agent on or prior to such due date, it means the first date on which, the full amount of such moneys having been so received and being available for payment to Noteholders, notice to that effect shall have been duly given to the Noteholders of the relevant Series in accordance with Condition 15 (*Notices*).

If the Issuer or the Guarantor, as the case may be, becomes subject at any time to any taxing jurisdiction other than or in addition to the Kingdom of Spain, references herein to the Kingdom of Spain shall be read and construed as references to the Kingdom of Spain, and/or to such other jurisdiction.

Any reference in these Conditions to principal, redemption amount and/or interest in respect of the Notes shall be deemed also to refer to any additional amounts which may be payable under this Condition 10.

11. Events of Default

The following events or circumstances (each an "**Event of Default**") shall be acceleration events in relation to the Notes of any Series, namely:

(a) ***Non-payment***: the Issuer fails to pay any amount of principal in respect of the Notes within 7 days of the due date for payment thereof or fails to pay any amount of interest in respect of the Notes within 14 days of the due date for payment thereof; or

(b) ***Breach of other obligations***: the Issuer or the Guarantor defaults in the performance or observance of any of its other obligations under or in respect of the Notes or the Deed of

Guarantee and such default remains unremedied for 30 days after written notice thereof, addressed to the Issuer and the Guarantor by any Noteholder, has been delivered to the Issuer and the Guarantor or to the specified office of the Agent; or

(c) ***Cross-default of the Issuer, the Guarantor or a Principal Subsidiary***: (i) any Relevant Indebtedness (as defined in Condition 4 (*Negative Pledge*)) of the Issuer, the Guarantor or any of their respective Principal Subsidiaries is not paid when due or (as the case may be) within any originally applicable grace period; (ii) any such Relevant Indebtedness becomes (or becomes capable of being declared) due and payable prior to its stated maturity otherwise than at the option of the Issuer, the Guarantor or (as the case may be) the relevant Principal Subsidiary or (provided that no event of default, howsoever described, has occurred) any person entitled to such Relevant Indebtedness; or (iii) the Issuer, the Guarantor or any of their respective Principal Subsidiaries fails to pay when due any amount payable by it under any Guarantee of any Relevant Indebtedness, provided that the amount of Relevant Indebtedness referred to in sub-paragraph (i) and/or sub-paragraph (ii) above and/or the amount payable under any Guarantee referred to in sub-paragraph (iii) above individually or in the aggregate exceeds €75,000,000 (or its equivalent in any other currency or currencies); or

(d) ***Unsatisfied judgement***: one or more judgement(s) or order(s) for the payment of any amount is rendered against the Issuer, the Guarantor or any of their respective Principal Subsidiaries (if any) and continue(s) unsatisfied and unstayed for a period of 30 days after the date(s) thereof or, if later, the date therein specified for payment, provided that the amount subject of such judgement(s) or order(s), individually or in the aggregate, exceeds €75,000,000; or

(e) ***Security enforced***: a secured party takes possession, or a receiver, manager or other similar officer is appointed, of the whole or any part of the undertaking, assets and revenues of the Issuer, the Guarantor or any of their respective Principal Subsidiaries (if any), provided that the individual or aggregate value of all undertaking, assets and revenues subject to such enforcement exceeds €75,000,000; or

(f) ***Insolvency, etc.***: (i) the Issuer, the Guarantor or any of their respective Principal Subsidiaries (if any) becomes insolvent, is adjudicated bankrupt (or applies for an order of bankruptcy) or is unable to pay its debts as they fall due, (ii) an administrator or liquidator of the Issuer, the Guarantor or any of their respective Principal Subsidiaries (if any) or of the whole or any part of the undertaking, assets and revenues of the Issuer, the Guarantor or any of their respective Principal Subsidiaries (if any) is appointed (or application for any such appointment is made), (iii) the Issuer, the Guarantor or any of their respective Principal Subsidiaries (if any) takes any action for a readjustment or deferment of any of its obligations generally or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a general moratorium in respect of any of its Indebtedness or any Guarantee of any Indebtedness given by it or (iv) the Issuer, the Guarantor or any of their respective Principal Subsidiaries (if any) ceases or threatens to cease to carry on all or substantially all of its business (otherwise than, in the case of a Principal Subsidiary of the Issuer (if any) or a Principal Subsidiary of the Guarantor (other than the Issuer), for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent); or

(g) ***Winding up, etc.***: an order is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Issuer, the Guarantor or any of their respective Principal Subsidiaries (if any) (otherwise than, in the case of a Principal Subsidiary of the Issuer (if any) or a Principal Subsidiary of the Guarantor, for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent); or

(h) ***Analogous event***: any event occurs which under the laws of the Kingdom of Spain has an analogous effect to any of the events referred to in paragraphs (d) to (g) above including, but not limited to, *concurso*; or

(i) ***Failure to take action, etc.***: any action, condition or thing at any time required to be taken, fulfilled or done in order (i) to enable the Issuer and the Guarantor lawfully to enter into, exercise their respective rights and perform and comply with their respective

obligations under and in respect of the Notes and the Deed of Guarantee, (ii) to ensure that those obligations are legal, valid, binding and enforceable and (iii) to make the Notes, the Receipts, the Coupons and the Guarantee admissible in evidence in the courts of the Kingdom of Spain is not taken, fulfilled or done; or

(j) ***Unlawfulness***: it is or will become unlawful for the Issuer or the Guarantor to perform or comply with any of its obligations under or in respect of the Notes or the Deed of Guarantee; or

(k) ***Deed of Guarantee not in force***: the Deed of Guarantee is not (or is claimed by the Guarantor not to be) in full force and effect; or

(l) ***Controlling shareholder***: the Issuer ceases to be wholly-owned and controlled by the Guarantor.

If any Event of Default shall occur in relation to any Series of Notes, any Noteholder of the relevant Series may, by written notice to the Issuer and the Guarantor, at the specified office of the Agent, declare that such Note and (if the Note is interest-bearing) all interest then accrued on such Note shall be forthwith due and payable, whereupon the same shall become immediately due and payable at its early termination amount (the "**Early Termination Amount**") (which shall be its principal amount or such other Early Termination Amount as may be specified in or determined in accordance with the relevant Final Terms) less, in the case of any Instalment Note, the aggregate amount of all instalments that shall have become due and payable in respect of such Note under any other Condition prior to the date fixed for redemption (which amount, if and to the extent not then paid, remains due and payable), together with all interest (if any) accrued thereon without presentment, demand, protest or other notice of any kind, all of which the Issuer will expressly waive, anything contained in such Notes to the contrary notwithstanding, unless, prior thereto, all Events of Default in respect of the Notes of the relevant Series shall have been cured.

In these Conditions:

"Group" means the Guarantor and its Subsidiaries from time to time; and

"Principal Subsidiary" means, at any time, a Subsidiary of the Guarantor whose total assets, income before taxes or sales (excluding intra-group items) then equal or exceed ten per cent. (10%) of the total assets, income before taxes or sales of the Group (on a consolidated basis) and, for this purpose:

(a) the total assets, income before taxes and sales of a Subsidiary of the Guarantor will be determined from its financial statements (consolidated if it has Subsidiaries) upon which the latest annual audited financial statements of the Group have been based;

(b) if a Subsidiary of the Guarantor becomes a member of the Group after the date on which the latest audited financial statements of the Group have been prepared, the total assets, income before taxes and sales of that Subsidiary will be determined from its latest annual financial statements;

(c) the total assets, income before taxes and sales of the Group will be determined from its latest annual audited financial statements, adjusted (where appropriate) to reflect the total assets, income before taxes and sales of any company or business subsequently acquired or disposed of; and

(d) if a Principal Subsidiary disposes of all or substantially all of its assets to another Subsidiary of the Guarantor, the disposing Subsidiary will immediately cease to be Principal Subsidiary and the other Subsidiary (if it is not already) will immediately become a Principal Subsidiary and, for the avoidance of doubt, the subsequent financial statements of those Subsidiaries and the Group will be used to determine whether those Subsidiaries are Principal Subsidiaries or not.

A report by the Directors of the Guarantor that, in their opinion, a Subsidiary of the Guarantor is or is not or was or was not at any particular time or throughout any specified period a Principal Subsidiary, accompanied by a report by the Auditors addressed to the Directors of the Guarantor as to proper extraction of the figures used by the Directors of the Guarantor in determining the

Principal Subsidiaries of the Guarantor and mathematical accuracy of the calculations shall, in the absence of manifest error, be conclusive and binding on the Noteholders;

12. Meetings of Noteholders

The Agency Agreement contains provisions (which shall have effect as if incorporated by reference herein) for convening meetings (which may be physical or virtual meetings, including meetings held by conference call or on a videoconference platform) of the Noteholders of any Series to consider any matter affecting their interests, including (without limitation) the modification by Extraordinary Resolution (as defined below) of these Conditions. An Extraordinary Resolution passed at any meeting of the Noteholders of any Series will be binding on all Noteholders of such Series, whether or not they are present at the meeting, and on all holders of Coupons relating to Notes of such Series.

"Extraordinary Resolution" means a resolution passed at a meeting of the Noteholders duly convened and held by a majority consisting of not less than 75 per cent. of the persons voting thereat upon a show of hands or if a poll be duly demanded then by a majority consisting of not less than 75 per cent. of the votes given on such poll.

The Agency Agreement provides that a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. in nominal value of the Notes outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held. Such a resolution in writing may be contained in a single document or in several documents in the same form, each signed by or on behalf of one or more Noteholders.

13. Replacement of Notes, Receipts, Coupons and Talons

Should any Note, Receipt, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Agent in London (or such other place as may be notified to the Noteholders), subject to all applicable laws and listing authority, stock exchange and/or quotation system requirements upon payment by the claimant of the expenses incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer and the Guarantor may reasonably require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

14. Prescription

The Notes, Receipts and Coupons will become void unless presented for payment within a period of ten years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 10 (*Taxation*)) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition 14 or Condition 7(b) (*Presentation of Notes, Receipts, Coupons and Talons*) or any Talon which would be void pursuant to Condition 7(b) (*Presentation of Notes, Receipts, Coupons and Talons*).

15. Notices

All notices regarding the Notes shall be valid if published in one or more leading English language daily newspapers with circulation in the United Kingdom (which is expected to be the *Financial Times*) and, so long as the Notes are listed on the official list of the Luxembourg Stock Exchange and the rules of that stock exchange so require, published either on the website of the Luxembourg Stock Exchange (*www.luxse.com*) or in a leading newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or, if such publication shall not be practicable, in an English language newspaper of general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made.

Until such time as any definitive Notes are issued, there may, so long as any global Note is held in its entirety on behalf of Euroclear and/or Clearstream, Luxembourg be substituted for such publication as aforesaid the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the Noteholders in accordance with their respective rules and operating procedures. Any such notice shall be deemed to have been given to the

Noteholders on the day on which the notice was given to Euroclear and/or Clearstream, Luxembourg, as appropriate.

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

16. Further Issues

The Issuer shall be at liberty from time to time without the consent of the Noteholders to create and issue further notes ranking *pari passu* in all respects (or in all respects save for the first payment of interest thereon) with the outstanding Notes and so that the same shall be consolidated and form a single series with the outstanding Notes.

17. Substitution of the Issuer

(a) The Issuer and the Guarantor may with respect to any Series of Notes issued by the Issuer (the "**Relevant Notes**") without the consent of any Noteholder, substitute for the Issuer any other body corporate incorporated in any country in the world as the debtor in respect of the Notes and the Agency Agreement (the "**Substituted Debtor**") upon notice by the Issuer, the Guarantor and the Substituted Debtor to be given by publication in accordance with Condition 15 (*Notices*), *provided that*:

(i) neither the Issuer nor the Guarantor are in default in respect of any amount payable under any of the Relevant Notes;

(ii) the Issuer, the Guarantor and the Substituted Debtor have entered into such documents (the "**Documents**") as are necessary to give effect to the substitution and in which the Substituted Debtor has undertaken in favour of each Noteholder of the Relevant Notes to be bound by these Conditions and the provisions of the Agency Agreement as the debtor in respect of such Notes in place of the Issuer (or of any previous substitute under this Condition 17);

(iii) if the Substituted Debtor is resident for tax purposes in a territory (the "**New Residence**") other than that in which the Issuer prior to such substitution was resident for tax purposes (the "**Former Residence**") the Documents contain an undertaking and/or such other provisions as may be necessary to ensure that each Noteholder of the Relevant Notes has the benefit of an undertaking in terms corresponding to the provisions of Condition 10 (*Taxation*), with, where applicable, the substitution of references to the Former Residence with references to the New Residence;

(iv) the Guarantor guarantees the obligations of the Substituted Debtor in relation to outstanding Relevant Notes;

(v) The Substituted Debtor, the Issuer and the Guarantor have obtained all necessary governmental approvals and consents for such substitution and for the performance by the Substituted Debtor of its obligations under the Documents and for the performance by the Guarantor of its obligations under the Guarantee as they relate to the obligations of the Substituted Debtor under the Documents;

(vi) each stock exchange on which the Relevant Notes are listed shall have confirmed that, following the proposed substitution of the Substituted Debtor, the Relevant Notes will continue to be listed on such stock exchange;

(vii) a legal opinion shall have been delivered to the Agent (from whom copies will be available) from lawyers of recognised standing in the country of incorporation of the Substituted Debtor, confirming, as appropriate, that upon the substitution taking place (A) the requirements of this Condition 17, save as to the giving of notice to the Noteholders have been met and (B) the Notes,

Coupons and Talons are legal, valid and binding obligations of the Substituted Debtor enforceable in accordance with their terms;

(viii) any Rating Agency which has issued a rating in connection with the Relevant Notes shall have confirmed that following the proposed substitution of the Substituted Debtor, the credit rating of the Relevant Notes will not be adversely affected; and

(ix) if applicable, the Substituted Debtor has appointed a process agent as its agent in England to receive service of process on its behalf in relation to any legal proceedings in England arising out of or in connection with the Relevant Notes and any Coupons.

(b) Upon the execution of the Documents and the delivery of the legal opinions, the Substituted Debtor shall succeed to, and be substituted for, and may exercise every right and power, of the Issuer under the Relevant Notes and the Agency Agreement with the same effect as if the Substituted Debtor had been named as the Issuer herein, and the Issuer shall be released from its obligations under the Relevant Notes and under the Agency Agreement.

(c) After a substitution pursuant to Condition 17(a), the Substituted Debtor may, without the consent of any Noteholder, effect a further substitution. All the provisions specified in Condition 17(a) and 17(b) shall apply *mutatis mutandis*, and references in these Conditions to the Issuer shall, where the context so requires, be deemed to be or include references to any such further Substituted Debtor.

(d) After a substitution pursuant to Condition 17(a) or 17(c) any Substituted Debtor may, without the consent of any Noteholder, reverse the substitution, *mutatis mutandis*.

(e) The Documents shall be delivered to, and kept by, the Agent. Copies of the Documents will be available free of charge at the specified office of each of the Agents.

18. Governing Law; Submission to Jurisdiction

The Agency Agreement, the Deed of Covenant, the Deed of Guarantee and the Notes and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law, save for Conditions 2 (*Status of the Notes*) and 3 (*Status of the Deed of Guarantee*) which shall be governed by, and shall be construed in accordance with, Spanish law. The Issuer and the Guarantor irrevocably agree for the benefit of the Noteholders that the courts of England shall have jurisdiction to hear and determine any suit, action or proceedings, and to settle any disputes (together, "**Proceedings**"), which may arise out of, or in connection with, the Agency Agreement, the Deed of Covenant, the Deed of Guarantee and the Notes and, for such purpose, irrevocably submit to the jurisdiction of such courts.

The Issuer and the Guarantor irrevocably and unconditionally waive and agree not to raise any objection which any of them may have now or subsequently to the laying of the venue of any Proceedings in the courts of England and any claim that any Proceedings have been brought in an inconvenient forum and further irrevocably and unconditionally agree that a judgement in any Proceedings brought in the courts of England shall be conclusive and binding upon each of them and may be enforced in the courts of any other jurisdiction. Nothing in this Condition shall limit any right to take Proceedings against the Issuer and/or the Guarantor in any other court of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not.

The Issuer and the Guarantor irrevocably and unconditionally appoint Law Debenture Corporate Services Limited at 8th Floor, 100 Bishopsgate, London, EC2N 4AG, United Kingdom, as agent for service of process in England in respect of any Proceedings in England and undertake that in the event of it ceasing so to act the Issuer and the Guarantor will forthwith appoint a further person as their agent for that purpose and notify the name and address of such person to the Agent and agree that, failing such appointment within fifteen days, any Noteholder shall be entitled to appoint such a person by written notice addressed to the Issuer and the Guarantor and delivered to the Issuer and the Guarantor or to the specified office of the Agent. Nothing contained herein shall affect the right of any Noteholder to serve process in any other manner permitted by law.

19. Rights of Third Parties

No person shall have any right to enforce any term or condition of any Notes under the Contracts (Rights of Third Parties) Act 1999.

FORM OF THE NOTES

Any reference in this section "*Form of the Notes*" to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, except in relation to Notes issued in NGN form, be deemed to include a reference to any additional or alternative clearance system approved by the Issuer and the Agent.

Delivery

Each Tranche of Notes will be initially represented by a Temporary Global Note without receipts, interest coupons or talons, which will:

(i) if the global Notes are intended to be issued in NGN form, as stated in the applicable Final Terms, be delivered on or prior to the relevant Issue Date to the Common Safekeeper for Euroclear and Clearstream, Luxembourg; or

(ii) if the global Notes are not intended to be issued in NGN form, be delivered on or prior to the relevant Issue Date with the Common Depositary for Euroclear and Clearstream, Luxembourg,

without receipts, interest coupons or talons.

If the Global Notes are stated in the applicable Final Terms to be issued in NGN form, the relevant clearing systems will be notified whether or not such Global Notes are intended to be held in a manner which would allow Eurosystem eligibility and, if so, will be delivered on or prior to the original issue date of the Tranche to the Common Safekeeper. This means that the Notes are intended to be deposited with one of the international central securities depositaries ("**ICSDs**") as Common Safekeeper and not necessarily that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

If the Temporary Global Note is not in NGN form, upon the initial deposit of a Temporary Global Note with the Common Depositary, Euroclear or Clearstream, Luxembourg will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid. If the Temporary Global Note is in NGN form, the nominal amount of the Notes represented by such Temporary Global Note shall be the aggregate amount from time to time entered in the records of both Euroclear and Clearstream, Luxembourg. The records of Euroclear and Clearstream, Luxembourg shall be conclusive evidence of the nominal amount of Notes represented by such Temporary Global Note and, for these purposes, a statement issued by either Euroclear or Clearstream, Luxembourg stating the nominal amount of Notes represented by such Temporary Global Note at any time shall be conclusive evidence of the records of Euroclear or Clearstream, Luxembourg, respectively, at the relevant time.

Exchange

A Permanent Global Note will only be issued initially in respect of any Tranche of Notes where certification of non-United States beneficial ownership is not required by U.S. Treasury Regulations. Unless otherwise agreed between the Issuer and the relevant Dealer, if the global Notes are intended to be issued in NGN form (to be eligible as collateral for Eurosystem operations), as stated in the applicable Final Terms, the Permanent Global Note will be delivered on or prior to the relevant Issue Date to the Common Safekeeper. If the global Notes are not intended to be issued in NGN form, the Permanent Global Note will be delivered to the Common Depositary.

On and after the date (the "**Exchange Date**") which is 40 days after the date on which any Temporary Global Note is issued, interests in such Temporary Global Note will be exchanged (free of charge) either for interests in a Permanent Global Note without receipts, interest coupons or talons or for definitive Notes with, where applicable, receipts, interest coupons and talons attached (as indicated in the applicable Final Terms) in each case against presentation of the Temporary Global Note only to the extent that certification of non-U.S. beneficial ownership (in a form to be provided) as required by U.S. Treasury Regulations has been received by Euroclear, Clearstream, Luxembourg and/or any other relevant system, and such clearing system has given a like certification (based on the certifications it has received) to the Agent. In relation to any issue of Notes which are expressed to be Temporary Global Notes exchangeable for definitive Notes, such Notes shall be tradeable only in a principal amount which is an integral multiple of the Specified Denomination.

Holders of interests in any Temporary Global Note shall not (unless, upon due presentation of such Temporary Global Note for exchange for a Permanent Global Note or for delivery of definitive Notes, such exchange or delivery is improperly withheld or refused and such withholding or refusal is continuing at the relevant payment date) be entitled to receive any payment in respect of the Notes represented by such Temporary Global Note which falls due on or after the Exchange Date or be entitled to exercise any option on a date after the Exchange Date.

Unless otherwise specified in the applicable Final Terms, a Permanent Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Notes, with, where applicable, receipts, interest coupons and talons attached, in the limited circumstances specified in the Permanent Global Note. Global Notes and definitive Notes will be issued pursuant to the Agency Agreement.

Exercise of put option

For so long as all of the Notes are represented by one or both of the Global Notes and such Global Note(s) is/are held on behalf of Euroclear and/or Clearstream, Luxembourg, the option of the Noteholders provided for in the Conditions may be exercised by an accountholder giving notice to the Paying Agent in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on its instructions by Euroclear or Clearstream, Luxembourg or any common depositary for them to the Paying Agent by electronic means) of the principal amount of the Notes, in respect of which such option is exercised.

Payments

Whilst any Note is represented by a Temporary Global Note, payments of principal and interest (if any) due prior to the Exchange Date (as defined below) will be made, against presentation of the Temporary Global Note (if the Temporary Global Note is not intended to be issued in NGN form), only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury Regulations, has been received by Euroclear, Clearstream, Luxembourg and/or any other relevant clearing system has given a like certification (based on the certifications it has received) to the Agent.

Payments of principal and interest (if any) on a global Note not in NGN form will be made through Euroclear, Clearstream, Luxembourg and/or any other relevant clearing system against presentation or surrender (as the case may be of the global Note if not intended to be issued in NGN form), without any requirement for certification. If the global Note is not in NGN form, a record of each payment so made will be endorsed on each global Note, which endorsement will be *prima facie* evidence that such payment has been made in respect of the global Note. If a global Note is in NGN form, the Issuer shall procure that details of such exchange be entered *pro rata* in the records of the Euroclear and/or Clearstream, Luxembourg and the nominal amount of the Notes recorded in the records of Euroclear and/or Clearstream, Luxembourg, as the case may be, and represented by the global Note will be reduced accordingly.

For the purpose of any payments made in respect of a Global Note, the relevant place of presentation shall be disregarded in the definition of "Payment Day" set out in Condition 7(e) (*Payment Day*).

NGN nominal amount

Where the global Note is in NGN form, the Issuer shall procure that any exchange, payment, cancellation or exercise of any option or any right under the Notes, as the case may be, shall be entered in the records of the relevant clearing systems and, upon such entry being made, the nominal amount of the Notes represented by such global Note shall be adjusted accordingly.

Acceleration

A Note may be accelerated by the holder thereof in certain circumstances described in "*Terms and Conditions of Notes Issued by the Issuer prior to the Effective Date of Conversion—Events of Default*" and "*Terms and Conditions of Notes by the Issuer on or following the Effective Date of Conversion—Events of Default*". In such circumstances, where any Note is still represented by a global Note and a holder of such Note so represented and credited to its securities account with Euroclear or Clearstream, Luxembourg gives notice that it wishes to accelerate such Note, unless within a period of 15 days from the giving of such notice payment has been made in full of the amount due in accordance with the terms of such global Note, such global Note will become void. At the same time, holders of interests in such global Note credited to their accounts with Euroclear or Clearstream, Luxembourg will become entitled to proceed directly against

the Issuer on the basis of statements of account provided by Euroclear and Clearstream, Luxembourg, on and subject to the terms of a deed of covenant (the "**Deed of Covenant**") dated on or about 15 December 2023 executed by the Issuer.

Denominations

So long as the Notes are represented by a Temporary Global Note or Permanent Global Note and the relevant clearing system(s) so permit, the Notes will be tradable only (a) if the Specified Denomination stated in the relevant Final Terms is "euro 100,000 (or its equivalent in another currency)", in the authorised denomination of euro 100,000 (or its equivalent in another currency) and integral multiples of euro 100,000 (or its equivalent in another currency) thereafter, or (b) if the Specified Denomination stated in the relevant Final Terms is "euro 100,000 (or its equivalent in another currency) and integral multiples of euro 1,000 (or its equivalent in another currency) in excess thereof", in the minimum authorised denomination of euro 100,000 (or its equivalent in another currency) and higher integral multiples of euro 1,000 (or its equivalent in another currency), notwithstanding that no definitive Notes will be issued with a denomination above euro 199,000 (or its equivalent in another currency).

U.S. legend

The following legend will appear on all global Notes, definitive Notes, Receipts, interest Coupons and Talons:

> *"Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code."*

The sections referred to in the legend above provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Notes, receipts or interest coupons and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of Notes, receipts or interest coupons.

FORM OF GUARANTEE

The following is the text of the Deed of Guarantee:

THIS DEED OF GUARANTEE is made on 15 December 2023

BY

(1) **NATURGY ENERGY GROUP, S.A.** of Avenida de América, 38, Madrid, 28028, Spain (the "**Guarantor**")

IN FAVOUR OF

(2) **THE HOLDERS AND THE RELEVANT ACCOUNT HOLDERS** (as defined below) (each a "**Beneficiary**", and together, the "**Beneficiaries**")

WHEREAS

(A) Naturgy Finance B.V. (the "**Issuer**") and the Guarantor established a euro medium term note programme for the issuance of debt instruments (the "**Programme**"), with the Issuer having substituted Gas Natural Finance B.V. as an issuer thereunder.

(B) Pursuant to the Programme, the Issuer may from time to time issue notes ("**Notes**") in an aggregate nominal amount of up to euro 12,000,000,000 (subject to adjustment) in accordance with the amended and restated programme agreement dated on or about 15 December 2023 relating to the Programme, as amended, supplemented, restated or replaced from time to time).

(C) In connection with the Programme the Issuer has entered into an amended and restated agency agreement dated on or about 15 December 2023 (as amended, supplemented, restated or replaced from time to time, the "**Agency Agreement**") and made between the Issuer, the Guarantor, Citibank, N.A., London Branch as Agent and the other Paying Agents named therein and the Issuer has executed and delivered a deed of covenant (the "**Deed of Covenant**") dated on or about 15 December 2023.

(D) The Guarantor has duly authorised the giving of a guarantee in respect of the Notes to be issued under the Programme and the Deed of Covenant.

THIS DEED WITNESSES as follows:

1. Interpretation

1.2 In this Deed of Guarantee:

"**Conditions**" means the terms and conditions of Notes issued by the Issuer (as scheduled to the Agency Agreement and as modified from time to time in accordance with their terms) and any reference to a numbered "**Condition**" is to the correspondingly numbered provision thereof;

"**Holder**" in relation to any Note means, at any time, the person who is the bearer of such Note; and

"**Relevant Account Holder**" has the meaning given in the Deed of Covenant.

1.3 Clause headings are for ease of reference only.

Terms not otherwise defined herein shall bear the meanings assigned to them in the Conditions and the Deed of Covenant.

1.4 Benefit of Deed of Guarantee

Any Notes issued under the Programme on or after the date of this Deed of Guarantee shall have the benefit of this Deed of Guarantee but shall not have the benefit of any subsequent guarantee relating to the Programme (unless expressly so provided in any such subsequent guarantee).

2. Guarantee and indemnity

2.1 The Guarantor hereby unconditionally and irrevocably guarantees:

(a) to each Holder the due and punctual payment of any and every sum or sums of money which the Issuer shall at any time be liable to pay under or pursuant to any Note as and when the same shall become due and payable and agrees unconditionally to pay to such Holder, forthwith upon demand by such Holder and in the manner and currency prescribed by such Notes for payments by the Issuer thereunder, any and every sum or sums of money which the Issuer shall at any time be liable to pay under or pursuant to such Note and which the Issuer shall have failed to pay at the time such demand is made; and

(b) to each Relevant Account Holder the due and punctual payment of all amounts due to such Relevant Account Holder under the Deed of Covenant as and when the same shall become due and payable and agrees unconditionally to pay to such Relevant Account Holder, forthwith on demand by such Relevant Account Holder and in the manner and in the currency prescribed pursuant to the Deed of Covenant for payments by the Issuer thereunder, any and every sum or sums of money which the Issuer shall at any time be liable to pay under or pursuant to the Deed of Covenant and which the Issuer shall have failed to pay at the time demand is made.

2.2 As a separate, additional and continuing obligation, the Guarantor unconditionally and irrevocably undertakes with each Beneficiary that, should any amount referred to in Clause 2.1 not be recoverable from the Guarantor thereunder for any reason whatsoever (including, without limitation, by reason of any Note, any provision of any Note, the Deed of Covenant or any provision thereof being or becoming void, unenforceable or otherwise invalid under any applicable law) then, notwithstanding that the same may have been known to such Holder or Relevant Account Holder, the Guarantor will, as a sole, original and independent obligor, upon first written demand under Clause 2.1, make payment of such amount by way of a full indemnity in such currency and otherwise in such manner as is provided for in the Notes or the Deed of Covenant (as the case may be) and indemnify each Beneficiary against all losses, claims, costs, charges and expenses to which it may be subject or which it may incur under or in connection with the Notes, the Deed of Covenant or this Deed of Guarantee.

3. Compliance with the conditions

The Guarantor covenants in favour of each Beneficiary that it will duly perform and comply with the obligations expressed to be undertaken by it in the Conditions.

4. Preservation of rights

4.1 Obligations of the Guarantor herein contained shall be deemed to be undertaken as sole or principal debtor.

4.2 The obligations of the Guarantor herein contained shall constitute and be continuing obligations notwithstanding any settlement of account or other matters or things whatsoever and, in particular but without limitation, shall not be considered satisfied by any partial payment or satisfaction of all or any of the obligations arising under any Note or the Deed of Covenant and shall continue in full force and effect in respect of each Note and the Deed of Covenant until final repayment in full of all amounts owing by the Issuer, and total satisfaction of all the actual and contingent obligations of the Issuer under such Note or the Deed of Covenant.

4.3 Neither the obligations of the Guarantor herein contained nor the rights, powers and remedies conferred upon the Beneficiaries or any of them by this Deed of Guarantee or by law shall be discharged, impaired or otherwise affected by:

(a) the insolvency, winding-up, liquidation, dissolution, amalgamation, reconstruction or reorganisation of the Issuer, or analogous proceedings in any jurisdiction or any change in status, function, control or ownership of the Issuer; or

(b) any of the obligations of the Issuer, under any of the Notes or the Deed of Covenant being or becoming illegal, invalid or unenforceable in any respect; or

(c) time or other indulgence being granted or agreed to be granted to the Issuer, in respect of any obligations arising under any of the Notes or the Deed of Covenant; or

(d) any amendment to, or any variation, waiver or release of, any obligation of the Issuer under any of the Notes or the Deed of Covenant; or

(e) any other act, event or omission which, but for this Clause 4.3, would or might operate to discharge, impair or otherwise affect the obligations of the Guarantor herein contained or any of the rights, powers or remedies conferred upon the Holders, the Relevant Account Holders or any of them by this Deed of Guarantee or by law.

4.4 Without prejudice to the generality of the foregoing, any settlement or discharge between the Guarantor and the Beneficiaries or any of them shall be conditional upon no payment to the Beneficiaries or any of them by the Issuer, or any other person on behalf of the Issuer being avoided or reduced by virtue of any provisions or enactments relating to bankruptcy, insolvency or liquidation for the time being in force and, in the event of any such payment being so avoided or reduced, the Beneficiaries shall each be entitled to recover the amount by which such payment is so avoided or reduced from the Guarantor subsequently as if such settlement or discharge had not occurred.

4.5 No Beneficiary shall be obliged before exercising any of the rights, powers or remedies conferred upon it by this Deed of Guarantee or by law:

(a) to make any demand of the Issuer other than the presentation of the relevant Note; or

(b) to take any action or obtain judgement in any court against the Issuer; or

(c) to make or file any claim or proof in a winding-up or dissolution of the Issuer

and, save as aforesaid, the Guarantor hereby expressly waives, in respect of each Note, presentment, demand and protest and notice of dishonour.

4.6 The Guarantor agrees that so long as any amounts are or may be owed by the Issuer, under any of the Notes or the Deed of Covenant or the Issuer is under any actual or contingent obligations thereunder, the Guarantor shall not exercise rights which the Guarantor may at any time have by reason of performance by the Guarantor of its obligations hereunder:

(a) to be indemnified by the Issuer; and/or

(b) to claim any contribution from any other guarantor of the obligations of the Issuer, under the Notes or the Deed of Covenant; and/or

(c) to take the benefit (in whole or in part) of any security taken pursuant to, or in connection with, any of the Notes or the Deed of Covenant, by all or any of the persons to whom the benefit of the Guarantor's obligations are given; and/or

(d) to be subrogated to the rights of any Beneficiary against the Issuer, in respect of amounts paid by the Guarantor pursuant to the provisions of this Deed of Guarantee.

4.7 The Guarantor hereby covenants that its obligations hereunder rank as described in Condition 3 (*Status of the Deed of Guarantee*).

5. Stamp duties

The Guarantor will promptly pay any stamp duty or other documentary taxes (including any penalties and interest in respect thereof) payable in connection with the execution, delivery and performance of this Deed of Guarantee, and will indemnify and hold harmless each Beneficiary on demand from all liabilities arising from any failure to pay, or delay in paying, such taxes.

6. Deed poll; Benefit of Guarantee

6.1. This Deed of Guarantee shall take effect as a deed poll for the benefit of the Beneficiaries from time to time and for the time being.

6.2. The Guarantor hereby acknowledges and covenants that the obligations binding upon it contained herein are owed to, and shall be for the benefit of, each and every Beneficiary, and that each Beneficiary shall be entitled severally to enforce the said obligations against the Guarantor.

6.3. The Guarantor may not assign or transfer all or any of its rights, benefits and obligations hereunder.

7. Provisions severable

Each of the provisions in this Deed of Guarantee shall be severable and distinct from the others and the illegality, invalidity or unenforceability of any one or more provisions under the law of any jurisdiction shall not affect or impair the legality, validity or enforceability of any other provisions in that jurisdiction nor the legality, validity or enforceability of any provisions under the law of any other jurisdiction.

8. Currency indemnity

If any sum due from the Guarantor under this Deed of Guarantee or any order or judgement given or made in relation thereto has to be converted from the currency (the "**first currency**") in which the same is payable under this Deed of Guarantee or such order or judgement into another currency (the "**second currency**") for the purpose of (a) making or filing a claim or proof against the Guarantor, (b) obtaining an order or judgement in any court or other tribunal or (c) enforcing any order or judgement given or made in relation to this Deed of Guarantee, the Guarantor shall indemnify each Beneficiary on demand against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which such Beneficiary may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgement, claim or proof.

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

9. Notices

Notices to the Guarantor will be deemed to be validly given if delivered at Avenida Diagonal 525, Barcelona, 08029, Spain (or at such other address and for such other attention as may have been notified to Holders in accordance with the Conditions) and will be deemed to have been validly given at the opening of business on the next day on which the Guarantor's principal office is open for business.

10. Law and jurisdiction

10.1. Governing law

This Deed of Guarantee and any non-contractual obligations arising out of or in connection with it are governed by, and shall be construed in accordance with, English law.

10.2. English courts

The courts of England have exclusive jurisdiction to settle any dispute (a "**Dispute**"), arising from or connected with this Deed of Guarantee (including a dispute regarding the existence, validity or termination of this Deed of Guarantee) or the consequences of its nullity.

10.3. Appropriate forum

The Guarantor agrees that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary.

10.4. Rights of the Beneficiaries to take proceedings outside England

Clause 10.2 (*English courts*) is for the benefit of the Beneficiaries only. As a result, nothing in this Clause 10 (*Law and Jurisdiction*) prevents the Beneficiaries from taking proceedings relating to a Dispute ("**Proceedings**") in any other courts with jurisdiction. To the extent allowed by law, the Beneficiaries may take concurrent Proceedings in any number of jurisdictions.

10.5. Process agent

The Guarantor agrees that the documents which start any Proceedings in England and any other documents required to be served in relation to those Proceedings in England may be served on it by being delivered to Law Debenture Corporate Services Limited at 8th Floor, 100 Bishopsgate, London, EC2N 4AG, United Kingdom, or, if different, its registered office for the time being or at any address of the Guarantor in Great Britain at which process may be served on it in accordance with Part 34 of the Companies Act 2006. If such person is not or ceases to be effectively appointed to accept service of process on behalf of the Guarantor, the Guarantor shall, on the written demand of any Beneficiary addressed and delivered to the Guarantor appoint a further person in England to accept service of process on its behalf and, failing such appointment within 15 days, any Beneficiary shall be entitled to appoint such a person by written notice addressed to the Guarantor and delivered to the Guarantor. Nothing in this paragraph shall affect the right of any Beneficiary to serve process in any other manner permitted by law.

IN WITNESS WHEREOF this Deed has been executed as a deed by the Guarantor and is intended to be and is hereby delivered on the date first above written.

SIGNED as a **DEED** on behalf of	)
NATURGY ENERGY GROUP, S.A., a company incorporated	)
in Spain, by _____,	)
being a person who, in accordance with the laws of that	)
territory, is acting under the authority of the company.	)

USE OF PROCEEDS

Unless otherwise set forth in the relevant Final Terms, the net proceeds from the issue of each Tranche of Notes will be on-lent to Naturgy Energy Group, S.A. to be used by Naturgy Energy Group, S.A. and its consolidated subsidiaries for general corporate purposes.

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 (EU) 2016/97 of the European Parliament and of the Council of 20 January 2016 on insurance distribution, 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 the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of 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 ("**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97 of the European Parliament and of the Council of 20 January 2016 on insurance distribution, 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. 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.

[**MiFID II product governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[**UK MIFIR product governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the 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.]

[**Notification under Section 309B(1)(c) of the** [**Securities and Futures Act 2001 of Singapore (the *SFA*)** - [To insert notice if classification of the Notes are not "prescribed capital markets products", pursuant to Section 309B of the SFA or "Excluded Investment Products" (as defined in MAS Notice SFA 04-N12:

Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products)]".][1]

The form of the Final Terms that will be issued in respect of each Tranche, subject only to the deletion of non-applicable provisions and the completion of applicable provisions:

Capitalised words and expressions used in a Final Terms shall, save to the extent otherwise defined therein, have the meanings given thereto in the relevant Terms and Conditions and in the Agency Agreement.

[*Date*]

[1] Relevant Dealer(s) to consider whether it/they have received the necessary product classification from the Issuer prior to the launch of the offer, pursuant to Section 309B of the SFA.

[**Naturgy Finance B.V.**[2]

(Incorporated with limited liability in The Netherlands and having its statutory domicile in Amsterdam)]/

[**Naturgy Finance Iberia, S.A.**][3]

(*Incorporated with limited liability in the Kingdom of Spain*)]

[**Title**] **of relevant Tranche of Notes (specifying type of Notes)**] **(the *Notes*)**

Guaranteed by

Naturgy Energy Group, S.A.

issued pursuant to the euro 12,000,000,000 Euro Medium Term Note Programme

LEI: 2138005FTXOJUBQ5J563

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions of Notes issued by [Naturgy Finance B.V.]/[Naturgy Finance Iberia, S.A.] set forth in the base prospectus dated 15 December 2023 (the "**Base Prospectus**") [and the Supplement to the Base Prospectus dated [•]] which [together] constitute[s] a base prospectus for the purposes of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 8 of the Prospectus Regulation and must be read in conjunction with such Base Prospectus [as so supplemented]. Full information on the Issuer, the Guarantor and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus [and the Supplement to the Base Prospectus] has been published on the Guarantor's website (*www.naturgy.com*) and is available for viewing on the website of the Luxembourg Stock Exchange at www.luxse.com.

[*The following alternative language applies if the first tranche of an issue which is being increased was issued under a base prospectus with an earlier date.*]

Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions of Notes issued by Naturgy Finance B.V. (the "**Conditions**") set forth in the base prospectus dated [19 November 2013]/[12 December 2014]/[2 December 2015]/[2 December 2016]/[30 November 2017]/[21 December 2018]/[3 April 2020]. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 8 of the Prospectus Regulation and must be read in conjunction with such Base Prospectus [as so supplemented]. Full information on the Issuer, the Guarantor and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus, which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation, save in respect of the Conditions which are extracted from the base prospectus dated [19 November 2013]/[12 December 2014]/[2 December 2015]/[2 December 2016]/[30 November 2017]/[21 December 2018]/[3 April 2020]. Full information on the Issuer, the Guarantor and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus dated 15 December 2023 [and the Supplement to the Base Prospectus dated [•]]. The Base Prospectus [and the Supplement to the Base Prospectus] has been published on the Guarantor's website (*www.naturgy.com*) and is available for viewing on the website of the Luxembourg Stock Exchange at www.luxse.com.

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

[2] Include for issues of Notes prior to the Effective Date of Conversion (as defined in "*Conversion of Naturgy Finance B.V.*").

[3] Include for issues of Notes on or following the Effective Date of Conversion (as defined in "*Conversion of Naturgy Finance B.V.*").

1.	(i)	Series Number:	[●]
	(ii)	Tranche Number:	[●]
2.	Specified Currency or Currencies:		[●]
3.	Aggregate Nominal Amount of Notes:		[●]
	(i)	Series:	[●]
	(ii)	Tranche:	[●]
	(iii)	Date on which the Notes will become fungible:	[●]/[Not Applicable]
4.	Issue Price:		[●]% of the Aggregate Nominal Amount [plus accrued interest from [●]]
	(a)	Specified Denominations:	€100,000 + [€1,000][€100,000]
	(b)	Calculation Amount:	[●]
6.	(i)	Issue Date:	[●]
	(ii)	Interest Commencement Date:	[●]/[Issue Date]/[Not Applicable]
7.	Maturity Date:		[●]/[Interest Payment Date falling in or nearest to [●]]
8.	Interest Basis:		[[●]% Fixed Rate]
	(*see Condition 5* (*Interest*))		[[●] month [EURIBOR]/[SONIA] +/- [●]% Floating Rate]
			[Zero Coupon]
9.	Redemption/Payment Basis:		Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [●]% of their nominal amount
	(*see Condition 6* (*Redemption and Purchase*))		
10.	Change of Interest Basis:		[Applicable]/[Not Applicable]
	(*see Condition 5* (*Interest*))		
11.	Put/Call Options:		
	(*see Condition 6* (*Redemption and Purchase*))		
			[Call Option]

			[Put Option] [Residual Maturity Call Option] [Substantial Purchase Event] [Make-Whole Redemption] [Change of Control Put Option]
12.	Date Board approval for issuance of Notes obtained:		[●]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

13.	**Fixed Rate Note Provisions**		[Applicable]/[Not Applicable]
	(*see Condition 5* (*Interest*))		(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Interest Period(s):	[●]
	(ii)	Rate[(s)] of Interest:	[●]% *per annum* [payable [annually / semi-annually / quarterly / monthly / [•]] in arrear]
	(iii)	Interest Payment Date(s):	[●] [and [●]] in each year
	(iv)	First Interest Payment Date:	[●]
	(v)	Fixed Coupon Amount(s):	[●] per Calculation Amount
	(vi)	Broken Amount(s):	[[●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]]/[Not Applicable]
	(vii)	Day Count Fraction:	[Actual/Actual]/[Actual/Actual (ISDA)]/[Actual/365 (Fixed)]/[Actual/360]/[30/360]/[360/360]/[Bond Basis]/[30E/360]/[Eurobond Basis]/[30E/360 (ISDA)]/[Actual/Actual (ICMA)]
	(viii)	Determination Dates:	[[●] in each year]/[Not Applicable]
14.	**Floating Rate Note Provisions**		[Applicable]/[Not Applicable]
	(*see Condition 5* (*Interest*))		(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Interest Period(s):	[●]
	(ii)	Specified Interest Payment Dates:	[[●] in each year]/[Not Applicable]
	(iii)	First Interest Payment Date:	[●]

(iv)	Business Day Convention:	[Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention]
(v)	Business Centre(s):	[●]/[Not Applicable]
(vi)	Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination]/[ISDA Determination]
(vii)	Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Agent):	[[●] shall be the Calculation Agent]
(viii)	Screen Rate Determination:	
	– Reference Rate:	[EURIBOR]/[SONIA]
	– Reference Banks:	[●]
	– Interest Determination Date(s):	[●] [The [●] London Banking Day falling after the last day of each Observation Period]
	– Relevant Screen Page:	[●]
	– [Observation Look-back Period]:	[●]/[Not Applicable]
(ix)	ISDA Determination:	
	– ISDA Definitions:	[2006 ISDA Definitions]/[2021 ISDA Definitions]
	– Floating Rate Option:	[●]
	– Designated Maturity:	[●]
	– Reset Date:	[●]
	– Compounding:	[Applicable/Not Applicable] (*If not applicable delete the remaining sub-paragraphs of this paragraph*)
	– [Compounding Method:	[Compounding with Lookback Lookback: [●] Applicable Business Days] Compounding with Observation Period Shift [Observation Period Shift: [●] Observation Period Shift Business Days

		Observation Period Shift Additional Business Days:[●]/[Not Applicable]] [Compounding with Lockout Lockout: [●] Lockout Period Business Days Lockout Period Business Days: [●]/[Applicable Business Days]]
	– Averaging:	[Applicable/Not Applicable] (*If not applicable delete the remaining sub-paragraphs of this paragraph*)
	– [Averaging Method:	[Averaging with Lookback Lookback: [●] Applicable Business Days] [Averaging with Observation Period Shift Observation Period Shift: [●] Observation Period Shift Business Days Observation Period Shift Additional Business Days: [●]/[Not Applicable]] [Averaging with Lockout Lookout: [●] Lockout Period Business Days Lockout Period Business Days: [●]/[Applicable Business Days]]
	– Index Provisions:	[Applicable/Not Applicable] (*If not applicable delete the remaining sub-paragraphs of this paragraph*)
	– [Index Method:	Compounded Index Method with Observation Period Shift Observation Period Shift: [●] Observation Period Shift Business Days Observation Period Shift Additional Business Days: [●]/[Not Applicable]]
(x)	Margin(s):	[+/-][●]% *per annum*
(xi)	Minimum Rate of Interest:	[●]% *per annum*
(xii)	Maximum Rate of Interest:	[●]% *per annum*
(xiii)	Day Count Fraction:	[Actual/Actual]/[Actual/Actual (ISDA)]/[Actual/365 (Fixed)]/[Actual/360]/[30/360]/[360/360]/[Bond Basis]/[30E/360]/[Eurobond Basis]/[30E/360 (ISDA)](/[Actual/Actual (ICMA)]

15.	**Zero Coupon Note Provisions**		[Applicable]/[Not Applicable]
	(*see Condition 5* (*Interest*))		(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Interest Period(s):	[●]
	(ii)	[Amortisation/Accrual] Yield:	[●]% *per annum*
	(iii)	Reference Price:	[●]

PROVISIONS RELATING TO REDEMPTION

16.	**Call Option**		[Applicable]/[Not Applicable]
	(*see Condition 6* (*Redemption and Purchase*))		(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Optional Redemption Date(s):	[●]
	(ii)	Optional Redemption Amount(s) of each Note:	[●] per Calculation Amount
	(iii)	If redeemable in part:	
		(a) Minimum Redemption Amount:	[●] per Calculation Amount
		(b) Maximum Redemption Amount:	[●] per Calculation Amount
17.	**Put Option**		[Applicable]/[Not Applicable]
	(*see Condition 6* (*Redemption and Purchase*))		(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Optional Redemption Date(s):	[●]
	(ii)	Optional Redemption Amount(s) of each Note:	[●] per Calculation Amount
18.	**Residual Maturity Call Option**		[Applicable]/[Not Applicable]
	(see *Condition 6* (*Redemption and Purchase*))		(*If not applicable, delete the remaining sub-paragraph of this paragraph*)
	(i)	Residual Maturity Call Option Period:	[As per Conditions]/[[•]]
19.	**Substantial Purchase Event**		[Applicable]/[Not Applicable]
	(see *Condition 6* (*Redemption and Purchase*))		

20.	**Make-Whole Redemption**	[Applicable]/[Not Applicable]
	(*see Condition 6* (*Redemption and Purchase*))	(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i) Make-Whole Redemption Rate:	[The yield to maturity on the [●] Business Day preceding the Make-Whole Redemption Date of the [●] due [●] (ISIN: [●])]/[●]
	(ii) Make-Whole Redemption Margin:	[●] per cent.
21.	**Change of Control Put Option**	[Applicable]/[Not Applicable]
	(*see Condition 6* (*Redemption and Purchase*))	
22.	**Final Redemption Amount of each Note:**	[●] per Calculation Amount
23.	**Early Redemption Amount**	
Early Redemption Amount(s) payable on redemption for taxation reasons or on event of default or other early redemption:		[●] per Calculation Amount
	(*see Condition 6* (*Redemption and Purchase*))	

GENERAL PROVISIONS APPLICABLE TO THE NOTES

24.	Form of Notes:	
	(*see "Form of the Notes" on page 101*)	
		[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for definitive Notes in the limited circumstances specified in the Permanent Global Note]
		[Temporary Global Note exchangeable for definitive Notes on the Exchange Date]
		[Permanent Global Note exchangeable for definitive Notes in the limited circumstances specified in the Permanent Global Note]
25.	New Global Note	[Yes]/[No]
26.	Financial Centre(s)	[Not Applicable]/[●]
27.	Talons for future Coupons or Receipts to be attached to definitive Notes (and dates on which such Talons mature):	[Yes]/[No]

28.	Details relating to Instalment Notes:		[Applicable]/[Not Applicable]
	(*see Condition 6* (***Redemption and Purchase***))		(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Instalment Amount(s):	[●]
	(ii)	Instalment Date(s):	[●]
29.	Consolidation provisions:		[Not Applicable]/[The provisions in Condition 16 (*Further Issues*) apply]

DISTRIBUTION

30.	If syndicated, names of Managers:	[Not Applicable]/[●]
31.	If non-syndicated, name of relevant Dealer:	[Not Applicable]/[●]
32.	U.S. Selling Restrictions: (*see page 149*)	[Reg. S Compliance Category: TEFRA D/ TEFRA not applicable]

THIRD PARTY INFORMATION

[[●] has been extracted from [●]. Each of the Issuer and the Guarantor confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [●], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

By: …….

Signed on behalf of [Naturgy Finance B.V.][4]/[Naturgy Finance Iberia, S.A.][5]

Duly authorised

By: …….

Signed on behalf of the Guarantor

Duly authorised

[4] Include for issues of Notes prior to the Effective Date of Conversion (as defined in "*Conversion of Naturgy Finance B.V.*").

[5] Include for issues of Notes on or following the Effective Date of Conversion (as defined in "*Conversion of Naturgy Finance B.V.*").

OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

(i)	Listing: (*see cover page*)	[Application has been made by the Issuer (or on its behalf) for the Notes to be listed on [the **official list of the Luxembourg Stock Exchange**]/[●].]/[Application is expected to be made by the Issuer (or on its behalf) for the Notes to be listed on [●].]/[Not applicable.]
(ii)	Admission to Trading:	[Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [the **regulated market of the Luxembourg Stock Exchange**]/[●]] with effect from [●].]/[Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [●]] with effect from [●].]/[Not applicable.] *(When documenting a fungible issue need to indicate that original Notes are already admitted to trading.)*
(ii)	Estimate of total expenses related to admission to trading:	[●]

2. RATINGS

Ratings: [Not Applicable]/[The Notes to be issued [(have been]/[are expected to be]] rated [●] by [●]] [and endorsed by [●]]

[*Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.*]

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

[[●] is established in the European Union and is registered under Regulation (EU) No 1060/2009 (the "**CRA Regulation**").]

[[●] is not established in the European Union and has not applied for registration under Regulation (EU) No 1060/2009 (the "**CRA Regulation**").]

[[●] is established in the European Union and has applied for registration under Regulation (EU) No 1060/2009 (the "**CRA Regulation**"), although notification of the corresponding registration decision has not yet been provided by the relevant competent authority.]

[[●] is not established in the European Union and has not applied for registration under Regulation (EU) No 1060/2009 (the "**CRA Regulation**") but the rating issued by it is endorsed by [●] which is established in the European Union and [is registered under the CRA Regulation]/[has applied for registration under the CRA Regulation, although notification of the

corresponding registration decision has not yet been provided by the relevant competent authority].]

[[●] is not established in the European Union and has not applied for registration under Regulation (EU) No 1060/2009 (the "**CRA Regulation**") but is certified in accordance with the CRA Regulation.]

[[●] is not established in the European Union and is not certified under Regulation (EU) No. 1060/2009 (the "**CRA Regulation**") and the rating given by it is not endorsed by a Credit Rating Agency established in the European Union and registered under the CRA Regulation.]

[A list of rating agencies registered under the CRA Regulation can be found at http://www.esma.europa.eu/page/List-registered-and-certified-CRAs.]

[[●] is established in the UK and registered under the CRA Regulation as it forms part of domestic law of the UK by virtue of the EUWA (the "**UK CRA Regulation**").]

[[●] is established in a third country but the rating it has given to the Notes is endorsed by [insert legal name of credit rating agency], which is established in the UK and registered under the EUWA (the "**UK CRA Regulation**").]

[[●] is established in a third country but is certified under the EUWA (the "**UK CRA Regulation**").]

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

[Not Applicable]/[Save for (i) any fees payable to the [Managers/Dealers] and (ii) so far as the Issuer is aware, no person involved in the issue/offer of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for the Issuer, the Guarantor and any of their affiliates in the ordinary course of business for which they may receive fees.]/[●]

4. REASONS FOR THE OFFER

(a) Reasons for the offer: [general corporate purposes]/ [●]

(*See "Use of Proceeds" wording in the Base Prospectus – if reasons for the offer are different from general corporate purposes, will need to include those reasons here.*)

(b) Estimated net proceeds: [●]

5. Fixed Rate Notes only — YIELD

Indication of yield: [Not Applicable]/[●]

6. OPERATIONAL INFORMATION

(i)	ISIN:	[●]
(ii)	Common Code:	[●]
(iii)	Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking, S.A. and the relevant identification number(s):	[Not Applicable]/[●]
(iv)	Intended to be held in a manner which would allow Eurosystem eligibility:	[Yes][No][Not Applicable] [Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.] [No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]
(v)	Names and addresses of initial Paying Agent(s):	[●]
(vi)	Names and addresses of additional Paying Agent(s):	[Not Applicable]/[●]

DESCRIPTION OF NATURGY FINANCE B.V.

Incorporation and Status

Naturgy Finance B.V. was incorporated on 26 November 1993 under the name Union Fenosa Finance B.V. and operates under the laws of The Netherlands as a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) with its corporate seat in Rotterdam, The Netherlands, for an indefinite period. On 23 March 2012, its name changed from Union Fenosa Finance B.V. to Gas Natural Fenosa Finance B.V. and its statutory seat changed from Rotterdam to Amsterdam. Its name changed to Naturgy Finance B.V. pursuant to an amendment to the articles of association on 6 August 2018. The registered office address of the Issuer is at Barbara Strozzilaan 101, 1083 HN Amsterdam, The Netherlands and the telephone number is +31 20 421 32 90. The Issuer is registered with the Trade Register of the Dutch Chamber of Commerce under number 24243533. The Legal Entity Identifier of the Issuer is 2138005FTXOJUBQ5J563. The Issuer's website is www.naturgy.com.

Organisational Structure and Share Capital

The Issuer is a wholly-owned subsidiary of the Guarantor. As at 31 December 2022, the Issuer's authorised share capital was €90,756.00 divided into 200 ordinary shares of €453.78 each. Its issued share capital is fully paid-up. The Issuer has no subsidiaries.

Business

The Issuer was incorporated to facilitate the raising of finance for the Group.

In order to achieve its objectives, the Issuer is authorised to raise funds by issuing negotiable obligations, perpetual subordinated securities and commercial paper on the capital and money markets.

Managing Directors

On 17 September 2015, the Guarantor, in its capacity as the sole shareholder of the Issuer, resolved, among other things, to (i) amend the articles of association of the Issuer, (ii) establish a Supervisory Board and an Audit Committee out of its members and (iii) change the composition of the Board of Management of the Issuer, reducing its members from five to three. The creation of the Supervisory Board and the Audit Committee was aimed at improving the corporate governance of the Issuer. The function of the Supervisory Board is to supervise the Issuer's Board of Management, the general course of affairs and business of the Issuer.

The Board of Management of the Issuer has the ultimate responsibility for the administration of the affairs of the Issuer. The managing directors, their position in the Issuer and their principal activities outside the Issuer as at the date of this Base Prospectus are as follows:

Name	Position	Principal activities outside the Issuer
Enrique Berenguer Marsal	Managing Director	Finance Director of the Group
Nessa Goes-Cherif	Managing Director	Proxy holder A of Intertrust (Netherlands) B.V.
Valeria Torres Ledesma	Managing Director	—

The business address of the Issuer and the managing directors is Barbara Strozzilaan 101, 1083 HN Amsterdam, The Netherlands.

Members of the Supervisory Board

The Supervisory Board of the Issuer has the responsibility of supervising the Issuer's Board of Management, the general course of affairs and business of the Issuer. In December 2019, the Supervisory Board also assumed the functions of the Issuer's Audit Committee. The members of the Supervisory Board, their

position in the Issuer and their principal activities outside the Issuer as at the date of this Base Prospectus are as follows:

Name	Position	Principal activities outside the Issuer
Irene Velasco Miranda	Supervisory Board member	Head of the Accounting Planning and Corporate Operations Department of the Group
Javier Izquiero Sanz	Supervisory Board member	Member of the Finance Department of the Group
Maarten van Daalen	Supervisory Board member	Managing director of Amstelcorp B.V., a provider of legal, administrative and accounting services to international corporations

The business address of the members of the Supervisory Board is Handelsweg 53, 1181 ZA Amstelveen, The Netherlands.

Conflicts of Interest

There are no conflicts of interest between any duties owed by the managing directors and the members of the Supervisory Board of the Issuer to the Issuer and their respective private interests and/or duties.

Conversion

On 30 November 2023, the board of directors of the Issuer agreed to effectuate a statutory cross-border conversion to be carried out pursuant to Directive (EU) 2019/2121 and the relevant implementing legislation in the Netherlands and Spain and whereby the Issuer, without being dissolved or wound up or going into liquidation, transfers its registered office from the Netherlands to Spain and converts its legal form from a Dutch limited company (*B.V.* or *besloten vennootschap*) to a Spanish limited company (*S.A.* or *sociedad anónima*). See the section entitled "Conversion of Naturgy Finance B.V." for further information.

DESCRIPTION OF NATURGY ENERGY GROUP, S.A.

Incorporation and Status

Naturgy Energy Group, S.A. (the "**Guarantor**") was incorporated on 28 January 1843 for an indefinite period and operates under Spanish law as a limited liability company (*sociedad anónima*) registered at the Commercial Registry of Madrid with reference Volume 36,567, Folio 35, Page M-656514. Its change of name from Gas Natural SDG, S.A. to Naturgy Energy Group, S.A. was agreed on 27 June 2018 at the Guarantor's general shareholders' meeting and such name change took effect on that day. The registered office of the Guarantor is at Avenida de América, 38. 28028 Madrid, Spain and the telephone number is +34 91 589 34 50. The Legal Entity Identifier of the Guarantor is TL2N6M87CW970S5SV098. The Guarantor's website is www.naturgy.com.

The Guarantor is the parent company of the Group. For an overview of the Guarantor's subsidiaries, joint ventures, jointly-controlled assets and operations and associates, please see Appendix I to the 2022 Interim Financial Statements, which are incorporated by reference in this Base Prospectus.

Share Capital

As at the date of this Base Prospectus, the authorised share capital of the Guarantor is €969,613,801, represented by book entries and forming a single class. The share capital is fully subscribed and paid up.

Principal Shareholders

As at the date of this Base Prospectus, and based on the latest information available to the Guarantor, the Guarantor's largest shareholders are: (i) Criteria Caixa, S.A.U. ("**Criteria**") with a shareholding of 26.7%, (ii) Rioja Acquisitions S.à.r.l. with a shareholding of 20.7%, (iii) GIP III Canary 1 S.à.r.l. with a shareholding of 20.6%, (iv) Global InfraCo O (2) S.à.r.l. ("**Global InfraCo**"), a subsidiary of IFM Global Infrastructure Fund ("**IFM GIF**"), with a shareholding of 14.5% and (v) Société Nationale pour la Recherche, la Production, le Transport, la Transformation, et la Commercialisation des Hydrocarbures s.p.a. ("**Sonatrach**") with a shareholding of 4.1%.

Alternative Performance Measures

Naturgy's financial disclosures as well as the information set forth in this Base Prospectus (including in this section "*Description of Naturgy Energy Group, S.A.*") contain magnitudes and metrics drafted in accordance with International Financial Reporting Standards ("**IFRS**") and others that are based on the Group's disclosure model, referred to as Alternative Performance Measures ("**APMs**"), which are viewed as adjusted figures with respect to those presented in accordance with IFRS standards.

The chosen APMs are useful for persons consulting financial information as they allow for an analysis of the financial performance, cash flows and financial situation of Naturgy, as well as a comparison with other companies.

Generally, APM terms are directly traceable to the relevant items of the interim consolidated balance sheet, interim consolidated income statement, interim consolidated cash flow statement or notes to the condensed interim consolidated financial statements of Naturgy. Terms which cannot be directly cross-referenced are reconciled in Appendix I (*Glossary of Terms*) to the Interim Consolidated Directors' Report 2022 which is incorporated by reference in this Base Prospectus.

History

The history of the Group can be traced back to 28 January 1843, when *Sociedad Catalana para el Alumbrado por Gas* was incorporated with the aim of installing a street lighting system in the city of Barcelona by means of gas manufactured from coal. In 1987, the company changed its name to Catalana de Gas, S.A. and, on 31 December 1991, Catalana de Gas, S.A. merged with and absorbed Gas Madrid, S.A. (incorporated in 1921), thus acquiring the piped gas distribution assets of the Repsol group. In March 1992, Catalana de Gas, S.A., the surviving entity from the merger, changed its name to Gas Natural SDG, S.A.

In the 1990s, the Group commenced a process of international expansion. In December 1992, the Group led a consortium that successfully bid for 70% of a concession to distribute natural gas in Argentina, and, in 1996, the Group became the majority shareholder in Metragaz, S.A. ("**Metragaz**") and Europe-Maghreb Pipeline Ltd.

Since 1997, the Group continued its process of international expansion through the acquisition of gas and electricity assets in Latin America (including Brazil, Colombia, Mexico and Puerto Rico) and Western Europe (principally Italy and France). Pursuant to an agreement signed on 30 July 2008, the Guarantor acquired an additional stake in Unión Fenosa, S.A. ("**Unión Fenosa**") from Actividades de Construcción y Servicios, S.A. ("**ACS**") and subsequently launched a mandatory takeover bid for the remaining Unión Fenosa shares. The takeover offer was successful and the merger process between the Guarantor and Unión Fenosa was completed in September 2009.

On 8 January 2013, the Group signed an agreement with Algerian company Sonatrach to acquire 10% of Medgaz, S.A. ("**Medgaz**"). Medgaz operates the Algeria-Europe subsea gas pipeline connecting Beni Saf (Algeria) with the coast of Almería (Spain). On 30 July 2013, the Guarantor acquired from GDF Suez a 4.9% shareholding in Medgaz, thereby increasing its total stake to 14.9%.

On 15 October 2019, Naturgy reached an agreement to acquire an additional 34.05% stake in Medgaz from CEPSA Holding LLC, a wholly owned subsidiary of Mubadala Investment Company ("**Mubadala**"), for €445 million, through a special purpose vehicle ("**SPV**"). On 2 April 2020, BlackRock's Global Energy & Power Infrastructure Fund ("**GEPIF**") acquired a 50% stake in the SPV at the same price at which the Medgaz stake was agreed to be purchased from Mubadala.

On 19 March 2018, the Group sold a minority stake of 20% in the Group's gas distribution business in Spain to a consortium of long-term infrastructure investors comprising Allianz Capital Partners and Canada Pension Plan Investment Board.

On 13 November 2020, Naturgy announced an agreement to sell its 96.04% equity shareholding in Chilean utility company Compañia General de Electricidad, S.A. ("**CGE**") (which holds the power business in Chile) to State Grid International Development Limited for a total purchase price of €2,570 million. The transaction was completed on 26 July 2021.

On 1 December 2020, Naturgy, Eni S.p.A. ("**ENI**") and The Arab Republic of Egypt reached an agreement to resolve the disputes affecting Union Fenosa Gas ("**UFG**"), the 50%/50% partnership between Naturgy and ENI. The transaction completed in March 2021 and Naturgy received a series of cash payments adding up to approximately U.S.$0.6bn, as well as most of the assets outside of Egypt, excluding UFG's commercial activities in Spain.

On 25 January 2021, Global InfraCo (the "**Offeror**"), wholly-owned by IFM GIF, launched a voluntary and unsolicited offer made for 220,000,000 shares in the Guarantor, representing 22.689% of the Guarantor's share capital (the "**Offer**"). On 14 October 2021, the Offeror announced that the Offer had been accepted by 105,021,887 shares, representing 10.83% of the Guarantor's share capital and waived the minimum acceptance condition of 17%. The consideration of the Offer amounted to €22.07 per share. The Offer was settled on 19 October 2021, fully paid in cash, with IFM GIF becoming a significant shareholder in Naturgy with an initial shareholding of 10.83%.

Strategic Plan 2021-2025

On 27 July 2021, the Guarantor's Board of Directors unanimously approved a Strategic Plan for the period 2021 through 2025 (the "**Strategic Plan**"), which aims to accelerate the transformation of the Group by investing in assets aligned with the energy transition and decarbonisation goals.

The Strategic Plan is part of the strong commitment to ESG criteria that the Group has been implementing in recent years and includes a Sustainability Plan with targets for 2025 in the ESG areas. This includes the objective of achieving carbon neutrality by 2050 and close to 50% of installed power capacity from renewable sources by 2025 as well as a reduction in CO_2 emissions (Scope 1 – Scope 3) of 24% by 2025 (against a 2017 baseline). The Group also aims to achieve gender parity by 2030 and to have more than 40% of its executive and management positions occupied by women by 2025. Furthermore, in 2023, Naturgy increased the weighting of compliance with ESG targets as part of the remuneration of its management team

from 10% to 20%, and also included emissions-free installed capacity and employee satisfaction metrics to the existing health and safety metrics.

Naturgy strives to find a balanced solution to its energy transition, seeking to contribute to the decarbonisation of the economy, while at the same time ensuring security of supply and competitive and affordable energy to meet industrial and residential demand.

Naturgy aims to dedicate a substantial part of its future investments into renewables growth and networks activities in countries with stable regulation and strong currencies. Furthermore, Naturgy aims to play a key role in renewable gases, including the development of biomethane production and its distribution in Spain, which it considers to be a viable option in the short term as well in the hydrogen space, which Naturgy believes will have a significant impact on the energy mix in the medium term.

Naturgy believes it is well positioned to take advantage of renewable gas opportunities and intends to invest capital and resources in this area. In addition, digitalisation, mobility, storage and distributed generation are also expected to be other areas of focus for investment in the coming years.

In renewables, Naturgy expects to focus on proven technologies including solar PV, onshore wind and storage in stable geographies benefiting from long term visibility. Naturgy believes it has a significant renewables pipeline for development in Spain and expects be able to leverage its customer base as a natural hedge to balance risks of new renewable capacity.

As regards networks, Naturgy is committed to maintaining a leading position via pro-active regulatory management, digitalisation and best-in-class operations to lower risk and increase cash flow predictability in the regions where it operates.

Furthermore, in energy management, Naturgy seeks to continue to improve its competitiveness and reduce risk throughout the portfolio, through the ongoing review and optimisation of gas procurement contracts, the remote operation of its CCGT fleet in Spain, as well as the improvement of its cost and investment efficiency on its thermal generation operations in Latin America.

With regard to the supply business, Naturgy aims to continue to improve its competitiveness via market repositioning, an integrated energy offering, and the refocusing of its distribution channels, including additional third-party agreements. Furthermore, Naturgy aims to improve its customer relationships via enhanced data analytics and customer segmentation to improve customer services and enhance loyalty.

Project Gemini

On 10 February 2022, Naturgy communicated the decision of its Board of Directors to launch Project Gemini, which consists of the significant reorganisation of the Group's group of companies, of which the Guarantor is the parent company. Specifically, the project consisted of a spin-off from the Guarantor under the provisions of Title III (Articles 68 *et seq*.) of Law 3/2009, of 3 April, on structural modifications of commercial companies, to create two large groups that would be listed on the Spanish Stock Exchanges and have clearly differentiated business profiles whilst maintaining the same shareholder composition, at least initially, as a result of the proposed transaction.

The first of the groups resulting from the proposed spin-off would be headed by Naturgy itself (MarketsCo, after the spin-off), as the surviving company, and would encompass, in an integrated manner, the deregulated businesses comprising the development of renewable energies, the portfolio of energy customers and associated services, the conventional generation fleet and trading in wholesale energy markets. The second of the groups resulting from the proposed spin-off would be headed by a newly-created company (NetworksCo), as the beneficiary of the spin-off, encompassing all the businesses involved in managing regulated gas and electricity distribution and transmission infrastructures.

Project Gemini was designed to simplify and focus the management of each of the resulting business groups to accelerate the Strategic Plan, boosting growth and their contribution to the energy transition.

In July 2023, Naturgy's management team updated the status of Project Gemini and the Guarantor's Board of Directors confirmed its strategic sense and requested the team to continue analysing the possible execution alternatives and its associated calendars. As at the date of this Base Prospectus, the analysis

undergone to date has confirmed the suitability and strategic sense of Project Gemini, although at present it is not possible to estimate a precise timing for its execution.

The Group's business

The Group is mainly engaged in the generation, transport, distribution and supply of electricity, as well as the liquefaction, regasification, transportation, storage, distribution and supply of natural and renewable gas.

The Group is mainly organised across its regulated networks businesses (Networks) and its liberalised activities (Markets) as follows:

1. **Networks**

   - Iberian Networks:
     - Gas networks Spain: encompasses the regulated gas distribution business in Spain.
     - Electricity networks Spain: encompasses the regulated electricity distribution business in Spain.
   - Latin American networks:
     - Gas networks and supply in Chile
     - Gas networks in Brazil
     - Gas networks in Mexico
     - Electricity networks in Panama
     - Gas and electricity networks in Argentina

2. **Markets**

   - Energy Management:
     - LNG & Markets:
       - both the supply of LNG and the sea transport business (previously International LNG segment until 31 December 2022)
       - includes all gas procurement and infrastructure management and internal and external sales (previously Markets and Procurement segment until 31 December 2022)
     - Gas pipelines: Manages the Medgaz gas pipelines (accounted for using the equity method).
     - Thermal generation in Spain: includes the management of conventional thermal generation in Spain, mainly CCGTs and nuclear energy.
     - Thermal generation Latin America: includes the management of conventional thermal generation facilities of Global Power Generation ("**GPG**") in Mexico, the Dominican Republic and Puerto Rico, the latter accounted using the equity method through EcoEléctrica LP.
   - Renewables and new businesses:
     - Renewables Spain: includes the management of facilities and generation projects for wind energy, mini hydro, solar and cogeneration, as well as hydroelectric generation in Spain. It also includes the development portfolio in the rest of Europe.
     - Renewables United States: includes the management of photovoltaic generation projects developed in the United States.

  - Renewables Latin America: includes the management of the facilities and renewable electricity generation projects of GPG located in Latin America (Brazil, Chile, Costa Rica, Mexico and Panama).

  - Renewables Australia: includes the management of the renewable power generation fleet and projects of GPG located in Australia.

- Renewable gas:

  - Includes the management of renewable gas projects, specifically biomethane and green hydrogen in Spain (previously reported under the Renewables and New businesses segment until 31 December 2022).

- Supply:

  - Manages the commercial model for end customers in gas, electricity and services, incorporating new technologies and services.

  - Includes all power sales to end customers in Spain.

  - Includes gas sourcing from markets and procurement unit and sales to end customers with volumes sold below 500GWh/year in Spain.

- Rest:

  - Includes the Group's operating expenses as well as other activities, including new businesses (previously reported under the Renewables and new businesses segment until 31 December 2022).

Markets and Networks

Naturgy's economic and financial information included in this section has been broken down between "Networks" and "Markets", representing a grouping or sum of the Group's operating segments of its liberalised and regulated businesses, and which follows the structure of Project Gemini in the event it was executed. See "*—Project Gemini*" above.) The purpose of classifying the Group's economic information is such way is to facilitate the understanding of the evolution of these segments in the context of Project Gemini. "Networks" and "Markets" do not correspond to operating segments as defined by IFRS-EU 8 (*Operating Segments*).

Overview of the Group's business performance

The energy scenario and the Group's operational performance during the first half of 2023 translated into better results in both regulated and liberalised activities when compared to the Group's operating performance for the same period in 2022.

The following table sets forth certain information in respect of the Group's financial performance during the six-month periods ended 30 June 2023 and 2022, respectively, unless otherwise indicated.

	Six-month period ended 30 June		
	2023	**2022**	**Change (%)**
		(million €)	
EBITDA	2,849	2,047	39.2
Profit attributable to equity holders of the parent company	1,045	557	87.6
Capex	839	721	16.4
Net debt	10,752	12,070[(1)]	(10.9%)

Notes:
(1) As at 31 December 2022.

EBITDA amounted to €2,849 million in the first half of 2023, an increase of 39.2% when compared to the corresponding period in 2022, mainly due to the strong performance of the Group's international liberalised businesses supported by the energy scenario.

Capex amounted to €839 million during the first half of 2023, an increase of 16.4% when compared to the first half of 2022, mainly due to expenditure in renewables and networks.

As of 30 June 2023, net debt amounted to €10,752 million, a decrease from the €12,070 million recorded as at 31 December 2022, mainly due to the strong cash flow generated by liberalised activities. During the six-month period ended 30 June 2023, Naturgy paid out a dividend of €1.2 per share corresponding to the final dividend for 2022.

The table below sets forth the breakdown of the Group's EBITDA by activity during the six-month periods ended 30 June 2023 and 2022, respectively.

	Six-month period ended 30 June		
	2023	**2022**	**Change (%)**
	(million €)		
Networks	1,261	1,198	5.3
Markets	1,677	911	84.1
Rest	(89)	(62)	(43.5)
EBITDA	**2,849**	**2,047**	**39.2**

Markets businesses were mainly responsible for the Group's improved performance during the first half of 2023 when compared to the same period in 2022. Markets EBITDA amounted to €1,677 million for the six-month period ended 30 June 2023, an increase of 84.1% when compared to the same period in 2022, which mainly resulted from energy management and supply activities. Markets businesses generated 58.9% of the Group's EBITDA for the first half of 2023, with the remaining 44.3% generated from the Networks businesses.

The table below sets forth certain information in respect of the Group's main gas and electricity output figures for the six-month periods ended 30 June 2023 and 2022, respectively, unless otherwise indicated.

	Six-month period ended 30 June		
	2023	**2022**	**Change (%)**
Gas distribution (GWh)	192,500	209,135	(8.0)
Electricity distribution (GWh)	16,060	16,775	(4.3)
Gas supply (GWh)	82,311	111,028	(0.3)
Electricity supply (GWh)	9,834	11,532	(14.7)
International LNG (GWh)	54,204	59,001	(8.1)
Gas distribution connections (in thousands)(1)	11,058	11,050	0.1
Electricity distribution connections (in thousands) (1)	4,844	4,803	0.9
Installed capacity (MW) (1)	16,370	15,990	2.4
Electricity generated (GWh)	20,591	20,100	2.4

Note:
(1) As at 30 June.

Results by business

1. Networks

The table below sets forth certain information regarding the EBITDA of the Group's networks business corresponding to the six-month periods ended 30 June 2023 and 2022, respectively.

	Six-month period ended 30 June		
	2023	**2022**	**Change (%)**
	(million €)		
Networks	**1,261**	**1,198**	**5.3**
Networks Spain	**732**	**801**	**(8.6)**
Gas networks	411	456	(9.9)
Electricity networks	321	345	(7.0)
Networks Latin America	**529**	**397**	**33.2**
Chile gas	117	12	-
Brazil gas	165	142	16.2
Mexico gas	140	123	13.8
Panama electricity	76	68	11.8
Argentina	31	52	(40.4)

Networks EBITDA amounted to €1,261 million during the first half of 2023, an increase of 5.3% when compared to the corresponding period in 2022, mainly due to the good performance of the Networks business in Latin America, benefiting from tariff updates reflecting inflation from previous periods.

According to the criteria established by International Accounting Standard ("**IAS**") 29 "Financial Information in Hyperinflationary Economies", the Argentine economy should be considered as hyperinflationary. As a result, FX differences arising from 30 June 2023 will be applied to the full year 2023 results, which will also be updated by inflation rates.

EBITDA for Networks Latin America amounted to €529 million for the six-month period ended 30 June 2023, an increase of 33.2% when compared to the same period in 2022.

EBITDA for Networks Spain amounted to €732 million for the first half of 2023, a decrease of 8.6% when compared to the same period in 2022, mainly due to low gas demand in the residential segment as a result of milder temperatures in the winter months as well as lower industrial demand, following the volatile gas price environment experienced over the previous twelve months. The progressive remuneration adjustments due as a result of the current regulatory framework translate into lower remuneration for Spanish gas networks when compared to previous periods. See "*Risk Factors—Risk Factors that may affect the Issuer's and the Guarantor's ability to fulfil their obligations under the Notes—Legal and regulatory risks—Risks relating to the Group's regulatory environment*" for more information.

2. Markets

The table below sets forth certain information regarding the EBITDA of the Group's liberalised business corresponding to the six-month periods ended 30 June 2023 and 2022, respectively.

	Six-month period ended 30 June		
	2023	**2022**	**Change (%)**
	(million €)		
Markets	**1,677**	**911**	**84.1**
Energy management	**1,096**	**580**	**89.0**
LNG & Markets	858	385	122.9
Pipelines	—	(6)	(100.0)
Spain thermal generation	108	74	45.9
Latin America thermal generation	130	127	2.4
Renewable generation	**235**	**175**	**34.3**
Spain	205	165	24.2
USA	(6)	(25)	(76.0)
Australia	5	—	—
Latin America	31	35	(11.4)
Renewable gases	**(2)**	**(1)**	**100.0**
Supply	**348**	**157**	**121.7**

Markets EBITDA amounted to €1,677 million during the first half of 2023, an increase of 84.1% when compared to the corresponding period in 2022, mainly driven by energy management and supply activities.

EBITDA for the energy management business amounted to €1,096 million, an increase of 89% in the first half of 2023 when compared to the corresponding period in 2022, reflecting high storage levels as a result of lower demand, particularly in Asia, and milder temperatures in Europe. Thermal generation in Spain also benefited from higher margins and the increased EBITDA in the energy management business was also as a result of the reappraisal of the Group's financial hedging due to the ineffectiveness of derivatives accounted for in 2022.

EBITDA for the renewable generation business amounted to €235 million in the first half of 2023, an increase of 34.3% when compared to the corresponding period in 2022, mainly due to higher installed capacity and higher production in Spain, particularly in conventional hydropower.

EBITDA for the supply business in Spain amounted to €348 million for the six-month period ended 30 June 2023, an increase of 121.7% when compared to the same period in 2022, benefiting from higher margins.

Legislation in Spain

The Group operates in a highly regulated environment that impacts both regulated and liberalised activities. An overview of such laws and regulations is available at Annex IV (*Regulatory Framework*) of the Guarantor's consolidated annual accounts as at and for the year ended 31 December 2022, which is incorporated by reference in this Base Prospectus.

Although the overview, together with the description of certain important legal and regulatory developments set out in "*Risk Factors—Risk Factors That May Affect the Issuer's and the Guarantor's Ability to Fulfil Their Obligations Under The Securities—Legal and Regulatory Risks—Risks relating to the Group's*

regulatory environment", contains all the information that the Group considers material as at the date of this Base Prospectus and in the context of the issue of the Notes, it does not constitute an exhaustive description of all applicable laws and regulations affecting the Group.

Prospective investors and/or their advisers should make their own analysis of the legislation and regulations applicable to the Group and of the impact they may have on the Group and any investment in the Notes and should not rely on this overview only.

Litigation and Arbitration

The sectors in which the Group operates have in recent years grown more litigious, as a result of the volatility of fuel prices and greater competition in the liberalised market, among other factors, and the Guarantor and its subsidiaries are currently involved in a number of judicial, arbitration and regulatory proceedings. Given the nature of the Group's business and the sectors in which it operates, and the time required for a final decision to be adopted, the amounts involved in such proceedings can be significant. An adverse outcome in respect of one or more of these claims could have a material adverse effect on the Group's financial condition and results of operation.

In addition, members of the Group may, from time to time, be subject to civil, administrative and criminal liability claims for damage caused as a result of incidents arising in the Group's ordinary course of operations. Such incidents may include breakdowns in the gas distribution network, gas explosions or damage caused by the Group's tankers that transport LNG. Any such claims could result in the payment of damages by the Group in accordance with the legislation applicable in the countries in which the Group operates. While the Group seeks to obtain insurance cover for risks related to civil liability claims, its financial condition and results of operations may be adversely affected to the extent any losses are uninsured, exceed the applicable limitations under its insurance policies or are subject to the payment of an excess towards the insured amount or to the extent the premiums payable in respect of such policies are increased as a result of insurance claims.

The main judicial, arbitration and regulatory proceedings against the Group as of the date of this Base Prospectus are set forth below.

Claims for Programa de Integración Social ("PIS") and Contribución para la Financiación de la Seguridad Social ("COFINS") taxes in Brazil

In September 2005, the Tax Administration of Rio de Janeiro declared void the recognition that it had previously accepted in April 2003 to compensate the loans for the contributions related to the sale of PIS and COFINS paid by Companhia Distribuidora de Gás do Rio de Janeiro ("**CEG**"), in which the Group holds an interest of 54.2%. The Tax Administration confirmed this resolution in March 2007 and CEG therefore filed an appeal with the administrative courts (*Justiça Federal do Rio de Janeiro*). On 26 January 2009, notification was received of public civil action against CEG in connection with the same events which are being processed. The total amount of this disputed tax liability, including interests, amounted as of the 2007 resolution date to 386 million Brazilian Real, which now stands at 506 million Brazilian Real. The Court of First Instance issued a decision in November 2015 partially accepting the claim of CEG, ordering the refund and the payment of the tax debt plus costs in the amount of 108 million Brazilian Real and rejecting the imposition of default interest (updated) and fines. The sentence was appealed by the Federal Treasury of Brazil and by CEG before the Federal Court of Rio de Janeiro (Chamber of Appeal).

Companhia Distribuidora de Gas do Rio de Janeiro ("CEG") and CEG RIO S/A ("CEG RIO")

In December 2021, a lawsuit was filed by CEG, a wholly-owned subsidiary of the Guarantor, against Petróleo Brasileiro S.A. ("**Petrobras**") alleging abuse of economic power in the economic conditions requested by Petrobras in the extension of its gas supply contract. Certain precautionary measures were granted, which ensured that the 2021 economic contractual terms have been maintained. In parallel, Petrobras has initiated an arbitration process. The total amount of the contingency for the years 2022 and 2023 is approximately 3.4 billion Brazilian Real.

As at the date of this Base Prospectus, an agreement has been reached by the parties but not executed yet. Once signed, all judicial and arbitration processes are expected to be stopped and a new gas supply contract between Petrobras, CEG and CEG RIO is to be established. Once the new contract is in place, the Group

believes that no contingencies should be generated for CEG and CEG RIO as the costs of gas are expected to be passed through to clients.

Claims between Transportadora de Gas del Norte S.A. and Metrogas, S.A.

Transportadora de Gas del Norte S.A. filed various claims against Metrogas, a Chilean company owned by the Group as to 55.6%, in different first instance civil courts in Argentina on the grounds of alleged contractual breaches in relation to the transport of gas from Argentina to Chile that arose as a consequence of the Argentine energy crisis that started in 2004.

In April 2017, Metrogas received legal notification from the Court ordering to consolidate the proceedings, which amount to a total of U.S.$227 million in claims plus interest.

On 4 August 2022, a first-instance judgment was notified to Metrogas ordering it to pay Transportadora de Gas del Norte S.A. approximately U.S.$250 million for unpaid invoices and damages, plus costs and interest. This ruling is not final and was appealed by Metrogas on 21 September 2023.

AGESA / Metrogas

In November 2021, a collective action for the defence of consumers was filed in an Ordinary Court by the National Corporation of Consumers and Users of Chile (CONADECUS), requesting that Metrogas and AGESA (a Chilean gas procurement company, of which the Guarantor indirectly owns 60%) compensate customers for excessive gas tariff charges in the amount of €473 million. There is a similar lawsuit by Organización de Consumidores de Chile (ODECU) against Metrogas, for an amount of €523 million. In each case, a fine in the amount of €39 million has also been requested. As at the date of this Base Prospectus, both lawsuits are at a preliminary stage and are currently under discussion.

In 2022, a lawsuit was initiated by six partners of CONADECUS against Metrogas and AGESA for alleged abuse of dominant position in charging abusive prices to customers as a result of the split of Metrogas' business into two companies. Fines have been requested in an amount equivalent to 30% of the revenue of Metrogas and AGESA during the alleged abuse period or double the economic benefit obtained during that period, as well as the dissolution of AGESA.

In January 2023, Generadora Metropolitana SpA ("**Generadora Metropolitana**") filed a lawsuit against Metrogas, requesting, among other things, to enter into a continuous natural gas transportation service contract under terms that comply with free competition regulations or, alternatively, to modify the ad-hoc tariff, subject to similar conditions contained in the previous contract. In addition, Generadora Metropolitana is requesting Metrogas to compensate it in the amount of €161 million.

GPG Mexico

In 2017, a lawsuit was filed in the Mexican courts by an indigenous community challenging the permits granted to certain of the Group's wind farms in Oaxaca, Mexico, including those of BII HIOXO. The courts rejected the claim on the grounds of lack of legitimacy of the plaintiffs as an indigenous community. However, this decision was appealed and the court upheld the appeal filed by the indigenous community, which will force the lawsuit to be repeated. The first instance has been won by Global Power Generation S.A., (a Mexican power generation company owned by the Group as to 75%) but the appeal is pending. The cost of construction of the wind farm is expected to amount to in total U.S.$400 million (and currently amounts to U.S.$230 million).

Electricaribe

On 14 November 2016, the Superintendence for Residential Public Services of the Republic of Colombia (the "**Superintendence**") reported the government takeover of Electrificadora del Caribe, S.A. ESP ("**Electricaribe**"), a Naturgy investee company, as well as the removal of the members of the governing body and the general manager, and their replacement by a special agent appointed by the Superintendence. On 14 March 2017, the Superintendence announced the decision to liquidate Electricaribe. On 22 March 2017, Naturgy initiated arbitration proceedings before the Court of the United Nations Commission for International Trade Law (UNCITRAL). In March 2021, the award was issued rejecting both Naturgy's claim and Colombia's counterclaim. Over the years, several Colombian government agencies brought

administrative and judicial proceedings against the Group or its employees on behalf of Electricaribe, including the Public Prosecutor's Office, the Superintendence for Public Services and the Superintendence for Companies. As at the date of this Base Prospectus, Eletricaribe is still in the process of being liquidated.

Endesa

Endesa has notified the Group in November 2021 of the commencement of an arbitration proceeding in respect of the existing LNG sale and purchase agreement between Endesa and Naturgy. The dispute arises from Endesa's obligation to pay the part of the contract price linked to the use of Naturgy's fleet even if it cancels a cargo. Endesa estimates its claims at a maximum amount of U.S.$78 million. As at the date of this Base Prospectus, the proceedings are in the final stage.

Additionally, Endesa has initiated arbitration proceedings challenging a gas procurement contract audit that has already been finalised. Endesa requests U.S.$44.6 million in compensation and refuses to pay U.S.$13 million. As at the date of this Base Prospectus, the proceedings are in the final stage.

EDP

EDP Clientes, S.A. has initiated arbitration proceedings in November 2021 regarding the early termination of the Trinidad LNG SPEA and Bilbao LNG SPEA framework agreement, LNG sale and purchase contracts and the payment of extra costs. EDP is claiming the payment of invoices for replacement gas that it purchased in Spain as a result of adjustments to the amounts made under the Bilbao LNG SPEA, following the curtailments EDP suffered under the Trinidad LNG SPEA. The claim is for U.S.$534 million. As at the date of this Base Prospectus, the proceedings are in the final stage.

Research and Development

The Group engages in research and development both independently and in collaboration with other Spanish and international companies and bodies. The Group's research and development focuses mainly on (i) safety in the transportation of natural gas, (ii) methods of reducing environmental impact, (iii) the development of new technologies in the distribution of gas and (iv) the development of new applications for natural gas.

Environmental Matters

The Group's operations are subject to environmental protection laws and regulations of the European Union, Spain and the other countries in which the Group operates or is located.

These operations are developed in accordance with the environmental strategy of the Group and focus on climate, air quality, water, natural capital and a sustainable economy.

Insurance

In line with industry practice, the Group insures its assets and activities worldwide. Among the risks insured are damage to property, business interruption and civil liability to third parties arising in connection with the Group's operations. The Group's insurance policies also include indemnification limits and deductibles. The Group considers its level of insurance coverage to be appropriate for the risks inherent in its business.

The Group has its own reinsurance company, Natural Re, S.A. ("**Natural Re**"). Natural Re is completely integrated within the risk management of the Group and acts as a centralised global operations tool, providing coverage against Group risks. Natural Re retains part of the risk and purchases reinsurance protection to mitigate its exposure. Furthermore, Natural Re allows the Group to implement its insurance programme consistently across the varying regulatory environments applicable to the countries in which the Group operates.

Employees

As at 30 June 2023, the Group employed 7,072 persons in Spain, Brazil, Chile, France, Mexico, Morocco, Panama and Argentina, among other countries.

The Group has not experienced industrial actions in the past five years. As of the date of this Base Prospectus, Naturgy is not aware of any material labour dispute, other than disputes within the normal course of business.

Management – Board of Directors

The Board of Directors of the Guarantor has ultimate responsibility for the administration of the affairs of the Group. The directors, their position on the Board of Directors of the Guarantor, and their principal activities outside the Group as at the date of this Base Prospectus are as follows:

Name	Position	Principal activities outside the Group
Francisco Reynés Massanet	Chairman & CEO	
Isabel Estapé	Director Proprietary Director for Criteria Caixa, S.A.U.	Member of the Board of Directors of Criteria Caixa, S.A.U. and Joint Administrator of Triana 88 SL.
Enrique Alcántara-García Irazoqui	Director Proprietary Director for Criteria Caixa, S.A.U.	Member of the Board of Directors of Criteria Caixa, S.A.U., Partner and Administrator of Bufete Alcántara, S.L.P.
Helena Herrero Starkie	Independent Director	Chairwoman and CEO of HP Printing and Computing Solutions, S.L.U. and Director of Mutua Madrileña
Rajaram Rao	Director (Proprietary Director for GIP III Canary 1 S.à.r.l.)	Partner of GIP, chairman of VENA ENERGY and director of Mata Biles LTD
Ramón Adell Ramón	Director (Proprietary Director for Criteria Caixa, S.A.U.)	Director of Oryzon Genomics, S.A., Director of Allianz, Cía. de Seguros y Reaseguros, S.A and Director of Fénix Directo, Cía. de Seguros y Reaseguros, S.A
Claudi Santiago Ponsa	Independent Director	Director of FINAVES, IESE Business School (Barcelona)
Pedro Sainz de Baranda	Independent Director	Member of the Board of Directors of Gestamp Automoción, S.A., director of TK Elevator GmbH, director of Sainberg, S.L., chairman of Internacional Olivarera, S.A., director of Scalpers Fashion, S.L., Administrator of Pedro Duro S.L. and Administrator of Inversores de Tornón
Javier de Jaime Guijarro	Director (Proprietary Director for Rioja Acquisition S.à.r.l.)	Director Partner and member of the Board of Directors of CVC Capital Partners, S.L., Representative of the Director Theatre Directorship Service Beta of Baranoa Directorship, S.L., Representative of the Director Theatre Directorship of Vitalia Plus, S.A., Representative

		of the Director Theatre Directorship Service Alpha, S.à.r.l. of Vivaly Inversiones Globales, S.L, Administrator of Compañía de Gestion e Inversión Jade, S.L and Administrator of Jade Agroalimentación S.L.
Lucy Chadwick	Director (Proprietary Director for GIP III Canary 1 S.à.r.l.)	Partner at Global Infrastructure Partners, Director of Nuovo Transport Viaggiatori (NTV) Italo Sp, Director of Gatwick Airport Limited and Director of Associated 'Ivy Group of Companies'
José Antonio Torre de Silva López de Letona	Director (Proprietary Director for Rioja Acquisition S.à.r.l.)	Partner of CVC Capital Partners, Board of Directors of Compañía Logística de Hidrocarburos CLH, S.A., Representative of the Director Theatre of Tendam Retail, S.A., Administrator of Sigurd Europe S.L., Chairman of Porterdale S.L.
Jaime Siles Fernández-Palacios	Director (Proprietary Director for Global InfraCo O (2) S.à.r.l.)	Investment Director in IFM's Infrastructure Team, Joint Administrators of Global Infraco SP Neum S.L.U., Joint Administrators of Kestros Mersin Services S.L.U., Joint Administrators of Meander Mersin Services S.L.U. and Joint Administrator of Sarus Mersin Services S.L.U.

The business address of the members of the Board of Directors is Avenida de América 38, Madrid, 28028, Spain.

Conflicts of interest

To the Guarantor's knowledge, there are no conflicts of interest between any duties owed by the members of the Board of Directors to the Guarantor, and their respective private interests and/or duties.

TAXATION AND DISCLOSURE OF INFORMATION IN CONNECTION WITH THE NOTES

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

Taxation in The Netherlands

This is a general summary and the tax consequences as described here may not apply to a holder of Notes, Coupons, Talons or Receipts. Any potential investors should consult their own tax advisers for more information about the tax consequences of acquiring, owning and disposing of Notes, Coupons, Talons or Receipts in their particular circumstances.

This taxation summary solely addresses the principal Netherlands tax consequences of the acquisition, the ownership and disposition of Notes, Coupons, Talons or Receipts issued by Naturgy Finance B.V. after the date hereof held by a holder of Notes, Coupons, Talons or Receipts who is not a resident of The Netherlands. It does not consider every aspect of taxation that may be relevant to a particular holder of Notes, Coupons, Talons or Receipts under special circumstances or who is subject to special treatment under applicable law. Where in this summary English terms and expressions are used to refer to Netherlands concepts, the meaning to be attributed to such terms and expressions shall be the meaning to be attributed to the equivalent Netherlands concepts under Netherlands tax law.

This summary is based on the tax laws of The Netherlands as they are in force and in effect on the date of this Base Prospectus. The Netherlands means the European part of the Kingdom of The Netherlands. The laws upon which this summary is based are subject to change, potentially with retroactive effect. A change to such laws may invalidate the contents of this summary, which will not be updated to reflect any such change. This summary assumes that each transaction with respect to Notes, Coupons, Talons or Receipts is at arm's length.

This summary does not address the tax consequences of any holder of Notes, Coupons, Talons or Receipts who is a resident of any non-European part of the Kingdom of the Netherlands.

Also, this summary does not address the Dutch tax consequences for a holder of Notes, Coupons, Talons or Receipts that is considered to be affiliated (*gelieerd*) to Naturgy Finance B.V. within the meaning of the Dutch Withholding Tax Act 2021 (*Wet bronbelasting 2021*). Generally, a holder of Notes, Coupons, Talons or Receipts is considered to be affiliated (*gelieerd*) to Naturgy Finance B.V. for these purposes if such holder, either individually or as part of a collaborating group (*samenwerkende groep*), has a decisive influence on Naturgy Finance B.V.'s decisions, in such a way that such holder, or the collaborating group of which it forms part, is able to determine the activities of Naturgy Finance B.V. A holder of Notes, Coupons, Talons or Receipts, or the collaborating group of which such holder forms part, that holds more than 50% of the voting rights in Naturgy Finance B.V., or in which Naturgy Finance B.V. holds more than 50% of the voting rights, is in any event considered to be affiliated. A holder of Notes, Coupons, Talons or Receipts is also considered to be affiliated if a third party holds more than 50% of the voting rights both in such holder and Naturgy Finance B.V.

Withholding Tax

All payments by Naturgy Finance B.V. under the Notes, Coupons, Talons or Receipts can be made free of withholding or deduction of any taxes of whatever nature imposed, levied, withheld or assessed by The Netherlands or any political subdivision or taxing authority thereof or therein, provided that (i) the Notes, Coupons, Talons or Receipts have a maturity - legally and *de facto* - of less than 50 years and (ii) the Notes, Coupons, Talons or Receipts will not represent, be linked (to the performance of) or be convertible (in part or in whole) into (rights to purchase) (a) shares; (b) profit certificates (*winstbewijzen*); and/or (c) debt

instruments having a maturity - legally and *de facto* - of more than 50 years, issued by Naturgy Finance B.V. or any entity related to Naturgy Finance B.V.

Taxes on Income and Capital Gains

A holder of Notes, Coupons, Talons or Receipts will not be subject to any Netherlands taxes on income or capital gains in respect of Notes, Coupons, Talons or Receipts, including such tax on any payment under the Notes, Coupons, Talons or Receipts or in respect of any gain realised on the disposal, deemed disposal or exchange of Notes, Coupons, Talons or Receipts, provided that:

(i) such holder is neither a resident nor deemed to be a resident of The Netherlands;

(ii) such holder does not have an enterprise or an interest in an enterprise that is, in whole or in part, carried on through a permanent establishment or a permanent representative in The Netherlands and to which enterprise or part of an enterprise, as the case may be, Notes, Coupons, Talons or Receipts are attributable;

(iii) if such holder is an individual, neither such holder nor any of the holder's spouse, partner, a person deemed to be the holder's partner, or other persons sharing such holder's house or household, or certain other of such holder's relatives (including foster children), whether directly and/or indirectly as (deemed) settlor, grantor or similar originator (the "**Settlor**"), or upon the death of the Settlor, the Settlor's beneficiaries (the "**Beneficiaries**") in proportion to their entitlement to the estate of the Settlor, of a trust, foundation or similar arrangement (a "**Trust**"), (a) indirectly has control of the proceeds of Notes, Coupons, Talons or Receipts in The Netherlands, nor (b) has a substantial interest in Naturgy Finance B.V. and/or any other entity that legally or *de facto*, directly or indirectly, has control of the proceeds of Notes, Coupons, Talons or Receipts in The Netherlands. For purposes of this clause (i), a substantial interest is generally not present if a holder does not hold, alone or together with the holder's spouse, partner, a person deemed to be such holder's partner, other persons sharing such holder's house or household, certain other of such holder's relatives (including foster children), or a Trust of which the holder or any of the aforementioned persons is a Settlor or a Beneficiary, whether directly or indirectly, (a) the ownership of, certain other rights, such as usufruct, over, or rights to acquire (whether or not already issued), shares representing five per cent. or more of the total issued and outstanding capital (or the issued and outstanding capital of any class of shares) of a company; (b) the ownership of, or certain other rights, such as usufruct, over profit participating certificates (*winstbewijzen*), or membership rights in a co-operative association, that relate to five per cent. or more of the annual profit of a company or co-operative association or to five per cent. or more of the liquidation proceeds of a company or co-operative association; or (c) membership rights representing five per cent. or more of the voting rights in a co-operative association's general meeting;

(iv) if such holder is a company, such holder has no substantial interest in Naturgy Finance B.V., or if such holder has a substantial interest in Naturgy Finance B.V., (a) such substantial interest is not held with the avoidance of Netherlands income tax as (one of) the main purpose(s), or (b) such substantial interest does not form part of an artificial structure or series of structures (such as structures which are not put into place for valid business reasons reflecting economic reality). For purposes of this clause (iv), a substantial interest is generally not present if a holder does not hold, whether directly or indirectly, (a) the ownership of, certain other rights, such as usufruct, over, or rights to acquire (whether or not already issued) shares representing five per cent. or more of the total issued and outstanding capital (or of the issued and outstanding capital of any class of shares) of a company; or (b) the ownership of, or certain other rights, such as usufruct, over profit participating certificates (*winstbewijzen*) that relate to five per cent. or more of the annual profit of a company or to five per cent. or more of the liquidation proceeds of a company; and

(v) if such holder is an individual, such income or capital gain does not form a "benefit from miscellaneous activities" in The Netherlands (*resultaat uit overige werkzaamheden*) which, for instance, would be the case if the activities in The Netherlands with respect to Notes, Coupons, Talons or Receipts exceed "normal active asset management" (*normaal, actief vermogensbeheer*) or if income and gains are derived from the holding, whether directly or indirectly, of (a combination of) shares, debt claims or other rights (a "lucrative interest"; *lucratief belang*) that the holder thereof has acquired under such circumstances that such income and gains are intended to

be remuneration for work or services performed by such holder (or a related person) in The Netherlands, whether within or outside an employment relation, where such lucrative interest provides the holder thereof, economically speaking, with certain benefits that have a relation to the relevant work or services.

A holder of Notes, Coupons, Talons or Receipts will not be subject to taxation in The Netherlands by reason only of the execution, delivery and/or enforcement of the documents relating to an issue of Notes, Coupons, Talons or Receipts or the performance by Naturgy Finance B.V. of its obligations thereunder or under the Notes, Coupons, Talons or Receipts.

Gift, Estate or Inheritance Taxes

No gift, estate or inheritance taxes will arise in The Netherlands with respect to an acquisition of Notes, Coupons, Talons or Receipts by way of a gift by, or on the death of, a holder who is neither resident nor deemed to be resident in The Netherlands for Netherlands inheritance and gift tax purposes, unless in the case of a gift of Notes, Coupons, Talons or Receipts by an individual who at the date of the gift was neither resident nor deemed to be resident in The Netherlands, such individual dies within 180 days after the date of the gift, while being resident or deemed to be resident in The Netherlands.

Additionally, for purposes of Netherlands gift and inheritance tax, an individual with The Netherlands nationality will be deemed to be resident in The Netherlands if such individual has been resident in The Netherlands at any time during the ten years preceding the date of the gift or the individual's death.

For purposes of Netherlands gift tax, an individual not holding The Netherlands nationality will be deemed to be resident in The Netherlands if such individual has been resident in The Netherlands at any time during the twelve months preceding the date of the gift.

For purposes of Netherlands gift and inheritance tax, a gift that is made under a condition precedent is deemed to have been made at the moment such condition precedent is satisfied. If the condition precedent is fulfilled after the death of the donor, the gift is deemed to be made upon the death of the donor.

For purposes of Netherlands gift, estate and inheritance taxes, (i) a gift by a Trust, will be construed as a gift by the Settlor, and (ii) upon the death of the Settlor, as a rule, the Settlor's Beneficiaries, will be deemed to have inherited directly from the Settlor. Subsequently, the Beneficiaries will be deemed the Settlor of the Trust for purposes of The Netherlands gift, estate and inheritance tax in case of subsequent gifts or inheritances.

Value Added Tax

There is no Netherlands value added tax payable in respect of payments in consideration for the issue of the Notes, Coupons, Talons or Receipts, the payment of interest or principal under the Notes, Coupons, Talons or Receipts, or the transfer of the Notes, Coupons, Talons or Receipts.

Other Taxes and Duties

There is no Netherlands registration tax, capital tax, stamp duty or any other similar tax or duty payable in The Netherlands by a holder of a Note, Coupon, Talon or Receipt in respect of or in connection with the execution, delivery and/or enforcement by legal proceedings (including any foreign judgment in the courts of The Netherlands) of the Notes, Coupons, Talons or Receipts or the performance of the obligations of Naturgy Finance B.V. under the Notes, Coupons, Talons or Receipts.

Residence

A holder of a Note, Coupon, Talon or Receipt will not be treated as a resident of The Netherlands by reason only of the holding of a Note, Coupon, Talon or Receipt or the execution, performance, delivery and/or enforcement of Notes, Coupons, Talons or Receipts.

Taxation in Spain

The following is a general description of certain Spanish tax considerations. The information provided below does not purport to be a complete overview of tax law and practice currently applicable in the

Kingdom of Spain and is subject to any changes in law and the interpretation and application thereof, which could be made with retroactive effect.

This taxation summary solely addresses the principal Spanish tax consequences of the acquisition, the ownership and disposal of Notes issued by the Issuer after the date hereof held by a holder of Notes. It does not consider every aspect of taxation that may be relevant to a particular holder of Notes under special circumstances or who is subject to special treatment under applicable law or to the special tax regimes applicable in the Basque Country and Navarra (*Territorios Forales*). Where in this summary English terms and expressions are used to refer to Spanish concepts, the meaning to be attributed to such terms and expressions shall be the meaning to be attributed to the equivalent Spanish concepts under Spanish tax law. This summary assumes that each transaction with respect to the Notes is at arm's length.

References in this section to Noteholders include the beneficial owners of the Notes, where applicable.

Any prospective investors should consult their own tax advisers who can provide them with personalised advice based on their particular circumstances. Likewise, investors should consider the legislative changes which could occur in the future.

Withholding tax

Payments made by the Issuer

On the basis that the Issuer is not a resident in Spain for tax purposes and does not operate in Spain through a permanent establishment, branch or agency, all payments of principal and interest made by the Issuer in respect of the Notes can be made free of any withholding or deduction for or on account of any taxes in Spain of whatsoever nature imposed, levied, withheld, or assessed by Spain or any political subdivision or taxing authority thereof or therein, in accordance with applicable Spanish law.

Under certain conditions, withholding taxes may apply to Spanish taxpayers when a Spanish resident entity or a non-resident entity that operates in Spain through a permanent establishment is acting as depositary of the Notes or as collecting agent of any income arising from the Notes.

Payments made by the Guarantor

In the opinion of the Guarantor, any payments of principal and interest made by the Guarantor under the Guarantee should be characterised as an indemnity and, accordingly, be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by Spain or any political subdivision or authority thereof or therein having power to tax.

However, although no clear precedent, statement of law or regulation exists in relation thereto, in the event that the Spanish Tax Authorities take the view that the Guarantor has validly, legally and effectively assumed all the obligations of the Issuer under the Notes subject to and in accordance with the Guarantee they may attempt to impose withholding tax in Spain on any payments made by the Guarantor in respect of interest at the general withholding tax rate (currently, 19%). Such interest withholding tax shall not apply however, provided that the Notes, (i) can be regarded as listed debt securities issued under Law 10/2014; (ii) are initially registered at a foreign clearing and settlement entity that is recognised under Spanish regulations or under those of another OECD member state; and (iii) the Paying Agent complies with the information procedures described in "*Disclosure of Information in connection with payments made by the Guarantor*" below.

Disclosure of Information in connection with payments made by the Guarantor

In accordance with section 5 of Article 44 of Royal Decree 1065/2007 as amended by Royal Decree 1145/2011 and provided that the Notes are initially registered for clearance and settlement in Euroclear and Clearstream Luxembourg, the Paying Agent would be obliged to provide the Guarantor in relation to the payments made under the Deed of Guarantee with a declaration (the form of which is set out in the Agency Agreement), which should include the following information:

(i) description of the Notes (and date of payment of the interest income derived from such Notes);

(ii) total amount of interest derived from the Notes; and

(iii) total amount of interest allocated to each non-Spanish clearing and settlement entity involved.

According to section 6 of Article 44 of Royal Decree 1065/2007, the relevant declaration will have to be provided to the Guarantor on the business day immediately preceding each Interest Payment Date. If this requirement is complied with, the Guarantor will pay gross (without deduction of any withholding tax other than any withholding tax under FATCA) all interest under the Notes to all Noteholders (irrespective of whether they are tax resident in Spain).

In the event that the Paying Agent were to fail to provide the information detailed above, according to section 7 of Article 44 of Royal Decree 1065/2007, the Guarantor or the Paying Agent acting on its behalf would be required to withhold tax from the relevant interest payments at the general withholding tax rate (currently, 19 per cent.). If on or before the 10th day of the month following the month in which the interest is payable, the Paying Agent designated were to submit such information, the Guarantor or the Paying Agent acting on its behalf would refund the total amount of taxes withheld.

Notwithstanding the foregoing, in the event that withholding tax were required by law, the Guarantor would pay such additional amounts as may be necessary such that a Noteholder would receive the same amount that he would have received in the absence of any such withholding or deduction.

In the event that the current applicable procedures were to be modified, amended or supplemented by, amongst others, a Spanish law, regulation, interpretation or ruling of the Spanish Tax Authorities, the Guarantor would inform the Noteholders of such information procedures and of their implications, as the Guarantor may be required to apply withholding tax on interest payments under the Notes if the Noteholders were not to comply with such information procedures.

Taxes on capital gains

Non-resident Noteholders

This paragraph is of application to a non-resident of Spain for tax purposes, whose holding of Notes is not effectively connected to a permanent establishment in Spain through which such person or entity carries on a business or trade in Spain.

For Spanish tax purposes, the holding of the Notes will not in and of itself cause a non-Spanish resident to be considered tax resident in Spain nor to be considered to have a permanent establishment in Spain.

A Non-Resident Noteholder will not be subject to any Spanish taxes on capital gains in respect of a gain realised on the disposal of a Note.

Spanish resident Noteholders

Spanish tax-residents are subject to Corporate or Individual Income Tax on a worldwide basis. Accordingly, income obtained from the Notes will be taxed in Spain when obtained by individuals or entities that are considered residents in Spain for tax purposes. The fact that (i) a Spanish corporation pays interest, or (ii) interest is paid in Spain, will not lead to an individual or entity being considered tax-resident in Spain.

As a general rule, non-Spanish withholding taxes at source on income obtained out of Spain are deducted when computing tax liability, provided that they do not exceed the corresponding Spanish tax. Specific rules may apply according to tax treaties.

As at the date of this Base Prospectus, the Income Tax rates applicable in Spain are:

(i) for individual taxpayers 19% up to €6,000; 21% for taxable capital income between €6,000.01 and €50,000; 23% for taxable capital income between €50,001 and €200,000; 27% on taxable capital income between €200,001 and €300,000; and 28% on taxable capital income exceeding €300,000.

(ii) for corporate taxpayers 25%, though, under certain circumstances (including small companies, non-profit entities, among other corporate taxpayers), a lower rate may apply.

Net Wealth Tax (Impuesto sobre el Patrimonio)

Net Wealth Tax may be levied in Spain on resident individuals on a worldwide basis. In particular, individuals with tax residency in Spain are subject to Net Wealth Tax to the extent that their net worth exceeds €700,000 (subject to any exceptions provided under relevant legislation in an autonomous region (*Comunidad Autónoma*)). Therefore, they should take into account the value of the Notes which they hold as at 31 December each year, the applicable rates ranging between 0.2 per cent. and 3.5 per cent., although the final tax rates may vary depending on any applicable regional tax laws, and some reductions may apply.

Net Wealth Tax may be levied in Spain on non-resident individuals only on those assets and rights that are located or that may be exercised or fulfilled within the Spanish territory. As the Notes are issued by a non-resident entity and are not payable in Spain, no tax liability would arise for those non-resident individual investors without a permanent establishment in Spain.

Legal entities resident in Spain for tax purposes are not subject to Net Wealth Tax.

Temporary Solidarity Tax on Large Fortunes (Impuesto Temporal de Solidaridad a las Grandes Fortunas)

The Temporary Solidarity Tax on Large Fortunes may be levied in Spain on tax resident individuals, on a worldwide basis.

In particular, individuals with tax residency in Spain are subject to the Temporary Solidarity Tax on Large Fortunes to the extent that their net worth exceeds €3,000,000. Therefore, such individuals should take into account the value of the Notes which they hold as of 31 December each year, the applicable rates ranging between 1.7 per cent. and 3.5 per cent.

Since the autonomous regions apply the current regional Wealth Tax (as described above), in order to avoid double taxation, the amount paid for the current regional Wealth Tax should be deductible from the Temporary Solidarity Tax on Large Fortunes.

The Temporary Solidarity Tax on Large Fortunes may be levied in Spain on non-resident individuals only on those assets and rights that are located or that may be exercised or fulfilled within the Spanish territory. As the Notes are issued by a non-resident entity and are not payable in Spain, no tax liability should arise for those non-resident individual investors without a permanent establishment in Spain.

Legal entities resident in Spain for tax purposes are not subject to the Temporary Solidarity Tax on Large Fortunes.

The Temporary Solidarity Tax on Large Fortunes is established for an initial period of two years, so that it is applicable in the first two fiscal years in which such tax is accrued (i.e., 2023 and 2024). However, the law regulating such tax incorporates a review clause to evaluate its results at the end of the initially foreseen period of validity in order to assess its maintenance or elimination.

Inheritance and Gift Tax (Impuesto sobre Sucesiones y Donaciones)

Individuals resident in Spain for tax purposes who acquire ownership or other rights over any Notes by inheritance, gift or legacy will be subject to the Spanish Inheritance and Gift Tax in accordance with the applicable Spanish regional and State rules. As at the date of this Base Prospectus, the applicable effective tax rates currently range between 0 per cent. and 81.6 per cent. depending on relevant factors.

Inheritance and Gift Tax may be levied in Spain on non-resident individuals only on those assets and rights that are located or that may be exercised or fulfilled within the Spanish territory. As the Notes are issued by a non-resident entity and are not payable in Spain, no tax liability would arise for those non-resident individual investors without a permanent establishment in Spain.

Legal entities resident in Spain for tax purposes which acquire ownership or other rights over the Notes by inheritance, gift or legacy are not subject to the Spanish Inheritance and Gift Tax.

Obligation to inform the Spanish Tax Authorities of the Ownership of the Notes

With effects as of 1 January 2013, Law 7/2012, of 29 October, as implemented by Royal Decree 1558/2012, of 15 November, introduced annual reporting obligations applicable to Spanish residents (*i.e.* individuals, legal entities, permanent establishments in Spain of non-resident entities) in relation to certain foreign assets or rights.

Consequently, if the Notes are deposited with or placed in the custody of a non-Spanish entity, Noteholders resident in Spain will be obliged, if certain thresholds are met as described below, to declare before the Spanish Tax Authorities, between 1 January and 31 March every year, the ownership of the Notes held on 31 December of the immediately preceding year (e.g., to declare between 1 January 2024 and 31 March 2024 the Notes held on 31 December 2023).

This obligation would only need to be complied with if certain thresholds are met: specifically, this obligation would only apply if the value of the Notes together with other qualifying assets held on 31 December exceeds €50,000 (with the corresponding valuation to be made in accordance with Wealth Tax rules). If this threshold is met, a declaration would only be required in subsequent years if the value of the Notes together with other qualifying assets increases by more than €20,000 as against the declaration made previously. Similarly, cancellation or extinguishment of the ownership of the Notes before 31 December should be declared if such ownership was reported in previous declarations.

Disclosure of Noteholder Information in Connection with the Redemption or Repayment of Zero Coupon Notes

In accordance with Article 44 of Royal Decree 1065/2007, in the case of Zero Coupon Notes with a maturity of 12 months or less, the information obligations established in Article 44 (See "*—Disclosure of Information in Connection with Interest Payments*") will have to be complied with on the business day immediately preceding each redemption or repayment of the Zero Coupon Notes.

If the Spanish tax authorities consider that such information obligations must also be complied with for Zero Coupon Notes with a longer term than 12 months, the Issuer will, prior to the redemption or repayment of such Notes, adopt the necessary measures with the Clearing Systems in order to ensure its compliance with such information obligations as may be required by the Spanish tax authorities from time to time.

The proposed European financial transactions tax

On 14 February 2013, the European Commission published a proposal (the "**Commission's Original Proposal**") for a Directive for a common financial transactions tax ("**EU FTT**") in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**Participating Member States**"). In December 2015, Estonia withdrew from the group of Participating Member States.

The Commission's Original Proposal had a very broad scope and would, if introduced, have applied to certain dealings in the Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes would, however, have been exempt.

In 2019, the Finance Ministers of the Participating Member States indicated that they were discussing a new EU FTT proposal based on a French model of the tax (and the possible mutualisation of the tax as a contribution to the EU budget) (the "**2019 EU FTT Proposal**"). Under the 2019 EU FTT Proposal, the EU FTT would only have applied to transactions in financial instruments issued by a company, partnership or other entity whose registered office is established within one of the Participating Member States and which had a market capitalisation of at least EUR 1 billion on 1 December of the year preceding the respective transaction. The EU FTT under the 2019 EU FTT Proposal would not have applied to straight bonds.

No agreement has been reached between the Participating Member States on either the Commission's Original Proposal or the 2019 EU FTT Proposal. Subsequently, the European Commission declared that, if there was no agreement between the Participating Member States by the end 2022, it would endeavour to propose a new own resource, based on a new EU FTT, by June 2024 with a view to its introduction by 1 January 2026, as also set out in the Council Regulation laying down the Multi-annual Financial Framework for the years 2021 to 2027.

Prospective holders of the Notes should therefore note that the scope of any EU FTT proposal remains uncertain and subject to negotiation between the Participating Member States. Any such proposal may also

be altered prior to any implementation, the timing of which also remains unclear. Additional EU Member States may decide to participate and/or other Participating Member States may decide to withdraw. Accordingly, prospective holders of the Notes are advised to seek their own professional advice in relation to any EU FTT.

The Spanish financial transactions tax

On 16 October 2020, the Spanish Parliament approved the Law 5/2020, of 15 October, on the Tax on Financial Transactions ("**Spanish FTT Law**") introducing the Spanish Financial Transaction Tax ("**Spanish FTT**") that has entered into force on 16 January 2021. However, the Spanish Council of Minister stated that Spain would continue to participate in the enhanced co-operation for the approval of the EU FTT and, if finally approved, Spain would adapt the Spanish FTT to align it with the EU FTT.

The Spanish FTT is aligned with the French and Italian financial transactions tax. Specifically, the Spanish FTT is an indirect tax levied at a tax rate of 0.2 per cent. on the acquisitions for consideration of shares issued by Spanish companies regardless of the residency of the parties involved in the transaction, or of the jurisdiction where the shares are traded, provided that they comply with the following conditions: (i) the shares should be admitted to trading on a regulated market under Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments (or in a foreign market declared equivalent by the European Commission), and (ii) the stock market capitalisation value of the company should exceed €1,000 million. The Spanish FTT will be payable on a monthly basis.

However, according to the Spanish FTT Law, the Spanish FTT should not apply in relation to an issue of Notes under the Programme.

U.S. Foreign Account Tax Compliance Withholding Act

Pursuant to sections 1471 through 1474 of the United States Internal Revenue Code of 1986, as amended (the "**Code**"), the regulations thereunder and official interpretations thereof, agreements entered into pursuant to Section 1471(b) of the 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 Code (collectively, "**FATCA**"), a "foreign financial institution" may be required to withhold on certain payments it makes ("foreign passthru payments") to persons that fail to meet certain certification, reporting, or related requirements.

Custodians or intermediaries in the payment chain leading to the ultimate investor that are not entitled (or fail to establish eligibility) to receive payments free of withholding under FATCA may be subject to withholding under FATCA. A number of jurisdictions, including Spain and the Netherlands, have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change.

The Issuer does not believe payments on the Notes will be subject to FATCA because the Issuer does not believe it is a foreign financial institution for purposes of FATCA. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply to payments made prior to the date that is two years after the date on which the final regulation defining "foreign passthru payments" are published in the U.S. Federal Register and Notes issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the issuer). However, if additional notes (as described under "*Terms and Conditions—Further Issues*") that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA.

Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no additional amounts will be paid in respect of such withholding.

SUBSCRIPTION AND SALE

The Dealers have in an amended and restated programme agreement dated 15 December 2023 (the "**Programme Agreement**") agreed with the Issuer and the Guarantor a basis upon which they or any of them individually may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under "*Form of the Notes*", "*Form of Final Terms*", "*Terms and Conditions of Notes issued by the Issuer prior to the Effective Date of Conversion*" *and* "*Terms and Conditions of Notes issued by the Issuer on or following the Effective Date of Conversion*", as the case may be, above. However, the Issuer has reserved the right to sell Notes directly on its own behalf to dealers that are not Dealers. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Programme Agreement also provides for Notes to be issued in syndicated Tranches that are underwritten by two or more Dealers.

The Issuer will pay each Dealer a commission in respect of Notes subscribed by it as separately agreed between them. The Issuer has agreed to reimburse the Arranger for certain of its expenses incurred in connection with the establishment of the Programme.

Each of the Issuer and the Guarantor has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Programme Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

United States

The Notes and the obligations of the Guarantor under the Deed of Guarantee 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.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that, except as permitted by the Programme Agreement, it will not offer, sell or deliver Notes or obligations of the Guarantor under the Deed of Guarantee (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of all the Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration to which it sells Notes or obligations of the Guarantor under the Deed of Guarantee during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes and the obligations of the Guarantor under the Deed of Guarantee within the United States or to, or for the account or benefit of, U.S. persons. Terms used in the preceding paragraph and in this paragraph have the meanings given to them by Regulation S.

In addition, until 40 days after the commencement of the offering, an offer or sale of Notes or obligations of the Guarantor under the Deed of Guarantee within the United States by any Dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

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

Prohibition of Sales to EEA Retail Investors

Each Dealer has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes 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 MiFID II;

(ii) a customer within the meaning of Directive (EU) 2016/97 of the European Parliament and of the Council of 20 January 2016 on insurance distribution, 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

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:

(i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of 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 ("**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97 of the European Parliament and of the Council of 20 January 2016 on insurance distribution, 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, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that:

(a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of FSMA by the Issuer;

(b) 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 the Guarantor; and

(c) 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.

Spain

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

(a) neither the Notes nor the Base Prospectus have been registered with the Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores*) and that, therefore, the Base Prospectus

is not intended to be used for any offer of Notes which require the registration of a prospectus in Spain; and

(b) the Notes may not be offered, sold or distributed in Spain, nor may any subsequent resale of the Notes be carried out or publicity or marketing of any kind be made in Spain in relation to the Notes

(i) except in circumstances which do not constitute an offer of securities to the public within the meaning of Article 2(d) of the Prospectus Regulation, and supplemental rules enacted thereunder or in substitution thereof from time to time; and

(ii) except by institutions authorised to provide investment services in Spain under Law 6/2023 on the Securities Markets and Investment Services (*Ley 6/2023, de 17 de marzo, de los Mercados de Valores y de los Servicios de Inversión*), Royal Decree 813/2023 of 8 November (*Real Decreto 813/2023, de 8 de noviembre, sobre el régimen jurídico de las empresas de servicios de inversión y de las demás entidades que prestan servicios de inversión*) and supplemental rules enacted thereunder or in substitution thereof from time to time.

Republic of Italy

The offering of the Notes has not been registered with the *Commissione Nazionale per le Società e la Borsa* ("**CONSOB**") pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of this Base Prospectus or of any other document relating to any Notes be distributed in Italy, except, in accordance with any Italian securities, tax and other applicable laws and regulations.

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 delivered, and will not offer, sell or deliver any Notes or distribute any copy of this Base Prospectus or any other document relating to the Notes in Italy except:

(a) to qualified investors (*investitori qualificati*), as defined pursuant to Article 2, letter (e), of the Prospectus Regulation and any applicable provision of Legislative Decree no. 58 of 24 February 1998 as amended (the "**Financial Services Act**") and Article 34-ter, paragraph 1, letter (b), of CONSOB regulation No. 11971 of 14 May 1999 as amended (the "**Issuers Regulation**"), all as amended from time to time; or

(b) in any other circumstances which are exempted from the rules on public offerings pursuant to Article 1 of the Prospectus Regulation, Article 100 of the Financial Services Act and Article 34-ter of the Issuers Regulation, as amended from time to time, and any other applicable Italian laws and regulations; or

In any event, any offer, sale or delivery of the Notes or distribution of copies of this Base Prospectus or any other document relating to the Notes in Italy under paragraphs (a) or (b) above must be:

(i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in Italy in accordance with the Financial Services Act, Legislative Decree No. 385 of 1 September 1993 as amended, (the "**Banking Act**") and CONSOB Regulation No. 20307 of 15 February 2018, all as amended from time to time, and any other applicable laws and regulations;

(ii) in compliance with Article 129 of the Banking Act, as amended from time to time, and the implementing guidelines of the Bank of Italy, as amended from time to time; and

(iii) in compliance with any other applicable laws and regulations, including any limitation or requirement which may be imposed from time to time by CONSOB or the Bank of Italy or other competent authority.

The Netherlands

Zero coupon Notes in definitive bearer form and other Notes in definitive bearer form on which interest does not become due and payable during their term but only at maturity (saving certificates or *spaarbewijze* as defined in the Dutch Saving Certificates Act (*Wet inzake spaarbewijzen*; the "**SCA**")) may only be transferred and accepted, directly or indirectly, within, from or into the Netherlands through the mediation of either the Issuer or a member of Euronext Amsterdam N.V. with due observance of the provisions of the SCA and its implementing regulations (which include registration requirements). No such mediation is required, however, in respect of (i) the initial issue of such Notes to the first holders thereof, (ii) the transfer and acceptance by individuals who do not act in the conduct of a profession or business, and (iii) the issue and trading of such Notes if they are physically issued outside the Netherlands and are not distributed in the Netherlands in the course of primary trading or immediately thereafter.

Singapore

Each Dealer has acknowledged and each further Dealer appointed under the Programme will be required to acknowledge that this Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore (the "**MAS**"). Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold any Notes or caused such Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell such Notes or cause such Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "**SFA**")) pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended) (the "**Financial Instruments and Exchange Law**") and each Dealer has agreed and each new Dealer appointed under the Programme will be required to agree that it has not, directly or indirectly, offered or sold and will not, directly or indirectly offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan, or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Laws and all applicable laws, regulations and guidelines promulgated by the relevant governmental and regulatory authorities in effect at the relevant time. For the purposes of this paragraph, "**resident of Japan**" shall mean any person resident in Japan including any corporation or other entity organised under the laws of Japan.

Switzerland

This Base Prospectus is not intended to constitute an offer or solicitation to purchase or invest in the Notes. The Notes may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act ("**FinSA**") except to any investor that qualifies as a professional client within the meaning of FinSA, and no application has or will be made to admit the Notes to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this Base Prospectus nor any other offering or marketing material relating to the Notes constitutes a prospectus pursuant to the FinSA, and neither this Base Prospectus nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland except to any investor that qualifies as a professional client within the meaning of FinSA.

General

Each Dealer has represented and agreed and each new Dealer appointed under the Programme will be required to represent and agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers

Notes or possesses or distributes this Base Prospectus 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 Guarantor nor any other Dealer shall have any responsibility therefor.

None of the Issuer, the Guarantor nor any of the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

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.

CERTAIN TERMS

"**CCGT**"	combined cycle gas turbine
"**OECD**"	Organisation for Economic Co-operation and Development
"**ECB**"	European Central Bank
"**TWh**"	Tera Watt hour
"**GWh**"	Giga Watt hour
"**MW**"	Mega Watt
"**LPG**"	liquefied petroleum gas

GENERAL INFORMATION

1. The update of the Programme was authorised by the Board of Managing Directors in a meeting held on 29 November 2023, and by written resolutions of the General Meeting of the Sole Shareholder of Naturgy Finance B.V. dated 29 November 2023, and by resolutions of the Board of Directors of the Guarantor passed on 23 October 2023.

2. The admission of the Programme to the official list of the Luxembourg Stock Exchange is expected to take effect on or around 15 December 2023. It is expected that each Tranche of Notes which is to be listed on the official list and admitted to trading on the Regulated Market of the Luxembourg Stock Exchange will be so admitted to listing and trading upon submission to the CSSF and the regulated market of the Luxembourg Stock Exchange of the relevant Final Terms, subject in each case to the issue of a Temporary Global Note initially representing the Notes of such Tranche. Transactions will normally be effected for delivery on the third working day in Luxembourg after the day of the transaction.

   However, Notes may be issued by Naturgy Finance B.V. pursuant to the Programme which will not be admitted to listing, trading and/or quotation by the Luxembourg Stock Exchange or any other listing authority, stock exchange and/or quotation system or which will be admitted to listing, trading and/or quotation by such listing authority, stock exchange and/or quotation system as the Issuer and relevant Dealer(s) may agree.

3. So long as Notes are capable of being issued under the Programme, remain outstanding or for ten years following the date of this Base Prospectus, whichever falls later, electronic copies of the following documents may be inspected during normal business hours at the specified office of Agent in London, at the registered/head office of the Issuer and the Guarantor referred to at the end of this Base Prospectus or *https://www.naturgy.com/en/shareholders_and_investors/investors/issuances/euro_medium_term_notes_programme_emtn*:

   (i) the articles of association of the Issuer and the constitutional documents of the Guarantor;

   (ii) the documents referred to in "*Documents Incorporated by Reference*" above;

   (iii) the Deed of Guarantee;

   (iii) a copy of this Base Prospectus; and

   (iv) any supplements to this Base Prospectus and any Final Terms.

   For the avoidance of doubt, unless specifically incorporated by reference into this Base Prospectus, information contained on any website referred to in this Base Prospectus does not form part of this Base Prospectus. The CSSF as competent authority has not scrutinised or approved the information on any website referred to in this Base Prospectus.

   This Base Prospectus, the relevant Final Terms for Notes that are listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the Luxembourg Stock Exchange's regulated market will be published on the website of the Luxembourg Stock Exchange at *www.luxse.com*.

4. The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate Common Code and ISIN for each Tranche allocated by Euroclear and Clearstream, Luxembourg will be specified in the relevant Final Terms along with the Financial Instrument Short Name ("**FISN**") and the Classification of Financial Instruments Code ("**CFI Code**"), where applicable. The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy L-1855 Luxembourg. The address of any alternative clearing system will be specified in the applicable Final Terms.

Because Notes in global form are held by or on behalf of Euroclear and Clearstream, Luxembourg, investors will have to rely on their procedures for transfer, payment and communication with the Issuer and/or the Guarantor.

While the Notes are represented by one or more global Notes, the Issuer and the Guarantor will discharge their payment obligations under the Notes by making payments to the common depositary for Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in a global Note must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the relevant Notes. The Issuer and the Guarantor have no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the global Notes.

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

5. The Notes may be issued at any price. The issue price of each Tranche of Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions. In the case of different Tranches of a Series of Notes, the issue price may include accrued interest in respect of the period from the interest commencement date of the relevant Tranche (which may be the issue date of the first Tranche of the Series or, if interest payment dates have already passed, the most recent interest payment date in respect of the Series) to the issue date of the relevant Tranche. The yield of each Tranche of Notes will be calculated as of the relevant issue date using the relevant issue price and will be specified in the applicable Final Terms. It is not an indication of future yield.

6. Save as disclosed under "*Description of Naturgy Group S.A.—Litigation and Arbitration*" on pages 135 to 137 above, neither the Issuer nor the Guarantor or any of its subsidiaries is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer or the Guarantor is aware) during the twelve months before the date of this Base Prospectus which may have, or have had in the recent past, significant effects on the financial position or profitability of the Issuer or of the Guarantor or of the Group.

7.

(a) There has been no material adverse change in the prospects of Naturgy Finance B.V. since 31 December 2022 nor has there been any significant change in the financial position or financial performance of Naturgy Finance B.V. since 31 December 2022 (being the date of the latest available financial statements of Naturgy Finance B.V.).

(b) There has been no material adverse change in the prospects of the Guarantor since 31 December 2022 nor has there been any significant change in the financial position or financial performance of the Group since 30 June 2023 (being the date of the latest available financial information of the Group).

8. The Guarantor has been assigned a long-term credit rating of BBB (stable outlook) by S&P and BBB (stable outlook) by Fitch Ratings.

9. Certain of the Dealers and their affiliates have engaged, and may in the future engage, in lending, in investment banking and/or commercial banking transactions with, and may perform services to the Issuer, the Guarantor and their affiliates in the ordinary course of business and have received, or may in the future receive, customary fees and commissions for these transactions. Certain of the Dealers and their respective 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, the Guarantor and their affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading

activities. In addition, in the ordinary course of their business activities, the Dealers and their respective 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 and/or the Guarantor, and/or the Issuer's or the Guarantor's affiliates. Certain of the Dealers or their respective affiliates that have a lending relationship with the Issuer and/or the Guarantor routinely hedge their credit exposure to the Issuer and/or the Guarantor and/or their affiliates consistent with their customary risk management policies. Typically, such Dealers and their respective 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 respective 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. For the avoidance of doubt, in this Base Prospectus the term 'affiliates' includes also parent companies.

10.

(a) The consolidated annual accounts of the Guarantor as at and for the years ended 31 December 2022 and 31 December 2021, which were prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("**IFRS-EU**"), have been audited without qualification by KPMG Auditores, S.L. (registered in the Official Registry of Accounting Auditors (*Registro Oficial de Auditores de Cuentas*)), independent auditor of the Guarantor since 1 January 2021. KPMG Auditores, S.L.'s registered office is at Paseo de la Castellana, 259C, 28046 Madrid, Spain, and it is a member of the Official Registry of Auditors of Accounts (*Registro Oficial de Auditores de Cuentas*) under number S0702.

(b) The Spanish language original unaudited condensed consolidated interim financial statements of the Guarantor as at and for the six-month period ended 30 June 2023, which were prepared in accordance with International Accounting Standard 34 International Financial Reporting as adopted by the European Union ("**IAS 34**"), have been subject to a limited review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Reporting Performed by the Independent Auditor of the Entity", by KPMG Auditores, S.L.

(c) The non-consolidated financial statements of the Issuer as at and for the financial year ended 31 December 2022, which were prepared in accordance with generally accepted accounting principles in the Netherlands prepared on the basis of Title 9 of Book 2 of the Dutch Civil Code and Dutch Accounting Standards as issued by the Dutch Accounting Standards Board (together, "**Dutch GAAP**"), have been audited without qualification by PricewaterhouseCoopers Accountants N.V., independent auditor of the Issuer from 1 January 2022. PricewaterhouseCoopers Accountants N.V.'s registered office is at Fascinatio Boulevard 350, 3065 WB Rotterdam (The Netherlands), and it is a member of The Netherlands Institute of Chartered Accountants (*Nederlandse Beroepsorganisatie van Accountants*).

(d) The non-consolidated financial statements of the Issuer as at and for the financial year ended 31 December 2021, which were prepared in accordance with generally accepted accounting principles in the Netherlands prepared on the basis of Title 9 of Book 2 of the Dutch Civil Code and Dutch Accounting Standards as issued by the Dutch Accounting Standards Board (together, "**Dutch GAAP**"), have been audited without qualification by KPMG Accountants N.V., independent auditor of the Issuer until 31 December 2021. KPMG Accountants N.V.'s registered office is at Laan van Langerhuize 1, 1186 DS Amstelveen (The Netherlands), and it is a member of The Netherlands Institute of Chartered Accountants (*Nederlandse Beroepsorganisatie van Accountants*).

11. This Base Prospectus does not incorporate any financial information in relation to the Issuer prepared in accordance with, or reconciled to, IFRS-EU or any description of the differences between IFRS-EU and Dutch GAAP. It is possible that a reconciliation of financial information

prepared in accordance with Dutch GAAP to IFRS-EU or other qualitative or quantitative analysis of differences between these accounting principles would identify material differences that are not otherwise disclosed in this Base Prospectus. You should consult your own accounting advisers for an understanding of the differences between Dutch GAAP and IFRS-EU and how those differences might affect the financial statements and other financial information contained in this Base Prospectus.

12. Freshfields Bruckhaus Deringer Rechtsanwälte Steuerberater PartG mbB, Sucursal en España de Sociedad Profesional has acted as legal adviser to the Guarantor as to English law and Spanish law and Freshfields Bruckhaus Deringer LLP has acted as legal adviser to the Guarantor as to Dutch law. Linklaters, S.L.P. has acted as legal adviser to the Dealers as to English law and Spanish law and Linklaters LLP has acted as legal adviser to the Dealers as to Dutch law, in each case in relation to the update of the Programme.

13. The Legal Entity Identifier (LEI) code of the Issuer is 2138005FTXOJUBQ5J563.

14. The Legal Entity Identifier (LEI) code of the Guarantor is TL2N6M87CW970S5SV098.

THE ISSUER

Naturgy Finance B.V.
Barbara Strozzilaan 101
1083 HN Amsterdam
The Netherlands

THE GUARANTOR

Naturgy Energy Group, S.A.
Avenida de América, 38
28028 Madrid
Spain

AGENT

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

AUDITORS OF NATURGY FINANCE B.V.

Up until the financial year ended 31/12/2021

KPMG Accountants N.V.
Laan van Langerhuize 1
1186 DS Amstelveen
The Netherlands

AUDITORS OF NATURGY FINANCE B.V.

Current auditor

PricewaterhouseCoopers Accountants N.V.
Fascinatio Boulevard 350
3065 WB, Rotterdam
The Netherlands.

AUDITORS OF THE GUARANTOR

KPMG Auditores, S.L.
P.º de la Castellana, 259C
28046 Madrid
Spain

LEGAL ADVISERS

To the Issuer and the Guarantor as to English law and Spanish law

Freshfields Bruckhaus Deringer
Rechtsanwälte Steuerberater PartG mbB, Sucursal en España de Sociedad Profesional
Torre Europa
Paseo de la Castellana, 95
28046 Madrid
Spain

To the Issuer and the Guarantor as to Dutch law

Freshfields Bruckhaus Deringer LLP
Strawinskylaan 10
1077 XZ Amsterdam
The Netherlands

To the Dealers as to English law and Spanish law

Linklaters, S.L.P.
Almagro, 40
28010 Madrid
Spain

To the Dealers as to Dutch law

Linklaters LLP
WTC Amsterdam
Zuidplein 180
1077 XV Amsterdam
The Netherlands

DEALERS

Banco Bilbao Vizcaya Argentaria, S.A.
Originación de Renta Fija
Ciudad BBVA – Edificio Asia
c/Sauceda 28
28050 Madrid
Spain

Banco Santander, S.A.
Ciudad Grupo Santander
Avda. de Cantabria, Ed. Encinar, First Floor
28660 Boadilla del Monte (Madrid)
Spain

Barclays Bank Ireland PLC
One Molesworth Street
Dublin 2
D02RF29
Ireland

BNP Paribas
16, boulevard des Italiens,
75009 Paris
France

CaixaBank, S.A.
Calle del Pintor Sorolla, 2-4
46002 Valencia
Spain

Citigroup Global Markets Europe AG
Reuterweg 16
60323 Frankfurt am Main
Germany

Crédit Agricole Corporate and Investment Bank
12 place des Etats-Unis, CS 70052
92547 Montrouge CEDEX
France

HSBC Continental Europe
38, avenue Kléber
75116 Paris
France

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

Intesa Sanpaolo S.p.A.
Divisione IMI Corporate & Investment Banking
Via Manzoni 4
20121 Milan
Italy

J.P. Morgan SE
Taunustor 1 (TanusTurm)
60310 Frankfurt am Main
Germany

Morgan Stanley Europe SE
Grosse Gallusstrasse 18
60312 Frankfurt am Main
Germany

MUFG Securities (Europe) N.V.
World Trade Center, Tower H, 11th Floor
Zuidplein 98
1077 XV Amsterdam
The Netherlands

Société Générale
29, boulevard Haussmann
75009 Paris
France

UniCredit Bank GmbH
Arabellastraβe 12
81925 Munich
Germany