

OFFERING MEMORANDUM DATED 27 NOVEMBER 2014



ENECO HOLDING N.V.

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

EUR 500,000,000

Perpetual Fixed Rate Reset Securities

The issue price of the EUR 500,000,000 Perpetual Fixed Rate Reset Securities (the "**Securities**") will be issued by Eneco Holding N.V. (the "**Issuer**" or "**Eneco**") is 99.232 per cent. of their principal amount. Interest is payable subject to and in accordance with the Terms and Conditions of the Securities. From (and including) 1 December 2014 until (but excluding) 1 December 2021 the Securities will bear interest at a rate of 3.25 per cent. per annum, payable annually in arrear on 1 December of each year. Thereafter, unless previously redeemed, the Securities, from (and including) 1 December 2021 to (but excluding) the date on which they are redeemed, will bear interest at a rate per annum which shall be the aggregate of the applicable Margin (which will include, after the First Step-up Date, a 0.25 % step-up over the initial credit spread and, after the Second Step-up Date, a further 0.75 % step-up) and the five year Swap Rate determined two TARGET Business Days prior to the beginning of each Reset Period, payable annually in arrear on 1 December of each year, all as described in "*Terms and Conditions of the Securities — Coupon Payments*". Payments on the Securities will be made without deduction for or on account of taxes of The Netherlands to the extent described under "*Terms and Conditions of the Securities — Taxation*".

The Issuer may at its discretion elect to defer any payment of interest on the Securities, see "*Terms and Conditions of the Securities — Deferral of Interest*". Any amounts so deferred shall constitute Arrears of Interest (as defined in the Terms and Conditions of the Securities). Arrears of Interest shall bear interest. The Issuer may pay outstanding Arrears of Interest, in whole or in part, at any time (as described in the Terms and Conditions of the Securities). The Issuer shall pay any outstanding Arrears of Interest, in whole but not in part, on the first to occur of the following dates: (i) the Coupon Payment Date immediately following a Mandatory Payment Event (as defined in the Terms and Conditions of the Securities) and (ii) the date on which the Securities are redeemed (in whole, but not in part) in accordance with Condition 3 (*Winding-up*), Condition 6(b) (*Optional Redemption by the Issuer*), Condition 6(c) (*Redemption for Taxation Reasons*), Condition 6(d) (*Redemption for Accounting Reasons*), Condition 6(e) (*Redemption for Rating Reasons*), Condition 6(f) (*Redemption following exercise of Clean-up Call*) or Condition 6(g) (*Redemption for Major Corporate Event*), all as described in "*Terms and Conditions of the Securities — Deferral of Interest*".

The Securities are perpetual securities in respect of which there is no fixed redemption date, see "*Terms and Conditions of the Securities — Redemption and Purchase*". The Securities will become due and payable in the event of a winding-up of the Issuer, see "*Terms and Conditions of the Securities — Winding-up*". The Securities may be redeemed at the option of the Issuer, including, without limitation, upon the occurrence of a Withholding Tax Event, a Tax Deduction Event, an Accounting Event, a Rating Event or following a Major Corporate Event and following exercise by the Issuer of a Clean-up Call (each as defined in the Terms and Conditions of the Securities). See "*Terms and Conditions of the Securities — Redemption and Purchase*", which also includes the terms applicable to such redemption including the basis for calculating the redemption amounts payable.

The Securities will constitute subordinated obligations of the Issuer as described in "*Terms and Conditions of the Securities — Status and Subordination*" and "*Terms and Conditions of the Securities — Winding-up*".

Investing in the Securities involves certain risks. The principal risk factors that may affect the abilities of the Issuer to fulfil their respective obligations under the Securities are discussed under "Risk Factors" below.

Application has been made to admit the Securities to the official list of the Luxembourg Stock Exchange (the "**Official List**") and to trading on the Luxembourg Stock Exchange's Euro MTF Market (the "**Euro MTF Market**"). The Euro MTF Market is not a regulated market for the purposes of Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments. References in this offering memorandum (the "**Offering Memorandum**") to the Securities being "listed" (and all related references) shall mean that the Securities have been admitted to the Official List and admitted to trading on the Euro MTF Market.

This Offering Memorandum has been approved as a prospectus issued in compliance with part 2 of the Luxembourg rules and regulations by the Luxembourg Stock Exchange in its capacity as competent authority under Part IV of the Luxembourg law of 10 July 2005 on prospectuses for securities, as amended for the purposes of giving information with regard to the Securities described in this Offering Memorandum.

The Securities have not been, and will not be, registered under the United States Securities Act of 1933 (the "**Securities Act**") and are subject to United States tax law requirements. The Securities are being offered outside the United States by the Managers (as defined in "*Subscription and Sale*") in accordance with Regulation S under the Securities Act ("**Regulation S**"), and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

The Securities will be in bearer form and in the denomination of EUR 100,000 with integral multiples of EUR 1,000 in excess thereof each. The Securities will initially be in the form of a temporary global security (the "**Temporary Global Security**"), without interest coupons, which will be deposited on or around 1 December 2014 (the "**Closing Date**") with a common depository for Euroclear Bank S.A./N.V. ("**Euroclear**") and Clearstream Banking, *société anonyme*, Luxembourg ("**Clearstream, Luxembourg**"). The Temporary Global Security will be exchangeable, in whole or in part, for interests in a permanent global security (the "**Permanent Global Security**" and together with the Temporary Global Security, the "**Global Securities**"), without interest coupons, not earlier than 40 days after the Closing Date upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Securities cannot be collected without such certification of non-U.S. beneficial ownership. The Permanent Global Security will be exchangeable in certain limited circumstances in whole, but not in part, for Securities in definitive form in the denomination of EUR 100,000 each and with interest coupons attached. See "*Summary of Provisions Relating to the Securities in Global Form*".

The Securities will be rated BBB by Standard & Poor's Credit Market Services Europe Limited ("**S&P**"). Standard & Poor's Credit Market Services Europe Limited is established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**"). Standard & Poor's Credit Market Services Europe Limited appears on the latest update of the list of registered credit rating agencies (as of 24 November 2014) on the ESMA website <http://www.esma.europa.eu>.

A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning credit rating agency.

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27 November 2014

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IMPORTANT NOTICES

Responsibility for this Offering Memorandum

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

Other relevant information

This Offering Memorandum must be read and construed together with any information incorporated by reference herein (see "*Information incorporated by reference*").

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

Unauthorised information

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

Neither the Managers nor any of their respective affiliates have authorised the whole or any part of this Offering Memorandum and none of them makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this Offering Memorandum. Neither the delivery of this Offering Memorandum nor the offering, sale or delivery of any Security shall, in any circumstances, create any implication that the information contained in this Offering Memorandum is true subsequent to the date hereof or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the prospects or financial or trading position of the Issuer since the date thereof or that any other information supplied in connection with the Securities is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

Restriction on distribution

The distribution of this Offering Memorandum and the offering, sale and delivery of the Securities in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Memorandum comes are required by the Issuer and the Managers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Securities and on the distribution of this Offering Memorandum and other offering material relating to the Securities, see "*Subscription and Sale*". In particular, Securities have not been and will not be registered under the Securities Act, or with any securities regulatory authority of any state or other jurisdiction of the United States, and are subject to U.S. tax law requirements. Subject to certain exceptions, Securities may not be offered, sold or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S).

This Offering Memorandum does not constitute an offer or an invitation to subscribe for or purchase any Securities and should not be considered as a recommendation by the Issuer, the Managers or any of them that any recipient of this Offering Memorandum should subscribe for or purchase any Securities. Each recipient of this Offering Memorandum shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer.

Certain definitions

In this Offering Memorandum, unless otherwise specified, references to a "**Member State**" are references to a Member State of the European Economic Area, references to "**EUR**", "**euro**" or "**€**" are to the single currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended.

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

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

INFORMATION INCORPORATED BY REFERENCE

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

- (a) the most recent articles of association of the Issuer;
- (b) the audited consolidated and unconsolidated financial statements (including the auditors' report thereon and notes thereto) of the Issuer in respect of the years ended 2012 and 2013 (set out on pages 71 to 124 and 84 to 148 respectively, of the 31 December 2012 and 31 December 2013 annual reports of the Issuer); and
- (c) the reviewed consolidated interim financial statements of the Issuer in respect of the half year ended 30 June 2014 (set out on pages 4 to 20 of the half-year report 2014).

Copies of the documents specified above as containing information incorporated by reference in this Offering Memorandum may be obtained, free of charge, at the registered office of the Issuer at Marten Meesweg 5, 3068 AV Rotterdam, The Netherlands, or at <http://www.eneco.com/en>. Such documents will also be available to view on the website of the Luxembourg Stock Exchange (www.bourse.lu).

Information on the aforementioned website does not form part of this Offering Memorandum and may not be relied upon in connection with any decision to invest in the Securities.

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

RISK FACTORS

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

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

The purchase of the Securities may be suitable only for investors who have the knowledge and experience in financial and business matters necessary to enable them to evaluate the risks and the merits of an investment in the Securities. Prospective investors should make such inquiries as they deem necessary without relying on the Issuer or any Manager and before making an investment decision with respect to any Securities, 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 Securities and consider such an investment decision in the light of the prospective investor's personal circumstances.

Words and expressions defined in the "Terms and Conditions of the Securities" below or elsewhere in this Offering Memorandum have the same meanings in this section.

Factors that may affect the Issuer's ability to fulfil its obligations under the Securities

Impact of the Dutch Regulatory Framework

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

The ACM monitors the capability of the network companies to meet the financial requirements for managing the electricity and gas grid, including required and planned investments. The network companies submit their regulatory financial statements to the ACM annually, including results, assets and infrastructure related activities (maintenance and investments). Furthermore end-user tariffs for the distribution of electricity, gas and heat are controlled by the ACM by using a formula containing an efficiency component (x-factor), a quality component (q-factor) and inflation component (consumer price index). For the current regulation period 2014-2016, the regulator has set a, compared to the former period, high x-factor for Stedin Netbeheer B.V., in order to create an incentive to increase the efficiency of the network. The x-factor, in this regulation period, will lead to annually decreasing transport tariffs for gas and electricity.

The tariffs for the metering business are part of the ACM regulation. The mandatory roll-out of the smart meter has to be financed out of the metering tariffs. ACM has concluded that the metering tariffs in 2011-2012 have been too high. This will possibly impact future metering tariffs.

Consumer tariffs for district heating are also regulated by ACM. The ACM sets a maximum ceiling for such tariffs. This ceiling is based on the total costs of the average gas supplied to households. The ACM calculates the maximum ceiling each year. ACM also monitors the financial results of the district heating companies. Currently the Ministry of Economic Affairs is re-assessing the method of calculation of the

ceiling. A new ceiling in respect of district heating is expected in 2015. The Ministry of Economic Affairs will evaluate the method of regulation more fundamentally in 2015-2016.

The regulatory framework described above - in particular the regulation of the grid tariffs based on amongst other things an efficiency discount (x-factor), a quality component (q-factor) and an inflation component (consumer price index) - may influence the financial position and the cash flows of the Issuer.

Unbundling of the Issuer

In April 2007, based on the Electricity Act 1998 and the Gas Act which incorporates the 'independent network company act' (*Wet Onafhankelijk Netbeheer*) the unbundling of the energy generation and supply from the distribution activities has become mandatory by ministerial decision. The unbundling law clauses are currently not in force as a consequence of a decision of the Court in The Hague in June 2010.

As further set out in the section "*Description of the Issuer*", the legal proceedings with respect to the unbundling law provisions are still ongoing. After the decision of the Court of Justice of the European Union in Luxembourg on 22 October 2013, the Supreme Court (*Hoge Raad*) in The Netherlands has to determine now whether the restrictions on fundamental freedoms are appropriate to the objectives pursued. Furthermore such restrictions must not go beyond what is necessary to attain such objectives.

In the event the Issuer is to be unbundled, this could result in a change in the composition of the assets of the Issuer.

In case an unbundling would be required, it is the current intention of management that the Regulated Business remains owned or held, directly or indirectly, by the Issuer. In that case, the decree financial management for grid operators (*Besluit financieel beheer netbeheerders*) applies, pursuant to which the Issuer must either meet certain rating or financial requirements following the unbundling. In case of the occurrence of a Regulated Business Major Corporate Event, which could occur in case of an unbundling if the Regulated Business would spin off from the Group, the Issuer has the right to redeem the Securities in accordance with Condition 6(g) (*Redemption for Major Corporate Event*). If the Issuer does not redeem the Securities following the occurrence of a Major Corporate Event, the then prevailing Coupon Rate of the Securities shall be increased by 500 basis points per annum with effect from and (and including) the date on which such Major Corporate Event occurred. However, any Securities issued will if not previously redeemed in accordance with the Terms and Conditions, following such spin-off, remain the obligations of the Issuer.

Government policy, regulation and legislation in general

Mainly due to its strategy to invest in (long-term) sustainable energy projects, the Issuer is sensitive to governmental policy, regulation and legislation for the energy company, especially in the area of permits, subsidy and tax regimes. With respect to the network company decision-making about the tariff setting and the introduction of the smart meter are important.

Changes in those government policies, regulation and legislation might have an adverse effect on the (sustainable) projects undertaken, and therefore might have a negative impact on the cash flows and the financial position of the Issuer.

Counterparty and market liquidity risk

Eneco is buying and selling commodities in wholesale markets and also purchases to sell to its end users. Because of these activities Eneco is exposed to counterparty risk and market liquidity risk.

Counterparty risk is the risk that a trading counterparty cannot or will not meet its delivery or payment obligations. The size of the counterparty risk is primarily determined by:

- (a) the replacement value of the future deliveries, as in case a counterparty does not deliver the agreed upon commodity volume at the pre-agreed price, Eneco needs to acquire the commodity from a third party and is therefore exposed to the then current market prices; and
- (b) the commodity delivered which has not yet been paid for.

This risk is primarily encountered in trading in energy commodities, emission rights and interest rate and foreign currency hedge transactions.

Market liquidity risk is the risk that Eneco has insufficient trading possibilities in the different ('over the counter' and exchange) markets in relation to its trading needs.

Market risk

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

- commodities (e.g. energy, heat, CO₂, (natural) gas, oil-derivatives and other fuels); and
- financials (e.g. interest rates, exchange rates, inflation).

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

Seasonality and climate

Due to the type of business of the Issuer, the (operational) cash flows may follow a seasonal pattern. This pattern is caused by, to a certain extent, a mismatch between "stabilised" inflows –i.e. the amount of monthly invoicing- and the actual varying outflows – i.e. sourcing of electricity and gas. The degree of seasonality tends to depend on weather and climate conditions. The mismatch caused by seasonality is cushioned by the Issuer by using short-term funding (up to 1 year) sourced using various money market instruments. Limited liquidity in this market may affect the financial position of the Issuer.

Interruption

The network company of the Eneco Group aims to achieve an interruption duration on its networks below its norm and below national average. Nevertheless, interruption may result in additional costs (e.g. repair, reconstruction, claimed damage) and therefore may influence the cash flows and the financial position of the Issuer.

Financial market conditions in general

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

The future financing needs of the Issuer may require the Issuer to seek external financing, either in the form of public or private financing or other arrangements, which may not be available on attractive terms or may not be available at all.

Risk Relating To The Securities

Application has been made for the Securities to be listed on the official list of the Luxembourg Stock Exchange and to be admitted to trading on the Euro MTF market of the Luxembourg Stock Exchange

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

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

The Securities will be represented by the Global Securities except in certain limited circumstances described in the Permanent Global Security. The Global Securities will be deposited with a common depository for Euroclear and Clearstream, Luxembourg. Except in certain limited circumstances described in the Permanent Global Security, investors will not be entitled to receive definitive Securities. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Securities. While the Securities are represented by the Global Securities, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg.

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

Holders of beneficial interests in the Global Securities will not have a direct right to vote in respect of the Securities. 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.

Credit rating

The Securities have been assigned a credit rating of "BBB" by Standard & Poor's Credit Market Services Europe Limited. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning credit rating agency. Any adverse change in an applicable credit rating could adversely affect the trading price for the Securities.

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

In general, European regulated investors are restricted under the Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (the "**CRA Regulation**") from using credit ratings for regulatory purposes, unless such credit ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU credit rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended).

In addition, if a Rating Event has occurred or the Issuer has received confirmation from one or more credit rating agencies which has assigned a sponsored credit rating to the Issuer that the Securities will no longer be eligible for the same or higher category of equity credit (as defined by such credit rating agency) as attributed to the Securities at the Issue Date (a "**Rating Event**"), the Issuer may in its discretion redeem the Securities or it may, without the consent of the Holders, modify the Conditions in order that such Rating Event ceases to exist.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Securities in euro. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than euro. These include the risk that exchange rates

may significantly change (including changes due to devaluation of the euro or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the euro would decrease (1) the Investor's Currency-equivalent yield on the Securities, (2) the Investor's Currency-equivalent value of the principal payable on the Securities and (3) the Investor's Currency-equivalent market value of the Securities.

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

Legal investment considerations may restrict certain investments

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

The Securities are perpetual securities and need not be redeemed by the Issuer

The Securities are undated securities with no specified maturity date and the Securityholders have no right to call for their redemption. Accordingly there is uncertainty as to when (if ever) an investor in the Securities will receive repayment of the principal amount of the Securities.

Modification and waivers

In addition, pursuant to the Conditions, the Issuer may modify the Conditions, or substitute other securities in place of the Securities, without the consent of the Holders in the event of a Tax Deduction Event, an Accounting Event, a Rating Event or a Withholding Tax Event in order that such event ceases to exist after the modification. The Conditions as at the Issue Date provide that, following any such modification or substitution, the modified or substitution securities should (i) not be less favourable to the Holders than the terms of the Securities prior to such exchange or modification, (ii) be substantially identical to the terms of the Securities, apart from the necessary modification and (iii) continue to be listed on an internationally recognised stock exchange. The Conditions also stipulate that either (A) the person having the obligations of the Issuer under the modified or substitution Securities must continue to be the Issuer or (B) such person is another member of the Group and such obligations are guaranteed by the Issuer. Nonetheless, it is possible that any modified or substitution Securities will contain Conditions that are contrary to the investment criteria of certain investors. Any resulting sale of the Securities, or of the modified or substitution securities, may be adversely affected by market perception of and price movements in the terms of the modified or substitution securities.

In addition, the Conditions contain provisions for calling meetings of Securityholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Securityholders including Holders that did not attend and vote at the relevant meeting and Holders that voted in a manner contrary to the majority. The Conditions also provide that any of the provisions of the Securities and the Conditions may be modified without the consent of the Securityholders to correct a manifest error or if such modification is of a formal, minor or technical nature and is not prejudicial to the interests of the Securityholders.

The Securities could be redeemed at any time upon a Withholding Tax Event, a Tax Deduction Event, an Accounting Event, a Rating Event, following a Major Corporate Event or following the exercise by the Issuer of the Clean-up Call, and on any Optional Redemption Date

The Securities may be redeemed, in whole but not in part, at the option of the Issuer at any time upon the giving of notice at (a) 101 per cent. of their principal amount, if such redemption occurs before (but excluding) the First Reset Date or (b) at their principal amount, if such redemption occurs after (or on) the First Reset Date (together with accrued but unpaid interest and all Arrears of Interest and Additional Amounts, if any) in the event that (1) the Issuer would be obliged to pay Additional Amounts in respect of any payment due on the Securities due to any withholding or deduction for or on account of any

present or future taxes by or on behalf of The Netherlands (a "**Withholding Tax Event**"), or (2) the payments of interest under Securities were but are or will no longer be tax deductible by the Issuer for the purposes of Dutch corporate income tax purposes (a "**Tax Deduction Event**"), or (3) the Securities will no longer or may no longer be classified as "equity" in the consolidated accounts of the Group prepared in accordance with International Financial Reporting Standards as adopted by the European Union as applicable to or applied by the Issuer and/or the Group (an "**Accounting Event**"), or (4) following the exercise by the Issuer of a call option following the purchase by the Issuer of 80 per cent. or more of the Securities (the "**Clean-up Call**").

The Securities may also be redeemed, in whole but not in part, at the option of the Issuer at any time upon the giving of notice at (a) 101 per cent. of their principal amount, if such redemption occurs before (but excluding) the First Reset Date or (b) at their principal amount, if such redemption occurs after (or on) the First Reset Date (together with, in each case, accrued but unpaid interest and all Arrears of Interest and Additional Amounts, if any) in the event that (i) any Rating Agency, which has assigned a sponsored rating (as defined below) to the Issuer, publishes a change in hybrid capital methodology or the interpretation hereof, or applies a different hybrid capital methodology or set of criteria after the Issue Date (or, if later, effective after the date on which the Securities are assigned "equity credit" by a Rating Agency for the first time) (due to changes in the rating previously assigned to the Issuer or for any other reasons), as a result of which the Securities would no longer be eligible for the same or a higher category of "equity credit" or such similar nomenclature as may be used by that Rating Agency from time to time to describe the degree to which the terms of an instrument are supportive of the Issuer's senior obligations, attributed to the Securities at the Issue Date (a) at the Issue Date or (b), if "equity credit" is not assigned to the Securities by the relevant Rating Agency on the Issue Date, at the date on which "equity credit" is assigned by such Rating Agency for the first time) (a "**Rating Event**"), or (ii) the Issuer has received confirmation from any Rating Agency, which has assigned a sponsored credit rating to the Issuer, that due to a change in hybrid capital methodology or the interpretation thereof, a Rating Event has occurred. For the purposes of this paragraph and Condition 6(e), a "sponsored rating" means a credit rating assigned by a rating agency with whom the Issuer has a contractual relationship pursuant to which the Issuer is assigned a credit rating and the Securities are assigned an equity credit.

In addition, the Securities may be redeemed, in whole but not in part, at the option of the Issuer at any time upon the giving of notice at their principal amount (together with accrued but unpaid interest and all Arrears of Interest and Additional Amounts, if any) on any Optional Redemption Date. See "*Terms and Conditions of the Securities - Redemption and Purchase*".

In case of the occurrence of a Major Corporate Event, the Issuer has the right to redeem the Securities in accordance with Condition 6(g) (*Redemption for Major Corporate Event*). If the Issuer does not redeem the Securities following the occurrence of a Major Corporate Event, the then prevailing Coupon Rate of the Securities shall be increased by 500 basis points per annum with effect from and (and including) the date on which such Major Corporate Event occurred.

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

An investor may not be able to reinvest the proceeds of the redemption of the Securities in a comparable security at a rate of return similar to that of the Securities. Potential investors should consider reinvestment risk in light of other investments available at that time.

The Issuer has the option to defer any payment of interest on the Securities

The Issuer has the option to defer any payment of interest on the Securities indefinitely as provided in Condition 4(a) (*Deferral of Payments*). Any such deferral shall not constitute a default by the Issuer for any purpose. Any interest in respect of the Securities not paid shall, so long as the same remains unpaid, constitute "Arrears of Interest".

Any Arrears of Interest may be paid in whole or in part at any time, and in any event, will remain due and become payable under certain conditions as provided for in Condition 4(b) (*Compulsory Payments*).

Any deferral of interest payments will likely have an adverse effect on the market price of the Securities. In addition, as a result of the interest deferral provision of the Securities, the market price of the Securities may be more volatile than the market prices of other debt securities on which original issue discount or interest accrual is not subject to such deferrals, and may be more sensitive generally to adverse changes in the Issuer's financial condition.

The Securities will be unsecured and subordinated

If the Issuer is declared insolvent and a winding-up is initiated, it will be required to pay the holders of prior-ranking debt and meet its obligations to all its other creditors (including unsecured creditors but excluding any obligations in respect of subordinated debt which ranks lower than or equally with the Securities) in full before it can make any payments on the Securities. If this occurs, the Issuer may not have enough assets remaining after these payments to pay amounts due and payable under the Securities.

The Securities will be deeply subordinated obligations and, on the Issue Date, will be the most junior instrument in the capital of the Issuer, other than ordinary shares and preference shares, if any. The Issuer may be able to incur significant additional secured or unsecured unsubordinated indebtedness and/or prior-ranking subordinated indebtedness and/or *pari passu*-ranking subordinated indebtedness and/or junior-ranking subordinated indebtedness. If the Issuer becomes insolvent or is liquidated, or if payment under any secured or unsecured unsubordinated and/or prior-ranking subordinated debt obligations is accelerated, the Issuer's secured or unsecured unsubordinated or, as the case may be, prior-ranking subordinated lenders would be entitled to exercise the remedies available to a secured or unsecured unsubordinated and/or prior-ranking subordinated lender before the Securityholders. As a result, the Securities are subordinated to any secured or unsecured unsubordinated indebtedness and/or prior-ranking subordinated indebtedness that the Issuer may incur in the future, and the holders of the Securities may recover rateably less than the lenders of the Issuer's secured or unsecured unsubordinated debt and/or prior-ranking subordinated debt in the event of the Issuer's bankruptcy or liquidation.

Unsubordinated liabilities of the Issuer may also arise from events that are not reflected on the balance sheet of the Issuer, including, without limitation, insurance or reinsurance contracts, derivative contracts, the issuance of guarantees or the incurrence of other contingent liabilities on an unsubordinated basis. Claims made under such guarantees or such other contingent liabilities will become unsubordinated liabilities of the Issuer that in a winding-up or insolvency proceeding of the Issuer will need to be paid in full before the obligations under the Securities may be satisfied.

No limitation on issuing senior or pari passu securities

There is no restriction in the documentation entered into in connection with the issue of the Securities by the Issuer on the amount of securities or other liabilities which the Issuer may issue or incur and which rank senior to, or *pari passu* with, the Securities. The issue of any such securities or the incurrence of any such other liabilities may reduce the amount (if any) recoverable by Securityholders and Couponholders on a winding-up or administration of the Issuer and/or may increase the likelihood of a deferral of Coupon Payments under the Securities.

Restricted remedy for non-payment when due

In accordance with the Conditions, the sole remedy against the Issuer available to any Securityholder or Couponholder for recovery of amounts which have become due and payable in respect of the Securities will be the institution of proceedings for the winding-up of the Issuer and/or proving in such winding-up or administration of the Issuer, or the institution of such proceedings against the Issuer as it may think fit to enforce any term or condition binding on the Issuer under the Agency Agreement or the Securities. However, such proceedings cannot oblige the Issuer to pay any sum or sums, in cash or otherwise, sooner than the same would otherwise have been payable by it under the Conditions. The Securities cannot cross default based on non-payment on other securities, except where such non-payment on other securities itself results in the winding-up of the Issuer. The Securityholders have limited ability to influence the outcome of an insolvency or liquidation or restructuring outside an insolvency or liquidation.

Potential Conflicts of Interest

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

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

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

Actions taken by the Calculation Agent may affect the Securities

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

Taxation

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

The proposed financial transactions tax ("FTT")

On 14 February 2013, the European Commission published a proposal for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the participating Member States). The proposed FTT has very broad scope. If introduced in the form proposed on 14 February 2013, it could apply to certain dealings in Securities (including secondary market transactions) in certain circumstances.

Under the 14 February 2013 proposal, FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Securities where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

The FTT proposal remains subject to negotiation between the participating Member States. Additional EU Member States may decide to participate, although certain other Member States have expressed strong objections to the proposal. The FTT proposal may therefore be altered prior to any implementation, the timing of which remains unclear. Prospective holders of Securities are advised to seek their own professional advice in relation to the FTT.

Minimum Denomination

The Securities have a minimum denomination of EUR100,000. The Conditions provide that, for so long as the Securities are represented by a Global Security and Euroclear and Clearstream, Luxembourg (or other relevant clearing system) so permit, the Securities will be tradable in nominal amounts (a) equal to, or integral multiples of, the minimum denomination, and (b) the minimum denomination plus integral multiples of an amount lower than the minimum denomination.

Definitive Securities will only be issued if (a) Euroclear or Clearstream, Luxembourg (or other relevant clearing system) is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or (b) any of the circumstances

described in Condition 9 (*Enforcement Events*) occurs. If Definitive Securities are issued, such Securities will be issued in respect of all holdings of Securities equal to or greater than the minimum denomination. However, Securityholders should be aware that Definitive Securities that have a denomination that is not an integral multiple of the minimum denomination may be illiquid and difficult to trade. Definitive Securities will in no circumstances be issued to any person holding Securities in an amount lower than the minimum denomination. Any remaining principal amount of such Securities will be cancelled and holders will have no rights against the Issuer (including rights to receive principal or interest or to vote) in respect of such Securities.

Settlement Risk

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

The return on an investment in Securities will be affected by charges incurred by investors

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

Obligations under the Securities

The Securities will not represent an obligation or be the responsibility of the Managers, their officers, members, directors, employees, security holders or incorporators, other than the Issuer. The Issuer will be liable solely in its corporate capacity for its obligations in respect of the Securities, and such obligations will not be the obligations of its officers, members, directors, employees, security holders or incorporators.

The value of the Securities may fluctuate

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

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

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

between any relevant currencies which are current rates at the date of issue of any Securities will be representative of the relevant rates of exchange used in computing the value of the relevant Securities at any time thereafter.

Factors which are material for the purpose of assessing the market risks associated with the Securities

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

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

Interest rate risks

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

Change of law

The Conditions of the Securities are based on the laws of The Netherlands in effect as at the date of this Offering Memorandum. No assurance can be given as to the impact of any possible judicial decision or change to Netherlands law or administrative practice after the date of this Offering Memorandum.

OVERVIEW

This general description of the key features of the Securities must be read as an introduction to this Offering Memorandum and any decision to invest in the Securities should be based on a consideration of the Offering Memorandum as a whole, including any information incorporated by reference. The following does not purport to be complete and is taken from, and is qualified by, the remainder of this Offering Memorandum.

Words and expressions defined in the "Terms and Conditions of the Securities" below or elsewhere in this Offering Memorandum have the same meanings in this section.

Issuer:	Eneco Holding N.V.
The Securities:	EUR 500,000,000 Perpetual Fixed Rate Reset Securities
Fiscal Agent and Calculation Agent:	ABN AMRO Bank N.V.
Issue Price:	99.232 per cent.
Form of Securities, Initial Delivery of Securities and Clearing Systems:	The Securities will initially be represented by a Temporary Global Security, without interest coupons, which will be deposited with a common depositary on behalf of the Clearstream Banking, société anonyme (" Clearstream, Luxembourg ") and Euroclear Bank S.A./N.V. (" Euroclear ") systems on or about 1 December 2014. The Temporary Global Security will be exchangeable for interests in a Permanent Global Security, without interest coupons, on or after a date which is expected to be 10 January 2015, upon certification as to non-U.S. beneficial ownership. The Permanent Global Security will be exchangeable for definitive Securities in bearer form in the denominations of EUR 100,000 and integral multiples of EUR 1,000 in excess thereof in the limited circumstances set out in it. No definitive Securities will be issued with a denomination above EUR 199,000. Also see " <i>Summary of Provisions relating to the Securities in Global Form</i> ".
No fixed maturity:	The Securities are perpetual securities in respect of which there is no fixed redemption date.
Denominations:	EUR 100,000 and integral multiples of EUR 1,000 in excess thereof up to and including EUR 199,000. Also see " <i>Form of Securities, Initial Delivery of Securities and Clearing Systems</i> " above.
Status of the Securities:	The Securities will constitute subordinated obligations of the Issuer as described in " <i>Terms and Conditions of the Securities — Status and Subordination</i> ". Also see " <i>Terms and Conditions of the Securities — Winding-up</i> ".
Interest:	From (and including) 1 December 2014 until (but excluding) 1 December 2021, the Securities will bear interest at a rate of 3.250 per cent. per annum, payable annually in arrear on 1 December of each year, starting on 1 December 2015. Thereafter, unless previously redeemed, the Securities, from (and including) 1 December 2021 to (but excluding) the date on which they are redeemed, will bear interest at a rate per annum which shall be the aggregate of the

applicable Margin (which will include, after the First Step-up Date, a 0.25 % step-up over the initial credit spread and, after the Second Step-up Date, a further 0.75 % step-up) and the five year Swap Rate determined two TARGET Business Days prior to the beginning of each Reset Period (as defined in the Terms and Conditions of the Securities), payable annually in arrear on 1 December of each year. See also "*Terms and Conditions of the Securities – Coupon Payments*".

In the event of a Major Corporate Event, if the Issuer does not elect to redeem the Securities in accordance with Condition 6(g) (*Redemption for Major Corporate Event*), the then prevailing Coupon Rate on the Securities shall be increased by 500 basis points per annum with effect from (and including) the date on which such Major Corporate Event occurred.

Interest Deferral and payment of Arrears of Interest: The Issuer may at its discretion and upon giving notice elect to defer payment of interest on the Securities, see "*Terms and Conditions of the Securities -Deferral of Interest*".

Any amounts so deferred shall constitute Arrears of Interest. Arrears of Interest shall themselves bear interest at the rate applicable to the Securities. The Issuer may upon giving notice pay outstanding Arrears of Interest, in whole or in part, at any time. The Issuer shall pay any outstanding Arrears of Interest, in whole but not in part, on the first to occur of the following dates:

- (i) the Coupon Payment Date contemporaneous with or immediately following a Mandatory Payment Event (as defined in the Terms and Conditions of the Securities); or
- (ii) the date on which the Securities are redeemed (in whole, but not in part) in accordance with Condition 3 (*Winding-up*), Condition 6(b) (*Optional Redemption by the Issuer*), Condition 6(c) (*Redemption for Taxation Reasons*), Condition 6(d) (*Redemption for Accounting Reasons*), Condition 6(e) (*Redemption for Rating Reasons*), Condition 6(f) (*Redemption following exercise of Clean-up call*) or Condition 6(g) (*Redemption for Major Corporate Event*) all as described in "*Terms and Conditions of the Securities — Deferral of Interest*".

Optional Redemption: The Securities may be redeemed at the option of the Issuer, including, without limitation, for tax, accounting and rating reasons, upon exercise of the Clean-up Call or relating to a Major Corporate Event, see "*Terms and Conditions of the Securities — Redemption and Purchase*" for more detail on the terms applicable to such redemption including the basis for calculating the redemption amounts payable.

Withholding Tax and Additional Amounts: All payments of principal and interest in respect of the Securities will be made free and clear of withholding taxes of The Netherlands subject to customary exceptions, all as

described in "*Terms and Conditions of the Securities — Taxation*".

Governing Law:

Dutch law.

Ratings:

The Securities will on issue be rated BBB by S&P. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Listing and Admission to Trading:

Application has been made to list the Securities on the Euro MTF market of the Luxembourg Stock Exchange.

Selling Restrictions:

European Economic Area, the Netherlands, the United States and the United Kingdom, see "*Subscription and Sale*".

The Issuer is Category 1 for the purposes of Regulation S under the U.S. Securities Act of 1933, as amended. The TEFRA D Rules shall apply.

Risk Factors:

There are certain factors that may affect the Issuer's ability to fulfil its obligations under the Securities. These include various risks relating to the Issuer's business. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with the Securities. These include the fact that the Securities may not be a suitable investment for all investors and certain market risks, see "*Risk Factors*".

Use of Proceeds:

The net proceeds of the issue of the Securities, expected to amount to approximately EUR 493,360,000, will be applied by the Issuer for its general corporate purposes.

ISIN:

XS1141810991

Common Code:

114181099

TERMS AND CONDITIONS OF THE SECURITIES

The following is the text of the Terms and Conditions of the Securities which (subject to completion and amendment) will be endorsed on each Security in definitive form:

The EUR 500,000,000 Perpetual Fixed Rate Reset Securities (the "**Securities**", which expression includes any further securities issued pursuant to Condition 17 (*Further Issues*) and forming a single series therewith) of Eneco Holding N.V. (the "**Issuer**") are the subject of an issue and paying agency agreement dated 1 December 2014 (as amended or supplemented from time to time, the "**Agency Agreement**") between the Issuer, ABN AMRO Bank N.V. as fiscal agent (the "**Fiscal Agent**", which expression includes any successor fiscal agent appointed from time to time in connection with the Securities) and as calculation agent (in such capacity the "**Calculation Agent**", which expression includes any successor calculation agent appointed from time to time in connection with the Securities) and the other paying agent named therein (together with the Fiscal Agent, the "**Agents**", which expression includes any successor or additional Agents appointed from time to time in connection with the Securities). Certain provisions of these Conditions are summaries of the Agency Agreement and subject to its detailed provisions. The holders of the Securities (the "**Securityholders**" or "**Holder**") and the holders of the related interest coupons (the "**Couponholders**" and the "**Coupons**", respectively) are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement applicable to them. Copies of the Agency Agreement are available for inspection by Holders during normal business hours at the Specified Offices (as defined in the Agency Agreement) of the Fiscal Agent and of the other Paying Agent to be appointed, the initial Specified Offices of the Fiscal Agent is at Gustav Mahlerlaan 10, 1082 PP Amsterdam, The Netherlands.

1. FORM, DENOMINATION AND TITLE

(a) Form and Denomination

The Securities are serially numbered (in the case of Definitive Securities) and in bearer form in the denominations of EUR 100,000 and integral multiples of EUR 1,000 in excess thereof up to (and including) EUR 199,000, each with Coupons attached at the time of issue. No definitive Securities will be issued with a denomination above EUR 199,000. Securities of one denomination may not be exchanged for Securities of any other denomination.

(b) Transfer and Title

Title to the Securities and Coupons will pass by delivery. The holder of any Security or Coupon will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon, or any notice of any previous loss or theft thereof) and no person shall be liable for so treating such holder.

2. STATUS AND SUBORDINATION

This Condition 2 (*Status and Subordination*) is an irrevocable stipulation (*derdenbeding*) for the benefit of the creditors referred to in paragraph (3) of Condition 3 (*Winding-up*) and each such creditor may rely on and enforce this Condition 2 (*Status and Subordination*) under Section 6:253 of the Dutch Civil Code.

(a) Status

The Securities, together with interest accrued thereon, including any Arrears of Interest, constitute unsecured and subordinated obligations of the Issuer which will at all times rank *pari passu* without any preference among themselves.

(b) Subordination

The rights and claims of the Holders and Couponholders against the Issuer under the Securities in respect of the principal amounts due and payable on redemption and any Arrears of Interest and any other sum payable in respect of or arising under the Securities are subordinated on a Winding-up in accordance with the provisions of Condition 3 (*Winding-up*).

- (c) Set-off

Subject to applicable law, no Holder may exercise or claim any right of set-off in respect of any amount owed to it by the Issuer arising under or in connection with the Securities or the Coupons, whether arising prior to or after any Winding-up, and each Holder shall, by virtue of being the Holder, be deemed to have waived all such rights of set-off.

3. WINDING-UP

The rights of the Holders and Couponholders will be subordinated in right of payment in the event of a Winding-up of the Issuer, and will rank, subject to any rights or claims which are mandatorily preferred by law:

- (1) in priority to any distributions and liquidation payments in respect of any ordinary shares and preference shares, if any, in the capital of the Issuer;
- (2) *pari passu* with the holders of any securities or other instruments issued by the Issuer and claims towards the Issuer which are expressed to rank *pari passu* with the Issuer's obligations under the Securities; and
- (3) junior to the claims of all unsubordinated creditors, present and future, of the Issuer and to all subordinated creditors of the Issuer other than those whose claims (whether only in the event of a Winding-up of the Issuer or otherwise) rank *pari passu* with or junior to the claims of the Holders of the Securities,

so that in the event of a Winding-up amounts due and payable in respect of the Securities shall be paid by the Issuer only after all of the creditors of the Issuer referred to in paragraph (3) in this Condition 3 (*Winding-up*) have been reimbursed or paid in full and the Holders irrevocably waive their right to be treated equally with all such creditors of the Issuer in such circumstances.

4. DEFERRAL OF INTEREST

- (a) Deferral of Payments

- (i) The Issuer may, if it so elects and in its sole discretion, by giving not less than 10 Business Days' notice prior to the relevant Coupon Payment Date to the Holders in accordance with Condition 16 (*Notices*) and to the Fiscal Agent and the Calculation Agent (which notices shall be irrevocable), defer all or part of any Payment (including in relation to any Payment previously deferred) that is due on such date in respect of the Securities.
- (ii) Any such deferral shall not constitute a default by the Issuer for any purpose. Any interest not paid on a Coupon Payment Date shall remain due and shall (except to the extent such interest shall subsequently have been paid) constitute "**Arrears of Interest**", which, at the option of the Issuer (but subject as described in Condition 4(b) (*Compulsory Payments*)), may be paid by the Issuer (in whole but not in part) at any time by giving not less than 10 Business Days' notice prior to the relevant Deferred Coupon Payment Date to the Holders in accordance with Condition 16 (*Notices*) and to the Fiscal Agent and the Calculation Agent (which notices shall be irrevocable) informing them of its election to so satisfy such Payment and specifying the relevant Deferred Coupon Payment Date.
- (iii) In addition, Arrears of Interest themselves shall itself bear interest from, and including, the date on which (but for such deferral) the Arrears of Interest would otherwise have been due to be paid to, but excluding, the relevant date of payment of that Arrears of Interest as if it were principal of the Securities, at the prevailing Coupon Rate. Any reference in these Conditions to Arrears of Interest shall be deemed to include interest accrued on Arrears of Interest.

(b) Compulsory Payments

The Issuer shall pay any outstanding Arrears of Interest, in whole but not in part, on the first to occur of the following dates:

- (i) the Coupon Payment Date contemporaneous with or immediately following a Mandatory Payment Event; or
- (ii) the date on which the Securities are redeemed (in whole, but not in part) in accordance with Condition 3 (*Winding-up*), Condition 6(b) (*Optional Redemption by the Issuer*), Condition 6(c) (*Redemption for Taxation Reasons*), Condition 6(d) (*Redemption for Accounting Reasons*), Condition 6(e) (*Redemption for Rating Reasons*), Condition 6(f) (*Redemption following exercise of Clean-up call*) or Condition 6(g) (*Redemption for Major Corporate Event*).

5. COUPON PAYMENTS

(a) Coupon Payment Dates

The Securities bear interest from, and including, the Issue Date (subject to Condition 4(a) (*Deferral of Payments*)), payable annually in arrear on each Coupon Payment Date. Each Security will cease to bear interest from the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused. In such event it will continue to bear interest at the prevailing Coupon Rate in accordance with this Condition (both before and after judgment) until whichever is the earlier of (a) the day on which all sums due and payable in respect of such Security up to that day are received by or on behalf of the relevant Holder and (b) the day which is seven days after the Fiscal Agent has notified the Holders that it has received all sums due in respect of the Securities up to such seventh day (except to the extent that there is any subsequent default in payment).

(b) Coupon Rate

- (i) The Coupon Rate payable in respect of the Securities for the First Fixed Rate Period (the "**First Fixed Coupon Rate**") will be 3.250 per cent. per annum. The Coupon Amount in respect of each such Coupon Period will amount to EUR 32.50 per Calculation Amount.
- (ii) The Coupon Rate payable in respect of the Securities for each Coupon Period falling in a Reset Period (each a "**Reset Coupon Rate**") shall be the rate calculated by the Calculation Agent to be the aggregate of (1) the arithmetic mean of the bid and offered rates for the annual fixed leg (calculated on a 30/360 day count fraction basis (as construed in accordance with the ISDA Definitions)) of a fixed-for-floating Euro interest rate swap transaction which has a term equal to a period of five years commencing on the relevant Reset Date and which is in an amount equal to the principal amount of the Securities then outstanding that is representative of a single transaction in the swap market two business days prior to the beginning of the relevant Reset Period with an acknowledged dealer of good credit in the swap market, and where the floating leg, calculated on an Actual/360 day count basis (as construed in accordance with the ISDA Definitions) is for a period of 6 months and which appears on Reuters screen (or such other page as may replace that page on that service, or such other service as may be nominated as the information vendor, for the purpose of displaying comparable rates) (the "**Reset Screen Page**") designated "ISDAFIX2" under the heading "EURIBOR BASIS" and above caption "11:00 AM Frankfurt time" (as such headings and captions may appear from time to time) as of 11:00 a.m. (Brussels time) on the second TARGET Business Day (the "**Reset Coupon Determination Date**") prior to the beginning of the relevant Reset Period (the "**Five year Swap Rate**") and (2) the applicable Margin.

If all or any of such rates do not appear on the Reset Screen Page on the Reset Coupon Determination Date at approximately that time, the five year Swap Rate will be the rate calculated by the Calculation Agent to be the percentage rate determined by:

- (1) requesting the principal Euro-zone office of each of five leading swap dealers in the Euro-zone interbank market to provide a mid-market annual swap rate quotation at approximately 11.00 a.m. (Brussels time) on the Reset Coupon Determination Date. For this purpose, the "**mid-market annual swap rate**" means the arithmetic mean of the bid and offered rates for the annual fixed leg, calculated on a 30/360 day count fraction basis (as construed in accordance with the ISDA Definitions), of a fixed-for-floating Euro interest rate swap transaction with a term equal to a period of five years commencing on the relevant Reset Date and which is in an amount equal to the principal amount of the Securities then outstanding that is representative of a single transaction in the swap market on the Reset Coupon Determination Date with an acknowledged dealer of good credit in the swap market, and which where the floating leg, calculated on an Actual/360 day count fraction basis (as construed in accordance with the ISDA Definitions), is for a period of 12 months, provided that if at least three such quotations are provided, the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest) will be eliminated; and
- (2) determining the arithmetic mean (rounded, if necessary, to the nearest one hundred-thousandth, 0.000005 being rounded upwards) of such quotations.

The amount of interest payable on each Coupon Payment Date shall be calculated by applying the Coupon Rate to the Calculation Amount and multiplying the product by the fraction (the "**Day Count Fraction**") determined on the basis of the number of days in the period from, and including, the most recent Coupon Payment Date (or, if none, the Issue Date) to, but excluding, the relevant payment date divided by the actual number of days in the period from, and including, the most recent Coupon Payment Date (or, if none, the Issue Date) to, but excluding, the next (or first) scheduled Coupon Payment Date, and rounding the resulting figure to the nearest cent (half a cent being rounded upwards) and multiplying such rounded figure by a fraction equal to the denomination of such Security divided by the Calculation Amount.

If an amount of interest is required to be paid in respect of a Security during the Fixed Rate Period for a period ending on a date that is not a Coupon Payment Date, such interest shall be calculated by applying the Coupon Rate to the Calculation Amount and multiplying the product by the Day Count Fraction.

- (c) Publication of Coupon Rate per Reset Period and Coupon Amount per Coupon Period in a Reset Period

The Calculation Agent will cause the Coupon Rate, the Coupon Amount and the relevant Coupon Payment Date to be notified to the Fiscal Agent, any other paying agent appointed in relation to the Securities and each listing authority, stock exchange and/or quotation system (if any) by which the Securities have then been admitted to listing, trading and / or quotation as soon as practicable after such determination but in any event not later than the first day of the relevant Reset Period. Notice thereof shall also promptly be given to the Holders. The Calculation Agent will be entitled to recalculate any amount of interest (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Reset Period. If the Calculation Amount is less than the minimum denomination, the Calculation Agent shall not be obliged to publish each Coupon Amount but instead may publish only the amount of interest calculated by reference to the Calculation Amount and the amount of interest in respect of a Security having the minimum denomination.

- (d) Notifications

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition by the Calculation Agent will (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the

Fiscal Agent, any other paying agent appointed in relation to the Securities, the Holders and the Couponholders and (subject as aforesaid) no liability to any such person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

(e) Step-up after a Major Corporate Event

After the occurrence of a Major Corporate Event, if the Issuer does not elect to redeem the Securities in accordance with Condition 6(g) (*Redemption for Major Corporate Event*), the then prevailing Coupon Rate on the Securities shall be increased by 500 basis points per annum with effect from (and including) the date on which such Major Corporate Event occurred.

6. REDEMPTION AND PURCHASE

(a) No Maturity Date

The Securities are perpetual securities and have no fixed maturity date. The Issuer shall only have the right to redeem the Securities in accordance with this Condition 6 (*Redemption and Purchase*).

(b) Optional redemption by the Issuer

The Securities will be redeemable at the option of the Issuer, in whole but not in part, on any Optional Redemption Date, at their principal amount together with accrued and unpaid interest to the date of redemption and all Arrears of Interest and Additional Amounts, if any, upon giving not less than 30 nor more than 60 days' notice to the Holders in accordance with Condition 16 (*Notices*) and, not less than 15 days before the date on which notice is given to the Holders, to the Fiscal Agent (all of which notices shall be irrevocable).

(c) Redemption for Taxation Reasons

(i) The Issuer may redeem the Securities in whole, but not in part, upon not more than 60 days' nor less than 30 days' notice to the Holders in accordance with Condition 16 (*Notices*) and, not less than 15 days before the date on which notice is given to the Holders, to the Fiscal Agent (all of which notices shall be irrevocable) by reason of a Withholding Tax Event, provided that:

- (A) such Withholding Tax Event cannot be avoided by the Issuer taking reasonable measures available to it;
- (B) no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such Additional Amounts if a payment in respect of the Securities were then due; and
- (C) prior to giving any such notice, the Issuer has provided to the Fiscal Agent an opinion in writing from a reputable firm of lawyers of good standing and addressed to the Issuer, confirming that the Issuer would be required to pay Additional Amounts upon the next due date for a payment in respect of the Securities by reason of the occurrence of one of the events set out in (i), (ii) or (iii) of the definition of Withholding Tax Event.

(ii) The Issuer may also redeem the Securities in whole, but not in part, upon not more than 60 days' nor less than 30 days' notice to the Holders in accordance with Condition 16 (*Notices*) and, not less than 15 days before the date on which notice is given to the Holders, to the Fiscal Agent (all of which notices shall be irrevocable) by reason of a Tax Deduction Event, provided that:

- (A) such Tax Deduction Event cannot be avoided by the Issuer taking reasonable measures available to it;

- (B) no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which interest payments under the Securities will no longer be tax deductible by the Issuer for Dutch corporate income tax purposes; and
 - (C) prior to giving any such notice, the Issuer has provided to the Fiscal Agent an opinion in writing from a reputable firm of lawyers of good standing and addressed to the Issuer confirming that interest payments under the Securities are or will no longer be tax-deductible by the Issuer for Dutch corporate income tax purposes by reason of the occurrence of one of the events set out in (i), (ii) or (iii) of the definition of Tax Deduction Event.
- (iii) Upon a redemption upon the terms of (i) or (ii) above, the Issuer will redeem the Securities at (1) 101 per cent. of their principal amount, if such redemption occurs before (but excluding) the First Reset Date or (2) if such redemption occurs after (or on) the First Reset Date, at their principal amount, in each case together with interest accrued thereon, including any Arrears of Interest, up to (but excluding) the redemption date, and together with any Additional Amounts.
- (d) Redemption for Accounting Reasons

The Issuer may, at its option, redeem the Securities, in whole but not in part at (1) 101 per cent. of their principal amount, if such redemption occurs before (but excluding) the First Reset Date or (2) if such redemption occurs after (or on) the First Reset Date, at their principal amount, in each case together with accrued and unpaid interest to the date of redemption and all Arrears of Interest and Additional Amounts, if any, by reason of an Accounting Event in each case provided that:

- (i) the Issuer has given not less than 30 nor more than 60 days' notice to the Holders in accordance with Condition 16 (*Notices*) and, not less than 15 days before the date on which notice is given to the Holders, to the Fiscal Agent (all of which notices shall be irrevocable); and
 - (ii) prior to giving any such notice, the Issuer has provided to the Fiscal Agent an opinion in writing from a recognised independent auditor and addressed to the Issuer, confirming that the Issuer and/or the Group will no longer or may no longer classify the Securities as "equity" in the consolidated accounts of the Group by reason of an actual or proposed change to the rules relating to the classification of the Securities under the International Financial Reporting Standards as adopted by the European Union as applicable to or applied by the Issuer and/or the Group.
- (e) Redemption for Rating Reasons

If, at any time, (i) any Rating Agency, which has assigned a sponsored rating (as defined below) to the Issuer, publishes a change in hybrid capital methodology or the interpretation thereof, or applies a different hybrid capital methodology or set of criteria effective after the Issue Date (or, if later, effective after the date on which the Securities are assigned "equity credit" by a Rating Agency for the first time) (due to changes in the rating previously assigned to the Issuer or for any other reasons), as a result of which the Securities would no longer be eligible for the same or a higher category of "equity credit" or such similar nomenclature as may be used by that Rating Agency from time to time to describe the degree to which the terms of an instrument are supportive of the Issuer's senior obligations, attributed to the Securities (a) at the Issue Date or (b), if "equity credit" is not assigned to the Securities by the relevant Rating Agency on the Issue Date, at the date on which "equity credit" is assigned by such Rating Agency for the first time) (a "**Rating Event**"), or (ii) the Issuer has received confirmation from any Rating Agency, which has assigned a sponsored rating to the Issuer, that due to a change in hybrid capital methodology or the interpretation thereof, a Rating Event has occurred, then the Securities will be redeemable, at the option of the Issuer, in whole but not in part. For the purposes of this Condition 6(e), a "**sponsored rating**" means a credit rating assigned by a rating agency with whom the Issuer has a contractual relationship pursuant to which the Issuer is assigned a credit rating and the Securities are assigned an equity credit.

Upon such redemption, the Issuer will redeem the Securities at (1) 101 per cent. of their principal amount, if such redemption occurs before (but excluding) the First Reset Date or (2) if such redemption occurs after (or on) the First Reset Date, at their principal amount, in each case together with accrued and unpaid interest to the date of redemption and all Arrears of Interest and Additional Amounts, if any, in each case upon giving not less than 30 nor more than 60 days' notice to the Holders in accordance with Condition 16 (*Notices*) and, not less than 15 days before the date on which notice is given to the Holders, to the Fiscal Agent (all of which notices shall be irrevocable).

(f) Redemption following exercise of Clean-up call

The Securities will be redeemable at the option of the Issuer, in whole but not in part on any Coupon Payment Date following the purchase by the Issuer of an aggregate principal amount of the Securities equal to or in excess of 80 per cent. of the aggregate principal amount of the Securities issued (x) on the Issue Date and (y) if any, issued pursuant to Condition 17 (Further Issues).

Upon such redemption, the Issuer will redeem the Securities at (1) 101 per cent. of their principal amount, if such redemption occurs before (but excluding) the First Reset Date or (2) if such redemption occurs after (or on) the First Reset Date, at their principal amount, in each case together with accrued and unpaid interest to the date of redemption and all Arrears of Interest and Additional Amounts, if any, in each case upon giving not less than 30 nor more than 60 days' notice to the Holders in accordance with Condition 16 (*Notices*) and, not less than 15 days before the date on which notice is given to the Holders, to the Fiscal Agent (all of which notices shall be irrevocable).

(g) Redemption for Major Corporate Event

In case of a Major Corporate Event:

- (i) the Issuer shall promptly notify the Holders in accordance with Condition 16 (*Notices*) and the Fiscal Agent upon becoming aware of such Major Corporate Event; and
- (ii) the Issuer may redeem the Securities in whole, but not in part, upon not more than 60 days' nor less than 30 days' irrevocable notice (specifying a date for such redemption which is a Coupon Payment Date) to the Holders in accordance with Condition 16 (*Notices*) and to the Fiscal Agent, at their principal amount, together with accrued and unpaid interest to the date of redemption and all Arrears of Interest and Additional Amounts, up to (but excluding) the redemption date.

(h) Purchases

The Issuer may at any time purchase Securities in the open market or otherwise and at any price. Securities purchased by the Issuer may be held, reissued, resold or, at the option of the Issuer, be surrendered to the Fiscal Agent or any paying agent appointed in relation to the Securities for cancellation in accordance with Condition 6(i) (*Cancellation*) below. Any Securities so purchased, while held by or on behalf of the Issuer, shall not entitle the Holder to vote at any meetings of the Holders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Holders or for the purposes of Condition 14 (*Meeting of Securityholders and Modification*).

(i) Cancellation

Any Securities cancelled may not be reissued or resold. The obligations of the Issuer in respect of any such Securities shall be discharged.

7. MODIFICATION

In the event of a Withholding Tax Event, a Tax Deduction Event, an Accounting Event or a Rating Event, the Issuer may, as is reasonably necessary, and without the consent of the Holders (and the Holders hereby irrevocably agree in advance that the Issuer may do so without any

further consent of the Holders being required), in respect of all, but not some only, of the Securities, exchange, or modify the Conditions of, the Securities so that such event no longer exists after such exchange or modification. The Issuer may combine a substitution of itself as issuer pursuant to Condition 15 (*Substitution of the Issuer*) with such exchange or modification pursuant to this Condition 7 if all provisions of this Condition 7 and Condition 15 (*Substitution of the Issuer*) are satisfied. Any such exchange or modification of the Securities is conditional upon the replacement or modified Securities having terms such that:

- (i) they are not less favourable to the Holders than the terms of the Securities prior to such exchange or modification, including the same tax treatment for the relevant Holder (as reasonably determined by the Issuer in consultation with an independent investment bank or counsel of international standing);
- (ii) they are, except for the modifications required to avoid such Withholding Tax Event, Tax Deduction Event, Accounting Event or Rating Event, substantially identical to the terms of the Securities (including without limitation in respect of the Coupon Rate(s), ranking at least *pari passu* with the Securities immediately prior to such exchange or modification, the date of the First Reset Date and Coupon Payment Dates);
- (iii) the Issuer is in compliance with all applicable regulatory requirements;
- (iv) either (A) the person having the obligations of the Issuer under the Securities continues to be the Issuer or (B) such person is another member of the Group and such obligations are guaranteed by the Issuer, such that investors have the same material rights and claims as provided under the Securities; and
- (v) the replacement or modified Securities continue to be listed on an internationally recognised stock exchange as selected by the Issuer (provided that the Securities immediately prior to such exchange or modification were so listed prior to the occurrence of the Withholding Tax Event, Tax Deduction Event, Accounting Event or Rating Event).

The Conditions of the Securities may only be modified if (i) all accrued interest on the relevant Coupon Payment Date has been paid in full, including any Arrears of Interest and Additional Amounts (if any), and (ii) the exchange or modification does not itself give rise to (a) any detrimental change in any published rating of the Securities or of the Issuer in effect at such time or (b) a Withholding Tax Event, Tax Deduction Event, Accounting Event or Rating Event. The Issuer shall as soon as practicable give notice of such modification in accordance with Condition 16 (*Notices*).

8. PAYMENTS

(a) Principal

Payments of principal shall be made only against presentation and (provided that payment is made in full) surrender of Securities at the Specified Office of the Fiscal Agent outside the United States by Euro cheque drawn on, or by transfer to a Euro account (or other account to which Euro may be credited or transferred) maintained by the payee with, a bank in a city in which banks have access to the TARGET System.

(b) Interest

Payments of interest shall, subject to paragraphs (d) (*Deduction for unmatured Coupons*) below, be made only against presentation and, provided that payment is made in full, surrender of the appropriate Coupons at the Specified Office of the Fiscal Agent outside the United States in the manner described in paragraph (a) (*Principal*) above.

(c) Payments subject to fiscal laws

All payments in respect of the Securities are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 10 (*Taxation*). No commissions or expenses shall be charged to the Holders or Couponholders in respect of such payments.

(d) Deduction for unmatured Coupons

If a Security is presented without all unmatured Coupons relating thereto, then:

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

Each sum of principal so deducted shall be paid in the manner provided in paragraph (a) (Principal) above against presentation and (provided that payment is made in full) surrender of the relevant missing Coupons. No payments will be made in respect of void coupons.

(e) Payments on business days

If the due date for payment of any amount in respect of any Security or Coupon is not a business day in the place of presentation, the holder shall not be entitled to payment in such place of the amount due until the next succeeding business day in such place and shall not be entitled to any further interest or other payment in respect of any such delay. In this paragraph, "**business day**" means, in respect of any place of presentation, any day on which banks are open for presentation and payment of bearer debt securities and for dealings in foreign currencies in such place of presentation and, in the case of payment by transfer to a Euro account as referred to above, on which the TARGET System is open.

(f) Partial payments

If a Fiscal Agent makes a partial payment in respect of any Security or Coupon presented to it for payment, such Fiscal Agent will endorse thereon a statement indicating the amount and date of such payment.

(g) Exchange of Talons

On or after the maturity date of the final Coupon which is (or was at the time of issue) part of a coupon sheet relating to the Securities, the talon forming part of such coupon sheet may be exchanged at the Specified Office of the Fiscal Agent for a further coupon sheet (including a further Talon but excluding any Coupons in respect of which claims have already become void). Upon the due date for redemption of any Security, any unexchanged talon relating to such Security shall become void and no Coupon will be delivered in respect of such talon.

9. ENFORCEMENT EVENTS

(a) If any of the following events (each an "**Enforcement Event**") occurs:

(i) Non-payment

Subject to Condition 4(a) (*Deferral of Payments*), default is made in the payment of any amount in respect of the Securities on the due date for payment thereof within 14 days after the date upon which such amount became due; or

(ii) Winding-up

An order is made or an effective resolution is passed for the Winding-up of the Issuer (except in the case of a winding-up for the purpose of a merger, reconstruction or amalgamation the terms of which have previously been approved by an Extraordinary Resolution (as defined in the Agency Agreement) of the Holders),

then, in the case of paragraph (i) (*Non-payment*), the Holder of such Security may, at its discretion and, subject to any applicable laws, without further notice, institute proceedings for the Winding-up of the Issuer in The Netherlands (but not elsewhere), but may take no other action in respect of such default and, in the case of paragraph (ii) (*Winding-up*), the Securities will immediately become due and repayable at their principal amount together with accrued interest and any Arrears of Interest. A Holder may at any time prove in the Winding-up of the Issuer, subject always to the ranking provided in Condition 2 (*Status and Subordination*).

Except as provided in this Condition 9 (*Enforcement Events*), a Holder shall otherwise have no right to accelerate payment of any Security in the case of an Enforcement Event.

(b) Subject as provided in this Condition 9 (*Enforcement Events*), any Holder may, at its discretion and, subject to any applicable laws, without further notice, institute such proceedings against the Issuer as it may think fit to enforce any term or condition binding on the Issuer under the Agency Agreement or the Securities provided that the Issuer shall not by virtue of the institution of any such proceedings be obliged to pay any sum or sums, in cash or otherwise, sooner than the same would otherwise have been payable by it.

10. TAXATION

All payments of principal, interest, Arrears of Interest and Additional Amounts in respect of the Securities and the Coupons by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of The Netherlands or any political subdivision thereof or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event the Issuer shall pay such additional amounts ("**Additional Amounts**") as will result in receipt by the Holders and the Couponholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Security or Coupon presented for payment:

(i) by or on behalf of a Holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Security or Coupon by reason of its having

some connection with The Netherlands other than the mere holding of the Security or Coupon; or

- (ii) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to any European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, this Directive; or
- (iii) by or on behalf of a Holder who would have been able to avoid such withholding or deduction by presenting the relevant Security or Coupon to another paying agent in a member state of the European Union; or
- (iv) more than 30 days after the Relevant Date except to the extent that the holder of such Security or Coupon would have been entitled to such additional amounts on presenting such Security or Coupon for payment on the last day of such period of 30 days; or
- (v) by or on behalf of a Holder who would not be liable or subject to such withholding or deduction if it were to comply with a statutory requirement or to make a declaration of non-residence or other similar claim for exemption and fails to do so.

In these Conditions, "**Relevant Date**" means whichever is the later of (1) the date on which the payment in question first becomes due and (2) if the full amount payable has not been received in a city in which banks have access to the TARGET System by the Fiscal Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Holders.

Any reference in these Conditions to principal or interest shall be deemed to include (i) any Arrears of Interest and (ii) any Additional Amounts in respect of principal, interest or Arrears of Interest (as the case may be) which may be payable under this Condition 10 (*Taxation*).

If the Issuer becomes subject at any time to any taxing jurisdiction other than The Netherlands, references in these Conditions to The Netherlands shall be construed as references to The Netherlands and/or such other jurisdiction.

11. PRESCRIPTION

Claims for principal, interest, Arrears of Interest and Additional Amounts on redemption shall become void unless Securities or Coupons are surrendered for payment within five years of the appropriate relevant due date.

12. REPLACEMENT OF SECURITIES AND COUPONS

If any Security or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Fiscal Agent, subject to all applicable laws and stock exchange requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Securities and Coupons must be surrendered before replacements will be issued.

13. AGENTS

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

The initial Agents and their initial Specified Offices are listed below. The Issuer reserves the right at any time to vary or terminate the appointment of any Agent and to appoint a successor, fiscal agent or calculation agent and additional or successor paying agents; provided, however, that the Issuer shall (a) at all times maintain a fiscal agent and a calculation agent, (b) at all times maintain 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 other

Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any law implementing or complying with, or introduced to conform to, such Directive and (c) for so long as the Securities are listed on Euronext Amsterdam, or any other stock exchange or regulated securities market and the rules of such exchange or securities market so require, a paying agent having a specified office in such location as the rules of such exchange or securities market may require.

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

All calculations and determinations made by the Calculation Agent or the Agent in relation to the Securities shall (save in the case of manifest error) be final and binding on the Issuer, the Fiscal Agents and the Holders.

None of the Issuer and the Fiscal Agents shall have any responsibility to any person for any errors or omissions in any calculation by the Calculation Agent.

14. MEETINGS OF SECURITYHOLDERS AND MODIFICATION

(a) Meeting of Securityholders

The Agency Agreement contains provisions for convening meetings of Securityholders to consider matters relating to the Securities, including the modification of any provision of these Conditions. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuer and shall be convened upon the request in writing of Securityholders holding not less than ten per cent. of the aggregate principal amount of the outstanding Securities. The quorum at any meeting convened to vote on an Extraordinary Resolution will be two or more persons holding or representing a clear majority of the aggregate principal amount of the outstanding Securities or, at any adjourned meeting, two or more persons being or representing Securityholders whatever the principal amount of the Securities held or represented; provided, however, that certain proposals (including any proposal to change any date fixed for payment of principal or interest in respect of the Securities, to reduce the amount of principal or interest payable on any date in respect of the Securities, to alter the method of calculating the amount of any payment in respect of the Securities or the date for any such payment, to change the currency of payments under the Securities or to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution (each, a "**Reserved Matter**") may only be sanctioned by an Extraordinary Resolution passed at a meeting of Securityholders at which two or more persons holding or representing not less than two thirds or, at any adjourned meeting, one third of the aggregate principal amount of the outstanding Securities form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Securityholders and Couponholders, whether present or not.

In addition, a resolution in writing signed by or on behalf of all Securityholders who for the time being are entitled to receive notice of a meeting of Securityholders will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Securityholders.

(b) Modification

The Securities and these Conditions may be amended without the consent of the Securityholders or the Couponholders to correct a manifest error. In addition, the parties to the Agency Agreement may agree to modify any provision thereof, but the Issuer shall not agree, without the consent of the Securityholders, to any such modification unless it is of a formal, minor or technical nature, it is made to correct a manifest error or it is, as reasonably determined by the Issuer in consultation with an independent investment bank or counsel of international standing, not materially prejudicial to the interests of the Securityholders.

15. SUBSTITUTION OF THE ISSUER

(a) The Issuer may, and the Holders hereby irrevocably agree in advance that the Issuer may without any further consent of the Holders being required, provided no payment of principal of or

interest on any of the Securities has become due and payable but remained unpaid, be replaced and substituted by any directly or indirectly wholly owned subsidiary of the Issuer (the "**Substituted Debtor**") as principal debtor in respect of the Securities provided that:

- (i) such documents shall be executed by the Substituted Debtor and the Issuer as may be necessary to give full effect to the substitution (together the "**Documents**") and (without limiting the generality of the foregoing) pursuant to which the Substituted Debtor shall undertake in favour of each Holder to be bound by the Terms and Conditions of the Securities and the provisions of the Agency Agreement as fully as if the Substituted Debtor had been named in the Securities and the Agency Agreement as the principal debtor in respect of the Securities in place of the Issuer and pursuant to which the Issuer shall guarantee, which guarantee shall be unconditional and irrevocable (the "**Guarantee**"), in favour of each Holder the payment of all sums payable (including any Additional Amounts payable pursuant to Condition 10 (*Taxation*)) in respect of the Securities;
- (ii) where the Substituted Debtor is incorporated, domiciled or resident for taxation purposes in a territory other than The Netherlands, the Documents shall contain a covenant and/or such other provisions as may be necessary to ensure that each Holder has the benefit of a covenant in terms corresponding to the provisions of Condition 10 (*Taxation*) with the substitution for the references to The Netherlands of references to the territory in which the Substituted Debtor is incorporated, domiciled and/or resident for taxation purposes. The Documents shall also contain a covenant by the Substituted Debtor and the Issuer to indemnify and hold harmless each Holder against all liabilities, costs, charges and expenses (provided that insofar as the liabilities, costs, charges and expenses are taxes or duties, the same arise by reason of a law or regulation having legal effect or being in reasonable contemplation thereof on the date such substitution becomes effective) which may be incurred by or levied against such Holder as a result of any substitution pursuant to this Condition and which would not have been so incurred or levied had such substitution not been made (and, without limiting the foregoing, such liabilities, costs, charges and expenses shall include any and all taxes or duties which are imposed on any such Holder by any political sub-division or taxing authority of any country in which such Holder resides or is subject to any such tax or duty and which would not have been so imposed had such substitution not been made);
- (iii) the Documents shall contain a warranty and representation by the Substituted Debtor and the Issuer (a) that each of the Substituted Debtor and the Issuer has obtained all necessary governmental and regulatory approvals and consents for such substitution and the performance of its obligations under the Documents, and that all such approvals and consents are in full force and effect and (b) that the obligations assumed by each of the Substituted Debtor and the Issuer under the Documents are all valid and binding in accordance with their respective terms and enforceable by each Holder;
- (iv) each stock exchange which has Securities listed thereon shall have confirmed that following the proposed substitution of the Substituted Debtor the Securities would continue to be listed on such stock exchange;
- (v) the Substituted Debtor shall have delivered to the Fiscal Agent or procured the delivery to the Fiscal Agent of a legal opinion from a leading firm of local lawyers acting for the Substituted Debtor to the effect that the Documents constitute legal, valid and binding obligations of the Substituted Debtor, such opinion to be dated not more than three days prior to the date of substitution of the Substituted Debtor for the Issuer and to be available for inspection by Holders at the specified office of the Fiscal Agent;
- (vi) the Issuer shall have delivered to the Fiscal Agent or procured the delivery to the Fiscal Agent of a legal opinion from the internal legal adviser to the Issuer to the effect that the Documents (including the Guarantee) constitute legal, valid and binding obligations of the Issuer, such opinion to be dated not more than three days prior to the date of substitution of the Substituted Debtor for the Issuer and to be available for inspection by Holders at the specified office of the Fiscal Agent; and

- (vii) the Issuer shall have delivered to the Fiscal Agent or procured the delivery to the Fiscal Agent of a legal opinion from a leading firm of Dutch lawyers to the effect that the Documents (including the Guarantee) constitute legal, valid and binding obligations of the Substituted Debtor and the Issuer under Dutch law, such opinion to be dated not more than three days prior to the date of substitution of the Substituted Debtor for the Issuer and to be available for inspection by Holders at the specified office of the Fiscal Agent.
- (b) In connection with any substitution effected pursuant to this Condition, neither the Issuer nor the Substituted Debtor need have any regard to the consequences of any such substitution for individual Holders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory and no Holder, except as provided in Condition 15(a)(ii), shall be entitled to claim from the Issuer or any Substituted Debtor under the Securities any indemnification or payment in respect of any tax or other consequences arising from such substitution,
- (c) In respect of any substitution pursuant to this Condition in respect of the Securities, the Documents referred to in Condition 15(a) above shall provide for such further amendment of the Terms and Conditions of the Securities as shall be necessary or desirable to ensure that the Securities constitute subordinated obligations of the Substituted Debtor, subordinated to no greater than the same extent as the Issuer's obligations prior to its substitution to make payments of principal in respect of the Securities under Condition 2 (*Status and Subordination*), such that the Substituted Debtor will only be obliged to make payments of principal in respect of the Securities to the extent that the Issuer would have been so obliged under Condition 2 (*Status and Subordination*) of the Terms and Conditions had it remained as principal obligor under the Securities.
- (d) With respect to the Securities, the Issuer shall be entitled, by notice to the Holders given in accordance with Condition 16 (*Notices*), at any time to effect a substitution which does not comply with paragraph (c) above provided that the terms of such substitution have been approved by an Extraordinary Resolution of the Holders or to waive all and any rights to effect a substitution of the principal debtor pursuant to this Condition. Any such notice of waiver shall be irrevocable.
- (e) Upon the execution of the Documents as referred to in paragraph (a) above, and subject to the notice as referred to in paragraph (g) below having been given, the Substituted Debtor shall be deemed to be named in the Securities as the principal debtor in place of the Issuer and the Securities shall thereupon be deemed to be amended to give effect to the substitution and to release the Issuer as issuer from all of its obligations as principal debtor in respect of the Securities save that any claims under the Securities prior to release shall enure for the benefit of Holders.
- (f) The Documents shall be deposited with and held by the Fiscal Agent for so long as any Securities remain outstanding and for so long as any claim made against the Substituted Debtor by any Holder in relation to the Securities or the Documents shall not have been finally adjudicated, settled or discharged. The Substituted Debtor and the Issuer shall acknowledge in the Documents the right of every Holder to the production of the Documents for the enforcement of any of the Securities or the Documents.
- (g) Not later than 15 days after the execution of the Documents, the Substituted Debtor shall give notice thereof to the Holders in accordance with Condition 16 (*Notices*).

16. NOTICES

Notices to Holders shall be given by publication in the English language in a daily newspaper having general circulation in The Netherlands (which is expected to be *Het Financiële Dagblad*) and/or published on the website of the Luxembourg Stock Exchange (www.bourse.lu). 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 date of the first publication as provided

above. Couponholders shall be deemed for all purposes to have been given notice of the contents of any notice given to Holders.

17. FURTHER ISSUES

The Issuer may from time to time, without the consent of the Holders or the Couponholders, create and issue further Securities having the same terms and conditions in all respects (or in all respects except for the first payment of interest) and so that the same shall be consolidated and form a single series with the Securities.

18. GOVERNING LAW AND SUBMISSION TO JURISDICTION

- (a) The Agency Agreement, these Terms and Conditions, the Securities and the Coupons and any non-contractual obligations arising out of or in connection therewith are governed by, and shall be construed in accordance with, the laws of The Netherlands.
- (b) The Issuer submits for the exclusive benefit of the Holders and the Couponholders to the jurisdiction of the court of first instance (*rechtbank*) of Amsterdam, The Netherlands, judging in first instance, and its appellate courts. Without prejudice to the foregoing, the Issuer further irrevocably agrees that any suit, action, proceedings or disputes which may arise out of or in connection with the Agency Agreement and the Securities and the Coupons and any non-contractual obligations arising out of or in connection therewith may be brought in any other court of competent jurisdiction.

19. DEFINITIONS

In these Terms and Conditions:

"**Accounting Event**" means any actual or proposed change to the rules relating to the classification of the Securities under the International Financial Reporting Standards as adopted by the European Union as applicable to or applied by the Issuer and/or the Group which has the effect that the Securities will no longer or may no longer be classified as "equity" in the consolidated accounts of the Group;

"**Additional Amounts**" has the meaning ascribed thereto in Condition 10 (*Taxation*);

"**Agency Agreement**" has the meaning ascribed thereto in the preamble;

"**Agents**" means the Fiscal Agent and the Calculation Agent;

"**Arrears of Interest**" has the meaning ascribed thereto in Condition 4(a) (*Deferral of Payments*);

"**Business Day**" means a day, other than a Saturday or Sunday, which is a TARGET Business Day and on which commercial banks and foreign exchange markets are open for general business in Amsterdam;

"**Calculation Agent**" means ABN AMRO Bank N.V. as calculation agent in relation to the Securities, or its successor or successors for the time being appointed under the Agency Agreement;

"**Calculation Amount**" means EUR 1,000;

"**Condition**" means any of the numbered paragraphs of these Terms and Conditions of the Securities;

"**Consolidated Total Assets**" means the gross assets of the Group as set out in the balance sheet contained in the then latest audited consolidated financial statements of the Group;

"**Coupons**" has the meaning ascribed thereto in the preamble;

"**Couponholder**" has the meaning ascribed thereto in the preamble;

"**Coupon Amount**" means the amount of interest payable on a Security for the relevant Coupon Period in accordance with Condition 5 (*Coupon Payments*) and for the purposes of Conditions 6(c) (*Redemption for Taxation Reasons*), 6(d) (*Redemption for Accounting Reasons*) and 6(e) (*Redemption for Rating Reasons*) any interest accrued from (and including) the preceding Coupon Payment Date (or, if none, the Issue

Date) to (but excluding) the due date for redemption if not a Coupon Payment Date as provided for in Condition 5 (*Coupon Payments*);

"Coupon Payment Date" means each of (i) 1 December in each year, commencing 1 December 2015, (ii) the First Reset Date, (iii) the First Step-up Date and (iv) the Second Step-up Date, provided that if any Coupon Payment Date would otherwise fall on a day which is not a Business Day it shall be postponed to the next Business Day unless it would then fall into the next calendar month in which event the Coupon Payment Date shall be brought forward to the immediately preceding Business Day;

"Coupon Period" means the period commencing on (and including) the Issue Date and ending on (but excluding) the first Coupon Payment Date and each successive period commencing on (and including) a Coupon Payment Date and ending on (but excluding) the next succeeding Coupon Payment Date or the date of redemption, as the case may be;

"Coupon Rate" means the First Fixed Coupon Rate and each Reset Coupon Rate, as the case may be;

"Day Count Fraction" has the meaning ascribed thereto in Condition 5(b) (*Coupon Rate*);

"Deferred Coupon Payment" means any Arrears of Interest which have not been satisfied;

"Deferred Coupon Payment Date" means:

- (i) the date on which the Issuer voluntarily satisfies a Deferred Coupon Payment, as notified by the Issuer to the Holders, the Fiscal Agent and the Calculation Agent in accordance with Condition 4(a) (*Deferral of Payments*); or
- (ii) the date on which the Issuer is required to satisfy all Deferred Coupon Payments pursuant to Condition 4(b) (*Compulsory Payments*);

"Electricity Act 1998" means the Act of 2 July 1998 of The Netherlands, concerning the rules on production, transportation and supply of electricity (*Elektriciteitswet 1998*), as amended from time to time;

"Electricity Network" means an electricity network as described in Section 1, Subsection 1, sub i, of the Electricity Act 1998 which is operated pursuant to Chapter 3 of the Electricity Act 1998 by the Issuer or any of its Subsidiaries;

"Enforcement Event" has the meaning ascribed thereto in Condition 9 (*Enforcement Events*);

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

"First Fixed Coupon Rate" has the meaning ascribed thereto in Condition 5(b)(i);

"First Fixed Rate Period" means the period from (and including) the Issue Date to (but excluding) the First Reset Date;

"First Reset Date" means 1 December 2021;

"First Step-up Date" means 1 December 2024;

"Fiscal Agent" has the meaning ascribed thereto in the preamble;

"Five year Swap Rate" has the meaning ascribed thereto in Condition 5(b) (*Coupon Rate*);

"Gas Act" means the Act of 22 June 2000 of The Netherlands, concerning the rules on transportation and supply of natural gas (*Gaswet*), as amended from time to time;

"**Gas Network**" means a gas network (*gastransportnet*) as described in Section 1, Subsection 1, sub d, of the Gas Act which is operated pursuant to Chapter 1 and Chapter 2 of the Gas Act by the Issuer or any of its Subsidiaries;

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

"**High Voltage Network**" means an electricity network as described in Section 1, Subsection 1, sub j and Section 10, Subsection 1 of the Electricity Act 1998, which is part of the Electricity Network;

"**Holder**" has the meaning ascribed thereto in the preamble;

"**ISDA Definitions**" means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. (as amended and updated as at the Issue Date);

"**Issue Date**" means 1 December 2014;

"**Issuer**" means Eneco Holding N.V.;

A "**Issuer Change of Control**" occurs in the event the State of The Netherlands, any province, municipality, governmental body or governmental organisation thereof, alone or together, cease to hold more than 50 per cent. of the total issued share capital of the Issuer or cease to hold or control more than 50 per cent. of voting rights in the Issuer, whereby for the purpose of this definition "control" (*beschikking*), "shares" (*aandelen*) and "voting rights" (*stemmen*) have the meanings given to them in Chapter 5.3 of the Dutch Financial Markets Supervision Act (*Wet op het financieel toezicht*);

"**Issuer Change of Control Event**" means the occurrence of an Issuer Change of Control and within the Issuer Change of Control Period an Issuer Rating Downgrade occurs;

"**Issuer Change of Control Period**" means the period ending 90 days after the occurrence of the Issuer Change of Control;

An "**Issuer Rating Downgrade**" shall be deemed to have occurred in respect of an Issuer Change of Control if within the Issuer Change of Control Period any rating previously assigned to the Issuer or the Securities by any Rating Agency is (x) withdrawn or (y) changed from an investment grade rating (BBB-/Baa3, or their respective equivalents for the time being, or better) to a non-investment grade rating (BB+/Ba1, or their respective equivalents for the time being, or worse) or (z) (if the rating assigned to the Securities by any Rating Agency shall be below an investment grade rating (as described above)) lowered one full rating category (from BB+ to BB or such similar lower or equivalent rating), provided that an Issuer Rating Downgrade otherwise arising by virtue of a particular change in rating shall be deemed not to have occurred in respect of a particular Issuer Change of Control if the Rating Agency making the change in rating to which this definition would otherwise apply does not publicly announce or publicly confirm that the reduction was the result, in whole or part, of any event or circumstance comprised in or arising as a result of, or in respect of, the applicable Issuer Change of Control;

"**Mandatory Payment Event**" means:

- (i) if the Issuer declares, resolves on, pays or distributes a dividend or makes a payment (other than a dividend in the form of shares) on any of the shares in its share capital;
- (ii) if the Issuer declares, pays or distributes a dividend or makes a payment on any Parity Securities, except where such dividend or payment was not discretionary under the terms of such Parity Securities;
- (iii) if the Issuer redeems, repurchases or otherwise acquires any of the shares in its share capital (other than (a) in connection with any employee benefit plans or similar arrangements with or for the benefit of employees, officers, directors or consultants, (b) as a result of the exchange or conversion of one class or series of capital stock for another class or series of capital stock or (c) as a result of any equity swap or asset swap or similar arrangement concluded by the Issuer with a third party); or
- (iv) if the Issuer redeems, repurchases or otherwise acquires any Parity Securities, except for (a) redemption of Parity Securities on their scheduled maturity date, or (b) a conversion into or

exchange for shares in the share capital of the Issuer, or (c) if the Issuer offers to repurchase or otherwise acquire the Securities and Parity Securities in whole or in part in a public offer where the amounts of the Securities and Parity Securities repurchased or acquired are in proportion to their principal amounts then outstanding.

"Margin" means (i) in respect of each Coupon Period from the including the First Reset Date to but excluding the First Step-up Date: 2.750 per cent. per annum (no step-up), (ii) in respect of each Coupon Period from and including the First Step-up Date to but excluding the Second Step-up Date: 3.000 per cent. per annum (including a 0.25% step-up over the initial credit spread); and (iii) in respect of each Coupon Period from and including the Second Step-up Date to but excluding the date on which the Issuer redeems the Securities: 3.750 per cent. per annum (including a further 0.75% step-up);

"Major Corporate Event" means an Issuer Change of Control Event or a Regulated Business Major Corporate Event;

"Network Manager" means a company designated as network manager (*netbeheerder*) in accordance with Section 10 of the Electricity Act or Section 2 of the Gas Act, as the case may be;

"Optional Redemption Date" means the First Reset Date and each Coupon Payment Date thereafter;

"Parity Securities" means any security issued by the Issuer which rank *pari passu* with the Securities, and any security guaranteed by the Issuer where the Issuer's obligations under the relevant guarantee rank *pari passu* with the Issuer's obligations under the Securities;

"Payment" means any Coupon Payment or Deferred Coupon Payment;

"Rating Event" has the meaning ascribed thereto in Condition 6(e) (*Redemption for Rating Reasons*);

"Rating Agency" means each of Fitch, Moody's and S&P, where **"Fitch"** means Fitch Ratings, Inc. Fitch Ratings Limited and any of its subsidiaries or successors, **"Moody's"** means Moody's Investors Services Limited or any of its subsidiaries or successors and **"S&P"** means Standard & Poor's Rating Services, a division of the McGraw-Hill Companies, Inc., or any of its subsidiaries or successors;

"Regulated Assets" means the assets which are part of the Regulated Business, excluding the High Voltage Networks;

"Regulated Business" means, at any time,

- (i) the ownership of the Gas Network which is legally and/or economically owned by members of the Group including, without limitation, the performance of the tasks and obligations of the Network Manager pursuant to Section 10 of the Gas Act, and activities auxiliary thereto; and
- (ii) the ownership of the Electricity Network which is legally and/or economically owned by members of the Group at the date hereof, including, without limitation, the performance of the tasks and obligations of the Network Manager pursuant to Section 16 of the Electricity Act 1998, and activities auxiliary thereto;

"Regulated Business Major Corporate Event" occurs if, at any time, either (i) Stedin Netbeheer B.V. is no longer a Subsidiary of the Issuer or (ii) the Issuer, directly or indirectly, sells, leases, transfers or otherwise disposes of any material part of the Regulated Assets of the Group whether in a single transaction or a series of transactions and whether at the same time or over a period of time, where a sale, transfer, lease or other disposition of Regulated Assets shall be deemed to concern a "material part" of the Regulated Assets of the Group if the percentage that the book value of the Regulated Assets which are so sold, leased, transferred or otherwise disposed of bears to the Consolidated Total Assets, when aggregated with the percentages that the book value of all other Regulated Assets sold, leased, transferred or otherwise disposed of by the Group during the period starting on the Issue Date and ending immediately prior to such sale, lease, transfer or other disposition bore to the then Consolidated Total Assets, equals or exceeds 30%, in each case as may be required by, or may be necessary for the implementation of, the Restructuring Regulation;

"Relevant Date" has the meaning ascribed thereto in Condition 10 (*Taxation*);

"**Reset Coupon Determination Date**" has the meaning ascribed thereto in Condition 5(b)(ii) (*Coupon Payments*);

"**Reset Coupon Rate**" has the meaning ascribed thereto in Condition 5(b)(ii) (*Coupon Payments*);

"**Reset Date**" means the First Reset Date and each fifth anniversary thereof thereafter;

"**Reset Period**" means each period beginning on (and including) a Reset Date and ending on (but excluding) the next succeeding Reset Date thereafter and "relevant Reset Period" shall be construed accordingly;

"**Restructuring Regulation**" means the Act of 23 November 2006 amending the Electricity Act 1998 and the Gas Act in respect of independent network management (Stb. 2006, 614) in The Netherlands as incorporated in the Electricity Act 1998 and Gas Act and any other applicable law and/or regulation under or pursuant to the aforementioned acts;

"**Second Step-up Date**" means 1 December 2041;

"**Securities**" means the EUR 500,000,000 Perpetual Fixed Rate Reset Capital Securities and such expression shall include, unless the context otherwise requires, any further Securities issued pursuant to Condition 17 (*Further Issues*) and forming a single series with the Securities, and "**Security**" means any of the Securities;

"**Securityholder**" has the meaning ascribed thereto in the preamble;

"**Subsidiary**" means an entity of which a person has direct or indirect the power to direct the management and policies of an entity, whether through the ownership of voting capital, by contract or otherwise or owns directly or indirectly more than 50% of the voting capital or similar right of ownership, but in all cases excluding any entity in which a minority interest is held and over which entity the holder of such minority interest exercises joint control;

"**TARGET Business Day**" means any day on which the TARGET System is open or operating;

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

"**Tax Deduction Event**" means the occurrence of an event as a result of which interest payments under the Securities were, but are or will no longer be, tax-deductible by the Issuer for Dutch corporate income tax purposes by reason of:

- (i) any actual or proposed change in or amendment to the laws, regulations or rulings of The Netherlands or any political subdivision or taxing authority thereof or therein; or
- (ii) any actual or proposed change in the official application or interpretation of such laws, regulations or rulings; or
- (iii) any action which shall have been taken by any taxing authority or any court of competent jurisdiction of The Netherlands or any political subdivision or taxing authority thereof or therein, whether or not such action was taken or brought with respect to the Issuer,

which change, amendment or execution becomes effective, taking of action occurs, or proposal is made, on or after the Issue Date;

"**Winding-up**" means a situation where or the event that (i) an order is made or a decree or resolution is passed for the winding-up, liquidation (*ontbinding*) or dissolution (*vereffening*) of the Issuer, or (ii) a trustee (*curator*) is appointed by the competent District Court in The Netherlands in the event of bankruptcy (*faillissement*) affecting the whole or a substantial part of the undertaking or assets of the Issuer and such appointment is not discharged within 30 days; and

"Withholding Tax Event" means the occurrence of an event as a result of which the Issuer would be required to pay Additional Amounts upon the next due date for a payment in respect of the Securities by reason of:

- (i) any actual or proposed change in or amendment to the laws, regulations or rulings of The Netherlands or any political subdivision or taxing authority thereof or therein; or
- (ii) any actual or proposed change in the official application or interpretation of such laws, regulations or rulings; or
- (iii) any action which shall have been taken by any taxing authority or any court of competent jurisdiction of The Netherlands or any political subdivision or taxing authority thereof or therein, whether or not such action was taken or brought with respect to the Issuer,

which change, amendment or execution becomes effective, taking of action occurs, or proposal is made, on or after the Issue Date.

There will appear at the foot of the Conditions endorsed on each Security in definitive form the names and Specified Offices of the Fiscal Agent as set out at the end of this Offering Memorandum.

The following paragraphs in italics do not form part of the Terms and Conditions of the Securities to be issued under this Offering Memorandum:

Intentions regarding redemption and repurchase of the Securities

The Issuer intends (without thereby assuming a legal obligation), that if it redeems or repurchases the Securities, it will so redeem or repurchase the Securities only to the extent that the aggregate principal amount of the Securities to be redeemed or repurchased does not exceed such part of the net proceeds received by it or any of the Issuer's Subsidiaries from the sale or issuance, during the 360-day period prior to the date of redemption, by it or any Subsidiary to third-party purchasers, other than a Group entity, of New Securities unless:

- (i) the credit rating assigned by S&P to the then current Issuer is at least "A-" (or such similar nomenclature then used by S&P) and the Issuer is of the view that such credit rating would not fall below this level as a result of such redemption or repurchase; or*
- (ii) in the case of a repurchase, such repurchase is either (a) in an amount necessary to allow the Issuer's aggregate principal amount of hybrid capital remaining outstanding after such repurchase to remain below the maximum aggregate principal amount of hybrid capital to which S&P would assign equity content under its prevailing methodology or (b) in an amount not greater than 10 per cent. of the aggregate principal amount of the Securities originally issued in any period of 12 consecutive months and no more than 25 per cent. of the aggregate principal amount of the Securities originally issued in any period of 10 consecutive years; or*
- (iii) the Securities are redeemed pursuant to Condition 3 (Winding-up), a Withholding Tax Event, Tax Deduction Event, Accounting Event, Rating Event (to the extent it is triggered by a change of methodology at S&P), upon exercise of the Clean-up call or following a Major Corporate Event; or*
- (iv) the Securities are not assigned an "equity credit" (or such similar nomenclature then used by S&P) at the time of such redemption or repurchase; or*
- (v) such redemption or repurchase occurs on or after 1 December 2041.*

"New Securities" means securities issued or sold by the Issuer or any of the Issuer's Subsidiaries for which the Issuer will receive "equity credit" (or such similar nomenclature used by S&P from time to time) from S&P, at the time of sale or issuance, that is equal to or greater than the "equity credit" for credit rating purposes attributed to the Securities at the time of their issuance (but taking into account any changes in hybrid capital methodology or the interpretation thereof since the issuance of the Securities).

SUMMARY OF PROVISIONS RELATING TO THE SECURITIES IN GLOBAL FORM

The Securities will initially be in the form of the Temporary Global Security which will be deposited on or around the Closing Date with a common depository for Euroclear and Clearstream, Luxembourg.

The Securities are not intended to be held in a manner which would allow Eurosystem eligibility.

The Temporary Global Security will be exchangeable in whole or in part for interests in the Permanent Global Security not earlier than 40 days after the Closing Date upon certification as to non-U.S. beneficial ownership. No payments will be made under the Temporary Global Security unless exchange for interests in the Permanent Global Security is improperly withheld or refused. In addition, interest payments in respect of the Securities cannot be collected without such certification of non-U.S. beneficial ownership.

The Permanent Global Security will become exchangeable in whole, but not in part, for Securities in definitive form ("**Definitive Securities**") in the denomination of EUR 100,000 each at the request of the bearer of the Permanent Global Security against presentation and surrender of the Permanent Global Security to the Fiscal Agent if either of the following events (each, an "**Exchange Event**") occurs: (a) Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or (b) if principal in respect of any Securities is not paid when due and payable.

So long as the Securities are represented by a Temporary Global Security or a Permanent Global Security and the relevant clearing system(s) so permit, the Securities will be tradeable only in the minimum authorised denomination of EUR 100,000 and higher integral multiples of EUR 1,000, notwithstanding that no Definitive Securities will be issued with a denomination above EUR 199,000.

Whenever the Permanent Global Security is to be exchanged for Definitive Securities, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Securities, duly authenticated and with Coupons and Talons attached, in an aggregate principal amount equal to the principal amount of the Permanent Global Security to the bearer of the Permanent Global Security against the surrender of the Permanent Global Security to or to the order of the Fiscal Agent within 30 days of the occurrence of the relevant Exchange Event.

In addition, the Temporary Global Security and the Permanent Global Security will contain provisions which modify the Terms and Conditions of the Securities as they apply to the Temporary Global Security and the Permanent Global Security. The following is a summary of certain of those provisions:

Payments: All payments in respect of the Temporary Global Security and the Permanent Global Security will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Temporary Global Security or (as the case may be) the Permanent Global Security to or to the order of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the Securities. On each occasion on which a payment of principal or interest is made in respect of the Temporary Global Security or (as the case may be) the Permanent Global Security, the Issuer shall procure that the payment is noted in a schedule thereto.

Payments on business days: In the case of all payments made in respect of the Temporary Global Security and the Permanent Global Security "**business day**" means any day on which the TARGET System is open.

Notices: Notwithstanding Condition 16 (*Notices*), while all the Securities are represented by the Permanent Global Security (or by the Permanent Global Security and/or the Temporary Global Security) and the Permanent Global Security is (or the Permanent Global Security and/or the Temporary Global Security are) deposited with a common depository for Euroclear and Clearstream, Luxembourg, notices to Securityholders may be given by delivery of the relevant notice to Euroclear and Clearstream, Luxembourg and, in any case, such notices shall be deemed to have been given to the Securityholders in accordance with Condition 16 (*Notices*) on the date of delivery to Euroclear and Clearstream, Luxembourg.

Purchase and Cancellation: Cancellation of any Security required by the Conditions to be cancelled following its purchase will be effected by reduction in the principal amount of the Permanent Global Security.

Default: The Permanent Global Security provides that the holder may cause the Permanent Global Security or a portion of it to become due and payable in the circumstances described in Condition 9 (*Enforcement Events*) by stating in the notice to the Fiscal Agent the principal amount of Securities which is being declared due and payable. If principal in respect of any Security is not paid when due and payable, the holder of the Permanent Global Security may elect that the Permanent Global Security becomes void as to a specified portion and that the persons entitled to such portion, as accountholders with a clearing system, acquire direct enforcement rights against the Issuer under further provisions set out in the Permanent Global Security.

USE OF PROCEEDS

The net proceeds of the issue of the Securities, expected to amount to EUR 493,360,000, will be used by the Issuer for general corporate purposes.

DESCRIPTION OF THE ISSUER

Incorporation, Address Details and Share capital

The Issuer's legal and commercial name is Eneco Holding N.V.

The Issuer was established as a public limited liability company (*naamloze vennootschap*) for an unlimited term under the laws of The Netherlands on 5 June 2000. It has its registered seat at Rotterdam, The Netherlands, and its principal place of business at Marten Meesweg 5, 3068 AV Rotterdam, The Netherlands and the telephone number of its principal place of business is +31 88 89 51 111. The Issuer is registered in the Trade Register at the Chamber of Commerce and Industries for Rotterdam under number 24306393.

The Issuer's authorised share capital is € 2 billion, divided into 20 million shares with a nominal value of € 100 each. At 31 December 2013, 4,970,978 shares had been issued and fully paid. There were no changes in 2013. The Issuer has only issued ordinary shares.

History and Development of the Eneco Group

The Eneco Group's origin dates back to the middle of the nineteenth century. After a series of co operations and mergers Eneco Group emerged in its current form in 1995.

In The Netherlands, utility companies were traditionally owned by municipalities and provinces. Since the 1980's, significant voluntary consolidation has occurred in order to improve efficiency of operations. In 1995, the utility companies of the municipalities of The Hague, Dordrecht and Rotterdam merged to create the Eneco Group. REMU, a major energy distributor for the province of Utrecht, was acquired in 2003. Eneco Group is currently owned by 55 municipalities in the Netherlands.

In 2004, Eneco entered the Belgian market with the opening of a sales operation in Mechelen, and Air Energy (currently known as Eneco Wind Belgium), the Belgium developer of wind farms, was acquired in 2008, together forming an integrated energy company in Belgium.

Also in 2008 Eneco got its first foothold in the United Kingdom by obtaining and thereafter constructing the Tullo wind project.

In 2009 Eneco acquired parts of Econcern, further strengthening its renewable asset base as part of its long term strategy. Via this acquisition Eneco entered the French market. Eneco Solar France is currently managing a solid solar portfolio, which finances its own growth.

In 2011 Eneco group acquired Oxxio, an energy supplier in the Dutch market that was part of Centrica, an international British multinational utility.

The beginning of 2013 marked the start of a long term partnership in projects in off shore wind with Mitsubishi Corporation.

In 2014 the Eneco Group (as defined below) acquired all customers of DONG Energy Sales B.V.

Business of the Issuer

The Issuer is the holding company of the Eneco group of companies (the "**Eneco Group**"). The Eneco Group is one of the three largest energy utility companies in The Netherlands (Source: Standard & Poor's ratings services, Ratings Direct, Eneco Holding N.V. 2012). Of the 4 energy "incumbents", Eneco is seen as the most sustainable in both strategy, portfolio and operations (Source: Natuur en Milieu, Investigation sustainability Energy Utilities 2014). It has evolved from the classical activities of transmission, distribution, generation and supply of energy to its customers and has set itself the ambition of becoming an energy company which will add value to the energy transition. This implies a thorough program looking into the relevance of Eneco's current activities for its customers as well as a strong focus on what customers drivers are in the transition. This translates in co-investment and co-creation with its customers, both Business to Consumer as Business to Business building on a strong brand. Eneco has bred an eco-system of smaller entities (such as UtiliQ, Agro-Energy), all profitable and each focused on an identified customer need. This model, also known as the DST (Decentralized, Sustainable, Together)

model is being implemented in Eneco's core countries: The Netherlands, Belgium, the UK and to a more limited extent France.

Eneco Group's regulated business, the electricity and gas transmission and distribution network, operates with monopoly status within its areas of coverage. The network company has networks in 3 out of the 4 largest cities in The Netherlands. In addition the network company has some small networks in areas surrounded by competitor networks. The company also delivers heat (regulated tariffs with regional monopoly) in 3 of The Netherlands largest cities (Rotterdam, The Hague and Utrecht).

Organisational Structure Eneco Group

Through the sub-holding N.V. Eneco Beheer, Eneco Holding N.V. holds full ownership of the four 'core companies': the network company of the group Stedin Netbeheer B.V., the services company Stedin Diensten B.V., the infrastructure company Joulz B.V. and the energy company Eneco B.V.

The energy company Eneco B.V. contains nine primary business units: supply to small, medium and large consumer (in The Netherlands and in Belgium), installation companies, sustainable energy assets (including development of assets), sourcing and trading. Through these business units Eneco B.V. is responsible for the purchasing, trade, production and supply of the everyday sustainable energy of its 2.2 million customers in the Netherlands and Belgium. By giving advice and practical energy solutions, Eneco helps its customers to save energy, generate sustainable energy themselves and consume sustainable energy. At the same time, Eneco is making substantial investments in sustainable energy sources such as wind, solar and bio as well providing financial engineering solutions for customers in ESCO's.

Eneco Consumenten Nederland B.V. (and its subsidiaries) sells energy products (electricity, gas and heat), including new related products to retail consumers and small business customers. Eneco Zakelijk Nederland B.V., the business-to-business entity, supplies gas, electricity and heat to medium and large business accounts.

Eneco Solar, Bio & Hydro/ Strategic Assets B.V., Eneco Wind B.V. and Eneco Warmte & Koude B.V. (and its subsidiaries) are the sustainable energy business units within the Eneco Group and involved in the development and operational management of sustainable energy generating assets and heat & cooling distribution.

Eneco Energy Trade B.V. (and its subsidiaries) trades energy and sources gas and electricity for the Eneco Group. This includes the management of long-term power purchase agreements.

Eneco Installatiebedrijven B.V. (and its subsidiaries) focuses on the sale or rental, installation and maintenance of hot water and heating equipment.

Eneco België B.V. sells energy products (electricity and gas) to consumers and business accounts in Belgium.

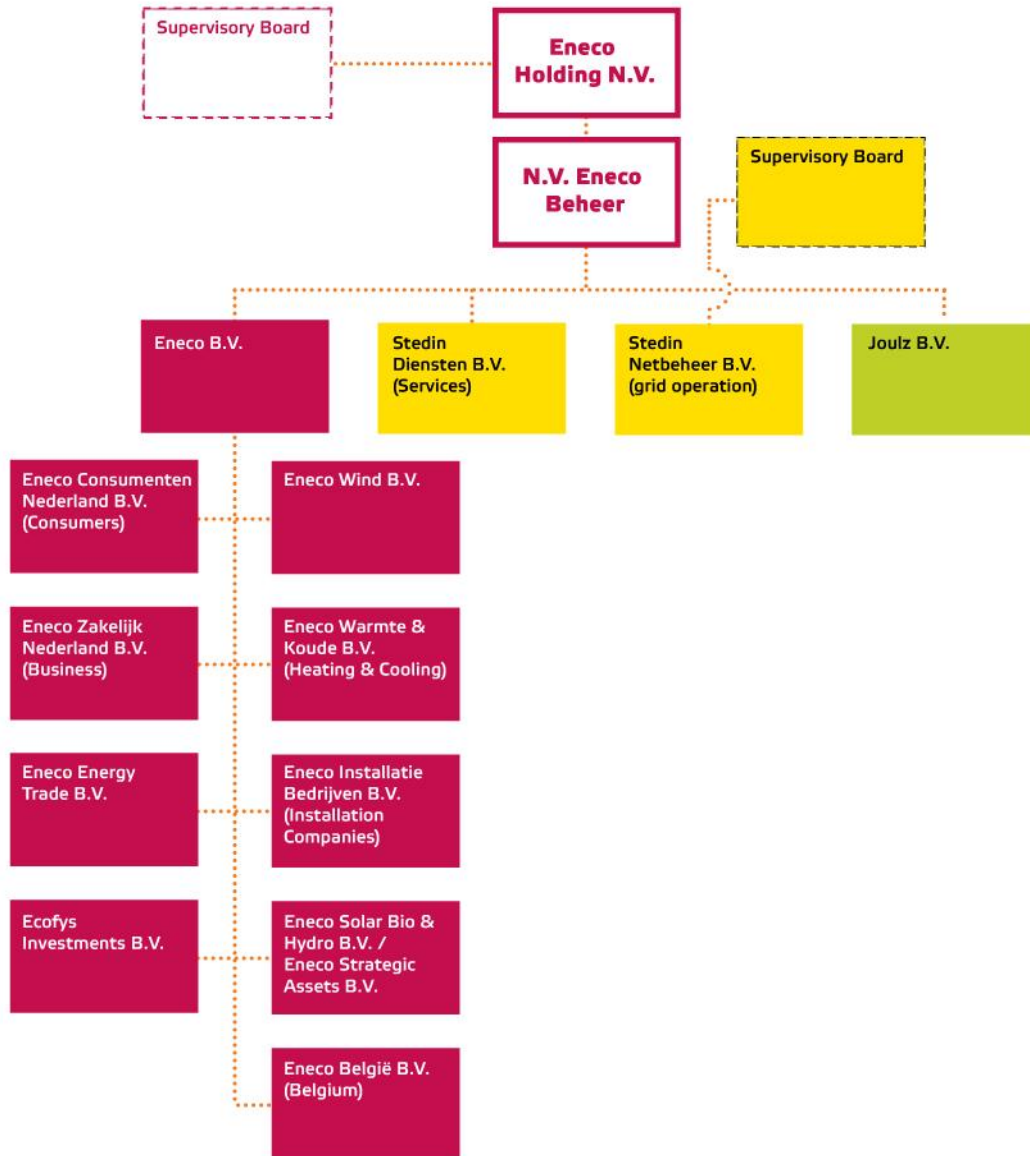
Ecofys Investments B.V. (and its subsidiaries) is a leading consultancy company in the field of sustainable energy, energy saving and CO₂ efficiency, energy systems and markets and energy and climate policy. It has customers worldwide in the commercial sector, government agencies and NGO's and helps these organisations to develop sustainable policies and solutions. Within the Eneco Group, Ecofys is positioned as an independent company.

The grid company, Stedin Netbeheer B.V., is a wholly owned indirect subsidiary of Eneco Holding N.V. with its own supervisory board. This company has several asset companies as subsidiaries, owning gas and electricity networks. In accordance with the Electricity Act 1998 (*Elektriciteitswet 1998*) and the Gas Act (*Gaswet*), the grid company is responsible for the management, distribution, maintenance and quality of the electricity and gas transmission and distribution networks. A main part of constructing the infrastructure is conducted by Joulz.

Stedin Diensten B.V. (and its subsidiaries) performs all measurement services in relation to the supply of energy and is active in the field of steam and CO₂.

The infrastructure core company of the Eneco Group, Joulz B.V. devises and constructs energy infrastructures above and below ground, both for electricity, gas and heating. It offers a total advice and

engineering package from design to construction and maintenance management for both infrastructure and energy installations, as well as for public lighting and sustainable energy solutions. The Issuer intends to make certain changes to its organisational structure in the near future. In this respect, Stedin and Joulz are to join forces to improve the effectiveness and efficiency of their services and to create more scope for investments to be made in future-proof energy networks.



Simplified Corporate Structure Eneco Group as at the date of this Offering Memorandum

Strategy

Eneco's strategy is aimed at "sustainable energy for everyone" and is focused on enabling and supporting the transition to a sustainable distributed energy demand model. Eneco's vision on energy markets is Sustainable, Decentralised, Together:

- *Sustainable*: wind turbines, solar panels, heating/cooling, geothermal energy, Escos contracts and green gas;
- *Decentralised*: these installations are located close to customers and in some cases are owned by customers;

- *Together: at and with the customer. From one-way to two way traffic: smart grids and ICT solutions* that link supply and demand and take advantage of price fluctuations. Partnerships between producers and suppliers will develop. Focus on participation of customers, industrial partners and governmental entities.

Customer first in Eneco Group's Operating Model

In support of its strategy Eneco deploys its professional expertise and leadership to promote decentralized generation of sustainable energy by customers. The absolute point of focus of Eneco's strategy is its most important partner: the customer.

Eneco's customers are provided with a single point of entry to any of Eneco's services and products, granting them easy access to professional and practical customer care as well as to interesting business proposals and participations. Eneco incorporates three business units focusing on its customer: "Eneco Consumers" and "Eneco Business" on the Dutch market and "Eneco Belgium" for its Belgian customers. These business units have a leading role in the organisation and manage the entire chain of customers. These units – amongst others – provide for expertise as sales & marketing, product and proposition management and services.

Eneco directly involves its customers in the development of its products and services. Eneco provides its customers with products and services that provide tangible benefits to the customer such as energy saving solutions such as the Toon® and the Energy Manager. Sustainable products such as HollandseWind® that enable them to share in the profits of wind power and tailor-made solutions they can use to produce sustainable energy themselves (such as solar panels).

Strategy Energy Company

The energy company Eneco B.V. is a utility with a robust energy supply business, limited dependency on conventional fossil-fuelled assets and a strong management focus on attaining sustainability leadership in the North West European Region (Netherlands, Belgium, France and UK). The group has defined the following three-pillar strategy:

- Strengthen the relationship with the customers of Eneco, understanding their underlying needs and serving their interests. Eneco invites its customers to participate more actively into energy transition, offering them the tools to doing so (financial participation in wind assets, white label for communities etc). This strategic pillar also includes data analytics to anticipate on flexibility becoming available within the demand profile of the customer (demand response, smart-charging, batteries)
- Ensure relevance in all activities Eneco Group owns, operates and/or acquires. Eneco aims at adding value for its stakeholders on all fronts. Relevance goes hand in hand with a flexible and agile organisation
- Develop new products and services aimed at capturing flexibility within the energy system and thus building a leading portfolio of flexible capacity, together with the Eneco Group customers. This is primarily aimed at absorbing the growing share of renewable energy in the networks of Eneco.

Eneco Group strategy is supported by the ambition of attaining thought leadership on sustainability, based on solid analyses and showcasing how sustainability must go hand in hand with the communities of Eneco. Eneco is the intellectual owner of “Scenario's” against which all investment decisions are challenged, to anticipate on new trends and significant changes brought about by energy transition. These scenario's come with early warning systems.

Strategy Network Company

The network company is an energy distribution company with strong performance in distribution of electricity, gas and steam. The network company focuses on the improvement in quality of the networks and enabling growth in sustainable energy with smart solutions (smart grids, smart metering, smart data management).

The improvement in quality of the networks requires:

- increasing flexibility by smart technology and investment in the development of two-way-traffic networks, enabling the network to handle energy fed back by the customers of Eneco to the energy company, increasing reliability of the network. The primary processes of customer organisations have become more vulnerable to disruptions in delivery, thereby increasing their reliance on network performance;
- dealing with the complexity of amending the network in cases of limited availability of public space;
- increasing the efficiency and cost-effectiveness of the organisation itself, by developing intelligent network management.

The Dutch regulator, the *Autoriteit Consument & Markt* (ACM), regulates the total revenue for a network company by using a formula containing an efficiency component (x-factor), a quality component (q-factor) and inflation component (consumer price index). For the current regulation period 2014-2016, the regulator has set relatively high x-factor for Stedin Netbeheer B.V., in order to create an incentive to increase the efficiency of the network. The x-factor, in this regulation period, will lead to annually decreasing transport tariffs for gas and electricity. As in past years, the network company Stedin Netbeheer B.V. has an intensive investment programme due to the replacement, expansion and improvement of the quality of the networks. This is in order to gear up for a reliable and smarter infrastructure (enabled to gather and act on information, such as information about the behaviors of suppliers and consumers, in an automated fashion to improve the efficiency, reliability, economics, and sustainability of the production and distribution of electricity), thus allowing for energy transition to unleash in the Netherlands. The network company is targeting an annual investment of approximately 500 million euro over the next three years.

Unbundling

In April 2007, based on the Electricity Act 1998 and Gas Act -where the 'independent network company act' (*Wet Onafhankelijk Netbeheer*) has been incorporated into- the unbundling of the energy generation and supply from the distribution activities has become mandatory by ministerial decision. The unbundling law clauses are currently not in force as a consequence of a decision of the Court in The Hague in June 2010.

The legal proceedings with respect to the unbundling law provisions are still ongoing. After the decision of the Court of Justice of the European Union in Luxembourg on 22 October 2013, the Supreme Court (*Hoge Raad*) in The Netherlands has to determine now whether the restrictions on fundamental freedoms are appropriate to the objectives pursued. Furthermore such restrictions must not go beyond what is necessary to attain such objectives.

The date on which the decision of the Supreme Court (*Hoge Raad*) could be expected is not known yet. Such decision is currently expected for the first quarter of 2015. It should be noted that the Supreme Court (*Hoge Raad*) could decide to refer the case to another Dutch court for further investigations in which case it is expected that such legal proceedings will continue for quite some time.

Trend Information

Since 31 December 2013 there has been no material adverse change in the prospects of the Issuer nor any significant change in the financial or trading position of the Issuer.

Eneco is confident of further developments at Eneco Group, which, as planned, is becoming a business that is a partner for customers in the area of sustainable energy-related business. For example, in the business market, by offering Esco (Energy Service Company) solutions in which Eneco enters into a longterm alliance with customers. Or, for consumers, by facilitating local generation of energy. At the same time, Eneco Group continues to invest in the generation and transport of sustainable energy to achieve its mission of sustainable energy for everyone. Nevertheless, market conditions are challenging and are expected to remain so for the time being.

Management of Eneco Holding N.V.

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

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

<u>Name</u>	<u>Responsibility</u>	<u>Additional functions</u>	<u>Biography</u>
J.F. (Jeroen) de Haas (1959) Chairman of the Board of Management Eneco Holding N.V.	Corporate Strategy, Corporate Affairs, Human Resource Management, Communication & Public Affairs, Health Safety Security & Environment (HSSE) Holding.	Member of the Supervisory Board of Movares Group B.V. Member of the Supervisory Board Port of Amsterdam Member of the Royal Holland Society of Sciences and Humanities Member of the Advisory Board Executive MBA in European Utility Management by Jacobs University in Bremen (Germany) Member of the Fundraising Board Utrecht University Clean Energy Ambassador of WWF Associate member of the Council for the Environment and Infrastructure Member of the Advisory Board of De Baak	Jeroen de Haas was appointed chairman of the Board of Management on 1 January 2007. He has been a member of the Board of Management since July 2000 and held the position of vice-chairman since 2006. Since 1996, he was General Manager of the Enercom energy company cooperative, six members of which merged with Eneco in July 2000. Prior to this Mr De Haas was General Manager of RCCIVEV, a unit of Roccade. He studied Dutch Law in Utrecht.
A.J. (Guido) Dubbeld (1971) Member of the Board of Management Eneco Holding N.V.	Finance, Control & Risk, Treasury, Tax, Investment Management, Internal Audit, ICT.	Member of the Supervisory Board Stedin Netbeheer B.V. Member of the Supervisory Board of APX	Guido Dubbeld was appointed member of the Board of Management as Chief Financial Officer of Eneco Holding N.V. on 1 April 2011. He joined Eneco in 2002 and held the positions of Risk Manager and Manager Finance & Control. As from 2007, he has been working as the Director of Eneco Energy Trade. Before Mr. Dubbeld joined Eneco, he worked for several financial institutions, including MeesPierson, HypoVereinsbank (Munich) and UBS AG (Zurich). He holds a degree in Economics from Erasmus University Rotterdam with a specialisation in International Finance.
C.J. (Kees-Jan) Rameau (1962) Member of the Board of Management Eneco Holding N.V.	Energy Trade, Wind, Solar, Bio&Hydro/Strategic Assets, Stedin, Joulz, Health Safety Security & Environment (HSSE) Eneco	Member of the Advisory Board Agro Energy Member of the Advisory Board Energy MBA Nyenrode Member of the Board of Management Koninklijke Vereniging van Gasfabrikanten in Nederland (KVGN) Member of the Board of De Groene Zaak Member of the Supervisory Board of Vitens	Kees-Jan Rameau was appointed a member of the Board of Management on 1 April 2008. He started his career at Eneco as Strategy Director at the beginning of 2004. At the beginning of 2007, he was appointed Business to Business Director. Before Mr. Rameau joined Eneco, he worked at the Boston Consulting Group, TPG (now TNT) and McKinsey & Company, where he was active in the fields of strategy, finance and operations. He studied Applied Physics at Delft University of Technology and holds an MBA from INSEAD, Fontainebleau.

Name	Responsibility	Additional functions	Biography
M.W.M. (Marc) van der Linden (1972) Member of the Board of Management Eneco Holding N.V.	Consumers (NL), Business (NL), Belgium (Consumers and Business for supply), Installation Companies, Heat & Cooling, Ecofys		Marc van der Linden was appointed member of the Board of Management on 1 December 2012. He joined Eneco in 1997 and held the positions of business analyst, product manager at Eneco Warmte (Heating), director of Eneco Energy Projects, director of Eneco Installatiebedrijven (Installation Companies) and director of the Business Unit Wind. Prior to joining Eneco Mr. van der Linden worked at Van Gansewinkel Groep. He holds a degree in Economics from Tilburg University.

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

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

There is also a deviation to fully privately owned organisations, since the activities of the Issuer are partially private and partially regulated. The Issuer's corporate strategy is such that the network manager is able carry out its legal tasks independently. The Issuer's web site (<http://www.eneco.com/en>) includes information on Eneco Group's corporate governance and the applicable codes and regulations. Information on the aforementioned website does not form part of this Offering Memorandum and may not be relied upon in connection with any decision to invest in the Securities.

Supervisory board

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

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

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

Name	Positions	Previous main positions
E.H.M. (Edo) van den Assem (1949) Chairman of the Supervisory Board since 18 April 2012	Member of the Selection and appointment committee Member of the Remuneration Committee Chairman of the Supervisory Board MCB International B.V. Chairman of the Supervisory Board of the Eindhoven Venture Capital Fund (EVCF) Member of the Supervisory Board TBI Holdings B.V. Member of the Supervisory Board Flight Simulation Company Member of the Advisory Board DAS Rechtsbijstand Member of the Advisory Board Mentha Capital Member of the Board metal industry employers' association FME-CWM Industrial advisor IK Investment Partners Limited	Chairman of the Board of Management of TBI Holdings B.V., Chairman of the Board of Management and CEO of Cofely Nederland B.V., member of the Boards of Management of Hagemeyer N.V., DAF Trucks N.V. and Alcatel Nederland B.V.

Name	Positions	Previous main positions
H.G. (Henk) Dijkgraaf (1946) Member of the Supervisory Board since 25 April 2007	Vice-chairman of the Supervisory Board since 28 March 2014 Chairman of the Audit Committee Director of Sasol Limited in Johannesburg (South Africa), member of the Audit Committee and chairman of the Remuneration Committee and the Risk, Safety, Health and Environment Committee Vice-chairman and treasurer Curatorium of the Netherlands Institute for the Near East (NINO) Member of the Board, Southern African-Netherlands Chamber of Commerce	President-Director of Shell Nederland B.V., CEO of N.V. Nederlandse Gasunie, CEO of GasTerra B.V.
K.G. (Klaas) de Vries (1943) Member of the Supervisory Board since 25 April 2007	Chairman of the Selection and Appointment Committee Member of the Senate of the Dutch Parliament Member of the Parliamentary Assembly of the Council of Europe Member of the Supervisory Board Koninklijke Haskoning Chairman of the Board Centrum Arbeidsverhoudingen Overheids-personeel	Member of the Dutch House of Representatives, Minister of the Interior and Kingdom Relations, Minister of Social Affairs and Employment, Chairman of the Social and Economic Council and General Manager of the Association of Netherlands Municipalities (VNG)
DM. (Mirjam) Sijmons (1960) Member of the Supervisory Board since 25 April 2007	Member of the Selection and Appointment Committee Member of the Remuneration Committee Member of the Supervisory Board University of Leiden Member of the Board De Volkskrant Foundation Member of the Supervisory Board Promotie Den Haag Marketing & Events	General Manager ArboNed (2013: member of the general management ANWB))
M. (Marieke) van Lier Lels (1959) Member of the Supervisory Board since 11 September 2013	Member of the Remuneration Committee Member of the Supervisory Board TKH Group N.V. Member of the Supervisory Board Reed Elsevier N.V. Chairwoman of the Supervisory Board Stichting Natuur en Milieu (The Netherlands Society for Nature and Environment) Member of the Council for the Environment and Infrastructure Member of the Executive Committee of Vereniging Aegon Member of the Supervisory Board Imtech	Executive Vice President & Chief Operating Officer of Schiphol Group, Member of the Executive Board Deutsche Post Euro Express, Member of Nedlloyd's Executive Committee European Transport & Distribution, Managing Director Van Gend & Loos Benelux
M.B.A. (Marco) Keim (1962) Member of the Supervisory Board since 28 March 2014	Member of the Audit Committee Member of the Supervisory Board Amvest Vastgoed B.V. Chairman of the Board Verbond van Verzekeraars (chairman since 2013) Member of the Board Vrije Universiteit Medisch Centrum	CEO AEGON Nederland

The Secretary of the Company and Vice President Administrative Affairs is O. (Olga) Kolenburg, (1966).

The address of both the Management Board and Supervisory Board is Eneco World, Marten Meesweg 5, 3068 AV Rotterdam, The Netherlands.

Major shareholders

The shareholders of the Issuer are 55 public authorities, including the municipalities of Rotterdam (31.7%), The Hague (16.6%), Dordrecht (9.1%). The remaining 52 municipalities each own less than 5.0% of the shares. No single shareholder has a controlling interest in the Issuer. However, the three largest shareholders have a majority interest in the Issuer of 57%.

Litigation

Apart from the litigation relating to the unbundling as described above in the paragraph Unbundling, there is no material litigation pending against Eneco Group to the Group's knowledge as at the date hereof.

Credit rating

The Issuer and N.V. Eneco Beheer (solely for the purpose of this paragraph collectively "Eneco") have been rated by S&P since 2001. In S&P's report of 15 May 2013, Eneco has been rated "A- with a stable

outlook". The stable outlook reflects S&P's view that Eneco will maintain credit metrics in line with S&P's guidance for the credit ratings in the next two years- and also that Eneco's business risk profile will remain unchanged, given S&P's assumption that its generation and supply operations will not be unbundled in the near term.

Selected Financial Information relating to Eneco Holding N.V.

The following tables set out in summary form balance sheet and income statement information relating to the Issuer. Such information is derived from the audited consolidated financial statements of the Issuer as at and for the years ended 31 December 2012 and 31 December 2013 and the reviewed consolidated interim financial statements of the Issuer in respect of the half year ended 30 June 2014. The Issuer's financial statements included in this Offering Memorandum have been stated in accordance with International Financial Reporting Standards, as adopted by the EU ("**IFRS**"). Such financial statements, together with the reports of Deloitte Accountants B.V. and the accompanying notes, have been incorporated by reference in this Offering Memorandum. The financial information presented below should be read in conjunction with such financial statements, reports and the notes thereto.

Selected Financial Information relating to the years ended 31 December 2012 and 2013

Consolidated balance sheet

x € 1 million

	2013	2012
Non-current assets		
Property, plant and equipment	6.978	6.670
Intangible assets	377	416
Associates	49	39
Deferred income tax assets	5	6
Financial assets		
- Derivative financial instruments	98	85
- Other financial assets	76	64
Total non-current assets	7.583	7.280
Current assets		
Assets held for sale	91	7
Intangible assets	11	30
Inventories	65	52
Trade receivables	854	825
Current income tax assets	2	2
Other receivables	212	270
Derivative financial instruments	147	118
Cash and cash equivalents	238	220
Total current assets	1.620	1.524
Total assets	9.203	8.804
Equity		
Equity attributable to Eneco Holding N.V. shareholders	4.588	4.444
Non-controlling interests	5	3
Total equity	4.593	4.447
Non-current liabilities		
Provisions for employee benefits	29	28
Other provisions	89	73
Deferred income tax liabilities	413	346
Derivative financial instruments	157	119
Interest-bearing debt	1.736	1.726
Other liabilities	355	295
Total non-current liabilities	2.779	2.587
Current liabilities		
Liabilities held for sale	1	3
Provisions for employee benefits	2	3
Other provisions	34	29
Derivative financial instruments	124	109
Interest-bearing debt	175	74
Trade and other liabilities	1.495	1.552
Total current liabilities	1.831	1.770
Total equity and liabilities	9.203	8.804

Consolidated income statement

x € 1 million	2013	2012
Revenues from energy sales and transmission and energy related activities	5.026	5.082
Purchases of energy and transmission and energy related activities	3.277	3.462
Gross margin	1.749	1.620
Other revenues	225	174
Gross margin and other operating revenues	1.974	1.794
Employee benefits expenses	389	374
Cost of contracted work and other external costs	639	588
Depreciation and impairment of property, plant and equipment	429	399
Amortisation and impairment of intangible assets	53	42
Other operating expenses	69	56
Operating expenses	1.579	1.459
Operating profit	395	335
Share of profit of associates	13	63
Financial income	10	13
Financial expenses	- 104	- 101
Profit before income tax	314	310
Income tax	- 68	- 50
Profit after income tax from continued operations	246	260
Profit (loss) after income tax from discontinued operations	- 4	- 26
Profit after income tax	242	234
<i>Of which:</i>		
Profit after income tax attributable to non-controlling interests	1	1
Profit after income tax attributable to shareholders of Eneco Holding N.V.	241	233

Selected Financial Information relating to the half year ended 30 June 2014

The selected financial information relating to the half year ended 30 June 2014 has not been audited.

Consolidated cash flow statement

Based on IFRS as adopted by the EU

x € 1 million	Note	First half 2014	First half 2013
Profit after income tax		155	184
Total adjustments for cash flow from business operations		231	- 72
Total of dividend received from associates, interest paid and received and income tax paid		- 46	- 39
Cash flow from operating activities		340	73
Cash flow from investing activities *		- 426	- 337
Dividend payments		- 119	- 117
Movement in non-controlling interests		-	-
Movement in non-current interest-bearing debt *		- 155	219
Movements in current interest-bearing debt		392	121
Cash flow from financing activities		118	223
Movements in cash and cash equivalents		32	- 41
Balance of cash and cash equivalents at 1 January		238	220
Balance of cash and cash equivalents acquisition of subsidiaries		-	-
Balance of cash and cash equivalents at 30 June		270	179

Unaudited.

* 2013 figures restated for comparative purposes.

Consolidated balance sheet
Based on IFRS as adopted by the EU

x € 1 million	30 June 2014	30 June 2013
Non-current assets *	7.968	7.355
Current assets		
Inventories	59	61
Receivables	1.248	1.382
Cash and cash equivalents	270	179
Total current assets	1.577	1.622
TOTAL ASSETS *	9.545	8.977
Equity		
Equity attributable to Eneco Holding N.V. shareholders	4.626	4.525
Minority interests	5	3
Total Shareholders' equity	4.631	4.528
Liabilities		
Provisions	148	124
Non-current, non-interest-bearing debt	594	517
Current and non-current interest-bearing debt *	2.194	2.116
Current non-interest-bearing debt	1.978	1.692
Total liabilities *	4.914	4.449
TOTAL EQUITY AND LIABILITIES *	9.545	8.977

Unaudited

* 2013 figures restated for comparative purposes.

Consolidated income statement
Based on IFRS as adopted by the EU

x € 1 million	First half 2014	First half 2013
Revenues from energy sales and transmission and energy related activities	2.330	2.793
Purchases of energy and transmission and energy related activities	1.553	1.878
Gross margin	777	915
Other revenues	114	80
Gross margin and other operating revenues	891	995
Employee benefit expenses	203	191
Cost of contracted work and other external costs	315	301
Depreciation and impairment of property, plant and equipment	76	176
Amortisation and impairment of intangible assets	17	13
Other operating expenses	17	25
Operating expenses	628	706
Operating profit	263	289
Share of profit of associates	4	3
Financial income	8	3
Financial expenses	- 64	- 47
Profit before income tax	211	248
Income tax	- 56	- 60
Profit after income tax from continued operations	155	188
Profit after income tax from discontinued operations	-	- 4
Profit after income tax	155	184
Unaudited.		
<i>Of which:</i>		
Profit attributable to minority shareholders	0	0
Net profit attributable to shareholders of Eneco Holding N.V.	155	184

TAXATION

THE NETHERLANDS

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

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

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

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

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

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

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

With respect to references in the paragraph headed "Taxes on Income and Capital Gains" to an individual who has elected to be treated as resident in the Netherlands for the relevant tax purposes, it is noted that as per 1 January 2015, the election regime will be replaced by a mandatory qualification as a 'qualifying foreign taxpayer' on the basis of certain objective criteria.

Investors should consult their professional advisers on the tax consequences of their acquiring, holding and disposing of Securities or Coupons.

WITHHOLDING TAX

All payments made by the Issuer of interest and principal under the Securities 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.

TAXES ON INCOME AND CAPITAL GAINS

Residents

Resident entities

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

Resident individuals

An individual holding Securities who is, is deemed to be, or has elected to be treated as, resident in the Netherlands for income tax purposes will be subject to income tax in respect of income or a capital gain derived from the Securities at rates up to 52 per cent if:

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

If neither condition (i) nor (ii) applies, an individual holding Securities will be subject to income tax on the basis of a deemed return, regardless of any actual income or capital gain derived from the Securities. The deemed return amounts 4% of the value of the individual's net assets as at the beginning of the relevant fiscal year (including the Securities). Subject to application of certain allowances, the deemed return will be taxed at a rate of 30 per cent.

Non-residents

A holder which is not, is not deemed to be, and - in case the holder is an individual - has not elected to be treated as, resident in the Netherlands for the relevant tax purposes will not be subject to taxation on income or a capital gain derived from the Securities unless:

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

GIFT AND INHERITANCE TAXES

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

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

VALUE ADDED TAX

There is no Dutch value added tax payable by a holder of Securities in respect of payments in consideration for the issue of the Securities or in respect of the payment of interest or principal under the Securities, or the transfer of Securities.

OTHER TAXES AND DUTIES

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

RESIDENCE

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

EU SAVINGS DIRECTIVE

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

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

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

The Council of the European Union formally adopted a Council Directive amending the Directive on 24 March 2014 (the "**Amending Directive**"). The Amending Directive broadens the scope of the requirements described above. Member States are required to apply these new requirements from 1 January 2017. The changes made under the Amending Directive include extending the scope of the Directive to payments made to, or secured for, certain other entities and legal arrangements. They also broaden the definition of "interest payment". Investors who are in any doubt as to their position should consult their professional advisers.

SUBSCRIPTION AND SALE

Barclays Bank PLC and The Royal Bank of Scotland plc (together the "**Joint Global Co-ordinators**") and ABN AMRO Bank N.V., BNP Paribas and ING Bank N.V. (together with the Joint Global Co-ordinators, the "**Joint Bookrunners**" or the "**Managers**") have, in a subscription agreement dated 27 November 2014 (the "**Subscription Agreement**") and made between the Issuer and the Managers upon the terms and subject to the conditions contained therein, jointly and severally agreed to subscribe for the Securities at their issue price of 99.232 per cent. of their principal amount and less a combined management and underwriting commission. The Issuer has also agreed to reimburse the Managers for certain of their expenses incurred in connection with the management of the issue of the Securities. The Managers are entitled in certain circumstances to be released and discharged from their obligations under the Subscription Agreement prior to the closing of the issue of the Securities.

European Economic Area

In relation to each member state of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**") each Manager has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Securities to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of the Securities to the public in that Relevant Member State at any time:

- (a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the relevant dealer or dealers nominated by the Issuer for any such offer; or
- (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of Securities shall require the publication by the Issuer or any other entity of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer of the Securities to the public" in relation to any Securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe for the Securities, as the same may be varied in that EU member state by any measure implementing the Prospectus Directive in that EU member state and the expression "**Prospectus Directive**" means Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in each Relevant Member State and the expression 2010 PD Amending Directive means Directive 2010/73/EU.

The Netherlands

Each Manager has represented and agreed that it will not make an offer of the Securities which are the subject of the offering contemplated by this Offering Memorandum to the public in The Netherlands in reliance on Article 3(2) of the Prospectus Directive, unless such offer is made exclusively to legal entities which are qualified investors (*gekwalificeerde beleggers*) (as defined in the Financial Markets Supervisions Act (*Wet op het financieel toezicht*) and which includes authorised discretionary asset managers acting for the account of retail investors under a discretionary investment management contract) in The Netherlands, provided that no such offer of Securities shall require the Issuer or any Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expressions (i) an "offer of Securities to the public" in relation to any Securities in The Netherlands; and (ii) "Prospectus Directive", have the meaning given to them above in the section entitled "European Economic Area".

United Kingdom

Each Manager has further represented, warranted and undertaken that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the Securities in circumstances in which Section 21(1) of the FSMA would not, if the Issuer was not an authorised person, apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Securities in, from or otherwise involving the United Kingdom.

United States of America

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

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

Each Manager has agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver the Securities, (a) as part of their distribution at any time or (b) otherwise, until 40 days after the later of the commencement of the offering and the issue date of the Securities, within the United States or to, or for the account or benefit of, U.S. persons, and that it will have sent to each dealer to which it sells Securities during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Securities within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after commencement of the offering, an offer or sale of Securities within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

General

Each Manager has represented, warranted and agreed that it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in which it purchases, offers, sells or delivers Securities or possesses, distributes or publishes this Offering Memorandum or any other offering material relating to the Securities. Persons into whose hands this Offering Memorandum comes are required by the Issuer and the Managers to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver Securities or possess, distribute or publish this Offering Memorandum or any other offering material relating to the Securities, in all cases at their own expense.

GENERAL INFORMATION

Authorisation

1. The creation and issue of the Securities has been authorised by a resolution of the managing board of the Issuer dated 4 November 2014 and the supervisory board of the Issuer dated 14 November 2014.

Legal and Arbitration Proceedings

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

Significant/Material Change

3. Since 31 December 2013 there has been no material adverse change in the prospects of the Issuer nor any significant change in the financial or trading position of the Issuer.

Auditors

4. The consolidated financial statements of the Issuer have been audited without qualification for the years ended 31 December 2012 and 31 December 2013. Deloitte Accountants B.V., Wilhelminakade 1, 3072 AP Rotterdam, The Netherlands, independent auditors. The registered auditors (*register accountants*) of Deloitte Accountants B.V. are members of NBA (*Nederlandse Beroepsorganisatie van Accountants*).

Documents on Display

5. So long as the Securities are listed on the Official List and admitted to trading on the Euro MTF Market and the rules of the Luxembourg Stock Exchange so require, copies of the following documents (together with English translations thereof) may be obtained during normal business hours at the Issuer's head office at Marten Meesweg 5, 3068 AV Rotterdam, The Netherlands for 12 months from the date of this Offering Memorandum:
 - (a) the deed of incorporation of the Issuer;
 - (b) the Dutch language version and an English translation of the most recent articles of association of the Issuer;
 - (c) the audited consolidated and unconsolidated financial statements of the Issuer for the years ended 31 December 2012 and 31 December 2013;
 - (d) the reviewed consolidated interim financial statements of the Issuer in respect of the half year ended 30 June 2014;
 - (e) draft (subject to modification) of the Agency Agreement.

Material Contracts

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

Yield

7. On the basis of the issue price of the Securities of 99.232 per cent. of their principal amount, the gross real yield of the Securities is 3.375 per cent. on an annual basis for the period until the First Reset Date.

Listing

8. Application has been made for the Securities to be listed on the Official List of the Luxembourg Stock Exchange and traded on the Euro MTF Market.

ISIN and Common Code

9. The Securities have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The ISIN is XS1141810991 and the common code is 114181099. 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.

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