
IMPORTANT NOTICE

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This offering circular has been delivered to you on the basis that you are a person into whose possession this offering circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located. By accessing the offering circular, you shall be deemed to have confirmed and represented to us that (a) you have understood and agree to the terms set out herein, (b) you consent to delivery of the offering circular by electronic transmission, (c) you are not a U.S. person (within the meaning of Regulation S under the Securities Act) or acting for the account or benefit of a U.S. person and the electronic mail address that you have given to us and to which this e-mail has been delivered is not located in the United States, its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands) or the District of Columbia and (d) if you are a person in the United Kingdom, then you are a person who (i) has professional experience in matters relating to investments or (ii) is a high net worth entity falling within Article 49(2)(a) to (d) of the Financial Services and Markets Act (Financial Promotion) Order 2005.

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OFFERING CIRCULAR

GAS NETWORKS IRELAND

(a designated activity company incorporated in Ireland with registered number 555744)

EUR1,500,000,000

Euro Medium Term Note Programme

Under this EUR1,500,000,000 Euro Medium Term Note Programme (the **Programme**), Gas Networks Ireland (**GNI** or the **Issuer**) may from time to time issue notes (the **Notes**) denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below).

The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed EUR1,500,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement described herein), subject to increase as described herein.

The Notes may be issued on a continuing basis to one or more of the Dealers specified under "*Overview of the Programme*" and any additional Dealer appointed under the Programme from time to time by the Issuer (each a **Dealer** and together the **Dealers**), which appointment may be for a specific issue or on an ongoing basis. References in this Offering Circular to the **relevant Dealer** shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe such Notes.

An investment in Notes issued under the Programme involves certain risks. Prospective purchasers of Notes should ensure that they understand the nature of the relevant Notes and the extent of their exposure to risks and that they consider the suitability of the relevant Notes as an investment in the light of their own circumstances and financial condition. For a discussion of these risks see "Risk Factors".

This Offering Circular has been approved by the Irish Stock Exchange plc trading as Euronext Dublin (**Euronext Dublin**) and application has been made to Euronext Dublin for Notes issued under the Programme for a period of 12 months from the date of this Offering Circular to be admitted to listing and trading on its Global Exchange Market (the **Global Exchange Market**). This Offering Circular constitutes a "Listing Particulars" for the purposes of admission of the Notes to trading on Euronext Dublin's Global Exchange Market and, for such purposes, does not constitute a "prospectus" for the purposes of Regulation (EU) 2017/1129 (the **Prospectus Regulation**). The Global Exchange Market is not a regulated market for the purposes of Directive 2014/65/EU (as amended, **MiFID II**).

The Programme provides that Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the Issuer and the relevant Dealer and as specified in the relevant pricing supplement document (the **Pricing Supplement**). Notes which are neither listed nor admitted to trading on any stock exchange or market may also be issued. However, this Offering Circular has not been approved as a base prospectus for the purposes of the Prospectus Regulation and, accordingly, no offer to the public of Notes issued under this Offering Circular may be made other than in circumstances where an exemption is available under Article 1(4) and/or 3(2) of the Prospectus Regulation nor can any Notes issued pursuant to this Offering Circular be admitted to trading on any market in the European Economic Area (the **EEA**) designated as a regulated market for the purposes of MiFID II.

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and certain other information not contained herein which is applicable to each Tranche (as defined under "*Terms and Conditions of the Notes*") of Notes will be set out in the Pricing Supplement, which with respect to Notes to be admitted to listing and trading on the Global Exchange Market, will be delivered to Euronext Dublin on or before the date of issue of the Notes of such Tranche.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**) or any U.S. State securities laws and may not be offered or sold in the United States or to, or for the account or the benefit of, U.S. persons as defined in Regulation S under the Securities Act unless an exemption from the registration requirements of the Securities Act is available and in accordance with all applicable securities laws of any state of the United States and any other jurisdiction.

The Issuer has been rated A3 by Moody's Investor Service Ltd. (**Moody's**) and A by S&P Global Ratings Europe Limited (**S&P**). The Programme has been rated A3 by Moody's and A by S&P. Each of Moody's and S&P is established in the European Union and is registered under the Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**). As such, each of Moody's and S&P is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the CRA Regulation. Notes issued under the Programme may be rated or unrated by any one or more of Moody's and S&P. Where a Tranche of Notes is rated, such rating will be disclosed in the Pricing Supplement and will not necessarily be the same as the rating assigned to the Programme by the relevant rating agency. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Arranger

BARCLAYS

Dealers

**BARCLAYS
DANSKE BANK
NATWEST MARKETS**

**BNP PARIBAS
HSBC
RBC CAPITAL MARKETS**

The date of this Offering Circular is 25 November 2019.

IMPORTANT INFORMATION

This Offering Circular comprises a listing particulars in respect of all Notes issued under the Programme for the purposes of the Global Exchange Market Listing and Admission to Trading Rules for Debt Securities of Euronext Dublin.

The Issuer accepts responsibility for the information contained in this Offering Circular and the Pricing Supplement for each Tranche of Notes issued under the Programme. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in this Offering Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

Certain information in the "*Description of the Issuer*" section of this Offering Circular has been extracted from certain third party sources as specified therein. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by such sources, no facts have been omitted which would render the reproduced information inaccurate or misleading.

This Offering Circular is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see "*Documents Incorporated by Reference*"). This Offering Circular shall be read and construed on the basis that such documents are incorporated and form part of this Offering Circular.

Neither the Dealers nor the Trustee (as defined below) have independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers or the Trustee as to the accuracy or completeness of the information contained or incorporated in this Offering Circular or any other information provided by the Issuer in connection with the Programme. No Dealer nor the Trustee accepts any liability in relation to the information contained or incorporated by reference in this Offering Circular or any other information provided by the Issuer in connection with the Programme.

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

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

Neither the delivery of this Offering Circular nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers and the Trustee expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme or to advise any investor in the Notes of any information coming to their attention. Investors should review, *inter alia*, the most recently published documents incorporated by reference into this Offering Circular when deciding whether or not to purchase any Notes. **IMPORTANT – EEA RETAIL INVESTORS** – If the Pricing Supplement in respect of any Notes includes a legend entitled

"Prohibition of Sales to EEA Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014 (the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

MIFID II PRODUCT GOVERNANCE / TARGET MARKET – The Pricing Supplement in respect of any Notes may include a legend entitled “MiFID II Product Governance/Target Market” which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

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

IMPORTANT INFORMATION RELATING TO THE USE OF THIS OFFERING CIRCULAR AND OFFERS OF NOTES GENERALLY

This Offering Circular does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Offering Circular and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer, the Dealers and the Trustee do not represent that this Offering Circular may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Dealers or the Trustee which is intended to permit a public offering of any Notes or distribution of this Offering Circular in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Offering Circular nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Offering Circular or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Offering Circular and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Offering Circular and the offer or sale of Notes in the United States, the EEA (including the United Kingdom and Ireland) and Japan, see "*Subscription and Sale*".

This Offering Circular has been prepared on the basis that any offer of Notes in any Member State of the EEA (each, a **Relevant Member State**) will be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offers of Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of Notes which are the subject of an offering contemplated in this Offering Circular as completed by a pricing supplement in relation to the offer of those Notes may only do so in circumstances in which no obligation arises for Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, in each case, in relation to such offer. Neither the Issuer nor any

Dealer have authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

- (i) has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Offering Circular or any applicable supplement;
- (ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes 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) understands thoroughly the terms of the Notes and is familiar with the behaviour of any relevant indices and financial markets; and
- (v) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to legal 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) Notes are legal investments for it; (2) Notes can be used as collateral for various types of borrowing; and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Presentation of Financial Information

Unless otherwise indicated, the financial information in this Offering Circular relating to the Issuer has been derived from the audited consolidated financial statements of the Issuer for the financial years ended 31 December 2017 and 31 December 2018 (together, the **Financial Statements**).

The Issuer's financial year ends on 31 December and references in this Offering Circular to any specific year are to the 12-month period ended on 31 December of such year. The Financial Statements have been prepared in accordance with International Financial Reporting Standards (**IFRS**) issued by the International Accounting Standards Board.

Certain Defined Terms and Conventions

Capitalised terms which are used but not defined in any particular section of this Offering Circular will have the meaning attributed to them in "*Terms and Conditions of the Notes*" or any other section of this Offering Circular. In addition, the following terms as used in this Offering Circular have the meanings defined below:

In this Offering Circular, all references to:

U.S. dollars, U.S.\$ and \$ refer to United States dollars;

Sterling, GBP and **£** refer to pounds sterling; and

euro and **€** refer to the lawful single currency of the member states of the European Union that have adopted and continue to retain a common single currency through monetary union in accordance with European Union treaty law (as amended from time to time).

Certain figures and percentages included in this Offering Circular have been subject to rounding adjustments; accordingly, figures shown in 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.

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In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in the applicable Pricing Supplement may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

OVERVIEW OF THE PROGRAMME

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Offering Circular and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Pricing Supplement. The Issuer and any relevant Dealer may agree that Notes shall be issued in a form other than that contemplated in the Terms and Conditions.

Words and expressions defined in "*Form of the Notes*" and "*Terms and Conditions of the Notes*" shall have the same meanings in this Overview.

Issuer:	Gas Networks Ireland
Risk Factors:	There are certain factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme and risks relating to the structure of a particular Series of Notes issued under the Programme. All of these are set out under " <i>Risk Factors</i> ".
Description:	Euro Medium Term Note Programme
Arranger:	Barclays Bank Ireland PLC
Dealers:	Barclays Bank Ireland PLC BNP Paribas Danske Bank A/S HSBC Bank plc NatWest Markets N.V. RBC Europe Limited and any other Dealers appointed in accordance with the Programme Agreement.
Certain Restrictions:	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see " <i>Subscription and Sale</i> ") including the following restrictions applicable at the date of this Offering Circular.

Notes having a maturity of less than one year

In respect of any Notes issued by the Issuer having a maturity of less than one year from the date of their issue, the Issuer will issue such Notes only in accordance with one of the exemptions from the requirement to hold a banking licence provided by

Notice BSD C 01/02 issued by the Central Bank pursuant to section 8(2) of the Central Bank Act 1971 of Ireland, inserted by section 31 of the Central Bank Act 1989 of Ireland, as amended by section 70(d) of the Central Bank Act 1997 of Ireland. Any such Notes will not have the status of a bank deposit and will not be within the scope of the Deposit Protection Scheme operated by the Central Bank. The Issuer is not regulated by the Central Bank.

Notes having a maturity of less than one year will constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000, as amended unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent, see "*Subscription and Sale*".

Paying Agent:	Deutsche Bank AG, London Branch
Trustee	Deutsche Trustee Company Limited
Programme Size:	Up to EUR1,500,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement) outstanding at any time. The Issuer may increase the amount of the Programme in accordance with the terms of the Programme Agreement.
Distribution:	Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
Currencies:	Notes may be denominated in euro, Sterling, U.S. dollars, yen and, subject to any applicable legal or regulatory restrictions, any other currency agreed between the Issuer and the relevant Dealer.
Maturities:	The Notes will have such maturities as may be agreed between the Issuer and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency.
Issue Price:	Notes may be issued on a fully-paid or a partly-paid basis and at an issue price which is at par or at a discount to, or premium over, par.
Form of Notes:	The Notes will be issued in bearer form as described in " <i>Form of the Notes</i> ".
Fixed Rate Notes:	Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer.
Floating Rate Notes:	Floating Rate Notes will bear interest at a rate determined: (a) on the same basis as the floating rate under a notional

interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series); or

(b) on the basis of the reference rate set out in the applicable Pricing Supplement.

Interest on Floating Rate Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the Issuer and the relevant Dealer.

The margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer for each Series of Floating Rate Notes.

Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both.

Benchmark Event:

If a Benchmark Event occurs, such that any rate of interest (or any component part thereof) cannot be determined by reference to the original benchmark specified in the Pricing Supplement, then such rate of interest may be substituted (subject to certain conditions) with a successor or alternative rate with the application of an adjustment spread (which could be positive, negative or zero) and with consequent amendments to the terms of such Series of Notes as described in the “*Terms and Conditions of the Notes*”.

Zero Coupon Notes:

Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.

Categories of Notes:

The Issuer may issue Index Linked Notes, Dual Currency Notes, Partly Paid Notes or Notes redeemable in one or more instalments.

Index Linked Notes: Payments of principal in respect of Index Linked Redemption Notes or of interest in respect of Index Linked Interest Notes will be calculated by reference to such index and/or formula or to changes in the prices of securities or commodities or to such other factors as the Issuer and the relevant Dealer may agree.

In the event that the Issuer issues Index Linked Redemption Notes or Index Linked Interest Notes, it will only do so by means of a drawdown listing particulars or by means of a pricing supplement after an appropriate supplement to the listing particulars has been produced.

Dual Currency Notes: Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based

on such rates of exchange, as the Issuer and the relevant Dealer may agree.

Partly Paid Notes: The Issuer may issue Notes in respect of which the issue price is paid in separate instalments in such amounts and on such dates as the Issuer and the relevant Dealer may agree.

Notes redeemable in instalments: The Issuer may issue Notes which may be redeemed in separate instalments in such amounts and on such dates as the Issuer and the relevant Dealer may agree.

The Issuer may agree with any Dealer and the Trustee that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes, in which event the relevant provisions will be included in the applicable Pricing Supplement.

Redemption:

The applicable Pricing Supplement will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than in specified instalments, if applicable, or for taxation reasons or following an Event of Default) or that such Notes will be redeemable at the option of the Issuer and/or the Noteholders upon giving notice to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the Issuer and the relevant Dealer.

Notes having a maturity of less than one year may be subject to restrictions on their denomination and distribution, see "*Certain Restrictions - Notes having a maturity of less than one year*" above.

Redemption for tax reasons:

Except as described in "*Redemption*" and "*Redemption for Change of Control Event or Regulatory Event*", early redemption will only be permitted for tax reasons as described in Condition 6.2 (*Redemption and Purchase – Redemption for tax reasons*).

Redemption for Change of Control Event or Regulatory Event:

The terms of the Notes will contain a Noteholder put option allowing redemption in certain circumstances following a change of control event or regulatory event as further described in Condition 6.7 (*Redemption and Purchase – Redemption as a result of a Change of Control or a Regulatory Event*).

Denomination of Notes:

The Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer save that the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency, see "*Certain Restrictions - Notes having a maturity of less than one year*" above and save that the minimum denomination of each Note offered to the public in a Member State of the European Economic Area in circumstances which would otherwise require the publication of a prospectus under the Prospectus Regulation or which is admitted to trading and listed on any market in

circumstances which might otherwise be prohibited by the Companies Act, 2014 of Ireland or any other applicable law will in each case be at least €100,000 (or, if the Notes are denominated in a currency other than EUR, the equivalent amount of such currency).

Taxation:	All payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed by any Tax Jurisdiction as provided in Condition 7 (<i>Taxation</i>). In the event that any such deduction is made, the Issuer will, save in certain limited circumstances provided in Condition 7 (<i>Taxation</i>), be required to pay additional amounts to cover the amounts so deducted.
Negative Pledge:	The terms of the Notes will contain a negative pledge provision as further described in Condition 3 (<i>Negative Pledge</i>).
Cross Default:	The terms of the Notes will contain a cross default provision as further described in Condition 9 (<i>Events of Default and Enforcement</i>).
Status of the Notes:	The Notes will constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 3 (<i>Negative Pledge</i>)) unsecured obligations of the Issuer and will rank <i>pari passu</i> among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.
Rating:	The Programme has been rated A3 by Moody's Investor Service Ltd. (Moody's) and A by S&P Global Ratings Europe Limited (S&P). Series of Notes issued under the Programme may be rated or unrated. Where a Series of Notes is rated, such rating will be disclosed in the applicable Pricing Supplement and will not necessarily be the same as the ratings assigned to the Programme. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.
Listing and admission to trading:	<p>Application has been made to Euronext Dublin for Notes issued under the Programme to be listed and admitted to trading on the Global Exchange Market.</p> <p>Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the Issuer and the relevant Dealer in relation to the Series. Notes which are neither listed nor admitted to trading on any market may also be issued.</p> <p>The applicable Pricing Supplement will state whether or not the relevant Notes are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.</p>
Governing Law:	The Notes and any non-contractual obligations arising out of or

in connection with the Notes will be governed by, and shall be construed in accordance with, English law.

Selling Restrictions:

There are restrictions on the offer, sale and transfer of the Notes in the United States, the EEA (including the United Kingdom and Ireland) and Japan and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes, see "*Subscription and Sale*".

United States Selling Restrictions:

Regulation S, Category 2. TEFRA C or D/TEFRA not applicable, as specified in the applicable Pricing Supplement.

RISK FACTORS

In purchasing Notes, investors assume the risk that the Issuer may become insolvent or otherwise be unable to make all payments due in respect of the Notes. There is a wide range of factors which individually or together could result in the Issuer becoming unable to make all payments due in respect of the Notes. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the Issuer may not be aware of all relevant factors and certain factors which they currently deem not to be material may become material as a result of the occurrence of events outside the Issuer's control. The Issuer has identified in this Offering Circular a number of factors which it believes could materially adversely affect its businesses and ability to make payments due under the Notes. 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.

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

Prospective investors should also read the detailed information set out elsewhere in this Offering Circular and reach their own views prior to making any investment decision.

FACTORS THAT MAY AFFECT THE ISSUER'S ABILITY TO FULFILL ITS OBLIGATIONS UNDER NOTES ISSUED BY THE PROGRAMME

Political, Regulatory and Legal Risks

Law and regulation

The business activities carried on by the Issuer are subject to a broad range of laws and regulations that the Issuer must comply with. For a more detailed description of these provisions and regulations, please see *Description of the Issuer – Licensing and Regulatory Framework*. Changes in the legal and regulatory climate in which the Issuer operates may adversely impact on its ability to fulfil its obligations under the Notes. The principal legal and regulatory risks faced by the Issuer and its subsidiaries include compliance with laws, licenses and regulations, the impact of revenue control reviews and an evolving European Union regulatory framework (in particular, the necessity to comply with European Union energy and climate legislation).

The continuing harmonisation of rules for gas system operators across Europe will produce changes that have the potential to impact the Issuer's business, principally with regard to tariffing. Changes to the agreed regulatory regimes of the CRU (as defined in *Description of the Issuer – Licensing and Regulatory Framework – Ireland's Energy Regulator – Commission for Regulation of Utilities*) and UR (as defined in *Description of the Issuer – Licensing and Regulatory Framework – Northern Ireland's Energy Regulator – the Utility Regulator*), in addition to changes in the allowable returns and margins, could significantly impact the Issuer's business, results of operations, prospects, and/or financial condition. For a more detailed description of how revenues are regulated in Ireland and Northern Ireland, please see *Description of the Issuer – Licensing and Regulatory Framework*.

The Issuer operates in the utility sector, has publicly listed debt instruments and directly and/or indirectly through its wholly-owned subsidiaries owns and/or operates some of the key gas infrastructure and services in Ireland and Northern Ireland. As a consequence, the Issuer is subject to a variety of laws including commercial, environmental, competition, market abuse and procurement laws.

Any failure by the Issuer to comply with relevant Irish, United Kingdom and European Union laws and regulations could result in penalties and/or sanctions being imposed on the Issuer or its personnel. There can be no assurance that the imposition of any such penalties and/or other sanction would not have a material adverse effect on the Issuer's business, results of operations, prospects, and/or financial condition.

Regulatory and legal risks are managed by senior management of the Issuer. Regulatory risks are managed through comprehensive licence compliance programmes and a pro-active approach to engaging with the relevant authorities on regulatory developments. Legal risks are managed through the use of internal and external legal expertise, pro-active risk management and comprehensive policies and procedures implemented across the Issuer and its subsidiaries.

Licensing matters

GNI (UK) (as defined in *Description of the Issuer – Information on the Issuer - Introduction*) is licensed by Ofgem as a Gas Interconnector Operator in Great Britain. Economic regulation (including third party access to capacity) of the entire interconnector system is currently carried out by the CRU under the Issuer's Irish Transmission System Operator licence. For a more detailed description of the ownership and operation of the interconnector pipeline system, please see *Description of the Issuer – Gas Transportation Business*.

The Issuer does not hold a licence from Ofgem to participate in the operation of interconnector pipelines, although it is required to hold such a licence under the United Kingdom Gas Act 1986 (the **Gas Act 1986**) to the extent of its participation in such operation. While this has not impacted the Issuer's participation in the operation of the pipeline to date, and Ofgem has not threatened enforcement action to date, Ofgem has significant enforcement powers under the Gas Act 1986 which, if exercised against the Issuer, could have a material adverse effect on the Issuer's business, prospects and/or financial condition. The Issuer has been working with Ofgem and the United Kingdom's Department of Business, Energy and Industrial Strategy over a period of time in order to regularise its licensing arrangements in the United Kingdom with respect to the interconnector pipelines. A formal licence application has been submitted to Ofgem and the Issuer awaits Ofgem's decision on this application.

The UK government, in granting the existing GNI (UK) licence, acknowledged potential disadvantages of conflicting 'double regulation' of the interconnectors. Any inefficient dual regulation of the interconnector system, where there is a divergence in policy between national regulators, could also have a material adverse effect on the Issuer's business, prospects and/or financial condition

Environmental, health and safety risks

The Issuer's activities, principally in the transmission and distribution of gas, present potentially significant safety risks for employees, contractors and the general public whilst also having the potential to cause a significant environmental impact. There may also be aspects of the Issuer's activities that are not currently viewed as causing a significant environmental impact but could become viewed as such in the future. The Issuer is also subject to laws and regulations relating to the prevention of pollution, the protection of the environment and the manner in which it uses and disposes of hazardous substances and waste materials, and is subject to health and safety laws and regulations designed to protect both the public and its employees and contractors.

A major health and safety or environmental incident associated with the Issuer's activities could cause injury, loss of life, a security of supply issue, environmental or other damage that could adversely affect the Issuer's results of operations, financial condition and its reputation. Increased costs associated with the Issuer's compliance with environmental and/or health and safety legislation and/or costs associated with any future environmental remediation obligations could also have an adverse impact on the Issuer's business, results of operations, prospects and/or financial condition.

To mitigate this risk the Issuer commits significant resources towards complying with such laws and regulations and has implemented safety standards and systems approved by the relevant regulatory authorities. These systems and standards are subject to regular internal and external audit and review. The Issuer also implements comprehensive safety, environmental, quality, energy and asset management systems and has safety as a key priority and company value.

State ownership and Government control

The Issuer was incorporated as a private company limited by shares on 13 January 2015, has been a designated activity company since 17 November 2016 following its re-registration under the Companies Act, 2014, and its entire share capital is owned by Ervia. Ervia was established as a statutory corporation under the Gas Acts 1976 to 2009 of Ireland and is 100 per cent owned by the Irish State (acting through its Government ministers). As such, the Issuer's business operations, strategy, capital structure, profitability and level of retained profit are directly and indirectly influenced by decisions of the Government of Ireland over which neither Ervia nor the Issuer has control. In addition, under its constitution, the Issuer is required to obtain the consent of certain Ministers of the Government of Ireland in order to engage in a variety of commercial transactions. There can be no assurance that such consents will be forthcoming when requested by the management of the Issuer. Accordingly, political developments and Government actions have the ability to materially and adversely impact the Issuer's business, results of operations, prospects and/or financial condition.

Data protection law

The Issuer's activities involve the collection and processing of personal data relating to its customers, employees and other third parties. Under the EU General Data Protection Regulation (EU) 2016/679, the European Communities (Electronic Communications Networks and Services) (Privacy and Electronic Communications) Regulations 2011 and the Data Protection Acts 1988 to 2018 (together **Data Protection Laws**), the Issuer is under various obligations in relation to its collection and processing of personal data, including specific obligations to take appropriate measures to protect the security of personal data. Any breach of Data Protection Laws could result in a complaint being made to the Irish Data Protection Commission, a claim being made by an affected data subject, or a claim being made on behalf of affected data subjects by a not-for-profit body, organisation or association. The Data Protection Commission has the power to investigate data protection breaches and has a number of remedies at its disposal, including the issue of enforcement and/or information notices, criminal prosecution (for failure to comply with enforcement and/or information notices), imposing administrative fines of up to the greater of 4 per cent. of worldwide turnover or €20 million, and the naming and shaming of non-compliant organisations in its annual report. Whilst the Issuer has policies and procedures in place which are designed to ensure that it remains compliant with its data protection obligations, there can be no assurance that it will not breach applicable Data Protection Laws. This may have a material adverse effect on the Issuer's business performance, financial condition and/or brand reputation.

Financial Risks

Funding risks and borrowing restrictions

The Issuer's ability to successfully implement its business plan is dependent upon, amongst other things, its ability to source and maintain appropriate funding. If the business was unable to access finance or unable to access finance at economic rates for a prolonged period, this could seriously impact the Issuer's ability to conduct its business operations and could have a material adverse effect on its business, prospects and/or financial condition.

Ervia is subject to certain statutory borrowing restrictions and limits, including an Ervia Group statutory borrowing limit of €3 billion (which includes borrowings of the Issuer but excludes borrowings of Irish Water). The Issuer is subject to certain covenants and restrictions under the terms of its debt securities and credit facilities. Failure to comply with these covenants could give lenders the right to seek immediate repayment of some or all of the Issuer's debt. These statutory and contractual restrictions, and/or failure to comply with covenants, may hinder the Issuer in the operation of its businesses and/or could have a material adverse effect on its business, prospects and/or financial condition.

The Issuer seeks to manage funding risk (on behalf of itself and its subsidiaries) by securing a mix of funding sources on acceptable terms and conditions to finance the development of its businesses and to meet

financial obligations as they fall due. For further information on Funding see *Description of the Issuer – Financial matters - Treasury and funding*.

Financial and other market risks

The Issuer is exposed to a variety of financial market risks, including interest rate, currency, counterparty, commodity and liquidity risks. The Issuer's ability to successfully implement its business plan is dependent upon, amongst other things, its ability to successfully manage these risks. Any failure to adequately manage these risks may adversely affect its business, prospects and/or financial condition.

The Issuer seeks to ensure that these risks are monitored, reported and managed within a strict framework of controls and procedures. Interest rate exposures are managed by maintaining a minimum level of debt at fixed rates. The Issuer seeks to manage currency exchange exposures by using foreign exchange forward contracts, currency swaps or raising debt denominated in foreign currencies where appropriate. For the purposes of managing liquidity risk, the Issuer seeks to maintain minimum cash balances and access to backstop facilities. For a more detailed description of the Issuer's treasury operations and funding, please see *Description of the Issuer – Financial matters – Treasury and funding*.

In addition, the Issuer's operations are exposed to the risk that entities with which the Issuer does business, including without limitation, financial institutions and gas shippers, will not satisfy their obligations as outlined in greater detail below at *Business Risks – Counterparty risk*.

The Issuer's credit rating

Some of the debt issued by the Issuer is rated by Credit Rating Agencies (**CRAs**) and these ratings may affect both the Issuer's borrowing capacity, cost of borrowing and financing terms. The methodology employed by these CRAs to ascribe credit ratings to utility companies may change from time to time. In the Issuer's case, such methodology may be influenced by factors including, without limitation, the sovereign rating of Ireland. Accordingly, any downgrading of Ireland's sovereign credit rating may contribute towards, or result in, a corresponding downgrading of the Issuer's credit rating. Any adverse change to the Issuer's credit ratings may adversely affect its business, prospects and/or financial condition.

Accounting and tax risks

Non-compliance with applicable accounting standards, new or revised accounting standards, rules and interpretations could have an adverse effect on the Issuer's reported financial results.

The effective rate of tax the Issuer pays may be influenced by, and could increase as a result of, a number of factors including changes in laws and accounting standards. Accounting and tax risks are managed through the use of internal and external experts, robust finance and accounting systems, and detailed policies and procedures implemented across the Issuer and its subsidiaries.

Pension risks

The Issuer participates in the Ervia defined benefit pension scheme which provides defined benefit pension benefits to some of its employees. In common with defined benefit pension plans generally, risks associated with the pension plan include asset volatility risk, changes in bond yield risk, salary risk, inflation risk and life expectancy risk. While there is no contractual agreement or stated policy for charging the Issuer's net defined benefit cost, a significant increase in the funding gap between the Ervia defined benefit pension scheme's obligations and its assets may materially adversely impact the Issuer's business and/or financial condition. In order to mitigate against investment risk and funding level volatility, an objective of the scheme is to target a reduced overall asset allocation to growth assets. This will be achieved by moving the growth investment portfolio into liability matching bonds as the scheme matures. In addition, the scheme participates in a monitoring service that continuously tracks the scheme's funding level to assist in identifying de-risking opportunities as a result of positive market performance. For further information on pensions, please see *Description of the Issuer – Financial matters – Pensions*.

Business Risks

Formulation and implementation of strategy

Ervia sets strategies and policies for the Ervia Group (which includes the Issuer). A failure by the Ervia board to devise a suitable strategy or policy, a failure by it to respond to changes in the operational environment, a failure to deliver a strategy that supports the planned decarbonisation of Ireland's energy system, or a failure by it or the Issuer to implement any such strategy or policy effectively, could have a material adverse impact on the Issuer's business, results of operations, prospects and/or financial condition.

The economic environment in which the Issuer operates

The ability of the Issuer to maintain and grow its business and profit levels could be adversely affected by economic factors, such as a global or domestic economic downturn. This could result in lower business activity levels and/or lower profitability in existing business lines. In addition, the standards and regulations that the Issuer complies with may make it difficult to implement immediate cost saving measures, which may be required in response to lower business activity levels.

The value of the Issuer's regulated asset base (which determines the capital base on which the Issuer is allowed to receive a return on its capital investments in specific regulated infrastructure) is adjusted for inflation or deflation as part of the applicable regulatory pricing structure. A period of significant price deflation in Ireland would impact the allowable regulatory revenues on these assets and could have a material adverse effect on the Issuer's results of operations, prospects and/or financial condition.

Inflation impacts the business's capital expenditure and operational costs. Where the inflationary impact on business costs are higher than Ireland's Harmonised Consumer Price Index (**HICP**) and are not fully compensated by an appropriate inflation adjustment to the Issuer's allowable regulatory revenues, or where HICP inflation is negative and where there is no corresponding decrease in the business costs or the decrease is insufficient to offset the negative impact on allowable regulatory revenues, this may have a material adverse impact on the Issuer's business, results of operations, prospects and/or financial condition.

Risks associated with alterations in the demand for and supply of gas

Growth opportunities and the performance of the Issuer are linked to demand for natural gas in Ireland which depends on a series of factors beyond the control of the Issuer. Other than the economic environment these factors include, among others, changes in gas commodity prices, changes in carbon prices, the development of the electricity sector (including the increasing penetration of renewable sources of energy), the development of alternative energies, the development of new technologies, changing customer preferences, the price of natural gas by comparison to other energies, climate change, decarbonisation targets, the availability of capacity for international import of natural gas by pipeline, environmental legislation and uninterrupted imports of natural gas from foreign countries.

In 2019, the Government of Ireland launched its Climate Action Plan which sets out the Government of Ireland's strategy to address the challenges caused by climate change. This involves cutting carbon emissions and implementing policy shifts to enable the decarbonisation of the energy system. Policy statements include increasing electricity generated from renewable sources to 70 per cent. by 2030, the banning of the installation of gas boilers from 2025 in all new dwellings through the introduction of new regulatory standards for home heating systems and completing a review by 2020 of a pathway for the replacement of gas boilers in existing dwellings.

A ban on natural gas usage, extensive or otherwise, or a material decrease in the level of demand for natural gas in Ireland may adversely affect the Issuer's business, financial condition and results of operation. Furthermore the Issuer's operating results in a given year are subject to seasonal variations and weather conditions.

In order to ensure the continued sustainability of the Issuer's business, one of the pillars of the Issuer's strategy is to support the development of alternative sustainable technologies including renewable gas, hydrogen and carbon capture storage in the Irish energy market.

Failure to meet operational efficiencies or ineffective delivery of capital investment

Earnings maintenance and growth from the Issuer's regulated business will be affected by the Issuer's ability to manage costs and/or meet efficiency targets and service quality standards set by the CRU/UR. If the Issuer does not meet such targets or does not deliver its capital investment programme as envisaged, its business may be materially adversely affected including its financial performance, operational results and reputation.

The United Kingdom's withdrawal from the European Union

Following the result of the referendum on the United Kingdom's continued membership of the European Union and the passing of the European Union (Notification of Withdrawal) Act 2017, the Government of the United Kingdom invoked Article 50 of the Treaty on European Union relating to its withdrawal from the European Union on 29 March 2017.

There is currently no certainty on the conditions under which the United Kingdom will exit the European Union or on the terms that will govern the economic and trading relationships between the United Kingdom and the European Union (including Ireland) following that exit (including during any transitional exit period). Until the terms of the United Kingdom's exit from the European Union are made clearer, it is not possible to determine the impact that the United Kingdom's departure from the European Union and/or any related matters may have on the business of the Issuer.

As such, no assurance can be given that such matters would not materially adversely affect the Issuer's business, prospects, financial condition and results of operation and/or the ability of the Issuer to satisfy its obligations under the Notes and/or the market value and/or the liquidity of the Notes in the secondary market.

Security of supply

The security of Ireland's energy supply, which is affected by import dependency, fuel diversity and the capacity and integrity of the supply and distribution infrastructure, remains a key focus and risk for the Issuer. Ireland's security of supply position is closely linked to that of the UK, with 39 per cent. of Ireland's gas demand imported from the Great Britain in 2018 and the remainder met from indigenous sources, primarily the Corrib gas field (Source: Gas Networks Ireland Directors Report and Financial Statements 2018). However the medium term forecast for growth in gas demand anticipates the re-emergence of the Moffat interconnection point as the dominant supply source and by 2026/27 Moffat is expected to account for approximately 81 per cent. of Ireland's gas demand (Source: Gas Networks Ireland 2018 Network Development Plan). From a security of supply perspective any disruption of the UK's energy supply, or any failure or disruption to the operation of the gas infrastructure between the UK and Ireland could have a serious impact on the Issuer's business and operations.

In relation to a risk of disruption to gas supply, GNI (UK) and National Grid have an agreement in place at the Moffat Interconnection Point which provides for the occurrence of a Gas Supply Emergency. Disruption risk is further mitigated by an inter-governmental gas treaty in place since 1993 between Ireland and the UK which provides for the development of a framework between the Irish and the UK governments to deal with any disruptions to gas supplies. Furthermore, Ireland and the UK are in discussions around developing additional cooperative measures to safeguard the security of gas supply. The Issuer reinforced the gas infrastructure at Moffat in Scotland in 2018 with the completion of the remaining 50 km section of the second Scotland to Ireland Gas Interconnector, from Cluden to Brighthouse Bay. This reinforces security of supply across the Island of Ireland, and boosts the operational flexibility of the Irish gas network. The longer-term impact of the UK's withdrawal from the European Union is still unclear and could impact on the above mitigation with regard to security of supply in the future.

Gas network failure

An inherent risk to the business of the Issuer is the potential for a major gas network failure which could result in the inability of the Issuer to maintain gas supplies to its customers. Where demand for gas exceeds supply, a lack of supply to customers may damage the business's reputation. Operational performance would be adversely affected by a significant failure to maintain the integrity of the gas network system. The potential consequences for the Issuer of such a failure could include material financial loss, and/or adverse regulatory action and/or damage to reputation. In addition to these risks, the Issuer (and the gas network) may be affected by other events such as the impact of severe weather events, natural disasters or unlawful/inadvertent acts of third parties. Weather conditions can affect financial performance and severe weather that causes outages or damage to infrastructure could adversely affect the Issuer's operational and business performance and also potentially the Issuer's reputation. Sabotage or other unintentional acts (third party damage) could damage the Issuer's assets or otherwise significantly affect corporate activities, and as a consequence, adversely impact its operations and operational results. There are arrangements in place with key stakeholders and regulatory authorities to manage supply disruption in the event of the supply of gas being restricted or reduced but there can be no assurance the Issuer will be able to continue to address the challenges that may arise.

Operational risk and business interruption

The Issuer faces the risk of losses or reputational damage due to human error, fraud, failure of systems, unauthorised access to systems or inadequate processes across all its operations. Any losses which may arise as a result of human error, fraud, breaches of the business's cyber security, failure of systems or inadequate processes may be significant and therefore have a material adverse effect on the Issuer's financial condition. The Issuer's ability to manage its operations and engage in critical business tasks, such as network maintenance, customer billing and data management, is dependent on the efficient and uninterrupted operation of its metering systems, IT Systems (software, hardware and communication systems), key personnel and critical suppliers who provide, operate or maintain these systems and/or provide critical services. An example of a significant outsourcing contract is the Networks Service and Works contract with Balfour Beatty CLG (please see *Description of the Issuer – Principal activities of the Issuer – The Gas Transportation Business* for further information). Any disruption to, or failure of, these suppliers, systems or any back-up systems, or any financial or other reporting controls, particularly if such disruptions or failures persist, could significantly impair the Issuer's ability to conduct its business efficiently, could have significant operational impacts to our customers and/or could have a material adverse effect on the Issuer's business, results of operations, reputation, prospects and/or financial condition.

The Issuer has been designated as an Operator of Essential Services (**OES**) under the EU (Measures for a high common level of Security of Network and Information Systems) Regulations 2018 (the **NIS Regulations**). Under the NIS Regulations the Issuer is obliged as an OES to take technical and organisational measures to manage the risks posed to the security of the IT network, to prevent and minimise security incidents. The Issuer is also obliged to notify incidents to the Government of Ireland through the computer security incident response team in the Department of Communications, Climate Action and Environment if they will have a significant impact on the continuity of the services that the Issuer provides as a transmission system operator.

The Issuer implements a system of internal control based on a framework of proactive risk management, regular management information, robust finance and accounting systems, segregation of duties and clearly defined limits on authority. The Issuer dedicates resources to manage its critical IT infrastructure, with a focus on cyber-security and data protection and as appropriate, arranges back-up systems, personnel and suppliers to cover key systems or supply failure. The Issuer has business continuity plans and crisis management policies and plans in place across the business and completes testing and exercises on a recurring basis. In line with the external environment, the Issuer continues to enhance its security around IT infrastructure and constantly increases security awareness and controls across the organisation. However there can be no assurance that such controls, processes or plans will be adequate to avoid significant operational loss or interruption to the business.

Counterparty risk

The Issuer's operations are exposed to the risk that customers, suppliers, financial institutions and other parties with whom it does business will not satisfy their obligations, which could materially adversely affect its financial position.

The Issuer derives a substantial portion of its income from a small number of large gas shippers. If such a shipper was unable to satisfy its obligations to the Issuer, then this could have an impact on the Issuer's results of operations and its financial condition. The risks presented to the Issuer by a gas shipper not meeting its obligations to the Issuer are mitigated by a financial security policy which has been implemented by the Issuer. This sets out the guidelines to be followed in relation to the requirement for financial security and where applicable the procedures to be followed in relation to the provision of financial security. This includes the calculation of the financial security amount, the form and approval of financial security, how the Issuer monitors a gas shipper's financial security balance and when the Issuer may make a demand on a gas shipper's financial security. Separately, pursuant to a connections policy implemented by the Issuer, the Issuer also applies its financial security policy to parties seeking connections to the gas transmission and distribution networks.

The Issuer invests excess cash, enters into financial contracts and has in place committed credit facilities with a number financial institutions. A counterparty default under any financial contract or instrument could expose the Issuer to financial loss and/or adversely impact its operations. The Issuer's policy is to manage treasury counterparty risk through the use of counterparty credit limits, which take account of, among other relevant factors, published credit ratings and other market guides. The Issuer regularly evaluates and measures its counterparty exposures with financial institutions.

The Issuer outsources the delivery of certain key services as described further in the *Description of the Issuer – Information on the Issuer*. A dispute with or the failure of a key supplier to meet its obligations under such a contract could have a material adverse effect on the Issuer's business, results of operations, reputation, prospects and/or financial condition. The Issuer seeks to manage such risks through contract management arrangements and contingency and business continuity plans which create a framework for mitigating the risk of such failure and provide for an effective response to the same, while safeguarding the interests of key stakeholders.

Personnel and culture The Issuer's ability to implement its strategy is substantially dependent on the continued service and performance of senior management and key senior executives, its ability to attract and retain suitably qualified personnel and the maintenance, development and promotion of an appropriate culture across its business. On the 12 July 2018, the Government of Ireland announced that Irish Water would be separated from the Ervia Group during 2023 (as described further in the *Description of the Issuer – Irish Water*). This may result in certain senior management, key senior executives and/or qualified personnel exiting the Ervia Group. While the Issuer completes resourcing reviews on a recurring basis including identifying critical skills and expertise it requires, the loss of suitably qualified personnel without adequate replacements or the development of a poor or inappropriate culture across the business without adequate replacements could have a material adverse effect on Issuer's business, results of operations, prospects and/or financial condition.

The Issuer engages in collective bargaining with its employees. There is a risk that industrial action by personnel that are important to the GNI Group's operations could disrupt business, affect critical services and/or have an adverse financial and reputational impact on GNI.

Insurance

The Issuer seeks to maintain robust insurance cover on all of its key property and liability exposures in the international energy insurance market. No assurance can be given that the insurance cover acquired by the Issuer provides adequate or sufficient cover for all events or incidents. The international insurance market is volatile and therefore there can be no guarantee that existing cover will remain available or will be available at commercially acceptable premiums.

Reliance on Ervia for the provision of certain business services

Ervia, the Issuer's parent company, provides certain strategic, transactional and support services to the GNI Group and to Irish Water - please see *Description of the Issuer – Information on the Issuer*. On the 12 July 2018, the Government of Ireland announced that Irish Water would be separated from the Ervia Group during 2023 (as described further in the *Description of the Issuer – Irish Water*). To achieve this, organisational and business model changes will be required across the Ervia Group. Any disruption to the provision of services currently provided by Ervia to the GNI Group without effective replacement, and whether due to a failure to effectively implement the relevant changes or Ervia ceasing or becoming unable to provide the services it currently provides or otherwise, could have a material adverse effect on the Issuer's business and operations.

Litigation risks

The Issuer is from time to time involved in legal proceedings and it may, in the future, be involved in other legal proceedings, that may or may not be material. An adverse result in relation to litigation proceedings could have a significant adverse effect on the Ervia Group's financial position and profitability.

FACTORS WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING THE MARKET RISKS ASSOCIATED WITH NOTES ISSUED UNDER THE PROGRAMME

Risks related to the structure of a particular issue of Notes

A range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features, distinguishing between factors which may occur in relation to any Notes and those which might occur in relation to certain types of Notes:

Risks applicable to all Notes

If the Issuer has the right to redeem any Notes at its option, this may limit the market value of the Notes concerned and an investor may not be able to reinvest the redemption proceeds in a manner which achieves a similar effective return.

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

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

If the Notes include a feature to convert the interest basis from a fixed rate to a floating rate, or vice versa, this may affect the secondary market and the market value of the Notes concerned.

Fixed/Floating Rate Notes are Notes which bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Such a feature to convert the interest basis, and any conversion of the interest basis, may affect the secondary market in, and the market value of, such Notes as the change of interest basis may result in a lower interest return for Noteholders. Where the Notes convert from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. Where the Notes convert from a floating rate to a

fixed rate, the fixed rate may be lower than then prevailing market rates on those Notes and could affect the market value of an investment in the relevant Notes.

Notes which are issued at a substantial discount or premium may experience price volatility in response to changes in market interest rates.

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

Risks applicable to certain types of Notes

There are particular risks associated with an investment in certain types of Notes, such as Index Linked Notes and Dual Currency Notes. In particular, an investor might receive less interest than expected or no interest in respect of such Notes and may lose some or all of the principal amount invested by it.

The Issuer may issue Notes with principal or interest determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or other factors (each, a **Relevant Factor**). In addition, the Issuer may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

- (i) the market price of such Notes may be volatile;
- (ii) they may receive no interest;
- (iii) payment of principal or interest may occur at a different time or in a different currency than expected;
- (iv) they may lose all or a substantial portion of their principal;
- (v) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- (vi) if a Relevant Factor is applied to Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable likely will be magnified; and
- (vii) the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

The historical experience of an index or other Relevant Factor should not be viewed as an indication of the future performance of such Relevant Factor during the term of any Notes. Accordingly, each potential investor should consult its own financial and legal advisers about the risk entailed by an investment in any Notes linked to a Relevant Factor and the suitability of such Notes in light of its particular circumstances.

Where Notes are issued on a partly paid basis, an investor who fails to pay any subsequent instalment of the issue price could lose all of his investment.

The Issuer may issue Notes where the issue price is payable in more than one instalment. Any failure by an investor to pay any subsequent instalment of the issue price in respect of his Notes could result in such investor losing all of his investment.

Notes which are issued with variable interest rates or which are structured to include a multiplier or other leverage factor are likely to have more volatile market values than more standard securities.

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

Inverse Floating Rate Notes will have more volatile market values than conventional Floating Rate Notes.

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as LIBOR. The market values of those Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

Risks related to Notes generally

Set out below is a description of material risks relating to the Notes generally:

The conditions of the Notes contain provisions which may permit their modification without the consent of all investors and confer significant discretions on the Trustee which may be exercised without the consent of the Noteholders and without regard to the individual interests of particular Noteholders.

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

The conditions of the Notes also provide that the Trustee may, without the consent of Noteholders and without regard to the interests of particular Noteholders, agree to (i) any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Notes or (ii) determine without the consent of the Noteholders that any Event of Default or potential Event of Default shall not be treated as such or (iii) the substitution of another company as principal debtor under any Notes in place of the Issuer, in the circumstances described in Condition 14 (*Meetings of Noteholders, Modification, Waiver and Substitution*). In addition, the Trustee shall be obliged to concur with the Issuer using its reasonable endeavours to effect any Benchmark Amendments in the circumstances and as otherwise set out in Condition 4.2(f) without the consent or approval of Noteholders.

The value of the Notes could be adversely affected by a change in English law or administrative practice.

The conditions of the Notes are based on English law in effect as at the date of this Offering Circular. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Offering Circular and any such change could materially adversely impact the value of any Notes affected by it.

Investors who hold less than the minimum Specified Denomination may be unable to sell their Notes and may be adversely affected if definitive Notes are subsequently required to be issued.

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a

principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination. Further, a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination.

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

The regulation and reform of "benchmarks" may adversely affect the value of Notes linked to or referencing such "benchmarks"

Interest rates and indices which are deemed to be "benchmarks", (including the London interbank offered rate (**LIBOR**) and the euro interbank offered rate (**EURIBOR**) are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes referencing such a benchmark.

Regulation (EU) 2016/1011 (the **Benchmarks Regulation**) applies, subject to certain transitional provisions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. Among other things, it (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed).

The Benchmarks Regulation could have a material impact on any Notes linked to or referencing a benchmark in particular, if the methodology or other terms of the benchmark are changed in order to comply with the requirements of the Benchmarks Regulation. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the relevant benchmark.

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements.

Specifically, the sustainability of LIBOR has been questioned as a result of the absence of relevant active underlying markets and possible disincentives (including possibly as a result of benchmark reforms) for market participants to continue contributing to such benchmarks. On 27 July 2017, and in a subsequent speech by its Chief Executive on 12 July 2018, the UK Financial Conduct Authority (**FCA**) confirmed that it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark after 2021 (the **FCA Announcements**). The FCA Announcements indicated that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021.

In addition, on 29 November 2017, the Bank of England and the FCA announced that, from January 2018, its Working Group on Sterling Risk-Free Rates has been mandated with implementing a broad-based transition to the Sterling Overnight Index Average (**SONIA**) over the next four years across sterling bond, loan and derivative markets, so that SONIA is established as the primary sterling interest rate benchmark by the end of 2021.

Separate workstreams are also underway in Europe to transition EURIBOR to a hybrid methodology and to provide a fallback by reference to a euro risk-free rate (based on a euro overnight risk-free rate as adjusted by a methodology to create a term rate). On 13 September 2018, the working group on euro risk-free rates recommended Euro Short-term Rate (**€STR**) as the new risk free rate. €STR was published for the first time

by the ECB on 2 October 2019. In addition, the euro risk-free rate working group has published: (i) on 21 January 2019, a set of guiding principles for fallback provisions in new euro denominated cash products (including bonds), the guiding principles indicate, among other things, that continuing to reference EURIBOR in relevant contracts may increase the risk to the euro area financial system; and (ii) on 6 November 2019, high level recommendations for fallback provisions in, among other things, cash products (including bonds) referencing EURIBOR.

It is not possible to predict with certainty whether, and to what extent, LIBOR and EURIBOR will continue to be supported going forward. This may cause LIBOR and EURIBOR to perform differently than they have done in the past, and may have other consequences which cannot be predicted. Such factors may have (without limitation) the following effects on certain benchmarks: (i) discouraging market participants from continuing to administer or contribute to a benchmark; (ii) triggering changes in the rules or methodologies used in the benchmark and/or (iii) leading to the disappearance of the benchmark. Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to, referencing, or otherwise dependent (in whole or in part) upon, a benchmark.

The conditions of the Notes provide for certain fallback arrangements in the event that a Benchmark Event occurs, including if an Original Reference Rate and/or any page on which an Original Reference Rate may be published, becomes unavailable, or if the Issuer, the Calculation Agent, any Paying Agent or any other party responsible for the calculation of the Rate of Interest (as specified in the applicable Pricing Supplement) are no longer permitted lawfully to calculate interest on any Notes by reference to such an Original Reference Rate under the Benchmarks Regulation or otherwise. Such fallback arrangements include the possibility that the Rate of Interest could be set by reference to a Successor Rate or an Alternative Rate (both as defined in the conditions of the Notes) with the application of an Adjustment Spread and may include amendments to the conditions of the Notes to ensure the proper operation of the successor or replacement benchmark, all as determined by an Independent Adviser (acting in good faith and in a commercially reasonable manner). An Adjustment Spread could be positive, negative or zero and would be applied with a view to reducing or eliminating, to the fullest extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the replacement of an Original Reference Rate. However, the applicable Adjustment Spread may not be effective to reduce or eliminate economic prejudice to investors. The use of a Successor Rate or Alternative Rate with the application of an Adjustment Spread will still result in any Notes linked to or referencing an Original Reference Rate performing differently (which may include payment of a lower Rate of Interest) than they would if the Original Reference Rate were to continue to apply in its current form.

If, following the occurrence of a Benchmark Event, the Issuer is unable to appoint an Independent Adviser, in a timely manner, or the Independent Adviser is unable to or does not determine a Successor Rate or Alternative Rate or (in either case) an applicable Adjustment Spread prior to the relevant Interest Determination Date, the ultimate fallback for the purposes of calculation of the Rate of Interest for a particular Interest Period may result in the Rate of Interest for the last preceding Interest Period being used. This may result in the effective application of a fixed rate for Floating Rate Notes based on the rate which was last observed on the Relevant Screen Page. Due to the uncertainty concerning the availability of Successor Rates and Alternative Rates, the involvement of an Independent Adviser and the potential for further regulatory developments there is a risk that the relevant fallback provisions may not operate as intended at the relevant time.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmarks Regulation or any of the international or national reforms and the possible application of the benchmark replacement provisions of Notes in making any investment decision with respect to any Notes linked to or referencing a benchmark.

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

The Issuer may issue a Tranche of Notes that are designated as "Green Bonds" in the applicable Pricing Supplement (**Green Bonds**). In such circumstances it will be the Issuer's intention to apply the net proceeds from an offer of those Notes (or an amount equal thereto) specifically for projects and activities that promote climate-friendly and/or other environmentally sustainable projects (either in those words or otherwise) (**Green Projects**) as described in a green bond framework which may be published by the Issuer on its website, as such framework may be updated from time to time (the **Green Bond Framework**). As at the date of this Offering Circular, the Issuer has not yet published a Green Bond Framework. Prospective investors should have regard to the information in this Offering Circular, the relevant Pricing Supplement and the applicable Green Bond Framework published by the Issuer prior to the issuance of any Green Bonds regarding such use of proceeds and must determine for themselves the relevance of such information for the purpose of any investment in such Notes together with any other investigation such investor deems necessary. In particular no assurance is or can be given by the Issuer that the use of such proceeds for any Green Projects will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates (in particular with regard to any direct or indirect environmental impact of any projects or uses, the subject of or related to, the relevant Green Project).

Furthermore, it should be noted that there is currently no clearly defined definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes, a "green" or "sustainable" or an equivalently-labelled project or as to what precise attributes are required for a particular project to be defined as "green" or "sustainable" or such other equivalent label nor can any assurance be given that such a clear definition or consensus will develop over time. Accordingly, no assurance is or can be given to investors that any projects or uses the subject of, or related to, any Green Projects will meet, or continue to meet on an ongoing basis, any or all investor expectations regarding such "green", "sustainable" or other equivalently-labelled performance objectives or that any adverse environmental, social and/or other impacts will not occur during the implementation of any projects or uses the subject of, or related to, any Green Projects.

In connection with the issue of Green Bonds by the Issuer, a sustainable rating agency or other institutions or persons with recognised expertise in environmental sustainability may issue an opinion or certificate (whether or not requested by the Issuer) on (amongst other things) general compliance of the Green Bond Framework with the Green Bond Principles as published by the International Capital Markets Association or such other guidelines or criteria as may be published by any other industry or regulatory body from time to time and/or the suitability of the Green Bonds as an investment in connection with Green Projects. No assurance or representation is given as to the suitability or reliability for any purpose whatsoever of any opinion or certification of any third party (whether or not solicited by the Issuer) which may be made available in connection with the issue of any Notes and in particular with any Green Projects to fulfil any environmental, sustainability, social and/or other criteria. For the avoidance of doubt, any such opinion or certification is not, nor shall be deemed to be, incorporated in and/or form part of this Offering Circular. Any such opinion or certification is not, nor should be deemed to be, a recommendation by the Issuer, the Dealers or any other person to buy, sell or hold any such Notes. Any such opinion or certification is only current as of the date that such opinion or certification was initially issued and the criteria and/or considerations that informed the provider of such opinion or certification may change at any time. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein and/or the provider of such opinion or certification for the purpose of any investment in such Notes. Currently, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight.

In the event that any such Notes are listed or admitted to trading on any dedicated "green", "environmental", "sustainable" or other equivalently-labelled segment of any stock exchange or securities market (whether or not regulated), no representation or assurance is given by the Issuer, the Dealers or any other person that such listing or admission satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect

environmental, sustainability or social impact of any projects or uses, the subject of or related to, any Green Projects. Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. Nor is any representation or assurance given or made by the Issuer, the Dealers or any other person that any such listing or admission to trading will be obtained in respect of any such Notes or, if obtained, that any such listing or admission to trading will be maintained during the life of the Notes.

While it is the intention of the Issuer to apply the proceeds of any Notes so specified for Green Projects in, or substantially in, the manner described in the relevant Pricing Supplement, there can be no assurance that the relevant intended project(s) or use(s) the subject of, or related to, any Green Projects will be capable of being implemented in or substantially in such manner and/or in accordance with any timing schedule and that accordingly such proceeds will be totally or partially disbursed for the specified Green Projects. Nor can there be any assurance that such Green Projects will be completed within any specified period or at all or with the results or outcome (whether or not related to the environment) as originally expected or anticipated by the Issuer. Any such event or failure by the Issuer will not constitute an Event of Default under the relevant Notes nor will any failure to comply with reporting or verification intentions referred to in the Offering Circular, Pricing Supplement or Green Bond Framework.

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

Risks related to the market generally

Set out below is a description of material market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

An active secondary market in respect of the Notes may never be established or may be illiquid and this would adversely affect the value at which an investor could sell his Notes

Notes may have no established trading market when issued, and one may never develop. If a market for the Notes does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes.

If an investor holds Notes which are not denominated in the investor's home currency, he will be exposed to movements in exchange rates adversely affecting the value of his holding. In addition, the imposition of exchange controls in relation to any Notes could result in an investor not receiving payments on those Notes.

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes,

(2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes.

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.

The value of Fixed Rate Notes may be adversely affected by movements in market interest rates.

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

Credit ratings assigned to the Issuer or any Notes may not reflect all the risks associated with an investment in those Notes.

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes, unless such 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). 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 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, subject to transitional provisions that apply in certain circumstances). If the status of the rating agency rating the Notes changes, European regulated investors may no longer be able to use the rating for regulatory purposes and the Notes may have a different regulatory treatment. This may result in European regulated investors selling the Notes which may impact the value of the Notes and any secondary market. The list of registered and certified rating agencies published by the European Securities and Markets Authority (**ESMA**) on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list. Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Offering Circular.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published or are published simultaneously with this Offering Circular and have been submitted to and filed with Euronext Dublin shall be incorporated in, and form part of, this Offering Circular:

- (a) the audited annual financial statements of the Issuer for the financial year ended 31 December 2017 set out from page 15 to 90 inclusive of the Issuer's Director's Report and Financial Statements 2017 (which can be viewed online at <https://www.ervia.ie/ervia-annual-report/GNI-Group-Financial-Statements-2017-V3.4-with-Audit-scaled-and-signatures-.pdf>); and
- (b) the audited annual financial statements of the Issuer for the financial year ended 31 December 2018 set out from page 27 to 117 inclusive of the Issuer's Director's Report and Financial Statements 2018 (which can be viewed online at https://www.ervia.ie/ervia-annual-report/20520_GNI_Directors_Report_2018_Final.pdf).

Copies of documents incorporated by reference in this Offering Circular have been filed with Euronext Dublin and can be obtained from the registered office of the Issuer and from the specified offices of the Paying Agents for the time being in London and will be available for viewing on the website of the Issuer as specified above.

Any documents themselves incorporated by reference in the documents incorporated by reference in this Offering Circular shall not form part of this Offering Circular.

The Issuer will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Offering Circular which is capable of affecting the assessment of any Notes, prepare a supplement to this Offering Circular or publish a new Offering Circular for use in connection with any subsequent issue of Notes.

FORM OF THE NOTES

Each Tranche of Notes will be in bearer form and will be initially issued in the form of a temporary global note (a **Temporary Global Note**) or, if so specified in the applicable Pricing Supplement, a permanent global note (a **Permanent Global Note**) and, together with a Temporary Global Note, each a **Global Note**) which, in either case, will:

- (i) if the Global Notes are intended to be issued in new global note (**NGN**) form, as stated in the applicable Pricing Supplement, be delivered on or prior to the original issue date of the Tranche to a common safekeeper (the **Common Safekeeper**) for Euroclear Bank SA/NV (**Euroclear**) and Clearstream Banking, S.A. (**Clearstream, Luxembourg**); and
- (ii) if the Global Notes are not intended to be issued in NGN form, be delivered on or prior to the original issue date of the Tranche to a common depositary (the **Common Depositary**) for Euroclear and Clearstream, Luxembourg.

Where the Global Notes issued in respect of any Tranche are in NGN form, the applicable Pricing Supplement, will also indicate whether such Global Notes are intended to be held in a manner which would allow Eurosystem eligibility. Any indication that the Global Notes are to be so held does not necessarily mean that the Notes of the relevant Tranche will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any times during their life as such recognition depends upon satisfaction of the Eurosystem eligibility criteria. The Common Safekeeper for NGNs will either be Euroclear or Clearstream, Luxembourg or another entity approved by Euroclear and Clearstream, Luxembourg.

Whilst any Note is represented by a Temporary Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made (against presentation of the Temporary Global Note if the Temporary Global Note is not intended to be issued in NGN form) only to the extent that certification to the effect that the beneficial owners of interests in the Temporary Global Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Agent.

On and after the date (the **Exchange Date**) which is 40 days after a Temporary Global Note is issued, interests in such Temporary Global Note will be exchangeable (free of charge) upon a request as described therein either for (a) interests in a Permanent Global Note of the same Series or (b) for definitive Notes of the same Series with, where applicable, receipts, interest coupons and talons attached (as indicated in the applicable Pricing Supplement, and subject, in the case of definitive Notes, to such notice period as is specified in the applicable Pricing Supplement), in each case against certification of beneficial ownership as described above unless such certification has already been given. The holder of a Temporary Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Global Note for an interest in a Permanent Global Note or for definitive Notes is improperly withheld or refused.

Payments of principal, interest (if any) or any other amounts on a Permanent Global Note will be made through Euroclear and/or Clearstream, Luxembourg (against presentation or surrender (as the case may be) of the Permanent Global Note if the Permanent Global Note is not intended to be issued in NGN form) without any requirement for certification.

The applicable Pricing Supplement will specify that a Permanent Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Notes with, where applicable, receipts, interest coupons and talons attached upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** means that (i) an Event of Default (as defined in Condition 9 (*Events of Default and Enforcement*)) has occurred and is continuing, or (ii) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been

closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system satisfactory to the Trustee is available or (iii) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Permanent Global Note in definitive form and a certificate to such effect signed by two Directors of the Issuer is given to the Trustee. The Issuer will promptly give notice to Noteholders in accordance with Condition 13 (*Notices*) if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Note) or the Trustee may give notice to the Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the Issuer may also give notice to the Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Agent.

The following legend will appear on all Notes (other than Temporary Global Notes), receipts and interest coupons relating to such Notes where TEFRA D is specified in the applicable Pricing Supplement:

"ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE."

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Notes, receipts or interest coupons and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of such Notes, receipts or interest coupons. Notes which are represented by a Global Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

General

Pursuant to the Agency Agreement (as defined under "*Terms and Conditions of the Notes*"), the Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes, the Notes of such further Tranche shall be assigned a common code and ISIN which are different from the common code and ISIN assigned to Notes of any other Tranche of the same Series until at least the expiry of the distribution compliance period (as defined in Regulation S under the Securities Act) applicable to the Notes of such Tranche.

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Pricing Supplement.

No Noteholder, Receiptholder or Couponholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound so to proceed, (i) fails so to do within 60 days, or (ii) is unable for any reason to do, and the failure or inability shall be continuing.

The Issuer may agree with any Dealer and the Trustee that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes, in which event, the relevant provisions will be included in the applicable Pricing Supplement or a supplement to this Offering Circular or a new Offering Circular will be made available which will describe the effect of the agreement reached in relation to such Notes.

FORM OF PRICING SUPPLEMENT

Set out below is the form of Pricing Supplement which will be completed for each Tranche of Notes issued under the Programme.

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS – the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MIFID II**); (ii) or a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MIFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the **Prospectus Regulation**). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the **PRIIPS Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS regulation.]

MiFID II product governance / target market – [*appropriate target market legend to be included*]

NO PROSPECTUS IS REQUIRED IN ACCORDANCE WITH REGULATION (EU) 2017/1129 FOR THE ISSUE OF NOTES DESCRIBED BELOW.

[*Date*]

GAS NETWORKS IRELAND

Legal entity identifier (LEI): 54930043FTE0M50CGG56

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes] [Green Bonds]

**under the [EUR1,500,000,000]
Euro Medium Term Note Programme**

PART A – CONTRACTUAL TERMS

[Any person making or intending to make an offer of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or to supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, in each case, in relation to such offer.]

This document constitutes the Pricing Supplement for the Notes described herein. This document must be read in conjunction with the Offering Circular dated 25 November 2019 [as supplemented by the supplement[s] dated [date[s]]] (the **Offering Circular**). Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Offering Circular. Copies of the Offering Circular may be obtained from [address].

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) set forth in the Offering Circular.

[Include whichever of the following apply or specify as "Not Applicable". Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Pricing Supplement.]

[If the Notes have a maturity of less than one year from the date of their issue, the minimum denomination may need to be £100,000 or its equivalent in any other currency.]

1. Issuer: Gas Networks Ireland
2. (a) Series Number: []
- (b) Tranche Number: []
- (c) Date on which the Notes will be consolidated and form a single Series: The Notes will be consolidated and form a single Series with [*identify earlier Tranches*] on [the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 25 below, which is expected to occur on or about [*date*]][Not Applicable]
3. Specified Currency or Currencies: []
4. Aggregate Nominal Amount:
 - (a) Series: []
 - (b) Tranche: []
5. Issue Price: [] per cent. of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] (*if applicable*)]
6. (a) Specified Denominations: []
- (b) Calculation Amount: []
(If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)
7. (a) Issue Date: []
- (b) Interest Commencement Date: [*specify*/Issue Date/Not Applicable]
(N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.)
8. Maturity Date:¹ [*Specify date or for Floating rate notes - Interest Payment Date falling in or nearest to [specify month and year]*]
9. Interest Basis: [[] per cent. Fixed Rate]
 [[*specify Reference Rate*] +/- [] per cent. Floating Rate]
 [Zero Coupon]
 [Index Linked Interest]
 [Dual Currency Interest]

¹ Notes issued by the Issuer which have a maturity of less than one year from the date of their issue must bear the following legend on page 1 of the Pricing Supplement:

"The Notes constitute Commercial Paper for the purposes of Notice BSD C 01/02 issued by the Central Bank of Ireland (the **Notice**). The Notes are issued in accordance with one of the exemptions from the requirement to hold a banking licence provided by the Notice pursuant to section 8(2) of the Central Bank Act 1971 of Ireland, inserted by section 31 of the Central Bank Act 1989 of Ireland, as amended by section 70(d) of the Central Bank Act 1997 of Ireland. The Notes do not have the status of a bank deposit and are not within the scope of the Deposit Protection Scheme operated by the Central Bank of Ireland. The Issuer is not regulated by the Central Bank of Ireland." Any such Notes must be issued and transferable in a minimum amount of €125,000 (or its equivalent in other currencies).

[specify other]
(further particulars specified below)

10. Redemption/Payment Basis: [Redemption at par]
[Index Linked Redemption]
[Dual Currency Redemption]
[Partly Paid]
[Instalment]
[specify other]
11. Change of Interest Basis or Redemption/Payment Basis: [Specify details of any provision for change of Notes into another Interest Basis or Redemption/Payment Basis][Not Applicable]
12. Put/Call Options: [Investor Put]
[Issuer Call]
[Issuer Par Call]
[Clean-up Call]
[(further particulars specified below)]
[Not Applicable]
13. (a) Status of the Notes: Senior
- (b) [Date [Board] approval for issuance of Notes obtained: [] [and [], respectively]]
(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14. Fixed Rate Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Rate(s) of Interest: [] per cent. per annum payable in arrear on each Interest Payment Date
- (b) Interest Payment Date(s): [] in each year up to and including the Maturity Date
(Amend appropriately in the case of irregular coupons)
- (c) Fixed Coupon Amount(s): [] per Calculation Amount
(Applicable to Notes in definitive form.)
- (d) Broken Amount(s): [[] per Calculation Amount, payable on the Interest Payment Date falling [in/on] []][Not Applicable]
(Applicable to Notes in definitive form.)
- (e) Day Count Fraction: [30/360/Actual/Actual (ICMA)/specify other]
- (f) [Determination Date(s): [[] in each year][Not Applicable]
(Only relevant where Day Count Fraction is Actual/Actual (ICMA). In such a case, insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon]
- (g) Other terms relating to the [None/Give details]

method of calculating interest for
Fixed Rate Notes:

15. Floating Rate Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Specified Period(s)/Specified Interest Payment Dates: [][, subject to adjustment in accordance with the Business Day Convention set out in (b) below /, not subject to any adjustment, as the Business Day Convention in (b) below is specified to be Not Applicable]
- (b) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/[specify other]] [Not Applicable]
- (c) Additional Business Centre(s): []
- (d) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination/specify other]
- (e) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent): [] [] (the **Calculation Agent**)
- (f) Screen Rate Determination:
Reference Rate: [] month [LIBOR/EURIBOR/specify other Reference Rate]. *(Either LIBOR, EURIBOR or other, although additional information is required if other, including fallback provisions in the Agency Agreement.)*
Interest Determination Date(s): []
(Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR)
Relevant Screen Page: []
(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)
- (g) ISDA Determination:
Floating Rate Option: []
Designated Maturity: []
Reset Date: []
(In the case of a LIBOR or EURIBOR based option, the

first day of the Interest Period)

(N.B. The fall-back provisions applicable to ISDA Determination under the 2006 ISDA Definitions are reliant upon the provision by reference banks of offered quotations for LIBOR and EURIBOR which, depending on market circumstances, may not be available at the relevant time)

- (h) Linear Interpolation: [Not Applicable/Applicable - the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)]
- (i) Margin(s): [+/-] [] per cent. per annum
- (j) Minimum Rate of Interest: [] per cent. per annum
- (k) Maximum Rate of Interest: [] per cent. per annum
- (l) Day Count Fraction: [Actual/Actual (ISDA)][Actual/Actual]
Actual/365 (Fixed)
Actual/365 (Sterling)
Actual/360
[30/360][360/360][Bond Basis]
[30E/360][Eurobond Basis]
30E/360 (ISDA)
Other]
- (m) Fallback provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: []
16. Zero Coupon Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Accrual Yield: [] per cent. per annum
- (b) Reference Price: []
- (c) Any other formula/basis of determining amount payable for Zero Coupon Notes: []
- (d) Day Count Fraction in relation to Early Redemption Amounts: [30/360]
[Actual/360]
[Actual/365]

17. Index Linked Interest Note [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Index/Formula: [give or annex details]
- (b) Calculation Agent [give name]
- (c) Party responsible for calculating the Rate of Interest (if not the Calculation Agent) and Interest Amount (if not the Agent): []
- (d) Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable: [need to include a description of market disruption or settlement disruption events and adjustment provisions]
- (e) Specified Period(s)/Specified Interest Payment Dates: []
- (f) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/specify other]
- (g) Additional Business Centre(s): []
- (h) Minimum Rate of Interest: [] per cent. per annum
- (i) Maximum Rate of Interest: [] per cent. per annum
- (j) Day Count Fraction: []
18. Dual Currency Interest Note Provisions [Applicable/Not Applicable]
applicable, delete the remaining subparagraphs of this paragraph)
- (a) Rate of Exchange/method of calculating Rate of Exchange: [give or annex details]
- (b) Party, if any, responsible for calculating the principal and/or interest due (if not the Agent): [] [] (the **Calculation Agent**)
- (c) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: [need to include a description of market disruption or settlement disruption events and adjustment provisions]
- (d) Person at whose option Specified Currency(ies) is/are payable: []

PROVISIONS RELATING TO REDEMPTION

19. Notice periods for Condition 6.2 Minimum period: [30] days
[Redemption and Purchase – Maximum period: [60] days
Redemption for tax reasons]:
20. Issuer Call: [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Optional Redemption Date(s): []
- (b) Optional Redemption Amount and method, if any, of calculation of such amount(s): [[] per Calculation Amount]/[Spens Amount]/[Make Whole Redemption Amount]/[specify other/see Appendix]
- (A) Reference Bond: []
- (B) Redemption Margin: []
- (C) Quotation Time: []
- (c) If redeemable in part:
- (i) Minimum Redemption Amount: []
- (ii) Maximum Redemption Amount: []
- (d) Notice periods: Minimum period: [15] days
Maximum period: [30] days
(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 clearing system business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent or Trustee)
21. Issuer Par Call [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Issuer Par Call Date []
- (b) If redeemable in part:
- (i) Minimum Redemption Amount: []
- (ii) Maximum Redemption Amount: []

- (c) Notice periods: Minimum period: [15] days
Maximum period: [30] days
(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 clearing system business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent or Trustee)
22. Clean-up Call: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Notice periods: Minimum period: [15] days
Maximum period: [30] days
(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 clearing system business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent or Trustee)
23. Investor Put: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Optional Redemption Date(s): []
- (b) Optional Redemption Amount and method, if any, of calculation of such amount(s): [[] per Calculation Amount/specify other/see Appendix]
- (c) Notice periods: Minimum period: [15] days
Maximum period: [30] days
(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 15 clearing system business days' notice for a put) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent or Trustee)
24. Final Redemption Amount: [[] per Calculation Amount/specify other/see Appendix]
25. Early Redemption Amount payable on redemption for tax reasons or on event of default and/or the method of calculating [[] per Calculation Amount/specify other/see Appendix]
(N.B. If the Final Redemption Amount is 100 per cent. of

the same (if required]):

the nominal value (i.e. par), the Early Redemption Amount is likely to be par (but consider). If, however, the Final Redemption Amount is other than 100 per cent. of the nominal value, consideration should be given as to what the Early Redemption Amount should be.)

GENERAL PROVISIONS APPLICABLE TO THE NOTES

26. Form of Notes:
- (a) Form: [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes upon an Exchange Event]
[Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date]
[Permanent Global Note exchangeable for Definitive Notes upon an Exchange Event]
- (b) [New Global Note: [Yes][No]]
27. Additional Financial Centre(s): [Not Applicable/give details]
(Note that this paragraph relates to the date of payment and not the end dates of Interest Periods for the purposes of calculating the amount of interest, to which sub-paragraphs 15(c) and 17(g) relate)
28. Talons for future Coupons to be attached to Definitive Notes: [Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/No]
29. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment. [Not Applicable/give details. *N.B. A new form of Temporary Global Note and/or Permanent Global Note may be required for Partly Paid issues*]
30. Details relating to Instalment Notes: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Instalment Amount(s): [give details]
- (b) Instalment Date(s): [give details]
31. Other terms or special conditions: [Not Applicable/give details]

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement. [[*Relevant third party information*] has been extracted from [*specify source*]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [*specify source*], no facts have been omitted which would render the reproduced information inaccurate or misleading.

Signed on behalf of the Issuer:

By:

By:

Duly authorised

Duly authorised

PART B – OTHER INFORMATION

1. LISTING

[Application [has been made/is expected to be made] by the Issuer (or on its behalf) for the Notes to be listed on [specify market - note this must not be a regulated market] with effect from [].] [Not Applicable]

2. RATINGS

Ratings:

[The Notes to be issued [[have been]/[are expected to be]] rated [insert details] by [insert the legal name of the relevant credit rating agency entity(ies)].

(The above disclosure is only required if the ratings of the Notes are different to those stated in the Offering Circular)

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

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business - *Amend as appropriate if there are other interests*]

4. USE OF PROCEEDS

Green Bonds:

[Applicable/Not Applicable]

[Use of Proceeds: [] / The net proceeds from the issue of the Notes will be applied exclusively to finance or refinance, in whole or in part, certain projects which meet the eligibility criteria set out in the Issuer's Green Bond Framework.]

[External Review: Details of the external review[s] conducted (and/or to be conducted) in connection with the Notes (if any) are set out in the Green Bond Framework.]

(delete/amend as applicable)

5. OPERATIONAL INFORMATION

(i) ISIN: []

(ii) Common Code: []

(iii) CFI: [[See/[include code], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]

(iv) FISN: [[See/[include code], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]

- (v) Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): [Not Applicable/*give name(s) and number(s)*]
- (vi) Delivery: Delivery [against/free of] payment
- (vii) Names and addresses of additional Paying Agent(s) (if any): []
- [(viii) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]/

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

6. DISTRIBUTION

- (i) Method of distribution: [Syndicated/Non-syndicated]
- (ii) If syndicated, names of Managers: [Not Applicable/*give names*]
- (iii) Stabilisation Manager(s) (if any): [Not Applicable/*give name*]
- (iv) If non-syndicated, name of relevant Dealer: [Not Applicable/*give name*]
- (v) U.S. Selling Restrictions: Reg. S Compliance Category [1/2/3]; [TEFRA D/TEFRA C/TEFRA not applicable]
- (vi) Additional selling restrictions: [Not Applicable/*give details*]
(Additional selling restrictions are only likely to be relevant for certain structured Notes, such as commodity-linked Notes)

- (vii) Prohibition of Sales to EEA Retail Investors: [Applicable/Not Applicable]
(If Notes clearly do not constitute “packaged” products or the Notes do constitute “packaged” products and a key information document will be prepared, “Not Applicable” should be specified. If the Notes may constitute “packaged” products and no key information document will be prepared, “Applicable” should be specified.)
- (viii) [Prohibition of Sales to Belgian Consumers] [Applicable/ Not Applicable]
(N.B. advice should be taken from Belgian counsel before disapplying this selling restriction)

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the Notes which will be incorporated by reference into each Global Note (as defined below) and each definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Pricing Supplement in relation to any Tranche of Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Notes. The applicable Pricing Supplement (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and definitive Note. Reference should be made to “Form of Pricing Supplement” for a description of the content of the Pricing Supplement which will specify which of such terms are to apply in relation to the relevant Notes.

This Note is one of a Series (as defined below) of Notes issued by Gas Networks Ireland (the **Issuer**) constituted by a Trust Deed dated 16 November 2016 made between the Issuer and Deutsche Trustee Company Limited (the **Trustee**, which expression shall include any successor as Trustee) (such Trust Deed as modified and restated by a first supplemental trust deed dated 25 November 2019, and as further modified and/or supplemented and/or restated from time to time, the **Trust Deed**).

References herein to the **Notes** shall be references to the Notes of this Series and shall mean:

- (a) in relation to any Notes represented by a global Note (a **Global Note**), units of each Specified Denomination in the Specified Currency;
- (b) any Global Note; and
- (c) any definitive Notes issued in exchange for a Global Note.

The Notes, the Receipts (as defined below) and the Coupons (as defined below) have the benefit of an Agency Agreement (such Agency Agreement as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) dated 25 November 2019 and made between the Issuer, the Trustee, Deutsche Bank AG, London Branch paying agent together with any other paying agents appointed thereunder (the **Paying Agents**, which expression shall include any successor paying agents) and agent (the **Agent**, which expression shall include any successor agent).

The final terms for this Note (or the relevant provisions thereof) are set out in Part A of the Pricing Supplement attached to or endorsed on this Note which supplement these Terms and Conditions (the **Conditions**). The Pricing Supplement may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Conditions, replace or modify the Conditions for the purposes of this Note. References to the **applicable Pricing Supplement** are, unless otherwise stated, to Part A of the Pricing Supplement (or relevant provisions thereof) attached to or endorsed on this Note.

Interest bearing definitive Notes have interest coupons (**Coupons**) and, in the case of Notes which, when issued in definitive form, have more than 27 interest payments remaining, talons for further Coupons (**Talons**) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Notes in definitive form which are repayable in instalments have receipts (**Receipts**) for the payment of the instalments of principal (other than the final instalment) attached on issue. Global Notes do not have Receipts, Coupons or Talons attached on issue.

The Trustee acts for the benefit of the holders for the time being of the Notes (the **Noteholders**, which expression shall, in relation to any Notes represented by a Global Note, be construed as provided below), the holders of the Receipts (the **Receiptholders**) and the holders of the Coupons (the **Couponholders**, which expression shall, unless the context otherwise requires, include the holders of the Talons), in accordance with the provisions of the Trust Deed.

As used herein, **Tranche** means Notes which are identical in all respects (including as to listing and admission to trading) and **Series** means a Tranche of Notes together with any further Tranche or Tranches of Notes which (a) are expressed to be consolidated and form a single series and (b) have the same terms and conditions or terms and conditions which are the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue.

Copies of the Trust Deed and the Agency Agreement are available for inspection during normal business hours at the specified office of each of the Paying Agents. If the Notes are to be admitted to listing and trading on the Global Exchange Market of Euronext Dublin, the applicable Pricing Supplement will be published on the website of Euronext Dublin. In the case of a Tranche of Notes which is not admitted to listing, trading and/or quotation on any listing authority, stock exchange and/or quotation system, copies of the applicable Pricing Supplement will only be obtainable by a Noteholder holding one or more Notes and such Noteholder must produce evidence satisfactory to the Issuer, the Trustee and the relevant Paying Agent as to its holding of such Notes and identity. The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Trust Deed, the Agency Agreement and the applicable Pricing Supplement which are applicable to them. The statements in the Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed and the Agency Agreement.

Words and expressions defined in the Trust Deed, the Agency Agreement or used in the applicable Pricing Supplement shall have the same meanings where used in the Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Trust Deed and the Agency Agreement, the Trust Deed will prevail and, in the event of inconsistency between the Trust Deed or the Agency Agreement and the applicable Pricing Supplement, the applicable Pricing Supplement will prevail.

In the Conditions, **euro** and **€** refer to the lawful single currency of the member states of the European Union that have adopted and continue to retain a common single currency through monetary union in accordance with European Union treaty law (as amended from time to time).

1. FORM, DENOMINATION AND TITLE

The Notes are in bearer form and, in the case of definitive Notes, serially numbered, in the currency (the **Specified Currency**) and the denominations (the **Specified Denomination(s)**) specified in the applicable Pricing Supplement. Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.

This Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Index Linked Interest Note, a Dual Currency Interest Note or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Pricing Supplement.

This Note may also be an Index Linked Redemption Note, an Instalment Note, a Dual Currency Redemption Note, a Partly Paid Note or a combination of any of the foregoing, depending upon the Redemption/Payment Basis shown in the applicable Pricing Supplement.

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

Subject as set out below, title to the Notes, Receipts and Coupons will pass by delivery. The Issuer, the Paying Agents and the Trustee will (except as otherwise required by law) deem and treat the bearer of any Note, Receipt or Coupon as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank SA/NV (**Euroclear**) and/or Clearstream Banking, S.A. (**Clearstream, Luxembourg**), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Paying Agents and the Trustee as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Global Note shall be treated by the Issuer, any Paying Agent and the Trustee as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions **Noteholder** and **holder of Notes** and related expressions shall be construed accordingly. In determining whether a particular person is entitled to a particular nominal amount of Notes as aforesaid, the Trustee may rely on such evidence and/or information and/or certification as it shall, in its absolute discretion, think fit and, if it does so rely, such evidence and/or information and/or certification shall, in the absence of manifest error, be conclusive and binding on all concerned.

Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg, as the case may be. References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in Part B of the applicable Pricing Supplement.

2. STATUS OF THE NOTES

The Notes and any relative Receipts and Coupons are direct, unconditional, unsubordinated and (subject to the provisions of Condition 3 (*Negative Pledge*)) unsecured obligations of the Issuer and rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.

3. NEGATIVE PLEDGE

- (a) The Issuer undertakes that so long as any of the Notes remains outstanding (as defined in the Trust Deed) it will not and shall ensure that none of its Principal Subsidiaries (as defined below) will, create or permit to subsist any mortgage, charge, pledge, lien or other form of encumbrance or security interest (each a **Security Interest**) upon the whole or any part of its/their respective assets or revenues of whatever nature present or future, to secure any Relevant Debt (other than Limited Recourse Indebtedness and Permitted Securitisations), or any guarantee of or indemnity in respect of any Relevant Debt (other than Limited Recourse Indebtedness and Permitted Securitisations), unless at the same time or prior thereto the Issuer's obligations under the Notes (a) are secured equally and rateably therewith or benefit from a Security Interest or guarantee or indemnity in substantially identical terms (to the extent permitted by Irish or other applicable law or regulation) thereto or (b) have the benefit of such other security, guarantee, indemnity or other arrangement as the Trustee shall deem not to be materially less beneficial to the Noteholders or as shall be approved by an Extraordinary Resolution.
- (b) The Issuer undertakes that so long as any of the Notes remains outstanding (as defined in the Trust Deed), it shall not (and shall procure that none of its Subsidiaries will):
 - (i) subscribe for shares issued by any Water Subsidiary;
 - (ii) provide any loan, credit or other financial accommodation to any Water Subsidiary or give any guarantee, indemnity, performance bond, security or other assurance

against loss to or for the benefit of any person in connection with any obligations of any Water Subsidiary to any third party except, save that for the avoidance of doubt, any credit terms agreed in the ordinary course of business on arm's length terms in connection with the payment of any amounts due from time to time by any Water Subsidiary for the provision of any goods or services provided by the Issuer or any of its Subsidiaries to such Water Subsidiary shall not be deemed to constitute a loan, credit or financial accommodation for the purposes of this paragraph (ii) provided that such credit terms do not exceed 180 days;

- (iii) enter into any arrangement, transaction or contract with any Water Subsidiary other than on arm's length terms; or
- (iv) agree or enter into any commitment to do anything prohibited by subparagraphs (i) to (iii) above.

For the purposes of these Conditions:

Group means the Issuer and its Subsidiaries taken as a whole.

Irish Water means Irish Water, a private limited company incorporated in Ireland with registered number 530363.

Limited Recourse Indebtedness means any Relevant Debt incurred by a member of the Group which is a Transaction Company in connection with a project where the provider(s) of the Relevant Debt have no recourse against any member of the Group or its assets, except for recourse:

- (a) to the project assets; and/or
- (b) to the Transaction Company which is the debtor for any claim arising in respect of the project so long as the recourse is limited to recoveries in respect of the project assets; and/or
- (c) for the purpose of enforcing a Security Interest against a member of the Group so long as the recourse is limited to:
 - (i) recoveries in respect of the project assets; and/or
 - (ii) the extent of its shareholding or other interest in (including a subordinated loan made to) the Transaction Company which is the debtor or the project; and/or
- (d) under any form of guarantee, assurance, undertaking or support, which recourse is limited to a specified amount or claim for damages provided that indebtedness arising in respect of such recourse itself shall not constitute Limited Recourse Indebtedness and nor shall the guaranteed or otherwise supported indebtedness of the Transaction Company (to the extent of the guarantee or support); and/or
- (e) for the purpose of enabling amounts to be claimed in respect of the matters set out in (a) to (d) above in any enforcement or unwind of the project or in insolvency proceedings; and/or
- (f) in relation to any Relevant Debt incurred by Gas Networks Ireland (IOM) Limited in connection with the financing of the Isle of Man Tee and Spur Pipeline Connection, which would otherwise qualify as Limited Recourse Indebtedness but for the existence of a guarantee or indemnity from Gas Networks Ireland callable only in circumstances of negligence, wilful default, wilful misconduct or fraud or for the existence of a guarantee from Gas Networks Ireland for which the recourse of the provider of the Relevant Debt guaranteed is limited to Gas Networks Ireland's shareholding in Gas Networks Ireland (IOM) Limited (or the value of that shareholding) and the amount of any subordinated loan

advanced by Gas Networks Ireland to Gas Networks Ireland (IOM) Limited *provided that* indebtedness arising in respect of any such guarantee itself shall not constitute Limited Recourse Indebtedness (to the extent of any such guarantees).

For this purpose, and in the definition of **Transaction Company**, **project** means any particular project or transaction of a Transaction Company for the ownership, creation, development or exploration of any of its assets and **project assets** means any assets of the Transaction Company which is the debtor used in connection with that project, relating thereto or deriving from them.

Permitted Securitisation means any transaction or series of transactions where Relevant Debt is incurred by a Transaction Company in connection with a securitisation (or similar arrangement) of assets, business(es) and/or receivables and the provider(s) of the Relevant Debt have no recourse against any member of the Group or its assets, except for recourse:

- (a) to the transaction assets; and/or
- (b) to the Transaction Company which is the debtor for any claim arising in respect of the transaction so long as the recourse is limited to recoveries in respect of the transaction assets; and/or
- (c) for the purpose of enforcing a Security Interest against a member of the Group so long as the recourse limited to:
 - (i) recoveries in respect of the transaction assets; and/or
 - (ii) the extent of its shareholding or other interest in (including a subordinated loan made to) the Transaction Company which is the debtor or the transaction; and/or
- (d) under any form of guarantee, assurance, undertaking or support, which recourse is limited to a specified amount or claim for damages provided that indebtedness arising in respect of such recourse itself shall not constitute Permitted Securitisation and nor shall the guaranteed or otherwise supported indebtedness of the Transaction Company (to the extent of the guarantee or support); and/or
- (e) for the purpose of enabling amounts to be claimed in respect of the matters set out in (a) to (d) above in any enforcement or unwind of the transaction or in insolvency proceedings.

For this purpose, and in the definition of **Transaction Company**, **transaction** means any particular project or transaction of a Transaction Company for the ownership, creation, development or exploitation of any of its assets, business(es) or receivables and **transaction assets** means any assets, business or receivables of that Transaction Company arising in connection with that transaction, relating thereto or deriving from them.

Principal Subsidiary means at any time a Subsidiary (other than a Transaction Company) of the Issuer:

- (a) whose net profits (consolidated in the case of a Subsidiary which itself has Subsidiaries) or whose net assets (consolidated in the case of a Subsidiary which itself has Subsidiaries) represent in each case (or, in the case of a Subsidiary acquired after the end of the financial period to which the then latest audited consolidated accounts of the Issuer and its Subsidiaries relate, are equal to) not less than 10 per cent. of the consolidated net profits of the Issuer, or, as the case may be, consolidated net assets, of the Issuer and its Subsidiaries taken as a whole, all as calculated respectively by reference to the then latest audited accounts (consolidated or, as the case may be, unconsolidated) of such Subsidiary and the then latest audited consolidated accounts of the Issuer and its Subsidiaries, provided that:

- (i) if the then latest audited consolidated accounts of the Issuer and its Subsidiaries show (x) a net loss for the relevant financial period then there shall be substituted for the words “net profits” the words “gross revenues” for the purposes of this definition and/or (y) negative assets at the end of the relevant financial period then there shall be substituted for the words “net assets” the words “total assets” for the purposes of this definition;
 - (ii) in the case of a Subsidiary of the Issuer acquired after the end of the financial period to which the then latest audited consolidated accounts of the Issuer and its Subsidiaries relate, the reference to the then latest audited consolidated accounts of the Issuer and its Subsidiaries for the purposes of the calculation above shall, until consolidated accounts for the financial period in which the acquisition is made have been prepared and audited as aforesaid, be deemed to be a reference to such first-mentioned accounts as if such Subsidiary had been shown in such accounts by reference to its then latest relevant audited accounts, adjusted as deemed appropriate by the Issuer;
- (b) to which is transferred the whole or substantially the whole of the undertaking and assets of a Subsidiary of the Issuer which immediately prior to such transfer is a Principal Subsidiary, provided that the transferor Subsidiary shall upon such transfer forthwith cease to be a Principal Subsidiary and the transferee Subsidiary shall cease to be a Principal Subsidiary pursuant to this subparagraph (b) on the date on which the consolidated accounts of the Issuer and its Subsidiaries for the financial period current at the date of such transfer have been prepared and audited as aforesaid but so that such transferor Subsidiary or such transferee Subsidiary may be a Principal Subsidiary on or at any time after the date on which such consolidated accounts have been prepared and audited as aforesaid by virtue of the provisions of subparagraph (a) above or, prior to or after such date, by virtue of any other applicable provision of this definition; or
- (c) to which is transferred an undertaking or assets which, taken together with the undertaking or assets of the transferee Subsidiary, generated (or, in the case of the transferee Subsidiary being acquired after the end of the financial period to which the then latest audited consolidated accounts of the Issuer and its Subsidiaries relate, generate net profits equal to) not less than 10 per cent. of the consolidated net profits of the Issuer, or represent (or, in the case aforesaid, are equal to) not less than 10 per cent. of the consolidated net assets of the Issuer and its Subsidiaries taken as a whole, all as calculated as referred to in subparagraph (a) above, provided that the transferor Subsidiary (if a Principal Subsidiary) shall upon such transfer forthwith cease to be a Principal Subsidiary unless immediately following such transfer its undertaking and assets generate (or, in the case aforesaid, generate net profits equal to) not less than 10 per cent. of the consolidated net profits of the Issuer, or its assets represent (or, in the case aforesaid, are equal to) not less than 10 per cent. of the consolidated net assets of the Issuer and its Subsidiaries taken as a whole, all as calculated as referred to in subparagraph (a) above, and the transferee Subsidiary shall cease to be a Principal Subsidiary pursuant to this subparagraph (c) on the date on which the consolidated accounts of the Issuer and its Subsidiaries for the financial period current at the date of such transfer have been prepared and audited but so that such transferor Subsidiary or such transferee Subsidiary may be a Principal Subsidiary on or at any time after the date on which such consolidated accounts have been prepared and audited as aforesaid by virtue of the provisions of subparagraph (a) above or, prior to or after such date, by virtue of any other applicable provision of this definition,

all as more particularly defined in the Trust Deed.

A report by two Directors of the Issuer addressed to the Trustee that in their opinion a Subsidiary of the Issuer is or is not or was or was not at any particular time or throughout any specified period a

Principal Subsidiary may be relied upon by the Trustee without further enquiry or evidence and, if relied upon by the Trustee, shall, in the absence of manifest error, be conclusive and binding on all parties.

Regulated Asset Holder means the owner or owners for the time being of the Regulated Assets (as defined in Condition 6.7 (*Redemption and Purchase - Redemption as a result of a Change of Control or a Regulatory Event*) below.

Relevant Debt means any present or future indebtedness for borrowed money in the form of, or represented by, bonds, notes or other securities which are for the time being, or are capable of being quoted, listed or ordinarily dealt in on any stock exchange or other organised securities market.

Subsidiary means an entity of which a person has direct or indirect control or owns directly or indirectly more than 50 per cent. of the voting capital or similar right of ownership.

Transaction Company means Gas Networks Ireland (IOM) Limited and any other wholly-owned Subsidiary (other than a Regulated Asset Holder) of the Issuer (direct or indirect) which:

- (a) itself has no Subsidiaries other than a Subsidiary which is a company which falls within paragraphs (b) and (c) of this definition;
- (b) is established to be the holding company of a company which is a Transaction Company or to own, create, develop or exploit an asset or enter into a project or a securitisation (or similar) transaction; and
- (c) the business of which is comprised wholly or substantially of the shares in a Transaction Company or project assets (in the case of a company incurring Limited Recourse Indebtedness) or transaction assets (in the case of a company engaging in Permitted Securitisation).

Water Subsidiary means Irish Water and any Subsidiary of Irish Water:

- (a) whose only business is the ownership and/or operation and/or maintenance and/or provision of other services in connection with water pipes and/or water metering equipment and/or treatment plant and equipment and/or other plant and equipment forming part of or relating to the infrastructure in Ireland for collection, storage, distribution or disposal of water or waste water, and any related activities in respect of the foregoing; and
- (b) which does not own, manage or have any interest in the Regulated Assets (as defined in Condition 6.7 (*Redemption and Purchase – Redemption as a result of a Change of Control or a Regulatory Event*) below,

and **Water Subsidiaries** means all such companies.

4. INTEREST

4.1 Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

If the Notes are in definitive form, except as provided in the applicable Pricing Supplement, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest

on any Interest Payment Date will, if so specified in the applicable Pricing Supplement, amount to the Broken Amount so specified.

As used in the Conditions, **Fixed Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

Except in the case of Notes in definitive form where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Pricing Supplement, interest shall be calculated in respect of any period by applying the Rate of Interest to:

- (a) in the case of Fixed Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or
- (b) in the case of Fixed Rate Notes in definitive form, the Calculation Amount,

and, in each case, multiplying such sum by the applicable Day Count Fraction and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

Day Count Fraction means, in respect of the calculation of an amount of interest in accordance with this Condition 4.1:

- (a) if "Actual/Actual (ICMA)" is specified in the applicable Pricing Supplement:
 - (i) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the **Accrual Period**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Dates (as specified in the applicable Pricing Supplement) that would occur in one calendar year; or
 - (ii) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
 - (A) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
 - (B) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
- (b) if "30/360" is specified in the applicable Pricing Supplement, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest

Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360.

(c) In the Conditions:

Determination Period means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

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

4.2 Interest on Floating Rate Notes

(a) Interest Payment Dates

Each Floating Rate Note bears interest from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

- (i) the Specified Interest Payment Date(s) in each year specified in the applicable Pricing Supplement; or
- (ii) if no Specified Interest Payment Date(s) is/are specified in the applicable Pricing Supplement, each date (each such date, together with each Specified Interest Payment Date, an **Interest Payment Date**) which falls the number of months or other period specified as the Specified Period in the applicable Pricing Supplement after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period. In the Conditions, **Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date or the relevant payment date if the Notes become payable on a date other than an Interest Payment Date.

If a Business Day Convention is specified in the applicable Pricing Supplement and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (A) in any case where Specified Periods are specified in accordance with Condition 4.2(a)(ii) above, the Floating Rate Convention, such Interest Payment Date (a) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (ii) below shall apply *mutatis mutandis* or (b) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (B) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (C) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next

calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or

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

In these Conditions, **Business Day** means:

- (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in each Additional Business Centre (other than TARGET2 System) specified in the applicable Pricing Supplement;
- (b) if TARGET2 System is specified as an Additional Business Centre in the applicable Pricing Supplement, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the **TARGET2 System**) is open; and
- (c) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

(b) **Rate of Interest**

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

- (i) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any). For the purposes of this subparagraph (i), **ISDA Rate** for an Interest Period means a rate equal to the Floating Rate that would be determined by the Agent or the Calculation Agent, as applicable, under an interest rate swap transaction if the Agent or the Calculation Agent, as applicable, were acting as Calculation Agent (as defined in the ISDA Definitions (as defined below)) for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes (the **ISDA Definitions**) and under which:

- (A) the Floating Rate Option is as specified in the applicable Pricing Supplement;
- (B) the Designated Maturity is a period specified in the applicable Pricing Supplement; and
- (C) the relevant Reset Date is the day specified in the applicable Pricing Supplement.

For the purposes of this subparagraph (i), **Floating Rate**, **Floating Rate Option**, **Designated Maturity** and **Reset Date** have the meanings given to those terms in the ISDA Definitions.

Unless otherwise stated in the applicable Pricing Supplement the Minimum Rate of Interest shall be deemed to be zero.

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

Where Screen Rate Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

(A) the offered quotation; or

(B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate (being either LIBOR or EURIBOR, as specified in the applicable Pricing Supplement) which appears or appear, as the case may be, on the Relevant Screen Page (or such replacement page on that service which displays the information) as at 11.00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any), all as determined by the Agent or the Calculation Agent, as applicable. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Agent or the Calculation Agent, as applicable, for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

Subject to Condition 4.2(f), the Agency Agreement contains provisions for determining the Rate of Interest in the event that the Relevant Screen Page is not available or if, in the case of (A) above, no such offered quotation appears or, in the case of (B) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph.

Unless otherwise stated in the applicable Pricing Supplement, the Minimum Rate of Interest shall be deemed to be zero.

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

If the applicable Pricing Supplement specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Pricing Supplement specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(d) **Determination of Rate of Interest and calculation of Interest Amounts**

The Agent or the Calculation Agent, as applicable, will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Agent or the Calculation Agent, as applicable, will calculate the amount of interest (the **Interest Amount**) payable on the Floating Rate Notes for the relevant Interest Period by applying the Rate of Interest to:

- (A) in the case of Floating Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or
- (B) in the case of Floating Rate Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

Day Count Fraction means, in respect of the calculation of an amount of interest in accordance with this Condition 4.2:

- (i) if "Actual/Actual (ISDA)" or "Actual/Actual" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (I) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (II) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (ii) if "Actual/365 (Fixed)" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365;
- (iii) if "Actual/365 (Sterling)" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (iv) if "Actual/360" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 360;
- (v) if "30/360", "360/360" or "Bond Basis" is specified in the Pricing Supplement, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

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

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

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

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

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

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

- (vi) if "30E/360" or "Eurobond Basis" is specified in the applicable Pricing Supplement, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

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

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

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

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

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

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

- (vii) if "30E/360 (ISDA)" is specified in the applicable Pricing Supplement, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

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

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

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

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

"D₁" is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D₂ will be 30.

(e) Linear Interpolation

Where Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Pricing Supplement, the Rate of Interest for such Interest Period shall be calculated by the Paying Agent or the Calculation Agent, as applicable, by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified as applicable in the applicable Pricing Supplement) or the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the applicable Pricing Supplement), one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period provided however that if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Paying Agent or the Calculation Agent, as applicable, shall determine such rate at such time and by reference to such sources as it determines appropriate.

Designated Maturity means, in relation to Screen Rate Determination, the period of time designated in the Reference Rate.

(f) Benchmark Event

Notwithstanding the provisions above in this Condition 4.2, if the Issuer, in consultation with the party responsible for determining the Rate of Interest (being the Agent, the Calculation Agent or such other party specified in the applicable Pricing Supplement (as applicable), determines that a Benchmark Event occurs in relation to an Original Reference Rate at any time when the Conditions provide for any Rate of Interest (or any component part thereof) to be determined by reference to such Original Reference Rate, then the following provisions shall apply:

- (A) the Issuer shall use reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine (acting in good faith and in a commercially reasonable manner) a Successor Rate, failing which an Alternative Rate and in either case, an Adjustment Spread (if any) and any Benchmark Amendments (each as defined and as further described below) no later than five Business Days prior to the Interest Determination Date relating to the next succeeding Interest Period (the **IA Determination Cut-off Date**) for purposes of determining the Rate of Interest applicable to the Notes for such next succeeding Interest Period and for all future Interest Periods (subject to the subsequent operation of this Condition 4.2(f) during any other future Interest Period(s));
- (B) if the Independent Adviser (acting in good faith and in a commercially reasonable manner) determines that:
 - (1) there is a Successor Rate, then such Successor Rate (as adjusted by the applicable Adjustment Spread as provided in Condition 4.2(f)(D)) shall subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the subsequent further operation of this Condition 4.2(f)); or

- (2) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate (as adjusted by the applicable Adjustment Spread as provided in Condition 4.2(f)(D)) shall subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the further operation of this Condition 4.2(f));
- (C) if, following the occurrence of a Benchmark Event and in relation to the determination of the Rate of Interest on the immediately following Interest Determination Date, (i) the Issuer is unable to appoint an Independent Adviser in a timely manner; or (ii) the Independent Adviser appointed by it fails to determine a Successor Rate or Alternative Rate (as applicable) or, in either case, an Adjustment Spread pursuant to this provision prior to the IA Determination Cut-off Date, the Original Reference Rate will continue to apply for the purposes of determining such Rate of Interest on such Interest Determination Date, with the effect that the fallback provisions provided for in Condition 4.2(b) and the Agency Agreement will continue to apply to such determination;
- (D) if a Successor Rate or Alternative Rate is determined in accordance with Condition 4.2(f)(B), the Independent Adviser acting in good faith and in a commercially reasonable manner shall determine an Adjustment Spread (which may be expressed as a specified quantum or a formula or methodology for determining the applicable Adjustment Spread (and, for the avoidance of doubt, an Adjustment Spread may be positive, negative or zero)), which Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be) for each subsequent determination of a relevant Rate of Interest (or a relevant component part thereof) by reference to such Successor Rate or Alternative Rate (as applicable), subject to the subsequent further operation and adjustment as provided in this Condition 4.2(f);
- (E) if any Successor Rate, Alternative Rate and (in either case) the applicable Adjustment Spread is determined in accordance with this Condition 4.2(f) and the Independent Adviser acting in good faith determines (i) that amendments to these Conditions (including, without limitation, amendments to the definitions of Day Count Fraction, Business Days or Relevant Screen Page) are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or (in either case) Adjustment Spread (such amendments, the **Benchmark Amendments**) and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 4.2(f)), without any requirement for the consent or approval of Noteholders or Couponholders, vary these Conditions to give effect to such Benchmark Amendments with effect from the date specified in such notice.

At the request of the Issuer, the Trustee, the Paying Agents and the Calculation Agent shall (at the Issuer's expense and direction and subject in each case to being indemnified and/or secured and/or pre-funded to its satisfaction), without any requirement for the consent or approval of the Noteholders or Couponholders, be obliged to concur with the Issuer in using its reasonable endeavours to effect any Benchmark Amendments required to the Agency Agreement, the Trust Deed and these Conditions. Neither the Trustee, the Paying Agents nor the Calculation Agent shall be liable to any party for any consequences thereof provided that the Trustee, the Paying Agents and/or the Calculation Agent (as the case may be) shall not be obliged so to concur if in its opinion doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the rights and/or the protective provisions afforded to it in these Conditions, the Agency Agreement, or Trust Deed (including for the avoidance of doubt, any supplemental trust deed) in any way.

In connection with any such variation in accordance with this Condition 4.2(f), the Issuer shall comply with the rules of any stock exchange or other relevant authority on or by which the Notes are for the time being listed or admitted to trading; and

- (F) the Issuer shall promptly notify the party responsible for determining the Rate of Interest (being the Principal Paying Agent, the Calculation Agent or such other party specified in the applicable Pricing Supplement, as applicable), the Paying Agents and, in accordance with Condition 13 (Notices), the Noteholders of any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments determined under this Condition 4.2(f). Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

Without prejudice to the obligations of the Issuer under this Condition 4.2(f), the Original Reference Rate and the fallback provisions provided for in Condition 4.2(b) will continue to apply unless and until the party responsible for determining the Rate of Interest (being the Paying Agent, the Calculation Agent or such other party specified in the applicable Pricing Supplement, as applicable) has been notified of the Successor Rate or the Alternative Rate (as the case may be), or, in either case, the applicable Adjustment Spread and Benchmark Amendments (if applicable), in accordance with Condition 4.2(f)(F).

Notwithstanding any other provision of this Condition 4.2(f), if in the Calculation Agent's opinion there is any uncertainty between two or more alternative courses of action in making any determination or calculation under this Condition 4.2(f), the Calculation Agent shall promptly notify the Issuer thereof and the Issuer shall direct the Calculation Agent in writing as to which alternative course of action to adopt. If the Calculation Agent is not promptly provided with such direction, or is otherwise unable to make such calculation or determination for any reason, it shall notify the Issuer thereof and the Calculation Agent shall be under no obligation to make such calculation or determination and shall not incur any liability for not doing so.

For the purposes of this Condition 4.2(f):

Adjustment Spread means either a spread (which may be positive, negative or zero), or the formula or methodology for calculating a spread, in either case, which the Independent Adviser acting in good faith and in a commercially reasonable manner determines is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) to reduce or eliminate, to the fullest extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders and Couponholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

- (A) in the case of a Successor Rate, is formally recommended, or formally provided as an option for parties to adopt, in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or
- (B) (if no such recommendation or option has been made (or made available), or in the case of an Alternative Rate) the Independent Adviser acting in good faith and in a commercially reasonable manner determines is recognised or acknowledged as being in customary usage in international debt capital markets transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or
- (C) (if no such customary market usage is recognised or acknowledged) the Independent Adviser acting in good faith and in a commercially reasonable manner determines to be appropriate;

Alternative Rate means an alternative to the Original Reference Rate which the Independent Adviser acting in good faith determines in accordance with Condition 4.2(f)(B) has replaced the

Original Reference Rate in customary market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) for the same interest period and in the same Specified Currency as the Notes or, if the Independent Adviser determines there is no such rate, such other rate as the Independent Adviser acting in good faith and in a commercially reasonable manner determines is most comparable to the Original Reference Rate;

Benchmark Amendments has the meaning given to it in Condition 4.2(f)(E);

Benchmark Event means:

- (A) the Original Reference Rate ceasing to be published for a period of at least 5 Business Days or ceasing to exist; or
- (B) the later of (i) the making of a public statement by the administrator of the Original Reference Rate that it will, on or before a specified date, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate) and (ii) the date falling six months prior to the date specified in (B)(i); or
- (C) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been permanently or indefinitely discontinued; or
- (D) the later of (i) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate will, on or before a specified date, be permanently or indefinitely discontinued and (ii) the date falling six months prior to the date specified in (D)(i);
- (E) the later of (i) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that means the Original Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, in each case on or before a specified date and (ii) the date falling six months prior to the specified date referred to in (E)(i) above;
- (F) it has or will prior to the next Interest Determination Date become unlawful for any Paying Agent, the Calculation Agent, the Issuer or other party to calculate any payments due to be made to any Noteholder or Couponholder using the Original Reference Rate (including, without limitation, under the Benchmarks Regulation (EU) 2016/1011, if applicable); or
- (G) the making of a public statement by the supervisor of the administrator of such Original Reference Rate announcing that such Original Reference Rate is no longer representative or may no longer be used;

Independent Adviser means an independent financial institution of international repute or other independent financial adviser experienced in the international capital markets, in each case appointed by the Issuer at its own expense. For the avoidance of doubt, an Independent Adviser appointed pursuant to this Condition 4.2(f) shall act in good faith as an expert and (in the absence of bad faith or fraud) shall have no liability whatsoever to the Issuer, the Paying Agents, the Noteholders or the Couponholders for any determination made by it pursuant to this Condition 4.2(f);

Original Reference Rate means the originally-specified Reference Rate used to determine the relevant Rate of Interest (or any component part thereof) in respect of any Interest Periods(s) (provided that if, following one or more Benchmark Events, such originally-specified Reference Rate (or any Successor Rate or Alternative Rate which has replaced it) has been replaced by a (or a further) Successor Rate or Alternative Rate and a Benchmark Event subsequently occurs in respect

of such Successor Rate or Alternative Rate, the term “Original Reference Rate” shall include any such Successor Rate of Alternative Rate);

Relevant Nominating Body means, in respect of an Original Reference Rate:

- (A) the central bank, reserve bank, monetary authority or any similar institution for the currency to which the Original Reference Rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the Original Reference Rate; or
- (B) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank, reserve bank, monetary authority or any similar institution for the currency to which the Original Reference Rate relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the Original Reference Rate, (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof; and

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

(g) Notification of Rate of Interest and Interest Amounts

The Paying Agent or the Calculation Agent, as applicable, will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, the Trustee and any stock exchange on which the relevant Floating Rate Notes are for the time being listed and notice thereof to be published in accordance with Condition 13 (*Notices*) as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will promptly be notified to each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the Noteholders in accordance with Condition 13 (*Notices*). For the purposes of this paragraph, the expression **London Business Day** means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.

(h) Certificates to be final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4.2, whether by the Paying Agent or the Calculation Agent, as applicable, shall (in the absence of manifest error) be binding on the Issuer, the Agent, the Calculation Agent (if applicable), the other Paying Agents, the Trustee and all Noteholders and Couponholders and (in the absence of wilful default and bad faith) no liability to the Issuer, the Trustee, the Noteholders or the Couponholders shall attach to the Paying Agent or the Calculation Agent, as applicable, or the Trustee (or its expert) in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

4.3 Other Notes

In the case of Floating Rate Notes where the applicable Pricing Supplement identifies that Screen Rate Determination applies to the calculation of interest, if the Reference Rate from time to time is specified in the applicable Pricing Supplement as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Notes will be determined as provided in the applicable Pricing Supplement.

The rate or amount of interest payable in respect of Notes which are not also Fixed Rate Notes or Floating Rate Notes shall be determined in the manner specified in the applicable Pricing Supplement, provided that where such Notes are Index Linked Interest Notes the provisions of Condition 4.2 (*Interest - Interest on Floating Rate Notes*) shall, save to the extent amended in the applicable Pricing Supplement, apply as if the references therein to Floating Rate Notes and to the Agent were references to Index Linked Interest Notes and the Calculation Agent, respectively, and provided further that the Calculation Agent will notify the Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same.

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified in the applicable Pricing Supplement.

4.4 Accrual of interest

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless payment of principal is improperly withheld or refused. In such event, interest will continue to accrue as provided in the Trust Deed.

5. PAYMENTS

5.1 Method of payment

Subject as provided below:

- (a) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively); and
- (b) payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee.

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 7 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 7 (*Taxation*)) any law implementing an intergovernmental approach thereto.

5.2 Presentation of definitive Notes, Receipts and Coupons

Payments of principal in respect of definitive Notes will (subject as provided below) be made in the manner provided in Condition 5.1 (*Payments - Method of payment*) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Notes, and payments of interest in respect of definitive Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia and its possessions)).

Fixed Rate Notes in definitive form (other than Long Maturity Notes (as defined below) and save as provided in Condition 5.4 (*Payments - Specific provisions in relation to payments in respect of*

certain types of Notes) below) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 7 (*Taxation*)) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 8 (*Prescription*)) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note or Long Maturity Note in definitive form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A **Long Maturity Note** is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

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

5.3 Payments in respect of Global Notes

Payments of principal and interest (if any) in respect of Notes represented by any Global Note will (subject as provided below) be made in the manner specified above in relation to definitive Notes or otherwise in the manner specified in the relevant Global Note, where applicable against presentation or surrender, as the case may be, of such Global Note at the specified office of any Paying Agent outside the United States. A record of each payment made, distinguishing between any payment of principal and any payment of interest, will be made on such Global Note by the Paying Agent to which it was presented or in the records of Euroclear and Clearstream, Luxembourg, as applicable.

5.4 Specific provisions in relation to payments in respect of certain types of Notes

Payments of instalments of principal (if any) in respect of definitive Notes, other than the final instalment, will (subject as provided below) be made in the manner provided in Condition 5.1 (*Payments - Method of payment*) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Receipt in accordance with the preceding paragraph. Payment of the final instalment will be made in the manner provided in Condition 5.1 (*Payments - Method of payment*) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Note in accordance with the preceding paragraph. Each Receipt must be presented for payment of the relevant instalment together with the definitive Note to which it appertains. Receipts presented without the definitive Note to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any definitive Note becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Upon the date on which any Dual Currency Note or Index Linked Note in definitive form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached)

shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof.

5.5 General provisions applicable to payments

The holder of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the holder of such Global Note.

Notwithstanding the foregoing provisions of this Condition, if any amount of principal and/or interest in respect of Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:

- (a) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Notes in the manner provided above when due;
- (b) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and
- (c) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

5.6 Payment Day

If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, **Payment Day** means any day which (subject to Condition 8 (*Prescription*)) is:

- (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits):
 - (i) in the case of Notes in definitive form only, in the relevant place of presentation; and
 - (ii) in each Additional Financial Centre (other than TARGET2 System) specified in the applicable Pricing Supplement;
- (b) if TARGET2 System is specified as an Additional Financial Centre in the applicable Pricing Supplement, a day on which the TARGET2 System is open; and
- (c) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

5.7 Interpretation of principal and interest

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

- (a) any additional amounts which may be payable with respect to principal under Condition 7 (*Taxation*) or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed;
- (b) the Final Redemption Amount of the Notes;
- (c) the Early Redemption Amount of the Notes;
- (d) the Optional Redemption Amount(s) (if any) of the Notes;
- (e) in relation to Notes redeemable in instalments, the Instalment Amounts;
- (f) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 6.8 (*Redemption and Purchase – Early Redemption Amounts*)); and
- (g) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in the Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 7 (*Taxation*) or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed.

6. REDEMPTION AND PURCHASE

6.1 Redemption at maturity

Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the Issuer at its Final Redemption Amount specified in the applicable Pricing Supplement in the relevant Specified Currency on the Maturity Date specified in the applicable Pricing Supplement.

6.2 Redemption for tax reasons

Subject to Condition 6.8 (*Redemption and Purchase – Early Redemption Amounts*), the Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Note is not a Floating Rate Note) or on any Interest Payment Date (if this Note is a Floating Rate Note), on giving not less than the minimum period and not more than the maximum period of notice specified in the applicable Pricing Supplement to the Trustee and the Paying Agent and, in accordance with Condition 13 (*Notices*), the Noteholders (which notice shall be irrevocable), if the Issuer satisfies the Trustee immediately before the giving of such notice that:

- (a) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction (as defined in Condition 7 (*Taxation*)) or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes; and
- (b) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Trustee to make available at its specified office to the Noteholders (i) a certificate signed by two Directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (ii) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment and the Trustee shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Noteholders, the Receiptholders and the Couponholders.

Notes redeemed pursuant to this Condition 6.2 will be redeemed at their Early Redemption Amount referred to in Condition 6.8 (*Redemption and Purchase – Early Redemption Amounts*) below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

6.3 Redemption at the option of the Issuer (Issuer Call)

If Issuer Call is specified as being applicable in the applicable Pricing Supplement, the Issuer may, having given not less than the minimum period nor more than the maximum period of notice specified in applicable Pricing Supplement to the Noteholders in accordance with Condition 13 (*Notices*) (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in the applicable Pricing Supplement together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Pricing Supplement. The Optional Redemption Amount will either be the specified percentage of the nominal amount of the Notes stated in the applicable Pricing Supplement or, if either Spens Amount or Make Whole Redemption Amount is specified in the applicable Pricing Supplement, will be:

- (a) if Spens Amount is specified as being applicable in the applicable Pricing Supplement, the higher of (i) 100 per cent. of the nominal amount outstanding of the Notes to be redeemed and (ii) the nominal amount outstanding of the Notes to be redeemed multiplied by the price, as reported to the Issuer and the Trustee by the Determination Agent, at which the Gross Redemption Yield on such Notes on the Reference Date is equal to the Gross Redemption Yield (determined by reference to the middle market price) at the Quotation Time on the Reference Date of the Reference Bond, plus the Redemption Margin; or
- (b) if Make Whole Redemption Amount is specified as applicable in the applicable Pricing Supplement, the higher of (i) 100 per cent. of the nominal amount outstanding of the Notes to be redeemed and (ii) the sum of the present values of the nominal amount outstanding of the Notes to be redeemed and the Remaining Term Interest on such Notes (exclusive of interest accrued to the date of redemption) and such present values shall be calculated by discounting such amounts to the date of redemption on an annual basis (assuming a 360-day year consisting of twelve 30-day months or, in the case of an incomplete month, the number of days elapsed) at the Reference Bond Rate, plus the Redemption Margin,

all as determined by the Determination Agent.

In this Condition:

DA Selected Bond means a government security or securities selected by the Determination Agent as having an actual or interpolated maturity comparable with the remaining term of the Notes, that

would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities denominated in the Specified Currency and of a comparable maturity to the remaining term of the Notes;

Determination Agent means an investment bank or financial institution of international standing selected by the Issuer after consultation with the Trustee;

Gross Redemption Yield means, with respect to a security, the gross redemption yield on such security, expressed as a percentage and calculated by the Determination Agent on the basis set out by the United Kingdom Debt Management Office in the paper "Formulae for Calculating Gilt Prices from Yields", page 4, Section One: Price/Yield Formulae "Conventional Gilts"; "Double dated and Undated Gilts with Assumed (or Actual) Redemption on a Quasi-Coupon Date" (published 8 June 1998, as amended or updated from time to time) on a semi-annual compounding basis (converted to an annualised yield and rounded up (if necessary) to four decimal places) or on such other basis as the Trustee may (in its absolute discretion) approve;

Quotation Time shall be as set out in the Pricing Supplement;

Redemption Margin shall be as set out in the applicable Pricing Supplement;

Reference Bond shall be as set out in the applicable Pricing Supplement or the DA Selected Bond;

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

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

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

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

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

Remaining Term Interest means, with respect to any Note, the aggregate amount of scheduled payment(s) of interest on such Note for the remaining term of such Note determined on the basis of the rate of interest applicable to such Note from and including the date on which such Note is to be redeemed by the Issuer pursuant to this Condition 6.3.

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

as either a pool factor or a reduction in nominal amount, at their discretion). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 13 (*Notices*) not less than 15 days prior to the date fixed for redemption.

6.4 Redemption at par at the option of the Issuer (Issuer Par Call)

If Issuer Par Call is specified as being applicable in the applicable Pricing Supplement, the Issuer may, having given not less than the minimum period nor more than the maximum period of notice specified in applicable Pricing Supplement to the Trustee, the Agent and the Noteholders in accordance with Condition 13 (*Notices*) (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding at their nominal amount together with interest accrued to (but excluding) the date fixed for redemption at any time during the period starting on (and including) the Issuer Par Call Date specified in the applicable Pricing Supplement and ending on (but excluding) the Maturity Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Pricing Supplement.

In the case of a partial redemption of Notes, the Notes to be redeemed (**Redeemed Notes**) will (i) in the case of Redeemed Notes represented by definitive Notes, be selected individually by lot, not more than 30 days prior to the date fixed for redemption and (ii) in the case of Redeemed Notes represented by a Global Note, be selected in accordance with the rules of Euroclear and/or Clearstream, Luxembourg, (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 13 (*Notices*) not less than 15 days prior to the date fixed for redemption.

6.5 Clean-Up Call

If Clean-up Call is specified as being applicable in the applicable Pricing Supplement, in the event that 80 per cent. or more in principal amount of the Notes then outstanding have been redeemed pursuant to Conditions 6.6 (*Redemption and Purchase - Redemption at the option of the Noteholders (Investor Put)*) and/or 6.7 (*Redemption and Purchase – Redemption as a result of a Change of Control or a Regulatory Event*) or purchased and cancelled, the Issuer may, having given not less than the minimum period nor more than the maximum period of notice specified in applicable Pricing Supplement to the Trustee, the Agent and the Noteholders in accordance with Condition 13 (*Notices*), redeem or, at the Issuer's option, purchase (or procure the purchase of) all but not some only of, the Notes then outstanding at their principal amount together with interest accrued to but excluding the date of such redemption. The notice referred to in the preceding sentence shall be irrevocable and shall specify the date fixed for redemption.

6.6 Redemption at the option of the Noteholders (Investor Put)

If Investor Put is specified as being applicable in the applicable Pricing Supplement, upon the holder of any Note giving to the Issuer in accordance with Condition 13 (*Notices*) not less than the minimum period nor more than the maximum period of notice specified in the applicable Pricing Supplement, the Issuer will, upon the expiry of such notice, redeem such Note on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date.

If this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, to exercise the right to require redemption of this Note the holder of this Note must deliver, at the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the notice period, a duly completed and signed notice of exercise in the form (for the

time being current) obtainable from any specified office of any Paying Agent (a **Put Notice**) and in which the holder must specify a bank account to which payment is to be made under this Condition accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control. If this Note is represented by a Global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg or any common depositary or common safekeeper, as the case may be, for them to the Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time.

Any Put Notice or other notice given in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg by a holder of any Note pursuant to this Condition 6.6 shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred and the Trustee has declared the Notes to be due and payable pursuant to Condition 9 (*Events of Default and Enforcement*), in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 6.6 and instead to declare such Note forthwith due and payable pursuant to Condition 9 (*Events of Default and Enforcement*).

6.7 Redemption as a result of a Change of Control or a Regulatory Event

A **Put Event** will occur if, while any of the Notes remains outstanding (as defined in the Trust Deed):

- (a) a Change of Control Event occurs and during the Change of Control Period a Ratings Downgrade occurs; or
- (b) a Regulatory Event occurs and:
 - (i) during the Regulatory Event Period a Ratings Downgrade occurs; and
 - (ii) an Independent Financial Adviser shall have certified in writing to the Issuer and the Trustee that such Regulatory Event is, in its opinion, materially prejudicial to the interests of the Noteholders (a **Negative Certification**).

Further, if at the time of the commencement of the Change of Control Period the Notes carry a non-investment grade credit rating (as described below) from any Rating Agency or no credit rating from a Rating Agency, a Put Event will be deemed to occur upon the occurrence of a Change of Control Event alone.

If a Put Event occurs (unless the Issuer has given notice under Condition 6.2 (*Redemption and Purchase - Redemption for tax reasons*), Condition 6.3 (*Redemption and Purchase - Redemption at the option of the Issuer (Issuer Call)*), Condition 6.4 (*Redemption and Purchase – Redemption at par at the option of the Issuer (Issuer Par Call)*) or Condition 6.5 (*Redemption and Purchase – Clean-Up Call*) in respect of all of the Notes then outstanding):

- (a) the Issuer shall, within 10 Business Days in Dublin after the occurrence of such Put Event, and at any such time upon the Trustee becoming similarly so aware the Trustee may, and if so requested by the holders of at least one-fifth in nominal amount of the Notes then outstanding or if so directed by Extraordinary Resolution of the Noteholders, shall (subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction), give notice (a **Put Event Notice**) to the Noteholders in accordance with Condition 13 (*Notices*) specifying the nature of the Put Event and the procedure for exercising the option contained in this Condition 6.7; and

- (b) the holder of each Note will have the option to require the Issuer to redeem or, at the Issuer's option, purchase (or procure the purchase of) that Note on the Put Date (as defined below) at its principal amount, together with any interest accrued up to (but excluding) the Put Date.

To exercise the right to require redemption of the Notes following a Put Event, the holder of the Notes must, if the Notes are in definitive form and held outside Euroclear and Clearstream, Luxembourg, deliver, at the specified office of any Paying Agent at any time during normal business hours of such Paying Agent on any Business Day falling within the Put Period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent (a **Put Notice**) and in which the holder must specify a bank account to which payment is to be made under this Condition. If the Notes are in definitive bearer form, the Put Notice must be accompanied by the Notes (together with all Coupons appertaining thereto maturing after the Put Date), or evidence satisfactory to the Paying Agent concerned that the Notes (and such Coupons) will, following delivery of the Put Notice, be held to its order or under its control.

If the Notes are represented by a Global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of the Notes following a Put Event the holder of the Notes must, within the Put Period, give notice to the Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear and Clearstream, Luxembourg, or any common depository or common safekeeper, as the case may be, for them to the Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time and, if the Notes are represented by a Global Note and the terms of such Global Note so provide, at the same time present or procure the presentation of the relevant Global Note to the Agent for notation accordingly.

The Issuer shall redeem or, at the option of the Issuer, purchase (or procure the purchase of) the relevant Notes on the Put Date at their principal amount, together with any interest accrued up to (but excluding) the Put Date unless previously redeemed or purchased.

If the rating designations employed by a Rating Agency are changed from those which are described within the applicable definition of Ratings Downgrade (below), the Issuer shall determine, with the agreement of the Trustee the rating designations of such Rating Agency as are most equivalent to the prior rating designations of such Rating Agency and this Condition shall be construed accordingly.

The Trustee is under no obligation to ascertain whether a Put Event or any event which would lead to the occurrence of or could constitute a Put Event has occurred and, until it shall have actual knowledge or notice pursuant to the Trust Deed to the contrary, the Trustee may assume that no Put Event or other such event has occurred.

Where the definitions within this Condition 6.7 state that the Issuer will seek to obtain a rating from a Rating Agency, the Issuer undertakes that it will make all reasonable endeavours to seek a rating in respect of the Notes from a Rating Agency either prior to or not later than the timeframe as specified.

For the purpose of these Conditions:

A **Change of Control Event** shall occur if the Government of Ireland ceases, directly or indirectly (through any government agency or political subdivision thereof or otherwise), to have Control of the Issuer.

Change of Control Period means the period:

- (a) commencing on the date that is one Business Day before the earlier of (a) the date of the relevant Change of Control Event and (b) the date of the earliest Relevant Potential Change of Control Announcement (if any); and

- (b) ending 90 days after the date of the Change of Control Event or such longer period for which the Notes are under consideration by a Rating Agency for rating or rating review (such consideration having been announced publicly within the period ending 90 days after the date of the Change of Control Event and such period not to exceed 60 days after the public announcement of such consideration).

Control of the Issuer means the right, by virtue of holding shares in the Issuer or its parent entity or otherwise, or by virtue of any contract or other arrangement with any holder of shares in any such body corporate, to exercise or control the exercise, directly or indirectly of more than 50 per cent. of the total voting rights conferred upon the holders of the entire issued share capital for the time being of the Issuer.

Independent Financial Adviser means an independent financial adviser appointed by the Issuer and approved by the Trustee or, if the Issuer shall not have appointed such an adviser within 21 days after the occurrence of a Regulatory Event and the Trustee is indemnified and/or secured and/or prefunded to its satisfaction, appointed by the Trustee following consultation with the Issuer.

Put Date means the date falling seven days after the expiry of the Put Period.

Put Period means the period of 45 days after a Put Event Notice is given.

Rating Agency means Moody's Investors Service, Ltd. (**Moody's**), S&P Global Ratings Europe Limited (**S&P**) or Fitch Ratings, Ltd. (**Fitch**) or their respective successors, replacements or substitutes.

Ratings Downgrade means, with respect to a Rating Agency and a Change of Control Event or Regulatory Event, immediately prior to the commencement of the relevant Change of Control Period or Regulatory Event Period, as applicable, such Rating Agency rated the Notes as investment grade (being at or above Baa3 for Moody's or BBB- for S&P and Fitch, or its respective equivalent for the time being), or, in the case of a Rating Agency which had not assigned a rating to the Notes immediately prior to the commencement of the relevant Change of Control Period or Regulatory Event Period, as applicable, such Rating Agency assigns an investment grade rating to the Notes during the relevant Change of Control Period or Regulatory Event Period, as applicable, and, in either case, during such Change of Control Period or Regulatory Event Period, as applicable:

- (a) such Rating Agency rates the Notes as non-investment grade (being at or below Ba1 for Moody's or BB+ for S&P and Fitch, or its respective equivalent for the time being) and such rating is not within such Change of Control Period or Regulatory Event Period restored to an investment grade rating by such Rating Agency or replaced by an investment grade rating of another Rating Agency, or
- (b) such Rating Agency withdraws its rating of the Notes and that rating is not within such Change of Control Period or Regulatory Event Period replaced by an investment grade rating of another Rating Agency,

and in each case such Rating Agency publicly announces or confirms in writing to the Issuer or the Trustee that such non-investment grade rating or withdrawal of rating was the result, in whole or in part, of any event or circumstance comprised in or arising as a result of, or in respect of, the applicable Change of Control Event or Regulatory Event (whether or not such Change of Control Event or Regulatory Event shall have occurred at the time such rating is given or rating is withdrawn).

Regulated Assets means those assets relating to the transmission of natural gas to, from and within the Republic of Ireland in respect of which the Issuer and its Subsidiaries earn revenues regulated, directly or indirectly, by the Commission for Energy Regulation of Ireland.

Regulatory Event means the enactment of any law or regulation in Ireland which has the effect of rendering it unlawful for the Issuer or a subsidiary of the Issuer to own Regulated Assets.

Regulatory Event Period means:

- (a) if at any time a Regulatory Event occurs and a Rating Agency has at such time assigned a rating to the Notes, the period of 60 days starting from and including the day on which the Regulatory Event occurs; or
- (b) if at the time the Regulatory Event occurs there is no rating assigned to the Notes by a Rating Agency, the period starting from and including the day on which the Regulatory Event occurs and ending on the day 60 days following the later of (a) the date on which the Issuer shall seek to obtain a rating in respect of the Notes from a Rating Agency pursuant to this Condition 6.7 either prior to or not later than 14 days following the date of Negative Certification in respect of the Regulatory Event, and (b) the date on which the Negative Certification shall have been given to the Issuer and the Trustee in respect of that Regulatory Event.

Relevant Potential Change of Control Announcement means any formal public announcement or statement by or on behalf of the Issuer or the Government of Ireland relating to any potential Change of Control Event where, within 180 days of the date of such announcement or statement, a Change of Control Event occurs.

6.8 Early Redemption Amounts

For the purpose of Condition 6.2 (*Redemption and Purchase – Redemption for tax reasons*) above and Condition 9 (*Events of Default and Enforcement*):

- (a) each Note (other than a Zero Coupon Note) will be redeemed at its Early Redemption Amount specified in the applicable Pricing Supplement; and
- (b) each Zero Coupon Note will be redeemed at an amount (the **Amortised Face Amount**) calculated in accordance with the following formula:

$$\text{Early Redemption Amount} = \text{RP} \times (1 + \text{AY})^y$$

where:

RP means the Reference Price;

AY means the Accrual Yield expressed as a decimal; and

^y is the Day Count Fraction specified in the applicable Pricing Supplement which will be either (i) 30/360 (in which case the numerator will be equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (ii) Actual/360 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (iii) Actual/365 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 365).

6.9 Specific redemption provisions applicable to certain types of Notes

The Final Redemption Amount, any Optional Redemption Amount and the Early Redemption Amount in respect of Index Linked Redemption Notes and Dual Currency Redemption Notes may be specified in, or determined in the manner specified in, the applicable Pricing Supplement. For the purposes of Condition 6.2 (*Redemption and Purchase – Redemption for tax reasons*), Index Linked Interest Notes and Dual Currency Interest Notes may be redeemed only on an Interest Payment Date.

Instalment Notes will be redeemed in the Instalment Amounts and on the Instalment Dates specified in the applicable Pricing Supplement. In the case of early redemption, the Early Redemption Amount of Instalment Notes will be determined in the manner specified in the applicable Pricing Supplement.

Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the applicable Pricing Supplement.

6.10 Purchases

The Issuer or any of its Subsidiaries may at any time purchase Notes (provided that, in the case of definitive Notes, all unmatured Receipts, Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. All Notes so purchased will be surrendered to a Paying Agent for cancellation.

6.11 Cancellation

All Notes which are redeemed, or purchased pursuant to Condition 6.7 (*Redemption and Purchase - Redemption as a result of a Change of Control or a Regulatory Event*), will forthwith be cancelled (together with all unmatured Receipts, Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and any Notes purchased and cancelled pursuant to Condition 6.10 (*Redemption and Purchase – Purchases*) above (together with all unmatured Receipts, Coupons and Talons cancelled therewith) shall be forwarded to the Agent and cannot be reissued or resold.

6.12 Late payment on Zero Coupon Notes

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 6.1 (*Redemption and Purchase – Redemption at maturity*), 6.2 (*Redemption and Purchase – Redemption for tax reasons*), 6.3 (*Redemption and Purchase - Redemption at the option of the Issuer (Issuer Call)*), 6.4 (*Redemption and Purchase – Redemption at par at the option of the Issuer (Issuer Par Call)*), 6.5 (*Redemption and Purchase – Clean-Up Call*) 6.6 (*Redemption and Purchase - Redemption at the option of the Noteholders (Investor Put)*) or 6.7 (*Redemption and Purchase – Redemption as a result of a Change of Control or a Regulatory Event*) above or upon its becoming due and repayable as provided in Condition 9 (*Events of Default and Enforcement*) is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 6.8(b) (*Redemption and Purchase – Early Redemption Amounts*) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

- (a) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (b) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the Agent or the Trustee and notice to that effect has been given to the Noteholders in accordance with Condition 13 (*Notices*).

7. TAXATION

All payments in respect of the Notes, Receipts and Coupons by or on behalf of the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction unless such withholding or deduction is required by law. In such event, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes, Receipts or Coupons after such withholding or deduction shall equal the respective amounts which would otherwise have been receivable in respect of the Notes, Receipts or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon:

- (a) the holder of which is liable for such taxes or duties in respect of such Note, Receipt or Coupon by reason of his having some connection with a Tax Jurisdiction other than the mere holding of such Note, Receipt or Coupon; or
- (b) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 5.6 (*Payments – Payment Day*)).

As used herein:

- (i) **Tax Jurisdiction** means Ireland or any political subdivision or any authority thereof or therein having power to tax; and
- (ii) the **Relevant Date** means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Trustee or the Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 13 (*Notices*).

8. PRESCRIPTION

The Notes, Receipts and Coupons will become void unless claims in respect of principal and/or interest are made within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 7 (*Taxation*)) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 5.2 (*Payments - Presentation of definitive Notes, Receipts and Coupons*) or any Talon which would be void pursuant to Condition 5.2 (*Payments - Presentation of definitive Notes, Receipts and Coupons*).

9. EVENTS OF DEFAULT AND ENFORCEMENT

9.1 Events of Default

If any one or more of the following events (each an **Event of Default**) shall occur and be continuing, the Trustee at its discretion may, and if so requested in writing by the holders of at least one-fifth in nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (subject in each case to being indemnified and/or secured and/or pre-funded to its satisfaction), (but in the case of the happening of any of the events described in paragraphs (b) to (d) (other than the winding up or dissolution of the Issuer) and (e) to (h) inclusive below, only if the Trustee shall have certified in writing to the Issuer that such event is, in its opinion, materially prejudicial to the interests of the Noteholders), give notice in writing to the Issuer that each Note is, and each Note

shall thereupon immediately become, due and repayable at its Early Redemption Amount together with accrued interest as provided in the Trust Deed:

- (a) if default is made in the payment in the Specified Currency of any amount due in respect of the Notes or any of them and the default continues for a period of three days in the case of principal or seven days in the case of interest; or
- (b) if the Issuer fails to perform or observe any of its other obligations under the Conditions or the Trust Deed and (except in any case where, in the opinion of the Trustee, the failure is incapable of remedy when no such continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 30 days next following the service by the Trustee on the Issuer of notice requiring the same to be remedied; or
- (c) if any Indebtedness for Borrowed Money (as defined below) of the Issuer or any of the Issuer's Principal Subsidiaries is declared due and repayable prematurely by reason of an event of default (however described); the Issuer or any of the Issuer's Principal Subsidiaries fails to make any payment in respect of any Indebtedness for Borrowed Money on the due date for payment as extended by any originally applicable grace period; any security given by the Issuer or any of the Issuer's Principal Subsidiaries for any Indebtedness for Borrowed Money is enforced; or default is made by the Issuer or any of the Issuer's Principal Subsidiaries in making any payment due under any guarantee and/or indemnity given by it in relation to any Indebtedness for Borrowed Money of any other person; or
- (d) if any order is made by any competent court or resolution passed for the winding up or dissolution of the Issuer or any of the Issuer's Principal Subsidiaries, save for the purposes of reorganisation, amalgamation, merger, consolidation or restructuring (i) in the case of a Principal Subsidiary, whilst solvent, or (ii) in the case of the Issuer, on terms previously approved in writing by the Trustee or by an Extraordinary Resolution; or
- (e) if the Issuer or any of the Issuer's Principal Subsidiaries ceases or threatens to cease to carry on the whole or a substantial part of its business, save for; (1) the purposes of reorganisation, amalgamation, merger, consolidation or restructuring (i) in the case of a Principal Subsidiary, whilst solvent, or (ii) in the case of the Issuer, on terms previously approved in writing by the Trustee or by an Extraordinary Resolution; or (2) a disposal of any of the business or assets of the Issuer or any Subsidiary of the Issuer other than the Regulated Assets, or the Issuer or any of the Issuer's Principal Subsidiaries stops or threatens to stop payment of, or is unable to, or admits inability to, pay, its debts (or any class of its debts) as they fall due, or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law, or is adjudicated or found bankrupt or insolvent; or
- (f) if (A) proceedings are initiated against the Issuer or any of the Issuer's Principal Subsidiaries under any applicable liquidation, insolvency, composition, examination, reorganisation or other similar laws, or an application is made (or documents filed with a court) for the appointment of an administrative or other receiver, manager, examiner, administrator or other similar official, or an administrative or other receiver, manager, examiner, administrator or other similar official is appointed, in relation to the Issuer or any of the Issuer's Principal Subsidiaries or, as the case may be, in relation to the whole or a substantial part of the undertaking or assets of any of them, or an encumbrancer takes possession of the whole or a substantial part of the undertaking or assets of any of them, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or a substantial part of the undertaking or assets of any of them and (B) in any case (other than the appointment of an administrator) is not discharged within 15 business days; or
- (g) if the Issuer or any of the Issuer's Principal Subsidiaries initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition,

examination, reorganisation or other similar laws (including the obtaining of a moratorium) or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors); or

- (h) if any event occurs which, under the laws of any relevant jurisdiction, has or may have, in the Trustee's opinion, an analogous effect to any of the events referred to in paragraphs (d) to (g) above.

9.2 Enforcement

The Trustee may at any time, at its discretion and without notice, take such proceedings against the Issuer as it may think fit to enforce the provisions of the Trust Deed, the Notes, the Receipts and the Coupons, but it shall not be bound to take any such proceedings or any other action in relation to the Trust Deed, the Notes, the Receipts or the Coupons unless (i) it shall have been so directed by an Extraordinary Resolution or so requested in writing by the holders of at least one-fifth in nominal amount of the Notes then outstanding and (ii) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction.

The Trustee may refrain from taking any action in any jurisdiction if the taking of such action in that jurisdiction would, in its opinion based upon legal advice in the relevant jurisdiction, be contrary to any law of that jurisdiction. Furthermore, the Trustee may also refrain from taking such action if it would otherwise render it liable to any person in that jurisdiction or if, in its opinion based upon such legal advice, it would not have the power to do the relevant thing in that jurisdiction by virtue of any applicable law in that jurisdiction or if it is determined by any court or other competent authority in that jurisdiction that it does not have such power.

No Noteholder, Receiptholder or Couponholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails or is unable so to do within 60 days and the failure or inability shall be continuing.

9.3 Definitions

For the purposes of the Conditions:

Indebtedness for Borrowed Money means any indebtedness (whether being principal, premium, interest or other amounts) which singularly or in the aggregate is in excess of €20,000,000 (or its equivalent in other currencies) for or in respect of any notes, bonds, debentures, debenture stock, loan stock or other securities or any borrowed money or any liability under or in respect of any acceptance or acceptance credit.

10. REPLACEMENT OF NOTES, RECEIPTS, COUPONS AND TALONS

Should any Note, Receipt, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Paying Agent upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

11. PAYING AGENTS

The names of the initial Paying Agents and their initial specified offices are set out below. If any additional Paying Agents are appointed in connection with any Series, the names of such Paying Agents will be specified in Part B of the applicable Pricing Supplement.

The Issuer is entitled, with the prior written approval of the Trustee, to vary or terminate the appointment of any Paying Agent and/or appoint additional or other Paying Agents and/or approve any change in the specified office through which any Paying Agent acts, provided that:

- (a) there will at all times be an Agent;
- (b) so long as the Notes are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority; and
- (c) there will at all times be a Paying Agent in a jurisdiction within Europe, other than the jurisdiction in which the Issuer is incorporated.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 5.5 (*Payments - General provisions applicable to payments*). Notice of any variation, termination, appointment or change in Paying Agents will be given to the Noteholders promptly by the Issuer in accordance with Condition 13 (*Notices*).

In acting under the Agency Agreement, the Paying Agents act solely as agents of the Issuer and, in certain circumstances specified therein, of the Trustee and do not assume any obligation to, or relationship of agency or trust with, any Noteholders, Receiptholders or Couponholders. The Agency Agreement contains provisions permitting any entity into which any Paying Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor paying agent.

12. EXCHANGE OF TALONS

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 8 (*Prescription*).

13. NOTICES

All notices regarding the Notes will be deemed to be validly given if published (a) in a leading English language daily newspaper of general circulation in the United Kingdom and (b) if and for so long as the Notes are listed and admitted to trading on the Global Exchange Market or regulated market of Euronext Dublin, a daily newspaper of general circulation in Ireland. It is expected that any such publication in a newspaper will be made in the Financial Times in London and the Irish Times in Ireland. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Notes are for the time being listed or by which they have been admitted to trading including publication on the website of the relevant stock exchange or relevant authority if required by the rules. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers. If publication as provided above is not practicable, a notice will be given in such other manner, and will be deemed to have been given on such date, as the Trustee shall approve.

Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the holders of the Notes and, in addition, for so long as any Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the holders of the Notes on the second day after the day on which the said notice was given to Euroclear and Clearstream, Luxembourg.

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

14. MEETINGS OF NOTEHOLDERS, MODIFICATION, WAIVER AND SUBSTITUTION

14.1 Meetings of Noteholders, Modification and Waiver

The Trust Deed contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Receipts, the Coupons or any of the provisions of the Trust Deed. Such a meeting may be convened by the Issuer or the Trustee and shall be convened by the Issuer if required in writing by Noteholders holding not less than five per cent. in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes, the Receipts or the Coupons or the Trust Deed (including modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes, the Receipts or the Coupons), the quorum shall be one or more persons holding or representing not less than two-thirds in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-third in nominal amount of the Notes for the time being outstanding. The Trust Deed provides that (i) a resolution passed at a meeting duly convened and held in accordance with the Trust Deed by a majority consisting of not less than three-fourths of the votes cast on such resolution, (ii) a resolution in writing signed by or on behalf of the holders of not less than three-fourths in nominal amount of the Notes for the time being outstanding or (iii) consent given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Trustee) by or on behalf of the holders of not less than three-fourths in nominal amount of the Notes for the time being outstanding, shall, in each case, be effective as an Extraordinary Resolution of the Noteholders. An Extraordinary Resolution passed by the Noteholders will be binding on all the Noteholders, whether or not they are present at any meeting and whether or not they voted on the resolution, and on all Receiptholders and Couponholders.

The Trustee may agree, without the consent of the Noteholders, Receiptholders or Couponholders, to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Notes or the Trust Deed, or determine, without any such consent as aforesaid, that any Event of Default or potential Event of Default shall not be treated as such, where, in any such case, it is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders

so to do or may agree, without any such consent as aforesaid, to any modification which is of a formal, minor or technical nature or to correct a manifest error or an error which, in the opinion of the Trustee, is proven. In addition, the Trustee shall be obliged to concur with the Issuer in using its reasonable endeavours to effect any Benchmark Amendments in the circumstances and as otherwise set out in Condition 4.2(f) without the consent or approval of the Noteholders or Couponholders. Any such modification shall be binding on the Noteholders, the Receiptholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 13 (*Notices*) as soon as practicable thereafter.

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation, determination or substitution), the Trustee shall have regard to the general interests of the Noteholders as a class (but shall not have regard to any interests arising from circumstances particular to individual Noteholders, Receiptholders or Couponholders whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Noteholders, Receiptholders or Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Noteholder, Receiptholder or Couponholder be entitled to claim, from the Issuer, the Trustee or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Noteholders, Receiptholders or Couponholders except to the extent already provided for in Condition 7 (*Taxation*) and/or any undertaking or covenant given in addition to, or in substitution for, Condition 7 (*Taxation*) pursuant to the Trust Deed.

14.2 Substitution

The Trustee shall, without the consent of the Noteholders, Receiptholders or Couponholders agree with the Issuer to the substitution in place of the Issuer (or of any previous substitute issuer under this Condition) as the principal debtor under the Notes, the Receipts and the Coupons and the Trust Deed of another company, being a Subsidiary of the Issuer, subject to (a) the Notes being unconditionally and irrevocably guaranteed by the Issuer; and (b) certain other conditions set out in the Trust Deed being complied with.

15. INDEMNIFICATION OF THE TRUSTEE AND TRUSTEE CONTRACTING WITH THE ISSUER

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including (i) provisions relieving it from taking action unless indemnified and/or secured and/or pre-funded to its satisfaction; and (ii) provisions limiting or excluding its liability in certain circumstances. The Trust Deed provides that, when determining whether an indemnity or any security or pre-funding is satisfactory to it, the Trustee shall be entitled (i) to evaluate its risk in any given circumstance by considering the worst-case scenario and (ii) to require that any indemnity or security given to it by the Noteholders or any of them be given on a joint and several basis and be supported by evidence satisfactory to it as to the financial standing and creditworthiness of each counterparty and/or as to the value of the security and an opinion as to the capacity, power and authority of each counterparty and/or the validity and effectiveness of the security.

The Trust Deed also contains provisions pursuant to which the Trustee is entitled, *inter alia*, (a) to enter into business transactions with the Issuer and/or any of its Subsidiaries and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer and/or any of its Subsidiaries, (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Noteholders, Receiptholders or Couponholders and (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

The Trustee may rely without liability to Noteholders, Receiptholders or Couponholders on a report, confirmation or certificate or opinion or any advice of any accountants, financial advisers, financial institution or other expert, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may accept and shall be entitled to rely on any such report, opinion, confirmation or certificate or advice and such report, opinion, confirmation, or certificate or advice shall be binding on the Issuer, the Trustee, Noteholders, Receiptholders and Couponholders.

16. FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the Noteholders, the Receiptholders or the Couponholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue and so that the same shall be consolidated and form a single Series with the outstanding Notes.

17. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No person shall have any right to enforce any term or condition of this Note under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

18. GOVERNING LAW AND SUBMISSION TO JURISDICTION

18.1 Governing law

The Trust Deed, the Agency Agreement, the Notes, the Receipts, the Coupons and any non-contractual obligations arising out of or in connection with the Trust Deed, the Agency Agreement, the Notes, the Receipts and the Coupons are governed by, and shall be construed in accordance with, English law.

18.2 Submission to jurisdiction

- (a) Subject to Condition 18.2(c) below, the English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the Trust Deed, the Notes, the Receipts and/or the Coupons, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Trust Deed, the Notes, the Receipts and/or the Coupons (a **Dispute**) and accordingly each of the Issuer and the Trustee and any Noteholders, Receiptholders or Couponholders in relation to any Dispute submits to the exclusive jurisdiction of the English courts.
- (b) For the purposes of this Condition 18.2, each of the Issuer, the Trustee and any Noteholders, Receiptholders or Couponholders in relation to any Dispute waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.
- (c) This Condition 18.2 is for the benefit of the Trustee, the Noteholders, the Receiptholders and the Couponholders only. To the extent allowed by law, the Trustee and (where entitled under the Trust Deed to do so) the Noteholders, the Receiptholders and the Couponholders may, in respect of any Dispute or Disputes, take (i) proceedings in any other court with jurisdiction and (ii) concurrent proceedings in any number of jurisdictions.

18.3 Appointment of Process Agent

The Issuer irrevocably appoints GNI (UK) Limited at its registered office for the time being in England (being at the date of this Offering Circular, 20 Farringdon Street, London, EC4A 4EN) as its agent for service of process in any proceedings before the English courts in relation to any Dispute, and agrees that, in the event of GNI (UK) Limited being unable or unwilling for any reason so to act, it will immediately appoint another person approved by the Trustee as its agent for service of process in England in respect of any Dispute. The Issuer agrees that failure by a process agent to notify it of any process will not invalidate service. Nothing herein shall affect the right to serve process in any other manner permitted by law.

18.4 Waiver of immunity

The Issuer irrevocably and unconditionally with respect to any Dispute (i) waives any right to claim sovereign or other immunity from jurisdiction, recognition or enforcement and any similar argument in any jurisdiction, (ii) submits to the jurisdiction of the English courts and the courts of any other jurisdiction in relation to the recognition of any judgment or order of the English courts or the courts of any competent jurisdiction in relation to any Dispute and (iii) consents to the giving of any relief (whether by way of injunction, attachment, specific performance or other relief) or the issue of any related process, in any jurisdiction, whether before or after final judgment, including without limitation, the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment made or given in connection with any Dispute.

USE OF PROCEEDS

The net proceeds from each issue of Notes under the Programme will be applied by the Issuer for its general corporate purposes. If, in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the applicable Pricing Supplement. In particular, if the relevant Notes are designated in the applicable Pricing Supplement as Green Bonds, the Issuer will apply the net proceeds from an offer of Notes, in whole or in part, towards Green Projects.

DESCRIPTION OF THE ISSUER

Information on the Issuer

Introduction

Gas Networks Ireland (the **Issuer**) was incorporated in Ireland on 13 January 2015 as a private company limited by shares with registered number 555744 and re-registered as a designated activity company on 17 November 2016. As an Irish incorporated company, the Issuer operates under the Companies Act 2014 of Ireland (the **Act**). The Issuer's registered office is at Gasworks Road, Cork, Ireland and its telephone number is +353 21 453 4000. The Issuer is a wholly owned subsidiary of Ervia (**Ervia**) (see further below under the heading "*Ervia Group*").

On 1 August 2015 (the **Transfer Date**), Ervia and Gaslink Independent System Operator DAC (**Gaslink**) transferred the transmission and distribution businesses of Ervia and Gaslink to the Issuer, incorporating all relevant assets, licences, rights, liabilities and staff of Ervia and Gaslink and including the shares in Ervia's wholly owned subsidiaries, Gas Networks Ireland (IOM) DAC (**Gas Networks Ireland (IOM)**) and GNI (UK) Limited (**GNI (UK)**) and Gaslink, together with funding facilities held by Ervia which relate to those businesses. Such businesses are referred to herein collectively as the **Gas Transportation Business**.

The establishment of the Issuer and the transfer to it of the Gas Transportation Business was mandated by the Gas Regulation Act 2013 of Ireland (the **2013 Act**) as an element of a suite of measures designed to ensure the implementation in Ireland of the "unbundling" requirements of Directive 2009/73/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in natural gas (the **Directive**) (see further below under the heading "*Regulatory Framework – Third Energy Package*").

Prior to the Transfer Date, the Issuer did not carry out any business or activities.

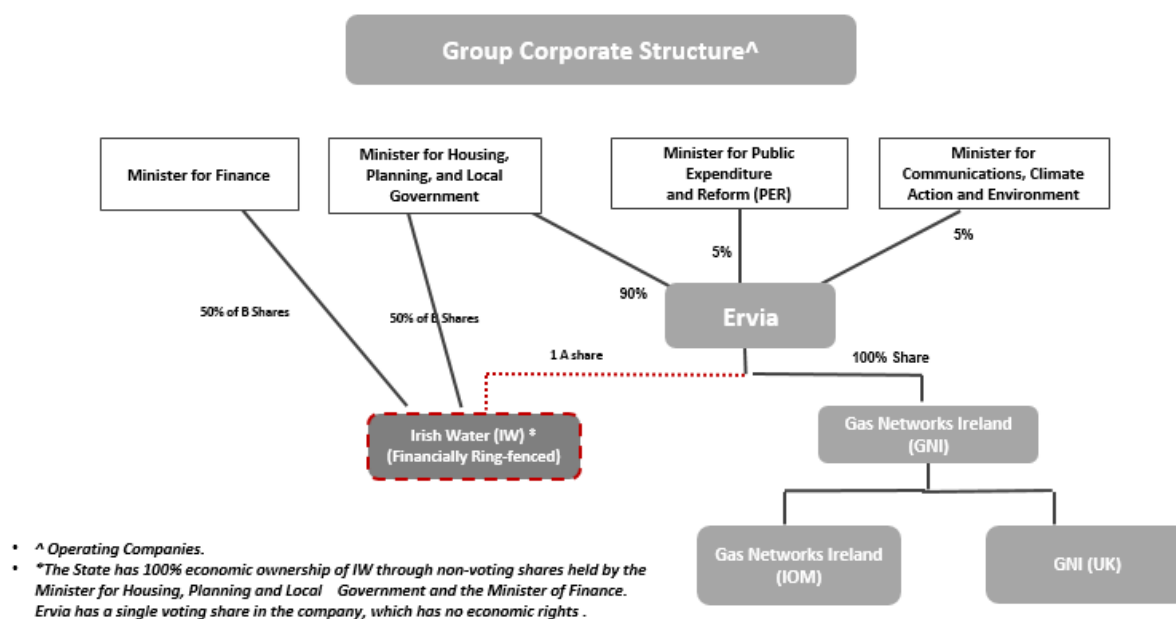
As at the date of the Offering Circular, the Issuer's subsidiaries are Gas Networks Ireland (IOM), GNI (UK) and Gaslink (Non-Trading). The Issuer and its subsidiaries are referred to herein as the **GNI Group**.

The Ervia Group

Ervia (formerly Bord Gáis Éireann) is a statutory corporation established under the Gas Acts 1976 to 2009 of Ireland (the **Gas Acts**). The Gas Acts set out the functions and powers of Ervia and regulate its corporate governance. Ervia is a commercial semi-state multi-utility company with responsibility for the delivery of strategic national gas and water infrastructure and services in Ireland through its regulated operating subsidiaries: the Issuer and Irish Water. Ervia provides certain strategic, transactional and support services to the Issuer and Irish Water through centralised functions, Ervia through its Group Centre provides corporate governance, oversight and other key strategic functions such as treasury, risk management, strategy and regulation for Ervia and its subsidiaries (the **Ervia Group**). Its Business Services division aims to leverage shared capability and capacity across the Ervia Group, delivering synergies and efficiencies across activities including finance, insurance, supply chain, information technology, human resources, change and transformation and facilities. Ervia's Major Projects division provides for the delivery of key strategic gas, water and wastewater infrastructure projects for the Ervia Group.

The Notes will not be guaranteed by, or otherwise constitute the obligations of, either Ervia or Irish Water.

The ownership and structure of the Ervia Group is as follows:



Government

Ervia is 100 per cent. owned by the Irish State acting through its Government ministers. The capital stock in Ervia is held by the Minister for Housing, Planning and Local Government (90 per cent. shareholding), the Minister for Communications, Climate Action and Environment (5 per cent. shareholding) and the Minister for Public Expenditure and Reform (5 per cent. shareholding). The Minister for Housing, Planning and Local Government is the majority-shareholding Minister in Ervia, with the Department of Housing, Planning and Local Government (**DHPLG**) the parent department of Ervia. The Minister for Communications, Climate Action and Environment holds the policy-making role and powers in respect of the energy sector and has oversight of the energy regulatory framework. Under the National Treasury Management Agency (Amendment) Act 2014, the National Treasury Management Agency acting as NewERA (**NewERA**) provides financial and commercial advice to the relevant Ministers with respect to certain designated bodies, including Ervia.

Overview of Irish gas market

The Issuer is responsible for owning, operating, building and maintaining the Irish natural gas network. The role of natural gas in Ireland’s energy mix has grown significantly over the past 30 years. In 2017, natural gas accounted for approximately 30 per cent. of Ireland’s total primary energy requirement (**TPER**) (Source: Energy in Ireland 2018, published by the Sustainable Energy Authority of Ireland (**SEAI**)). Gas continues to be the dominant energy input to electricity generation, with natural gas accounting for approximately 51 per cent. of fuel inputs to electricity generated in 2017 (Source: Energy in Ireland 2018, published by SEAI). While Ireland transitions to a low carbon economy, natural gas has an important role as an enabling fuel and will continue to be a significant element of Ireland’s energy supply. A key objective of the Issuer is the development and use of the gas network to support the Government of Ireland’s 2019 Climate Action Plan to address the challenges caused by climate change. The Issuer provides investment and funding and support for research and development to support Ireland’s transition to a low carbon economy.

The Issuer’s vision is that by 2050 half of the gas on Ireland’s network will be renewable gas and hydrogen. The other half will be ‘abated gas’ where carbon dioxide has been removed through the Carbon Capture and Storage (CCS) process, preventing emissions from entering the atmosphere and contributing to climate change. In its documents Vision 2050 - A Net Zero Carbon Gas Network for Ireland, the Issuer describes

how through a combination of technologies, it can reduce Ireland's total carbon emissions and create a net zero carbon gas network.

Principal activities of the Issuer - The Gas Transportation Business

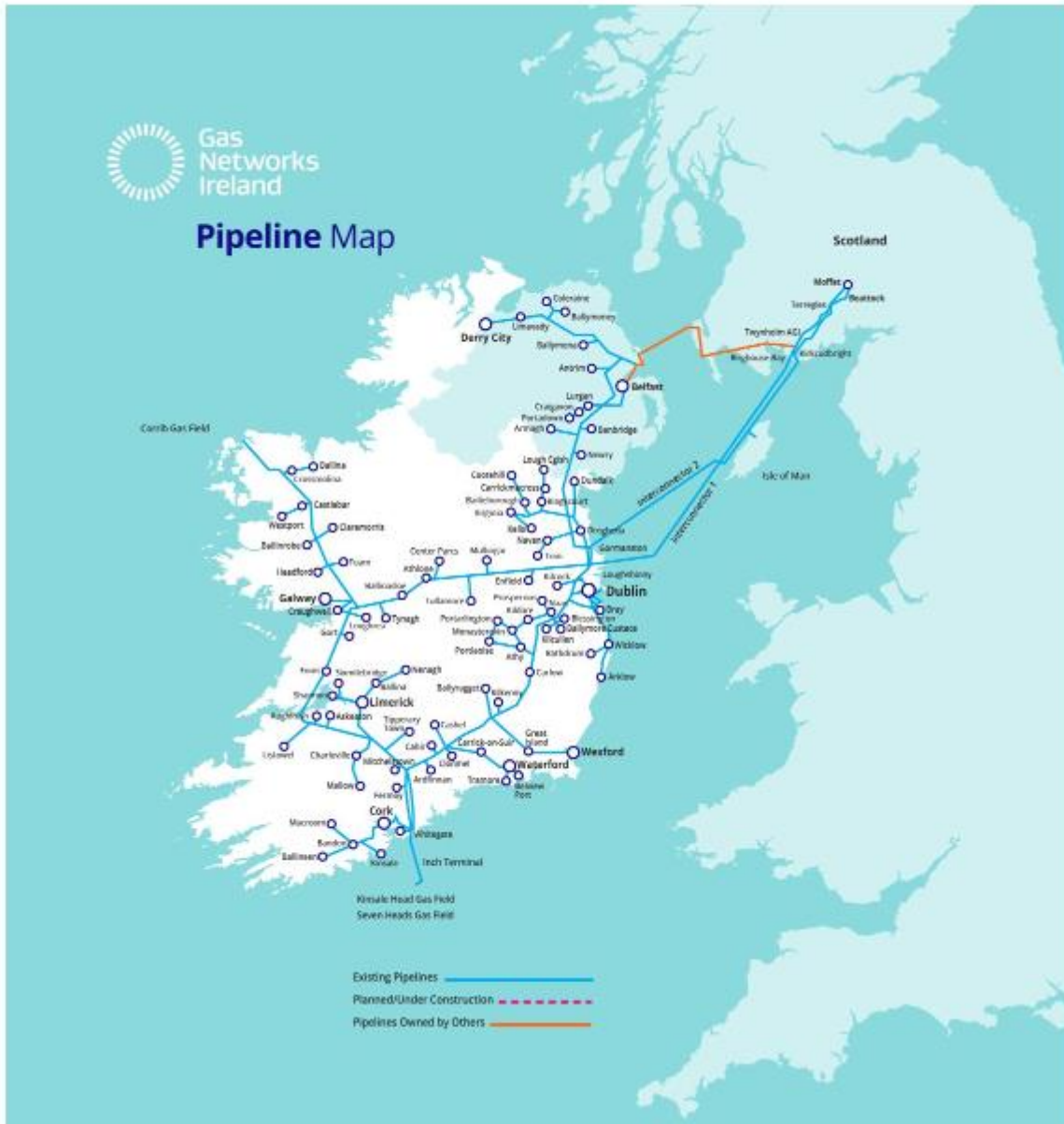
The Issuer is committed to ensuring gas is transported to the end user in an efficient, economic, safe and reliable manner and this commitment has led to the development of a modern gas network.

The Issuer's network includes onshore pipeline in Scotland, sub-sea interconnectors and the onshore network in Ireland (excluding Northern Ireland) (**ROI**) and Northern Ireland. The interconnector (**IC**) sub-system comprises of two subsea Interconnectors between ROI and Scotland; compressor stations at Beattock and Brighthouse Bay in Scotland, and 160 km of onshore pipeline between Brighthouse Bay and Moffat in Scotland. The interconnector system connects to the United Kingdom's National Transmission System at Moffat in Scotland. It also supplies gas to the Northern Ireland market at Twynholm through Interconnector 1 (**IC1**) and the Isle of Man market via the second subsea Interconnector (**IC2**). The ROI onshore part of the network consists primarily of a ring-main system connecting up the cities of Dublin, Cork, Limerick and Galway with spur lines serving various network configurations. The Issuer's NI network comprises the North-West (Carrickfergus to Londonderry) and South-North (Gormanston, Co. Meath to Ballyclare, Co. Antrim) pipelines which are connected to the transportation system and other transmission network assets in Northern Ireland.

The Gas Networks Ireland network at 31 December 2018 consisted of 2,477 km of high pressure steel transmission pipelines and 11,913 km of lower pressure polyethylene distribution pipelines, 159 Above Ground Installations (**AGIs**), 971 District Regulating Installations (**DRIs**) and compressor stations at entry points in Ireland and Scotland. AGIs and DRIs are used to control and reduce pressures on the network. The gas infrastructure is differentiated by the following pressure features. The high pressure transmission infrastructure operates above 16 barg and the distribution infrastructure operates below 16 barg. The distribution infrastructure is typically operated at 4 barg and less than 100 mbarg for inner city networks. As at 31 December 2018, the Gas Transportation Business served approximately 700,000 gas users.

In 2018 the total gas transported through the transmission network was approximately 74.4 TWh, an increase of approximately 0.8 per cent. from 2017. 78 per cent. of this gas was delivered for use in Ireland with the remaining 22 per cent. transported to the Isle of Man and to Northern Ireland. During 2018, 56 per cent. of all gas requirements in Ireland were supplied by the Corrib gas field, 39 per cent. of requirements were imported through Great Britain, with the remaining gas supplied from the Kinsale Gas field, off County Cork (Source: Gas Networks Ireland Directors Report and Financial Statements 2018). While Great Britain remains an important source for Ireland's gas requirements, this dependence has decreased due to production at the Corrib Gas Field since December 2015. The increased reliance on indigenous source of gas greatly enhances Ireland's security of supply. With Gas supplies at Corrib expected to reduce over the short term it is expected that the Moffat entry Point will re-establish itself as the dominant supply point, forecasted to supply approximately 81 per cent. of Ireland's gas demand by 2026/27 (Source: Network Development Plan 2018, published by Gas Networks Ireland).

Below is a map of the network of gas transmission pipelines owned by the Gas Transportation Business.



Source: <http://www.gasnetworks.ie/en-IE/About-Us/Our-network/Pipeline-Map/>

The Issuer owns and operates the gas transmission and distribution pipeline network in Ireland directly. In addition, it has two wholly owned operating subsidiaries, Gas Networks Ireland (IOM) and GNI (UK). Gas Networks Ireland (IOM) is registered as a Designated Activity Company (DAC) limited by shares with a constitution in accordance with Part 20 of the Companies Act 2014. The business of Gas Networks Ireland (IOM) is the ownership of a spur pipeline from the second gas interconnector pipeline between Ireland and the United Kingdom to a shore station on the Isle of Man and the provision of capacity on such spur pipeline to the Manx Utilities Authority. GNI (UK) is a private company limited by shares in accordance with the UK Companies Acts 1985 and 1989 and registered in England and Wales. GNI (UK) is the licensed owner and operator of the South-North pipeline and North-West pipeline in Northern Ireland together with associated spurs. GNI (UK) also owns that portion of the interconnector pipelines within Great Britain, from the interconnection point of the National Grid system at Moffat to the limit of United Kingdom territorial waters, and holds a licence to participate in the operation of an interconnector in this regard. GNI (UK) relies

on the Issuer to provide certain services to it in connection with the performance with its licensed functions, and the Issuer carries on certain activities in respect of the interconnector system (e.g. sale of capacity) directly. The Issuer owns the remaining sections of the interconnector pipelines (including on the UK Continental Shelf and in Isle of Man waters).

The Issuer is committed to playing a leading role in Ireland's transition to a low carbon energy system and supports investment in new innovative ways to deliver Ireland's low carbon energy future. In 2018, as part of Gas Network Ireland's Causeway Project, the Issuer commissioned Ireland's first publicly-accessible compressed natural gas filling station. The Causeway project is co-financed by the Issuer and the European Union's Connecting Europe Facility and is supporting the development of natural gas and in time renewable gas as an alternative fuel for heavy goods vehicles in Ireland. In 2019, Ireland's first renewable gas injection facility was commissioned in Cush, County Kildare. The planning application for a second gas injection facility, in Mitchelstown, Co. Cork, has been submitted to Cork County Council. This large-scale central grid injection facility is part of the Issuer's GRAZE (Green Renewable Agricultural & Zero Emissions) Gas project. The project is valued at €28 million and has been short-listed for €8.5 million in grant funding from the Department of Communications, Climate Action and Environment's Climate Action Fund. In addition, under the Issuer's Green Connect Project, the Issuer has been approved for a total of €11.6 million grant funding under the CEF Transport Blending Call. The Green Connect Project involves the installation of 21 CNG refuelling stations, four renewable gas injection facilities, a grant scheme for 400 vehicles and four mobile CNG refuelling units.

Assessments of the feasibility of carbon capture storage (CCS) and the use of hydrogen are currently being undertaken and are viewed as technologies that could make important contributions to Ireland meeting its decarbonisation targets. Through the 'Cork CCS Project', Ervia is studying the feasibility of a permanent carbon store in the now depleted Kinsale gas field. Furthermore, in September 2019, Ervia signed a Memorandum of Understanding with multinational energy company, Equinor, on assessing the potential for Ireland to benefit from CCS through carbon emissions export and storage in Norway. Ervia will work with Equinor and the Norwegian Government's wider 'Northern Lights Project', which aims to drive CCS development across Europe. If successful, this would see carbon emissions from Ireland's electricity production and large industry captured and exported via ship to be permanently stored in Norway's geological reserves in the North Sea. The Cork CCS Project and the Northern Lights Project were among five CCS projects included in the 4th PCI (Projects of Common Interest) list published by the European Commission on the 31 October 2019.

In addition to the Gas Transportation Business, GNI operates a telecoms business division under the registered business name, Aurora Telecom (**Aurora**). Aurora, is a carrier-neutral operator specialising in dark fibre services for both telecommunications carriers and large corporate organisations. The revenue, costs and financial details of Aurora are included in the financial statements for GNI but with a turnover of €4.7 million in 2018, is not material in the context of the Issuer's overall turnover.

The Issuer outsources the delivery of certain key services for the operation of its business, including the delivery of certain maintenance and construction activities on the gas transmission and distribution pipeline network in Ireland. The Issuer's most significant outsourcing contract is a Networks Service and Works Contract (**NSWC**) with Balfour Beatty CLG. This contract is for maintenance and construction activities on the gas transmission and distribution networks across Ireland and extends to 2021. Performance under such contracts is continuously monitored and measured against contracted targets.

As part of its Corporate Sustainability Strategy, the Issuer focuses on its environmental impact, social impact and economic impact. The Issuer is committed to implementing the principles of the United Nations' Sustainable Development Goals across all aspects of its operations. The Issuer is accredited to ISO 45001 for safety management, ISO 14001 for environmental management, ISO 9001 for quality management, ISO 50001 for energy management and ISO 55001 for asset management.

The Issuer is certified to the Business Working Responsibly Mark, in line with ISO26000, from Business in the Community Ireland. The Issuer invests in its people through continued learning and development and

supports a number of key initiatives around staff well-being including a Work Safe Home Safe Programme and Agile working. As part of its corporate responsibility strategy, the Issuer in partnership with Junior Achievement Ireland (JAI) promotes the study of Stem (science, technology, engineering and mathematics) subjects through its STEM education programme, Energize. The Issuer is committed to protecting biodiversity and is signed up as a business supporter of the All-Ireland Pollinator plan and has implemented biodiversity enhancement measures across a number of its sites, including reduced grass cuttings, reduced use of pesticides and installation of bird boxes. The Issuer is committed to reducing its waste to landfill and in 2018 the overall recycling figure in its offices was 94 per cent. The Issuer published its first sustainability report “Sustainability in Action” in 2019, <https://www.gasnetworks.ie/corporate/company/our-commitment/sustainability-report/>

Licensing and Regulatory Framework

Ireland’s Energy Regulator – Commission for Regulation of Utilities

The Commission for Regulation of Utilities (**CRU**) is ROI’s independent energy and water regulator. The CRU was originally established as the Commission for Electricity Regulation under the Electricity Regulation Act 1999 of Ireland. In 2017 its name changed to the Commission for Regulation of Utilities in to better reflect the expanded powers and functions of the organisation.

The CRU has a wide range of economic, customer protection and safety responsibilities in energy and water. The CRU’s functions include the issuing of consents for the construction and operation of gas pipelines, the granting of compulsory acquisition orders in relation to real property through which such pipelines run (other than in relation to certain strategic pipelines where the power to grant compulsory acquisition orders is vested in An Bord Pleanála (The Planning Board)), regulating the safety of the downstream natural gas industry (covering storage, transportation and supply), setting regulated transmission and distribution revenues, publishing tariff directions and the licensing of natural gas undertakings (including the Issuer) operating in the Irish gas market. Natural gas licences apply to supply and shipping of natural gas, the operation and ownership of transmission and distribution pipelines, the operation of a LNG facility, and the storage of natural gas. The functions of the CRU also include advising the Minister for Communications, Climate Action and Environment of Ireland on the gas industry having regard to the promotion of competition in the Irish gas industry. The CRU currently regulates all of the Issuer’s transmission and distribution pipelines in Ireland and Great Britain including its two sub-sea interconnectors, but excluding the spur pipeline to the Isle of Man. The CRU also regulates the portion of GNI (UK)’s South North pipeline located in Ireland. The Issuer holds Transmission System Owner, Transmission System Operator, Distribution System Owner and Distribution System Operator licences from Ireland’s CRU.

Northern Ireland’s Energy Regulator – The Utility Regulator

The Utility Regulator (**UR**) was established under Article 3 Part II of the Energy (Northern Ireland) Order 2003, as amended by Article 3 of the Water and Sewerage Services (Northern Ireland) Order 2006. UR is responsible for regulating the electricity, gas, water and sewerage industries in Northern Ireland. UR currently regulates GNI (UK)’s Transmission South-North pipeline and the Transmission North-West pipeline together with associated spurs. GNI (UK) holds a Gas Conveyance Licence from UR, to own and operate the two natural gas transmission pipelines in Northern Ireland.

Office of Gas and Electricity Markets -National Regulatory Authority in Great Britain

The Office of Gas and Electricity Markets (**Ofgem**), supporting the Gas and Electricity Markets Authority, is the government regulator for the electricity and downstream natural gas markets in Great Britain. GNI (UK) holds a gas interconnector licence authorising it to participate in the operation of two interconnectors from Moffat in Scotland to the end of UK Territorial Waters.

Regulation of the Issuer’s revenues - Ireland

The CRU regulates relevant revenues of the Issuer under a revenue cap framework under which revenue is made up of separate building blocks that allow the Issuer a level of revenue sufficient to finance its operations. This revenue includes an operational expenditure allowance, a capital recovery allowance and a return on the regulatory asset base comprised in the Gas Transportation Business in Ireland including the interconnectors but excluding the spur pipeline to the Isle of Man (being the gas transmission and distribution assets) (**CRU RAB**). In this regard, the CRU RAB increases with efficiently incurred replacement expenditure, capital expenditure and other capitalised expenditure (in each case, as approved by CRU) and decreases with regulatory depreciation. The CRU RAB is increased/decreased annually for movements in the Irish Harmonised Index of Consumer Prices.

On a five yearly basis, the CRU sets allowed regulatory revenues. Actual revenues earned by the Issuer are reviewed annually against the CRU's Revenue Control Formula and tariff levels are adjusted to correct for any over or under-recovery. Each regulatory year runs from the start of October to the end of September in the following year. The current five year revenue control period runs from October 2017 to September 2022 and is known as PC4.

As at 31 December 2018, the value of the CRU RAB was approximately €2,697 million. The CRU has determined a real pre-tax rate of return (calculated pre-tax cost of debt and pre-tax cost of equity) on CRU RAB of 4.63 per cent. per annum until the end of September 2022. CRU RAB is an alternative performance measure. As noted above, it has been determined in accordance with CRU's required methodology and is a key component part of the calculation of the Issuer's allowed revenue. It is included in this Offering Circular to allow potential Noteholders to better assess the Issuer's performance and business. For comparison, CRU RAB as of 31 December 2017 was approximately €2,651 million.

Regulation of the Issuer's revenues – Northern Ireland

Revenues for GNI (UK)'s Northern Ireland gas transmission network are determined by postalised entry-exit tariffs approved by UR. A five-year revenue control period was determined in August 2017 by UR for the period from October 2017 to September 2022 inclusive. The allowed real rate of return for the five year period is 3.17 per cent. per annum on a vanilla basis (calculated pre-tax cost of debt and post-tax cost of equity). As at 31 December 2018, the allowed revenue in Northern Ireland is based on approved total regulated value (**NI TRV**) of approximately £121 million (€135 million). NI TRV is an alternative performance measure. As noted above, it has been determined in accordance with UR's required methodology and is a key component part of the calculation of the Issuer's allowed revenue. It is included in this Offering Circular to allow potential Noteholders to better assess the Issuer's performance and business. For comparison, as at 31 December 2017, the allowed revenue in Northern Ireland was based on a NI TRV of approximately £126 million (€142 million). In 2018, revenue for GNI (UK)'s Northern Ireland gas transmission network amounted to less than 5 per cent. of total revenue earned by the Gas Transportation Business.

Third Energy Package

In July 2009, the European Parliament and Council adopted a suite of measures referred to as the Third Energy Package, which included the Directive. The Directive has been transposed into domestic legislation in Ireland and the United Kingdom.

The Directive requires EU Member States to make provision for the 'unbundling' of gas transmission from generation and supply. EU Member States were permitted to choose from a number of different forms of unbundling. A certification procedure is in place to ensure that undertakings which own and/or operate a transmission system comply with one of the unbundling models set out in the Directive, i.e. ownership unbundling, independent system operator, independent transmission operator or the Article 9(9) derogation.

The Issuer and GNI (UK) Limited applied for Full Ownership Unbundling (**FOU**) certification to the three regulatory authorities in the three jurisdictions. CRU certified the Issuer as FOU compliant on 31st March, 2016. The UR and Ofgem in the United Kingdom have both certified GNI (UK) as FOU compliant. The UR certification took effect in 8 April 2016 and the Ofgem certification was issued on the 1 April 2016.

Financial matters

Summary Financial Information

In 2018, the Gas Transportation Business had a total revenue of €487 million and EBITDA of €301 million. The following financial information sets out the income statement of the GNI Group and the balance sheet of the GNI Group for the period ending and as at 31 December 2018. The financial statements should be read in conjunction with, and are qualified in their entirety by reference to the consolidated financial statements of the Issuer (including the notes thereto) incorporated by reference into this Offering Circular, which have been prepared in accordance with International Financial Reporting Standards (**IFRS**) and have been audited by the Issuer's auditors.

Group Income Statement						
for the year ended 31 December 2018						
	Before exceptional items 2018 €'000	Exceptional items (incl certain remeasurements) 2018 €'000	After exceptional items 2018 €'000	Before exceptional items 2017 €'000	Exceptional items (incl certain remeasurements) 2017 €'000	After exceptional items 2017 €'000
Continuing operations						
Revenue	487,183	-	487,183	473,175	-	473,175
Operating costs (excluding depreciation and amortisation)	(186,311)	-	(186,311)	(168,118)	-	(168,118)
Operating profit before depreciation and amortisation (EBITDA)	300,872	-	300,872	305,057	-	305,057
Depreciation and amortisation	(136,506)	-	(136,506)	(138,876)	-	(138,876)
Operating profit	164,366	-	164,366	166,181	-	166,181
Finance income	-	1,497	1,497	-	2,862	2,862
Finance costs	(21,317)	(79)	(21,396)	(22,602)	-	(22,602)
Net finance (costs)/income	(21,317)	1,418	(19,899)	(22,602)	2,862	(19,740)
Profit before income tax	143,049	1,418	144,467	143,579	2,862	146,441
Income tax expense	(21,481)	(177)	(21,658)	(20,748)	(358)	(21,106)
Profit for the year	121,568	1,241	122,809	122,831	2,504	125,335

Group Balance Sheet		
as at 31 December 2018		
	31-Dec-18 €'000	31-Dec-17 €'000
Assets		
Non-current assets	2,609,572	2,612,829
Current assets	222,921	186,519
Total assets	2,832,493	2,799,348
Equity and liabilities		
Equity	(1,006,128)	(937,124)
Non-current liabilities	(1,099,533)	(1,431,770)
Current liabilities	(726,832)	(430,454)
Total equity and liabilities	(2,832,493)	(2,799,348)

Treasury and funding

Ervia operates a centralised group treasury function, which undertakes all treasury activities for Ervia and its subsidiaries (including the Issuer), within parameters set out in its Treasury Policy (which has been approved by the Ervia board and applies to all group subsidiaries). The Ervia Group treasury function is not operated as a profit centre and treasury positions are managed in a risk averse manner. All treasury transactions have a valid underlying business rationale and speculative positions are strictly prohibited. In using derivatives, the Issuer is subject to the requirements and specifications of the Minister for Finance of Ireland under the Financial Transactions of Certain Companies and Other Bodies Act 1992.

Responsibility for the Issuer's treasury activity and its performance rests with the Ervia board, which exercises its responsibility through the Audit and Risk Committee and regular review.

The Issuer's total external borrowings as at 31 December 2018 were €1,192 million (€1,186 million: 31 December 2017) after certain re-measurements arising from the application of IFRS9 and including capitalised loan fees. In addition the Issuer had an intercompany debt of €145 million owing to Ervia as at 31 December 2018 (€218 million: 31 December 2017). The Issuer had undrawn facilities of €457 million including €7 million in uncommitted facilities) and €117 million of cash and cash equivalents at 31 December 2018 (€357 million of undrawn facilities and €51 million cash and cash equivalents: 31 December 2017).

As at 31 December 2018, the total regulated asset value (**RAV**) was €2,832 million (€2,793 million: 31 December 2017).

As at 31 December 2018, the Issuer's net debt was €1,051 million (€1,118million: 31 December 2017).

As at 31 December 2018, the Issuer's net debt expressed as a percentage of RAV was approximately 37 per cent. (approximately 40 per cent.: 31 December 2017).

As at 31 December 2018, the ratio of the Issuer's Net debt to EBITDA was approximately 3.49 : 1 (3.67 : 1 31 December 2017).

RAV, Net debt, Net debt/EBITDA, net debt/RAV and EBITDA are alternative performance measures.

RAV is calculated by adding CRU RAB to NI TRV. As at 31 December 2018, the calculation is €2,697 million + €135 million = €2,832 million. As at 31 December 2017, the calculation is €2,651 million + €142 million = €2,793 million.

Net debt is calculated in the manner described in Note 17 of the consolidated financial statements of the Issuer (including the notes thereto) which are incorporated by reference into this Offering Circular.

EBITDA refers to the EBITDA of the Issuer which is calculated in the manner described in the income statement of the GNI Group contained in the consolidated financial statements of the Issuer (including the notes thereto) which are incorporated by reference into this Offering Circular by subtracting operating costs (excluding depreciation and amortisation) from revenue

Net debt/RAV is calculated by dividing closing net debt for the Issuer by RAV. As at 31 December 2018, the calculation is €1,051 million/€2,832 million = approximately 37 per cent. As at 31 December 2017, the calculation is €1,118 million/€2,793 million = approximately 40 per cent.

Net debt/EBITDA is calculated by dividing closing net debt for the Issuer by the EBITDA of the Issuer for the accounting period. For the accounting period 1 January 2018 to 31 December 2018, the calculation is €1,051 million / €301 million = 3.49 : 1.

Credit rating

At the date of this Offering Circular, the issuer has been rated A by S&P and A3 by Moody's.

Pensions

The Ervia Group operates a defined benefit pension scheme. A number of the Issuer's employees participate in that scheme. The level of benefits provided depends on members' length of service and their pensionable salary when they leave the scheme, i.e. a 'final salary' scheme. Increases are provided to pensions in payment on a discretionary basis. The scheme is accounted for as a group plan in accordance with IAS 19. Ervia, as the sponsoring employer for the plan, recognises the net defined benefit cost, while the Issuer recognises only the cost of contributions payable for the applicable period in respect of the Issuer's employees. There is no contractual agreement or stated policy in place for charging the Issuer's net defined benefit pension cost. The funding contribution rate is calculated every 3 years by the pension scheme's actuary for the Ervia Group as a whole. The Issuer's contribution amount is determined by applying the Ervia Group contribution rate to the salaries of the participating employees of the Issuer. The scheme is subject to independent actuarial valuations at least every three years. The latest valuation of the defined benefit scheme was carried out as at 1 April 2017 by a qualified actuary. The next actuarial valuation is due with an effective date of 1 April 2020.

In 2016, the Ervia Defined Contribution Scheme was established, commencing in December 2016. A number of Gas Network Ireland's employees participate in this scheme. The scheme is accounted for as a defined contribution pension scheme in accordance with the Ervia Group's accounting policy. During the year ended 31 December 2018, the GNI Group contributed €0.9 million in respect of the Ervia Defined Contribution Scheme, (2017: €0.8 million), on behalf of its employees, which was charged to the income statement.

Dividend policy

A dividend policy was agreed for Ervia including the Issuer (but excluding Irish Water) with the Government of Ireland in 2017. This policy was developed in consultation with NewERA and was formally agreed by the former Department of Housing, Planning, Community and Local Government (now the Department of Housing, Planning and Local Government) by letter on 6th June 2017. This new policy involves the payment of the remaining net sales proceeds of the Bord Gáis Energy sale in 2014, to be distributed over the period 2017 to 2020 (€108 million remains to be paid as of October 2019) including a payment of €85 million expected to be made by 31 December 2019. In addition an increase in the annual dividend payout rate from 30 per cent. to 45 per cent. was agreed. This additional 15 per cent. is to provide for the distribution of an additional €330 million nominal which was also agreed as part of the sale of Bord Gáis Energy and is to be distributed over a multi-year period (estimated to be 20 years) (€277.7 million remains to be paid as of October 2019).

The maintenance of a strong investment grade credit rating and the retention of its ability and capacity to invest in its business are key policy objectives for the Issuer and were and remain priority considerations for the Ervia Group when agreeing dividend payments with the Government of Ireland.

Irish Water

Irish Water was incorporated in Ireland on 17 July 2013. Since 1 January 2014, when it took responsibility for the operation and maintenance of water and waste water assets from local authorities, Irish Water has been responsible for all public water services, including supply of drinking water and collection, treatment, and disposal of wastewater.

The Minister for Housing, Planning and Local Government of Ireland and the Minister for Finance of Ireland each hold B shares in Irish Water which entitles each of them to receive whatever dividends or distributions (if any) as may be declared and paid by the board of directors of Irish Water from time to time. The B shares do not confer on the holders any entitlement to vote at any general meeting of Irish Water. Ervia holds one A share which entitles it to receive notice of and attend and vote at any general meeting of Irish Water.

The effect of this shareholding structure is that Irish Water is a subsidiary of Ervia for the purposes of the Act although Ervia has no economic interest in Irish Water (with the exception of the entitlements to payment of an amount equal to the Subscription Value (as defined in the articles of association of Irish Water) on each A Share held upon a distribution of Irish Water's assets on liquidation). Irish Water's activities are monitored by the Ervia board and its executive team and it is subject to the provisions of Irish Water's constitution, the Act and to its governing legislation, the Water Services Acts 2007 to 2017 of Ireland. Due to its share ownership structure, Irish Water does not meet the current definition of a subsidiary for accounting purposes under IFRS and therefore is not consolidated for the purpose of Ervia's financial reporting.

Irish Water is financially ring-fenced from the Issuer. The Issuer does not have the power under its constitution to lend to Irish Water. In addition, under certain of its financing arrangements, the Issuer has covenanted not to invest in or acquire any shares, stock or other interest in Irish Water and not to provide any loan, credit or other financial accommodation to Irish Water.

On 12 July 2018, the Government of Ireland announced that Irish Water would become a standalone, publicly owned, commercial, regulated utility separated from the Ervia Group during 2023. Ervia continues to engage with relevant stakeholders to ensure Government objectives are met in this regard.

Governance

Governance

Ervia's corporate structure involves a single Board at Ervia level (the **Unitary Board**) with senior management-only Boards at the Issuer and Irish Water level. The Unitary Board takes all significant decisions on group strategy. The board of the Issuer is responsible for the proper management and operation of the Issuer and the implementation in the interests of the Issuer of the strategies and policies which are set for the Ervia Group (including the Issuer) by Ervia and its board. The board of the Issuer is comprised of Ervia Group Senior Management and the Managing Director of the Issuer. The powers of the board of the Issuer are limited by its constitution and the Act. Subject to receipt of consent of certain Ministers of the Government of Ireland, Ervia has the power to appoint and remove directors from the board of the Issuer. The Issuer is obliged to comply with the Code of Practice for the Governance of State Bodies (the **Code**).

In its corporate governance role, the Department of Housing, Planning and Local Government oversees compliance with the Code and other related statutory obligations. The Minister of Housing, Planning and Local Government has the key decision-making role in the approval of a variety of commercial transactions, including the approval of matters such as capital expenditure and borrowings pursuant to the Gas Acts. Other Ministers are also involved and NewERA plays a key role in providing financial and commercial advisory services to relevant Ministers under the National Treasury Management Agency (Amendment) Act 2014. The legislation governing Ministerial consents is primarily set out in the Gas Acts and supplemented by the Issuer's Constitution.

Board of Directors of the Issuer

The Directors of the Issuer, their respective principal outside activities and their respective business addresses are:

Name	Position within the Issuer	Principal Activities Outside the Issuer	Business Address
Cathal Marley	Director (Chairman)	Acting Chief Executive Officer of Ervia and Director of Irish Water	Colvill House, 24/26 Talbot Street, Dublin 1, Ireland
Denis O'Sullivan	Managing Director	Director of GNI (UK)	Gasworks Road, Cork, Ireland
Liam O'Sullivan	Director	Chief Operating Officer of Ervia, Director of Gas Networks Ireland (IOM), Director of Gaslink and Director of Aurora Telecom DAC	Gasworks Road, Cork, Ireland
Michael O'Sullivan	Director	Director of Business Services of Ervia, Director of Gas Networks Ireland (IOM) and Director of Irish Water	Webworks, Eglinton Street, Cork, Ireland
Brendan Murphy	Director	Group Commercial & Regulatory Director of Ervia and Director of Irish Water	Colvill House, 24/26 Talbot Street, Dublin 1, Ireland
Edwina Nyhan	Director	Head of Finance Business Operations, Ervia and Director of Gaslink	Webworks, Eglinton Street, Cork, Ireland

There are no potential conflicts of interest between the duties of each of the Directors listed above to the Issuer and their private or other professional interests.

TAXATION

Irish Taxation

The following summary of the anticipated tax treatment in Ireland in relation to the payments on Notes is based on Irish tax law and the practices of the Revenue Commissioners of Ireland (the Irish tax authorities) as in force at the date of this Offering Circular. It does not constitute tax or legal advice and it does not purport to be, and is not, a complete description of all of the tax considerations that may be relevant to a decision to subscribe for, buy, hold, sell, redeem or dispose of Notes. The summary relates only to the position of persons who are the absolute beneficial owners of Notes and the interest payable on them (**Noteholders**). Prospective investors should consult their own professional advisers on the implications of subscribing for, buying, holding, selling, redeeming or disposing of Notes and the receipt of interest on Notes under the laws of the jurisdictions in which they may be liable to tax.

1. Withholding Taxes

In general, withholding tax at the rate of 20 per cent. must be deducted from payments of yearly interest that are within the charge to Irish tax, which would include payments of interest on Notes.

1.1 Discount

No withholding for or on account of income tax will be required to be made from payments of discount on Notes.

1.2 Notes having a maturity of less than one year

No withholding for or on account of income tax will be required to be made from payments of interest on Notes having a maturity of less than one year.

1.3 Quoted Eurobond exemption

Section 64 of the Taxes Consolidation Act 1997, of Ireland, as amended (the **Taxes Act**) provides for the payment of interest in respect of Quoted Eurobonds without deduction of tax in certain circumstances. A **Quoted Eurobond** is defined in section 64 of the Taxes Act as a security which:

- (a) is issued by a company;
- (b) is quoted on a recognised stock exchange (Euronext Dublin is a recognised stock exchange for this purpose); and
- (c) carries a right to interest.

There is no obligation to withhold tax from payments of interest on Quoted Eurobonds (**Exempted Quoted Eurobonds**) where:

- (d) the person by or through whom the payment is made is not in Ireland; or
- (e) the payment is made by or through a person in Ireland; and
 - (i) the Quoted Eurobond is held in a recognised clearing system (Euroclear and Clearstream, Luxembourg are recognised clearing systems for this purpose); or
 - (ii) the person who is the beneficial owner of the Quoted Eurobond and who is beneficially entitled to the interest is not resident in Ireland and has made an appropriate declaration to this effect.

1.4 Wholesale Debt Instrument exemption

Section 246A of the Taxes Act provides for the payment of interest on certain Wholesale Debt Instruments without deduction of tax in certain circumstances. Notes are **Wholesale Debt Instruments** for this purpose if they:

- (a) recognise an obligation to pay a stated amount;
- (b) carry a right to interest or are issued at a discount or at a premium;
- (c) mature within two years; and
- (d) are issued with a minimum denomination of €500,000 if denominated in euro, US\$500,000 if denominated in US dollars or, in the case of Notes which are denominated in a currency other than euro or US dollars, the equivalent in that other currency of €500,000 (such amount to be determined by reference to the relevant rate of exchange at the date of the first publication of this program).

There is no obligation to withhold tax from payments of interest on Wholesale Debt Instruments in certain circumstances (**Exempted Wholesale Debt Instruments**). These circumstances are where:

- (a) the Wholesale Debt Instrument is held in a recognised clearing system (Euroclear and Clearstream, Luxembourg are recognised clearing systems for this purpose); or
- (b) the person by whom the payment is made or the person through whom the payment is made is resident in Ireland or the payment is made by or through a branch or agency through which a company not resident in Ireland carries on a trade or business in Ireland; and
either:
 - (A) the person who is beneficially entitled to the interest is a resident of Ireland who has provided their tax reference number to the payer; or
 - (B) the person who is the beneficial owner of the Wholesale Debt Instrument and who is beneficially entitled to the interest is not resident in Ireland and has made a declaration in the prescribed form.

1.5 Section 246 of the Taxes Act (**Section 246**)

Section 246 provides certain exemptions from this general obligation to withhold tax including an exemption in respect of interest payments made to a company resident for the purposes of tax in a Relevant Territory (see below), provided that the Relevant Territory imposes a tax that generally applies to interest receivable in that Relevant Territory by companies from sources outside that Relevant Territory or the interest payable is exempted from the charge to income tax under a double tax agreement between Ireland and the country in which the recipient of the interest is resident for tax purposes or would be exempted from the charge to income tax under a double tax agreement signed between Ireland and the country in which the recipient of the interest is resident for tax purposes if such double tax agreement had the force of law, except where the interest is paid to a company in connection with a trade or business carried on in Ireland by that company through a branch or agency.

For the purposes of this Irish Taxation section, a Relevant Territory means a Member State of the European Union, other than Ireland, or not being such a Member State, a territory with which Ireland has signed a double tax agreement. having the force of law by virtue of section 826(1) of the Taxes Act or a territory with which Ireland has signed a double tax agreement which will have the force of law on completion of the procedures set out in section 826(1) of the Taxes Act.

As of the date of this Offering Circular, Ireland has signed a double tax agreement with each of Albania, Armenia, Australia, Austria, Bahrain, Belarus, Belgium, Bosnia and Herzegovina, Botswana, Bulgaria, Canada, China, Chile, Croatia, Cyprus, Czech Republic, Denmark, Egypt, Estonia, Ethiopia, Finland, France, Germany, Georgia, Ghana (signed but not yet in effect), Greece, Hong Kong, Hungary, Iceland, Israel, India, Italy, Japan, Kazakhstan, Korea (Rep. of), Kuwait, Latvia, Lithuania, Luxembourg, Macedonia, Malaysia, Malta, Mexico, Moldova, Montenegro, Morocco, the Netherlands, New Zealand, Norway, Pakistan, Panama, Poland, Portugal, Qatar, Romania, Russia, Saudi Arabia, Serbia, Singapore, Slovak Republic, Slovenia, South Africa, Spain, Sweden, Switzerland, Thailand, Turkey, Ukraine, United Arab Emirates, United Kingdom, United States of America, Uzbekistan, Vietnam and Zambia.

1.6 Double tax agreements

In the event that none of the above exemptions apply a Noteholder may be exempt from income tax pursuant to the terms of an applicable double tax agreement that is in effect provided the required procedures are completed.

2. Liability of Noteholders to income tax

Persons resident in Ireland for the purposes of tax are subject to corporation tax or income tax on their worldwide income, which would include interest payable and discounts realised on Notes.

Persons not resident in Ireland for the purposes of tax are subject to tax on the interest payable and discounts realised on Notes unless they qualify for one of the exemptions listed below.

2.1 Section 198 of the Taxes Act

- (a) A company which is not resident in Ireland for the purposes of tax will not be chargeable to income tax in respect of interest received on Notes, if:
 - (i) the company is a resident of a Relevant Territory and the Relevant Territory imposes a tax that applies generally to interest receivable in that Relevant Territory by companies from sources outside that Relevant Territory; or
 - (ii) where the interest is to be exempted from the charge to Irish income tax under a double tax agreement that is in effect with Ireland or in the case of a double tax agreement not yet in effect, the interest paid would be so exempt if such a double tax agreement were in effect.
- (b) A person (whether or not a company) who is not a resident of Ireland for the purposes of tax will not be chargeable to income tax in respect of interest received on Notes if the person is a resident of a Relevant Territory and, in the case of interest only, the interest is paid on:
 - (i) an Exempted Quoted Eurobond; and
 - (ii) an Exempted Wholesale Debt Instrument.
- (c) A person (whether or not a company) who is not a resident of Ireland for the purposes of tax will not be chargeable to income tax in respect of discount arising on Notes if that person is a resident of a Relevant Territory.

For the purposes of Section 198 a person is a resident of Relevant Territory if:

- (a) in the case where that Relevant Territory is a jurisdiction which has entered into a double tax agreement with Ireland that has the force of law under the procedures set out in section 826(1) of the Taxes Act or that will have the force of law on the completion of the

procedures set out in section 826(1), the person is regarded as being a resident of that Relevant Territory under that double tax agreement; and

- (b) in any other case, the person is by virtue of the law of the Relevant Territory, resident for the purposes of tax in that Relevant Territory.

2.2 Double tax agreements

Ireland's double tax agreements, that are in effect, may exempt interest from Irish tax when received by a resident of the other territory provided certain procedural formalities are completed.

Interest and discounts realised on Notes that do not fall within the above exemptions are within the charge to income tax to the extent that a double tax agreement that is in effect does not exempt the interest or discount as the case may be.

However, it is understood that the Revenue Commissioners have, in the past, operated a practice (as a consequence of the absence of a collection mechanism rather than adopted policy) whereby no action will be taken to pursue any liability to such tax in respect of persons who are regarded as not being resident in Ireland for the purposes of tax except where such persons:

- (a) are chargeable in the name of a person (including a trustee) or in the name of an agent or branch in Ireland having the management or control of the interest; or
- (b) seek to claim relief and/or repayment of tax deducted at source in respect of taxed income from Irish sources; or
- (c) are chargeable to corporation tax on the income of an Irish branch or agency or to income tax on the profits of a trade carried on in Ireland to which the interest is attributable.

There can be no assurance that the Revenue Commissioners will apply this practice in the case of the holders of Notes and, as mentioned above, there is a statutory obligation to account for Irish tax on a self-assessment basis and there is no requirement for the Revenue Commissioners to issue or raise an assessment.

2.3 Encashment tax

Interest on any Note which is an Exempted Quoted Eurobond realised or collected by an agent in Ireland on behalf of any holder will generally be subject to a withholding at the standard rate of income tax (currently 20 per cent.). This is unless the beneficial owner of the Note that is entitled to the interest is not resident in Ireland and makes a declaration in the required form. This is provided that such interest is not for the purposes of tax deemed, under the provisions of tax legislation, to be the income of another person that is resident in Ireland.

2.4 Stamp Duty

No stamp duty is payable on the issue or the transfer by delivery of Notes.

In the event of written transfer of Notes, no stamp duty is chargeable provided that the Notes:

- (a) do not carry a right of conversion into stocks or marketable securities (other than loan capital) of a company having a register in Ireland or into loan capital having such a right;
- (b) do not carry rights of the same kind as shares in the capital of a company, including rights such as voting rights, a share in the profits or a share in the surplus upon liquidation;

- (c) are issued for a price which is not less than 90 per cent. of their nominal value (thus certain Notes issued at a discount may not qualify for this exemption): and
- (d) do not carry a right to a sum in respect of repayment or interest which is related to certain movements in an index or indices (based wholly or partly and directly or indirectly on stocks or marketable securities) specified in any instrument or other document relating to Notes.

Where the above exemption or another exemption does not apply, the instrument of transfer is liable to stamp duty at the rate of one per cent. of the consideration paid in respect of the transfer (or if greater, the market value thereof) which must be paid in Euro by the transferee (assuming an arm's length transfer) within 30 days of the date on which the transfer instrument is executed, after which interest and penalties will apply.

2.5 Capital Gains Tax

Section 607 of the Taxes Act provides that Notes issued by GNI are not chargeable assets for the purposes of Irish tax.

Separately, provided Notes are listed on a stock exchange, a holder will not be subject to tax on capital gains in respect of those Notes unless that holder is either resident or ordinarily resident for tax purposes in Ireland or that holder has an enterprise or an interest in an enterprise, which carries on business in Ireland through a branch or agency, or a permanent establishment, to which or to whom Notes are attributable.

If Notes are at any time not listed on a stock exchange, then an exemption from tax on capital gains tax in respect of such Notes will continue to apply to the holders who are exempted in the circumstances referred to in the paragraph immediately above, insofar as Notes do not derive their value, or the greater part of their value, from Irish land or certain Irish mineral rights.

2.6 Capital Acquisitions Tax

If Notes are comprised in a gift or inheritance taken from a person resident or ordinarily resident for tax purposes in Ireland or if the disponer's successor is resident or ordinarily resident for tax purposes in Ireland, or if any of Notes are regarded as property situate in Ireland, the disponer's successor (primarily), or the disponer, may be liable to capital acquisitions tax. The Notes may be regarded as property situate in Ireland.

For the purposes of capital acquisitions tax, under current legislation a non-Irish domiciled person will not be treated as resident or ordinarily resident in Ireland for the purposes of the applicable legislation except where that person has been resident in Ireland for the purposes of tax for the five consecutive years of assessment immediately preceding the year of assessment in which the date of the gift or inheritance falls.

2.7 Automatic Exchange of Information for Tax Purposes

Council Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU) (**DAC2**) provides for the implementation among EU member states (and certain third world countries that have entered into information exchange agreements) of the automatic exchange of information in respect of various categories of income and capital and broadly encompasses the regime known as the Common Reporting Standard (**CRS**) proposed by the OECD as a new global standard for the automatic exchange of information between tax authorities in participating jurisdictions.

Under the CRS, governments of participating jurisdictions are required to collect detailed information to be shared with other jurisdictions annually. CRS is implemented in Ireland pursuant

to the Returns of Certain Information by Reporting Financial Institutions Regulations 2015, S.I. 583 of 2015, made under Section 891F of the Taxes Act.

DAC2 is implemented in Ireland pursuant to the Mandatory Automatic Exchange of Information in the Field of Taxation Regulations of 2015, S.I. No. 609 of 2015 made under Section 891G of the Taxes Act.

- 2.8 Pursuant to these Regulations, the Issuer may be required to obtain and report to the Revenue Commissioners annually certain financial account and other information for all accountholders (other than Irish and US accountholders). The returns must be submitted on or before 30 June annually. The information includes amongst other things, details of the name, address, taxpayer identification number (**TIN**), place of residence and, in the case of accountholders who are individuals, the date and place of birth, together with details relating to payments made to accountholders and their holdings. This information may be shared with tax authorities in other EU member states and jurisdictions which implement CRS.

FATCA DISCLOSURE

Foreign Account Tax Compliance Act

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, as amended, commonly known as FATCA, a **foreign financial institution** (as defined by FATCA) may be required to withhold on certain payments it makes (**foreign passthru payments**) to persons that fail to meet certain certification, reporting or related requirements. The Issuer may be a foreign financial institution for these purposes. A number of jurisdictions (including Ireland) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (**IGAs**), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, such withholding would not apply to foreign passthru payments prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register and Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are filed with the U.S. Federal Register generally would be grandfathered for purposes of FATCA withholding on foreign passthru payments unless materially modified after such date (including by reason of a substitution of the Issuer). However, if additional Notes (as described under Condition 16 (*Further Issues*)) that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisers regarding how these rules may apply to their investment in Notes.

The Proposed Financial Transaction Tax (FTT)

On 14 February 2013, the European Commission published a proposal (the **Commission's 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**). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. Primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006 are expected to be exempt.

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

However, the FTT proposal remains subject to negotiation between the participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

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

SUBSCRIPTION AND SALE

The Dealers have, in an amended and restated programme agreement (such Programme Agreement as modified and/or supplemented and/or restated from time to time, the **Programme Agreement**) dated 25 November 2019, agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under "*Form of the Notes*" and "*Terms and Conditions of the Notes*". In the Programme Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future update of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

United States

The Notes have not been and will not be registered under the Securities Act or the securities laws of any state of other jurisdiction of the United States 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 or not subject to the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and Treasury regulations promulgated thereunder. The applicable Pricing Supplement will identify whether TEFRA C rules or TEFRA D rules apply or whether TEFRA is not applicable.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the completion of the distribution, as determined and certified by the relevant Dealer or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager, of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S of the Securities Act. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Each issuance of Notes which are also Index Linked Notes or Dual Currency Notes shall be subject to such additional U.S. selling restrictions as the Issuer and the relevant Dealer may agree as a term of the issuance and purchase of such Notes, which additional selling restrictions shall be set out in the applicable Pricing Supplement.

Prohibition of sales to EEA Retail Investors

Unless the Pricing Supplement in respect of any Notes specifies “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to any retail investor in the EEA. For the purposes of this provision:

- (a) the expression **retail investor** means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); or
 - (ii) a customer within the meaning of Directive (EU) 2016/97 where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the **Prospectus Regulation**); and
- (b) the expression an **offer** includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the Pricing Supplement in respect of any Notes specifies “Prohibition of Sales to Retail Investors” as “Not applicable”, in relation to each Member State of the EEA, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to the public in that Member State except that it may make an offer of such Notes to the public in that Member State:

- (a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (c) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Notes referred to in (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision the expression an **offer of Notes to the public** in relation to any Notes in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes and the expression **Prospectus Regulation** means Regulation (EU) 2017/1129.

United Kingdom

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

- (a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000, as amended (**FSMA**) by the Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No.25 of 1948, as amended; the **FIEA**) and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Ireland

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

- (a) it will not underwrite the issue of, or place, the Notes otherwise than in conformity with the provisions of the European Communities (Markets in Financial Instruments) Regulations 2017 (S.I. No. 375 of 2017) (as amended, the **MiFID Regulations**) including, without limitation, Regulation 5 (Requirement for authorisation (and certain provisions concerning MTFs and OFTs)) thereof, any codes of conduct made under the MiFID Regulations, and the provisions of the Investor Compensation Act 1998 of Ireland (as amended);
- (b) it will not offer, sell, underwrite, place or do anything in Ireland in respect of the Notes otherwise than in compliance with the provisions of the Companies Act 2014 (as amended, the **Companies Act**), the Central Bank Acts 1942 to 2018 of Ireland (as amended) and any codes of practice made under Section 117(1) of the Central Bank Act 1989 of Ireland (as amended);
- (c) it will not offer, sell, underwrite the issue of, place or do anything in Ireland in respect of the Notes otherwise than in compliance with the Market Abuse Regulation (EU596/2014) (as amended) and any rules and guidance issued by the Central Bank of Ireland under Section 1370 of the Companies Act; and
- (d) it will not offer, sell, underwrite, place or do anything in Ireland in respect of the Notes otherwise than in compliance with the Prospectus Regulations and any rules issued under Section 1363 of the Companies Act by the Central Bank of Ireland.

Belgium

Other than in respect of Notes for which "Prohibition of Sales to Belgian Consumers" is specified as "Not Applicable" in the applicable Pricing Supplement, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that an offering of Notes may not be advertised to any individual in Belgium qualifying as a consumer within the meaning of Article I.1 of the Belgian Code of Economic Law, as amended from time to time (a **Belgian Consumer**) and that it has not offered, sold or resold, transferred or delivered, and will not offer, sell, resell, transfer or deliver, the Notes, and that it has not distributed, and will not distribute, any prospectus, memorandum, information circular, brochure or any similar documents in relation to the Notes, directly or indirectly, to any Belgian Consumer.

General

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Offering Circular and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer, the Trustee nor any of the other Dealers shall have any responsibility therefor.

None of the Issuer, the Trustee and the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Tranche, the relevant Dealer will be required to comply with such other restrictions as the Issuer and the relevant Dealer shall agree and as shall be set out in the subscription agreement, dealer accession and confirmation letters or the applicable Pricing Supplement.

GENERAL INFORMATION

Authorisation

The establishment and update of the Programme and the issue of Notes have been duly authorised by a resolution of the Board of Directors of the Issuer dated 26 September 2016 and 26 July 2019.

Listing of Notes

Application has been made to the Irish Stock Exchange plc trading as Euronext Dublin for Notes issued under the Programme for a period of twelve months from the date of this Offering Circular to be listed and admitted to trading on its Global Exchange Market.

Documents Available

For so long as Notes are listed and admitted to trading on the Global Exchange Market, copies of the following documents will, when published, be available for inspection (by physical and/or electronic means) from the registered office of the Issuer and from the specified offices of the Paying Agents for the time being in London:

- (a) the constitutional documents of the Issuer;
- (b) the audited consolidated financial statements of the Issuer in respect of the financial years ended 31 December 2017 and 31 December 2018, in each case together with the audit report prepared in connection therewith. The Issuer currently prepares audited consolidated accounts on an annual basis;
- (c) the Trust Deed, the Agency Agreement, and the forms of the Global Notes, the Notes in definitive form, the Receipts, the Coupons and the Talons;
- (d) a copy of this Offering Circular; and
- (e) any future offering circulars, prospectuses, information memoranda, supplements and Pricing Supplements (save that Pricing Supplements relating to a Tranche of Notes which is not admitted to listing, trading and/or quotation on any listing authority stock exchange and/or quotation system will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer, the Trustee or the Paying Agent as to its holding of Notes and identity) to this Offering Circular and any other documents incorporated herein or therein by reference.

Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The appropriate Common Code and ISIN for each Tranche of Notes allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Pricing Supplement. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Pricing Supplement.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, S.A., 42 Avenue JF Kennedy, L-1855 Luxembourg.

Conditions for determining price

The price and amount of Notes to be issued under the Programme will be determined by the Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions.

Significant or Material Change

There has been no significant change in the financial or trading position of the Issuer since 31 December 2018 and there has been no material adverse change in the financial position or prospects of the Issuer since 31 December 2018.

Litigation

Neither the Issuer nor any other member of the GNI Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this document which may have or have in such period had a significant effect on the financial position or profitability of the Issuer or the GNI Group.

Auditors

The auditors of the Issuer are Deloitte & Touche, Chartered Accountants and members of the Institute of Chartered Accountants in Ireland, who have audited the Issuer's accounts, without qualification, in accordance with International Standards on Auditing (UK and Ireland) for each of the two financial years ended on 31 December 2017 and 31 December 2018. The auditors of the Issuer have no material interest in the Issuer.

Post-issuance information

The Issuer does not intend to provide any post-issuance information in relation to any issues of Notes.

Dealers transacting with the Issuer

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.

Certain of the Dealers and their affiliates may have positions, deal or make markets in the Notes issued under the Programme, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer and its affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities.

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

views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Legal Entity Identifier (LEI)

The Issuer's Legal Entity Identifier code is 54930043FTE0M50CGG56.

Websites

No website referred to in this Offering Circular forms part of this document for the purposes of the listing of any Notes on the Irish Stock Exchange.

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