

ASML

ASML Holding N.V.
Veldhoven, the Netherlands

€500,000,000 0.625% NOTES DUE 2022

€1,000,000,000 1.375% NOTES DUE 2026

Issue Price Notes due 2022: 99.672%

Issue Price Notes due 2026: 99.288%

Interest payable on 7 July

The Notes due 2022 will mature on 7 July 2022 (the "2022 Notes"). The Notes due 2026 will mature on 7 July 2026 (the "2026 Notes", and together with the 2022 Notes, the "Notes"). Interest on the Notes will accrue from 7 July 2016, and the first interest payment will be made on 7 July 2017.

Application has been made to the Luxembourg Stock Exchange in its capacity as competent authority under the Luxembourg act dated 10 July 2005 on prospectuses for securities, as amended (the "Prospectus Act 2005") to approve this Offering Memorandum as a prospectus for the purposes of Article 61 of the Prospectus Act 2005.

Application has also been made to admit the Notes to listing on the Official List of the Luxembourg Stock Exchange and for trading on the Euro MTF Market of the Luxembourg Stock Exchange ("Euro MTF Market"). The Euro MTF Market is not a regulated market within the meaning of Directive 2004/39/EC on markets in financial instruments, as amended.

This Offering Memorandum has not been approved by and will not be submitted for approval to the Commission de surveillance du secteur financier of Luxembourg. The Notes may not be offered or sold to the public in Luxembourg, directly or indirectly, and neither this Offering Memorandum nor any other circular, prospectus, form of application, advertisement, communication or other material may be distributed, or otherwise made available in or from, or published in, Luxembourg except (i) for the sole purpose of the admission to trading of the Notes on the Euro MTF Market and listing of the Notes on the Official List of the Luxembourg Stock Exchange and (ii) in circumstances which do not constitute an offer of securities to the public within the meaning of the Prospectus Act 2005.

The Notes may be redeemed at the option of ASML (as defined below), (i) at any time prior to the maturity of the Notes in whole, but not in part, at a price of 100% of the principal amount of the Notes, plus accrued and unpaid interest if ASML is required to pay additional amounts (gross-up payments) on the Notes for reasons of taxation, (ii) at any time prior to the maturity of the Notes in whole or in part, at a price of 100% of the principal amount of the Notes, plus accrued and unpaid interest plus a "make-whole" premium and (iii) in the three-months period prior to the relevant Maturity Date of the Notes in whole, but not in part, at a price of 100% of the principal amount of the Notes, plus accrued and unpaid interest.

For a more detailed description of the Notes, see "Terms and Conditions of the 2022 Notes" beginning on page 38 and "Terms and Conditions of the 2026 Notes" beginning on page 52.

The Notes will be general unsecured obligations of ASML and will rank equally with ASML's existing and future unsecured senior debt.

Investing in the Notes involves risks. See "Risk Factors" beginning on page 19.

*The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**), and are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons.*

For a further description of certain restrictions on the offering and sale of the Notes, see "Subscription and Sale" beginning on page 72.

The Managers expect to deliver the Notes to purchasers in book-entry form through Euroclear and Clearstream on 7 July 2016.

Global Coordinator

J.P. Morgan

Joint Lead Managers

Commerzbank

ING

J.P. Morgan

Rabobank

Co-Lead Managers

BofA Merrill Lynch

Citigroup

SMBC Nikko

6 July 2016

The Issuer accepts responsibility for the information contained in this Offering Memorandum. To the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case), the information contained in this Offering Memorandum is in accordance with the facts and does not omit anything likely to affect the importance of such information.

No person is authorized to give any information or to make any representation not contained or incorporated by reference in this Offering Memorandum and any information or representation not contained or incorporated herein must not be relied upon as having been authorized by or on behalf of ASML or Commerzbank Aktiengesellschaft (**Commerzbank**), Coöperatieve Rabobank U.A. (**Rabobank**), ING Bank N.V. (**ING**), J.P. Morgan Securities plc (**J.P. Morgan**), Citigroup Global Markets Limited (**Citigroup**), Merrill Lynch International (**BofA Merrill Lynch**) and SMBC Nikko Capital Markets Ltd. (**SMBC**, together with Commerzbank, Rabobank, ING, J.P. Morgan, BofA Merrill Lynch, Citigroup and SMBC, the **Managers**). Neither the delivery of this Offering Memorandum nor any sale made hereunder at any time shall, under any circumstances, create any implication that the information herein is correct as of any time subsequent to the date hereof.

Neither this Offering Memorandum nor any other information supplied in connection with the offering of the 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 or any of the Managers that any recipient of this Offering Memorandum or any other information supplied in connection with the offering of the 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 Memorandum nor any other information supplied in connection with the offering of the Notes constitutes an offer or invitation by or on behalf of the Issuer or any of the Managers to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Offering Memorandum nor the offering, sale or delivery of the 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 offering of the

Notes is correct as of any time subsequent to the date indicated in the document containing the same. The Managers expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Notes or to advise any investor in the Notes of any information coming to their attention.

No action has been taken in any jurisdiction that would permit a public offering of the Notes or possession or distribution of this Offering Memorandum or any other offering material in any jurisdiction where action for that purpose is required to be taken. This Offering Memorandum does not constitute an offer of or an invitation by or on behalf of ASML or the Managers or any affiliate or representative thereof to subscribe for or to purchase, any securities or an offer to sell or the solicitation of an offer to buy any securities by any person in circumstances or in any jurisdiction in which such offer or solicitation is unlawful. The distribution of this Offering Memorandum and the offering of the Notes in certain jurisdictions may be restricted by law. Persons in whose possession this Offering Memorandum comes must inform themselves about and observe any such restrictions.

This Offering Memorandum has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented Directive 2003/71/EC, as amended (the **Prospectus Directive**) (each, a **Relevant Member State**) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, 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 Memorandum may only do so in circumstances in which no obligation arises for the Issuer or any Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Manager has authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or any Manager to publish or supplement a prospectus for such offer.

This communication is directed only at persons who (i) are outside the United Kingdom or (ii) have professional experience in matters relating to investments or (iii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations, etc") of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (all such persons together being referred to as "relevant persons"). This Offering Memorandum must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this Offering Memorandum relates is available only to relevant persons and will be engaged in only with relevant persons.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**), and may not be sold or offered within the United States except pursuant to an exemption from the registration requirements under or in a transaction not subject to the Securities Act. Accordingly, the Notes are being offered and sold only outside the United States to non-U.S. persons in offshore transactions as defined in and in reliance on Regulation S under the Securities Act. Neither the United States Securities and Exchange Commission (the **Commission** or **SEC**) nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy of this Offering Memorandum. Any representation to the contrary is a criminal offence in the United States. For a further description of certain restrictions on the offering and sale of the Notes and on distribution of this document, see "Subscription and Sale" below.

This Offering Memorandum may only be used in connection with the offer and sale of the Notes.

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

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Offering Memorandum or any applicable supplement;

- (ii) have 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) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

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) the Notes are legal investments for it, (2) the Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of the Notes. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.

The Notes are intended to be held in a manner which will allow Eurosystem eligibility. This simply means that the Notes are intended upon issue to be deposited with one of the ICSDs (International Central Securities Depositories) 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 satisfaction of the Eurosystem eligibility criteria.

PRESENTATION OF INFORMATION

In this Offering Memorandum, unless the context otherwise requires, the terms **ASML**, the **Company**, "we", "us" and "our" mean ASML Holding N.V., a Netherlands corporation, and its consolidated subsidiaries, and the term **Issuer** refers to ASML Holding N.V. without its subsidiaries.

In this Offering Memorandum, references to € or **euro** are to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended and references to **U.S. dollars** are to United States dollars and references to the U.S. are to the United States of America.

FORWARD-LOOKING STATEMENTS

This Offering Memorandum contains and incorporates by reference forward looking statements, including statements with respect to our outlook, including expected customer demand in specified market segments including memory, logic and foundry, expected trends, expected liquidity and capital structure, expected shipment of tools, systems backlog, expected financial results and expected sales trends, including expected sales, other income, gross margin and expenses, R&D and selling, general and administrative expenses, and effective tax rate, annual revenue opportunity for ASML and earnings per share potential by end of decade, productivity of our tools and systems performance, TWINSCAN and EUV system performance (such as endurance tests), expected industry trends, statements with respect to expected system shipments, including the number of EUV systems expected to be shipped and timing of shipments and recognition in revenue and other EUV targets (including availability, productivity and shipments) and roadmaps, shrink being key driver to industry growth, the expected continuation of Moore's law and that EUV will continue to enable Moore's law and drive long term value, goals for holistic lithography, intention to return excess cash to shareholders, statements relating to the acquisition of Hermes Microvision Inc. (**HMI**), including obtaining the necessary regulatory and shareholder approvals and the expected benefits of the acquisition, including the expected integration of technologies and benefit to chipmakers, the expected timing of closing of the acquisition and its effects on ASML and HMI's business and technologies, HMI's technologies and the plan to integrate those technologies with ASML's technologies, the expected acceleration of product offering and accelerated roadmaps and expected benefits to the semiconductor industry, and statements about our proposed dividend, dividend policy and intention to repurchase shares. You can generally identify these statements by the use of words like "may", "will", "could", "should", "project", "believe", "anticipate", "expect", "plan", "estimate", "forecast", "potential", "intend", "continue" and variations of these words or comparable words.

These forward-looking statements are subject to risks and uncertainties including, but not limited to: economic conditions, product demand and semiconductor equipment industry capacity, worldwide demand and manufacturing capacity utilization for semiconductors (the principal product of our customer base), including the impact of general economic conditions on consumer confidence and demand for our customers' products, competitive products and pricing, the impact of manufacturing efficiencies and capacity constraints, performance of our systems, the continuing success of technology advances and the related pace of new product development and customer acceptance of new products, the number and timing of EUV systems expected to be shipped and recognized in revenue, delays in EUV systems production and development, our ability to enforce patents and protect intellectual property rights, the risk of intellectual property litigation, availability of raw materials and critical manufacturing equipment, trade environment, changes in exchange rates, changes in tax rates, available cash and liquidity, our ability to complete the acquisition of HMI and the timing of completion and our ability to successfully integrate HMI, the risk that the expected benefits of the acquisition will not occur and the risk of unforeseen liabilities in connection with the acquisition, our ability to refinance our indebtedness, distributable reserves for dividend payments and share repurchases, and other risks indicated in the risk factors included in ASML's Annual Report on Form 20-F and other filings with the Commission, and those discussed under the heading "Risk Factors" in this Offering Memorandum. These forward-looking statements are made only as of the date of this Offering

Memorandum. We do not undertake to update or revise the forward-looking statements, whether as a result of new information, future events or otherwise.

ASML's principal executive and registered office is located at De Run 6501, 5504 DR Veldhoven, the Netherlands, and its telephone number is +31-40-268-3000.

TABLE OF CONTENTS

No table of contents entries found.In connection with the issue of any Notes, J.P. Morgan Securities plc (**Stabilization Manager**) or persons acting on behalf of the Stabilization Manager) 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, there is no assurance that the Stabilization Manager (or persons acting on behalf of the Stabilization Manager) will undertake stabilization action. Any stabilization action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 calendar days after the issue date of the Notes and 60 calendar days after the date of the allotment of the Notes. Any stabilization action or over-allotment must be conducted by the Stabilization Manager (or persons acting on behalf of the Stabilization Manager) in accordance with all applicable laws and rules.

AVAILABLE INFORMATION

ASML is subject to the informational reporting requirements of the U.S. Securities Exchange Act of 1934 (the **Exchange Act**) and in accordance therewith files reports and other information with the Commission. These reports and other information can be inspected, and copies can be obtained, at the Public Reference Room of the Commission located at 100 F Street, N.E., Room 1580, Washington, DC 20549 U.S.A. at prescribed rates. The Commission also maintains a website that contains reports and other information regarding registrants that file electronically with the Commission, including ASML. The address of this website is <http://www.sec.gov>. For further information on the operation of the public reference facilities call the Commission at +1-800-732-0330.

ASML makes available annual reports in English containing consolidated annual financial statements of the Company prepared on the basis of accounting principles generally accepted in the United States (**US GAAP**), as well as consolidated statutory financial statements of ASML prepared in accordance with International Financial Reporting Standards as adopted by the European Union (**IFRS**), in each case accompanied by an auditor's report thereon by its independent auditor. ASML also makes available unaudited consolidated condensed interim financial statements prepared on the basis of US GAAP and unaudited consolidated condensed interim financial statements prepared in accordance with IFRS after the end of each quarter. ASML also makes available unaudited consolidated condensed interim financial statements prepared in accordance with IAS 34, "Interim Financial Reporting", at the end of each first half year.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

We incorporate by reference into this Offering Memorandum the documents listed below, which have also been filed with or submitted to the Commission:

1. ASML's Annual Report on Form 20-F for the fiscal year ended 31 December 2015 (the **2015 Form 20-F**);
2. ASML's most recent unaudited interim consolidated quarterly financial statements, included in the Report of Foreign Private Issuer on Form 6-K submitted to the Commission on 20 April 2016, including exhibits 99.1 and 99.3 to that Form 6-K;
3. ASML's press release regarding the acquisition of HMI, filed as Exhibit 99.1 to the Report of Foreign Private Issuer on Form 6-K submitted to the Commission on 16 June 2016; and
4. ASML's Articles of Association.

This Offering Memorandum is qualified in its entirety by the more detailed information contained in these reports.

In addition, all documents or reports filed by ASML pursuant to Section 13(a), 13(c) or 13(d) of the Exchange Act and, to the extent delivered with or as a supplement to this Offering Memorandum, certain Reports on Form 6-K submitted to the Commission by ASML after the date of this Offering Memorandum and prior to the termination of the offering contemplated hereby, shall be deemed to be incorporated by reference in this Offering Memorandum and to be a part hereof from the date of filing or submitting of such documents or reports, to the extent not superseded by documents or reports subsequently filed or submitted.

Any statement contained herein or in a document incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Offering Memorandum to the extent that a statement contained herein or therein or in any other subsequently filed document which also is incorporated by reference herein modifies or replaces such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Offering Memorandum.

The table below sets out the relevant page references for the information incorporated into this Offering Memorandum by reference.

Information Incorporated by Reference	Page Reference
Business Overview	15 up to and including 21 of the 2015 Form 20-F
Organizational Structure	21 of the 2015 Form 20-F
Operating and Financial Review and Prospects (including Trend Information)	22 up to and including 32 of the 2015 Form 20-F (including Trend Information on pages 30-31)
Directors, Senior Management and Employees	32 up to and including 38 of the 2015 Form 20-F
Major Shareholders and Related Party Transactions	38 up to and including 39 of the 2015 Form 20-F
Material Contracts	42 up to and including 44 of the 2015 Form 20-F
Quantitative and Qualitative Disclosures About Market Risk	49 up to and including 50 of the 2015 Form 20-F
<i>Audited annual consolidated financial statements of ASML prepared in accordance with US GAAP for the financial year ended 31 December 2015</i>	
Consolidated Statements of Operations	F-2 of the 2015 Form 20-F
Consolidated Statements of Comprehensive Income	F-3 of the 2015 Form 20-F
Consolidated Balance Sheets	F-4 of the 2015 Form 20-F
Consolidated Statements of Shareholders' Equity	F-5 up to and including F-6 of the 2015 Form 20-F

Consolidated Statements of Cash Flows	F-7 up to and including F-8 of the 2015 Form 20-F
Notes to the Consolidated Financial Statements	F-9 up to and including F-49 of the 2015 Form 20-F
Report of Independent Registered Public Accounting Firm	F-50 of the 2015 Form 20-F

Unaudited interim consolidated financial statements of ASML prepared in accordance with US GAAP for the period between 1 January 2016 up to and including 3 April 2016

Statements of Operations.....	Exhibit 99.3 of the Q1 2016 Form 6-K
Balance Sheets.....	Exhibit 99.3 of the Q1 2016 Form 6-K
Statements of Cash Flows	Exhibit 99.3 of the Q1 2016 Form 6-K
Notes to the Financial Statements	Exhibit 99.3 of the Q1 2016 Form 6-K

SUMMARY

The following summary is qualified in its entirety by the more detailed information and consolidated financial statements, including the notes thereto, incorporated by reference in this Offering Memorandum. The information disclosed in this section should therefore be read in conjunction with, our financial statements and the accompanying notes to the consolidated financial statements included in our 2015 Form 20-F. In addition, prospective purchasers should carefully consider the factors set forth herein under "Risk Factors".

The Company

Introduction

ASML is one of the world's leading manufacturers of chip-making equipment. We are a multinational company with over 70 locations in 16 countries, headquartered in Veldhoven, the Netherlands. As of 31 December 2015, we employed 12,168 payroll employees (2014: 11,318) and 2,513 temporary employees (2014: 2,754), measured in FTEs. ASML is traded on Euronext Amsterdam and NASDAQ under the symbol ASML.

Our Vision and Mission

Our vision is to enable affordable microelectronics that improve the quality of life. To achieve this, our mission is to invent, develop, manufacture and service advanced technology for high-tech lithography, metrology and software solutions for the semiconductor industry. ASML's guiding principle is continuing Moore's Law towards ever smaller, cheaper, more powerful and energy-efficient semiconductors. This results in increasingly powerful and capable electronics, with faster processing speeds, that enable the world to progress within a multitude of fields, including healthcare, technology, communications, energy, mobility, and entertainment. ASML creates economic value with strong financial results; social value by enhancing the welfare of our employees, suppliers and the communities we operate in; and environmental value by improving the energy efficiency of chips.

Business Strategy

The long-term growth of the semiconductor industry is based on the principle that the power, cost and time required for every computation on a digital electronic device can be reduced by shrinking the size of transistors on chips. In 2015, chip makers produced electronic chip features with geometries between 28 and 20 nm routinely, compared to typical geometries of 10,000 nm in the early 1970s, resulting in an increase in the number of transistors on leading chips from several thousand to over two billion. This trend was first observed by Intel co-founder Gordon Moore in 1965, and is referred to as "Moore's law". Moore's law is reflected in ever smaller, cheaper, more powerful and energy-efficient semiconductors. Smaller geometries allow for much lower electrical currents to operate the chip. Using advanced semiconductors in industrial and consumer products often provides economic benefits, user-friendliness and increased safety. The technology revolution powered by the semiconductor industry has brought many advantages: not only can information be more widely disseminated than ever before, but affordable chip intelligence has also enabled industry and service sectors to create and distribute products and ideas at high speed.

We are a focused supplier of equipment to integrated circuit (IC) manufacturers, providing high-performance lithography, metrology and software solutions that enable our customers to continue the feature shrink that underpins Moore's law in a cost-effective way. Where there is a compelling customer benefit and industrial logic, we may expand into adjacent markets serving IC manufacturers. Finally, with a view to the future, we will explore areas outside of IC or lithography where we can apply our strengths in creating advanced systems that are geared for high throughput, reliable operation and extreme accuracy. To realize this we focus our internal efforts on technology leadership, strong customer and supplier relationships, and great people. This is complemented with showing responsible behavior as a prerequisite in executing our strategy.

Technology Leadership

Moore's law is the industry's roadmap. It tells us where the industry wants to be in two years, five years or even 10 years from now. For three decades, we have kept up with Moore's law by constantly improving the capabilities of our lithography systems, meeting the needs of our customers allowing them make smaller, faster and more energy-efficient chips.

To make this happen, we invest heavily in developing cutting-edge technology. We employ more than 5,000 engineers in R&D, with an annual budget of over €1.0 billion. Our major R&D sites are in Veldhoven, the Netherlands, Wilton, Connecticut in the US, Santa Clara and San Diego, both California in the US, Linkou, Taiwan and Shenzhen, China. This R&D investment results in constant innovation, enabling our customers to develop chips for new devices and new applications, benefiting us all: from smartphones and wearable sensors, to tablets and car electronics.

As part of our innovative culture we make investments to further mature management processes to identify, create and share knowledge inside and outside of our organization. We also invest in product stewardship. This means we design systems that can produce ever smaller electronic circuits. This in turn allows our customers to produce 'low power' chips that require fewer natural resources and use less energy over their lifetime compared to older-generation chips. We also strive to make our own systems more resource efficient, enabling our customers to reduce the carbon footprint per wafer produced.

Strong Customer and Supplier Relationships

Since ASML's early days, we have developed our systems in a cooperative network of partners (including suppliers, universities and research institutes). Many disciplines have to come together to make our systems work, from mechanical and electrical engineering to optics and highly advanced software controls. ASML focuses on its role as a system architect and system integrator. We work with hundreds of technology companies that supply most of the components in our systems and often do substantial research and development work themselves. This model is our approach to 'Open Innovation'.

A good example is our relationship with Carl Zeiss SMT GmbH (**Zeiss**) in Germany, which for more than two decades has developed and manufactured the lenses for our lithography systems.

Open Innovation benefits everyone involved. It opens up fast access to leading-edge knowledge and skills in a wide range of technologies, provides the flexibility required to adjust to changing business needs and product requirements and leads to affordable solutions in terms of development and cost.

Staying ahead of the technology curve and ensuring our products are not outdated before they are even launched, requires us to share roadmaps, risk and rewards with our partners. This means giving suppliers real responsibility and incentive to improve; not imposing our way of working but learning from others and sharing our business context so our partners can think along with us. The quality of our relationships with both customers and suppliers are key measures for success.

Great people

ASML is an inspiring place where employees work, meet, learn and share in multidisciplinary and multinational teams. We push the boundaries of technology, and for that we need the most creative minds in physics, electronics, mechatronics, software and precision engineering. We offer all our people the opportunity to develop their talents and a working environment in which they feel included, engaged and can perform. Our thousands of engineers must effectively work together to ensure that our products ship on time and perform according to specifications, which requires a disciplined systems engineering approach. We thus continuously strike the balance between giving our engineers the creative freedom to solve the big technology challenges and ensuring that we deliver what our customers need, when they need it. Our measures for success include evaluating employee engagement and our organization's ability to nurture talent.

Responsible Business Behavior

ASML is committed to behaving responsibly - it's at the foundation of our company. This means doing business according to high ethical and professional standards. We seek to comply with the laws and

regulations applicable in the countries and regions where we operate. We have a moral obligation to provide safe and healthy working conditions for our employees while minimizing our impact on the environment. We expect our people to respect human rights and expect the same from our business partners. Our Code of Conduct and Business Principles help us and our business partners to make ethically sound decisions. We also want to contribute to the local communities in which we operate by supporting their activities through collaborative and consultative partnerships. As a measure for responsible business success we evaluate our performance using the results of the RobecoSAM sustainability assessment, which are the basis for the Dow Jones Sustainability Indices.

RECENT DEVELOPMENTS

On 16 June 2016, we entered into agreements to acquire all outstanding shares of HMI in a cash transaction valued at about TWD 100 billion (approximately EUR 2.75 billion at exchanges rates as of 16 June 2016).

HMI is headquartered in Taiwan, with sales and research subsidiaries in the U.S., China, Korea and Japan. As of 31 May 2016, it employed 647 employees worldwide. HMI is listed on the Taipei Exchange. HMI is the leading supplier of electronic beam (e-beam) wafer inspection tools for semiconductor factories and in this field delivers multiple product lines for various R&D and production applications.

We believe HMI's advanced e-beam inspection tools and solutions, focusing on high resolution and voltage contrast imaging, may address the challenges chip makers are facing as the size of semiconductors becomes smaller. The acquisition is expected to allow us and HMI to further integrate and enhance product offering at an accelerated pace and to accelerate both companies' roadmap development. We expect that the integration of HMI's e-beam solutions with our own technologies will positively affect the lithography, metrology and software solutions that we offer the semiconductor industry and will provide the ability to adjust our products for optimal operation in the customer's factories. Therefore, we believe the transaction would very well fit within our holistic lithography strategy.

The acquisition of HMI is expected to close in the fourth quarter of 2016 and is subject to customary closing conditions, including review by Taiwanese, U.S. and international regulators. Closing is also subject to approval by HMI's shareholders. Please refer to paragraph 1 under the heading "General Information" for more information on the status of the transaction.

THE OFFERING

Securities Offered	€500,000,000 principal amount of 0.625% Notes due 2022. €1,000,000,000 principal amount of 1.375% Notes due 2026.
Maturity	7 July 2022 for the 2022 Notes and 7 July 2026 for the 2026 Notes.
Issue Price	99.672% for the 2022 Notes and 99.288% for the 2026 Notes.
Issue Date	7 July 2016.
Interest Rate	0.625% per annum for the 2022 Notes and 1.375% per annum for the 2026 Notes.
Interest Payment Dates	7 July of each year, commencing 7 July 2017.
Tax Redemption	The Notes may be redeemed at the option of ASML, at any time, in whole, but not in part, at their principal amount, together with interest accrued to the date fixed for redemption, if (i) it 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 the Netherlands or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after 6 July 2016 and (ii) such obligation cannot be avoided by it taking reasonable measures available to it. See "Terms and Conditions of the 2022 Notes — 5. Redemption and Purchase — 5.2 Redemption for tax reasons" for the 2022 Notes and "Terms and Conditions of the 2026 Notes — 5. Redemption and Purchase — 5.2 Redemption for tax reasons" for the 2026 Notes.
Make-whole Redemption	The Notes may be redeemed at the option of ASML, at any time prior to the maturity of the Notes in whole or in part, at a price equal to 100% of the principal amount of the Notes, plus accrued and unpaid interest plus a "make-whole" premium. See "Terms and Conditions of the 2022 Notes — 5. Redemption and Purchase — 5.4 Make-whole redemption at the option of the Issuer" for the 2022 Notes and "Terms and Conditions of the 2026 Notes — 5. Redemption and Purchase — 5.4 Make-whole redemption at the option of the Issuer" for the 2026 Notes.
Refinancing Redemption	The Notes may be redeemed at the option of ASML in whole, but not in part, from and including 7 April 2022 for the 2022 Notes and 7 April 2026 for the 2026 Notes, respectively, to but excluding the relevant Maturity Date at a price equal to 100% of the principal amount of the Notes plus accrued and unpaid interest. See "Terms and Conditions of the 2022 Notes — 5. Redemption and Purchase — 5.5 Refinancing redemption at the option of the Issuer" for the 2022 Notes and "Terms and Conditions of the 2022 Notes — 5. Redemption and Purchase — 5.5 Refinancing redemption at the option of the Issuer" for the 2026 Notes.

Change of Control	In the event of a change of control relating to ASML and a subsequent downgrade of the rating of the Notes in respect of such change of control, or if the Notes do not have a credit rating, no investment grade credit rating in respect of the Notes is obtained, within a certain period after announcement of that change of control, each holder of the Notes will have the right to require ASML to redeem all of such holder's Notes at 101% of their principal amount, plus accrued and unpaid interest. See "Terms and Conditions of the 2022 Notes — 5. Redemption and Purchase — 5.3 Redemption at the option of Noteholders upon a Change of Control" for the 2022 Notes and "Terms and Conditions of the 2022 Notes — 5. Redemption and Purchase — 5.3 Redemption at the option of Noteholders upon a Change of Control" for the 2026 Notes.
Ranking	The Notes will be unsecured obligations of ASML, subordinated in right of payment to ASML's secured debt to the extent of the value of the assets securing such debt. In addition, because ASML is a holding company, the Notes will be structurally subordinated to all existing and future liabilities of ASML's subsidiaries. The Notes will rank equally in right of payment with all ASML's existing and future unsecured unsubordinated debt and will be senior to any future senior subordinated or subordinated debt. The Terms and Conditions of the Notes do not limit the amount of liabilities ranking senior to the Notes that may hereafter be incurred or assumed by the Company. See "Terms and Conditions of the 2022 Notes — 2. Status" for the 2022 Notes and "Terms and Conditions of the 2026 Notes — 2. Status" for the 2026 Notes.
Dutch Taxation	Currently the Netherlands does not impose any withholding or deduction for taxes in respect of payments on the Notes. In the event that any withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature is required by law in the Netherlands or any political subdivision thereof or any authority therein or thereof having power to tax, the Issuer shall pay such additional amounts such that Noteholders will receive after such withholding or deduction such amounts as would have been received by them had no such withholding or deduction been required, subject to exceptions. See "Netherlands Taxation" and "Terms and Conditions of the 2022 Notes — 7. Taxation" for the 2022 Notes and "Terms and Conditions of the 2026 Notes — 7. Taxation" for the 2026 Notes.
Fiscal Agent	Deutsche Bank AG, London Branch.
Paying Agent	Deutsche Bank Luxembourg S.A.
Credit Ratings	The Notes are expected to be assigned a rating of BBB+ by Fitch Ratings Limited (Fitch) and Baa1 by Moody's Investors Service Limited (Moody's). A credit rating is not a recommendation to buy, sell or hold securities and is subject to suspension, reduction or withdrawal at any time by the assigning rating agency. A suspension, reduction or withdrawal of a credit rating assigned to the Issuer may adversely affect the market price of the Notes.
Settlement, Book-Entry and Form	The Notes will initially be represented by a temporary bearer Global Note which will be exchanged for a permanent bearer Global Note, each in New Global Note form, with interest coupons attached, deposited with a common

safekeeper for Euroclear and Clearstream. Except in certain limited circumstances, definitive bearer Notes will not be issued in exchange for beneficial interests in global notes. See "Summary of Provisions Relating to the Notes in Global Form". It is expected that delivery of the Notes will be made against payment on or about 7 July 2016.

Absence of a Public Market in the Notes	The Notes are new securities, and there is currently no established trading market for them. Accordingly, there can be no assurance as to the development or liquidity of any market for any of the Notes. J.P. Morgan Securities plc has advised ASML that it intends to make a market in the Notes. However, it is not obliged to do so, and may discontinue any market making with respect to the Notes at any time in its sole discretion.
Listing	Application has been made to admit the Notes to listing on the Official List of the Luxembourg Stock Exchange and for trading on the Euro MTF Market of that exchange.
Governing Law	The Notes and the Agency Agreement (as defined herein) and any non-contractual obligations arising out of or in connection with them will be governed by the laws of the Netherlands.
Selling Restrictions	There are selling restrictions in relation to the United States, the Netherlands, the United Kingdom, Luxembourg and Japan. See "Subscription and Sale".
Covenants	ASML will issue the Notes pursuant to the Agency Agreement with Deutsche Bank AG, London Branch and Deutsche Bank Luxembourg S.A. The Agency Agreement will, among other things, limit our ability to incur liens on "Public Debt", subject to a number of important exceptions. See "Terms and Conditions of the 2022 Notes — 3. Negative Pledge" for the 2022 Notes and "Terms and Conditions of the 2026 Notes — 3. Negative Pledge" for the 2026 Notes.
Use of Proceeds	The net proceeds from the sale of the Notes offered will be approximately €1,486,490,000. ASML expects to use the net proceeds from this offering (i) to fund acquisitions, including the partial funding of the acquisition of HMI, (ii) for capital structure optimization, including for an acceleration of share buybacks under its existing program, and (iii) for general corporate purposes.
Clearing and Settlement	Delivery of the Notes will be made through the book-entry facilities of Euroclear Bank SA/NV (Euroclear), and Clearstream Banking SA (Clearstream).
ISIN	XS1405774990 for the 2022 Notes and XS1405780963 for the 2026 Notes.
Common Code	140577499 for the 2022 Notes and 140578096 for the 2026 Notes.

**SUMMARY CONSOLIDATED CONDENSED ANNUAL FINANCIAL STATEMENTS AND
OTHER DATA (US GAAP)**

	Year ended 31 December				
	2015	2014	2013	2012	2011
	€	€	€	€	€
	(in thousands, except per share data)				
Consolidated Statements of Operations data					
Net sales	6,287,375	5,856,277	5,245,326	4,731,555	5,651,035
Cost of sales	(3,391,631)	(3,259,903)	(3,068,064)	(2,726,298)	(3,201,645)
Gross profit	2,895,744	2,596,374	2,177,262	2,005,257	2,449,390
Other income	83,200	81,006	64,456	-	-
Research and development costs	(1,068,077)	(1,074,035)	(882,029)	(589,182)	(590,270)
Selling, general and administrative costs	(345,732)	(321,110)	(311,741)	(259,301)	(217,904)
Income from operations	1,565,135	1,282,235	1,047,948	1,156,774	1,641,216
Interest and other, net	(16,515)	(8,600)	(24,471)	(6,196)	7,419
Income before income taxes	1,548,620	1,273,635	1,023,477	1,150,578	1,648,635
Provision for income taxes	(161,446)	(76,995)	(7,987)	(4,262)	(181,675)
Net income	1,387,174	1,196,640	1,015,490	1,146,316	1,466,960
Earnings per share data					
Basic net income per ordinary share	3.22	2.74	2.36	2.70	3.45
Diluted net income per ordinary share ⁽¹⁾	3.21	2.72	2.34	2.68	3.42
<i>Number of ordinary shares used in computing per share amounts (in thousands):</i>					
Basic	430,639	437,142	429,770	424,096	425,618
Diluted ⁽¹⁾	432,644	439,693	433,446	426,986	429,053

(1) The calculation of diluted net income per ordinary share assumes the exercise of options issued under our stock option plans and the issuance of shares under our share plans for periods in which exercises or issuances would have a dilutive effect. The calculation of diluted net income per ordinary share does not assume exercise of such options or issuance of shares when such exercises or issuance would be anti-dilutive.

	As of year ended,				
	2015	2014	2013	2012	2011
	€	€	€	€	€
(in thousands, unless indicated otherwise)					
Consolidated Balance Sheets data					
Cash and cash equivalents	2,458,717	2,419,487	2,330,694	1,767,596	2,731,782
Short-term investments	950,000	334,864	679,884	930,005	-
Working capital ⁽¹⁾	4,600,529	4,257,335	4,156,917	3,745,559	3,473,767
Total assets	13,295,031	12,203,945	11,513,730	7,410,478	7,260,815
Long-term debt ⁽²⁾	1,129,685	1,154,137	1,074,570	759,490	736,368
Shareholders' equity	8,388,831	7,512,590	6,922,427	4,066,893	3,444,154
Share capital	38,786	39,426	40,092	37,470	38,354
Ratios and other data					
Gross profit as a percentage of net sales	46.1	44.3	41.5	42.4	43.3
Income from operations as a percentage of net sales	24.9	21.9	20.0	24.4	29.0
Net income as a percentage of net sales	22.1	20.4	19.4	24.2	26.0
Shareholders' equity as a percentage of total assets	63.1	61.6	60.1	54.9	47.4
Systems backlog (in units)	79 ⁽³⁾	82 ⁽⁴⁾	56	46	71
Sales of systems (in units)	169	136	157	170	222
Number of payroll employees (in FTEs)	12,168	11,318	10,360	8,497	7,955
Consolidated Statements of Cash Flows data					
Depreciation, amortization and impairment	299,171	265,172	241,832	189,854	177,457
Net cash provided by operating activities	2,025,580	1,025,206	1,054,173	703,478	2,070,440
Net cash used in investing activities	(1,159,913)	(16,212)	(368,341)	(1,119,833)	(300,898)
Net cash used in financing activities	(833,946)	(928,439)	(113,111)	(545,583)	(991,561)
Net increase (decrease) in cash and cash equivalents	39,230	88,793	563,098	(964,186)	781,948

(1) Working capital is calculated as the difference between total current assets and total current liabilities.

(2) Long-term debt includes the current portion of long-term debt.

(3) As of 2015, our systems backlog and net bookings include all system sales orders for which written authorizations have been accepted (for EUV starting with the NXE:3350B). This change had no impact on the comparative figures.

(4) As of 2014, our systems backlog and net bookings include sales orders for which written authorizations have been accepted and shipment and/or revenue recognition is expected within 12 months. As of 2014 we also include EUV in our backlog starting with our NXE:3350B systems. Before 2014, our systems backlog and net bookings included only sales orders for which written authorizations have been accepted and system shipment and revenue recognition dates within the following 12 months have been assigned. This change had no impact on the comparative figures.

RISK FACTORS

In conducting its business, the Issuer faces many risks that may interfere with its business objectives. Some of these risks relate to its operational processes, while others relate to its business environment. It is important to understand the nature of these risks and the impact they may have on the Issuer's business, financial condition and results of operations. Some of the more relevant risks are described below. The Issuer believes that such factors may affect its ability to fulfil its obligations 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. Furthermore, these risks are not the only ones that the Issuer faces. Some risks may not yet be known to the Issuer and certain risks that the Issuer does not currently believe to be material could become material in the future. In addition, factors which are material for the purpose of assessing the market risks associated with the Notes are described below. Before making an investment decision with respect to any Notes, prospective investors should also read the detailed information set out elsewhere in this Offering Memorandum and should form their own opinions, consult their own stockbroker, bank manager, lawyer, accountant or other financial, legal and tax advisers and carefully review the risks entailed by an investment in the Notes and consider such an investment decision in the light of the prospective investor's personal circumstances.

Risks related to the semiconductor industry

The semiconductor industry is highly cyclical and we may be adversely affected by any downturn

As a supplier to the global semiconductor industry, we are subject to the industry's business cycles, of which the timing, duration and volatility are difficult to predict. The semiconductor industry has historically been cyclical. Sales of our lithography systems depend in large part upon the level of capital expenditures by semiconductor manufacturers. These capital expenditures depend upon a range of competitive and market factors, including:

- the current and anticipated market demand for semiconductors and for products utilizing semiconductors;
- semiconductor prices;
- semiconductor production costs and manufacturing capacity utilization of semiconductor manufacturers;
- semiconductor equipment industry capacity and utilization;
- changes in semiconductor inventory levels;
- general economic conditions; and
- access to capital.

Reductions or delays in capital equipment purchases by our customers could have a material adverse effect on our business, financial condition and results of operations.

In an industry downturn, our ability to maintain profitability will depend substantially on whether we are able to lower our costs and break-even level, which is the level of sales that we must reach in a year to achieve positive net income. If sales decrease significantly as a result of an industry downturn and we are unable to adjust our costs over the same period, our net income may decline significantly or we may suffer losses. As we need to keep certain levels of inventory on hand to meet anticipated product and service demand, we may also incur increased costs related to inventory obsolescence in an industry downturn, and such inventory obsolescence costs may be higher with our newer technology systems such as extreme

ultraviolet lithography (EUV). We have grown in terms of employees, facilities and inventories in recent years, so it may be even more difficult for us to reduce costs in order to respond to an industry downturn. In addition, industry downturns generally result in overcapacity, resulting in downward pressure on sales prices and impairment of assets, including inventories, intangible assets, and machinery and equipment, which in the past has had, and in the future could have, a material adverse effect on our business, financial condition and results of operations.

Current and future instability of the financial markets and the global economy in general can have a number of effects on our business, including (i) declining business and consumer confidence resulting in reduced, or delayed purchase of our products or shorter-term capital expenditures for our products or a delay in transition to newer technology tools; (ii) insolvency of key suppliers resulting in product delays, (iii) an inability of customers to obtain credit to finance purchases of our products, delayed payments from our customers and/or customer insolvencies and (iv) other adverse effects that we cannot currently anticipate. If global economic and market conditions deteriorate, we are likely to experience material adverse impacts on our business, financial condition and results of operations.

Conversely, in anticipation of periods of increasing demand for semiconductor manufacturing equipment, we must maintain sufficient manufacturing capacity and inventory and we must attract, hire, integrate and retain a sufficient number of qualified employees to meet customer demand. Our ability to predict the timing and magnitude of industry fluctuations is limited, and as our products become increasingly sophisticated, the lead-time required to successfully deliver our systems has grown considerably. Accordingly, we may not be able to effectively increase our production capacity to respond to an increase in customer demand in an industry upturn resulting in lost sales, damage to customer relationships and we may lose market share.

We are also subject to trends in the key end markets of our customers - memory and logic, each of which exhibit different levels of cyclicity. Trends in our end markets may be affected by a number of factors, including business conditions in their respective markets (or in the economy generally), consumer confidence, competition, and changing consumer demand. Decreased demand in the end-markets of any of our customers could cause our customers to reduce their purchases of our systems, which could have a material adverse effect on our business, financial condition and results of operations.

Our business will suffer if we or the industry do not respond rapidly to commercial and technological changes in the semiconductor industry

The semiconductor manufacturing industry is subject to:

- rapid change towards more complex technologies;
- frequent new product introductions and enhancements;
- evolving industry standards;
- changes in customer requirements; and
- short product life cycles.

Our success in developing new products and in enhancing our existing products depends on a variety of factors, including the successful management of our research and development (R&D) programs and the timely completion of product development and design relative to competitors. If we do not develop and introduce new and enhanced systems at competitive prices and on a timely basis, our customers will not integrate our systems into the planning and design of new production facilities and upgrades of existing facilities, which would have a material adverse effect on our business, financial condition and results of operations.

In particular, we are investing considerable financial and other resources to develop and introduce new products and product enhancements, such as immersion, EUV and holistic lithography. If we or our suppliers are unable to successfully develop and introduce these products and technologies, or if our customers do not fully adopt the new technologies, products or product enhancements due to a preference for more established or alternative new technologies and products, due to the failure to meet their development roadmaps which require our new technology or for any other reason, this could result in customers continuing to use existing technology tools and we may not recoup all of our investments in these technologies or products, which could have a material adverse effect on our business, financial condition and results of operations.

The success of EUV, which we believe is critical for keeping pace with Moore's law, which postulates that the number of transistors on a chip doubles approximately every 18 to 24 months at equivalent costs, remains dependent on continuing technical advances by us and our suppliers. These advances include in particular advances in technology related to the light source, source power, system availability, and scanner performance, without which EUV tools cannot achieve the productivity and yield required to economically justify the higher price of these tools. A delay in the development of these tools or a delay in such tools meeting production requirements could discourage or result in much slower adoption of this EUV technology and could delay purchases of these tools. In addition, the introduction of alternative technologies or processes by our competitors that compete with EUV could discourage or result in much slower adoption of EUV technology. If the technologies that we pursue to assist our customers in producing smaller and more efficient chips are not as effective as those developed by our competitors, or if our customers adopt new technological architectures that are less focused on lithography, this may adversely affect our business, financial condition and results of operations.

In addition, we maintain in inventory a certain amount of parts and components for system production and when we stop producing a particular model in favor of newer models, there is a risk that this inventory of parts and components may become obsolete, particularly as a result of the rapid pace of technological change. In such cases, we seek to use such parts and components in new systems, but in case we are not able to do so, this can result in impairments of inventory. Many of these parts and components are particularly expensive and may only be used in a single type of system.

Cadence for the introduction of new systems is lengthening

Our lithography systems have become more complex and costly to develop and build. In addition, our customers have experienced delays in implementing their product roadmaps, which has resulted in delayed demand of new systems. These factors resulted in longer development cycles and a longer transition period (or cadence) both for our new systems and industry-wide, increasing the risk of a slowing down of the overall transition period for new systems as predicted by Moore's law. A lengthening of the cadence for new system purchases by our customers could result in a slower adoption of EUV or any other new technology as a result of delays in the development of new tools or a change in the customer's product roadmaps or investment outlook. As a result of a lengthening of the cadence, our customers may purchase existing technology systems rather than new leading-edge systems or delay their investment in new systems to the extent that such investment is not economical or required given their product cycles. A lengthening of the cadence for the introduction of our new systems can also result in increased competition, as competitors may have more time to develop competing systems. In addition, longer cadence means we face increasing competition from manufacturers who produce systems with lower performance levels than our new systems. The change in cadence of our new systems could result in a decrease in the number of new systems or technology we sell in a given year, which could have a material adverse effect on our business, financial condition and results of operations.

Industry adoption of EUV technology may be delayed

EUV represents the next-generation lithography technology for ASML, and we have made significant investments in EUV, including our 2013 acquisition of Cymer Inc. and its subsidiaries (**Cymer**), to develop EUV technology. To date, we have only sold a limited number of EUV systems. There are a number of

development milestones to be met with respect to EUV systems, and EUV has not yet been widely adopted by the semiconductor manufacturing industry. There are a number of factors that may inhibit or delay industry adoption of our EUV systems, including those set forth in this Risk Factors section. Any delay in industry adoption of our EUV systems could have a material adverse effect on our business, financial condition and results of operations. In addition, for our EUV systems which we sell as part of our commercial sales, we defer a portion of the revenues pending completion of performance milestones agreed with the customer, so to the extent that our systems fail to meet these milestones, our revenues and profitability in certain periods may be lower than anticipated.

We face intense competition

The semiconductor equipment industry is highly competitive. The principal elements of competition in our market are:

- the technical performance characteristics of a lithography system;
- the value of ownership of lithography systems based on purchase price, maintenance costs, throughput, and customer service and support costs;
- the exchange rate of the euro against the functional currency of our competitors and our customers, particularly against the Japanese yen;
- the strength and breadth of our portfolio of patents and other intellectual property rights; and
- our customers' desire to obtain lithography equipment from more than one supplier.

Our competitiveness increasingly depends upon our ability to develop new and enhanced semiconductor equipment that is competitively priced and introduced on a timely basis, as well as our ability to protect and defend our intellectual property rights. See our 2015 Form 20-F – Item 4.B. "Business Overview – Intellectual Property", and note 18 to the financial statements.

We compete primarily with Nikon Corporation (**Nikon**) and Canon Kabushiki Kaisha (**Canon**) in respect of systems. Each of Nikon and Canon have substantial financial resources and broad patent portfolios. Each continues to introduce new products with improved price and performance characteristics that compete directly with our products, which may cause a decline in our sales or a loss of market acceptance for our lithography systems. In addition, adverse market conditions, industry overcapacity or a decrease in the value of the Japanese yen in relation to the euro or the U.S. dollar, could further intensify price-based competition in those regions that account for the majority of our sales, resulting in lower prices and margins and lower sales which could have a material adverse effect on our business, financial condition and results of operations. We also face the risk of a decline in sales if our products and services do not meet our customers' standards, which could result in decline in demand from or loss of such customers.

We also compete with providers of software applications that support or enhance complex patterning solutions, including lithography, such as KLA-Tencor Corporation. These applications effectively compete with our holistic lithography offering, which has become an increasingly significant part of our business.

In addition to competitors in lithography, we may face competition with respect to alternative technologies. If we fail to keep pace with Moore's law or in the event the delivery of new technology is delayed, our customers may opt for other solutions in IC manufacturing as a substitute for purchasing our products.

Furthermore, a number of business combinations and strategic partnerships among our customers and research partners in the semiconductor industry have occurred recently, and more could occur in the future. Consolidation among our customers and research partners could affect industry dynamics and could

adversely affect our business and margins, which could have a material adverse effect on our business, financial condition and results of operations.

Risks related to ASML

The number of systems we can produce is limited by our dependence on a limited number of suppliers of key components

We rely on outside vendors for components and subassemblies used in our systems including the design thereof, each of which is obtained from a single supplier or a limited number of suppliers. Our reliance on a limited group of suppliers involves several risks, including a potential inability to obtain an adequate supply of required components, reduced control over pricing and the risk of untimely delivery of these components and subassemblies.

The number of lithography systems we are able to produce may be limited by the production capacity of Zeiss. Zeiss is our single supplier of lenses, mirrors, illuminators, collectors and other critical optical components (which we refer to as optics). If Zeiss were unable to maintain and increase production levels or if we are unable to maintain our business relationship with Zeiss in the future we could be unable to fulfill orders, which could damage relationships with current and prospective customers and have a material adverse effect on our business, financial condition and results of operations. If Zeiss were to terminate its relationship with us or if Zeiss were unable to maintain production of optics over a prolonged period, we would effectively cease to be able to conduct our business. See our 2015 Form 20-F – Item 4.B "Business Overview – Manufacturing, Logistics and Suppliers". In addition to Zeiss' current position as a supplier of optics, a number of other critical components such as drive lasers included in our CO₂ lasers used in our EUV systems are available from only a limited number of suppliers.

Designing and manufacturing some of these components and subassemblies that we use in our manufacturing processes is an extremely complex process and could result in delays by our suppliers. Lead-times in obtaining components have increased as our products have become more complex, and our failure to adequately predict demand for our systems or any delays in the shipment of components can result in insufficient supply of components or, conversely, excess inventory. A prolonged inability to obtain adequate deliveries of components or subassemblies, or any other circumstance that requires us to seek alternative sources of supply, could significantly hinder our ability to deliver our products in a timely manner, which could damage relationships with current and prospective customers and have a material adverse effect on our business, financial condition and results of operations.

In addition, as we develop new technologies, such as EUV, this requires our suppliers to participate in the development process so that the components they supply will meet the requirements of our development roadmap, and this may require significant R&D spending and investment on the part of our suppliers, particularly with the long lead-time required for EUV components. If our suppliers are unable to meet our technological and supply demands in line with our development roadmap, this may delay the development and introduction of new products. In addition, our suppliers may not have or may not be willing to spend sufficient financial resources to make the necessary R&D expenditures and investments to enable them (and therefore us) to maintain their development roadmaps and ultimately meet our supply demands. In this case, we may be required to co-invest with our suppliers to continue the R&D required to continue development roadmaps.

A high percentage of net sales is derived from a few customers

Historically, we have sold a substantial number of lithography systems to a limited number of customers. We expect customer concentration to increase because of continuing consolidation in the semiconductor manufacturing industry. Consequently, while the identity of our largest customers may vary from year to year, sales may remain concentrated among relatively few customers in any particular year. In 2015, recognized net sales to our largest customer accounted for €1,633.6 million, or 26.0 percent of net sales,

compared with €1,532.1 million, or 26.2 percent of net sales, in 2014. The loss of any significant customer or any significant reduction in orders by a significant customer may have a material adverse effect on our business, financial condition and results of operations.

Additionally, as a result of our limited number of customers, credit risk on our receivables is concentrated. Our three largest customers (based on net sales) accounted for €704.1 million, or 58.3 percent of accounts receivable and finance receivables on 31 December 2015, compared with €643.2 million, or 49.3 percent on 31 December 2014.

As a result of the foregoing risks, business failure or insolvency of one of our main customers may have a material adverse effect on our business, financial condition and results of operations.

We derive most of our revenues from the sale of a relatively small number of products

We derive most of our revenues from the sale of a relatively small number of lithography equipment systems (169 units in 2015 and 136 units in 2014), with an average selling price (**ASP**) per system in 2015 of €25.1 million (€28.5 million for new systems and €5.1 million for used systems) and an ASP per system in 2014 of €31.2 million (€35.6 million for new systems and €5.8 million for used systems). As a result, the timing of shipment and recognition of revenue for a particular reporting period from a small number of system sales may have a material adverse effect on our business, financial condition and results of operations in that period. Specifically, the failure to receive anticipated orders, or delays in shipments near the end of a particular reporting period, due, for example, to:

- a downturn in the highly cyclical semiconductor industry;
- volatility in the logic and memory end-markets as a result of oversupply and undersupply;
- shipment rescheduling;
- cancellation or order push-back by customers;
- unexpected manufacturing difficulties; or
- delays in deliveries by suppliers;

may cause net sales in a particular reporting period to fall significantly below net sales in previous periods or below our expected net sales, and may have a material adverse effect on our results of operations for that period. In particular, our published quarterly earnings may vary significantly from quarter to quarter and may vary in the future and reduce our visibility on future sales for the reasons discussed above.

The time window for new product introduction is short and is accompanied by potential design and production delays and by significant costs

The development and initial production, installation and enhancement of the systems we produce is often accompanied by design and production delays and related costs of a nature typically associated with the introduction and transition to full-scale manufacturing of complex capital equipment. While we expect and plan for a corresponding learning-curve effect in our product development cycle, we cannot predict with precision the time and expense required to overcome these initial problems and to ensure full performance to specifications. Moreover, we anticipate that this learning-curve effect will continue to present increasingly difficult challenges with each new generation of our products as a result of increasing technological complexity. In particular, the development of an EUV volume production system is dependent on, and subject to the successful implementation of, among other things, technology related to the light source, source power, system availability, scanner performance and other technologies specific to EUV. There is a risk that we may not be able to introduce or bring to full-scale production new products as quickly as we

anticipate in our product introduction plans, which could have a material adverse effect on our business, financial condition and results of operations.

For the market to accept technology enhancements, our customers, in many cases, must upgrade their existing technology capabilities. Such upgrades from established technology may not be available to our customers to enable volume production using our new technology enhancements. This could result in our customers not purchasing, or pushing back or canceling orders for our technology enhancements, which could negatively impact our business, financial condition and results of operations.

We are also dependent on our suppliers to maintain their development roadmaps to enable us to introduce new technologies on a timely basis, and if they are unable to keep pace whether due to technological factors, lack of financial resources or otherwise, this could prevent us from meeting our development roadmaps.

Additionally, in connection with our EUV production, we have made advanced payments to suppliers that we may not recoup if we do not reach expected EUV sales levels in the future. We may make similar advance payments (or other investments in our suppliers) to suppliers in connection with EUV or other technologies we develop, and we may not recoup those advanced payments or other investments (e.g. if expected sales are not met). See our 2015 Form 20-F – note 9 to our financial statements.

As lithography technologies become more complex, the success of our R&D programs becomes more uncertain, while their cost rises

Our lithography systems have become increasingly complex, and accordingly, the costs to develop new products and technologies have increased, and we expect such costs to continue to increase. This increase in costs requires us to continue obtaining sufficient funding for our R&D programs. For example, we obtained partial funding for our EUV R&D program through the customer co-investment program. We may however, be unable to obtain this type of funding from customers in the future, in which case we may be unable or we may determine not to fund R&D investments necessary to maintain our technological leadership. The increasing complexity of new technologies, which leads to increasing cost of R&D programs for new technologies, also increases the risk that a new product or technology may not be successful.

Furthermore, as the innovation cycle becomes more complex, developing new technology, including EUV technology, requires increased R&D investments by our suppliers in order to meet the technology demands of us and our customers. Our suppliers may not have, or may not be willing to invest in, the resources necessary to continue the development of the new technologies to the extent such investments are necessary, which may result in our contributing funds to such R&D programs or limiting the R&D investments that we can undertake.

Failure to adequately protect the intellectual property rights upon which we depend could harm our business

We rely on intellectual property rights such as patents, copyrights and trade secrets to protect our proprietary technology. However, we face the risk that such measures could prove to be inadequate because:

- intellectual property laws may not sufficiently support our proprietary rights or may change in the future in a manner adverse to us;
- patent rights may not be granted or interpreted as we expect;
- patents will expire which may result in key technology becoming widely available that may hurt our competitive position;
- the steps we take to prevent misappropriation or infringement of our proprietary rights may not be successful; and

- third parties may be able to develop or obtain patents for similar competing technology.

In addition, legal proceedings may be necessary to enforce our intellectual property rights, to determine the validity and scope of the proprietary rights of others, or to defend against claims of infringement. Any such proceedings may result in substantial costs and diversion of management resources, and, if decided unfavorably to us, could have a material adverse effect on our business, financial condition and results of operations.

A disruption in our information technology systems, including incidents related to cyber security, could adversely affect our business operations

We rely on the accuracy, availability and security of our information technology systems. Despite the measures that we have implemented, including those related to cybersecurity, our systems could be breached or damaged by computer viruses and systems attacks, natural or man-made incidents, disasters or unauthorized physical or electronic access.

From time to time we experience cybersecurity attacks on our information technology systems, these attacks are increasing and becoming more sophisticated, and may be perpetrated by computer hackers, cyber terrorists or other corporate espionage. These attacks include malicious software (malware), attempts to gain unauthorized access to data, and other electronic security breaches that could lead to disruptions in critical systems, unauthorized release of confidential or otherwise protected information (including confidential information relating to our customers and suppliers), and corruption of data. To date, none of the attacks we have experienced has materially impacted our business or operations. Nevertheless, any system failure, accident or security breach could result in business disruption, theft of our intellectual property, trade secrets (including our proprietary technology), customer or supplier information, unauthorized access to personnel information, or corruption of our data and of our systems.

Moreover, there can be no assurance that such measures we have implemented will be sufficient to prevent a system failure, accident or security breach from occurring. To the extent that our business is interrupted or data or proprietary technology or customer data is lost, destroyed or inappropriately used or disclosed, this could adversely affect our competitive position, relationships with customers and suppliers and therefore our business, financial condition and results of operations. In addition, we may be required to incur significant costs to protect against or repair the damage caused by these disruptions or security breaches in the future.

In addition, from time to time, we implement updates to our information technology systems and software, which can disrupt or shutdown our information technology systems. We may not be able to successfully integrate and launch these new systems as planned without disruption to our operations. Information technology system disruptions, if not anticipated and appropriately mitigated, could have a material adverse effect on our operations.

Defending against intellectual property claims brought by others could harm our business

In the course of our business, we are subject to claims by third parties alleging that our products or processes infringe upon their intellectual property rights. If successful, such claims could limit or prohibit us from developing our technology and manufacturing our products, which could have a material adverse effect on our business, financial condition and results of operations.

In addition, our customers may be subject to claims of infringement from third parties, alleging that our products used by such customers in the manufacture of semiconductor products and/or the processes relating to the use of our products infringe one or more patents issued to such third parties. If such claims were successful, we could be required to indemnify customers for some or all of any losses incurred or damages assessed against them as a result of such infringement, which could have a material adverse effect on our business, financial condition and results of operations.

We also may incur substantial licensing or settlement costs, which although potentially strengthening or expanding our intellectual property rights or limiting our exposure to intellectual property claims of third parties, may have a material adverse effect on our business, financial condition and results of operations.

From late 2001 through 2004, ASML was a party to a series of civil litigations and administrative proceedings in which Nikon alleged ASML's infringement of Nikon patents relating to lithography. ASML in turn filed claims against Nikon. Pursuant to agreements executed on 10 December 2004, ASML and Nikon agreed to settle all pending worldwide patent litigation between the companies. The settlement included an exchange of releases, a patent cross-license agreement related to lithography equipment used to manufacture semiconductor devices (the **Nikon Cross-License Agreement**), and payments to Nikon by ASML.

Under the terms of the Nikon Cross-License Agreement, beginning on 1 January 2015, the parties may bring suit for infringement of certain patents subject to the agreement, including any infringement that occurred from 1 January 2010 through 31 December 2014 (the **Cross-License Transition Period**). Damages resulting from claims for patent infringement occurring during the Cross-License Transition Period are limited to three percent of the net sales price of applicable licensed products including optical components. For more information on the Nikon Cross-License Agreement, see our 2015 Form 20-F – Item 4.B. "Business Overview – Intellectual Property."

Accordingly, from 1 January 2015, both Nikon and we are no longer prohibited under the agreement from bringing claims against each other on the basis of infringement of certain patents subject to the Nikon Cross-License Agreement.

If Nikon files suit against us alleging patent infringement, we may incur substantial legal fees and expenses, and we may not prevail. Similarly, if we file suit against Nikon alleging patent infringement, we may incur substantial legal fees and expenses, and we may not prevail. Patent litigation is complex and may extend for a protracted period of time, giving rise to the potential for both substantial costs and diverting the attention of key management and technical personnel. Potential adverse outcomes from patent litigation may include, without limitation, payment of significant monetary damages, injunctive relief prohibiting the sale of products, and/or settlement involving significant costs to be paid by us, any of which may have a material adverse effect on our business, financial condition and/or results of operations. We are unable to predict at this time whether any such patent suit will in fact materialize, or, if so, what its outcome might be.

We are subject to risks in our international operations

The majority of our sales are made to customers outside Europe. There are a number of risks inherent in doing business in some of those regions:

- potentially adverse tax consequences;
- unfavorable political or economic environments;
- unexpected legal or regulatory changes;
- an inability to effectively protect intellectual property; and
- adverse effects of foreign currency fluctuations.

If we are unable to manage successfully the risks inherent in our international activities, our business, financial condition and results of operations could be materially and adversely affected.

In particular, 24.7 percent of our 2015 net sales and 19.2 percent of our 2014 net sales were derived from customers in Taiwan. Taiwan has a unique international political status. The People's Republic of China

asserts sovereignty over Taiwan and does not recognize the legitimacy of the Taiwanese government. Changes in relations between Taiwan and the People's Republic of China, Taiwanese government policies and other factors affecting Taiwan's political, economic or social environment could have a material adverse effect on our business, financial condition and results of operations. In addition, certain of our manufacturing facilities as well as customers are located in South Korea. There are tensions between the Republic of South Korea and the Democratic People's Republic of Korea (North Korea) since the division of the Korean Peninsula following World War II. The worsening of relations between those two countries or the outbreak of war on the Korean Peninsula could have a material adverse effect on our business, financial condition or results of operations.

In addition, the installation and servicing of our products requires us to travel to our customers' premises. Natural disasters could affect our ability to do so. For example, the Japanese earthquake in 2011 resulted in the disruption of our installation and servicing of systems for our customers in Japan. Natural disasters in areas where our customers are located could prevent or disrupt the installation or servicing of our systems. In addition, we have customers located in Israel. If the geopolitical environment prevents travel to Israel, it could result in the disruption of our installation and servicing of systems for our customers.

Lastly, if there is a pandemic outbreak located near any of our customers, it could result in the disruption of our installation and servicing of systems for our customers near the outbreak. Therefore, if there is a natural disaster, geopolitical conflict or pandemic that prevents our ability to travel to our customers' premises, our business, financial condition and results of operations may be materially adversely effected.

We are dependent on the continued operation of a limited number of manufacturing facilities

All of our manufacturing activities, including subassembly, final assembly and system testing, take place in cleanroom facilities in Veldhoven, the Netherlands, in Wilton, Connecticut and in San Diego, California, both in the United States, in Pyeongtaek, South-Korea and in Linkou, Taiwan. These facilities may be subject to disruption for a variety of reasons, including work stoppages, fire, energy shortages, flooding or other natural disasters. We cannot ensure that alternative production capacity would be available if a major disruption were to occur or that, if such capacity was available, it could be obtained on favorable terms. Such a disruption could have a material adverse effect on our business, financial condition and results of operations. In addition, some of our key suppliers, including Zeiss, have a limited number of manufacturing facilities, the disruption of which may significantly and adversely affect our production capacity.

Because of labor laws and practices, any workforce reductions that we may seek to implement in order to reduce costs company-wide may be delayed or suspended

The semiconductor market is highly cyclical and as a consequence we may need to implement workforce reductions in case of a downturn, in order to adapt to such market changes. In accordance with labor laws and practices applicable in the jurisdictions in which we operate, a reduction of any significance may be subject to formal procedures that can delay or may result in the modification of our planned workforce reductions. For example, ASML Netherlands B.V., our operating subsidiary in the Netherlands, has a works council, as required by Dutch law (the **Works Council**). If the Works Council renders contrary advice in connection with a proposed workforce reduction in the Netherlands, but we nonetheless determine to proceed, we must temporarily suspend any action while the Works Council determines whether to appeal to the Enterprise Chamber of the Amsterdam Court of Appeal (the **Court**). This appeal process can cause a delay of several months and may require us to address any procedural inadequacies identified by the Court in the way we reached our decision. Such delays could impair our ability to reduce costs company-wide to levels comparable to those of our competitors. See our 2015 Form 20-F – Item 6.D. "Employees".

Fluctuations in foreign exchange rates could harm our results of operations

We are exposed to currency risks. We are particularly exposed to fluctuations in the exchange rates between the U.S. dollar, Japanese yen and the euro, as we incur costs of sales predominantly in euros with portions of

our net sales and cost of sales also denominated in U.S. dollars.

In addition, a portion of our sales and costs are denominated in U.S. dollars, particularly following our acquisition of Cymer in 2013, and a small portion of our operating results are denominated in currencies other than the euro and the U.S. dollar. Our financial statements are expressed in euros. Accordingly, our results of operations are exposed to fluctuations in exchange rates between the euro and such other currencies, and changes in currency exchange rates can result in losses in our financial statements. In general, our customers generally run their businesses in U.S. dollars and therefore a weakening of the U.S. dollar against the euro might impact the ability or desire of our customers to purchase our products.

Furthermore, a strengthening of the euro particularly against the Japanese yen could further intensify price-based competition in those regions that account for the majority of our sales, resulting in lower prices and margins and a material adverse effect on our business, financial condition and results of operations.

We may be unable to make desirable acquisitions or to integrate successfully any businesses we acquire

Our future success may depend in part on the acquisition of businesses or technologies intended to complement, enhance or expand our current business or products or that might otherwise offer us growth opportunities. Our ability to complete such transactions may be hindered by a number of factors, including potential difficulties in obtaining governmental and other approvals. For example, the acquisition of HMI is subject to review and approval from Taiwanese, U.S. and international regulators and subject to approval from HMI's shareholders.

Any acquisition that we do make, including the recently announced acquisition of HMI, would pose risks related to the integration of the new business or technology with our business. We cannot be certain that we will be able to achieve the benefits we expect from a particular acquisition or investment. Acquisitions may also strain our managerial and operational resources, as the challenge of managing new operations may divert our management from day-to-day operations of our existing business. Our business, financial condition and results of operations may be materially and adversely affected if we fail to coordinate our resources effectively to manage both our existing operations and any businesses we acquire.

In addition, in connection with acquisitions, anti-trust regulators may impose conditions on us, including requirements to divest assets or other conditions that could make it difficult for us to integrate the businesses that we acquire. For example, in connection with the Cymer acquisition we have agreed to maintain Cymer Light Sources as a stand-alone business.

We may also face challenges with integrating any business we acquire (including HMI) into our organization.

As a result of acquisitions, we have recorded, and may continue to record, a significant amount of goodwill and other intangible assets. Under current accounting guidelines, we must assess, at least annually and potentially more frequently, whether the value of goodwill and other intangible assets has been impaired. Any reduction or impairment of the value of goodwill or other intangible assets will result in additional charges against earnings, which could materially reduce our reported results of operations in future periods.

Our business and future success depend on our ability to attract and retain a sufficient number of adequately educated and skilled employees

Our business and future success significantly depends upon our employees, including a large number of highly qualified professionals, as well as our ability to attract and retain employees. Competition for such personnel is intense, and we may not be able to continue to attract and retain such personnel. Our R&D programs require a significant number of qualified employees. If we are unable to attract sufficient numbers of qualified employees, this could affect our ability to conduct our research and development programs on a timely basis, which could adversely affect our business, financial condition and results of operations.

In addition, if we lose key employees or officers to retirement, illness or otherwise, particularly a number of our highly qualified professionals and/or senior management, we may not be able to timely find a suitable replacement. Moreover, as a result of the uniqueness and complexity of our technology, qualified engineers capable of working on our systems are scarce and generally not available (e.g. from other industries or companies). As a result, we must educate and train our employees to work on our systems. Therefore, a loss of a number of key professionals and/or senior management can be disruptive, costly and time consuming. Our R&D activities with respect to new technology systems such as EUV have increased our need for qualified personnel. Competition for qualified personnel is significant in the area surrounding our headquarters in Veldhoven, the Netherlands and in the other regions where our facilities are located, where a number of high technology companies are located.

Furthermore, the increasing complexity of our products results in a longer learning-curve for new and existing employees and suppliers leading to an inability to decrease cycle times and may result in the incurrence of significant additional costs.

Our suppliers face similar risks in attracting qualified employees, including attracting employees in connection with R&D programs that will support our R&D programs and technology developments. To the extent that our suppliers are unable to attract qualified employees, this could adversely affect our business, financial condition and results of operations.

Changes in taxation could affect our future profitability

We are subject to income taxes in the Netherlands and numerous other jurisdictions. Our effective tax rate has fluctuated in the past and may fluctuate in the future.

Changes in tax legislation in the countries where we operate can affect our effective tax rate. For example, the Organization for Economic Co-operation and Development (the **OECD**) has recently embarked on a project to propose measures against so called Base Erosion and Profit Shifting (**BEPS**), which the OECD describes as tax planning strategies that exploit gaps and mismatches in tax rules to reduce overall corporate tax. In October 2015, the OECD published 15 reports on various BEPS topics. These reports introduced new tax concepts which has resulted, and is expected to result, in substantial changes to tax legislation in the countries in which ASML operates.

In particular, one of the OECD BEPS reports introduces minimum requirements for patent box regimes. In 2007, a patent box regime was introduced in The Netherlands, which provides that income generated from qualifying innovative activities is effectively taxed at a beneficial tax rate of currently 5% rather than the Dutch statutory tax rate of 25%. The patent box regime is called "innovation box" (**Dutch Innovation Box**) in The Netherlands legislation. A portion of our earnings currently qualifies for beneficial tax treatment under the Dutch Innovation Box. In order to meet the minimum requirements for patent box regimes mandated by the OECD BEPS report, the Dutch Innovation Box will have to be amended by 1 July 2016. Changes in Dutch tax laws to comply with the OECD BEPS report may reduce ASML's current benefits under the Dutch Innovation Box.

Changes to tax legislation of jurisdictions ASML operates in may adversely impact ASML's tax position and consequently our net income. In addition, jurisdictions levy corporate income tax at different rates. The distribution of our systems sales over the various jurisdictions in which we operate may vary from year to year, resulting in a different mix of corporate income tax rates applicable to our profits, which can affect the worldwide effective tax rate for ASML.

Hazardous substances are used in the production and operation of our systems and failure to comply with applicable regulations or failure to implement appropriate practices for customer and employee environment, health and safety could subject us to significant liabilities

Hazardous substances are used in the production and operation of our lithography systems, which subjects us to a variety of governmental regulations relating to environmental protection and employee and product health and safety, including the transport, use, storage, discharge, handling, emission, generation, and disposal of toxic or other hazardous substances. In addition, operating our machines (which use lasers and other potentially hazardous tools) is dangerous and can result in injury. The failure to comply with current or future regulations could result in substantial fines being imposed on us or other adverse consequences. Additionally, our products have become increasingly complex. The increasing complexity requires us to invest in continued risk assessments and development of appropriate preventative and protective measures for health and safety for both our employees (in connection with the production and installation of our systems) and our customers' employees (in connection with the operation of our systems). There can be no assurance that the health and safety practices we develop will be adequate to mitigate all health and safety risks. Failing to comply with applicable regulations or the failure of our implemented practices for customer and employee health and safety could subject us to significant liabilities, which could have a material adverse effect on our business, financial condition and results of operations.

Risks Related to an Investment in the Notes

There is no developed Market for the Notes

The Notes are new securities for which there is presently no established market and none may develop. Although J.P. Morgan Securities plc has informed us that it currently intends to make a market in the Notes, it is not obligated to do so. The liquidity of any market for the Notes will depend upon the number of holders of the Notes, the interest of security dealers in making a market in the Notes and other factors. Accordingly, a liquid market for the Notes may not develop.

Because we are a Holding Company, repayment of our Indebtedness, including the Notes offered hereby, is dependent on Cash Flow generated by our Subsidiaries

ASML is a holding company. All our operations are conducted by and substantially all our assets are owned by, our subsidiaries. Repayment of our indebtedness is dependent on the generation of cash flow by our subsidiaries and their ability to make such cash available to us, by dividend or other distribution, debt repayment or otherwise. Accordingly, the cash flows or assets of those subsidiaries may not be available to us to pay our obligations under the Notes.

The Notes will be structurally junior to the Indebtedness and other Liabilities of our Subsidiaries

You will not have any claim as a creditor against our subsidiaries, and all existing and future indebtedness and other liabilities, whether secured or unsecured, of those subsidiaries will be structurally senior to the Notes. In the event of any bankruptcy, liquidation or reorganization of any of our subsidiaries, the rights of the holders of Notes to participate in the assets of such subsidiary will rank behind the claims of that subsidiary's creditors (except to the extent we have a claim as creditor of such subsidiary). As a result, the Notes are structurally subordinated to the liabilities of our subsidiaries. Substantially all of our outstanding indebtedness and other liabilities, other than outstanding under our €600,000,000 5.75% Notes due 2017 and our €750,000,000 3.375% Notes due 2023, are liabilities of subsidiaries of the Issuer, and accordingly, will be structurally senior to the Notes.

We may exercise our option to redeem the Notes early

We will have the right to redeem the Notes (i) if we are required to pay additional amounts (gross-up payments) on the Notes for reasons of taxation, (ii) at our option, provided that we pay a "make-whole" premium and (iii) in the three-months period prior to the relevant Maturity Date of the Notes, each as set out in the Terms and Conditions of the Notes.

If we redeem the Notes prior to maturity, a Noteholder is exposed to the risk that due to such early

redemption his investment will have a lower than expected yield.

We may be unable to redeem the Notes upon a Change of Control

Upon a change of control relating to ASML and a subsequent downgrade of the rating of the Notes in respect of such change of control, or if the Notes do not have a credit rating, no investment grade credit rating in respect of the Notes is obtained, within a certain period after announcement of that change of control, we would be required to redeem the Notes, at the option of Noteholders, for cash at 101% of the principal amount thereof plus accrued and unpaid interest. If a change of control were to occur, we may not have sufficient funds to pay the change of control redemption price and we may be required to secure third-party financing in order to do so. However, we may not be able to obtain such financing on commercially reasonable terms, or at all. Our future indebtedness may also contain restrictions on our ability to redeem the Notes upon certain events, including transactions that could constitute a change of control.

The Laws of the Netherlands may change

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

The Notes are denominated in euro and certain Investors may be subject to Exchange Rate Risks and Exchange Controls

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

Interest rate risks for fixed rate notes

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

Credit ratings may not reflect all risks

Fitch and Moody's are expected to 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 or withdrawn by the rating agency at any time.

If Notes are issued in definitive form, Noteholders holding less than €100,000 of Notes may not be able to receive definitive Notes

The Notes have denominations consisting of a minimum of €100,000 plus one or more higher integral multiples of €1,000. It is possible that the Notes may be traded in amounts that are not integral multiples of €100,000. In the event that Notes are issued in definitive form, Noteholders who hold a principal amount of less than €100,000 may not be able to receive a definitive Note in respect of such holding, and may need to purchase a principal amount of Notes such that its holding amounts to a denomination of €100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000 in order to receive a definitive Note.

If definitive Notes are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of €100,000 may be illiquid and difficult to trade.

EU Savings Directive and exchange of financial account information

Pursuant to the Multilateral Competent Authority Agreement on automatic exchange of financial account information and Directive 2011/16/EU regarding the administrative cooperation in the field of taxation (as amended by Directive 2014/107/EU and Directive 2015/2376), and the implementation thereof in the Dutch tax legislation, the Netherlands will exchange financial account information with certain other states. Financial account information includes the gross amount of interest paid or credited to a qualifying custodial or depositary account. Such exchange can be automatically, spontaneously or upon request of the other state.

In respect of Austria, Directive 2003/48/EC on the taxation of savings income (the EU Savings Directive) will continue to apply for an additional period, after which Austria will also be obliged to implement the automatic exchange of financial account information under Directive 2011/16/EU (as amended by Directive 2014/107/EU and Directive 2015/2376). If a payment is made or collected through a Member State which has opted for a withholding system under the EU Savings Directive, i.e. Austria, and an amount of, or in respect of, tax were to be withheld from that payment, pursuant to any law implementing or complying with, or introduced in order to conform to the EU Savings Directive, neither the Issuer, nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. The Issuer is required to maintain a Paying Agent in a member State that is not obliged to withhold or deduct tax pursuant to the EU Savings Directive or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000.

U.S. Foreign Account Tax Compliance Act

Sections 1471 through 1474 of the Internal Revenue Code of 1986, as amended (the **Code**) (commonly referred to as **FATCA**) generally impose withholding taxes on certain types of payments made to "foreign financial institutions" and certain other non-U.S. entities unless additional certification, information reporting and other specified requirements are satisfied. Failure to comply with the FATCA reporting requirements could result in withholding tax being imposed on payments of interest and sales proceeds to foreign intermediaries and certain non-U.S. holders.

It is possible that, in order to comply with FATCA, the Issuer (or, if the Notes are held through another financial institution, such other financial institution) may be required (pursuant to an agreement with the IRS or under applicable law implementing an intergovernmental agreement between the United States and a relevant governmental authority) to (a) request certain information from Noteholders or beneficial owners of Notes, which information may be provided to the IRS or relevant governmental authority and (b) withhold U.S. tax on interest payments in respect of, and on or after 1 January 2019 gross proceeds from the sale or other disposition of Notes if such information is not provided or if payments are made to certain foreign financial institutions that have not entered into a similar agreement with the IRS or are not otherwise in compliance with (or exempt from withholding under) FATCA. This withholding would potentially apply to payments in respect of any Notes that are issued on or after the **grandfathering date**, which is the later of (a) 1 July 2014 and (b) the date that is six months after the date on which final U.S. Treasury regulations defining the term "foreign passthru payment" are filed with the Federal Register, or which are materially modified on or after the grandfathering date.

The Issuer expects the Notes to be issued before the grandfathering date and does not expect FATCA withholding to apply in respect of the Notes. However, if the Issuer or any other person is required to withhold amounts under or in connection with FATCA from any payments made in respect of the Notes, the Noteholders and beneficial owners of the Notes will not be entitled to receive any gross-up or additional amounts under Condition 7 (Taxation) of the Notes to compensate them for such withholding.

FATCA is particularly complex and its application is uncertain at this time. Each potential Noteholder should consult its own tax adviser to obtain a more detailed explanation of FATCA and to learn how this legislation might affect that Noteholder in its particular circumstance.

The Proposed Financial Transactions Tax

On 14 February 2013, the European Commission published a proposal (the **Commission's Proposal**) for a Directive for a common financial transactions tax (**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. The issuance and subscription of the Notes should, however, be exempt.

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

However, the Commission's 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 the Notes are advised to seek their own professional advice in relation to the FTT.

USE OF PROCEEDS

The net proceeds from the sale of the Notes offered will be approximately €1,486,490,000. ASML expects to use the net proceeds from this offering (i) to fund acquisitions, including the partial funding of the acquisition of HMI, (ii) for capital structure optimization, including for an acceleration of share buybacks under its existing program, and (iii) for general corporate purposes.

DIRECTORS AND OFFICERS OF THE COMPANY

ASML is incorporated under Netherlands law and has a two-tier board structure. Responsibility for the management of ASML lies with the Board of Management. Independent, non-executive members serve on the Supervisory Board, which supervises and advises the members of the Board of Management in performing their management tasks. The Board of Management has the duty to keep the Supervisory Board informed, consult with the Supervisory Board on important matters and submit certain important decisions to the Supervisory Board for its prior approval. The supervision of the Board of Management by the Supervisory Board includes (i) achievement of ASML's objectives, (ii) corporate strategy and management of risks inherent to ASML's business activities, (iii) the structure and operation of internal risk management and control systems, (iv) the financial reporting process and (v) compliance with applicable legislation and regulations.

As of 29 April 2016 the members of ASML's Supervisory Board and Board of Management are as follows:

Name	Title	Year of Birth	Term Expires
Peter T.F.M. Wennink	President, Chief Executive Officer and member of the Board of Management	1957	2018
Martin A. van den Brink	President, Chief Technology Officer and member of the Board of Management	1957	2018
Frits J. van Hout	Executive Vice-President, Chief Program Officer and member of the Board of Management	1960	2017
Frederic J.M. Schneider-Maunoury	Executive Vice-President, Chief Operations Officer and member of the Board of Management	1961	2018
Wolfgang U. Nickl	Executive Vice-President, Chief Financial Officer and member of the Board of Management	1969	2018
Wolfgang H. Ziebart ⁽³⁾⁽⁴⁾	Member of the Supervisory Board	1950	2017
Johannes M.C. Stork ⁽³⁾⁽⁴⁾	Member of the Supervisory Board	1954	2018
Antoinette P. Aris ⁽³⁾⁽⁴⁾	Member of the Supervisory Board	1958	2019
Gerard J. Kleisterlee ⁽²⁾⁽³⁾	Chairman of the Supervisory Board	1946	2019
Rolf-Dieter Schwalb ⁽¹⁾⁽⁴⁾	Member of the Supervisory Board	1952	2019
Pauline F.M. van der Meer Mohr ⁽¹⁾⁽²⁾	Member of the Supervisory Board	1960	2017

Douglas A. Grose ⁽²⁾⁽³⁾	Vice Chairman and member of the Supervisory Board	1950	2017
Carla M.S. Smits-Nusteling ⁽¹⁾	Member of the Supervisory Board	1966	2017

- (1) Member of the Audit Committee.
- (2) Member of the Selection and Nomination Committee.
- (3) Member of the Technology and Strategy Committee.
- (4) Member of the Remuneration Committee.

The business address of each member of the Supervisory Board and Board of Management is the registered office of the Company at De Run 6501, 5504 DR, Veldhoven, the Netherlands.

TERMS AND CONDITIONS OF THE 2022 NOTES

The following (subject to completion and amendment, and other than the words in italics) is the text of the Terms and Conditions of the 2022 Notes which will be attached to the Global Notes and endorsed on the definitive 2022 Notes issued in respect of 2022 Notes should definitive Certificates be issued.

The €500,000,000 0.625% Notes due 2022 (the **2022 Notes**, which expression includes any further notes issued pursuant to Condition 13 (Further Issues) and forming a single series therewith) of ASML Holding N.V. (the **Issuer**) are the subject of a fiscal agency agreement dated 7 July 2016 (as amended or supplemented from time to time, the **Agency Agreement**) between the Issuer, Deutsche Bank AG, London Branch as fiscal agent (the **Fiscal Agent**, which expression includes any successor fiscal agent appointed from time to time in connection with the 2022 Notes) and the paying agents named therein (together with the Fiscal Agent, the **Paying Agents**, which expression includes any successor or additional paying agents appointed from time to time in connection with the 2022 Notes). Certain provisions of these Conditions are summaries of the Agency Agreement and subject to its detailed provisions. The holders of the 2022 Notes (each a **Noteholder** and together, the **Noteholders**) and the holders of the related interest coupons (the **Couponholders** and the **Coupons**, respectively) are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement applicable to them. Copies of the Agency Agreement are available for inspection by Noteholders during normal business hours at the Specified Offices (as defined in the Agency Agreement) of each of the Paying Agents, the initial Specified Offices of which are set out below.

1. Form, Denomination and Title

The definitive 2022 Notes are in bearer form in the denominations of €100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000, with Coupons attached at the time of issue. Title to the Notes and the Coupons will pass by delivery. The holder of any 2022 Note or Coupon shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership or any other interest therein, any writing thereon or any notice of any previous loss or theft thereof) and no person shall be liable for so treating such holder.

2. Status

The 2022 Notes constitute direct, unsecured, unconditional and unsubordinated obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer, save for such obligations as may be preferred by mandatory provisions of law.

3. Negative Pledge

So long as any 2022 Note remains outstanding (as defined in the Agency Agreement),

- (a) the Issuer will not secure by mortgage, lien, pledge or other security interest upon the whole or part of its assets or revenues any present or future Public Debt (as defined below) of the Issuer or any Subsidiary; and
- (b) the Issuer shall procure that none of its Subsidiaries will secure by mortgage, lien, pledge or other security interest upon the whole or part of its assets or revenues any present or future Public Debt (as defined below) of the Issuer or any Subsidiary,

without at the same time securing the Notes equally and rateably with such Public Debt or providing such other security as the Noteholders may approve by Extraordinary Resolution (as defined in the Agency Agreement).

For the purpose of this Condition 3 (*Negative Pledge*) **Public Debt** means any loan, debt, guarantee or other obligation which is represented by bonds or notes or other securities which have an initial life exceeding two years and which as of its date of issue is a type of security which is capable of being listed on any stock exchange or over-the-counter or other generally recognised securities market but, for the avoidance of doubt, excluding any debt that is in the nature of a loan from a bank or other lender, whether or not such debt is traded, singly or in combination with other indebtedness.

In these Conditions:

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

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

- (a) whose affairs and policies the first Person controls or has the power to control, whether by ownership of share capital, contract, the power to appoint or remove members of the governing body of the second Person or otherwise; or
- (b) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated with those of the first Person.

4. **Interest**

The 2022 Notes bear interest from 7 July 2016 (the **Issue Date**) at the rate of 0.625% per annum (the **Rate of Interest**) payable in arrear on 7 July in each year (each, an **Interest Payment Date**), subject as provided in Condition 6 (*Payments*).

Each 2022 Note will cease to bear interest from and including the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused, in which case it will continue to bear interest at such rate until whichever is the earlier of (a) the day on which all sums due in respect of such 2022 Note up to that day are, upon due presentation, paid and (b) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the 2022 Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

If interest is required to be paid in respect of a 2022 Note for a period of less than a full year, it shall be calculated by applying the Rate of Interest to the principal amount of such 2022 Note, multiplying the product by the relevant Day Count Fraction and rounding the resulting figure to the nearest cent (half a cent being rounded upwards), where:

Day Count Fraction means, in respect of any period, the number of days in the relevant period, from (and including) the first day in such period to (but excluding) the last day in such period, divided by the number of days in the Regular Period in which the relevant period falls; and

Regular Period means each period from (and including) the most recent Interest Payment Date (or, if none, the Issue Date) to (but excluding) the next Interest Payment Date.

5. **Redemption and Purchase**

5.1 *Scheduled redemption*

Unless previously redeemed, or purchased and cancelled, the 2022 Notes will be redeemed at their

principal amount on 7 July 2022, subject as provided in Condition 6 (*Payments*).

5.2 *Redemption for tax reasons*

The 2022 Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their principal amount, together with interest accrued to the date fixed for redemption, if:

- (a) 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 the Netherlands or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after 6 July 2016; and
- (b) such obligation cannot be avoided by the Issuer taking reasonable measures available to it;

provided, however, 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 if a payment in respect of the 2022 Notes were then due.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Fiscal Agent:

- (i) a certificate signed by two managing 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.

Upon the expiry of any such notice as is referred to in this Condition 5.2 (*Redemption for tax reasons*), the Issuer shall be bound to redeem the 2022 Notes in accordance with this Condition 5.2.

5.3 *Redemption at the option of Noteholders upon a Change of Control*

Upon the occurrence of a Put Event (as defined below) each Noteholder will have the option (the **Put Option**) to require the Issuer to redeem such 2022 Note on the Put Settlement Date (as defined below) at a price equal to 101% of its principal amount together with interest accrued to (but excluding) such date.

Within ten days after the Issuer becoming aware that a Put Event has occurred, the Issuer shall give notice (a **Put Event Notice**) to the Noteholders in accordance with Condition 14 (*Notices*), specifying the details relating to the occurrence of the Put Event and the procedure for the exercise of the Put Option.

In order to exercise the Put Option, the holder of a 2022 Note must, not later than 30 Business Days after the Put Event Notice is given (the **Put Period**), deposit with any Paying Agent such Note together with all unmatured Coupons relating thereto and a duly completed put option notice (a **Put Option Notice**) in the form obtainable from any Paying Agent. The Paying Agent with which a Note is so deposited shall deliver a duly completed receipt for such Note (a **Put Option Receipt**) to the depositing Noteholder. On the Business Day following the end of the Put Option Period the

Fiscal Agent shall notify the Issuer in writing of the results of the exercise of the Put Option specifying the aggregate principal amount of the 2022 Notes that have been validly delivered to be redeemed in accordance with the Put Option. Provided that the 2022 Notes that are the subject of any such Put Option Notice have been delivered to the Fiscal Agent or a Paying Agent prior to the expiry of the Put Period, then the Issuer shall redeem all such Notes on the date falling five Business Days after the expiration of the Put Period (the **Put Settlement Date**).

In these Conditions, **Business Day** means any day (i) other than a Saturday or a Sunday or a day on which banking institutions in Amsterdam and London are generally authorised or obligated by law or regulations to close and (ii) on which the Trans-European Automated Real-time Gross settlement Express Transfer (TARGET2) system (the **Target System**) is operating and the clearing systems are generally open for business.

No 2022 Note, once deposited with a duly completed Put Option Notice in accordance with this Condition 5.3 (*Redemption at the option of Noteholders upon a Change of Control*) may be withdrawn; *provided, however, that* if, prior to the Put Settlement Date, any such 2022 Note becomes immediately due and payable or, upon due presentation of any such 2022 Note on the Put Settlement Date, payment of the redemption moneys is improperly withheld or refused, the relevant Paying Agent shall mail notification thereof to the depositing Noteholder at such address as may have been given by such Noteholder in the relevant Put Option Notice and shall hold such 2022 Note at its Specified Office for collection by the depositing Noteholder against surrender of the relevant Put Option Receipt. For so long as any outstanding 2022 Note is held by a Paying Agent in accordance with this Condition 5.3 (*Redemption at the option of Noteholders upon a Change of Control*) the depositor of such 2022 Note and not such Paying Agent shall be deemed to be the holder of such 2022 Note for all purposes.

In this Condition 5.3 (*Redemption at the option of Noteholders upon a Change of Control*) a **Put Event** shall be deemed to have occurred each time (a) a Change of Control occurs and (b) within the Change of Control Period a Rating Downgrade occurs in respect of that Change of Control or, as the case may be, potential Change of Control.

A **Change of Control** in respect of the Issuer shall be deemed to have occurred each time:

- (a) Control of the Issuer is acquired or deemed to be held by a Person or any Persons acting in concert which at 6 July 2016 does or do not have (and would not be deemed to have) such Control; or
- (b) the Issuer consolidates with or merges into any other corporation (unless the shareholders of the Issuer immediately before such transaction own, directly or indirectly immediately following such transaction, at least a majority of the combined voting power of the outstanding voting securities of the corporation resulting from such transaction in substantially the same relative proportions as their ownership of the share capital immediately before such transaction),

provided however a Change of Control will not be deemed to have occurred solely as a result of (x) the issuance or transfer, with the cooperation of the supervisory board (*raad van commissarissen*) or the management board (*raad van bestuur*) of the Issuer or the Issuer's shareholders, as applicable, of any preferred shares in the Issuer's share capital; or (y) the Issuer's abandoning, limiting or changing the "structure regime" upon the proposal of the management board of the Issuer and approval by the supervisory board of the Issuer or the Issuer's shareholders, as applicable.

Control means (a) beneficial ownership of 51% or more of the ordinary shares of the Issuer or (b) control of or right to otherwise control the affairs and policies of the Issuer or its business (whether as the result of the acquisition of assets or otherwise).

A **Rating Downgrade** shall be deemed to have occurred in respect of a Change of Control if:

- (a) within the Change of Control Period:
 - (i) the investment grade credit rating (Baa3/BBB-, or equivalent, or better) assigned to the 2022 Notes by any Rating Agency is (x) either downgraded to a non-investment grade credit rating (Ba1/BB+, or equivalent, or worse) or withdrawn and (y) is not within the Change of Control Period subsequently (in the case of a downgrade) upgraded or (in the case of a withdrawal) reinstated to an investment grade credit rating by such Rating Agency; or
 - (ii) the non-investment grade credit rating (Ba1/BB+, or equivalent, or worse) assigned to the 2022 Notes by any Rating Agency is (x) downgraded by one or more notches (for illustration, Ba1/BB+ to Ba2/BB being one notch) or withdrawn and (y) is not within the Change of Control Period subsequently (in the case of a downgrade) upgraded or (in the case of a withdrawal) reinstated to its earlier credit rating or better by such Rating Agency; or
 - (iii) the 2022 Notes have no credit rating, and no Rating Agency assigns within the Change of Control Period an investment grade credit rating to the Notes (unless the Issuer is unable to obtain such a rating within such period having used all reasonable endeavours to do so and such failure is unconnected to the Change of Control), provided that if on the Relevant Announcement Date the 2022 Notes carry a credit rating from more than one rating agency, at least one of which is investment grade, then subparagraph (i) will apply; and
- (b) in making the relevant decision(s) referred to in (a)(i) and (ii) above, the relevant Rating Agency announces publicly or confirms in writing to the Issuer, the Fiscal Agent or any Noteholder, that such decision(s) resulted directly, in whole or to a significant degree, from the occurrence of the Change of Control or, as the case may be, potential Change of Control,

provided that if the rating designations employed by any Rating Agency are changed from those in force at the time of the Issue Date, the Issuer shall determine the rating designations of such Rating Agency as are most equivalent to the prior rating designations of such Rating Agency and this Condition 5.3 (*Redemption at the option of Noteholders upon a Change of Control*) shall be read accordingly.

Change of Control Period means the period commencing on the Relevant Announcement Date and ending 180 days after the Change of Control, or such longer period for which the 2022 Notes are under consideration (such consideration having been announced publicly within the period ending 180 days after the Change of Control) for rating review or, as the case may be, under consideration for rating by a rating agency, such period not to exceed 90 days after the public announcement of such consideration.

Rating Agencies means Moody's Investors Service Limited and/or Standard & Poor's Credit Market Services Europe Limited and/or Fitch Ratings Limited and their respective successors or affiliates and/or any other rating agency of equivalent international standing specified from time to time by the Issuer which has a current rating of Notes at any relevant time (each a **Rating Agency**).

Relevant Announcement Date means the earlier of (x) the date of the first public announcement of the relevant Change of Control; and (y) the date of the first public announcement or statement by the Issuer, any actual or potential bidder or any advisor thereto relating to any potential Change of Control where within 180 days following the date of such announcement or statement, a Change of Control occurs.

5.4 *Make-whole redemption at the option of the Issuer*

The 2022 Notes may be redeemed at the option of the Issuer in whole or in part on any date (each, a **Call Settlement Date**) on the Issuer's giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable and shall oblige the Issuer to redeem the 2022 Notes on the relevant Call Settlement Date) at an amount equal to the principal amount of the Notes plus accrued interest to the relevant Call Settlement Date plus the Applicable Premium.

Upon the expiry of any such notice as is referred to in this Condition 5.4 (*Make-whole redemption at the option of the Issuer*), the Issuer shall be bound to redeem the 2022 Notes in accordance with this Condition 5.4.

For the purpose of this Condition 5.4:

Applicable Premium means, with respect to any 2022 Note on any Call Settlement Date, the excess of:

- (i) the present value at such Call Settlement Date of (i) the principal amount of the Notes at maturity *plus* (ii) all required interest payments due on the 2022 Note through 7 July 2022 (excluding accrued but unpaid interest to the Call Settlement Date), computed using a discount rate equal to the Bund Rate as of the third Business Day prior to such Call Settlement Date plus 20 basis points; over
- (ii) the principal amount of the 2022 Note, if greater, as reported in writing to the Issuer and the Fiscal Agent by an international credit institution or financial services institution appointed by the Issuer.

Bund Rate means, with respect to any Call Settlement Date, the rate per annum equal to the equivalent yield to maturity as of the third Business Day prior to such date of the Comparable German Bund Issue, assuming a price for the Comparable German Bund Issue (expressed as a percentage of its principal amount) equal to the Comparable German Bund Price on such date of determination, where:

- (a) **Comparable German Bund Issue** means the German Bundesanleihe security selected by any Reference German Bund Dealer as having a fixed maturity most nearly equal to the period from such Call Settlement Date to 7 July 2022, and that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of Euro denominated corporate debt securities in a principal amount approximately equal to the then outstanding principal amount of the 2022 Notes and of a maturity most nearly equal to 7 July 2022; *provided*, however, that, if the period from such Call Settlement Date to 7 July 2022 is less than one year, a fixed maturity of one year shall be used;
- (b) **Comparable German Bund Price** means, with respect to any relevant date, the average of all Reference German Bund Dealer Quotations for such date (which, in any event, must include at least two such quotations), after excluding the highest and lowest such Reference German Bund Dealer Quotations or, if the Issuer obtains fewer than four such Reference German Bund Dealer Quotations, the average of all such quotations;
- (c) **Reference German Bund Dealer** means any dealer of German Bundesanleihe securities appointed by the Issuer; and
- (d) **Reference German Bund Dealer Quotations** means, with respect to each Reference German Bund Dealer and any relevant date, the average as determined by the Issuer of the bid and offered prices for the Comparable German Bund Issue (expressed in each case as a

percentage of its principal amount) quoted in writing to the Issuer by such Reference German Bund Dealer at or about 03.30 p.m. Frankfurt, Germany time on the third business day (being for this purpose a day on which banks are open for business in Frankfurt and London) preceding the relevant date.

5.5 *Refinancing redemption at the option of the Issuer*

The 2022 Notes may be redeemed at the option of the Issuer in whole, but not in part, from and including 7 April 2022 to but excluding the relevant Maturity Date, on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their principal amount, together with interest accrued to the date fixed for redemption.

Upon the expiry of any such notice as is referred to in this Condition 5.5 (*Refinancing redemption at the option of the Issuer*), the Issuer shall be bound to redeem the 2022 Notes in accordance with this Condition 5.5.

5.6 *Purchase*

The Issuer or any of its Subsidiaries may at any time purchase 2022 Notes in the open market or otherwise and at any price, *provided that* all unmatured Coupons are purchased therewith.

5.7 *Cancellation*

All 2022 Notes so redeemed or purchased by the Issuer or any of its Subsidiaries and any unmatured Coupons attached to or surrendered with them shall be cancelled and may not be reissued or resold.

6. Payments

6.1 *Principal*

Payments of principal shall be made only against presentation and (*provided that* payment is made in full) surrender of 2022 Notes at the Specified Office of any Paying Agent outside the United States by transfer to a Euro account (or other account to which Euro may be credited or transferred) maintained by the payee with, a bank in a city in which banks have access to the Target System.

6.2 *Interest*

Payments of interest shall, subject to paragraph 6.6 (*Payments other than in respect of matured Coupons*) below, be made only against presentation and (*provided that* payment is made in full) surrender of the appropriate Coupons at the Specified Office of any Paying Agent outside the United States in the manner described in paragraph 6.1 (*Principal*) above.

6.3 *Payments subject to fiscal laws*

All payments in respect of the 2022 Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 7 (*Taxation*). No commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

6.4 *Deduction for unmatured Coupons*

If a 2022 Note is presented without all unmatured Coupons relating thereto, then:

- (a) if the aggregate amount of the missing Coupons is less than or equal to the amount of principal due for payment, a sum equal to the aggregate amount of the missing Coupons will

be deducted from the amount of principal due for payment; *provided, however, that* if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of such missing Coupons which the gross amount actually available for payment bears to the amount of principal due for payment;

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

Each sum of principal so deducted shall be paid in the manner provided in paragraph 6.1 (*Principal*) above against presentation and (*provided that* payment is made in full) surrender of the relevant missing Coupons. No payments will be made in respect of void coupons.

6.5 *Payments on Business Days*

If the due date for payment of any amount in respect of any 2022 Note or Coupon is not a Business Day in the place of presentation, the holder shall not be entitled to payment in such place of the amount due until the next succeeding Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.

6.6 *Payments other than in respect of matured Coupons*

Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant 2022 Notes at the Specified Office of any Paying Agent outside the United States.

6.7 *Partial payments*

If a Paying Agent makes a partial payment in respect of any 2022 Note or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.

7. **Taxation**

All payments of principal and interest in respect of the 2022 Notes and the Coupons by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Netherlands or any political subdivision thereof or any authority therein or thereof having power to tax, unless the withholding or

deduction of such taxes, duties, assessments or governmental charges is required by law. In that event the Issuer shall pay such additional amounts as will result in receipt by the Noteholders and the Couponholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required (the **Additional Amounts**), except that no such additional amounts shall be payable in respect of any Note or Coupon presented for payment:

- (a) by or on behalf of a holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of its having some connection with the Netherlands other than the mere holding of the 2022 Note or Coupon; or
- (b) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (c) by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant 2022 Note or Coupon to another Paying Agent in a member state of the European Union; or
- (d) more than 30 days after the Relevant Date except to the extent that the holder of such 2022 Note or Coupon would have been entitled to such Additional Amounts on presenting such Note or Coupon for payment on the last day of such period of 30 days; or
- (e) where such withholding or deduction is imposed pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (FATCA), any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

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

Any reference in these Conditions to principal or interest shall be deemed to include any Additional Amounts in respect of principal or interest (as the case may be) which may be payable under this Condition 7 (*Taxation*).

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

8. **Events of Default**

If any of the following events occurs:

(a) *Non-payment*

The Issuer fails to pay any amount of principal or interest in respect of the 2022 Notes within 15 days of the due date for payment thereof; or

(b) *Breach of other obligations*

The Issuer defaults in the performance or observance of any of its other obligations under or in respect of the 2022 Notes and such default remains unremedied for 30 days after written notice thereof, addressed to the Issuer by any Noteholder, has been delivered to the Issuer or to the Specified Office of the Fiscal Agent; or

(c) *Cross-acceleration of Issuer or Subsidiary*

- (i) any Indebtedness of the Issuer or any of its Subsidiaries is not paid when due or (as the case may be) within any originally applicable grace period;
- (ii) any such Indebtedness becomes due and payable prior to its stated maturity as a result of an event of default (howsoever described) provided that the same is not remedied within 15 Business Days after such event occurs; or
- (iii) the Issuer or any of its Subsidiaries fails to pay any amount payable by it under any Guarantee of any Indebtedness when due or (as the case may be) within any originally applicable grace period;

provided that (A) the obligation in respect of such non-payment is not being disputed in good faith by the Issuer or any of its Subsidiaries and (B) the amount of Indebtedness referred to in subparagraph (i) and/or subparagraph (ii) above and/or the amount payable under any Guarantee referred to in subparagraph (iii) above individually or in the aggregate exceeds €30,000,000 (or its equivalent in any other currency or currencies); or

(d) *Unsatisfied judgment*

One or more final judgment(s) or final order(s) for the payment of any amount/an amount in excess of €30,000,000 (or its equivalent in any other currency or currencies) is rendered against the Issuer or any of its Subsidiaries and continue(s) unsatisfied and unstayed for a period of 30 days after the date(s) thereof or, if later, the date therein specified for payment; or

(e) *Insolvency, etc*

- (i) The Issuer or any of its Material Subsidiaries takes any action for a readjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of any of its Indebtedness or any Guarantee of any Indebtedness given by it,
- (ii) the Issuer or any of its Material Subsidiaries becomes bankrupt (*wordt failliet verklaard*) or subject to a moratorium of payments (*surseance van betaling*) or (iii) the Issuer or any of its Material Subsidiaries ceases or threatens to cease to carry on all or any substantial part of its business (otherwise than, in the case of a Material Subsidiary of the Issuer, for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent); or

(f) *Winding up, etc*

An order is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Issuer or any of its Material Subsidiaries (otherwise than, in the case of a Material Subsidiary of the Issuer, for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent),

then any 2022 Note may, by written notice addressed by the holder thereof to the Issuer and delivered to the Issuer or to the Specified Office of the Fiscal Agent, be declared immediately due and payable, whereupon it shall become immediately due and payable at its principal amount together with accrued interest without further action or formality.

In this Condition 8 (*Events of Default*):

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

- (a) any obligation to purchase such Indebtedness;
- (b) any obligation to lend money, to purchase or subscribe shares or other securities or to purchase assets or services in order to provide funds for the payment of such Indebtedness;
- (c) any indemnity against the consequences of a default in the payment of such Indebtedness; and
- (d) any other agreement to be responsible for such Indebtedness;

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

- (a) amounts raised by acceptance under any acceptance credit facility;
- (b) amounts raised under any note purchase facility;
- (c) the amount of any liability in respect of leases or hire purchase contracts which would, in accordance with applicable law and generally accepted accounting principles, be treated as finance or capital leases; and
- (d) amounts raised under any other transaction (including, without limitation, any forward sale or purchase agreement) having the commercial effect of a borrowing;

Material Subsidiary at all times shall mean a Subsidiary of the Issuer:

- (a) whose gross revenues attributable to the Issuer (consolidated in the case of a Subsidiary which itself has Subsidiaries) or whose total assets (consolidated in the case of a Subsidiary which itself has Subsidiaries) represent not less than 5% of the consolidated gross revenues of the Issuer and its Subsidiaries taken as a whole attributable to the shareholders of the Issuer, or, as the case may be, consolidated total 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 the Subsidiary and the then latest audited consolidated accounts of the Issuer and its Subsidiaries; or
- (b) to which is transferred the whole or substantially the whole of the undertaking and assets of a Subsidiary of the Issuer which immediately before the transfer is a Material Subsidiary.

A report of the Issuer signed by two managing directors that in its 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 Material Subsidiary shall, in the absence of manifest error, be conclusive and binding on all parties.

9. Prescription

Claims in respect of the 2022 Notes and Coupons shall become void unless the relevant 2022 Notes are presented for payment within five years of the appropriate Relevant Date.

10. Replacement of 2022 Notes and Coupons

If any 2022 Note or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Fiscal Agent and the Paying Agent having its Specified Office in Luxembourg, subject to all applicable laws and stock exchange requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced 2022 Notes or Coupons must be surrendered before replacements will be issued.

11. Paying Agents

In acting under the Agency Agreement and in connection with the 2022 Notes and the Coupons, the Paying Agents act solely as agents of the Issuer and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders or Couponholders.

The initial Paying Agents and their initial Specified Offices are listed below. The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent and to appoint a successor fiscal agent and additional or successor paying agents; *provided, however, that* the Issuer shall at all times maintain (a) a fiscal agent, (b) a paying agent in Luxembourg and (c), if European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 is brought into force, a paying agent in a member state of the European Union that will not be obliged to withhold or deduct tax pursuant to such Directive or any law implementing or complying with, or introduced to conform to, such Directive.

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

12. Meetings of Noteholders; Modification

12.1 *Meetings of Noteholders*

The Agency Agreement contains provisions for convening meetings of Noteholders to consider matters relating to the 2022 Notes, including the modification of any provision of these Conditions. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuer and shall be convened by it upon the request in writing of Noteholders holding not less than one-tenth of the aggregate principal amount of the outstanding Notes. The quorum at any meeting convened to vote on an Extraordinary Resolution will be two or more persons holding or representing one more than half of the aggregate principal amount of the outstanding 2022 Notes or, at any adjourned meeting, two or more persons being or representing Noteholders whatever the principal amount of the 2022 Notes held or represented; *provided, however, that* certain proposals (including any proposal to change any date fixed for payment of principal or interest in respect of the 2022 Notes, to reduce the amount of principal or interest payable on any date in respect of the 2022 Notes, to alter the method of calculating the amount of any payment in respect of the 2022 Notes or the date for any such payment, to change the currency of payments under the 2022 Notes or to change the quorum requirements relating to meetings or the number of votes required to pass an Extraordinary Resolution (each, a **Reserved Matter**) may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders at which two or more persons holding or representing not less than three-quarters or, at any adjourned meeting, one quarter of the aggregate principal amount of the outstanding 2022 Notes form a quorum. Any

Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders and Couponholders, whether present or not.

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

12.2 *Modification*

The Issuer may make amendments to the Notes and these Conditions without the consent of the Noteholders or the Couponholders that are (i) not prejudicial to the interests of the Noteholders, (ii) of a formal, minor or technical nature or (iii) made to correct a manifest error. In addition, the parties to the Agency Agreement may agree to modify any provision thereof, but the Issuer shall not agree, without the consent of the Noteholders, to any such modification unless it is of a formal, minor or technical nature, it is made to correct a manifest error or it is, in the opinion of such parties, not materially prejudicial to the interests of the Noteholders.

13. **Further Issues**

The Issuer may from time to time, without the consent of the Noteholders or the Couponholders, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest) so as to form a single series with the Notes.

14. **Notices**

Notices to the Noteholders shall be valid if published in a leading newspaper having general circulation in Luxembourg (which is expected to be *Luxemburger Wort*) and/or on the website of the Luxembourg Stock Exchange (www.bourse.lu). Any such notice shall be deemed to have been given on the date of first publication. Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Noteholders.

15. **Governing Law and Jurisdiction**

The 2022 Notes, the Coupons and the Agency Agreement and any non-contractual obligations arising out of or in connection with them are governed by, and will be construed in accordance with, the laws of the Netherlands.

The Issuer agrees for the benefit of the Noteholders and the Couponholders that the courts of Amsterdam, the Netherlands are to have non-exclusive jurisdiction to settle any disputes which may arise out of or in connection with the 2022 Notes or the Coupons and that accordingly any suit, action or proceedings arising thereout or in connection therewith (together referred to as **Proceedings**) may be brought in the courts of the Netherlands.

The Issuer irrevocably and unconditionally waives and agrees not to raise any objection which it may have now or subsequently to the laying of the venue of any Proceedings in the courts of Amsterdam, the Netherlands and any claim that any Proceedings have been brought in an inconvenient forum and has further irrevocably and unconditionally agreed that a judgment in any Proceedings brought in the courts of the Netherlands shall be conclusive and binding upon the Issuer and may be enforced in the courts of any other jurisdiction.

The submission to the jurisdiction of the courts of the Netherlands referred to above shall not (and shall not be construed so as to) limit the right of any Noteholder or Couponholder to take Proceedings in any other court of competent jurisdiction, nor shall the taking of Proceedings in any

one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not) if and to the extent permitted by law.

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

TERMS AND CONDITIONS OF THE 2026 NOTES

The following (subject to completion and amendment, and other than the words in italics) is the text of the Terms and Conditions of the 2026 Notes which will be attached to the Global Notes and endorsed on the definitive 2026 Notes issued in respect of 2026 Notes should definitive Certificates be issued.

The €1,000,000,000 1.375% Notes due 2026 (the **2026 Notes**, which expression includes any further notes issued pursuant to Condition 13 (Further Issues) and forming a single series therewith) of ASML Holding N.V. (the **Issuer**) are the subject of a fiscal agency agreement dated 7 July 2016 (as amended or supplemented from time to time, the **Agency Agreement**) between the Issuer, Deutsche Bank AG, London Branch as fiscal agent (the **Fiscal Agent**, which expression includes any successor fiscal agent appointed from time to time in connection with the 2026 Notes) and the paying agents named therein (together with the Fiscal Agent, the **Paying Agents**, which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes). Certain provisions of these Conditions are summaries of the Agency Agreement and subject to its detailed provisions. The holders of the 2026 Notes (each a **Noteholder** and together, the **Noteholders**) and the holders of the related interest coupons (the **Couponholders** and the **Coupons**, respectively) are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement applicable to them. Copies of the Agency Agreement are available for inspection by Noteholders during normal business hours at the Specified Offices (as defined in the Agency Agreement) of each of the Paying Agents, the initial Specified Offices of which are set out below.

1. **Form, Denomination and Title**

The definitive 2026 Notes are in bearer form in the denominations of €100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000, with Coupons attached at the time of issue. Title to the 2026 Notes and the Coupons will pass by delivery. The holder of any 2026 Note or Coupon shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership or any other interest therein, any writing thereon or any notice of any previous loss or theft thereof) and no person shall be liable for so treating such holder.

2. **Status**

The 2026 Notes constitute direct, unsecured, unconditional and unsubordinated obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer, save for such obligations as may be preferred by mandatory provisions of law.

3. **Negative Pledge**

So long as any 2026 Note remains outstanding (as defined in the Agency Agreement),

- (a) the Issuer will not secure by mortgage, lien, pledge or other security interest upon the whole or part of its assets or revenues any present or future Public Debt (as defined below) of the Issuer or any Subsidiary; and
- (b) the Issuer shall procure that none of its Subsidiaries will secure by mortgage, lien, pledge or other security interest upon the whole or part of its assets or revenues any present or future Public Debt (as defined below) of the Issuer or any Subsidiary,

without at the same time securing the Notes equally and rateably with such Public Debt or providing such other security as the Noteholders may approve by Extraordinary Resolution (as defined in the Agency Agreement).

For the purpose of this Condition 3 (*Negative Pledge*) **Public Debt** means any loan, debt, guarantee or other obligation which is represented by bonds or notes or other securities which have an initial life exceeding two years and which as of its date of issue is a type of security which is capable of being listed on any stock exchange or over-the-counter or other generally recognised securities market but, for the avoidance of doubt, excluding any debt that is in the nature of a loan from a bank or other lender, whether or not such debt is traded, singly or in combination with other indebtedness.

In these Conditions:

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

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

- (a) whose affairs and policies the first Person controls or has the power to control, whether by ownership of share capital, contract, the power to appoint or remove members of the governing body of the second Person or otherwise; or
- (b) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated with those of the first Person.

4. **Interest**

The 2026 Notes bear interest from 7 July 2016 (the **Issue Date**) at the rate of 1.375% per annum (the **Rate of Interest**) payable in arrear on 7 July in each year (each, an **Interest Payment Date**), subject as provided in Condition 6 (*Payments*).

Each 2026 Note will cease to bear interest from and including the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused, in which case it will continue to bear interest at such rate until whichever is the earlier of (a) the day on which all sums due in respect of such Note up to that day are, upon due presentation, paid and (b) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the 2026 Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

If interest is required to be paid in respect of a 2026 Note for a period of less than a full year, it shall be calculated by applying the Rate of Interest to the principal amount of such Note, multiplying the product by the relevant Day Count Fraction and rounding the resulting figure to the nearest cent (half a cent being rounded upwards), where:

Day Count Fraction means, in respect of any period, the number of days in the relevant period, from (and including) the first day in such period to (but excluding) the last day in such period, divided by the number of days in the Regular Period in which the relevant period falls; and

Regular Period means each period from (and including) the most recent Interest Payment Date (or, if none, the Issue Date) to (but excluding) the next Interest Payment Date.

5. **Redemption and Purchase**

5.1 *Scheduled redemption*

Unless previously redeemed, or purchased and cancelled, the 2026 Notes will be redeemed at their

principal amount on 7 July 2026, subject as provided in Condition 6 (*Payments*).

5.2 *Redemption for tax reasons*

The 2026 Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their principal amount, together with interest accrued to the date fixed for redemption, if:

- (a) 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 the Netherlands or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after 6 July 2016; and
- (b) such obligation cannot be avoided by the Issuer taking reasonable measures available to it;

provided, however, 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 if a payment in respect of the 2026 Notes were then due.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Fiscal Agent:

- (i) a certificate signed by two managing 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.

Upon the expiry of any such notice as is referred to in this Condition 5.2 (*Redemption for tax reasons*), the Issuer shall be bound to redeem the 2026 Notes in accordance with this Condition 5.2.

5.3 *Redemption at the option of Noteholders upon a Change of Control*

Upon the occurrence of a Put Event (as defined below) each Noteholder will have the option (the **Put Option**) to require the Issuer to redeem such 2026 Note on the Put Settlement Date (as defined below) at a price equal to 101% of its principal amount together with interest accrued to (but excluding) such date.

Within ten days after the Issuer becoming aware that a Put Event has occurred, the Issuer shall give notice (a **Put Event Notice**) to the Noteholders in accordance with Condition 14 (*Notices*), specifying the details relating to the occurrence of the Put Event and the procedure for the exercise of the Put Option.

In order to exercise the Put Option, the holder of a Note must, not later than 30 Business Days after the Put Event Notice is given (the **Put Period**), deposit with any Paying Agent such Note together with all unmatured Coupons relating thereto and a duly completed put option notice (a **Put Option Notice**) in the form obtainable from any Paying Agent. The Paying Agent with which a 2026 Note is so deposited shall deliver a duly completed receipt for such 2026 Note (a **Put Option Receipt**) to the depositing Noteholder. On the Business Day following the end of the Put Option Period the

Fiscal Agent shall notify the Issuer in writing of the results of the exercise of the Put Option specifying the aggregate principal amount of the 2026 Notes that have been validly delivered to be redeemed in accordance with the Put Option. Provided that the 2026 Notes that are the subject of any such Put Option Notice have been delivered to the Fiscal Agent or a Paying Agent prior to the expiry of the Put Period, then the Issuer shall redeem all such Notes on the date falling five Business Days after the expiration of the Put Period (the **Put Settlement Date**).

In these Conditions, **Business Day** means any day (i) other than a Saturday or a Sunday or a day on which banking institutions in Amsterdam and London are generally authorised or obligated by law or regulations to close and (ii) on which the Trans-European Automated Real-time Gross settlement Express Transfer (TARGET2) system (the **Target System**) is operating and the clearing systems are generally open for business.

No 2026 Note, once deposited with a duly completed Put Option Notice in accordance with this Condition 5.3 (*Redemption at the option of Noteholders upon a Change of Control*) may be withdrawn; *provided, however, that* if, prior to the Put Settlement Date, any such 2026 Note becomes immediately due and payable or, upon due presentation of any such 2026 Note on the Put Settlement Date, payment of the redemption moneys is improperly withheld or refused, the relevant Paying Agent shall mail notification thereof to the depositing Noteholder at such address as may have been given by such Noteholder in the relevant Put Option Notice and shall hold such Note at its Specified Office for collection by the depositing Noteholder against surrender of the relevant Put Option Receipt. For so long as any outstanding 2026 Note is held by a Paying Agent in accordance with this Condition 5.3 (*Redemption at the option of Noteholders upon a Change of Control*) the depositor of such Note and not such Paying Agent shall be deemed to be the holder of such Note for all purposes.

In this Condition 5.3 (*Redemption at the option of Noteholders upon a Change of Control*) a **Put Event** shall be deemed to have occurred each time (a) a Change of Control occurs and (b) within the Change of Control Period a Rating Downgrade occurs in respect of that Change of Control or, as the case may be, potential Change of Control.

A **Change of Control** in respect of the Issuer shall be deemed to have occurred each time:

- (a) Control of the Issuer is acquired or deemed to be held by a Person or any Persons acting in concert which at 6 July 2016 does or do not have (and would not be deemed to have) such Control; or
- (b) the Issuer consolidates with or merges into any other corporation (unless the shareholders of the Issuer immediately before such transaction own, directly or indirectly immediately following such transaction, at least a majority of the combined voting power of the outstanding voting securities of the corporation resulting from such transaction in substantially the same relative proportions as their ownership of the share capital immediately before such transaction),

provided however a Change of Control will not be deemed to have occurred solely as a result of (x) the issuance or transfer, with the cooperation of the supervisory board (*raad van commissarissen*) or the management board (*raad van bestuur*) of the Issuer or the Issuer's shareholders, as applicable, of any preferred shares in the Issuer's share capital; or (y) the Issuer's abandoning, limiting or changing the "structure regime" upon the proposal of the management board of the Issuer and approval by the supervisory board of the Issuer or the Issuer's shareholders, as applicable.

Control means (a) beneficial ownership of 51% or more of the ordinary shares of the Issuer or (b) control of or right to otherwise control the affairs and policies of the Issuer or its business (whether as the result of the acquisition of assets or otherwise).

A **Rating Downgrade** shall be deemed to have occurred in respect of a Change of Control if:

- (a) within the Change of Control Period:
 - (i) the investment grade credit rating (Baa3/BBB-, or equivalent, or better) assigned to the Notes by any Rating Agency is (x) either downgraded to a non-investment grade credit rating (Ba1/BB+, or equivalent, or worse) or withdrawn and (y) is not within the Change of Control Period subsequently (in the case of a downgrade) upgraded or (in the case of a withdrawal) reinstated to an investment grade credit rating by such Rating Agency; or
 - (ii) the non-investment grade credit rating (Ba1/BB+, or equivalent, or worse) assigned to the Notes by any Rating Agency is (x) downgraded by one or more notches (for illustration, Ba1/BB+ to Ba2/BB being one notch) or withdrawn and (y) is not within the Change of Control Period subsequently (in the case of a downgrade) upgraded or (in the case of a withdrawal) reinstated to its earlier credit rating or better by such Rating Agency; or
 - (iii) the 2026 Notes have no credit rating, and no Rating Agency assigns within the Change of Control Period an investment grade credit rating to the 2026 Notes (unless the Issuer is unable to obtain such a rating within such period having used all reasonable endeavours to do so and such failure is unconnected to the Change of Control), provided that if on the Relevant Announcement Date the 2026 Notes carry a credit rating from more than one rating agency, at least one of which is investment grade, then subparagraph (i) will apply; and
- (b) in making the relevant decision(s) referred to in (a)(i) and (ii) above, the relevant Rating Agency announces publicly or confirms in writing to the Issuer, the Fiscal Agent or any Noteholder, that such decision(s) resulted directly, in whole or to a significant degree, from the occurrence of the Change of Control or, as the case may be, potential Change of Control,

provided that if the rating designations employed by any Rating Agency are changed from those in force at the time of the Issue Date, the Issuer shall determine the rating designations of such Rating Agency as are most equivalent to the prior rating designations of such Rating Agency and this Condition 5.3 (*Redemption at the option of Noteholders upon a Change of Control*) shall be read accordingly.

Change of Control Period means the period commencing on the Relevant Announcement Date and ending 180 days after the Change of Control, or such longer period for which the 2026 Notes are under consideration (such consideration having been announced publicly within the period ending 180 days after the Change of Control) for rating review or, as the case may be, under consideration for rating by a rating agency, such period not to exceed 90 days after the public announcement of such consideration.

Rating Agencies means Moody's Investors Service Limited and/or Standard & Poor's Credit Market Services Europe Limited and/or Fitch Ratings Limited and their respective successors or affiliates and/or any other rating agency of equivalent international standing specified from time to time by the Issuer which has a current rating of 2026 Notes at any relevant time (each a **Rating Agency**).

Relevant Announcement Date means the earlier of (x) the date of the first public announcement of the relevant Change of Control; and (y) the date of the first public announcement or statement by the Issuer, any actual or potential bidder or any advisor thereto relating to any potential Change of Control where within 180 days following the date of such announcement or statement, a Change of Control occurs.

5.4 *Make-whole redemption at the option of the Issuer*

The 2026 Notes may be redeemed at the option of the Issuer in whole or in part on any date (each, a **Call Settlement Date**) on the Issuer's giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable and shall oblige the Issuer to redeem the 2026 Notes on the relevant Call Settlement Date) at an amount equal to the principal amount of the 2026 Notes plus accrued interest to the relevant Call Settlement Date plus the Applicable Premium.

Upon the expiry of any such notice as is referred to in this Condition 5.4 (*Make-whole redemption at the option of the Issuer*), the Issuer shall be bound to redeem the 2026 Notes in accordance with this Condition 5.4.

For the purpose of this Condition 5.4:

Applicable Premium means, with respect to any 2026 Note on any Call Settlement Date, the excess of:

- (i) the present value at such Call Settlement Date of (i) the principal amount of the 2026 Notes at maturity *plus* (ii) all required interest payments due on the 2026 Notes through 7 July 2026 (excluding accrued but unpaid interest to the Call Settlement Date), computed using a discount rate equal to the Bund Rate as of the third Business Day prior to such Call Settlement Date plus 25 basis points; over
- (ii) the principal amount of the 2026 Note, if greater, as reported in writing to the Issuer and the Fiscal Agent by an international credit institution or financial services institution appointed by the Issuer.

Bund Rate means, with respect to any Call Settlement Date, the rate per annum equal to the equivalent yield to maturity as of the third Business Day prior to such date of the Comparable German Bund Issue, assuming a price for the Comparable German Bund Issue (expressed as a percentage of its principal amount) equal to the Comparable German Bund Price on such date of determination, where:

- (a) **Comparable German Bund Issue** means the German Bundesanleihe security selected by any Reference German Bund Dealer as having a fixed maturity most nearly equal to the period from such Call Settlement Date to 7 July 2026, and that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of Euro denominated corporate debt securities in a principal amount approximately equal to the then outstanding principal amount of the 2026 Notes and of a maturity most nearly equal to 7 July 2026; *provided*, however, that, if the period from such Call Settlement Date to 7 July 2026 is less than one year, a fixed maturity of one year shall be used;
- (b) **Comparable German Bund Price** means, with respect to any relevant date, the average of all Reference German Bund Dealer Quotations for such date (which, in any event, must include at least two such quotations), after excluding the highest and lowest such Reference German Bund Dealer Quotations or, if the Issuer obtains fewer than four such Reference German Bund Dealer Quotations, the average of all such quotations;
- (c) **Reference German Bund Dealer** means any dealer of German Bundesanleihe securities appointed by the Issuer; and
- (d) **Reference German Bund Dealer Quotations** means, with respect to each Reference German Bund Dealer and any relevant date, the average as determined by the Issuer of the bid and offered prices for the Comparable German Bund Issue (expressed in each case as a

percentage of its principal amount) quoted in writing to the Issuer by such Reference German Bund Dealer at or about 03.30 p.m. Frankfurt, Germany time on the third business day (being for this purpose a day on which banks are open for business in Frankfurt and London) preceding the relevant date.

5.5 *Refinancing redemption at the option of the Issuer*

The 2026 Notes may be redeemed at the option of the Issuer in whole, but not in part, from and including 7 April 2026 to but excluding the relevant Maturity Date, on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their principal amount, together with interest accrued to the date fixed for redemption.

Upon the expiry of any such notice as is referred to in this Condition 5.5 (*Refinancing redemption at the option of the Issuer*), the Issuer shall be bound to redeem the 2026 Notes in accordance with this Condition 5.5.

5.6 *Purchase*

The Issuer or any of its Subsidiaries may at any time purchase 2026 Notes in the open market or otherwise and at any price, *provided that* all unmatured Coupons are purchased therewith.

5.7 *Cancellation*

All 2026 Notes so redeemed or purchased by the Issuer or any of its Subsidiaries and any unmatured Coupons attached to or surrendered with them shall be cancelled and may not be reissued or resold.

6. Payments

6.1 *Principal*

Payments of principal shall be made only against presentation and (*provided that* payment is made in full) surrender of 2026 Notes at the Specified Office of any Paying Agent outside the United States by transfer to a Euro account (or other account to which Euro may be credited or transferred) maintained by the payee with, a bank in a city in which banks have access to the Target System.

6.2 *Interest*

Payments of interest shall, subject to paragraph 6.6 (*Payments other than in respect of matured Coupons*) below, be made only against presentation and (*provided that* payment is made in full) surrender of the appropriate Coupons at the Specified Office of any Paying Agent outside the United States in the manner described in paragraph 6.1 (*Principal*) above.

6.3 *Payments subject to fiscal laws*

All payments in respect of the 2026 Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 7 (*Taxation*). No commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

6.4 *Deduction for unmatured Coupons*

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

- (a) if the aggregate amount of the missing Coupons is less than or equal to the amount of principal due for payment, a sum equal to the aggregate amount of the missing Coupons will

be deducted from the amount of principal due for payment; *provided, however, that* if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of such missing Coupons which the gross amount actually available for payment bears to the amount of principal due for payment;

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

Each sum of principal so deducted shall be paid in the manner provided in paragraph 6.1 (*Principal*) above against presentation and (*provided that* payment is made in full) surrender of the relevant missing Coupons. No payments will be made in respect of void coupons.

6.5 *Payments on Business Days*

If the due date for payment of any amount in respect of any 2026 Note or Coupon is not a Business Day in the place of presentation, the holder shall not be entitled to payment in such place of the amount due until the next succeeding Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.

6.6 *Payments other than in respect of matured Coupons*

Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant 2026 Notes at the Specified Office of any Paying Agent outside the United States.

6.7 *Partial payments*

If a Paying Agent makes a partial payment in respect of any 2026 Note or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.

7. **Taxation**

All payments of principal and interest in respect of the 2026 Notes and the Coupons by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Netherlands or any political subdivision thereof or any authority therein or thereof having power to tax, unless the withholding or

deduction of such taxes, duties, assessments or governmental charges is required by law. In that event the Issuer shall pay such additional amounts as will result in receipt by the Noteholders and the Couponholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required (the **Additional Amounts**), except that no such additional amounts shall be payable in respect of any Note or Coupon presented for payment:

- (a) by or on behalf of a holder which is liable to such taxes, duties, assessments or governmental charges in respect of such 2026 Note or Coupon by reason of its having some connection with the Netherlands other than the mere holding of the 2026 Note or Coupon; or
- (b) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (c) by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant 2026 Note or Coupon to another Paying Agent in a member state of the European Union; or
- (d) more than 30 days after the Relevant Date except to the extent that the holder of such 2026 Note or Coupon would have been entitled to such Additional Amounts on presenting such Note or Coupon for payment on the last day of such period of 30 days; or
- (e) where such withholding or deduction is imposed pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (FATCA), any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

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

Any reference in these Conditions to principal or interest shall be deemed to include any Additional Amounts in respect of principal or interest (as the case may be) which may be payable under this Condition 7 (*Taxation*).

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

8. **Events of Default**

If any of the following events occurs:

(a) *Non-payment*

The Issuer fails to pay any amount of principal or interest in respect of the 2026 Notes within 15 days of the due date for payment thereof; or

(b) *Breach of other obligations*

The Issuer defaults in the performance or observance of any of its other obligations under or in respect of the 2026 Notes and such default remains unremedied for 30 days after written notice thereof, addressed to the Issuer by any Noteholder, has been delivered to the Issuer or to the Specified Office of the Fiscal Agent; or

(c) *Cross-acceleration of Issuer or Subsidiary*

- (i) any Indebtedness of the Issuer or any of its Subsidiaries is not paid when due or (as the case may be) within any originally applicable grace period;
- (ii) any such Indebtedness becomes due and payable prior to its stated maturity as a result of an event of default (howsoever described) provided that the same is not remedied within 15 Business Days after such event occurs; or
- (iii) the Issuer or any of its Subsidiaries fails to pay any amount payable by it under any Guarantee of any Indebtedness when due or (as the case may be) within any originally applicable grace period;

provided that (A) the obligation in respect of such non-payment is not being disputed in good faith by the Issuer or any of its Subsidiaries and (B) the amount of Indebtedness referred to in subparagraph (i) and/or subparagraph (ii) above and/or the amount payable under any Guarantee referred to in subparagraph (iii) above individually or in the aggregate exceeds €30,000,000 (or its equivalent in any other currency or currencies); or

(d) *Unsatisfied judgment*

One or more final judgment(s) or final order(s) for the payment of any amount/an amount in excess of €30,000,000 (or its equivalent in any other currency or currencies) is rendered against the Issuer or any of its Subsidiaries and continue(s) unsatisfied and unstayed for a period of 30 days after the date(s) thereof or, if later, the date therein specified for payment; or

(e) *Insolvency, etc*

- (i) The Issuer or any of its Material Subsidiaries takes any action for a readjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of any of its Indebtedness or any Guarantee of any Indebtedness given by it,
- (ii) the Issuer or any of its Material Subsidiaries becomes bankrupt (*wordt failliet verklaard*) or subject to a moratorium of payments (*surseance van betaling*) or (iii) the Issuer or any of its Material Subsidiaries ceases or threatens to cease to carry on all or any substantial part of its business (otherwise than, in the case of a Material Subsidiary of the Issuer, for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent); or

(f) *Winding up, etc*

An order is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Issuer or any of its Material Subsidiaries (otherwise than, in the case of a Material Subsidiary of the Issuer, for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent),

then any 2026 Note may, by written notice addressed by the holder thereof to the Issuer and delivered to the Issuer or to the Specified Office of the Fiscal Agent, be declared immediately due and payable, whereupon it shall become immediately due and payable at its principal amount together with accrued interest without further action or formality.

In this Condition 8 (*Events of Default*):

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

- (a) any obligation to purchase such Indebtedness;
- (b) any obligation to lend money, to purchase or subscribe shares or other securities or to purchase assets or services in order to provide funds for the payment of such Indebtedness;
- (c) any indemnity against the consequences of a default in the payment of such Indebtedness; and
- (d) any other agreement to be responsible for such Indebtedness;

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

- (a) amounts raised by acceptance under any acceptance credit facility;
- (b) amounts raised under any note purchase facility;
- (c) the amount of any liability in respect of leases or hire purchase contracts which would, in accordance with applicable law and generally accepted accounting principles, be treated as finance or capital leases; and
- (d) amounts raised under any other transaction (including, without limitation, any forward sale or purchase agreement) having the commercial effect of a borrowing;

Material Subsidiary at all times shall mean a Subsidiary of the Issuer:

- (a) whose gross revenues attributable to the Issuer (consolidated in the case of a Subsidiary which itself has Subsidiaries) or whose total assets (consolidated in the case of a Subsidiary which itself has Subsidiaries) represent not less than 5% of the consolidated gross revenues of the Issuer and its Subsidiaries taken as a whole attributable to the shareholders of the Issuer, or, as the case may be, consolidated total 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 the Subsidiary and the then latest audited consolidated accounts of the Issuer and its Subsidiaries; or
- (b) to which is transferred the whole or substantially the whole of the undertaking and assets of a Subsidiary of the Issuer which immediately before the transfer is a Material Subsidiary.

A report of the Issuer signed by two managing directors that in its 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 Material Subsidiary shall, in the absence of manifest error, be conclusive and binding on all parties.

9. Prescription

Claims in respect of the 2026 Notes and Coupons shall become void unless the relevant 2026 Notes are presented for payment within five years of the appropriate Relevant Date.

10. Replacement of 2026 Notes and Coupons

If any 2026 Note or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Fiscal Agent and the Paying Agent having its Specified Office in Luxembourg, subject to all applicable laws and stock exchange requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes or Coupons must be surrendered before replacements will be issued.

11. Paying Agents

In acting under the Agency Agreement and in connection with the 2026 Notes and the Coupons, the Paying Agents act solely as agents of the Issuer and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders or Couponholders.

The initial Paying Agents and their initial Specified Offices are listed below. The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent and to appoint a successor fiscal agent and additional or successor paying agents; *provided, however, that* the Issuer shall at all times maintain (a) a fiscal agent, (b) a paying agent in Luxembourg and (c), if European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 is brought into force, a paying agent in a member state of the European Union that will not be obliged to withhold or deduct tax pursuant to such Directive or any law implementing or complying with, or introduced to conform to, such Directive.

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

12. Meetings of Noteholders; Modification

12.1 *Meetings of Noteholders*

The Agency Agreement contains provisions for convening meetings of Noteholders to consider matters relating to the 2026 Notes, including the modification of any provision of these Conditions. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuer and shall be convened by it upon the request in writing of Noteholders holding not less than one-tenth of the aggregate principal amount of the outstanding Notes. The quorum at any meeting convened to vote on an Extraordinary Resolution will be two or more persons holding or representing one more than half of the aggregate principal amount of the outstanding 2026 Notes or, at any adjourned meeting, two or more persons being or representing Noteholders whatever the principal amount of the 2026 Notes held or represented; *provided, however, that* certain proposals (including any proposal to change any date fixed for payment of principal or interest in respect of the 2026 Notes, to reduce the amount of principal or interest payable on any date in respect of the 2026 Notes, to alter the method of calculating the amount of any payment in respect of the 2026 Notes or the date for any such payment, to change the currency of payments under the 2026 Notes or to change the quorum requirements relating to meetings or the number of votes required to pass an Extraordinary Resolution (each, a **Reserved Matter**) may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders at which two or more persons holding or representing not less than three-quarters or, at any adjourned meeting, one quarter of the aggregate principal amount of the outstanding 2026 Notes form a quorum. Any

Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders and Couponholders, whether present or not.

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

12.2 *Modification*

The Issuer may make amendments to the 2026 Notes and these Conditions without the consent of the Noteholders or the Couponholders that are (i) not prejudicial to the interests of the Noteholders, (ii) of a formal, minor or technical nature or (iii) made to correct a manifest error. In addition, the parties to the Agency Agreement may agree to modify any provision thereof, but the Issuer shall not agree, without the consent of the Noteholders, to any such modification unless it is of a formal, minor or technical nature, it is made to correct a manifest error or it is, in the opinion of such parties, not materially prejudicial to the interests of the Noteholders.

13. **Further Issues**

The Issuer may from time to time, without the consent of the Noteholders or the Couponholders, create and issue further notes having the same terms and conditions as the 2026 Notes in all respects (or in all respects except for the first payment of interest) so as to form a single series with the 2026 Notes.

14. **Notices**

Notices to the Noteholders shall be valid if published in a leading newspaper having general circulation in Luxembourg (which is expected to be *Luxemburger Wort*) and/or on the website of the Luxembourg Stock Exchange (www.bourse.lu). Any such notice shall be deemed to have been given on the date of first publication. Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Noteholders.

15. **Governing Law and Jurisdiction**

The 2026 Notes, the Coupons and the Agency Agreement and any non-contractual obligations arising out of or in connection with them are governed by, and will be construed in accordance with, the laws of the Netherlands.

The Issuer agrees for the benefit of the Noteholders and the Couponholders that the courts of Amsterdam, the Netherlands are to have non-exclusive jurisdiction to settle any disputes which may arise out of or in connection with the 2026 Notes or the Coupons and that accordingly any suit, action or proceedings arising thereout or in connection therewith (together referred to as **Proceedings**) may be brought in the courts of the Netherlands.

The Issuer irrevocably and unconditionally waives and agrees not to raise any objection which it may have now or subsequently to the laying of the venue of any Proceedings in the courts of Amsterdam, the Netherlands and any claim that any Proceedings have been brought in an inconvenient forum and has further irrevocably and unconditionally agreed that a judgment in any Proceedings brought in the courts of the Netherlands shall be conclusive and binding upon the Issuer and may be enforced in the courts of any other jurisdiction.

The submission to the jurisdiction of the courts of the Netherlands referred to above shall not (and shall not be construed so as to) limit the right of any Noteholder or Couponholder to take

Proceedings in any other court of competent jurisdiction, nor shall the taking of Proceedings in any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not) if and to the extent permitted by law.

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

SUMMARY OF PROVISIONS RELATING TO THE NOTES IN GLOBAL FORM

The 2022 Notes and the 2026 Notes will initially be in the form of a temporary global Note (the **Temporary Global Note**) which will be deposited on or around the Issue Date with a common safekeeper for Euroclear and Clearstream. Each Temporary Global Note will be exchangeable in whole or in part for interests in the permanent global Note (the **Permanent Global Note**) not earlier than 40 days after the Issue Date upon certification as to non-U.S. beneficial ownership. No payments will be made under a Temporary Global Note unless exchange for interests in the Permanent Global Note is improperly withheld or refused. In addition, interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Each Permanent Global Note will become exchangeable in whole, but not in part, for Notes in definitive form (**Definitive Notes**) in denominations of €100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000 if (a) Euroclear or Clearstream is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or (b) any of the circumstances described in Condition 8 (Events of Default) of the Terms and Conditions of the 2022 Notes and Condition 8 (Events of Default) of the Terms and Conditions of the 2026 Notes occurs.

Whenever a Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes outside of the United States, duly authenticated and with Coupons attached, in an aggregate principal amount equal to the principal amount of the Permanent Global Note to the bearer of such Permanent Global Note against the surrender of such Permanent Global Note at the Specified Office of the Fiscal Agent within 30 days of the bearer requesting such exchange.

If (a) Definitive Notes have not been delivered by 05.00 p.m. (Amsterdam time) on the thirtieth day after the bearer has duly requested exchange of the Permanent Global Note for Definitive Notes when the Permanent Global Note has become exchangeable for Definitive Notes in accordance with the terms of the Agency Agreement or (b) the Permanent Global Note (or any part of it) has become due and payable in accordance with the Conditions or the date for final redemption of the Notes has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer in accordance with the terms of such Permanent Global Note on the due date for payment, the terms of such global Note provide for relevant account holders on behalf of the Noteholders to be able to enforce rights directly against the Issuer (the **Direct Rights**) such as they would have had if they had been holding Definitive Notes to the relevant value at the time of such event. Payments by the Issuer to the relevant account holders will be considered as payments to the relevant Noteholders and operate as final discharge of the Issuer in this respect.

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

Payments: All payments in respect of a Temporary Global Note and Permanent Global Note will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the relevant Temporary Global Note or (as the case may be) Permanent Global Note, or interest coupons in respect thereof, as applicable, at the Specified Office of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the 2022 Notes and the 2026 Notes.

Notices: Notwithstanding Condition 14 (Notices) of the Terms and Conditions of the 2022 Notes and Condition 14 (Notices) of the Terms and Conditions of the 2026 Notes, while all the Notes are represented by the Permanent Global Note (or by the Permanent Global Note and/or the Temporary Global Note) and the Permanent Global Note is (or the Permanent Global Note and/or the temporary Global Note are) deposited

with a common safekeeper for Euroclear and Clearstream, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and Clearstream and in any case, such notices shall be deemed to have been given to the Noteholders in accordance with Condition 14 (Notices) of the Terms and Conditions of the 2022 Notes and Condition 14 (Notices) of the Terms and Conditions of the 2026 Notes on the date of delivery to Euroclear and Clearstream.

The following legend will appear on all Notes and on all receipts and all coupons relating to such Notes to reflect TEFRA D selling restrictions:

"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 above provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Notes, receipts or coupons and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal or interest in respect of Notes.

CLEARANCE AND SETTLEMENT

Custodial and depository links have been established among Euroclear and Clearstream to facilitate the initial issue of the Notes and cross-market transfers of the Notes associated with secondary market trading. Certain restrictions apply to transfers of interest in the Notes and certifications may be required to be given in certain circumstances.

Registration and Form

The Notes will be represented by a Temporary Global Note or a Permanent Global Note each in bearer form, with interest coupons attached. The Notes will be offered and sold in offshore transactions in reliance on Regulation S under the Securities Act. Except as set forth below, the Notes will be issued in bearer, global form in minimum denominations of €100,000 and integral multiples of €1,000 in excess of €100,000. The Notes will be issued at the closing of the offering only against payment in immediately available funds.

The Global Notes will be issued in New Global Note form and will be deposited with a common safekeeper for Euroclear and Clearstream. Except in certain other limited circumstances, the Notes will not be issued in definitive form to individual beneficial owners of the Notes. Beneficial ownership in the Global Notes can only be held in the form of book-entry interests through financial institutions as direct or indirect participants in Euroclear or Clearstream. Each person having an ownership or other interest in the Notes must rely exclusively on the rules or procedures of Euroclear and Clearstream as applicable, and any agreement with any direct or indirect participant of Euroclear or Clearstream as the case may be, or any other securities intermediary through which that person holds its interest to effect any transfer or to receive or direct the delivery of possessions of any definitive security.

Book-entry interests in the Notes will be held through Euroclear and Clearstream, each of which will hold an interest in the Global Notes. The aggregate holdings of book-entry interests in the Notes in Euroclear and Clearstream will be reflected in the book-entry accounts of each such institution. Euroclear or Clearstream, as the case may be, and every other immediate holder in the chain to the beneficial owner of book-entry interests in the Notes, will be responsible for establishing and maintaining accounts for their participants and customers having interests in the book-entry interests in the Notes.

The Clearing Systems

(a) *Clearstream:*

Clearstream is incorporated under the laws of Luxembourg as a bank. Clearstream holds securities for its participating organizations and facilitates the clearance and settlement of securities transactions between its participants through electronic book-entry changes in accounts of its participants, eliminating the need for physical movement of certificates. Transactions may be settled in Clearstream in a variety of currencies. Clearstream provides to its participants, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Clearstream interfaces with domestic markets in several countries. As a professional depository, Clearstream is subject to regulation by the Luxembourg Commission for the Supervision of the Financial Sector. Clearstream participants are recognized financial institutions around the world, including securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. Indirect access to Clearstream is also available to others, such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Clearstream participant, either directly or indirectly.

(b) *Euroclear:*

Euroclear was created in 1968 to hold securities for its participants and to clear and settle transactions between its participants through simultaneous electronic book-entry delivery against payment, eliminating the need for physical movement of certificates and any risk from lack of simultaneous transfers of securities and cash. Transactions may be settled in a variety of currencies. Euroclear includes various other services, including securities lending and borrowing and interfaces with domestic markets in several countries.

Euroclear is incorporated under the laws of Belgium as a bank and is subject to regulation by the Financial Services and Markets Authority and the National Bank of Belgium. Euroclear participants include banks, including central banks, securities brokers and dealers and other professional financial intermediaries.

Indirect access to Euroclear is also available to the firms that clear through or maintain a custodial relationship with a Euroclear participant, either directly or indirectly. All securities in Euroclear are held on a fungible basis. This means that specific certificates are not matched to specific securities clearance accounts.

ASML will not impose any fees in respect of the Notes; however, Noteholders may incur fees normally payable in respect of the maintenance and operation of accounts in Euroclear or Clearstream.

Global Clearance and Settlement Procedures

(a) *Initial Settlement:*

On original issue the Notes will be in global form represented by a Temporary Global Note and, upon certification of non-U.S. beneficial ownership, a Permanent Global Note. Interests in the Notes will be in uncertificated book-entry form. Purchasers holding book-entry interests in the Notes through Euroclear and Clearstream accounts will follow the settlement procedures applicable to conventional euronotes, book-entry interests in the Notes will be credited to Euroclear and Clearstream Participant securities clearance accounts on the business day following the Closing Date against payment.

(b) *Secondary Market Trading:*

Secondary market sales of book-entry interests in the Notes held through Euroclear or Clearstream to purchasers of book-entry interests in the Notes through Euroclear or Clearstream will be conducted in accordance with the normal rules and operating procedures of Euroclear and Clearstream and will be settled using the procedures applicable to conventional euronotes.

NETHERLANDS TAXATION

The following is intended as general information only and it does not present any comprehensive or complete description of all aspects of Dutch tax law which could be of relevance to a Noteholder. For Dutch tax purposes, a Noteholder may include an individual who or entity that does not have the legal title of the Notes, but to whom nevertheless the Notes are attributed based either on such individual or entity owning a beneficial interest in the Notes or based on specific statutory provisions, including statutory provisions pursuant to which Notes are attributed to an individual who is, or who has directly or indirectly inherited from a person who was, the settlor, grantor or similar originator of a trust, foundation or similar entity that holds the Notes.

The following summary is based on the Dutch tax law as applied and interpreted by Dutch tax courts and as published and in effect on the date hereof, without prejudice to any amendments introduced at a later date and implemented with or without retroactive effect.

For the purpose of this paragraph, **Dutch Taxes** shall mean taxes of whatever nature levied by or on behalf of the Netherlands or any of its subdivisions or taxing authorities. The Netherlands means the part of the Kingdom of the Netherlands located in Europe.

This paragraph does not describe the possible Dutch tax considerations or consequences that may be relevant to a Noteholder who holds a substantial interest (*aanmerkelijk belang*) within the meaning of Chapter 4 of the Individual Income Tax Act 2001 (*Wet inkomstenbelasting 2001*) in the Issuer. Generally speaking, a substantial interest in the Issuer arises if a person, alone or, where such person is an individual, together with his or her partner (statutory defined term), directly or indirectly, holds or is deemed to hold (i) an interest of 5% or more of the total issued capital of the Issuer or of 5% or more of the issued capital of a certain class of shares of the Issuer, (ii) rights to acquire, directly or indirectly, such interest or (iii) certain profit sharing rights in the Issuer that relate to 5% or more of the annual profit of the Issuer or to 5% or more of the liquidation proceeds of the Issuer.

Prospective Noteholders should consult their tax adviser regarding the tax consequences of any purchase, ownership or disposal of Notes, in particular if the prospective Noteholder does hold a substantial interest in the Issuer.

Withholding Tax

Any payments made under the Notes will not be subject to withholding or deduction for, or on account of, any Dutch Taxes.

Taxes on income and capital gains

A Noteholder will not be subject to any Dutch Taxes on any payment made to the Noteholder under the Notes or on any capital gain made by the Noteholder from the disposal, or deemed disposal, or redemption of, the Notes, except if:

- (i) the Noteholder is, or is deemed to be, resident in the Netherlands for Dutch (corporate) income tax purposes;
- (ii) the Noteholder is an individual and receives or has received any benefits from the Notes as employment income, deemed employment income or otherwise as compensation which is taxable in the Netherlands;
- (iii) the Noteholder derives profits from an enterprise, whether as entrepreneur (*ondernemer*) or pursuant to a co-entitlement to the net worth of such enterprise, other than as an entrepreneur or a shareholder, which enterprise is, in whole or in part, carried on through a permanent

establishment (*vaste inrichting*) or a permanent representative (*vaste vertegenwoordiger*) in the Netherlands to which permanent establishment or permanent representative the Notes are attributable;

- (iv) the Noteholder is an individual and derives benefits from miscellaneous activities (*overige werkzaamheden*) carried out in the Netherlands in respect of the Notes, including (without limitation) activities which are beyond the scope of active portfolio investment activities;
- (v) the Noteholder is not an individual and is entitled to a share in the profits of an enterprise or a co-entitlement to the net worth of an enterprise, other than by way of the holding of securities, which is effectively managed in the Netherlands and to which enterprise the Notes are attributable;
- (vi) the Noteholder is an individual and is entitled to a share in the profits of an enterprise, other than by way of securities, which is effectively managed in the Netherlands and to which enterprise the Notes are attributable; or
- (vii) the Noteholder is an entity resident in Aruba, Curacao or Sint Maarten that has an enterprise which is carried on through a permanent establishment or a permanent representative on Bonaire, Sint Eustatius or Saba, to which permanent establishment or permanent representative the Notes are attributable.

Gift tax or inheritance tax

No Dutch gift tax or inheritance tax is due in respect of any gift of Notes by, or inheritance of Notes on the death of, a Noteholder, except if:

- (i) at the time of the gift or death of the Noteholder the Noteholder is resident, or is deemed to be resident, in the Netherlands; or
- (ii) the Noteholder passes away within 180 days after the date of the gift of the Notes and is not, or not deemed to be, at the time of the gift, but is, or deemed to be, at the time of his death, resident in the Netherlands; or
- (iii) the gift of the Notes is made under a condition precedent and the Noteholder is resident, or is deemed to be resident, in the Netherlands at the time the condition is fulfilled.

Other taxes

No other Dutch Taxes, including turnover tax and taxes of a documentary nature, such as capital tax, stamp or registration tax or duty, are payable by or on behalf of a Noteholder by reason only of the issue, acquisition or transfer of the Notes.

Residency

A Noteholder will not become resident, or be deemed to be resident, in the Netherlands for tax purposes, or become subject to Dutch Taxes, by reason only of the Issuer's performance, or the Noteholder's acquisition (by way of issue or transfer to it), holding and/or disposal of the Notes.

SUBSCRIPTION AND SALE

Pursuant to a Subscription Agreement, dated as of 6 July 2016 (the **Subscription Agreement**), the Managers have agreed with ASML, subject to the satisfaction of certain conditions, to subscribe for, at 99.672% of their principal amount, €500,000,000 aggregate principal amount of the 2022 Notes, and at 99.288% of their principal amount, €1,000,000,000 aggregate principal amount of the 2026 Notes, and ASML has agreed to pay to the Managers for performance of their services a commission.

ASML has agreed to indemnify the Managers against certain liabilities in connection with the offer and sale of the Notes.

In connection with this offering, J.P. Morgan Securities plc may engage in over-allotment, stabilizing transactions and syndicate covering transactions. Over-allotment involves sales in excess of the offering size, which creates a short position for J.P. Morgan Securities plc. Stabilizing transactions involve bids to purchase the Notes in the open market for the purpose of pegging, fixing or maintaining the price of the Notes. Syndicate covering transactions involve purchases of the Notes in the open market after the distribution has been completed in order to cover short positions. Stabilizing transactions and syndicate covering transactions may cause the price of the Notes to be higher than it would otherwise be in the absence of those transactions. If J.P. Morgan Securities plc engages in stabilizing or syndicate covering transactions, it may discontinue them at any time.

Selling Restrictions

United States

The Notes will be issued in bearer form and therefore are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

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

The Notes have not been and will not be registered under the Securities Act and are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons. Accordingly, the Notes are being offered and sold only outside the United States in reliance on Regulation S under the Securities Act.

Each Manager has agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver the Notes, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the Closing Date (as defined in the Subscription Agreement) within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each distributor, dealer or a person receiving a selling concession, fee or other remuneration to which it sells Notes during the restricted period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of U.S. persons. The Managers have also agreed that neither their affiliates nor any persons acting on the Managers' or their affiliates' behalf have engaged or will engage in any directed selling efforts with respect to the Notes.

Terms used in the preceding two paragraphs have the meanings ascribed to them by Regulation S under the Securities Act.

The Netherlands

Each Manager has represented and agreed that any Notes will only be offered in the Netherlands to qualified investors (*gekwalificeerde beleggers*) as defined in the Dutch Financial Supervision Act (*Wet op het financieel toezicht*).

United Kingdom

Each Manager has represented warranted and agreed in the Subscription Agreement that: (1) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (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 ASML, and (2) it has complied with and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from, or otherwise involving the United Kingdom.

The Grand Duchy of Luxembourg

Each Manager has represented and agreed that it has not and will not, offer or sell the Notes to the public in Luxembourg, directly or indirectly, and neither this Offering Memorandum nor any prospectus, form of application, advertisement, communication or other material may be distributed, or otherwise made available in, or from or published in, Luxembourg, except (i) for the sole purpose of the admission to trading of the Notes on the Euro MTF Market and listing of the Notes on the Official List of the Luxembourg Stock Exchange and in circumstances which do not constitute an offer of securities to the public pursuant to the provisions of the Luxembourg act dated 10 July 2005 relating to prospectuses for securities, as amended (the **Prospectus Act 2005**) or (ii) in other circumstances which do not constitute a public offer of securities to the public pursuant to the provisions of the Prospectuses Act 2005.

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**). Accordingly, each Manager has represented, warranted and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan (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 re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other relevant laws, regulations and ministerial guidelines of Japan.

General

In addition to the specific restrictions set out above, the Managers have agreed that they will (to the best of their knowledge) comply with all applicable laws and material regulations relating to the distribution of securities in each jurisdiction in which they acquire, offer, sell or deliver Notes or have in their possession or distribute the Offering Document or any such other material.

VALIDITY OF SECURITIES

The Company is being represented as to certain Dutch legal matters by De Brauw Blackstone Westbroek N.V., Amsterdam, the Netherlands. The Managers are being represented as to certain Dutch legal matters by Allen & Overy LLP, Amsterdam, the Netherlands.

INDEPENDENT AUDITORS

The consolidated balance sheets of the Company as 31 December 2015 and 2014, and the related consolidated statements of operations, comprehensive income, shareholders' equity, and cash flows for each of the three years in the period ended 31 December 2015, included and incorporated by reference in this Offering Memorandum have been audited by Deloitte Accountants B.V., independent auditors, as stated in their report thereon, which are incorporated herein by reference.

GENERAL INFORMATION

1. We commenced business operations in 1984. ASM Lithography Holding N.V. was incorporated in the Netherlands on 3 October 1994 to serve as the holding company for our worldwide operations. In 2001, we changed our name to ASML Holding N.V. Our registered office is located at De Run 6501, 5504 DR Veldhoven, the Netherlands, telephone number +31 40 268 3000. We have operating subsidiaries in the Netherlands, the United States, Italy, France, Germany, the United Kingdom, Ireland, Belgium, Korea, Taiwan, Singapore, China, Hong Kong, Japan, Malaysia and Israel.

From time to time, we pursue acquisitions of businesses that we believe will complement or enhance our core lithography business: these have included the acquisitions of MaskTools (business unit of MicroUnity Systems Engineering Inc.) in 1999, Silicon Valley Group Inc. in 2001, Brion Technologies Inc. in 2007, Wijdeven Motion Holding B.V. and Wijdeven Motion B.V. in 2012 and Cymer Inc. in 2013.

On 16 June 2016, we entered into agreements with certain shareholders of HMI owning approximately 48% of its total issued share capital (the **Selling Shareholders**) pursuant to which they have agreed to vote in favour of, and otherwise support, the acquisition by ASML of all outstanding shares of HMI. The transaction is expected to close in the fourth quarter of 2016 and was unanimously approved by the boards of directors of ASML and HMI. Closing is subject to customary closing conditions including regulatory approval. Closing is also subject to the approval by HMI's shareholders.

ASML is registered under number 17085815 at the Commercial Register in Eindhoven, the Netherlands.

2. As of 31 December 2015, ASML's authorized share capital amounts to €126.0 million and is divided into:
 - 700,000,000 cumulative preference shares with a nominal value of €0.09 each;
 - 699,999,000 ordinary shares with a nominal value of €0.09 each; and
 - 9,000 ordinary shares B with a nominal value of €0.01 each.

As at 31 December 2015, 433,332,573 ordinary shares with a nominal value of €0.09 each were issued and fully paid up, this includes 5,345,891 treasury shares. No ordinary shares B and no cumulative preference shares have been issued.

The Selling Shareholders have agreed to (re)invest in ASML part of the proceeds to be received by them as a result of the acquisition by ASML of their shares in HMI. Accordingly, we expect to issue a total number of 5.9 million ordinary shares (corresponding to approximately 1% of ASML shares currently outstanding), for an aggregate value of approximately EUR 500 million.

3. The objects of the Company are to establish, participate in, administer and finance companies and enterprises engaged in the development, manufacture and trading of products which are used for the production of semi-conductors especially lithographic products and systems, and the development and exploitation of technical and other expertise in the field of or in connection with the products and systems referred to above, and to do everything pertaining thereto or connected therewith, including to perform or have performed industrial, commercial and financial activities, to perform or have performed services in general, all this in the widest sense.
4. The issuance of the Notes being offered hereby were authorized by resolutions of the Board of Management on 24 June 2016 and by resolutions of the Supervisory Board on 15 June 2016.

5. The address of the Company's auditors, Deloitte Accountants B.V., is Flight Forum 1, 5657 DA Eindhoven, the Netherlands.
6. Copies of the audited 2015 Form 20-F, audited 2015 statutory annual report, the most recent unaudited interim consolidated quarterly financial statements of ASML, ASML's press release regarding the acquisition of HMI and a copy of the current Articles of Association of ASML are available, free of charge, upon request during normal business hours at the offices of ASML and at the website of ASML at www.asml.com. The Articles of Association of ASML as well as ASML's press release regarding the acquisition of HMI, the 2015 Form 20-F and the most recent unaudited interim consolidated quarterly financial statements of the Company are incorporated herein by reference.

Deloitte Accountants B.V. has served as the Company's independent auditor for the year ended 31 December 2015 and have rendered an unqualified Report of Independent Registered Public Accounting Firm (auditor's report) with respect to ASML's Annual Report on Form 20-F for 2015.

7. The Notes have been accepted for clearance and settlement through the facilities of Euroclear and Clearstream with the international securities identification number XS1405774990 and common code 140577499 for the 2022 Notes and with the international securities identification number XS1405780963 and common code 140578096 for the 2026 Notes.
8. The Notes are expected to be assigned a rating of BBB+ by Fitch and Baa1 by Moody's. A credit rating is not a recommendation to buy, sell or hold securities and is subject to suspension, reduction or withdrawal at any time by the assigning rating agency. A suspension, reduction or withdrawal of a credit rating assigned to the Issuer may adversely affect the market price of the Notes.
9. Other than as set out in this Offering Memorandum (including any document incorporated by reference herein), ASML is not, or during the last two financial years has not been involved (whether as defendant or otherwise) in, nor does it have knowledge of any threat of any legal, arbitration, administrative or other proceedings the result of which may have, in the event of an adverse determination, a significant effect on its financial condition as presented in this Offering Memorandum (including any document incorporated by reference herein).
10. Save as disclosed in this Offering Memorandum (including any document incorporated by reference herein), there has been no material adverse change in ASML's prospects since 31 December 2015. Moreover, there has been no significant change in ASML's financial position or trading position since 3 April 2016, except as may otherwise be indicated in this Offering Memorandum.
11. For so long as any of the Notes are outstanding, copies of the following documents may be obtained, free of charge, during normal business hours at the office of the Paying Agent:
 - (a) the most recently published audited consolidated annual reports of the Company;
 - (b) the most recently published unaudited consolidated condensed interim financial statements (published quarterly) of the Company;
 - (c) the Articles of Association of the Issuer;
 - (d) this Offering Memorandum; and
 - (e) the Agency Agreement.

The Issuer does not publish non-consolidated financial statements based on US GAAP.

12. Fiscal Agent

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1 Great Winchester Street
London, EC2N 2DB
United Kingdom
Facsimile No: +44 207 547 6149
Attention: Debt and Agency Services

13. Paying Agent

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2 Boulevard Konrad Adenauer
L-1115 Luxembourg
Facsimile No: +352 473 136
(Attention: Coupon Paying Department)

ISSUER

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