

FINAL TERMS

The Issuer does not fall under the scope of application of the MiFID II or UK MiFIR package. Consequently, the Issuer does not qualify as an "investment firm", "manufacturer" or "distributor" for the purposes of MiFID II or UK MiFIR.

MiFID II product governance / Retail investors, professional investors and ECPs – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties, professional clients and retail clients, each as defined in Directive 2014/65/EU (as amended **MiFID II**); and (ii) all channels for distribution of the Notes are appropriate, including investment advice, portfolio management, non-advised sales and pure execution services, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable.

For the purposes of this provision, the expression manufacturer means any Manager that is a manufacturer under MiFID II.

16 June 2023

Kommuninvest i Sverige Aktiebolag (publ)

Legal entity identifier (LEI): EV2XZWMLLXF2QRX0CD47

Issue of SEK 5,000,000,000 0.375% Green Bonds due 10 June 2026

(to be consolidated and form a single series with the existing SEK 5,000,000,000 0.375% Green Bonds due 10 June 2026 issued on 10 June 2021 (the Existing Notes))

Guaranteed by certain regions of Sweden and certain municipalities of Sweden under the Euro Note Programme

PART 1

CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) set forth in the base prospectus dated 11 June 2020. This document constitutes the Final Terms of the Notes described herein and must be read in conjunction with the base prospectus dated 1 June 2023 (the **Base Prospectus**) which has been registered with Nasdaq Stockholm AB, save in respect of the Conditions which are extracted from the base prospectus dated 11 June 2020 and are attached hereto. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms, the Base Prospectus and the base prospectus dated 11 June 2020.

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|----|-----|-----------------|------|
| 1. | (a) | Series Number: | 2308 |
| | (b) | Tranche Number: | 2 |

The Notes will be consolidated and form a single Series with the Existing Notes on the date that is 40 days after the Issue Date (the **Consolidation Date**)

2.	Specified Currency or Currencies:	Swedish Krona (SEK)
3.	Aggregate Nominal Amount:	
	• Tranche:	SEK 5,000,000,000
	• Series:	SEK 10,000,000,000
4.	Issue Price of Tranche:	91.110 per cent. of the Aggregate Nominal Amount plus accrued interest from (and including) 10 June 2023 to (but excluding) the Issue Date
5.	(a) Specified Denomination(s):	SEK 10,000
	(b) Calculation Amount:	SEK 10,000
6.	(a) Issue Date	20 June 2023
	(b) Interest Commencement Date:	10 June 2023
7.	Maturity Date:	10 June 2026
8.	Interest Basis:	0.375 per cent. Fixed Rate (further particulars specified below)
9.	Redemption/Payment Basis:	Redemption at par
10.	Change of Interest Basis or Redemption/Payment Basis:	Not Applicable
11.	Put/Call Options:	Not Applicable
12.	Method of distribution:	Syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

13.	Fixed Rate Note Provisions	Applicable
	(a) Rate of Interest:	0.375 per cent. per annum payable annually in arrear
	(b) Interest Payment Date(s):	10 June in each year, from and including 10 June 2024, up to, and including, the Maturity Date
	(c) Fixed Coupon Amount(s):	SEK 37.50 per Calculation Amount
	(d) Broken Amount(s):	Not Applicable
	(e) Day Count Fraction:	30/360
	(f) Determination Date(s):	Not Applicable

	(g) Other terms relating to the method of calculating interest for Fixed Rate Notes:	None
14.	Floating Rate Note Provisions	Not Applicable
15.	Zero Coupon Note Provisions	Not Applicable
16.	Fund Linked Interest Note Provisions	Not Applicable
17.	Index Linked Interest Note Provisions	Not Applicable
18.	Dual Currency Interest Note Provisions	Not Applicable

PROVISIONS RELATING TO REDEMPTION

19.	Issuer Call:	Not Applicable
20.	Investor Put:	Not Applicable
21.	Final Redemption Amount:	SEK 10,000 per Calculation Amount
22.	Early Redemption Amount(s) payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Condition 8.5):	Not Applicable

GENERAL PROVISIONS APPLICABLE TO THE NOTES

23.	(a) Form of Notes:	BEARER NOTES Temporary Bearer Global Note exchangeable for a Permanent Bearer Global Note which is exchangeable for Definitive Bearer Notes upon an Exchange Event.
	(b) New Global Note	No
24.	Additional Financial Centre(s) or other special provisions relating to Payment Dates:	Not Applicable
25.	Talons for future Coupon or Receipts to be attached to Definitive Notes in bearer form (and dates on which such Talons mature):	No

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|-----|---|---|
| 26. | Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and, if different from those specified in the Temporary Global Note, consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: | Not Applicable |
| 27. | Details relating to Instalment Notes: | Not Applicable |
| | (a) Instalment Amount(s): | Not Applicable |
| | (b) Instalment Date(s): | Not Applicable |
| 28. | Redenomination: | Redenomination not applicable |
| 29. | Other final terms: | Not Applicable |
| 30. | The names of the Guarantors as at the issue date of the relevant Tranche and details of the date, form and other relevant details of the Guarantee given by such Guarantors: | See attached Guarantee dated 7 May 1993, as amended |

DISTRIBUTION

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|-----|--|---|
| 31. | (a) If syndicated, names of Managers: | Danske Bank A/S, Svenska Handelsbanken AB (publ) and Swedbank AB (publ) |
| | (b) Stabilising Manager(s) (if any): | Not Applicable |
| | (c) Names of Financial Intermediaries (if any): | Not Applicable |
| 32. | If non-syndicated, name of relevant Dealer: | Not Applicable |
| 33. | Total commission and concession: | 0.06 per cent. of the Aggregate Nominal Amount |
| 34. | U.S. Selling Restrictions: | Reg S Compliance Category 2; TEFRA D |
| 35. | Additional selling restrictions: | Not Applicable |
| 36. | Additional U.S. Federal income tax considerations: | Not Applicable |
| 37. | Additional ERISA considerations: | Not Applicable |
| 38. | Secondary (<i>uridashi</i>) offerings of Notes to be made in Japan and (i) the relevant Securities Registration Statements or (ii) | No |

Amendments or Supplemental Documents to Shelf Registration Statements under Financial Instruments and Exchange Act of Japan (Law No. 25 of 1948, as amended) in respect of the Notes were filed prior to 11 June 2020:

39. Prohibition of Sales to Belgian Consumers: Applicable

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms.

Signed on behalf of Kommuninvest i Sverige Aktiebolag (publ):

By:



Duly authorised

Jonas Svenson
Authorised Signatory



Karolina Molin
Authorised Signatory

PART 2

OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

Listing and admission to trading: Application has been made for the Notes to be admitted to the regulated market operated by Nasdaq Stockholm with effect from the Issue Date.

2. RATINGS

Ratings: The Notes to be issued have been rated:

Moody's: Aaa

S&P: AAA

3. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

(a) Reasons for the offer: Eligible projects: The proceeds will be applied for investment projects undertaken by Swedish local governments that promote the transition to a low-carbon and climate-resilient society and according to the Issuer's Green Bond Framework dated 25 May 2021 (as amended from time to time), available on the issuer's website (<https://kommuninvest.se/en/funding-and-funding-need-3/greenbonds/>)

(b) Estimated net proceeds: SEK 4,553,020,833.33

(c) Estimated total expenses: SEK 2,000

4. YIELD (*Fixed Rate Notes only*)

Indication of yield: 3.581 per cent. per annum

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

5. OPERATIONAL INFORMATION

(a) ISIN: Until the Notes are consolidated and form a single series with the Existing Notes on the Consolidation Date, XS263849434

As of the Consolidation Date, XS2351401109

(b) Common Code: Until the Notes are consolidated and form a single series with the Existing Notes on the Consolidation Date, 263849434

As of the Consolidation Date, 235140110

- (c) CFI: DTFNFB as updated, as set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN
- (d) FISN: KOMMUNINVEST I/.38EMTN 20260610 as updated, as set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN
- (e) CUSIP: Not Applicable
- (f) CINS: Not Applicable
- (g) Any clearing system(s) other than DTC, Euroclear and Clearstream, Luxembourg and the relevant identification number(s): Not Applicable
- (h) Agent: Citibank, N.A., London Branch
- (i) Delivery: Delivery against payment
- (j) Names and address of additional or alternative Paying Agent(s) (if any): Not Applicable
- (k) Intended to be held in a manner which would allow Eurosystem eligibility: No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.

Annex 1

Terms and Conditions

The following are the Terms and Conditions of Notes to be issued by the Issuer which will be incorporated by reference into each global Note, and which will be incorporated into each definitive Note. The following Terms and Conditions will be applicable to each Swedish Registered Note. The applicable Final Terms in relation to any Notes (including Swedish Registered Notes) may specify other terms and conditions which shall to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Notes.

This Note is one of a series of Notes issued by Kommuninvest i Sverige Aktiebolag (publ) (the **Issuer**). Reference herein to the **Notes** shall be references to the Notes of this Series (as defined below) and shall mean (a) in relation to any Notes represented by a global Note, units of each Specified Denomination in the Specified Currency, (b) definitive Notes in bearer form issued in exchange (or part exchange) for a global Note in bearer form, (c) definitive Notes in registered form issued in exchange (or part exchange) for a global Note in registered form, (d) any global Note, and (e) Notes in registered form in accordance with the Swedish Financial Instruments Accounts Act (SFS 1998:1479), as amended (**Swedish Registered Notes**), cleared through the Swedish Central Securities Depository & Clearing Organisation, the Euroclear Sweden AB (**Euroclear Sweden**). Except in the case of Swedish Registered Notes, the Notes, the Coupons and the Receipts (each as defined below) also have the benefit of an amended and restated agency agreement dated 11 June 2020 (the **Agency Agreement** as the same may be amended or supplemented from time to time) among the Issuer, Citibank, N.A., London Branch (the **Principal Paying Agent**, which expression shall include any alternative or successor Principal Paying agent specified in the applicable Final Terms) and the other paying agents named therein (together with the Principal Paying Agent, the **Paying Agents**, which expression shall include any additional or successor paying agents) Citibank, N.A. as exchange agent (the **Exchange Agent**, which expression shall include any successor exchange agent) and Citigroup Global Markets Europe AG as registrar (the **Non-U.S. Registrar**, which expression shall include any successor registrar), Citigroup Global Markets Europe AG as U.S. Registrar (the **U.S. Registrar**, together with the Non-U.S. Registrar, each a **Registrar** which expression shall include any successor registrar) and a transfer agent and the other transfer agents named therein (together with the Registrar, the **Transfer Agents**, which expression shall include any additional or successor transfer agents).

The Notes, the Coupons and the Receipts also have the benefit of a Guarantee (the **Guarantee**) details of which are set out in the applicable Final Terms.

Interest bearing definitive Bearer Notes (unless otherwise indicated in the applicable Final Terms) have interest coupons (**Coupons**) and, if indicated in the applicable Final Terms, talons for further Coupons (**Talons**) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Definitive Bearer Notes repayable in instalments have receipts (**Receipts**) for the payment of the instalments of principal (other than the final instalment) attached on issue. Registered Notes and Global Notes do not have Receipts, Coupons or Talons attached on issue.

Any reference herein to **Noteholders** shall mean (in the case of Bearer Notes) the holders of the Notes, and (in the case of Registered Notes) the persons in whose name the Notes are registered and shall, in relation to any Notes represented by a global Note and in relation to Swedish Registered Notes, be construed as provided below. Any reference herein to **Receiptholders** shall mean the holders of the Receipts and any reference herein to **Couponholders** shall mean the holders of the Coupons, and shall, unless the context otherwise requires, include the holders of Talons. Swedish Registered Notes are in dematerialised form and, for the avoidance of doubt, any references in these Terms and Conditions to Receipts, Coupons and Talons shall not apply to Swedish Registered Notes.

The final terms for this Note are (except in the case of Swedish Registered Notes) set out in Part 1 of the Final Terms attached hereto or incorporated hereon which supplement these Terms and Conditions and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Terms and Conditions, replace or modify these Terms and Conditions for the purposes of this Note. References herein to the **applicable Final Terms** are to the Final Terms which is (except in the case of Swedish Registered Notes) attached hereto or endorsed hereon.

As used herein **Tranche** means Notes which are identical in all respects (including as to listing and admission to trading) and **Series** means a Tranche of Notes together with any further Tranche of Tranches of Notes which are (a) expressed to be consolidated and forming a single series and (b) identical in all respects (including as to listing and admission to trading) except for their respective Issue Dates (unless this is a Zero Coupon Note), Interest Commencement Dates and/or Issue Prices.

The holders of bearer Notes, the Receiptholders and the Couponholders are entitled to the benefit of the Deed of Covenant (the **Deed of Covenant**) dated 23 March 2017 and made by the Issuer. The original of the Deed of Covenant is held by a common depository on behalf of Euroclear and Clearstream, Luxembourg (each as defined below).

Copies of the Agency Agreement (which contains the form of the Final Terms), the Guarantee, the Deed of Covenant, a deed poll (the **Deed Poll**) dated 14 June 2011 and made by the Issuer, are available for inspection at the specified offices of each of the Principal Paying Agent, the Registrars and the other Paying Agents, the Exchange Agent and the other Transfer Agents (such Agents, the Calculation Agent (if any is specified in the applicable Final Terms) and the Registrar being together referred to as the **Agents**). Copies of the Final Terms applicable to this Note (if this Note is a listed Note) will be available free of charge from the registered office of the Issuer and from the specified offices of the Paying Agents for the time being in London. The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement (other than the holders of Swedish Registered Notes), the Deed Poll, the Deed of Covenant and the applicable Final Terms, which are binding on them.

Unless otherwise expressly provided in the relevant Final Terms, no amendment of the Agency Agreement or these Terms and Conditions effective as of 11 June 2020 shall be applicable to the Notes issued under the Programme on or before 1 July 2020 for which the relevant Final Terms provide that secondary (*uridashi*) offerings of such Notes will be made in Japan where (i) the relevant Securities Registration Statements or (ii) Amendments or Supplemental Documents to Shelf Registration Statements under the Financial Instruments and Exchange Act of Japan (Law No. 25 of 1948, as amended) in respect of such Notes were filed prior to 11 June 2020.

Words and expressions defined in the Agency Agreement (in relation to Notes other than Swedish Registered Notes) or used in the applicable Final Terms shall have the same meanings where used in these Terms and Conditions unless the context otherwise requires or unless otherwise stated.

In the Conditions, **euro** means 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.

1. **FORM, DENOMINATION AND TITLE**

The Notes are in bearer form (**Bearer Notes**) or in registered form (**Registered Notes**) as specified in the applicable Final Terms or, in the case of Swedish Registered Notes, in uncertificated and dematerialised book entry form, as specified in the applicable Final Terms, and, in the case of definitive Notes, serially numbered, in the Specified Currency and the Specified Denomination(s). Notes of one Specified Denomination may not be exchanged for

Notes of another Specified Denomination and Bearer Notes may not be exchanged for Registered Notes and *vice versa*.

Unless otherwise specified in the applicable Final Terms, Notes, other than Swedish Registered Notes, will initially be represented by a temporary Global Note which will be exchangeable in accordance with its terms for either a permanent Global Note or Notes in definitive form, as specified in the applicable Final Terms. Swedish Registered Notes will be issued in uncertificated and dematerialised book entry form and no global or definitive Notes will be issued in respect thereof and these Terms and Conditions shall be construed accordingly.

This Note is a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, a Fund Linked Interest Note, an Index Linked Interest Note, a Dual Currency Interest Note or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

This Note may be a Fund Linked Redemption Note, an Index Linked Redemption Note, an Instalment Note, a Dual Currency Redemption Note, a Partly Paid Note or a combination of any of the foregoing, depending on the Redemption/Payment Basis shown in the applicable Final Terms.

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

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

Title to the Swedish Registered Notes will pass by registration in the register that the Issuer will procure to be kept by Euroclear Sweden on behalf of the Issuer. Where a nominee is so evidenced it shall be treated as the holder of the relevant Swedish Registered Notes.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank SA/NV (**Euroclear**) and/or Clearstream Banking S.A. (**Clearstream, Luxembourg**) or is a Swedish Registered Note, each person (other than Euroclear, Clearstream, Luxembourg or Euroclear Sweden (as defined below)) who is for the time being shown in the records of Euroclear, or of Clearstream, Luxembourg or the register maintained by Euroclear Sweden, as the case may be, as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear, Clearstream, Luxembourg or Euroclear Sweden, as the case may be, as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer and the Agents as the holder of such nominal amount of such Notes for all purposes other than (in the case only of Notes not being Swedish Registered Notes) with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Bearer Global Note or the registered holder of the relevant Registered Global Note shall be treated, by the Issuer and any Paying Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions "Noteholder" and "holder of Notes" and related expressions shall be construed accordingly.

For so long as The Depository Trust Company (**DTC**) or its nominee is the registered owner or holder of a Registered Global Note, DTC or such nominee, as the case may be, will be considered the sole owner or holder of the Notes represented by such Registered Global Note for all purposes under the Agency Agreement and the Notes except to the extent that in accordance with DTC's published rules and procedures any ownership rights may be exercised by its participants or beneficial owners through participants.

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

2. TRANSFERS OF REGISTERED NOTES

2.1 Transfers of interests in Registered Global Notes

Transfers of beneficial interests in Registered Global Notes will be effected by DTC, Euroclear or Clearstream, Luxembourg, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of transferors and transferees of such interests. A beneficial interest in a Registered Global Note will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Notes in definitive form or for a beneficial interest in another Registered Global Note of the same series only in the authorised denominations set out in the applicable Final Terms and only in accordance with the rules and operating procedures for the time being of DTC, Euroclear or Clearstream, Luxembourg, as the case may be, and in accordance with the terms and conditions specified in the Agency Agreement. Transfers of a Registered Global Note registered in the name of a nominee for DTC shall be limited to transfers of such Registered Global Note, in whole but not in part, to another nominee of DTC or to a successor of DTC or such successor's nominee.

2.2 Transfers of Registered Notes in definitive form

Subject as provided in paragraphs 2.5 and 2.6 below, upon the terms and subject to the conditions set forth in the Agency Agreement, a Registered Note in definitive form may be transferred in whole or in part (in the authorised denominations set out in the applicable Final Terms). In order to effect any such transfer (a) the holder or holders must (i) surrender the Registered Note for registration of the transfer of the Registered Note (or the relevant part of the Registered Note) at the specified office of any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing and (ii) complete and deposit such other certifications as may be required by the relevant Transfer Agent and (b) the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request. Any such transfer will be subject to such reasonable regulations as the Issuer and the Registrar may from time to time prescribe (the initial such regulations being set out in Schedule 7 to the Agency Agreement). Subject as provided above, the relevant Transfer Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail, to such address as the transferee may request, a new Registered Note in definitive form of a like

aggregate nominal amount to the Registered Note (or the relevant part of the Registered Note) transferred. In the case of the transfer of part only of a Registered Note in definitive form, a new Registered Note in definitive form in respect of the balance of the Registered Note not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

2.3 Registration of transfer upon partial redemption

In the event of a partial redemption of Notes under Condition 8, the Issuer shall not be required to register the transfer of any Registered Note, or part of a Registered Note, called for partial redemption.

2.4 Costs of registration

Noteholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

2.5 Transfers of interests in Regulation S Global Notes

Prior to expiry of the applicable Distribution Compliance Period, transfers by the holder of, or of a beneficial interest in, a Regulation S Global Note to a transferee in the United States or who is a U.S. person will only be made upon receipt by the Registrar of a written certification substantially in the form set out in the Agency Agreement, amended as appropriate (a **Transfer Certificate**), copies of which are available from the specified office of any Transfer Agent, from the transferor of the Note or beneficial interest therein to the effect that such transfer is being made to a person whom the transferor reasonably believes is both a QIB and a QP in a transaction meeting the requirements of Rule 144A and, in each case, in accordance with any applicable securities laws of any State of the United States or any other jurisdiction.

In the case of such a transfer as described above, such transferee may take delivery through a Legended Note in global or definitive form. After expiry of the applicable Distribution Compliance Period (A) beneficial interests in Regulation S Global Notes registered in the name of a nominee for DTC may be held through DTC directly, by a participant in DTC, or indirectly through a participant in DTC and (B) such certification requirements will no longer apply to such transfers.

2.6 Transfers of interests in Legended Notes

Transfers of Legended Notes or beneficial interests therein may be made:

- (a) to a transferee who takes delivery of such interest through a Regulation S Global Note, upon receipt by the Registrar of a duly completed Transfer Certificate from the transferor to the effect that such transfer is being made in accordance with Regulation S and that in the case of a Regulation S Global Note registered in the name of a nominee for DTC, if such transfer is being made prior to expiry of the applicable Distribution Compliance Period, the interests in the Notes being transferred will be held immediately thereafter through Euroclear and/or Clearstream, Luxembourg; or
- (b) to a transferee who takes delivery of such interest through a Legended Note where the transferee is a person whom the transferor reasonably believes is both a QIB and a QP in a transaction meeting the requirements of Rule 144A, without certification,

and, in each case, in accordance with any applicable securities laws of any State of the United States or any other jurisdiction.

Upon the transfer, exchange or replacement of Legended Notes, or upon specific request for removal of the Legend, the Registrar shall deliver only Legended Notes or refuse to remove the Legend, as the case may be, unless there is delivered to the Issuer such satisfactory evidence as may reasonably be required by the Issuer, which may include an opinion of U.S. counsel, that neither the Legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

2.7 Compulsory Sale

The Issuer may compel any beneficial owner of an interest in a Rule 144A Note to sell its interest in such Note, or may sell such interest on behalf of such holder, if such holder is a U.S. Person that is not both a QIB and a QP.

2.8 Definitions

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

Distribution Compliance Period has the meaning given in Regulation S;

Legended Note means Registered Notes (whether in definitive form or represented by a Registered Global Note) sold in private transactions to QIBs in accordance with the requirements of Rule 144A which bear a legend specifying certain restrictions on transfer (a **Legend**);

Investment Company Act means the United States Investment Company Act of 1940, as amended;

QIB means a **qualified institutional buyer** within the meaning of Rule 144A;

QP means a **qualified purchaser** within the meaning of Section 2(a)(51)(A) of the Investment Company Act and the rules and regulations thereunder;

Regulation S means Regulation S under the Securities Act;

Regulation S Global Note means a Registered Global Note representing Notes initially sold outside the United States to persons that are not U.S. persons in reliance on Regulation S;

Rule 144A means Rule 144A under the Securities Act;

Rule 144A Global Note means a Registered Global Note representing Notes initially sold to U.S. Persons in the United States to persons that are both QIBs and QPs; and

Securities Act means the United States Securities Act of 1933, as amended.

U.S. Person has the meaning specified in Regulation S.

3. STATUS OF THE NOTES

Unless otherwise specified in the applicable Final Terms, the Notes and the relative Receipts and Coupons are direct, unconditional, general and (subject to the provisions of Condition 4) unsecured obligations of the Issuer and rank and will rank *pari passu*, without any preference

among themselves, with all other present or future outstanding unsecured and unsubordinated obligations of the Issuer.

4. NEGATIVE PLEDGE

4.1 Negative Pledge

So long as any of the Notes remains outstanding the Issuer will not create or have outstanding any mortgage, charge, lien, pledge or other security interest (each a **Security Interest**) upon, or with respect to, any of its present or future business, undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness (as defined below), unless the Issuer shall, in the case of the creation of a Security Interest, before or at the same time and, in any other case, promptly, take any and all action necessary to ensure that:

- (a) all amounts payable by it under the Notes and the Coupons are secured by the Security Interest equally and rateably with the Relevant Indebtedness; or
- (b) in the case of Notes other than Swedish Registered Notes, such other Security Interest or other arrangement (whether or not it includes the giving of a Security Interest) is provided as shall be approved by an Extraordinary Resolution (defined in the Agency Agreement as a resolution duly passed by a majority of not less than three-fourths of the votes cast) of the Noteholders.

4.2 Interpretation

For the purpose of these Conditions **Relevant Indebtedness** means (a) any present or future indebtedness (whether being principal, premium, interest or other amounts) for or in respect of any notes, bonds, debentures, debenture stock, loan stock or other securities which are for the time being quoted, listed or capable of being quoted or listed or ordinarily dealt in on any stock exchange, over-the-counter or other securities market and (b) any guarantee or indemnity of any such indebtedness.

5. GUARANTEE

The Notes and the relative Receipts and Coupons have the benefit of the Guarantee.

The guarantors (together the **Initial Guarantors**) as of the Issue Date are specified in the applicable Final Terms together with details of the date, form and other relevant details of the Guarantee. Other regions and municipalities of Sweden may subsequently become guarantors and together with the Initial Guarantors are referred to herein as the **Guarantors** and each a **Guarantor**. Upon any party becoming a Guarantor the Issuer will promptly notify each stock exchange on which the Notes are at such time listed and details of the Guarantors from time to time in respect of the Notes will be available at the specified offices of the Agent and the other Paying Agents.

The obligations of each Guarantor under the Guarantee are joint and several and constitute direct, unconditional, general and unsecured obligations of such Guarantor and rank *pari passu* with all other present or future outstanding unsecured and unsubordinated obligations of that Guarantor. The Guarantee may be enforced separately in relation to each Guarantor in the Courts of Sweden upon failure by the Issuer to perform any obligations in respect of the Notes without exhaustion of remedies against the Issuer or any other Guarantor.

No Guarantor or any of its assets has any sovereign or other immunity in respect of legal proceedings brought against it in the Courts of Sweden. None of the Guarantors is required by

the existing laws of Sweden to make any deductions or withholding from any amount payable under the Guarantee.

6. INTEREST

6.1 Interest on Fixed Rate Notes

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

If the Notes are in definitive form, except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Interest Period ending on (but excluding or, in the case of Swedish Registered Notes, and including) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

As used in these Terms and Conditions, **Interest Period** means the period from (and including or, in the case of Swedish Registered Notes, but excluding) an Interest Payment Date (or the Interest Commencement Date) to (but excluding or, in the case of Swedish Registered Notes, and including) the next (or first) Interest Payment Date.

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

- (a) in the case of Fixed Rate Notes which are (i) represented by a Global Note or which are Swedish Registered Notes or (ii) Registered Notes in definitive form, the aggregate outstanding nominal amount of (A) the Fixed Rate Notes represented by such Global Note or, as the case may be, appearing on the register maintained by Euroclear Sweden on behalf of the Issuer or (B) such Registered Notes (or, in each case, if they are Partly Paid Notes, the aggregate amount paid up); or
- (b) in the case of Fixed Rate Notes which are Bearer Notes in definitive form, the Calculation Amount,

and, in each case, multiplying such sum by the applicable Day Count Fraction.

The resultant figure (including after application of any Fixed Coupon Amount or Broken Amount, as applicable, to the aggregate outstanding nominal amount of Fixed Rates Notes which are Registered Notes in definitive form or the Calculation Amount in the case of Fixed Rate Notes which are Bearer Notes in definitive form) shall be rounded to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

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

Day Count Fraction means, in respect of the calculation of an amount of interest in accordance with this Condition 6.1:

- (i) if Actual/Actual (ICMA) is specified in the applicable Final Terms:
 - (A) in the case of Notes where the number of days in the relevant period from (and including or, in the case of Swedish Registered Notes, but excluding) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding or, in the case of Swedish Registered Notes, and including) the relevant payment date (the **Accrual Period**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or
 - (B) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
 - (1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; and
 - (2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
- (ii) if "30/360" is specified in the applicable Final Terms, the number of days in the period from (and including or, in the case of Swedish Registered Notes, but excluding) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding or, in the case of Swedish Registered Notes, and including) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360.

In these Terms and Conditions:

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

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

6.2 Interest on Floating Rate Notes, Fund Linked Interest Notes and Index Linked Interest Notes

(a) Interest Payment Dates

Each Floating Rate Note, Fund Linked Interest Note and Index Linked Interest Note bears interest from (and including or, in the case of Swedish Registered Notes, but excluding) the Interest Commencement Date and such interest will be payable in arrear on either:

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

Such interest will be payable in respect of each Interest Period (which expression shall, in these Terms and Conditions, mean the period from (and including or, in the case of Swedish Registered Notes, but excluding) an Interest Payment Date (or the Interest Commencement Date) to (but excluding or, in the case of Swedish Registered Notes, and including) the next (or first) Interest Payment Date).

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

- (A) in any case where Specified Periods are specified in accordance with Condition 6.2(a)(ii) above, the Floating Rate Convention, such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply *mutatis mutandis* or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (B) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (C) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (D) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In these Terms and Conditions, **Business Day** means a day which is:

- I. a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) and in the case of an issue of Registered Notes represented by a Global Notes registered in the name of a nominee for DTC, New York City, and each Additional Business Centre (other than the TARGET2 System (as defined below)) specified in the applicable Final Terms; and

- II. if TARGET2 System is specified as an Additional Business Centre in the applicable Final Terms, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the **TARGET2 System**) is open; and
- III. either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney or Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open; and
- IV. a day on which the ICSDs and/or any other relevant clearing system (including DTC in the case of an issue of Registered Notes represented by a Global Note registered in the name of a nominee for DTC) is open for general business.

(b) Rate of Interest

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

(i) ISDA Determination

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

- (A) the Floating Rate Option is as specified in the applicable Final Terms;
- (B) the Designated Maturity is a period equal to that Interest Period; and
- (C) the relevant Reset Date is either (I) if the applicable Floating Rate Option is based on the London inter-bank offered rate (**LIBOR**) or on the Euro-Zone, inter-bank offered rate (**EURIBOR**) for currency, the first day of that Interest Period or (II) in any other case, as specified in the applicable Final Terms.

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

When this subparagraph (i) applies, in respect of each relevant Interest Period the Agent or that other person specified in the applicable Final Terms will be deemed to have discharged its obligations under Condition 6.2(d) in respect of the determination of the

Rate of Interest if it has determined the Rate of Interest in respect of such Interest Period in the manner provided in this subparagraph (i).

(ii) Screen Rate Determination for Floating Rate Notes

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

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

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (London time, in the case of LIBOR, Stockholm time, in the case of the Stockholm inter-bank offered rate (**STIBOR**), or Brussels time, in the case of EURIBOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Principal Paying Agent or the Calculation Agent, as applicable. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one of such quotations) shall be disregarded by the Principal Paying Agent or the Calculation Agent, as applicable, for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

If the Relevant Screen Page is not available or if, in the case of (A) above no such offered quotation appears or, in the case of (B) above, fewer than three such offered quotations appear, in each case as at the time specified above, the Reference Banks Agent or the Calculation Agent (acting in consultation with the Issuer), as applicable shall request each of the Reference Banks to provide the Reference Banks Agent or the Calculation Agent (acting in consultation with the Issuer), as applicable with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Specified Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Reference Banks Agent or the Calculation Agent (acting in consultation with the Issuer), as applicable, with offered quotations the Rate of Interest for such Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of such offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the relevant Agent.

If on any Interest Determination Date one only or none of the Reference Banks provides the Reference Banks Agent or the Calculation Agent (acting in consultation with the Issuer), as applicable, with such offered quotations as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Reference Banks Agent or the Calculation Agent (acting in consultation with the Issuer), as applicable, by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the Specified Time on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the London inter-bank market (if the Reference Rate is LIBOR),

the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) or the Stockholm inter-bank market (if the Reference Rate is STIBOR) plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Reference Banks Agent or the Calculation Agent (acting in consultation with the Issuer), as applicable, with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately the Specified Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for such purpose) informs the Reference Banks Agent or the Calculation Agent (acting in consultation with the Issuer), as applicable, it is quoting to leading banks in the London inter-bank market (if the Reference Rate is LIBOR), the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) or the Stockholm inter-bank market (if the Reference Rate is STIBOR) plus or minus (as appropriate) the Margin (if any), provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period).

If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the applicable Final Terms as being other than LIBOR, EURIBOR or STIBOR, the Rate of Interest in respect of such Notes will be determined as provided in the applicable Final Terms.

In these Terms and Conditions:

Interest Determination Date means the date specified as such in the Final Terms or if none is so specified:

- (i) if the Reference Rate is LIBOR (other than Sterling or Euro LIBOR), the second London business day prior to the start of each Interest Period;
- (ii) if the Reference Rate is Sterling LIBOR, the first day of each Interest Period;
- (iii) if the Reference Rate is Euro LIBOR or EURIBOR, the second day on which the TARGET2 System is open prior to the start of each Interest Period; or
- (iv) if the Reference Rate is STIBOR, the second Stockholm business day prior to the start of each Interest Period.

Reference Bank means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market, in the case of a determination of EURIBOR, the principal Eurozone office of four major banks in the Eurozone inter-bank market and, in the case of a determination of STIBOR, the principal Stockholm office of four major banks in the Stockholm inter-bank market, in each case selected by the Reference Banks Agent or the Calculation Agent (acting in consultation with the Issuer), as applicable.

Reference Banks Agent means an independent investment bank, commercial bank or stockbroker appointed by the Issuer.

Reference Rate means (i) LIBOR, (ii) EURIBOR or (iii) STIBOR, in each case for the relevant period, as specified in the applicable Final Terms.

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

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

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

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

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

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

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

- (i) in the case of Floating Rate Notes, Fund Linked Interest Notes or Index Linked Interest Notes which are represented by a Global Note or which are Swedish Registered Notes, the aggregate outstanding nominal amount of the Notes represented by such Global Note or, as the case may be, appearing on the register maintained by Euroclear Sweden on behalf of the Issuer (or, in either case, if they are Partly Paid Notes, the aggregate amount paid up); or
- (ii) in the case of Floating Rate Notes, Fund Linked Interest Notes or Index Linked Interest Notes in definitive form, the Calculation Amount,

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

Day Count Fraction means, in respect of the calculation of an amount of interest for any Interest Period in accordance with this Condition 6.2:

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

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

where:

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

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

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

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

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

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

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

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

where:

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

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

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

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

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

D_2 is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D_2 will be 30; and

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

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

where:

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

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

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

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

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

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

(e) Notification of Rate of Interest and Interest Amounts

The Principal Paying Agent or the Calculation Agent, as applicable, will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and the Agent (or, in the case of Swedish Registered Notes, the Issuer) will cause notice thereof to be published in accordance with Condition 15 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter and to any stock exchange on which the relevant Floating Rate Notes, Fund Linked Interest Notes or Index Linked Interest Notes are for the time being listed by no later than the first day of the following Interest Period. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Notes, Fund Linked Interest Notes or Index Linked Interest Notes are for the time being listed (in the case of Notes other than Swedish Registered Notes) and to the

Noteholders in accordance with Condition 15. For the purposes of this paragraph, the expression **London Business Day** means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in London.

(f) Certificates to be final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 6 whether by the Principal Paying Agent or, if applicable, the Calculation Agent, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Agent, the Calculation Agent (if applicable) the other Paying Agents and all Noteholders, Receiptholders and Couponholders and (in the absence of wilful default or bad faith) no liability to the Issuer, the Noteholders, the Receiptholders or the Couponholders shall attach to the Principal Paying Agent or the Calculation Agent (if applicable) in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(g) Benchmark Discontinuation

This Condition 6.2(g) applies only where Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined.

(i) Independent Adviser

Notwithstanding Condition 6.2(b)(ii), if a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the Issuer shall use its reasonable endeavours to appoint and consult with an Independent Adviser, as soon as reasonably practicable, with a view to the Issuer determining a Successor Rate, failing which an Alternative Rate (in accordance with Condition 6.2(g)(ii)) and, in either case, an Adjustment Spread (in accordance with Condition 6.2(g)(iii)) and any Benchmark Amendments (in accordance with Condition 6.2(g)(iv)).

An Independent Adviser appointed pursuant to this Condition 6.2(g) shall act in good faith and in a commercially reasonable manner in consultation with the Issuer. In the absence of wilful default or bad faith, the Independent Adviser shall have no liability whatsoever to the Agents or the Noteholders for any advice given to the Issuer in connection with any determination made by the Issuer, pursuant to this Condition 6.2(g).

If (i) the Issuer is unable to appoint an Independent Adviser; or (ii) the Issuer fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 6.2(g)(i) prior to the relevant Interest Determination Date, the Rate of Interest applicable to the next succeeding Interest Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the immediately preceding Interest Period. If there has not been a first Interest Payment Date, the Rate of Interest shall be the initial Rate of Interest. Where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the immediately preceding Interest Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Period shall be substituted in place of the Margin or Maximum or Minimum Rate of Interest relating to that immediately preceding Interest Period. For the avoidance of doubt, this sub-paragraph shall apply to the relevant Interest Period only and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustment as provided in, this Condition 6.2(g).

(ii) Successor Rate or Alternative Rate

If the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines that:

- (A) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 6.2(g)(iii)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 6.2(g)); or
- (B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 6.2(g)(iii)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the subsequent operation of this Condition 6.2(g)).

(iii) Adjustment Spread

The Adjustment Spread (or the formula or methodology for determining the Adjustment Spread) shall be applied to the Successor Rate or the Alternative Rate (as the case may be).

(iv) Benchmark Amendments

If any Successor Rate or Alternative Rate and Adjustment Spread is determined in accordance with this Condition 6.2(g) and the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines (i) that amendments to these Conditions, the Agency Agreement and/or the Deed of Covenant are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the **Benchmark Amendments**) and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 6.2(g)(v), without any requirement for the consent or approval of Noteholders, vary these Conditions, the Agency Agreement and/or the Deed of Covenant to give effect to such Benchmark Amendments with effect from the date specified in such notice.

At the request of the Issuer, but subject to receipt by the Agent of a certificate signed by two authorised signatories of the Issuer pursuant to Condition 6.2(g)(v), the Agent shall (at the expense and direction of the Issuer), without any requirement for the consent or approval of the Noteholders or the Couponholders, be obliged to use its reasonable endeavours to implement any Benchmark Amendments (including, *inter alia*, by the execution of an agreement supplemental to or amending the Agency Agreement) and the Agent shall not be liable to any party for any consequences thereof, provided that the Agent shall not be obliged so to implement if in the opinion of the doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the rights and/or the protective provisions afforded to it in these Conditions and/or any documents to which it is a party (including, for the avoidance of doubt, any supplemental agency agreement) in any way.

In connection with any such variation in accordance with this Condition 6.2(g)(iv), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

(v) Notices

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 6.2(g) will be notified promptly by the Issuer to the Agents and, in accordance with Condition 15, the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

No later than notifying the Agent of the same, the Issuer shall deliver to the Agent a certificate signed by two authorised signatories of the Issuer:

- (A) confirming (I) that a Benchmark Event has occurred, (II) the Successor Rate or, as the case may be, the Alternative Rate, (III) any Adjustment Spread and (IV) the specific terms of any Benchmark Amendments, in each case as determined in accordance with the provisions of this Condition 6.2(g); and
- (B) certifying that the Benchmark Amendments are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread.

The Agent shall be entitled to rely on such certificate (without enquiry or liability to any person) as sufficient evidence thereof. The Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) and without prejudice to the Agent's ability to rely on such certificate as aforesaid) be binding on the Issuer, the Agents and the Noteholders.

(vi) Survival of Original Reference Rate

Without prejudice to the obligations of the Issuer under Conditions 6.2(g) (i), (ii), (iii) and (iv), the Original Reference Rate and the fallback provisions provided for in Condition 6.2(b) will continue to apply unless and until a Benchmark Event has occurred and the relevant Paying Agent or the Calculation Agent (if applicable) has been notified of the Successor Rate or the Alternative Rate (as the case may be), the Adjustment Spread and any Benchmark Amendments, in accordance with Condition 6.2(g)(v).

(vii) Definitions

As used in this Condition 6.2(g):

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

- (A) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any

Relevant Nominating Body; or (if no such recommendation has been made, or in the case of an Alternative Rate);

- (B) the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner determines, is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or (if the Issuer determines that no such industry standard is recognised or acknowledged)
- (C) the Issuer, in its discretion, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines to be appropriate;

Alternative Rate means an alternative benchmark or screen rate which the Issuer following consultation with the Independent Adviser, determines in accordance with Condition 6.2(g)(ii) has replaced the Original Reference Rate in customary market usage in the international debt capital markets for the purposes of determining floating rates of interest (or the relevant component part thereof) in the same Specified Currency as the Notes;

Benchmark Amendments has the meaning given to it in Condition 6.2(g)(iv);

Benchmark Event means;

- (A) the Original Reference Rate ceasing to be published for a period of at least 5 Business Days or ceasing to exist; or
- (B) the later of (i) the making of a public statement by the administrator of the Original Reference Rate that it will, on or before a specified date, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate) and (ii) the date falling six months prior to the date specified in (i); or
- (C) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that (i) the Original Reference Rate has been permanently or indefinitely discontinued or (ii) the Original Reference Rate is no longer representative of an underlying market; or
- (D) the later of (i) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate will, on or before a specified date, be permanently or indefinitely discontinued and (ii) the date falling six months prior to the date specified in (i); or
- (E) the later of (i) the making of a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will, on or before a specified date, be prohibited from being used either generally, or in respect of the Notes and (ii) the date falling six months prior to the date specified in (i); or

- (F) it has or will become unlawful for any Paying Agent, Calculation Agent or the Issuer to calculate any payments due to be made to any Noteholders using the Original Reference Rate;

Independent Adviser means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer at its own expense under Condition 6.2(g)(i) and notified in writing to the Agent;

Original Reference Rate means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof) on the Notes or (if applicable) any other successor or alternative rate (or component part thereof) determined and applicable to the Notes pursuant to the earlier operation of this Condition 6(g);

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

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

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

6.3 Interest on Dual Currency Interest Notes

The rate or amount of interest payable in respect of Dual Currency Interest Notes shall be determined in the manner specified in the applicable Final Terms.

6.4 Interest on Partly Paid Notes

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

6.5 Accrual of Interest

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

In such event in respect of Notes other than Swedish Registered Notes, interest will continue to accrue until whichever is the earlier of:

- (a) the date on which all amounts due in respect of such Note have been paid; and

- (b) five days after the date on which the full amount of the moneys payable has been received by the Principal Paying Agent or the Paying Agent, as the case may be, and notice to that effect has been given in accordance with Condition 15.

In such event in respect of Swedish Registered Notes, interest will continue to accrue until the date the holders of the Swedish Registered Notes receive the full amount of such payment.

7. PAYMENTS

7.1 Method of Payment

Subject as provided below:

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

7.2 Payments Subject to Fiscal and Other Laws

Payments will be subject in all cases, but without prejudice to the provisions of Condition 9, to (i) any fiscal or other laws and regulations applicable thereto in any jurisdiction, and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the **Code**), or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (**FATCA**), any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto, and (iii) any withholding or deduction required pursuant to Section 871(m) of the Code.

7.3 Presentation of definitive Bearer Notes, Receipts and Coupons

Payments of principal in respect of definitive Bearer Notes will (subject as provided below) be made in the manner provided in Condition 7.1 above only against surrender of definitive Bearer Notes, and payments of interest in respect of definitive Bearer Notes will (subject as provided below) be made as aforesaid only against surrender of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia and its possessions)).

Payments of instalments of principal (if any), other than the final instalment, will (subject as provided below) be made in the manner provided in Condition 7.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Receipt. Payment of the final instalment will be made against surrender of the relevant Bearer Note. Each Receipt must be presented for payment of the relevant instalment together with the definitive Bearer Note to which it appertains. Receipts presented without the definitive Bearer Note to which they appertain do not constitute valid obligations of the Issuer.

Upon the date on which any definitive bearer Note becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Fixed Rate Notes in definitive bearer form (other than Dual Currency Notes, Fund Linked Notes, Index Linked Notes or Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons failing to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of ten years after the Relevant Date (as defined in Condition 9) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 10) or, if later, five years from the date on which such Coupon would otherwise have become due. Upon any Fixed Rate Note in definitive bearer form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof. A "Long Maturity Note" is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

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

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

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

Notwithstanding the foregoing, U.S. dollar payments of interest in respect of the Notes will be made at the specified office of a Paying Agent in the United States if:

- (a) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of interest on the Notes in the manner provided above when due;
- (b) payment of the full amount of such interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of interest in U.S. dollars; and

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

7.4 Payments in respect of Registered Notes

Payments of principal and interest in respect of Swedish Registered Notes will be made to the persons registered as Noteholders in the register maintained by Euroclear Sweden on the fifth Stockholm business day (or in accordance with the rules and procedures applied by Euroclear Sweden from time to time) prior to the due date for such payment, or such other Stockholm business day falling closer to the due date as then may be stipulated in said rules and procedures. The remaining provisions of this Condition 7.3 shall apply only to Registered Notes.

Payments of principal (other than instalments of principal prior to the final instalment) in respect of each Registered Note (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Note at the specified office of the Registrar or any of the Paying Agents. Such payments will be made by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Note appearing in the register of holders of the Registered Notes maintained by the Registrar (the **Register**) (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg and/or DTC, as applicable, are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date. For these purposes, **Designated Account** means the account (which, in the case of a payment in Japanese yen to a non resident of Japan, shall be a non resident account) maintained by a holder with a Designated Bank and identified as such in the Register and **Designated Bank** means (in the case of payment in a Specified Currency other than euro) a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively) and (in the case of a payment in euro) any bank which processes payments in euro.

Payments of interest and payments of instalments of principal (other than the final instalment) in respect of each Registered Note (other than Swedish Registered Notes) (whether or not in global form) will be made by transfer on the due date to the Designated Account of the holder (or the first named of joint holders) of the Registered Note appearing in the Register (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg and/or DTC, as applicable, are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the fifteenth day (whether or not such fifteenth day is a business day) before the relevant due date (the **Record Date**). Upon application of the holder to the specified office of the Paying Agent not less than three business days in the city where the specified office of the Paying Agent is located on the due date for any payment of interest in respect of a Registered Note, the payment may be made by transfer on the due date in the manner provided in the preceding paragraph. Any such application for transfer shall be deemed to relate to all future payments of interest (other than interest due on redemption) and instalments of principal (other than the final instalment) in respect of the Registered Notes which become payable to the holder who has made the initial application until such time as the Paying Agent is notified in writing to the contrary by such holder. Payment of the interest due in respect of each Registered Note on redemption and the final instalment of principal will be made in the same manner as payment of the principal amount of such Registered Note.

No commissions or expenses shall be charged to the holders by the Registrar in respect of any payments of principal or interest in respect of Registered Notes.

All amounts payable to DTC or its nominee as registered holder of a Registered Global Note in respect of Notes denominated in a Specified Currency other than U.S. dollars shall be paid by transfer by the Paying Agent to an account in the relevant Specified Currency of the Exchange Agent on behalf of DTC or its nominee for conversion into and payment in U.S. dollars in accordance with the provisions of the Agency Agreement.

None of the Issuer or the Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

7.5 Payment Day for Notes other than Swedish Registered Notes

This Condition 7.4 shall apply only to Notes other than Swedish Registered Notes. If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, unless otherwise specified in the applicable Final Terms, **Payment Day** means any day which (subject to Condition 10) is:

- (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:
 - (i) in the case of Notes in definitive form only, the relevant place of presentation;
 - (ii) each Additional Financial Centre (other than TARGET2 System) specified in the applicable Final Terms;
 - (iii) if TARGET2 System is specified as an Additional Financial Centre in the applicable Final Terms, a day on which the TARGET2 System is open; and
- (b) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney or Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open; and
- (c) in the case of any payment in respect of a Registered Global Note denominated in a Specified Currency other than U.S. dollars and registered in the name of DTC or its nominee and in respect of which an accountholder of DTC (with an interest in such Registered Global Note) has elected to receive any part of such payment in U.S. dollars, a day on which commercial banks are not authorised or required by law or regulation to be closed in New York City.

7.6 Payment Date for Swedish Registered Notes

If the date for payment of any amount in respect of Swedish Registered Notes is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, unless otherwise specified in the applicable Final Terms, **Payment Day** means any

day which (subject to Condition 10) is a day on which commercial banks are open for general business in Stockholm.

7.7 Interpretation of Principal and Interest

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

- (a) any additional amounts which may be payable with respect to principal under Condition 9;
- (b) the Final Redemption Amount of the Notes;
- (c) the Early Redemption Amount of the Notes;
- (d) the Optional Redemption Amount(s) (if any) of the Notes;
- (e) in relation to Notes redeemable in instalments, the Instalment Amounts; and
- (f) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 9.

7.8 General Provisions applicable to payments

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

8. REDEMPTION AND PURCHASE

8.1 At Maturity

Unless previously redeemed or purchased and cancelled as specified below, each Note (including each Fund Linked Redemption Note, Index Linked Redemption Note and Dual Currency Redemption Note) will be redeemed by the Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms in the relevant Specified Currency on the Maturity Date.

8.2 Redemption for Tax Reasons

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (in the case of the Notes other than Floating Rate Notes, Fund Linked Interest Notes or Index Linked Interest Notes) or on any Interest Payment Date (in the case of Floating Rate Notes, Fund Linked Interest Notes or Index Linked Interest Notes), on giving not less than 30 nor more than 60 days' notice in accordance with Condition 15 to the Noteholders (which notice shall be

irrevocable) and, in the case of Notes other than Swedish Registered Notes, to the Principal Paying Agent, if:

- (a) as a result of any change in, or amendment to the laws or regulations of Sweden or any political sub-division of, or any authority in, or of, Sweden having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective after the Issue Date of the first Tranche of the Notes on the occasion of the next payment due in respect of the Notes, the Issuer would be required to pay additional amounts as provided or referred to in Condition 9; and
- (b) the requirement cannot be avoided by the Issuer taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days before the earliest date on which the Issuer would be required to pay such additional amounts were a payment in respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Principal Paying Agent (or, in the case of Swedish Registered Notes, to Euroclear Sweden) a certificate signed by two Directors of the Issuer stating that the requirement referred to in (a) above will apply on the occasion of the next payment due in respect of the Notes and cannot be avoided by the Issuer taking reasonable measures available to it and 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 the change or amendment.

Notes redeemed pursuant to this Condition 8.2 will be redeemed at their Early Redemption Amount referred to in Condition 8.5 below together (if appropriate) with interest accrued to (but excluding or, in the case of Swedish Registered Notes, and including), the date of redemption.

8.3 Redemption at the Option of the Issuer (Issuer Call)

If the Issuer is specified in the applicable Final Terms as having an option to redeem (an **Issuer Call**), the Issuer may, having given not less than 30 nor more than 45 days' notice in accordance with Condition 15 to the Noteholders (which notice shall be irrevocable) and in the case of Notes other than Swedish Registered Notes, to the Principal Paying Agent and in the case of a redemption of Registered Notes, the Registrar, redeem all or some only of the Notes then outstanding on the Optional Redemption Date(s) and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding or, in the case of Swedish Registered Notes, and including), the Optional Redemption Date(s). Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount or not more than a Higher Redemption Amount, in each case as may be specified in the applicable Final Terms. In the case of a partial redemption of Notes, the Notes to be redeemed (**Redeemed Notes**) will be selected individually by lot, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion), and/or DTC, as applicable, in the case of Redeemed Notes represented by a Global Note, and in accordance with the rules of Euroclear Sweden in the case of Swedish Registered Notes, in each case not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the **Selection Date**). In the case of Redeemed Notes represented by definitive Notes, a list of such Redeemed Notes will be published in accordance with Condition 15 not less than 30 days prior to the date fixed for redemption. No exchange of the relevant Global Note will be permitted during the period from and including the Selection Date to and including the date fixed for redemption pursuant to this

Condition 8.3 and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 15 at least five days prior to the Selection Date.

8.4 Redemption at the Option of the Noteholders (Investor Put)

If the Noteholders are specified in the applicable Final Terms as having an option to redeem (an **Investor Put**) upon the holder of any Note giving to the Issuer in accordance with Condition 15 not less than 30 nor more than 45 days, notice or such other period of notice as is specified in the applicable Final Terms (which notice shall be irrevocable), the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Final Terms, in whole (but not in part), such Note on the Optional Redemption Date and at the Optional Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding or, in the case of Swedish Registered Notes, and including), the Optional Redemption Date. Registered Notes may be redeemed under this Condition 8.4 in any multiple of their lowest Specified Denomination. It may be that before an Investor Put can be exercised, certain conditions and/or circumstances will need to be satisfied. Where relevant, the provisions will be set out in the applicable Final Terms.

To exercise the right to require redemption of this Note the holder of this Note must deliver, at the specified office of any Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) or (in the case of Swedish Registered Notes) the Issuing Agent at any time during normal business hours of such Paying Agent or the Registrar or the Issuing Agent, as the case may be, falling within the notice period, a duly signed and completed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent (or the Issuing Agent) (a **Put Notice**) and in which the holder must specify a bank account to which payment is to be made under this Condition and, in the case of Registered Notes, the nominal amount thereof to be redeemed and, if less than the full nominal amount of the Registered Notes so surrendered is to be redeemed, an address to which a new Registered Note in respect of the balance of such Registered Notes is to be sent subject to and in accordance with the provisions of Condition 2.2. If this Note is in definitive bearer form, the Put Notice must be accompanied if this Note is in definitive form, by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control.

In the case of Swedish Registered Notes, a Put Notice will not be effective against the Issuer before the date on which the relevant Notes have been transferred to the account designated by the Issuing Agent and blocked for further transfer as the Optional Redemption Date by said Issuing Agent.

Any Put Notice given by a holder of any Note pursuant to this Condition 8.4 shall be irrevocable except where prior to the due date of redemption an Event of Default shall have occurred and be continuing, in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 8.4 and instead to declare such Note forthwith due and payable pursuant to Condition 11.

In the case of Notes represented by a Global Note, the right to require redemption of such Notes in accordance with this Condition 8.4 must be exercised in accordance with the rules and procedures of Euroclear and Clearstream, Luxembourg. Notwithstanding the foregoing, in the case of Swedish Registered Notes, the right to require redemption of such Notes in accordance with this Condition 8.4 must be exercised in accordance with the rules and procedures of Euroclear Sweden and if there is any inconsistency between the foregoing and the rules and procedures of Euroclear Sweden, the rules and procedures of Euroclear Sweden shall prevail.

In the case of Notes represented by a Global Note or in definitive form and held through Euroclear, Clearstream, Luxembourg or DTC, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Principal Paying Agent of such exercise in accordance with the standard procedures of Euroclear, Clearstream, Luxembourg and DTC (which may include notice being given on his instruction by Euroclear, Clearstream, Luxembourg, DTC or any depository for them to the Principal Paying Agent by electronic means) in a form acceptable to Euroclear, Clearstream, Luxembourg and DTC from time to time.

8.5 Early Redemption Amounts

For the purpose of Condition 8.2 above and Condition 11:

- (a) each Note (other than a Zero Coupon Note) will be redeemed at the Early Redemption Amount specified in the Final Terms, or if no such amount is specified, its nominal amount; and
- (b) each Zero Coupon Note will be redeemed at its Early Redemption Amount calculated in accordance with the following formula:

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

where:

RP means the Reference Price;

AY means the Accrual Yield, expressed as a decimal; and

y is a fraction, the numerator of which is equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including or, in the case of Swedish Registered Notes, but excluding) the Issue Date of the first Tranche of the Notes to (but excluding or, in the case of Swedish Registered Notes, and including) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator of which is 360,

or on such calculation basis as may be specified in the applicable Final Terms.

8.6 Instalments

If the Notes are repayable in instalments, they will be redeemed in the Instalment Amounts and on the Instalment Dates specified in the applicable Final Terms. In the case of early redemption, the Early Redemption Amount will be determined pursuant to Condition 8.5 above.

8.7 Partly Paid Notes

If the Notes are Partly Paid Notes they will be redeemed, whether at maturity, early redemption or otherwise in accordance with the provisions of this Condition and the applicable Final Terms.

8.8 Purchases

The Issuer may at any time purchase Notes (provided that, in the case of definitive Bearer Notes, all unmatured Receipts, Coupons and Talons appertaining thereto are purchased therewith) in any manner and at any price. Any Notes other than Swedish Registered Notes purchased may be held, resold or, at the option of the Issuer, surrendered to any Paying Agent and/or the

Registrar for cancellation. Any Swedish Registered Notes purchased may be held, resold or cancelled.

8.9 Cancellation

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Receipts, Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes other than Swedish Registered Notes so cancelled and the Notes purchased and cancelled pursuant to Condition 8.9 above (together with all unmatured Receipts, Coupons and Talons cancelled therewith) shall be forwarded to the Principal Paying Agent and cannot be reissued or resold.

8.10 Late Payment on Zero Coupon Notes

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 8.1, 8.2, 8.3 or 8.4 above or upon its becoming due and repayable as provided in Condition 11 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 8.5(b) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which, in respect of Notes other than Swedish Registered Notes, is the earlier of:

- (a) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (b) five days after the date on which the full amount of the moneys payable has been received by the Agent and notice to that effect has been given to the Noteholder in accordance with Condition 15 or individually.

In such event in respect of Swedish Registered Notes, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Conditions 8.5(b) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date upon which the holders of the Swedish Registered Notes receive the full amount of such payment.

9. TAXATION

All payments in respect of the Notes, Receipts and Coupons by the Issuer shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature (**Taxes**) imposed or levied by or on behalf of Sweden; or any political sub-division of, or any authority in, Sweden having power to tax, unless the withholding or deduction of the Taxes is required by law. In that event, the Issuer will pay such additional amounts as may be necessary in order that the net amounts received by the holders of the Notes, Receipts or Coupons after the withholding or deduction, shall equal the respective amounts which would have been receivable in respect of the Notes, Receipts or Coupons, as the case may be, in the absence of such withholding or deduction, except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon:

- (a) to, or to a third party on behalf of, a Noteholder, Receiptholder or Couponholder who is liable to the Taxes in respect of such Note, Receipt or Coupon by reason of his having some connection with Sweden other than the mere holding of such Note, Receipt or Coupon; or

- (b) to, or to a third party on behalf of, a Noteholder, Receiptholder or Couponholder who would not be liable or subject to the withholding or deduction by making a declaration of non-residence or other similar claim for exemption to the relevant tax authority; or
- (c) in the case of the Notes other than Swedish Registered Notes, presented for payment more than 30 days after the Relevant Date (as defined below), except to the extent that a holder would have been entitled to additional amounts on presenting the same for payment on the last day of the period of 30 days assuming that day to have been a Payment Day; or
- (d) in the case of the Notes other than Swedish Registered Notes, presented for payment in Sweden.

Notwithstanding anything to the contrary in this Condition, none of the Issuer, any paying agent or any other person shall be required to pay any additional amounts with respect to any withholding or deduction imposed on or in respect of any Note pursuant to FATCA, any treaty, law, regulation or other official guidance implementing FATCA, or any agreement between the Issuer, a paying agent or any other person and the United States, any other jurisdiction, or any authority of any of the foregoing implementing FATCA.

As used herein, **Relevant Date** means the date on which such payment first becomes due, but, if the full amount of the money payable has not been received by the Agent or the Registrar or, in the case of Swedish Registered Notes, the holders of the Swedish Registered Notes on or before such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 15.

10. PRESCRIPTION

The Notes (whether in bearer or registered form), Receipts and Coupons will become void unless claims in respect of principal and/or interest are made within a period of ten years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 9) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 7.3 or any Talon which would be void pursuant to Condition 7.3.

In the case of Swedish Registered Notes, claims against the Issuer for the payment of principal and interest payable in respect of the Notes shall be prescribed unless made within ten years (in the case of principal) and five years (in the case of interest) after the Relevant Date therefor and thereafter any principal or interest payable in respect of such Notes shall be forfeited and revert to the Issuer.

11. EVENTS OF DEFAULT

If any one or more of the following events (each an **Event of Default**) shall have occurred and be continuing:

- (a) there is a default in the payment in the Specified Currency of principal or any interest due on the Notes for more than ten days; or
- (b) there is a default in the performance by the Issuer of any other obligation under these Conditions which continues for more than 21 days after notice thereof shall have been

given to the Issuer (which, in the case of Notes other than Swedish Registered Notes shall be at the specified office of the Agent); or

- (c) any Borrowing of the Issuer shall be accelerated so as to become due and payable prior to the due date therefor by reason of any default thereunder by the Issuer or any such Borrowing shall not be repaid on the due date thereof or within any applicable grace period, provided that no event described in this Condition 11 shall constitute an Event of Default unless the Borrowing or other relative liability either alone or when aggregated with other Borrowing and/or other liabilities relative to all (if any) other events which shall have occurred and be continuing shall amount to at least €30,000,000 (or its equivalent in any other currency); or
- (d) an order is made or an effective resolution passed for the dissolution or liquidation of the Issuer, or the Issuer is adjudicated or found bankrupt or insolvent by any competent court, or the Issuer ceases or threatens to cease to carry on all or a substantial part of its business or disposes or threatens to dispose of the whole or a substantial part of its assets; or
- (e) the Issuer is unable to pay its debts as they fall due, or an encumbrancer takes possession of the whole or any substantial part of the property of the Issuer, or the Issuer makes an assignment for the benefit of its creditors, or any proceedings are instituted or other action is taken under any applicable bankruptcy, insolvency or similar law in respect of the Issuer seeking adjudication as a bankrupt or insolvent, a moratorium or a composition, or the appointment of a liquidator or receiver (or similar official) in bankruptcy or insolvency of the Issuer or any substantial part of its property, and any such proceedings or other action remains in effect for more than 30 days, or an order is made or effective resolution passed by the Issuer applying for or granting a suspension of payments; or
- (f) the Guarantee of the obligations of the Issuer in respect of the Notes ceases in respect of all the Guarantors to be, or is claimed by all the Guarantors not to be, in full force and effect,

then any Noteholder may, by written notice to the Issuer (which, in the case of Notes other than Swedish Registered Notes shall be at the specified office of the Principal Paying Agent), effective upon the date of receipt thereof by the Issuer or, as applicable, the Principal Paying Agent, declare the Note held by the holder to be forthwith due and payable, whereupon the same shall become forthwith due and payable at the Early Redemption Amount (as described in Condition 8.5), together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind.

For the purposes of paragraph (c) above, **Borrowing** means any present or future indebtedness (whether being principal, premium, interest or other amounts) for or in respect of (i) money borrowed, (ii) liabilities under or in respect of any acceptances, or acceptance credit or (iii) any notes, bonds, debentures, debenture stock, loan stock or other securities offered, issued or distributed, whether by way of public offer, private placing, acquisition consideration or otherwise and whether issued for cash in whole or in part for a consideration other than cash.

In the case of Swedish Registered Notes the date of repayment will be such later date on which the relevant Notes have been transferred to the account designated by the Issuing Agent and blocked for further transfer by that Issuing Agent.

12. REPLACEMENT OF NOTES, RECEIPTS, COUPONS AND TALONS (OTHER THAN SWEDISH REGISTERED NOTES)

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

13. AGENT AND PAYING AGENTS

13.1 Notes other than Swedish Registered Notes

The following shall apply only to Notes other than Swedish Registered Notes.

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

The Principal Paying Agent, Transfer Agent, U.S. Paying Agent and U.S. Transfer Agent

Citibank, N.A., London Branch
Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB

Telephone: +353 1 622 2210
Telefax: +353 1 622 4030
Attention: Agency & Trust

The Exchange Agent

Citibank, N.A.
Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB

Telephone: +353 1 622 2210
Telefax: +353 1 622 4030
Attention: Agency & Trust

The Non-U.S. Registrar and U.S. Registrar

Citigroup Global Markets Europe AG
Reuterweg 16
60323 Frankfurt
Germany

Telephone: +49(0)69 1366 1256
Telefax: +49 (0)69 1366 1429
Attention: Agency and Trust

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

- (a) so long as the Notes are listed on any stock exchange, there will at all times be a Paying Agent (in the case of Bearer Notes) and a Transfer Agent (in the case of Registered Notes) with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange (or other relevant authority);
- (b) there will at all times be a Paying Agent (which may be the Agent) with a specified office in a city in a principal financial centre in Europe in a jurisdiction other than Sweden;
- (c) so long as any of the Registered Global Notes payable in a Specified Currency other than U.S. dollars are held through DTC or its nominee, there will at all times be an Exchange Agent maintained in accordance with all applicable laws and clearing system requirements; and
- (d) there will at all times be a Principal Paying Agent and a Registrar.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in the final paragraph of Condition 7.3. Notice of any variation, termination, appointment or change will be given to the Noteholders promptly by the Issuer in accordance with Condition 15.

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

13.2 Swedish Registered Notes

The following shall apply only to Swedish Registered Notes.

In relation to Swedish Registered Notes the Issuer will, in accordance with the Swedish Financial Instrument Accounts Act (SFS 1998:1479), appoint (a) Euroclear Sweden as the central securities depository, and (b) an Issuing Agent. The Issuing Agent will be specified in the relevant Final Terms.

The Issuer is entitled to vary or terminate the appointment of Euroclear Sweden or the Issuing Agent, provided that the Issuer will appoint another central securities depository or Issuing Agent, each of them to be duly authorised under the Swedish Financial Instrument Accounts Act (SFS 1998:1479). The central securities depository and the Issuing Agent act solely as agents of the Issuer and do not assume any obligation to, or relationship of agency or trust with, any Noteholders.

14. EXCHANGE OF TALONS

On and after the Fixed Interest Date or the Interest Payment Date, as appropriate, on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of any Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Notes to which it

appertains) a further Talon, subject to the provisions of Condition 10. Each Talon shall, for the purposes of these Terms and Conditions, be deemed to mature on the Fixed Interest Date or the Interest Payment Date (as the case may be) on which the final Coupon comprised in the relative Coupon sheet matures.

15. NOTICES

All notices regarding the Bearer Notes shall be published (a) in a leading English language daily newspaper of general circulation in London and (b) if and for so long as the Bearer Notes are listed on the Official List of, and admitted to trading on, the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange so require, in a daily newspaper of general circulation in Luxembourg and/or on the Luxembourg Stock Exchange's website, *www.bourse.lu*. It is expected that any such publication in a newspaper will be made in the *Financial Times* in London and the *Luxemburger Wort* or the *Tageblatt* in Luxembourg. Any such notice will be deemed to have been given on the date of the first publication in both such newspapers.

All notices to holders of Swedish Registered Notes will be valid if mailed to their registered addresses appearing on the register of Euroclear Sweden. Any such notice shall be deemed to have been given on the fourth day after the day on which it is mailed. No Swedish Registered Notes shall be listed on the Luxembourg Stock Exchange.

All notices regarding the Registered Notes will be deemed to be validly given if sent by first class mail or (if posted to an address overseas) by airmail to the holders (or the first named of joint holders) at their respective addresses recorded in the Register and will be deemed to have been given on the fourth day after mailing and, in addition, for so long as any Registered Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules.

Until such time as any definitive Notes are issued, there may, so long as the Global Note(s) is or are held in its or their entirety on behalf of Euroclear and Clearstream, Luxembourg and/or DTC, be substituted for publication in such newspapers or such mailing the delivery of the relevant notice to Euroclear and Clearstream, Luxembourg and/or DTC for communication by them to the holders of the Notes, except that, for so long as the Notes are listed on the Luxembourg Stock Exchange and the rules of that exchange so require, the notice shall also be published in a daily newspaper of general circulation in Luxembourg. Any such notice shall be deemed to have been given to the holders of the Notes on the second day after the day on which the said notice was given to Euroclear and Clearstream, Luxembourg and/or DTC.

Notices to be given by any holder of the Notes other than Swedish Registered Notes shall be in writing and given by lodging the same, together with the relative Note or Notes, with the Principal Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes). Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Principal Paying Agent via Euroclear and/or Clearstream, Luxembourg and/or DTC, as the case may be, in such manner as the Principal Agent and Euroclear and/or Clearstream and/or DTC, Luxembourg, as the case may be, may approve for this purpose.

16. MEETINGS OF NOTEHOLDERS, MODIFICATION AND WAIVER

16.1 Notes other than Swedish Registered Notes

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

The Principal Paying Agent and the Issuer may agree, without the consent of the Noteholders, Receiptholders or Couponholders to:

- (a) any modification (except as mentioned above) of the Notes, the Receipts, the Coupons, the Deed of Covenant or the Agency Agreement which is not materially prejudicial to the interests of the Noteholders; or
- (b) any modification of the Notes, the Receipts, the Coupons, the Deed of Covenant or the Agency Agreement which is of a formal, minor or technical nature or which is made to correct a manifest error or to comply with mandatory provisions of the law of the jurisdiction in which the Issuer is incorporated.

Any such modification shall be binding on the Noteholders, the Receiptholders and the Couponholders and shall be notified to the Noteholders in accordance with Condition 15 as soon as practicable thereafter.

16.2 Swedish Registered Notes

Euroclear Sweden and the Issuer may agree, without the consent of the Noteholders to:

- (a) any modification of the Notes which is not materially prejudicial to the interests of the Noteholders; or

- (b) any modification of the Notes which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law of the jurisdiction in which the Issuer is incorporated.

Any such modification shall be binding on the Noteholders and shall be notified to the Noteholders in accordance with Condition 15 as soon as practicable thereafter.

17. FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the Noteholders, Receiptholders or Couponholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and so that the same shall be consolidated and form a single series with the outstanding Notes, provided that such further notes will be treated as fungible with any such outstanding Registered Notes for U.S. federal income tax purposes.

18. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

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

19. GOVERNING LAW AND SUBMISSION TO JURISDICTION

19.1 Governing Law and Jurisdiction

The Agency Agreement, the Deed of Covenant, the Deed Poll, the Notes (other than Swedish Registered Notes), the Receipts and the Coupons and any non-contractual obligations arising out of or in connection therewith are governed by, and shall be construed in accordance with, English law.

Swedish Registered Notes and any non-contractual obligations arising out of or in connection with the Swedish Registered Notes are governed by, and shall be construed in accordance with, Swedish Law.

The Issuer irrevocably agrees for the benefit of the holders of Notes other than Swedish Registered Notes, the Receiptholders and the Couponholders, that the courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Agency Agreement, the Notes, the Receipts and/or the Coupons (including any disputes relating to any non-contractual obligations which may arise out of or in connection with the Agency Agreement, the Notes, the Receipts and/or the Coupons) and that accordingly any suit, action, or proceedings arising out of or in connection therewith, including any suit, action or proceedings relating to any non-contractual obligations arising out of or in connection with Agency Agreement, the Notes, the Receipts and/or the Coupons) (together referred to as **Proceedings**) may be brought in the courts of England. The Issuer irrevocably waives any objection which it may have now or hereafter to the laying of the venue of any Proceedings in the courts of England and any claim that any Proceedings have been brought in an inconvenient forum and irrevocably agrees that a judgment in any Proceedings brought in the courts of England shall be conclusive and binding upon the Issuer and may be enforced in the courts of any other jurisdiction. Nothing contained in this Condition shall limit any right to take Proceedings against the Issuer in any other court of competent, jurisdiction; and the taking of Proceedings in one or more jurisdictions shall not preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not.

The Issuer hereby appoints the Business Sweden - The Swedish Trade & Invest Council at its office for the time being in England as its agent for service of process in England in respect of any Proceedings, and undertakes that in the event of it ceasing so to act it will appoint another person as its agent for that purpose.

19.2 Acknowledgement of Swedish Statutory Loss Absorption Powers

Notwithstanding and to the exclusion of any other term of the Notes or any other agreements, arrangements or understanding between the Issuer and any Noteholder (which, for the purposes of this Condition 19.2, includes each holder of a beneficial interest in the Notes), by its acquisition of the Notes, each Noteholder acknowledges and accepts that any liability arising under the Notes may be subject to the exercise of Swedish Statutory Loss Absorption Powers by the Relevant Resolution Authority and acknowledges, accepts, consents to and agrees to be bound by:

- (a) the effect of the exercise of any Swedish Statutory Loss Absorption Powers by the Relevant Resolution Authority, which exercise (without limitation) may include and result in any of the following, or a combination thereof:
 - (i) the reduction of all, or a portion, of the Relevant Amounts in respect of the Notes;
 - (ii) the conversion of all, or a portion, of the Relevant Amounts in respect of the Notes into shares, other securities or other obligations of the Issuer or another person, and the issue to or conferral on the Noteholder of such shares, securities or obligations, including by means of an amendment, modification or variation of the terms of the Notes;
 - (iii) the cancellation of the Notes or the Relevant Amounts in respect of the Notes; and
 - (iv) the amendment of the amount of interest payable on the Notes, or the date on which interest becomes payable, including by suspending payment for a temporary period; and
- (b) the variation of the terms of the Notes, as deemed necessary by the Relevant Resolution Authority, to give effect to the exercise of any Swedish Statutory Loss Absorption Powers by the Relevant Resolution Authority.

For the purposes of this Condition 19.2:

BRRD means the Directive (2014/59/EU) of the European Parliament and of the Council on resolution and recovery of credit institutions and investment firms dated 15 May 2014 and published in the Official Journal of the European Union on 12 June 2014 (or, as the case may be, any provision of Swedish law transposing or implementing such Directive), as amended or replaced from time to time;

Relevant Amounts means the outstanding principal amount of the Notes, together with any accrued but unpaid interest and additional amounts (as described in Condition 7) due on the Notes. References to such amounts will include amounts that have become due and payable, but which have not been paid, prior to the exercise of any Swedish Statutory Loss Absorption Powers by the Relevant Resolution Authority;

Relevant Resolution Authority means the resolution authority with the ability to exercise any Swedish Statutory Loss Absorption Powers in relation to the Issuer; and

Swedish Statutory Loss Absorption Powers means any write-down, conversion, transfer, modification, suspension or similar or related power existing from time to time under, and exercised in compliance with, any laws, regulations, rules or requirements in effect in the Kingdom of Sweden, relating to (i) the transposition of the BRRD (including but not limited to the Resolution Act (*Lagen (2015:1016 om resolution)*)) as amended or replaced from time to time and (ii) the instruments, rules and standards created thereunder, pursuant to which any obligation of the Issuer (or any affiliate of the Issuer) can be reduced, cancelled, modified, or converted into shares, other securities or other obligations of the Issuer or any other person (or suspended for a temporary period).

The exercise of any Swedish Statutory Loss Absorption Power by the Relevant Resolution Authority with respect to the Notes shall not constitute an Event of Default, and the terms and conditions of the Notes shall continue to apply in relation to the residual principal amount of, or outstanding amount payable with respect to, the Notes, subject to any modification of the amount of interest payable to reflect the reduction of the principal amount, and any further modification of the terms that the Relevant Resolution Authority may decide in accordance with applicable laws and regulations.

Annex 2
Guarantee