



Örebro, 15 December 2014

Kommuninvest comment - Moody's Core Principles of Guarantees for Credit Substitution

Comment on Moody's Core Principles of Guarantees for Credit Substitution, dated 11 November, 2010.

The opinion is made by Magnus Persson, General Counsel, Kommuninvest, as regards the joint and several guarantee issued by the members of Kommuninvest Cooperative Society, in favour of all commitments entered into by Kommuninvest i Sverige AB.

Moody's principle #1: "The guarantee states that it is irrevocable and unconditional."	Compliant
Moody's principle #2: "The guarantee promises full and timely payment of the underlying obligation."	Compliant
Moody's principle #3: "The guarantee covers payment - not merely collection."	Compliant
Moody's principle #4: "The guarantee covers preference payments, fraudulent conveyance charges, or other payments that have been rescinded, repudiated, or 'clawed back'."	Compliant
Moody's principle #5: "The guarantor waives all defenses."	Compliant, with remarks
<p>Remarks: By virtue of Kommuninvest's ownership structure, business model and guarantee structure with attendant recourse agreements, the guarantee commitment in this respect conforms to Moody's principles as far as possible within the parameters of Swedish law. Under Swedish law, it is not possible for a guarantor to waive all objections with legally binding effect.</p>	

Kommuninvest i Sverige AB (publ). Corporate identity number: 556281-4409. Registered office: Örebro

Kommuninvest Cooperative Society. Corporate identity number: 716453-2074. Registered office: Örebro

Kommuninvest Fastighets AB. Corporate identity number: 556464-5629. Registered office: Örebro



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Moody's principle #6: "The term of the guarantee extends as long as the term of the underlying obligation."

**Compliant,
with
remarks**

Remarks: Under Swedish law, in certain respects the guarantee commitment lives its own life as an independent obligation. Through the work of notifying the guarantors at specific intervals regarding the guarantee commitment, the statute of limitations is tolled and Kommuninvest thereby ensures that the guarantors' commitments conform to Moody's principles also in this respect.

Moody's principle #7: "The guarantee is enforceable against the guarantor."

Compliant

Moody's principle #8 "The transfer, assignment or amendment of the guarantee by the guarantor does not result in a deterioration of the credit support provided by the guarantee."

Compliant

Moody's principle #9: "The guarantee is governed by the law of a jurisdiction that is hospitable to the enforcement of Guarantees."

Compliant

KOMMUNINVEST I SVERIGE AB (PUBL)


Magnus Persson
General Counsel

