



**K2A Knaust & Andersson
Fastigheter AB (publ)**

Terms and Conditions for
up to SEK 750,000,000
Subordinated Perpetual Green Floating Rate
Callable Capital Securities

ISIN: SE0015407507

14 January 2021

No action is being taken that would or is intended to permit a public offering of the Capital Securities or the possession, circulation or distribution of this document or any other material relating to the Issuer or the Capital Securities in any jurisdiction other than Sweden, where action for that purpose is required. Persons into whose possession this document comes are required by the Issuer to inform themselves about, and to observe, any applicable restrictions.

Privacy Notice

The Issuer, the Issuing Agent and the Agent may collect and process personal data relating to the Holders, the Holders' representatives or agents, and other persons nominated to act on behalf of the Holders pursuant to the Terms and Conditions (name, contact details and, when relevant, holding of Capital Securities). The personal data relating to the Holders is primarily collected from the registry kept by the CSD. The personal data relating to other Persons is primarily collected directly from such Persons.

The personal data collected will be processed by the Issuer, the Issuing Agent and the Agent for the following purposes:

- (a) to exercise their respective rights and fulfil their respective obligations under the Terms and Conditions and the Agency Agreement;
- (b) to manage the administration of the Capital Securities and payments under the Capital Securities;
- (c) to enable the Holders' to exercise their rights under the Terms and Conditions; and
- (d) to comply with their obligations under applicable laws and regulations.

The processing of personal data by the Issuer, the Agent and the Issuing Agent in relation to items (a) - (c) is based on their legitimate interest to exercise their respective rights and to fulfil their respective obligations under the Terms and Conditions and the Agency Agreement. In relation to item (d), the processing is based on the fact that such processing is necessary for compliance with a legal obligation incumbent on the Issuer, the Agent or the Issuing Agent. Unless otherwise required or permitted by law, the personal data collected will not be kept longer than necessary given the purpose of the processing.

Personal data collected may be shared with third parties, such as the CSD, when necessary to fulfil the purpose for which such data is processed.

Subject to any legal preconditions, the applicability of which have to be assessed in each individual case, data subjects have the rights as follows. Data subjects have right to get access to their personal data and may request the same in writing at the address of the Issuer, the Agent and the Issuing Agent, respectively. In addition, data subjects have the right to (i) request that personal data is rectified or erased, (ii) object to specific processing, (iii) request that the processing be restricted and (iv) receive personal data provided by themselves in machine-readable format. Data subjects are also entitled to lodge complaints with the relevant supervisory authority if dissatisfied with the processing carried out.

The Issuer's, the Agent's and the Issuing Agent's addresses, and the contact details for their respective Data Protection Officers (if applicable), are found on their websites www.k2a.se, www.nordictrustee.com and www.swedbank.se.

Information relating to the Capital Securities

The Issuer intends (without thereby assuming any legal or contractual obligations whatsoever) that it will only redeem or repurchase Capital Securities to the extent that the equity credit of the Capital Securities to be redeemed or repurchased does not exceed the equity credit resulting from the sale or issuance during the 360-day period ending on the date of such redemption or repurchase by the Issuer or any subsidiary of the Issuer of replacement Capital Securities to third party purchasers (other than subsidiaries of the Issuer).

The foregoing shall not apply if:

- (a) the issuer rating assigned by S&P, Moody's, Fitch, NCR or by Scope (as applicable) (each a "Rating Agency") to the Issuer is equivalent to the rating assigned by the relevant Rating Agency upon a Positive Rating Event or higher at the time of such redemption or repurchase and the Issuer is of the view that such issuer credit rating would not fall as a result of such redemption or repurchase; or*
- (b) the Capital Securities are redeemed following a Change of Control Event or pursuant to a Special Event; or*
- (c) less than (x) 10 per cent. of the aggregate principal amount of the Capital Securities originally issued is repurchased pursuant to Clause 11.2 in any period of 12 consecutive months or (y) 25 per cent. of the aggregate principal amount of the Capital Securities originally issued is repurchased in any period of 10 consecutive years; or*
- (d) the relevant repurchase has followed an issuance of any class of ordinary shares or other instruments which are granted on issuance of high equity content where the amount of equity credit resulting from such issuance is equal to or more than the amount of equity credit assigned by the relevant Rating Agency to the Capital Securities being repurchased at the time of their issuance; or*
- (e) such replacement would cause the Issuer's outstanding hybrid capital which is assigned equity credit by any rating Agency to exceed the maximum aggregate principal amount of hybrid capital which such Rating Agency, under their then prevailing methodology; would assign equity credit to., based on the Issuer's adjusted total capitalisation; or*
- (f) if such redemption or repurchase occurs on or after the date falling twenty-five years and three months (25.25 years) from the First Issue Date.*

For the avoidance of doubt, the Issuer wishes to clarify that at any time, including during the period up to the date falling five years and three months (5.25 years) after the First Issue Date, the Issuer shall not be required to replace the Capital Securities if paragraph (b), (d) or (e) above applies. For the purpose of the foregoing, "equity credit" (or such similar nomenclature then used by S&P, Moody's, Fitch, NCR or by Scope) describes:

- (g) *the part of the nominal amount of the Capital Securities that was assigned equity credit by the relevant Rating Agency at the time of their issuance, or when the Capital Securities were first assigned more than minimal equity credit; and*
- (h) *the part of the net proceeds received from issuance of replacement Capital Securities or any class of ordinary shares that was assigned equity credit by the relevant Rating Agency at the time of their sale or issuance (or the equity credit such Rating Agency has confirmed will be assigned by it upon expiry or waiver of issuer call rights which prevent the assignment of equity credit by the relevant Rating Agency on the issue date of such replacement Capital Securities).*

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Terms and Conditions

1 Definitions and Construction

1.1 Definitions

In these terms and conditions (the “**Terms and Conditions**”):

“**Account Operator**” means a bank or other party duly authorised to operate as an account operator pursuant to the Financial Instruments Accounts Act and through which a Holder has opened a Securities Account in respect of its Capital Securities.

“**Accounting Event**” means, prior to the occurrence of a Positive Rating Event, the receipt by the Issuer of an opinion of an authorised accountant (Sw. *auktoriserad revisor*) from a well-reputed accounting firm in Sweden (experienced in such matters) to the effect that, as a result of a change in the Accounting Principles or interpretation thereof, the equity treatment of the Capital Securities as “equity” in full in the Issuer’s consolidated financial statements has or will cease.

“**Accounting Principles**” means the international financial reporting standards (IFRS) within the meaning of Regulation 1606/2002/EC (or as otherwise adopted or amended from time to time).

“**Adjusted Nominal Amount**” means the Total Nominal Amount less the Nominal Amount of all Capital Securities owned by a Group Company or an Affiliate, irrespective of whether such Person is directly registered as owner of such Capital Securities.

“**Affiliate**” means (i) an entity controlling or under common control with the Issuer, other than a Group Company, and (ii) any other Person or entity owning any Capital Securities (irrespective of whether such Person is directly registered as owner of such Capital Securities) that has undertaken towards a Group Company or an entity referred to in item (i) to vote for such Capital Securities in accordance with the instructions given by a Group Company or an entity referred to in item (i). For the purposes of this definition, “**control**” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of an entity, whether through ownership of voting securities, by agreement or otherwise.

“**Agency Agreement**” means the agency agreement entered into on or before the First Issue Date, between the Issuer and the Agent, or any replacement agency agreement entered into after the First Issue Date between the Issuer and an agent.

“**Agent**” means Nordic Trustee & Agency AB (publ), Reg. No. 556882-1879, or another party replacing it as Agent, in accordance with these Terms and Conditions.

“**Base Rate**” means STIBOR (3 months) or any reference rate replacing STIBOR in accordance with Clause 18 (*Replacement of Base Rate*).

“**Base Rate Administrator**” means the Swedish Financial Benchmark Facility AB (SFBF) or any Person replacing it as administrator of the Base Rate.

“**Business Day**” means a day in Sweden other than a Sunday or other public holiday. Saturdays, Midsummer Eve (Sw. *midsommarafton*), Christmas Eve (Sw. *julafton*) and New Year’s Eve (Sw. *nyårsafton*) shall for the purpose of this definition be deemed to be public holidays.

“**Business Day Convention**” means the first following day that is a Business Day unless that day falls in the next calendar month, in which case that date will be the first preceding day that is a Business Day.

“**Capital Security**” means a debt instrument (Sw. *skuldförbindelse*) for the Nominal Amount and of the type set forth in Chapter 1 Section 3 of the Financial Instruments Accounts Act and which are governed by and issued under these Terms and Conditions, including the Initial Capital Securities and any Subsequent Capital Securities.

“**Change of Control Event**” means the occurrence of an event or series of events whereby one or more Persons, not being any of the Main Shareholders or Main Shareholder Companies, acting in concert, acquire control over the Issuer and where “**control**” means:

- (a) acquiring or controlling, directly or indirectly, more than 50 per cent. of the voting shares of the Issuer; or
- (b) the right to, directly or indirectly, appoint or remove all or a majority of the directors of the board of directors of the Issuer.

“**Change of Control Event Step-up Date**” means:

- (a) the date falling six (6) months after the date on which a Change of Control Event has occurred; or
- (b) if a Rating Downgrade occurs on or after such date specified in paragraph (a) above (and the ninety (90) day extension of the Change of Control Period has occurred), the date falling eight (8) months after the date on which a Change of Control Event has occurred.

“**Change of Control Period**” means the period (i) commencing on the date that is the earlier of (A) the date of the first public announcement of the relevant

Change of Control Event and (B) the date of the earliest Potential Change of Control Event Announcement, if any, and (ii) ending on the date which is the one hundred and twentieth (120th) day after the date of the first public announcement of the relevant Change of Control Event (such one hundred and twentieth (120th) day, the “**Initial Longstop Date**”); provided that, unless any other Rating Agency has on or prior to the Initial Longstop Date effected a Rating Downgrade in respect of its rating of the Issuer, if a Rating Agency publicly announces, at any time during the period commencing on the date which is sixty (60) days prior to the Initial Longstop Date and ending on the Initial Longstop Date, that it has placed its rating of the Issuer under consideration for rating review either entirely or partially as a result of the relevant public announcement of the Change of Control Event or Potential Change of Control Event Announcement, the Change of Control Period shall be extended to the date which falls ninety (90) days after the date of such public announcement by such Rating Agency.

“**CSD**” means the Issuer’s central securities depository and registrar in respect of the Capital Securities, Euroclear Sweden AB, Swedish Reg. No. 556112-8074, P.O. Box 191, 101 23 Stockholm, Sweden, or another party replacing it, as CSD, in accordance with these Terms and Conditions.

“**CSD Regulations**” means the CSD’s rules and regulations applicable to the Issuer, the Agent and the Capital Securities from time to time.

“**Debt Register**” means the debt register (Sw. *skuldbok*) kept by the CSD in respect of the Capital Securities in which (i) an owner of Capital Securities is directly registered or (ii) an owner’s holding of Capital Securities is registered in the name of a nominee.

“**Deferred Interest**” has the meaning ascribed to it in Clause 10.1.3.

“**Deferred Interest Payment Event**” means any one or more of the following events:

- (a) declaration or payment of any distribution or dividend or any other payment made by the Issuer on its share capital or any other obligation of the Issuer which ranks or is expressed by its terms to rank junior to the Capital Securities or any Parity Securities;
- (b) declaration or payment of any distribution or dividend or any other payment made by the Issuer or any Subsidiary of the Issuer, as the case may be, on any Parity Securities;
- (c) redemption, repurchase, repayment, cancellation, reduction or other acquisition by the Issuer or any Subsidiary of the Issuer of any shares of the Issuer or any other obligation of the Issuer which ranks or is expressed by its terms to rank junior to the Capital Securities or any Parity Securities; and/or

- (d) redemption, repurchase, repayment, cancellation, reduction or other acquisition by the Issuer or any Subsidiary of the Issuer of any Parity Securities,

save for:

- (i) in each case, any compulsory distribution, dividend, other payment, redemption, repurchase, repayment, cancellation, reduction or other acquisition required by the terms of such securities or by mandatory operation of applicable law;
- (ii) in each case, any declaration or payment of any distribution or dividend or any other payment made by the Issuer on its share capital, which is made by reason of a claim (in accordance with the Swedish Companies Act (Sw. *aktiebolagslagen (2005:551)*)) by shareholder(s) owning not less than ten (10.00) per cent. of the shares in the Issuer;
- (iii) in the case of paragraph (c) above only, any redemption, repurchase, repayment, cancellation, reduction or other acquisition that is executed in connection with, or for the purpose of:
 - (A) any reduction of the quota value of the share capital of the Issuer without a corresponding return of cash, capital or assets to shareholders of the Issuer; or
 - (B) any share buyback programme then in force and duly approved by the shareholders' general meeting of the Issuer or the relevant Subsidiary of the Issuer (as applicable) or any existing or future stock option plan or free share allocation plan or other incentive plan, in all cases, reserved for directors, officers and/or employees of the Issuer or the relevant Subsidiary of the Issuer or any associated hedging transaction; and
- (iv) in the case of paragraph (d) above only, any redemption repurchase, repayment, cancellation, reduction or other acquisition executed in whole or in part in the form of a public tender offer or public exchange offer at a consideration per Parity Security below its par value.

“Financial Instruments Accounts Act” means the Swedish Central Securities Depositories and Financial Instruments Accounts Act (Sw. *lag (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument*).

“First Call Date” means the date falling five years and three months (5.25 years) after the First Issue Date or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention.

“**First Issue Date**” means 21 January 2021.

“**Fitch**” means Fitch Ratings Ltd.

“**Force Majeure Event**” has the meaning set forth in Clause 25.1.

“**Green Finance Framework**” means the Issuer’s green finance framework from time to time.

“**Group**” means the Issuer and its Subsidiaries from time to time (each a “**Group Company**”).

“**Holder**” means the Person who is registered on a Securities Account as direct registered owner (Sw. *direktregistrerad ägare*) or nominee (Sw. *förvaltare*) with respect to a Capital Security.

“**Holders’ Meeting**” means a meeting among the Holders held in accordance with Clauses 16.1 (*Request for a decision*), 16.2 (*Convening of Holders’ Meeting*) and 16.4 (*Majority, quorum and other provisions*).

“**Initial Capital Securities**” means the Capital Securities issued on the First Issue Date, being SEK 450,000,000.

“**Initial Interest Rate**” means the Base Rate plus the applicable Margin.

“**Insolvent**” means, in respect of a relevant Person, that it is deemed to be insolvent, or admits inability to pay its debts as they fall due, in each case within the meaning of Chapter 2, Sections 7-9 of the Swedish Bankruptcy Act (Sw. *konkurslagen (1987:672)*) (or its equivalent in any other relevant jurisdiction) suspends making payments on any of its debts or by reason of actual financial difficulties commences negotiations with all or substantially all of its creditors (other than creditors of secured debt) with a view to rescheduling any of its indebtedness (including company reorganisation (Sw. *företagsrekonstruktion*) under the Swedish Company Reorganisation Act (Sw. *lag (1996:764) om företagsrekonstruktion*) (or its equivalent in any other jurisdiction)) or is subject to involuntary winding-up, dissolution or liquidation.

“**Interest**” means the interest on the Capital Securities calculated in accordance with Clause 9 (*Interest*).

“**Interest Payment**” means, in respect the payment of Interest on an Interest Payment Date, the amount of Interest payable for the relevant Interest Period in accordance with Clause 9 (*Interest*).

“**Interest Payment Date**” means, subject to Clause 10 (*Optional Interest Deferral*), 21 January, 21 April, 21 July and 21 October of each year or, to the extent such day is not a Business Day, the Business Day following from an

application of the Business Day Convention. The first Interest Payment Date for the Capital Securities shall be 21 April 2021 and the last Interest Payment Date shall be the relevant Redemption Date.

“**Interest Period**” means (i) in respect of the first Interest Period, the period from (but excluding) the First Issue Date to (and including) the first Interest Payment Date, and (ii) in respect of subsequent Interest Periods, the period from (but excluding) an Interest Payment Date to (and including) the next succeeding Interest Payment Date (or a shorter period if relevant).

“**Interest Rate**” means, subject to any adjustments by an application of Clause 18 (*Replacement of Base Rate*), the sum of the Initial Interest Rate or the Step-up Interest Rate (including the Change of Control Event Step-up in accordance with Clause 9.4 (*Step-up after a Change of Control Event*)) (as applicable), provided that if the applicable Interest Rate falls below zero, the Interest Rate will be deemed to be zero.

“**Issue Date**” means the First Issue Date and each other date on which any Subsequent Capital Securities are to be issued pursuant to these Terms and Conditions, as agreed between the Issuing Agent and the Issuer.

“**Issuer**” means K2A Knaust & Andersson Fastigheter AB (publ), a public limited liability company incorporated under the laws of Sweden with Reg. No. 556943-7600.

“**Issuer Winding-up**” has the meaning ascribed to it in paragraph (a) of Clause 3.2.

“**Issuing Agent**” means, initially, Swedbank AB (publ) and thereafter each other party appointed as Issuing Agent in accordance with these Terms and Conditions and the CSD Regulations.

“**Joint Bookrunners**” means, initially, Nordea Bank Abp and Swedbank AB (publ) and thereafter each other party appointed as Joint Bookrunner in accordance with these Terms and Conditions and the CSD Regulations.

“**Main Shareholders**” means, Johan Knaust, personal identity number 711116-0110, Johan Ljungberg, personal identity number 720727-0278, and Johan Thorell, personal identity number 700131-7010, and any other Person, directly or indirectly, controlled by any of the Main Shareholders (“**Main Shareholder Company**”). For the purposes of this definition, “**control**” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of an entity, whether through ownership of voting securities, by agreement or otherwise.

“**Margin**” means:

- (a) from (but excluding) the First Issue Date to (and including) the date falling ten years and three months (10.25 years) after the First Issue Date, 5.95 per cent. *per annum*;
- (b) from (but excluding) the date falling ten years and three months (10.25 years) after the First Issue Date to (and including) the date falling twenty-five years and three months (25.25 years) after the First Issue Date, 6.20 per cent. *per annum*; and
- (c) from (but excluding) the date falling twenty-five years and three months (25.25 years) after the First Issue Date to (and including) the Redemption Date, 6.95 per cent. *per annum*.

“**Moody’s**” means Moody’s Investors Services Ltd.

“**Nasdaq Stockholm**” means the Regulated Market of Nasdaq Stockholm AB (Swedish Reg. No. 556420-8394, SE-105 78 Stockholm, Sweden).

“**NCR**” means Nordic Credit Rating AS.

“**Net Proceeds**” means the gross proceeds from the offering of the relevant Capital Securities, after deduction has been made for the Transaction Costs payable by the Issuer to the Joint Bookrunners and the Issuing Agent for the services provided in relation to the placement and issuance of the relevant Capital Securities.

“**Nominal Amount**” has the meaning set forth in Clause 2.3.

“**Parity Securities**” means any obligations of:

- (a) the Issuer, issued directly or indirectly by it, which rank, or are expressed to rank, *pari passu* with the Capital Securities; and
- (b) any Subsidiary of the Issuer having the benefit of a guarantee or support agreement from the Issuer which ranks or is expressed to rank *pari passu* with the Capital Securities.

“**Person**” means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organisation, government, or any agency or political subdivision thereof, or any other entity, whether or not having a separate legal personality.

“**Positive Rating Event**” shall be deemed to occur if the Issuer has received a credit rating from any Rating Agency.

“**Potential Change of Control Event Announcement**” means any public announcement or statement by the Issuer, any actual or potential bidder or any designated advisor thereto relating to any specific and near-term potential Change of Control Event (where “**near-term**” shall mean that such potential Change of

Control Event is reasonably likely to occur, or is publicly stated by the Issuer, any such actual or potential bidder or any such designated advisor to be intended to occur, within one hundred and twenty (120) days of the date of such announcement or statement).

“Quotation Day” means, in relation to any period for which an interest rate is to be determined, two (2) Business Days before the first day of that period.

“Rating Agency” means Moody’s, S&P, Fitch, NCR or Scope and any other rating agency of equivalent international standing requested by the Issuer to grant corporate credit rating to the Issuer and, in each case, their successors or affiliates.

“Rating Downgrade” shall be deemed to have occurred in respect of a Change of Control Event if within the Change of Control Period (i) the rating previously assigned to the Issuer (if any) by any Rating Agency is withdrawn by the relevant Rating Agency and not subsequently reinstated within the Change of Control Period (it being expressly acknowledged that any such withdrawal procured or effectuated by the Issuer or otherwise made to the direction, order or on the initiative of the Issuer, shall not constitute a Rating Downgrade) or (ii) the rating previously assigned to the Issuer by the relevant Rating Agency is lowered (by the relevant Rating Agency) at least one rating category below the rating category provided and not subsequently upgraded to at least the same rating category within the Change of Control Period, provided that a Rating Downgrade otherwise arising by virtue of a particular change in rating shall be deemed not to have occurred in respect of a particular Change of Control Event if the relevant Rating Agency making the change in rating to which this definition would otherwise apply does not publicly announce or publicly confirm that the withdrawal or reduction was the result of the applicable Change of Control Event.

“Rating Event” shall be deemed to occur if the Issuer has received confirmation from any Rating Agency either directly or via a publication by such Rating Agency, that an amendment, clarification or change has occurred in the equity credit criteria of such Rating Agency effectively after the date a Positive Rating Event occurs and this has resulted in lower equity credit (or such other nomenclature that the relevant Rating Agency may then use to describe the degree to which an instrument exhibits the characteristics of an ordinary share) for the Capital Securities than the equity credit assigned on the date a Positive Rating Event occurs.

“Record Date” means the fifth (5) Business Day prior to (i) an Interest Payment Date, (ii) a Redemption Date, (iii) the date of a Holders’ Meeting, or (iv) another relevant date (including i.e. in relation to payments made on a date other than the date specified in the Terms and Conditions), or in each case such other Business Day falling prior to a relevant date if generally applicable on the Swedish bond market.

“**Redemption Date**” means the date on which the relevant Capital Securities are to be redeemed or repurchased in accordance with Clause 11 (*Redemption and Repurchase of the Capital Securities*).

“**Regulated Market**” means any regulated market (as defined in Directive 2014/65/EU on markets in financial instruments).

“**S&P**” means Standard and Poor’s Credit Market Services Europe Limited.

“**Scope**” means Scope Ratings GmbH.

“**Securities Account**” means the account for dematerialised securities (Sw. *avstämningsregister*) maintained by the CSD pursuant to the Financial Instruments Accounts Act in which (i) an owner of such security is directly registered or (ii) an owner’s holding of securities is registered in the name of a nominee.

“**Security**” means a mortgage, charge, pledge, lien, security assignment or other security interest securing any obligation of any Person, or any other agreement or arrangement having a similar effect.

“**Special Event**” means any of an Accounting Event, a Rating Event, a Substantial Repurchase Event, a Tax Deductibility Event, a Withholding Tax Event or any combination of the foregoing.

“**Step-up Interest Rate**” means the Base Rate plus the applicable Step-up Margin; and

“**Step-up Margin**” means:

- (a) from (but excluding) the First Call Date to (and including) the date falling ten years and three months (10.25 years) after the First Issue Date, 8.45 per cent. *per annum*;
- (b) from (but excluding) the date falling ten years and three months (10.25 years) after the First Issue Date to (and including) the date falling twenty-five years and three months (25.25 years) after the First Issue Date, 8.70 per cent. *per annum*; and
- (c) from (but excluding) the date falling twenty-five years and three months (25.25 years) after the First Issue Date to (and including) the Redemption Date, 9.45 per cent. *per annum*.

“**STIBOR**” means:

- (a) the Stockholm interbank offered rate for STIBOR fixing administered and calculated by the Base Rate Administrator for the offering of deposits in Swedish Kronor and for a period equal to the relevant Interest Period (before any correction, recalculation or republication by the administrator)

as of or around 11.00 a.m. on the Quotation Day on page STIBOR= of the Thomson Reuters screen (or any replacement Thomson Reuters page which displays that rate) or on the appropriate page of such other information service which publishes that rate from time to time in place of Thomson Reuters;

- (b) if no rate as described in (a) is available for the relevant Interest Period, the rate determined by the Issuing Agent by interpolation between the two closest rates displayed on Thomson Reuters screen (or any replacement Thomson Reuters page which displays that rate) for STIBOR fixing (or on the appropriate page of such other information service which publishes that rate from time to time in place of Thomson Reuters) as of or around 11.00 a.m. on the Quotation Day for the offering of deposits in Swedish Kronor;
- (c) if no rate as described in (b) is available for the relevant Interest Period, the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Issuing Agent at its request quoted by leading banks in the Stockholm interbank market reasonably selected by the Issuing Agent for deposits of SEK 100,000,000 for the relevant period; or
- (d) if no quotation is available pursuant to paragraph (c), the interest rate which according to the reasonable assessment of the Issuing Agent best reflects the interest rate for deposits in Swedish Kronor offered in the Stockholm interbank market for the relevant period.

“Subordinated Indebtedness” means any obligation of the Issuer, whether or not having a fixed maturity, which by its terms is, or is expressed to be, subordinated in the event of an Issuer Winding-up to the claims of all unsubordinated creditors of the Issuer but senior to the Capital Securities or to the obligations of the Issuer in respect of any Parity Securities.

“Subsequent Capital Securities” means any Capital Securities issued after the First Issue Date on one or more occasions.

“Subsidiary” means, in relation to any Person, any Swedish or foreign legal entity (whether incorporated or not), which at the time is a subsidiary (Sw. *dotterbolag*) to such Person, directly or indirectly, as defined in the Swedish Companies Act.

“Substantial Repurchase Event” shall be deemed to occur if the Issuer and/or any of its Subsidiaries repurchases and cancels or has at any time repurchased and cancelled, a principal amount of Capital Securities equal to or greater than eighty (80.00) per cent. of the aggregate principal amount of the Capital Securities issued (which shall include, for these purposes any Subsequent Capital Securities).

“Tax Deductibility Event” means the receipt by the Issuer of an opinion of a well-reputed counsel in Sweden (experienced in such matters) to the effect that, as a result of a Tax Law Change, any Interest Payments under the Capital

Securities were, but are no longer, tax-deductible by the Issuer for Swedish tax purposes to the same extent as any unsubordinated obligations of the Issuer.

“**Tax Law Change**” means:

- (a) any amendment to, clarification of, or change in, the laws or treaties (or any regulations thereunder) of Sweden, or any political subdivision or any authority thereof or therein having the power to tax, affecting taxation;
- (b) any governmental action; or
- (c) any amendment to, clarification of, or change in the application, official position or the interpretation of such law, treaty (or regulations thereunder) or governmental action or any interpretation, decision or pronouncement that provides for a position with respect to such law, treaty (or regulations thereunder) or governmental action that differs from the theretofore generally accepted position,

in each case, by any legislative body, court, governmental authority or regulatory body in Sweden, irrespective of the manner in which such amendment, clarification, change, action, pronouncement, interpretation or decision is made known, which amendment, clarification or change is effective or such governmental action, pronouncement, interpretation or decision is announced on or after the First Issue Date.

“**Total Nominal Amount**” means the total aggregate Nominal Amount of the Capital Securities outstanding at the relevant time.

“**Transaction Costs**” means all fees, costs and expenses incurred by the Issuer (including any fees payable by the Issuer to the Joint Bookrunners for the services provided in relation to the placement and issuance of the Capital Securities) in connection with (i) the issuance of Initial Capital Securities or Subsequent Capital Securities and (ii) the admission to listing of the Capital Securities (including Subsequent Capital Securities) on the Sustainable Bond List of Nasdaq Stockholm or any other Regulated Market.

“**Withholding Tax Event**” shall be deemed to occur if, as a result of any Tax Law Change, in making any payments on the Capital Securities, the Issuer has paid or will or would on the next Interest Payment Date be required to pay additional amounts on the Capital Securities and the Issuer cannot avoid the foregoing by taking reasonable measures available to it.

“**Written Procedure**” means the written or electronic procedure for decision making among the Holders in accordance with Clauses 16.1 (*Request for a decision*), 16.3 (*Instigation of Written Procedure*) and 16.4 (*Majority, quorum and other provisions*).

1.2 Construction

1.2.1 Unless a contrary indication appears, any reference in these Terms and Conditions to:

- (a) “**assets**” includes present and future properties, revenues and rights of every description;
- (b) any agreement or instrument is a reference to that agreement or instrument as supplemented, amended, novated, extended, restated or replaced from time to time;
- (c) a “**regulation**” includes any law, regulation, rule or official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, regulatory, authority or department;
- (d) a provision of regulation is a reference to that provision as amended or re-enacted; and
- (e) a time of day is a reference to Stockholm time.

1.2.2 When ascertaining whether a limit or threshold specified in Swedish Kronor has been attained or broken, an amount in another currency shall be counted on the basis of the rate of exchange for such currency against Swedish Kronor for the previous Business Day, as published by the Swedish Central Bank (Sw. *Riksbanken*) on its website (www.riksbank.se). If no such rate is available, the most recently published rate shall be used instead.

1.2.3 A notice shall be deemed to be sent by way of press release if it is made available to the public within Sweden promptly and in a non-discriminatory manner.

1.2.4 No delay or omission of the Agent or of any Holder to exercise any right or remedy under the Terms and Conditions shall impair or operate as a waiver of any such right or remedy.

1.2.5 The selling restrictions, privacy notice, the text set out in under the heading “*Information relating to the Capital Securities*” and any other information contained in this document before the table of contents section do not form part of these Terms and Conditions and may be updated without the consent of the Holders and the Agent.

2 The Capital Securities

2.1 The Capital Securities are denominated in Swedish Kronor and each Capital Security is constituted by these Terms and Conditions. The Issuer undertakes to

make payments in relation to the Capital Securities and to comply with these Terms and Conditions.

- 2.2 By subscribing for Capital Securities, each initial Holder agrees that the Capital Securities shall benefit from and be subject to the Terms and Conditions and by acquiring Capital Securities, each subsequent Holder confirms such agreement.
- 2.3 The nominal amount of each Initial Capital Security is SEK 1,250,000 (the “**Nominal Amount**”). All Initial Capital Securities are issued on a fully paid basis at an issue price of 100 per cent. of the Initial Nominal Amount.
- 2.4 Subject to the relevant conditions precedents having been duly received by the Agent in accordance with Clause 5.2, the Issuer may, on one (1) or two (2) occasions after the First Issue Date up until the date falling three (3) months from the First Issue Date, issue Subsequent Capital Securities, however, in each case, provided that no default (as construed by reference to Clause 15.1 (*Proceedings*)) is continuing or would result from such issue.
- 2.5 Subsequent Capital Securities shall benefit from and be subject to the Terms and Conditions, and, for the avoidance of doubt, the ISIN, the Interest Rate, the currency, the Nominal Amount and the perpetual nature applicable to the Initial Capital Securities shall apply to Subsequent Capital Securities. The issue price of the Subsequent Capital Securities may be set at the Nominal Amount, a discount or a premium compared to the Nominal Amount. Each Subsequent Capital Security shall entitle its Holder to Interest in accordance with 9.1, and otherwise have the same rights as the Initial Capital Securities.
- 2.6 The maximum Total Nominal Amount of the Capital Securities (the Initial Capital Securities and all Subsequent Capital Securities) may not exceed SEK 750,000,000 unless a consent from the Holders is obtained in accordance with Clause 16.4.2(a).
- 2.7 The Capital Securities are freely transferable but the Holders may be subject to purchase or transfer restrictions with regard to the Capital Securities, as applicable, under local regulation to which a Holder may be subject. Each Holder must ensure compliance with such restrictions at its own cost and expense.
- 2.8 No action is being taken in any jurisdiction that would or is intended to permit a public offering of the Capital Securities or the possession, circulation or distribution of any document or other material relating to the Issuer or the Capital Securities in any jurisdiction other than Sweden, where action for that purpose is required. Each Holder must inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Capital Securities.

3 Status of the Capital Securities

3.1 The Capital Securities, including the obligation to pay interest thereon, constitute direct, general, unconditional, unsecured and subordinated obligations of the Issuer. The rights and claims of the Holders in respect of the Capital Securities against the Issuer are subordinated as described under Clause 3.2.

3.2 In the event of:

- (a) a voluntary or involuntary liquidation (Sw. *likvidation*) or bankruptcy (Sw. *konkurs*) of the Issuer (each an “**Issuer Winding-up**”), the Holders shall, in respect of their Capital Securities, have a claim for the principal amount of their Capital Securities and any accrued and unpaid interest (including any Deferred Interest) thereon and such claims will rank:
 - (i) *pari passu* without any preference among themselves and with any present or future claims in respect of obligations of the Issuer in respect of Parity Securities;
 - (ii) in priority to all present and future claims in respect of:
 - (a) the shares of the Issuer; and
 - (b) any other obligation of the Issuer expressed by its terms as at its original issue date to rank junior to the Capital Securities or any Parity Securities; and
 - (iii) junior in right of payment to any present or future claims of:
 - (a) all unsubordinated obligations of the Issuer; and
 - (b) all Subordinated Indebtedness; or
- (b) a company reorganisation of the Issuer under the Swedish Company Reorganisation Act, the Holders shall, in respect of their Capital Securities, have a claim for the principal amount of their Capital Securities and any accrued and unpaid interest (including any Deferred Interest) thereon and such claims will rank:
 - (i) *pari passu* without any preference among themselves and with any present or future claims in respect of obligations of the Issuer in respect of Parity Securities; and
 - (ii) junior in right of payment to any present or future claims of:
 - (a) all unsubordinated obligations of the Issuer; and
 - (b) all Subordinated Indebtedness.

Claims in respect of the share capital of the Issuer are not subject to loss absorbing measures under a company reorganisation of the Issuer.

- 3.3 Subject to applicable law, no Holder may exercise, claim or plead any right of set-off, compensation or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with the Capital Securities and each Holder shall, by virtue of its holding of any Capital Security, be deemed to have waived all such rights of set-off, compensation or retention.

4 Use of Proceeds

The Net Proceeds shall be used in accordance with the Green Finance Framework.

5 Conditions for Disbursement

- 5.1 **Initial Capital Securities:** The Issuer shall provide to the Agent, no later than 9.00 a.m. four (4) Business Days prior to the First Issue Date (or such later time as agreed by the Agent), the following:

- (a) the Terms and Conditions and the Agency Agreement duly executed;
- (b) a copy of a resolution from the board of directors of the Issuer approving the issue of the Initial Capital Securities, the terms of the Terms and Conditions and the Agency Agreement, and resolving to enter into such documents and any other documents necessary in connection therewith;
- (c) copies of the articles of association and certificate of incorporation of the Issuer;
- (d) evidence that the Person(s) who has/have signed the Terms and Conditions, the Agency Agreement and any other documents in connection therewith on behalf of the Issuer is/are duly authorised to do so; and
- (e) such other documents and evidence as is agreed between the Agent and the Issuer.

- 5.2 **Subsequent Capital Securities:** The Issuer shall provide to the Agent, no later than 9.00 a.m. four (4) Business Days prior to the Issue Date (or such later time as agreed to by the Agent) in respect of Subsequent Capital Securities, the following:

- (a) a copy of a resolution from the board of directors of the Issuer approving the issue of the Subsequent Capital Securities and resolving to enter into documents necessary in connection therewith;

- (b) copies of the articles of association and certificate of incorporation of the Issuer; and
 - (c) such other documents and evidence as is deemed necessary, acting reasonably, by the Agent.
- 5.3 The Agent shall confirm in writing to the Issuing Agent when it is satisfied that the conditions in Clause 5.1 or 5.2, as the case may be have been fulfilled (or amended or waived in accordance with Clause 17 (*Amendments and Waivers*)). The relevant Issue Date shall not occur unless the Agent makes such confirmation to the Issuing Agent no later than 9.00 a.m. three (3) Business Days prior to the relevant Issue Date (or later, if the Issuing Agent so agrees).
- 5.4 Following receipt by the Issuing Agent of the written confirmation in accordance with Clause 5.3, the Issuing Agent shall settle the issuance of the Initial Capital Securities and pay the Net Proceeds to the Issuer on the First Issue Date. Following receipt by the Issuing Agent of the confirmation in accordance with Clause 5.3, the Issuing Agent shall settle the issuance of any Subsequent Capital Securities and pay the Net Proceeds to the Issuer on the relevant Issue Date.

6 Capital Securities in Book-Entry Form

- 6.1 The Capital Securities will be registered for the Holders on their respective Securities Accounts and no physical Capital Securities will be issued. Accordingly, the Capital Securities will be registered in accordance with the Financial Instruments Accounts Act. Registration requests relating to the Capital Securities shall be directed to an Account Operator. The Debt Register shall constitute conclusive evidence of the Persons who are Holders and their holdings of Capital Securities.
- 6.2 Those who according to assignment, Security, the provisions of the Swedish Children and Parents Code (Sw. *föräldrabalken (1949:381)*), conditions of will or deed of gift or otherwise have acquired a right to receive payments in respect of a Capital Security shall register their entitlements to receive payment in accordance with the Financial Instruments Accounts Act.
- 6.3 The Issuer and the Agent shall at all times be entitled to obtain information from the Debt Register. At the request of the Agent, the Issuer shall promptly obtain such information and provide it to the Agent. For the purpose of carrying out any administrative procedure that arises out of these Terms and Conditions, the Issuing Agent shall be entitled to obtain information from the Debt Register.
- 6.4 The Issuer shall issue any necessary power of attorney to such Persons employed by the Agent, as notified by the Agent, in order for such individuals to independently obtain information directly from the Debt Register. The Issuer may

not revoke any such power of attorney unless directed by the Agent or unless consent thereto is given by the Holders.

- 6.5 The Issuer and the Agent may use the information referred to in Clause 6.3 only for the purposes of carrying out their duties and exercising their rights in accordance with these Terms and Conditions and the Agency Agreement and shall not disclose such information to any Holder or third party unless necessary for such purposes.

7 Right to Act on Behalf of a Holder

- 7.1 If any Person other than a Holder wishes to exercise any rights under these Terms and Conditions, it must obtain a power of attorney or other authorisation from the Holder or a successive, coherent chain of powers of attorney or authorisations starting with the Holder and authorising such Person.

- 7.2 A Holder may issue one or several powers of attorney or other authorisations to third parties to represent it in relation to some or all of the Capital Securities held by it. Any such representative may act independently under these Terms and Conditions in relation to the Capital Securities for which such representative is entitled to represent the Holder.

- 7.3 The Agent shall only have to examine the face of a power of attorney or other authorisation that has been provided to it pursuant to Clause 7.2 and may assume that such document has been duly authorised, is valid, has not been revoked or superseded and that it is in full force and effect, unless otherwise is apparent from its face or the Agent has actual knowledge to the contrary.

- 7.4 These Terms and Conditions shall not affect the relationship between a Holder who is the nominee (*Sw. förvaltare*) with respect to a Capital Security and the owner of such Capital Security, and it is the responsibility of such nominee to observe and comply with any restrictions that may apply to it in this capacity.

8 Payments in Respect of the Capital Securities

- 8.1 Any payment or repayment under these Terms and Conditions shall be made to such Person who is registered as a Holder on the Record Date prior to an Interest Payment Date or other relevant payment date, or to such other Person who is registered with the CSD on such Record Date as being entitled to receive the relevant payment, repayment or repurchase amount.

- 8.2 If a Holder has registered, through an Account Operator, that principal, interest or any other payment shall be deposited in a certain bank account, such deposits will be effected by the CSD on the relevant payment date. Should the CSD, due to a delay on behalf of the Issuer or some other obstacle, not be able to effect payments

as aforesaid, the Issuer shall procure that such amounts are paid to the Persons who are registered as Holders on the relevant Record Date as soon as possible after such obstacle has been removed.

- 8.3 If, due to any obstacle for the CSD, the Issuer cannot make a payment or repayment, such payment or repayment may be postponed until the obstacle has been removed. Interest shall accrue in accordance with Clause 9.5 during such postponement.
- 8.4 If payment or repayment is made in accordance with this Clause 8, the Issuer and the CSD shall be deemed to have fulfilled their obligation to pay, irrespective of whether such payment was made to a Person not entitled to receive such amount.
- 8.5 The Issuer is not liable to gross-up any payments under these Terms and Conditions by virtue of any withholding tax, public levy or the similar.

9 Interest

9.1 Interest accrual

- 9.1.1 Each Initial Capital Security carries Interest at the applicable Interest Rate applied to the Nominal Amount from (but excluding) the First Issue Date up to (and including) the relevant Redemption Date. Any Subsequent Capital Security will carry Interest at the Interest Rate applied to the Nominal Amount from (but excluding) the Interest Payment Date falling immediately prior to its issuance (or the First Issue Date if there is no such Interest Payment Date) up to (and including) the relevant Redemption Date.
- 9.1.2 Interest accrues during an Interest Period. Subject to Clause 10 (*Optional Interest Deferral*), payment of Interest in respect of the Capital Securities shall be made to the Holders on each Interest Payment Date for the preceding Interest Period.
- 9.1.3 Interest shall be calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis).
- 9.1.4 The Interest Payment in respect of each Interest Period may be deferred in accordance with Clause 10 (*Optional Interest Deferral*).

9.2 Initial Interest Rate

Subject to Clause 9.3 (*Step-up Interest Rate*), Clause 9.4 (*Step-up after a Change of Control Event*) and Clause 18 (*Replacement of Base Rate*), the Interest Rate in respect of each Interest Period shall be the aggregate of the applicable Margin and the Base Rate in relation to the Capital Securities.

9.3 Step-up Interest Rate

Subject to Clause 9.4 (*Step-up after a Change of Control Event*), Clause 18 (*Replacement of Base Rate*) and provided a Positive Rating Event has not occurred prior to the First Call Date, commencing from (but excluding) the First Call Date, the Interest Rate in respect of each Interest Period shall be the aggregate of the applicable Step-up Margin and the Base Rate in relation to the Capital Securities.

9.4 Step-up after a Change of Control Event

Notwithstanding any other provision of this Clause 9, if the Issuer does not elect to redeem the Capital Securities in accordance with Clause 11.5 (*Voluntary redemption due to a Change of Control Event*), the then prevailing Interest Rate, and each subsequent Interest Rate otherwise determined in accordance with the provisions of this Clause 9, on the Capital Securities shall be increased by 500 basis points *per annum* (the “**Change of Control Event Step-up**”) with effect from (but excluding) the Change of Control Event Step-up Date.

9.5 Default Interest

If the Issuer fails to pay any amount payable by it pursuant to Clause 10.3 (*Mandatory settlement of Deferred Interest*) or Clause 11 (*Redemption and Repurchase of the Capital Securities*) (except for Clauses 11.1 (*No maturity*), 11.2 (*Purchase of Capital Securities by the Issuer and any other Group Company*) and 11.7 (*Cancellation of Capital Securities*)) on its due date, default interest shall accrue on the overdue amount from (but excluding) the due date up to (and including) the date of actual payment at a rate which is two (2%) percentage points higher than the applicable Interest Rate. The default interest shall not be capitalised. No default interest shall accrue where the failure to pay was solely attributable to the Agent or the CSD, in which case the Interest Rate shall apply instead.

10 Optional Interest Deferral

10.1 Deferral of Interest Payments

10.1.1 The Issuer may, at any time and at its sole discretion, elect to defer any Interest Payment, in whole or in part, which is otherwise scheduled to be paid on an Interest Payment Date (except on any Interest Payment Date on which the Capital Securities are to be redeemed) by giving notice of such election to the Holders in accordance with Clause 24 (*Notices*), the Issuing Agent and the Agent not less than seven (7) Business Days prior to the relevant Interest Payment Date. Notwithstanding the foregoing, failure to give such notice shall not prejudice the right of the Issuer to defer any Interest Payment as described above.

- 10.1.2 If the Issuer makes only a partial payment of interest on an Interest Payment Date, such amount shall be applied equally to each Capital Security.
- 10.1.3 Any Interest Payment so deferred pursuant to this Clause 10 shall, from (but excluding) the Interest Payment Date on which such Interest Payment would (but for its deferral) have been payable to (and including) the date on which it is paid in full, itself bear interest at the Interest Rate prevailing from time to time (which interest shall compound on each Interest Payment Date) and, for so long as the same remains unpaid, such deferred interest (together with the interest accrued thereon) shall constitute “**Deferred Interest**”.
- 10.1.4 The deferral of an Interest Payment in accordance with this Clause 10 shall not constitute a default pursuant to Clause 15 (*Default and Enforcement*) by the Issuer under the Capital Securities or for any other purpose.

10.2 Optional settlement of Deferred Interest

Deferred Interest may be paid, in whole or in part, at any time at the option of the Issuer following delivery of a notice to such effect given by the Issuer to the Holders in accordance with Clause 24 (*Notices*), the Issuing Agent and the Agent not less than seven (7) Business Days prior to the date (to be specified in such notice) on which the Issuer will pay such Deferred Interest. Any such notice shall state the date fixed for the payment and the relevant Record Date and is irrevocable.

10.3 Mandatory settlement of Deferred Interest

- 10.3.1 The Issuer shall pay any Deferred Interest, in whole but not in part, on the first to occur of the following dates:
- (a) the tenth (10th) Business Day following the date on which a Deferred Interest Payment Event occurs;
 - (b) any Interest Payment Date in respect of which the Issuer does not elect to defer all of the interest accrued in respect of the relevant Interest Period; and
 - (c) the date on which the Capital Securities are redeemed or repaid in accordance with Clause 11 (*Redemption and Repurchase of the Capital Securities*) or Clause 15 (*Default and Enforcement*).
- 10.3.2 Notice of any Deferred Interest Payment Event shall be given by the Issuer to the Holders in accordance with Clause 24 (*Notices*), the Issuing Agent and the Agent within three (3) Business Days of such event.

11 Redemption and Repurchase of the Capital Securities

11.1 No maturity

The Capital Securities are perpetual and have no specified maturity date. The Issuer may only redeem the Capital Securities in the circumstances described in this Clause 11 (*Redemption and Repurchase of the Capital Securities*). The Capital Securities are not redeemable at the option of the Holders at any time.

11.2 Purchase of Capital Securities by the Issuer and any other Group Company

11.2.1 The Issuer and any other Group Company may, subject to applicable regulations, at any time and at any price purchase Capital Securities on the market or in any other way.

11.2.2 Capital Securities held by the Issuer or any other Group Company may at their discretion be retained or sold or, if held by the Issuer, cancelled by the Issuer, provided that the aggregate principal amount of the Capital Securities subject to such cancellation represents eighty (80) per cent. or more of the aggregate principal amount of the Capital Securities issued (which shall include, for these purposes, any Subsequent Capital Securities).

11.3 Voluntary total redemption (call option)

The Issuer may redeem all, but not only some, of the outstanding Capital Securities in full on the First Call Date or on any Interest Payment Date falling thereafter at a price per Capital Security equal to one hundred (100.00) per cent. of the Nominal Amount together with any Deferred Interest and any interest accrued up to (and including) the Redemption Date.

11.4 Voluntary total redemption due to a Special Event

11.4.1 Upon a Special Event occurring, the Issuer may redeem all, but not some only, of its Capital Securities at any time at a price per Capital Security equal to:

- (a) if the Redemption Date falls prior to the First Call Date, one hundred and one (101.00) per cent. of the Nominal Amount; or
- (b) if the Redemption Date falls on or after the First Call Date, one hundred (100.00) per cent. of the Nominal Amount,

11.4.2 in each case together with any Deferred Interest and any interest accrued up to (and including) the Redemption Date.

11.5 Voluntary redemption due to a Change of Control Event

11.5.1 Upon:

- (a) a Change of Control Event (with no Positive Rating Event having occurred prior to the Change of Control Event); or
- (b) a Change of Control Event and, if a Positive Rating Event has occurred prior to the Change of Control Event, a Rating Downgrade occurs in respect of that Change of Control Event within the Change of Control Period,

the Issuer may, no later than the Change of Control Event Step-up Date, redeem all, but not some only, of its Capital Securities at an amount equal to:

- (i) if the Redemption Date falls prior to the First Call Date, one hundred and one (101.00) per cent. of the Nominal Amount; and
- (ii) if the Redemption Date falls on or after the First Call Date, one hundred (100.00) per cent. of the Nominal Amount,

in each together with any Deferred Interest and any interest accrued up to (and including) the Redemption Date.

- 11.5.2 Immediately upon the Issuer becoming aware that a Change of Control Event has occurred, the Issuer shall give notice to the Agent and the Holders in accordance with Clause 24 (*Notices*), specifying the nature of the Change of Control Event.

11.6 Notice of redemption

Redemption of the Capital Securities shall be made by the Issuer giving not less than thirty (30) Business Days' notice and not more than sixty (60) Business Days' notice to the Holders and the Agent, in each case calculated from the effective date of the notice. The Notice from the Issuer shall specify the Redemption Date and also the Record Date on which a Person shall be registered as a Holder to receive the amounts due on such Redemption Date. The notice is irrevocable but may in the case of a redemption in accordance with 11.3 (*Voluntary total redemption (call option)*), at the Issuer's discretion, contain one or more conditions precedent that shall be satisfied prior to the Record Date. Upon fulfilment of the conditions precedent (if any), the Issuer shall redeem the Capital Securities in full at the applicable amount on the specified Redemption Date.

11.7 Cancellation of Capital Securities

All Capital Securities which are redeemed pursuant to this Clause 11 and all Capital Securities purchased and elected to be cancelled pursuant to and in accordance with Clause 11.2 (*Purchase of Capital Securities by the Issuer and any other Group Company*) will be cancelled and may not be reissued or resold.

The Issuer shall promptly inform the Holders in accordance with Clause 24 (*Notices*), the Agent and the Issuing Agent of any such cancellation and for so long as the Capital Securities are admitted to listing on Nasdaq Stockholm and the rules of such exchange so require, the Issuer shall promptly inform Nasdaq Stockholm (or any other relevant Regulated Market on which the Capital Securities are admitted to trading) of the cancellation of any Capital Securities under this Clause 11.7.

12 Preconditions to Special Event Redemption or Change of Control Event Redemption

12.1 Prior to the publication of any notice of redemption pursuant to Clause 11 (*Redemption and Repurchase of the Capital Securities*) (other than redemption pursuant to Clause 11.3 (*Voluntary total redemption (call option)*)), the Issuer shall deliver to the Agent a certificate signed by two authorised signatories of the Issuer stating:

- (a) that the relevant requirement or circumstance giving rise to the right to redeem the Capital Securities is satisfied; and
- (b) in the case of a Withholding Tax Event, that the Issuer is unable to avoid paying additional amounts by taking measures reasonably available to it.

12.2 In addition, in the case of a Special Event (other than a Substantial Repurchase Event) the Issuer shall deliver to the Agent and the Issuing Agent an opinion of independent legal, accounting or other tax advisers to the effect that the relevant requirement or circumstance giving rise to the right to redeem is satisfied (save, in the case of a Withholding Tax Event, as to whether reasonable measures to avoid paying additional amounts are available to the Issuer). Such certificate and, if applicable, opinion, shall be conclusive and binding on the Holders.

12.3 Any redemption of the Capital Securities in accordance with Clause 11 (*Redemption and Repurchase of the Capital Securities*) shall be conditional on all Deferred Interest being paid in full in accordance with the provisions of Clause 10.3 (*Mandatory settlement of Deferred Interest*) on or prior to the date of such redemption.

13 Information to Holders

13.1 Information from the Agent

Subject to the restrictions of a non-disclosure agreement entered into by the Agent with the Issuer, the Agent is entitled to disclose to the Holders any document, information, event or circumstance directly or indirectly relating to the Issuer or the Capital Securities.

13.2 Availability of the Terms and Conditions

The latest version of these Terms and Conditions (including any document amending these Terms and Conditions) shall be available on the websites of the Issuer and the Agent. Failure by the Issuer to have these Terms and Conditions (including any document amending these Terms and Conditions) available on its website shall not constitute a default pursuant to Clause 15 (*Default and Enforcement*), by the Issuer under the Capital Securities or for any other purpose.

14 Admission to listing etc.

14.1 Admission to listing

The Issuer has the intention and shall use its best efforts (without assuming any legal or contractual obligation) to ensure that:

- (a) the Initial Capital Securities are admitted to listing on the Sustainable Bond List of Nasdaq Stockholm or, if such admission to listing is not possible to obtain or maintain, admitted to listing on any other Regulated Market, within thirty (30) calendar days after the First Issue Date;
- (b) any Subsequent Capital Securities are admitted to listing on the Sustainable Bond List of Nasdaq Stockholm or, if such admission to listing is not possible to obtain or maintain, admitted to listing on any other Regulated Market, within thirty (30) calendar days following the relevant Issue Date (unless such Subsequent Capital Securities are issued before the date falling thirty (30) calendar days after the First Issue Date in which case such Subsequent Capital Securities shall be admitted to listing within thirty (30) calendar days after the First Issue Date); and
- (c) following an admission to listing, such listing is maintained for as long as any Capital Securities are outstanding (however, taking into account the rules and regulations (as amended from time to time) of Nasdaq Stockholm or any other Regulated Market on which the Capital Securities are admitted to listing, and the CSD preventing trading in the Capital Securities in close connection with the redemption of the Capital Securities).

14.2 Undertakings relating to the Agency Agreement

The Issuer and the Agent shall not agree to amend any provisions of the Agency Agreement without the prior consent of the Holders if the amendment would be detrimental to the interests of the Holders.

14.3 Green Finance Framework

The Issuer shall (without assuming any legal or contractual obligation) maintain a Green Finance Framework, which shall at all times be published on the Issuer's webpage.

14.4 Maintenance of Rating

If a Positive Rating Event has occurred prior to a Change of Control Event, the Issuer shall (without assuming any legal or contractual obligation), upon and from the occurrence of a Change of Control Event, use its best efforts to maintain the credit rating assigned to it for the entire duration of the Change of Control Period.

14.5 Failure to comply

Failure by the Issuer to comply with the provisions of Clause 14.1 (*Admission to listing*) to (and including) 14.4 (*Maintenance of Rating*) shall, for the avoidance of doubt, not constitute a default pursuant to Clause 15 (*Default and Enforcement*) by the Issuer under the Capital Securities or for any other purpose.

15 Default and Enforcement

15.1 Proceedings

15.1.1 Without prejudice to the Issuer's right to defer the payment of interest under Clause 10 (*Optional Interest Deferral*), if a default is made by the Issuer for a period of thirty (30) calendar days or more in relation to the payment of any interest, principal or premium in respect of the Capital Securities which is due and payable, then the Issuer shall be deemed to be in default under the Capital Securities and the Agent (acting on instructions of the Holders in accordance with these Terms and Conditions) or (subject to Clause 22.2) any Holder may institute proceedings for an Issuer Winding-up provided that such default is still continuing.

15.1.2 In the event of an Issuer Winding-up, a Holder may, provided such Holder does not contravene a previously adopted resolution (if any), either independently or through the Agent prove and/or claim in such Issuer Winding-up in respect of the Capital Securities, such claim being for such amount, and being subordinated in such manner, as is provided under Clause 3.2.

15.2 Enforcement

15.3 The Agent (acting on the instructions of the Holders in accordance with these Terms and Conditions) may institute such proceedings against the Issuer as it may think fit to enforce any term or condition binding on the Issuer under the Capital Securities but in no event shall the Issuer, by virtue of the institution of any such

proceedings, be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it.

15.4 Extent of Holders' Remedy

15.5 No remedy against the Issuer, other than as referred to in this Clause 15, shall be available to the Agent and the Holders, whether for the recovery of amounts owing in respect of the Capital Securities or in respect of any breach by the Issuer of any of its other obligations under or in respect of the Capital Securities.

16 Decisions by Holders

16.1 Request for a decision

16.1.1 A request by the Agent for a decision by the Holders on a matter relating to these Terms and Conditions shall be dealt with at a Holders' Meeting or by way of a Written Procedure.

16.1.2 Any request from the Issuer or a Holder (or Holders) representing at least ten (10) per cent. of the Adjusted Nominal Amount (such request shall, if made by several Holders, be made by them jointly) for a decision by the Holders on a matter relating to these Terms and Conditions shall be directed to the Agent and dealt with at a Holders' Meeting or by way a Written Procedure, as determined by the Agent. The Person requesting the decision may suggest the form for decision making, but if it is in the Agent's opinion more appropriate that a matter is dealt with at a Holders' Meeting than by way of a Written Procedure, it shall be dealt with at a Holders' Meeting.

16.1.3 The Agent may refrain from convening a Holders' Meeting or instigating a Written Procedure if (i) the suggested decision must be approved by any Person in addition to the Holders and such Person has informed the Agent that an approval will not be given, or (ii) the suggested decision is not in accordance with applicable regulations.

16.1.4 The Agent shall not be responsible for the content of a notice for a Holders' Meeting or a communication regarding a Written Procedure unless and to the extent it contains information provided by the Agent.

16.1.5 Should the Agent not convene a Holders' Meeting or instigate a Written Procedure in accordance with these Terms and Conditions, without Clause 16.1.3 being applicable, the Issuer or the Holder(s) requesting a decision by the Holders may convene such Holders' Meeting or instigate such Written Procedure, as the case may be, instead. The Issuer or the Issuing Agent shall provide the convening Holder(s) with the information available in the Debt Register in order to convene and hold the Holders' Meeting or instigate and carry out the Written Procedure,

as the case may be. The Issuer or Holder(s), as applicable, shall supply to the Agent a copy of the dispatched notice or communication.

16.1.6 Should the Issuer want to replace the Agent, it may (i) convene a Holders' Meeting in accordance with Clause 16.2 (*Convening of Holders' Meeting*) or (ii) instigate a Written Procedure by sending communication in accordance with Clause 16.3 (*Instigation of Written Procedure*). After a request from the Holders pursuant to Clause 19.4.3, the Issuer shall no later than ten (10) Business Days after receipt of such request (or such later date as may be necessary for technical or administrative reasons) convene a Holders' Meeting in accordance with Clause 16.2. The Issuer shall inform the Agent before a notice for a Holders' Meeting or communication relating to a Written Procedure where the Agent is proposed to be replaced is sent and supply to the Agent a copy of the dispatched notice or communication.

16.1.7 Should the Issuer or any Holder(s) convene a Holders' Meeting or instigate a Written Procedure pursuant to Clause 16.1.5 or 16.1.6, then the Agent shall no later than five (5) Business Days' prior to dispatch of such notice or communication be provided with a draft thereof. The Agent may further append information from it together with the notice or communication, provided that the Agent supplies such information to the Issuer or the Holder(s), as the case may be, no later than one (1) Business Day prior to the dispatch of such notice or communication.

16.2 Convening of Holders' Meeting

16.2.1 The Agent shall convene a Holders' Meeting by way of notice to the Holders as soon as practicable and in any event no later than five (5) Business Days after receipt of a complete notice from the Issuer or the Holder(s) (or such later date as may be necessary for technical or administrative reasons).

16.2.2 The notice pursuant to Clause 16.2.1 shall include (i) time for the meeting, (ii) place for the meeting, (iii) a specification of the Record Date on which a Person must be registered as a Holder in order to be entitled to exercise voting rights, (iv) a form of power of attorney, and (v) the agenda for the meeting. The reasons for, and contents of, each proposal as well as any applicable conditions and conditions precedent shall be specified in the notice. If a proposal concerns an amendment to these Terms and Conditions, such proposed amendment must always be set out in detail. Should prior notification by the Holders be required in order to attend the Holders' Meeting, such requirement shall be included in the notice.

16.2.3 The Holders' Meeting shall be held no earlier than ten (10) Business Days and no later than thirty (30) Business Days after the effective date of the notice.

16.2.4 Without amending or varying these Terms and Conditions, the Agent may prescribe such further regulations regarding the convening and holding of a

Holders' Meeting as the Agent may deem appropriate. Such regulations may include a possibility for Holders to vote without attending the meeting in Person.

16.3 Instigation of Written Procedure

- 16.3.1 The Agent shall instigate a Written Procedure by way of sending a communication to the Holders as soon as practicable and in any event no later than five (5) Business Days after receipt of a complete communication from the Issuer or the Holder(s) (or such later date as may be necessary for technical or administrative reasons).
- 16.3.2 A communication pursuant to Clause 16.3.1 shall include (i) a specification of the Record Date on which a Person must be registered as a Holder in order to be entitled to exercise voting rights, (ii) instructions and directions on where to receive a form for replying to the request (such form to include an option to vote yes or no for each request) as well as a form of power of attorney, and (iii) the stipulated time period within which the Holder must reply to the request (such time period to last at least ten (10) Business Days and not longer than thirty (30) Business Days from the effective date of the communication pursuant to Clause 16.3.1). The reasons for, and contents of, each proposal as well as any applicable conditions and conditions precedent shall be specified in the notice. If a proposal concerns an amendment to these Terms and Conditions, such proposed amendment must always be set out in detail. If the voting is to be made electronically, instructions for such voting shall be included in the communication.
- 16.3.3 If so elected by the Person requesting the Written Procedure and provided that it is also disclosed in the communication pursuant to Clause 16.3.1, when consents from Holders representing the requisite majority of the total Adjusted Nominal Amount pursuant to Clauses 16.4.2 and 16.4.3 have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 16.4.2 or 16.4.3, as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

16.4 Majority, quorum and other provisions

- 16.4.1 Only a Holder, or a Person who has been provided with a power of attorney or other authorisation pursuant to Clause 7 (*Right to Act on Behalf of a Holder*) from a Holder:
- (a) on the Business Day specified in the notice pursuant to Clause 16.2.2, in respect of a Holders' Meeting, or
 - (b) on the Business Day specified in the communication pursuant to Clause 16.3.2, in respect of a Written Procedure,

may exercise voting rights as a Holder at such Holders' Meeting or in such Written Procedure, provided that the relevant Capital Securities are included in the Adjusted Nominal Amount. Each whole Capital Security entitles to one vote and any fraction of a Capital Security voted for by a Person shall be disregarded. Such Business Day specified pursuant to paragraph (a) or (b) above must fall no earlier than one (1) Business Day after the effective date of the notice or communication, as the case may be.

16.4.2 The following matters shall require the consent of Holders representing at least sixty-six and two thirds ($66 \frac{2}{3}$) per cent. of the Adjusted Nominal Amount for which Holders are voting at a Holders' Meeting or for which Holders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 16.3.2:

- (a) the issue of any Subsequent Capital Securities, if the Total Nominal Amount of the Capital Securities exceeds, or if such issue would cause the Total Nominal Amount of the Capital Securities to at any time exceed, SEK 750,000,000 (for the avoidance of doubt, for which consent shall be required at each occasion such Subsequent Capital Securities are issued);
- (b) a change to the currency, denomination, status or transferability of the Capital Securities;
- (c) a reduction of the premium payable upon the redemption or repurchase of any Capital Security pursuant to Clause 11 (*Redemption and Repurchase of the Capital Securities*);
- (d) a change to the Interest Rate (including, for the avoidance of doubt, changes to Initial Interest Rate, the Step-up Interest Rate and the Change of Control Event Step-up and/or any components thereof, in each case other than as a result of an application of Clause 18 (*Replacement of Base Rate*)) or the Nominal Amount;
- (e) a change of Issuer or any delay of the due date for payment of any interest on the Capital Securities other than as permitted pursuant to Clause 10 (*Optional Interest Deferral*);
- (f) a change to the terms dealing with the requirements for Holders' consent set out in this Clause 16.4 (*Majority, quorum and other provisions*);
- (g) an amendment of the perpetual nature of the Capital Securities or any delay of the due date for payment of any principal on the Capital Securities;
- (h) a mandatory exchange of the Capital Securities for other securities; and
- (i) early redemption of the Capital Securities, other than or as otherwise permitted or required by these Terms and Conditions.

- 16.4.3 Any matter not covered by Clause 16.4.2, including, for the avoidance of doubt, the initiation of an Issuer Winding-up, shall require the consent of Holders representing more than fifty (50) per cent. of the Adjusted Nominal Amount for which Holders are voting at a Holders' Meeting or for which Holders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 16.3.2. This includes, but is not limited to, any amendment to, or waiver of, the terms of these Terms and Conditions that does not require a higher majority (other than an amendment permitted pursuant to Clause 17.1(a) or (c)).
- 16.4.4 Quorum at a Holders' Meeting or in respect of a Written Procedure only exists if a Holder (or Holders) representing at least fifty (50) per cent. of the Adjusted Nominal Amount in case of a matter pursuant to Clause 16.4.2, and otherwise twenty (20) per cent. of the Adjusted Nominal Amount:
- (a) if at a Holders' Meeting, attend the meeting in Person or by other means prescribed by the Agent pursuant to Clause 16.2.4 (or appear through duly authorised representatives); or
 - (b) if in respect of a Written Procedure, reply to the request.
- 16.4.5 If a quorum exists for some but not all of the matters to be dealt with at a Holders' Meeting or by a Written Procedure, decisions may be taken in the matters for which a quorum exists.
- 16.4.6 If a quorum does not exist at a Holders' Meeting or in respect of a Written Procedure, the Agent or the Issuer shall convene a second Holders' Meeting (in accordance with Clause 16.2.1) or initiate a second Written Procedure (in accordance with Clause 16.3.1), as the case may be, provided that the Person(s) who initiated the procedure for Holders' consent has confirmed that the relevant proposal is not withdrawn. For the purposes of a second Holders' Meeting or second Written Procedure pursuant to this Clause 16.4.6, the date of request of the second Holders' Meeting pursuant to Clause 16.2.1 or second Written Procedure pursuant to Clause 16.3.1, as the case may be, shall be deemed to be the relevant date when the quorum did not exist. The quorum requirement in Clause 16.4.4 shall not apply to such second Holders' Meeting or Written Procedure.
- 16.4.7 A Holder holding more than one Capital Security need not use all its votes or cast all the votes to which it is entitled in the same way and may in its discretion use or cast some of its votes only.
- 16.4.8 Any decision which extends or increases the obligations of the Issuer or the Agent, or limits, reduces or extinguishes the rights or benefits of the Issuer or the Agent, under these Terms and Conditions shall be subject to the Issuer's or the Agent's consent, as applicable.

- 16.4.9 The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any owner of Capital Securities (irrespective of whether such Person is a Holder) for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Holders that consent at the relevant Holders' Meeting or in a Written Procedure within the time period stipulated for the consideration to be payable or the time period for replies in the Written Procedure, as the case may be.
- 16.4.10 A matter decided at a duly convened and held Holders' Meeting or by way of Written Procedure is binding on all Holders, irrespective of them being present or represented at the Holders' Meeting or responding in the Written Procedure. The Holders that have not adopted or voted for a decision shall not be liable for any damages that this may cause the Issuer or the other Holders.
- 16.4.11 All costs and expenses incurred by the Issuer or the Agent for the purpose of convening a Holders' Meeting or for the purpose of carrying out a Written Procedure, including reasonable fees to the Agent, shall be paid by the Issuer.
- 16.4.12 If a decision is to be taken by the Holders on a matter relating to these Terms and Conditions, the Issuer shall promptly at the request of the Agent provide the Agent with a certificate specifying the number of Capital Securities owned by Group Companies or (to the knowledge of the Issuer) Affiliates as per the Record Date for voting, irrespective of whether such Person is a Holder. The Agent shall not be responsible for the accuracy of such certificate or otherwise be responsible for determining whether a Capital Security is owned by a Group Company or an Affiliate.
- 16.4.13 Information about decisions taken at a Holders' Meeting or by way of a Written Procedure shall promptly be published on the websites of the Issuer and the Agent, provided that a failure to do so shall not invalidate any decision made or voting result achieved. The minutes from the relevant Holders' Meeting or Written Procedure shall at the request of a Holder be sent to it by the Issuer or the Agent, as applicable.

17 Amendments and Waivers

- 17.1 The Issuer and the Agent (acting on behalf of the Holders) may agree in writing to amend and waive any provision in these Terms and Conditions or any other document relating to the Capital Securities, provided that the Agent is satisfied that such amendment or waiver:
- (a) is not detrimental to the interest of the Holders as a group;
 - (b) is made solely for the purpose of rectifying obvious errors and mistakes;
 - (c) is required by any applicable regulation, a court ruling or a decision by a relevant authority;

- (d) is made pursuant to Clause 18 (*Replacement of Base Rate*); or
- (e) has been duly approved by the Holders in accordance with Clause 16 (*Decisions by Holders*) and it has received any conditions precedent specified for the effectiveness of the approval by the Holders.

17.2 Any amendments to these Terms and Conditions shall be made available in the manner stipulated in Clause 13.2 (*Availability of the Terms and Conditions*). The Issuer shall ensure that any amendments to these Terms and Conditions are duly registered with the CSD and each other relevant organisation or authority. The Issuer shall promptly publish by way of press release any amendment or waiver made pursuant to Clause 17.1(a) or (c), in each case setting out the amendment in reasonable detail and the date from which the amendment or waiver will be effective.

17.3 An amendment to these Terms and Conditions shall take effect on the date determined by the Holders Meeting, in the Written Procedure or by the Agent, as the case may be.

18 Replacement of Base Rate

18.1 General

18.1.1 Any determination or election to be made by an Independent Adviser, the Issuer or the Holders in accordance with the provisions of this Clause 18 shall at all times be made by such Independent Adviser, the Issuer or the Holders (as applicable) acting in good faith, in a commercially reasonable manner and by reference to relevant market data.

18.1.2 If a Base Rate Event has occurred, this Clause 18 shall take precedent over the fallbacks set out in paragraph (b) to (d) of the definition of STIBOR.

18.2 Definitions

In this Clause 18:

“**Adjustment Spread**” means a spread (which may be positive, negative or zero) or a formula or methodology for calculating a spread, or a combination thereof determined in accordance with Clause 18.3.3, to be applied to a Successor Base Rate or an Alternative Base Rate, the objective of which, in each case, shall be to reduce or eliminate, to the fullest extent reasonably practicable, any transfer of economic value from one party to another as a result of a replacement of the Base Rate.

“**Alternative Base Rate**” means the reference rate that has replaced the Base Rate in customary market usage in the relevant debt capital markets for the purposes of determining rates of interest in respect of Capital Securities denominated in Swedish kronor or, if there is no such rate, such other rate as the Independent Adviser determines is most comparable to the Base Rate.

“**Base Rate Amendments**” has the meaning set forth in Clause 18.3.5.

“**Base Rate Event**” means that:

- (a) the Base Rate has (i) been permanently or indefinitely discontinued, (ii) ceased to exist or (iii) ceased to be published for at least five (5) consecutive Business Days as a result of the Base Rate ceasing to be calculated or administered;
- (b) the Base Rate Administrator ceases to publish the applicable Base Rate permanently or indefinitely and, at that time, no successor administrator has been appointed to continue to publish the Base Rate;
- (c) the supervisor of the Base Rate Administrator (i) has made a public statement stating that the Base Rate is no longer representative of the underlying market or (ii) is recommending the usage of a Successor Base Rate for the applicable Base Rate;
- (d) the Base Rate Administrator or its supervisor announces that (i) the Base Rate methodology has changed materially after the First Issue Date or (ii) the Base Rate may no longer be used, either generally or in respect of the Capital Securities; or
- (e) it has become unlawful for the Issuer or the Issuing Agent to calculate any payments due to be made to any Holder using the applicable Base Rate.

“**Base Rate Event Announcement**” means a public statement by the Base Rate Administrator or the supervisor of the Base Rate Administrator that any event or circumstance specified in paragraphs (a) to (e) of the definition of Base Rate Event will occur.

“**Independent Adviser**” means an independent financial institution or adviser of repute in the debt capital markets where the Base Rate is commonly used.

“**Relevant Nominating Body**” means any applicable central bank, regulator or other supervisory authority or a group of them, or any working group or committee of any of them or the Financial Stability Council (Sw. *Finansiella stabilitetsrådet*) or any part thereof.

“**Successor Base Rate**” means a screen or benchmark rate which is formally recommended as a successor to or replacement of the Base Rate by a Relevant Nominating Body.

18.3 Determination of Base Rate, Adjustment Spread and Base Rate Amendments

- 18.3.1 Without prejudice to Clause 18.3.2, upon a Base Rate Event Announcement, the Issuer may, if it is possible to determine a Successor Base Rate or an Alternative Base Rate at such point of time, at any time before the occurrence of the relevant Base Rate Event at the Issuer’s expense appoint an Independent Adviser to determine a Successor Base Rate or, if there is no Successor Base Rate, an Alternative Base Rate and, in each case, the Adjustment Spread and any Base Rate Amendments for purposes of determining and calculating the applicable Base Rate. For the avoidance of doubt, the Issuer will not be obliged to take any such actions until obliged to do so pursuant to Clause 18.3.2.
- 18.3.2 If (i) a Base Rate Event has occurred or (ii) a Base Rate Event Announcement has been made and the announced Base Rate Event will occur within six (6) months, the Issuer shall use all commercially reasonable endeavours to, as soon as reasonably practicable and at the Issuer’s expense, appoint an Independent Adviser to determine, as soon as commercially reasonable, a Successor Base Rate or (if there is no Successor Base Rate) an Alternative Base Rate and, in each case, the Adjustment Spread and any Base Rate Amendments for purposes of determining and calculating the applicable Base Rate.
- 18.3.3 If the Issuer fails to appoint an Independent Adviser in accordance with Clause 18.3.2, the Holders shall, if so decided at a Holders’ Meeting or by way of Written Procedure, be entitled to appoint an Independent Adviser (at the Issuer’s expense) for the purposes set forth in Clause 18.3.2.
- 18.3.4 The Adjustment Spread determined by the Independent Adviser in accordance with Clause 18.3.1 or 18.3.2, shall be the Adjustment Spread which:
- (a) is formally recommended in relation to the replacement of the Base Rate by any Relevant Nominating Body; or
 - (b) if paragraph (a) above does not apply, the Independent Adviser determines is customarily applied to the relevant Successor Base Rate or Alternative Base Rate (as applicable), in comparable debt capital markets transactions.
- 18.3.5 The Independent Adviser shall also determine any technical, administrative or operational changes required to ensure the proper operation of a Successor Base Rate or an Alternative Base Rate or to reflect the adoption of such Successor Base Rate or Alternative Base Rate in a manner substantially consistent with market practice (“**Base Rate Amendments**”).

- 18.3.6 Provided that a Successor Base Rate or (if there is no Successor Base Rate) an Alternative Base Rate and, in each case, the applicable Adjustment Spread and any Base Rate Amendments have been determined no later than ten (10) Business Days prior to the relevant Quotation Day in relation to the next succeeding Interest Period, they shall become effective with effect from and including the commencement of the next succeeding Interest Period.

18.4 Interim measures

- 18.4.1 If a Base Rate Event has occurred but no Successor Base Rate or Alternative Base Rate and Adjustment Spread have been determined at least ten (10) Business Days prior to the relevant Quotation Day in relation to the next succeeding Interest Period, the Interest Rate applicable to the next succeeding Interest Period shall be:
- (a) if the previous Base Rate is available, determined pursuant to the terms that would apply to the determination of the Base Rate as if no Base Rate Event had occurred; or
 - (b) if the previous Base Rate is no longer available or cannot be used in accordance with applicable law or regulation, equal to the Interest Rate determined for the immediately preceding Interest Period.
- 18.4.2 For the avoidance of doubt, Clause 18.4.1 shall apply only to the relevant next succeeding Interest Period and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustments as provided in, this Clause 18.

18.5 Notices etc.

The Issuer shall promptly following the determination by the Independent Adviser of any Successor Base Rate, Alternative Base Rate, Adjustment Spread and any Base Rate Amendments give notice thereof to the Agent, the Issuing Agent and the Holders in accordance with Clause 24 (*Notices*) and the CSD.

18.6 Variation upon replacement of Base Rate

- 18.6.1 No later than giving the Agent notice pursuant to Clause 18.5, the Issuer shall deliver to the Agent a certificate signed by the Independent Adviser and the CEO, CFO or any other duly authorised signatory of the Issuer confirming the relevant Successor Base Rate or Alternative Base Rate, the Adjustment Spread and any Base Rate Amendments, in each case as determined in accordance with the provisions of this Clause 18. The Successor Base Rate or Alternative Base Rate, the Adjustment Spread and any Base Rate Amendments (as applicable) specified in such certificate will, in the absence of manifest error or bad faith in any determination, be binding on the Issuer, the Agent, the Issuing Agent and the Holders.

- 18.6.2 Subject to receipt by the Agent of the certificate referred to in Clause 18.6.1, the Issuer and the Agent shall, at the request and expense of the Issuer, without the requirement for any consent or approval of the Holders, without undue delay effect such amendments to these Terms and Conditions as may be required by the Issuer in order to give effect to this Clause 18.
- 18.6.3 The Agent and the Issuing Agent shall always be entitled to consult with external experts prior to amendments are effected pursuant to this Clause 18. Neither the Agent nor the Issuing Agent shall be obliged to concur if in the reasonable opinion of the Agent or the Issuing Agent (as applicable), doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Agent or the Issuing Agent in these Terms and Conditions.

18.7 Limitation of liability for the Independent Adviser

Any Independent Adviser appointed pursuant to Clause 18.3 shall not be liable whatsoever for damage or loss caused by any determination, action taken or omitted by it under or in connection with these Terms and Conditions, unless directly caused by its gross negligence or wilful misconduct. The Independent Adviser shall never be responsible for indirect or consequential loss.

18.8 Failure to comply

Failure by the Issuer to comply with the provisions of this Clause 18 shall, for the avoidance of doubt, not constitute a default pursuant to Clause 15 (*Default and Enforcement*) by the Issuer under the Capital Securities or for any other purpose.

19 The Agent

19.1 Appointment of the Agent

- 19.1.1 By subscribing for Capital Securities, each initial Holder appoints the Agent to act as its agent in all matters relating to the Capital Securities and these Terms and Conditions, and authorises the Agent to act on its behalf (without first having to obtain its consent, unless such consent is specifically required by these Terms and Conditions) in any legal or arbitration proceedings relating to the Capital Securities held by such Holder, including the winding-up, dissolution, liquidation, company reorganisation or bankruptcy (or its equivalent in any other jurisdiction) of the Issuer. By acquiring Capital Securities, each subsequent Holder confirms such appointment and authorisation for the Agent to act on its behalf.
- 19.1.2 Each Holder shall immediately upon request provide the Agent with any such documents, including a written power of attorney (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of

exercising its rights and/or carrying out its duties under these Terms and Conditions. The Agent is under no obligation to represent a Holder which does not comply with such request.

- 19.1.3 The Issuer shall promptly upon request provide the Agent with any documents and other assistance (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under these Terms and Conditions.
- 19.1.4 The Agent is entitled to fees for all its work in such capacity and to be indemnified for costs, losses and liabilities on the terms set out in these Terms and Conditions and the Agency Agreement and the Agent's obligations as Agent under the these Terms and Conditions are conditioned upon the due payment of such fees and indemnifications.
- 19.1.5 The Agent may act as agent or trustee for several issues of securities or other loans issued by or relating to the Issuer and other Group Companies notwithstanding potential conflicts of interest.

19.2 Duties of the Agent

- 19.2.1 The Agent shall represent the Holders in accordance with these Terms and Conditions.
- 19.2.2 When acting pursuant to these Terms and Conditions, the Agent is always acting with binding effect on behalf of the Holders. The Agent is never acting as an advisor to the Holders or the Issuer. Any advice or opinion from the Agent does not bind the Holders or the Issuer.
- 19.2.3 When acting pursuant to these Terms and Conditions, the Agent shall carry out its duties with reasonable care and skill in a proficient and professional manner.
- 19.2.4 The Agent shall treat all Holders equally and, when acting pursuant to these Terms and Conditions, act with regard only to the interests of the Holders as a group and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other Person, other than as explicitly stated in these Terms and Conditions.
- 19.2.5 The Agent is always entitled to delegate its duties to other professional parties and to engage external experts when carrying out its duties as agent, without having to first obtain any consent from the Holders or the Issuer. The Agent shall however remain liable for any actions of such parties if such parties are performing duties of the Agent under these Terms and Conditions.
- 19.2.6 The Issuer shall on demand by the Agent pay all costs for external experts engaged by it (i) a matter relating to the Issuer or these Terms and Conditions which the

Agent reasonably believes may be detrimental to the interests of the Holders under these Terms and Conditions, and (ii) in connection with any Holders' Meeting or Written Procedure, or (iii) in connection with any amendment (whether contemplated by these Terms and Conditions or not) or waiver under these Terms and Conditions.

- 19.2.7 The Agent shall, as applicable, enter into agreements with the CSD, and comply with such agreement and the CSD Regulations applicable to the Agent, as may be necessary in order for the Agent to carry out its duties under these Terms and Conditions.
- 19.2.8 Other than as specifically set out in these Terms and Conditions, the Agent shall not be obliged to monitor (i) whether any default pursuant to Clause 15 (*Default and Enforcement*) has occurred, (ii) the performance, default or any breach by the Issuer or any other party of its obligations under these Terms and Conditions, (iii) the financial condition of the Issuer and the Group, or (iv) whether any other event specified in these Terms and Conditions has occurred or is expected to occur. Should the Agent not receive such information, the Agent is entitled to assume that no such event or circumstance exists or can be expected to occur, provided that the Agent does not have actual knowledge of such event or circumstance.
- 19.2.9 The Agent shall ensure that it receives evidence satisfactory to it these Terms and Conditions are duly authorised and executed. The Issuer shall promptly upon request provide the Agent with such documents and evidence as the Agent reasonably considers necessary for the purpose of being able to comply with this Clause 19.2.9. Other than as set out above, the Agent shall neither be liable to the Issuer or the Holders for damage due to any documents and information delivered to the Agent not being accurate, correct and complete, unless it has actual knowledge to the contrary, nor be liable for the content, validity, perfection or enforceability of such documents.
- 19.2.10 Notwithstanding any other provision of these Terms and Conditions to the contrary, the Agent is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any regulation.
- 19.2.11 If in the Agent's reasonable opinion the cost, loss or liability which it may incur (including reasonable fees to the Agent) in complying with instructions of the Holders, or taking any action at its own initiative, will not be covered by the Issuer, the Agent may refrain from acting in accordance with such instructions, or taking such action, until it has received such funding or indemnities (or adequate Security has been provided therefore) as it may reasonably require.
- 19.2.12 The Agent shall give a notice to the Holders (i) before it ceases to perform its obligations under these Terms and Conditions by reason of the non-payment by the Issuer of any fee or indemnity due to the Agent under these Terms and

Conditions or the Agency Agreement or (ii) if it refrains from acting for any reason described in Clause 19.2.11.

19.3 Liability for the Agent

- 19.3.1 The Agent will not be liable to the Holders for damage or loss caused by any action taken or omitted by it under or in connection with these Terms and Conditions, unless directly caused by its negligence or wilful misconduct. The Agent shall never be responsible for indirect or consequential loss.
- 19.3.2 The Agent shall not be considered to have acted negligently if it has acted in accordance with advice from or opinions of reputable external experts provided to the Agent or if the Agent has acted with reasonable care in a situation when the Agent considers that it is detrimental to the interests of the Holders to delay the action in order to first obtain instructions from the Holders.
- 19.3.3 The Agent shall not be liable for any delay (or any related consequences) in crediting an account with an amount required pursuant to these Terms and Conditions to be paid by the Agent to the Holders, provided that the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.
- 19.3.4 The Agent shall have no liability to the Issuer or the Holders for damage caused by the Agent acting in accordance with instructions of the Holders given in accordance with these Terms and Conditions.
- 19.3.5 Any liability towards the Issuer which is incurred by the Agent in acting under, or in relation to, these Terms and Conditions shall not be subject to set-off against the obligations of the Issuer to the Holders under these Terms and Conditions.

19.4 Replacement of the Agent

- 19.4.1 Subject to Clause 19.4.6, the Agent may resign by giving notice to the Issuer and the Holders, in which case the Holders shall appoint a successor Agent (which must be an independent financial institution or other reputable company which regularly acts as agent under debt issuances), at a Holders' Meeting convened by the retiring Agent or by way of Written Procedure initiated by the retiring Agent.
- 19.4.2 Subject to Clause 19.4.6, if the Agent is Insolvent, the Agent shall be deemed to resign as Agent and the Issuer shall within ten (10) Business Days appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- 19.4.3 A Holder (or Holders) representing at least ten (10) per cent. of the Adjusted Nominal Amount may, by notice to the Issuer (such notice shall, if given by

several Holders, be given by them jointly), require that a Holders' Meeting is held for the purpose of dismissing the Agent and appointing a new Agent. The Issuer may, at a Holders' Meeting convened by it or by way of Written Procedure initiated by it, propose to the Holders that the Agent be dismissed and a new Agent appointed.

- 19.4.4 If the Holders have not appointed a successor Agent within ninety (90) days after (i) the earlier of the notice of resignation was given or the resignation otherwise took place or (ii) the Agent was dismissed through a decision by the Holders, the Issuer shall within thirty (30) days thereafter appoint a successor Agent which shall be an independent financial institution or other reputable company with the necessary resources to act as agent under debt issuances.
- 19.4.5 The retiring Agent shall, at its own cost, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under these Terms and Conditions.
- 19.4.6 The Agent's resignation or dismissal shall only take effect upon the earlier of (i) the appointment of a successor Agent and acceptance by such successor Agent of such appointment and the execution of all necessary documentation to effectively substitute the retiring Agent, and (ii) the period pursuant to Clause 19.4.4(ii) having lapsed.
- 19.4.7 Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of these Terms and Conditions but shall remain entitled to the benefit of these Terms and Conditions and remain liable under these Terms and Conditions in respect of any action which it took or failed to take whilst acting as Agent. Its successor, the Issuer and each of the Holders shall have the same rights and obligations amongst themselves under these Terms and Conditions as they would have had if such successor had been the original Agent.
- 19.4.8 In the event that there is a change of the Agent in accordance with this Clause 19.4, the Issuer shall execute such documents and take such actions as the new Agent may reasonably require for the purpose of vesting in such new Agent the rights, powers and obligation of the Agent and releasing the retiring Agent from its further obligations under these Terms and Conditions and the Agency Agreement. Unless the Issuer and the new Agent agree otherwise, the new Agent shall be entitled to the same fees and the same indemnities as the retiring Agent.

20 The Issuing Agent

- 20.1 The Issuer shall when necessary appoint an Issuing Agent to manage certain specified tasks under these Terms and Conditions and in accordance with the legislation, rules and regulations applicable to and/or issued by the CSD and

relating to the Capital Securities. The Issuing Agent shall be a commercial bank or securities institution approved by the CSD.

- 20.2 The Issuer shall ensure that the Issuing Agent enters into agreements with the CSD, and comply with such agreement and the CSD Regulations applicable to the Issuing Agent, as may be necessary in order for the Issuing Agent to carry out its duties relating to the Capital Securities.
- 20.3 The Issuing Agent will not be liable to the Holders for damage or loss caused by any action taken or omitted by it under or in connection with these Terms and Conditions, unless directly caused by its gross negligence or wilful misconduct. The Issuing Agent shall never be responsible for indirect or consequential loss.

21 The CSD

- 21.1 The Issuer has appointed the CSD to manage certain tasks under these Terms and Conditions and in accordance with the CSD Regulations and the other regulations applicable to the Capital Securities.
- 21.2 The CSD may retire from its assignment or be dismissed by the Issuer, provided that the Issuer has effectively appointed a replacement CSD that accedes as CSD at the same time as the old CSD retires or is dismissed and provided also that the replacement does not have a negative effect on any Holder or the admission to listing of the Capital Securities on the Regulated Market. The replacing CSD must be authorised to professionally conduct clearing operations pursuant to Regulation (EU) No 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012 and be authorised as a central securities depository in accordance with the Financial Instruments Accounts Act.

22 No Direct Actions by Holders

- 22.1 A Holder may not take any steps whatsoever against the Issuer to enforce or recover any amount due or owing to it pursuant to these Terms and Conditions, or to initiate, support or procure the winding-up, dissolution, liquidation, company reorganisation or bankruptcy in any jurisdiction of any Group Company in relation to any of the obligations and liabilities of the Issuer or any Group Company under these Terms and Conditions. Such steps may only be taken by the Agent.
- 22.2 Clause 22.1 shall not apply if the Agent has been instructed by the Holders in accordance with these Terms and Conditions to take certain actions but fails for any reason to take, or is unable to take (for any reason other than a failure by a Holder to provide documents in accordance with Clause 19.1.2), such actions

within a reasonable period of time and such failure or inability is continuing. However, if the failure to take certain actions is caused by the non-payment of any fee or indemnity due to the Agent under these Terms and Conditions or the Agency Agreement or by any reason described in Clause 19.2.11, such failure must continue for at least forty (40) Business Days after notice pursuant to Clause 19.2.12 before a Holder may take any action referred to in Clause 22.1.

23 Prescription

- 23.1 The right to receive repayment of the principal of the Capital Securities shall be prescribed and become void ten (10) years from the Redemption Date. The right to receive payment of interest (excluding any capitalised interest) shall be prescribed and become void three (3) years from the relevant due date for payment. The Issuer is entitled to any funds set aside for payments in respect of which the Holders' right to receive payment has been prescribed and has become void.
- 23.2 If a limitation period is duly interrupted in accordance with the Swedish Act on Limitations (Sw. *preskriptionslag (1981:130)*), a new limitation period of ten (10) years with respect to the right to receive repayment of the principal of the Capital Securities, and of three (3) years with respect to receive payment of interest (excluding capitalised interest) will commence, in both cases calculated from the date of interruption of the limitation period, as such date is determined pursuant to the provisions of the Swedish Act on Limitations.

24 Notices

- 24.1 Any notice or other communication to be made under or in connection with the Terms and Conditions:
- (a) if to the Agent, shall be given at the address specified on its website www.nordictrustee.com on the Business Day prior to dispatch or, if sent by email by the Issuer, to the email address notified by the Agent to the Issuer from time to time;
 - (b) if to the Issuer, shall be given at the address registered with the Swedish Companies Registration Office on the Business Day prior to dispatch or, if sent by email by the Agent, to the email address notified by the Issuer to the Agent from time to time; and
 - (c) if to the Holders, shall be given at their addresses registered with the CSD on a date selected by the sending Person which falls no more than five (5) Business Days prior to the date on which the notice or communication is sent, and by either courier delivery (if practically possible) or letter for all Holders. A Notice to the Holders shall also be published on the websites of the Issuer and the Agent.

- 24.2 Any notice or other communication made by one Person to another under or in connection with the Terms and Conditions shall be sent by way of courier, personal delivery or letter, or, if between the Issuer and the Agent, by email, and will only be effective, in case of courier or personal delivery, when it has been left at the address specified in Clause 24.1, in case of letter, three (3) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 24.1, or, in case of email, when received in readable form by the email recipient.
- 24.3 Any notice or other communication pursuant to the Terms and Conditions shall be in English.
- 24.4 Failure to send a notice or other communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders.

25 Force Majeure

- 25.1 Neither the Agent nor the Issuing Agent shall be held responsible for any damage arising out of any legal enactment, or any measure taken by a public authority, or war, strike, lockout, boycott, blockade, natural disaster, insurrection, civil commotion, terrorism or any other similar circumstance (a “**Force Majeure Event**”). The reservation in respect of strikes, lockouts, boycotts and blockades applies even if the Agent or the Issuing Agent itself takes such measures, or is subject to such measures.
- 25.2 Should a Force Majeure Event arise which prevents the Agent or the Issuing Agent from taking any action required to comply with these Terms and Conditions, such action may be postponed until the obstacle has been removed.
- 25.3 The provisions in this Clause 25 apply unless they are inconsistent with the provisions of the Financial Instruments Accounts Act which provisions shall take precedence.

26 Governing Law and Jurisdiction

- 26.1 These Terms and Conditions, and any non-contractual obligations arising out of or in connection therewith, shall be governed by and construed in accordance with the laws of Sweden.
- 26.2 The Issuer submits to the non-exclusive jurisdiction of the City Court of Stockholm (Sw. *Stockholms tingsrätt*).

Signature page

We hereby certify that the above terms and conditions are binding upon ourselves.

Place:

Date:

**K2A KNAUST & ANDERSSON
FASTIGHETER AB (PUBL)**
as Issuer

Name:

Name:

We hereby undertake to act in accordance with the above terms and conditions to the extent they refer to us.

Place:

Date:

**NORDIC TRUSTEE & AGENCY AB
(PUBL)**
as Agent

Name:

Name: