

BASE PROSPECTUS

VASAKRONAN AB (PUBL)

(incorporated with limited liability in the Kingdom of Sweden)

EUR6,000,000,000

Euro Medium Term Note Programme

Under this EUR6,000,000,000 Euro Medium Term Note Programme (the **Programme**), Vasakronan AB (publ) (the **Issuer**) may from time to time issue notes (the **Notes**) denominated in any currency agreed between the Issuer and the Relevant Dealer(s) (as defined below).

This Base Prospectus has been approved by the Central Bank of Ireland (the **CBI**), as competent authority under Regulation (EU) 2017/1129 the **Prospectus Regulation**). The CBI only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer nor as an endorsement on the quality of the Notes that are the subject of this Base Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes. Such approval relates only to the Notes which are to be admitted to trading on a regulated market for the purposes of Directive 2014/65/EU (as amended, **MiFID II**) and/or which are to be offered to the public in any member state of the European Economic Area (the **EEA**) and the United Kingdom (the **UK**). The regulated market of Euronext Dublin is a regulated market for the purposes of MiFID II.

This Base Prospectus (as supplemented at the relevant time, as applicable) is valid for a period of twelve months from the date of approval. The obligation to supplement this Base Prospectus in the event of significant new factors, material mistakes or material inaccuracies will not apply when the Base Prospectus is no longer valid. Application has been made to the Irish Stock Exchange plc trading as Euronext Dublin (**Euronext Dublin**) for the Notes issued under the Programme during the period of 12 months from the date of this Base Prospectus to be admitted to the official list (the **Official List**) and to trading on its regulated market. References in this Base Prospectus to Notes being **listed** (and all related references) on Euronext Dublin shall mean that such Notes have been admitted to the Official List and to trading on its regulated market. VPS Notes (as defined below) may be listed on the Oslo Stock Exchange's regulated market and, in this case, **listed** (and all related references) shall be construed accordingly. This Base Prospectus comprises a base prospectus for the purposes of Article 8 of the Prospectus Regulation.

The Programme also permits Notes to be issued on the basis that they will not be admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system or to be admitted to listing, trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems as may be agreed with the Issuer. Any website referred to in this document does not form part of this Base Prospectus and has not been scrutinised or approved by the CBI.

Notes may be issued in bearer form, registered form or uncertificated book entry form cleared through the Norwegian Central Securities Depository, the *Verdipapirsentralen ASA* (**VPS Norway**) (respectively **Bearer Notes**, **Registered Notes** and **VPS Notes**). The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed EUR6,000,000,000 (or its equivalent in other currencies calculated in accordance with the provisions of the Dealer Agreement described herein), subject to increase as described herein.

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

The Programme has been rated A3 by Moody's Investors Service Limited (**Moody's**). Moody's is established in the UK and registered under Regulation (EC) No 1060/2009 (as amended, the **CRA Regulation**). Moody's appears on the latest update of the list of registered credit rating agencies (as at the date hereof) on the European Securities and Markets Authority (**ESMA**) website (<https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>). Notes issued under the Programme may be rated by Moody's. Where a Tranche of Notes is rated, such rating will be disclosed in the Final Terms and will not necessarily be the same as the rating assigned to the Programme by the relevant rating agency.

A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

*Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the ability of the Issuer to fulfil its obligations under the Notes are discussed under "*Risk Factors*" below.*

Arranger

CITIGROUP

Dealers

**BARCLAYS
CITIGROUP
DEUTSCHE BANK
HANDELSBANKEN CAPITAL MARKETS
SEB**

**BNP PARIBAS
DANSKE BANK
DNB BANK ASA
NORDEA
SWEDBANK**

8 April 2020

IMPORTANT NOTICES

Responsibility for this Base Prospectus

The Issuer accepts responsibility for the information contained in this Base Prospectus and declares that, to the best of its knowledge, the information contained in this Base Prospectus is in accordance with the facts and this Base Prospectus makes no omission likely to affect its import. Any information sourced from third parties contained in this Base Prospectus has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Final Terms/Drawdown Prospectus

Each Tranche (as defined herein) of Notes will be issued on the terms set out herein under "*Terms and Conditions of the Notes*" (the **Conditions**) as completed by a document specific to such Tranche called final terms (the **Final Terms**) or as supplemented in a separate prospectus specific to such Tranche (the **Drawdown Prospectus**) as described under "*Final Terms and Drawdown Prospectuses*" below.

Product Governance under MiFID II

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

The Final Terms or Drawdown Prospectus, as the case may be in respect of any Notes may include a legend entitled "*MiFID II product governance*" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

IMPORTANT – EEA AND UK RETAIL INVESTORS

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

Other relevant information

This Base Prospectus must be read and construed together with any supplements hereto and with any information incorporated by reference herein and, in relation to any Tranche of Notes which is the subject of Final Terms, must be read and construed together with the relevant Final Terms. In the case of a Tranche of

Notes which is the subject of a Drawdown Prospectus, each reference in this Base Prospectus to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus unless the context requires otherwise.

The Issuer has confirmed to the Dealers named under "*Subscription and Sale*" below that this Base Prospectus contains all information which is (in the context of the Programme, the issue, offering and sale of the Notes) material; that such information is true and accurate in all material respects and is not misleading in any material respect; that any opinions, predictions or intentions expressed herein are honestly held or made and are not misleading in any material respect; that this Base Prospectus does not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in the context of the Programme, the issue, offering and sale of the Notes) not misleading in any material respect; and that all proper enquiries have been made to verify the foregoing.

Other than in relation to the documents which are deemed to be incorporated by reference (see "*Documents incorporated by reference*"), the information on the websites to which this Base Prospectus refers do not form part of this Base Prospectus and has not been scrutinised by the CBI.

Unauthorised information

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other document entered into in relation to the Programme or any information supplied by the Issuer or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuer, or any Dealer.

Neither the Dealers nor any of their respective affiliates have authorised the whole or any part of this Base Prospectus and none of them makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this Base Prospectus or accepts any responsibility for any act or omission of the Issuer or any other person in connection with the issue and offering of the Notes under the Programme. Neither the delivery of this Base Prospectus or any Final Terms nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that the information contained in this Base Prospectus is true subsequent to the date hereof or the date upon which this Base Prospectus has been most recently supplemented or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the prospects or financial position or performance of the Issuer since the date thereof or, if later, the date upon which this Base Prospectus has been most recently supplemented or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

Restrictions on distribution

The distribution of this Base Prospectus and any Final Terms and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus or any Final Terms comes are required by the Issuer and the Dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of this Base Prospectus or any Final Terms and other offering material relating to the Notes, see "*Subscription and Sale*". In particular, the Notes have not been and will not be registered under the United States Securities Act of 1933 (as amended) (the **Securities Act**) and may include Bearer Notes (as defined herein) that are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold or, in the case of Bearer Notes, delivered within the United States or to U.S. persons.

Neither this Base Prospectus nor any Final Terms constitutes an offer or an invitation to subscribe for or purchase any Notes and should not be considered as a recommendation by the Issuer, the Dealers or any of them that any recipient of this Base Prospectus or any Final Terms should subscribe for or purchase any Notes.

Each recipient of this Base Prospectus or any Final Terms shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer.

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

- (a) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained (or incorporated by reference) in this Base Prospectus or any applicable supplement;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- (d) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) Notes are legal investments for it, (ii) Notes can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

Notification under Section 309B(1)(c) of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the SFA)

Unless otherwise stated in the Final Terms (or Drawdown Prospectus), as the case may be, in respect of any Notes and solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the SFA, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA) that all Notes to be issued under the Programme should be "prescribed capital markets products" (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore).

Programme limit

The maximum aggregate principal amount of Notes outstanding at any one time under the Programme will not exceed EUR6,000,000,000 (and for this purpose, any Notes denominated in another currency shall be translated into euros at the date of the agreement to issue such Notes (calculated in accordance with the provisions of the Dealer Agreement). The maximum aggregate principal amount of Notes which may be outstanding at any one time under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Dealer Agreement as defined under "*Subscription and Sale*".

Certain definitions

In this Base Prospectus, unless otherwise specified, references to a **Member State** are references to a Member State of the EEA, references to the UK are references to the United Kingdom, references to **EUR** or **euro** are

to the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the euro, as amended and references to **SEK** or **Swedish krona** are to the lawful currency of the Kingdom of Sweden.

Certain figures included in this Base Prospectus have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

The language of this Base Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

Ratings

Tranches of Notes issued under the Programme will be rated or unrated. Where a Tranche of Notes is rated, such rating will not necessarily be the same as the rating(s) described above or the rating(s) assigned to Notes already issued. Where a Tranche of Notes is rated, the applicable rating(s) will be specified in the relevant Final Terms. Whether or not each credit rating applied for in relation to a relevant Tranche of Notes will be (a) issued by a credit rating agency established in the EEA and registered under the CRA Regulation, or (b) issued by a credit rating agency which is not established in the EEA but will be endorsed by a CRA which is established in the EEA and registered under the CRA Regulation or (c) issued by a credit rating agency which is not established in the EEA but which is certified under the CRA Regulation will be disclosed in the Final Terms.

Benchmarks Regulation

Interest and/or other amounts payable under the Notes may be calculated by reference to certain reference rates. Any such reference rate may constitute a benchmark for the purposes of Regulation (EU) 2016/1011 (as amended, the **Benchmarks Regulation**). If any such reference rate does constitute such a benchmark, the Final Terms will indicate whether or not the benchmark is provided by an administrator included in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 (Register of administrators and benchmarks) of the Benchmarks Regulation. Transitional provisions in the Benchmarks Regulation may have the result that the administrator of a particular benchmark is not required to appear in the register of administrators and benchmarks at the date of the Final Terms. The registration status of any administrator under the Benchmarks Regulation is a matter of public record and, save where required by applicable law, the Issuer does not intend to update the Final Terms to reflect any change in the registration status of the administrator.

Stabilisation

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

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OVERVIEW OF THE PROGRAMME

The following overview is a general description of the Programme, must be read as an introduction to this Base Prospectus, and is qualified in its entirety by, the remainder of this Base Prospectus and in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms. Words and expressions defined elsewhere in this Base Prospectus shall have the same meaning in this overview unless otherwise defined herein.

This overview constitutes a general description of the Programme for the purposes of Article 25(1) of Commission Delegated Regulation (EU) No 2019/980.

Issuer:	Vasakronan AB (publ)
Arranger:	Citigroup Global Markets Limited
Dealers:	Barclays Bank Ireland PLC, Barclays Bank PLC, BNP Paribas, Citigroup Global Markets Europe AG, Citigroup Global Markets Limited, Danske Bank A/S, Deutsche Bank AG, London Branch, DNB Bank ASA, Nordea Bank Abp, Skandinaviska Enskilda Banken AB (publ), Svenska Handelsbanken AB (publ) and Swedbank AB (publ) and any other Dealer appointed from time to time by the Issuer either generally in respect of the Programme or in relation to a particular Tranche of Notes.
Fiscal Agent:	Citibank N.A., London Branch
Issuing and Paying Agent and Transfer Agent:	Citibank N.A., London Branch
Registrar:	Citigroup Global Markets Europe AG
VPS Trustee:	Nordic Trustee AS
VPS Agent:	Skandinaviska Enskilda Banken AB (publ), Oslo Branch
Final Terms or Drawdown Prospectus:	Notes issued under the Programme may be issued either (a) pursuant to this Base Prospectus and associated Final Terms or (b) pursuant to a Drawdown Prospectus. The terms and conditions applicable to any particular Tranche of Notes will be the Conditions as completed by the relevant Final Terms or, as the case may be, as amended and/or replaced by the relevant Drawdown Prospectus.
Listing and Trading:	<p>Application has been made to Euronext Dublin for the Notes issued under the Programme during the period of 12 months from the date of this Base Prospectus to be admitted to the Official List and to trading on the regulated market of Euronext Dublin.</p> <p>Application may be made to list VPS Notes and admit the VPS Notes to trading on the regulated market of the Oslo Stock Exchange. Any such applications will be in accordance with applicable laws and regulations governing the listing of VPS Notes on the Oslo Stock Exchange from time to time.</p>

The Programme also permits Notes to be issued on the basis that they will not be admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system or to be admitted to listing, trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems as may be agreed with the Issuer.

The applicable Final Terms will state whether the relevant Notes are to be VPS Notes or not and whether such Notes are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.

Clearing Systems:

Euroclear Bank SA/NV (**Euroclear**) and/or Clearstream Banking S.A. (**Clearstream, Luxembourg** and together with Euroclear, the **ICSDs**) and/or Verdipapirsentralen ASA (**VPS Norway**) and/or, in relation to any Tranche of Notes, any other clearing system as may be specified in the relevant Final Terms.

Initial Programme Amount:

Up to EUR6,000,000,000 (or its equivalent in other currencies) aggregate principal amount of Notes outstanding at any one time. The Issuer may increase the amount of the Programme in accordance with the terms of the Dealer Agreement.

Issuance in Series:

Notes will be issued in Series. Each Series may comprise one or more Tranches issued on different issue dates. The Notes of each Series will all be subject to identical terms, except that the issue date and the amount of the first payment of interest may be different in respect of different Tranches. The Notes of each Tranche will all be subject to identical terms in all respects save that a Tranche may comprise Notes of different denominations.

Forms of Notes:

Notes may be issued in bearer form, in registered form or, in the case of VPS Notes, uncertificated book entry form, in each case as specified in the applicable Final Terms.

Each Tranche of Bearer Notes will initially be in the form of either a Temporary Global Note or a Permanent Global Note, in each case as specified in the relevant Final Terms. Each Global Note which is not intended to be issued in new global note form (a **Classic Global Note** or **CGN**), as specified in the relevant Final Terms, will be deposited on or around the relevant issue date with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and each Global Note which is intended to be issued in new global note form (a **New Global Note** or **NGN**), as specified in the relevant Final Terms, will be deposited on or around the relevant issue date with a common safekeeper for Euroclear and/or Clearstream, Luxembourg. Each Temporary Global Note will be exchangeable for a Permanent Global Note or, if so specified in the relevant Final Terms, for Definitive Notes. If the TEFRA D Rules are specified in the relevant Final Terms as applicable, certification as to non-U.S. beneficial ownership will be a condition precedent to any exchange of an interest in a Temporary Global Note or receipt of any payment of interest in respect of a Temporary Global Note. Each Permanent Global Note will be exchangeable for Definitive Notes in accordance with its terms.

Definitive Notes will, if interest-bearing, have Coupons attached and, if appropriate, a Talon for further Coupons.

Each Tranche of Registered Notes will be in the form of either Individual Note Certificates or a Global Registered Note, in each case as specified in the relevant Final Terms.

Each Tranche of Notes represented by a Global Registered Note will either be: (a) in the case of a Note which is not to be held under the new safekeeping structure (**New Safekeeping Structure** or **NSS**), registered in the name of a common depositary (or its nominee) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and the relevant Global Registered Note will be deposited on or about the issue date with the common depositary; or (b) in the case of a Note to be held under the New Safekeeping Structure, be registered in the name of a common safekeeper (or its nominee) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and the relevant Global Registered Note will be deposited on or about the issue date with the common safekeeper for Euroclear and/or Clearstream, Luxembourg.

Notes may be specified in the applicable Final Term as **VPS Notes**. VPS Notes will be issued by the Issuer pursuant to a VPS Agency Agreement with Skandinaviska Enskilda Banken AB (publ), Oslo Branch as VPS Agent and will be registered in uncertificated and dematerialised book entry form with VPS Norway. VPS Notes will not be evidenced by any physical note or document of title. Entitlements to VPS Notes will be evidenced by the crediting of VPS Notes to accounts with VPS Norway. VPS Notes will not be exchangeable for Notes in bearer or registered form and vice versa. See also "*Forms of the Notes*" below.

Security Identification Number(s):

In respect of each Tranche of Notes, the relevant security identification number(s) will be specified in the relevant Final Terms.

Currencies:

Notes may be denominated in euros or in any other currency or currencies, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.

Status of the Notes:

Notes will be issued on an unsubordinated basis.

Issue Price:

Notes may be issued at any price. The price and amount of Notes to be issued under the Programme will be determined by the Issuer and the Relevant Dealer(s) at the time of issue in accordance with prevailing market conditions.

Maturities:

Any maturity, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.

Redemption:

Notes may be redeemable at par or at such other redemption amount as may be specified in the relevant Final Terms.

Optional Redemption:

Notes may be redeemed before their stated maturity at the option of: (a) the Issuer (either in whole or in part); (b) the Noteholders; or (c) the Noteholders upon a Change of Control, in each case to the extent (if at all) specified in the relevant Final Terms.

- Early Redemption:** Except as described in "*Optional Redemption*" above, early redemption will only be permitted for tax reasons, as described in Condition 9.2 (*Redemption for tax reasons*), or if the aggregate principal amount of outstanding Notes of the relevant Series is 20 per cent. or less of the aggregate principal amount of such Series, as described in Condition 9.8 (*No other redemption*).
- Benchmark Discontinuation:** If a Benchmark Event occurs, such that any rate of interest (or any component part thereof) cannot be determined by reference to the original benchmark specified in the relevant Final Terms or Drawdown Prospectus, then such rate of interest may be substituted (subject to certain conditions) with a successor or alternative rate (with consequent amendment to the terms of such Series of Notes and the application of an adjustment spread (which could be positive, negative or zero)) as described in Condition 7.9 (*Benchmark Discontinuation*).
- Interest:** Notes may be interest-bearing or non-interest bearing. Interest (if any) may accrue at a fixed rate or a floating rate and the method of calculating interest may vary between the issue date and the maturity date of the relevant Series. The terms and conditions also provide for additional fallbacks in the event that one or more benchmark rates used to determine the interest payable on the Notes is discontinued.
- Denominations:** Notes issued under the Programme which are to be admitted to trading on the regulated market of Euronext Dublin and/or admitted to listing, trading and/or quotation by any other listing authority, stock exchange and/or quotation system which is a regulated market situated or operating in a Member State and the UK and/or offered to the public in any Member State and the UK, in each case in circumstances which require the publication of a prospectus under the Prospectus Regulation, may not have a minimum denomination of less than EUR100,000 (or its equivalent in any other currency). Subject thereto, Notes will be issued in such denominations as may be specified in the relevant Final Terms, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.
- Negative Pledge:** The Notes will have the benefit of a negative pledge as described in Condition 5.1 (*Covenants – Negative Pledge*).
- Cross-Default:** The Notes will have the benefit of a cross-default as described in Condition 14 (*Events of Default*).
- Taxation:** All payments of principal and interest in respect of Notes by or on behalf of the Issuer will be made free and clear of withholding taxes of the Kingdom of Sweden, unless the withholding is required by law. In that event, the Issuer will (subject as provided in Condition 10 (*Payments – Bearer Notes*), Condition 11 (*Payments – Registered Notes*), Condition 12 (*Payments – VPS Notes*) and Condition 13 (*Taxation*)) pay such additional amounts as will result in the Noteholders receiving such amounts as they would have received in respect of such Notes had no such withholding been required.

Governing Law:

The Notes will be governed by English law except that the registration of VPS Notes in VPS Norway as well as the recording and transfer of ownership to, and other interests in, VPS Notes and Condition 18.3 (*VPS Notes*) will be governed by Norwegian law.

The VPS Notes must comply with the Norwegian Securities Registry Act of 5 July 2002 no. 64, as amended from time to time and the holders of VPS Notes will be entitled to the rights and subject to the obligations and liabilities which arise under this act and any related regulations and legislation. From 1 January 2020, the Norwegian Securities Registry Act has been repealed and replaced by the Norwegian Central Securities Depositories Act of 15 March 2019 no. 6, which implements Regulation (EU) no. 909/2014 (**CSDR**) into Norwegian law. However, transitional rules have been passed to allow VPS Norway to operate under the old rules in the Norwegian Securities Registry Act until such time when VPS Norway has been authorised as a CSD under the the Norwegian Central Securities Depositories Act and CSDR.

Selling Restrictions:

For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of offering material in the United States of America, the EEA (including the UK, Belgium, the Kingdom of Sweden and the Kingdom of Norway) Japan and Singapore, see "*Subscription and Sale*" below.

RISK FACTORS

Any investment in the Notes is subject to a number of risks. Prior to investing in the Notes, prospective investors should carefully consider the risk factors associated with any investment in the Notes, the business of the Issuer and the industry in which it operates together with all other information contained in this Base Prospectus, including, in particular, the risk factors described below. Words and expressions defined in the "Terms and Conditions of the Notes" below or elsewhere in this Base Prospectus have the same meanings in this section.

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

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

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

FACTORS THAT MAY AFFECT VASAKRONAN'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER NOTES ISSUED UNDER THE PROGRAMME

Industry and business-related risks

Risks related to macroeconomic factors

The property industry, including Vasakronan, is affected by macroeconomic factors such as general economic trends, growth, employment rate, the rate of production of new commercial premises, changes in infrastructure, population growth, inflation and interest rate levels. Growth in the economy affects the employment level, which is an important factor affecting the demand for properties and the ability of tenants to pay rent. As a result, Vasakronan may also be affected by public health epidemics or outbreaks of diseases that may negatively affect the global economy such as the corona virus outbreak in January 2020 with epicentre in China. In late February 2020, the corona virus spread outside China, including Europe, and has resulted in a rapid deterioration of the political, socio-economic and financial situation globally, including in Sweden. Vasakronan continues to monitor the impact which the COVID-19 outbreak could have on its operations, the markets in which it operates and more broadly on the macro-economic outlook as further cases emerge and governments and international agencies impose a range of measures to deal with the outbreak. Whilst it is difficult to predict the extent to which COVID-19 may escalate and the situation continues to change rapidly, both the direct health impact of the virus and pre-emptive measures adopted with a view to containing its spread (such as travel bans, quarantines, elective self-isolation and temporary business shut-downs) could have a material adverse effect on Vasakronan's results of operations and financial condition.

Vasakronan's revenue consists of rent payments for leased properties. The occupancy rate and rent levels for Vasakronan's properties are influenced primarily by economic fluctuations, office employment¹ and the supply of and demand for office and retail space. Vasakronan's ability to ensure rent levels that are competitive and stable in the long-term, long leases and low vacancy rates depends, among other things, on the ability to adapt its properties to the changing needs of its tenants in terms of quality, functionality and size.

¹ Number of people employed in office-intensive industries.

A general downturn in the Swedish economy could cause changes to tenant expectations, lower market rent levels, higher vacancy rates, higher interest rates and increased costs, each of which may have a material adverse impact on Vasakronan's operations, financial position and earnings.

Variations in supply and demand in the property market could have a material adverse impact on Vasakronan's business

Supply and demand for properties, and therefore the yield on property investments, varies between different geographic markets and property categories, and can thus develop differently within such geographic markets and property categories. There is a risk that demand will fall and the property value will therefore decrease within those geographic markets and property categories in which Vasakronan operates. This may have a material adverse impact on Vasakronan's operations, financial position and earnings.

Competitive threats to Vasakronan's business

Vasakronan operates in a competitive industry. Vasakronan's future ability to compete will depend, among other things, on Vasakronan's ability to anticipate potential changes in its market segments and to react promptly to current and future market needs. Accordingly, Vasakronan may be forced to make costly investments, restructurings or price reductions in order to adapt to a changed competitive situation, for example through the renegotiation of lease terms. There is a risk that Vasakronan will not be able to successfully counteract the effects of competition, which may have a material adverse impact on its operations, financial position and earnings.

Vasakronan's income is dependent on tenants meeting their rental obligations

Vasakronan's income primarily comprises rental income from its properties. There is a risk that Vasakronan's major tenants will not renew or extend their leases as they expire. There is also a risk that it will not be possible to find new tenants, or that new tenants will not pay the same rents as the previous tenants, which may result in a higher vacancy rate and lower rental income. Although tenants are subject to a credit assessment/evaluation, there is a risk of tenants failing to pay rent or otherwise failing to perform their obligations to Vasakronan. If this occurs, it may lead to lower rental income and debt write-offs. If tenants fail to perform their obligations at all, for example in the event of bankruptcy, or only perform them after debt collection measures have been taken, this may also result in an increased vacancy rate, with lower rental income and thus property values as a consequence. If tenants fail to renew or extend their leases as they expire, or fail to pay agreed rents on time or otherwise fail to perform their obligations, this may have a material adverse impact on Vasakronan's operations, financial position and earnings.

Increasing operating, maintenance and administrative costs may affect Vasakronan's financial position

Vasakronan's operating expenses mainly comprise tariff-based costs such as costs for heating, electricity, water and waste. There are a limited number of suppliers in respect of some of these utilities and services, which could result in an increased cost to Vasakronan. Notwithstanding that most of Vasakronan's leases are structured so that the tenant defrays most of these costs, there may be a material adverse impact on Vasakronan's operations, financial position and earnings to the extent that it is not possible to increase rents to cover any increased costs incurred by Vasakronan.

Measures aimed at maintaining the standard of Vasakronan's properties in the long-term or maintaining and/or modernising properties require maintenance and renovation expenditure. Such expenditure as is necessary to satisfy market requirements, ensure a high-level of operational reliability or fulfil legal requirements may be significant and unforeseen. There is a risk that, in respect of large-scale operating expenses, maintenance or renovation work, it may not be possible to pass on the associated costs to Vasakronan's tenants through increased rents. This may have a material adverse impact on Vasakronan's operations, financial position and earnings.

Property valuation relies on factors, which are subject to change

Vasakronan is exposed to changes in the market value of its property portfolio. Vasakronan reports its property holdings at fair value in accordance with IAS 40, "Investment Property", and the book value in respect of the properties owned by Vasakronan and its subsidiaries (together, the **Group**) corresponds to their assessed fair value. Vasakronan uses an internal valuation process to assess the market value of its properties. In addition to this internal valuation, external valuation is also carried out twice a year by an independent firm of appraisers. The valuation of Vasakronan's properties is affected by a number of factors, such as market supply and demand, vacancy rates, rent levels, operating expenses, yield, residual value, general economic trends, interest rates and inflation. Whilst the liquidity of such properties has increased over recent years, there is no guarantee that there will be a market for such properties going forward. There is a risk that changes in respect of such factors may have a negative effect on property values. This could have a material adverse impact on Vasakronan's credit rating, financial position and earnings.

Property transactions involve uncertainties which could adversely impact Vasakronan's business

The purchase and sale of property represent an important part of Vasakronan's day-to-day business operations and are part of Vasakronan's growth strategy for the future. All property investments are associated with uncertainty and assumptions. Uncertainty relating to the market's yield requirement and hence the property value, future vacancies, tenant ability to pay, environmental conditions and technical defects are inherent in property transactions. In addition, companies that own or acquire property or property companies are exposed to latent risks in properties or companies that are acquired, either because of a lack of information or due to erroneous assumptions. For example, tenants may be lost, the accounts of an acquired company may not be accurate and/or a company or property may be the subject of unforeseen environmental or tax claims, which could have an adverse impact on the value of the company or property being acquired.

Pursuant to sales agreements entered into by Vasakronan, the purchaser may make warranty claims against Vasakronan. There is a risk that any claims in the future may have a material adverse impact on Vasakronan's business, financial position and earnings. Conversely, when Vasakronan is the purchaser there is a risk that the possibility of obtaining compensation in the case of a warranty claim will be limited if an acquisition was made from a counterpart which is, or will be, in financial difficulties or if there is a cap in respect of the amount of compensation that may be claimed – this may contribute to increased uncertainty and increased costs for Vasakronan, which in turn may have a material adverse impact on its operations, financial position and earnings.

Project development poses risks to Vasakronan

The construction, refurbishment and extension of properties constitute a part of Vasakronan's regular business operations. The ability to successfully complete different kinds of projects in an economically efficient manner depends on a number of factors, including among other things, the governance and monitoring of the project, the ability to retain and recruit personnel with necessary competence, the ability to obtain necessary permits and decisions from authorities and the market conditions at the time of completion of the project.

Major projects involve significant investments, which could have an adverse impact on profitability if the existing tenants fail to perform their obligation to pay rent, Vasakronan fails to let the premises upon completion of a project or if the demand or price of properties generally changes during the course of a project. Furthermore, although Vasakronan monitors development projects closely, projects may be delayed, become more expensive or the quality may not be as expected, which may result in increased costs or reduced income.

If any of the risks set out above materialises, it could have a material adverse impact on Vasakronan's operations, financial position and earnings.

Loss of key personnel may undermine Vasakronan's operations

Vasakronan's business is dependent on experienced employees that possess relevant skills. Such key individuals include the Group's senior executives as well as many of its employees. There may be a risk that, over time, Vasakronan is unable to retain or recruit qualified personnel to the desired extent. Any disruption caused by the departure of one or more key individuals may have a material adverse impact on Vasakronan's operations, financial position and earnings.

Vasakronan could incur losses not covered by, or exceeding the coverage limits of, its insurance

Vasakronan's management believes that its risks are covered by appropriate insurance coverage in line with market practice. Vasakronan has insurance policies, for example, in respect of property, business interruption and liability for damages. However, the actual losses suffered by Vasakronan could exceed its insurance coverage and could be material. The realisation of one or more damaging events for which Vasakronan has no insurance coverage or for which Vasakronan's insurance coverage is insufficient could have a material adverse effect on Vasakronan's business, financial condition and results of operations.

Brand and reputation risk

Vasakronan's brand is of significant importance to its operations and Vasakronan is, among other things, strongly associated with its work on sustainability. If Vasakronan suffers from negative publicity relating to its operations and/or its sustainability work there is a risk that Vasakronan's brand will be damaged. This may lead to customers or partners leaving Vasakronan and, since much of Vasakronan's funding is linked to sustainability targets, Vasakronan's cost of funding may increase which may have an adverse impact on its business, financial position and profit.

The increase in online retail may have an adverse effect on traditional high street retailers and decrease demand for commercial retail premises

The retail industry continues to transform as online retail grows and consumers increasingly shop online. The growth of online retail affects customer behaviour and has an impact on the demand for commercial retail premises from new and existing tenants. The increasing competition from online retail may also have an impact in respect of the nature and quality of retail premises businesses require and property owners may therefore need to invest more to refurbish and upgrade retail stores, which could lead to higher pressure on margins. Retailers and property owners, such as Vasakronan, will need to adapt their services and tenant offerings to meet changing consumer behaviour and demands to continue to attract customers. A significant increase in online retail could decrease the demand for commercial retail premises, which could have a material adverse effect on Vasakronan's business, results of operations, and financial condition.

Business disruptions, operational shortcomings, system failures and internal deficiencies may expose Vasakronan to operating risk

Operational risk is the risk of incurring losses due to inadequate systems or policies relating to, among other things, internal control, IT systems, administration, competence development and access to reliable valuation and risk models. If Vasakronan's systems or policies are not adequate, there is a risk that Vasakronan may incur losses, for example due to the fact that incorrect decisions are made or Vasakronan becomes unable to efficiently manage its ongoing operations, which could have a material adverse impact on Vasakronan's operations, earnings and financial position.

Vasakronan does not have exclusive decision-making rights over jointly-owned companies

In addition to the Group's wholly-owned subsidiaries, Vasakronan holds stakes in a number of companies. For example, Vasakronan holds 50 per cent. of the shares and voting rights in Järvastaden AB and Stora Ursvik KB, which are both project development companies. Vasakronan does not have exclusive decision-making

rights over these companies and is not on its own able to ensure that investments or divestments of properties in these companies take place in accordance with Vasakronan's requirements. There is a risk that property development in these companies will be carried out in a manner that is detrimental to Vasakronan, for example by incurring financial losses, which may have a negative impact on Vasakronan's financial position and earnings.

Interests of Vasakronan's shareholders may conflict with those of the holders of the Notes

The interests of Vasakronan's shareholders, in certain circumstances, may conflict with those of the holders of the Notes, particularly if Vasakronan encounters financial difficulties or is unable to pay its debts when due. In addition, Vasakronan's shareholders may have an interest in Vasakronan pursuing acquisitions, divestments, financings or other transactions that could enhance their equity investments, even though such transactions might involve risks to the holders of the Notes. Any of these actions could have an adverse effect on Vasakronan's operations, financial position, earnings and future prospects.

Vasakronan has a holding company structure in which its subsidiaries conduct its operations and own nearly all its properties

Vasakronan has no significant assets other than equity interests in its subsidiaries. As a result, Vasakronan's ability to make the payments required under the Notes depends on the performance of its subsidiaries and their ability to distribute funds to it. Such cash flows will depend on the business and financial condition of its subsidiaries. In addition, the ability of certain subsidiaries to pay dividends and distributions may be limited by applicable laws and any indebtedness those subsidiaries have incurred. Equally, if Vasakronan's subsidiaries do not pay any dividends or distributions, or do so irregularly, the Group's performance may be adversely affected.

Further, Vasakronan's right to receive proceeds from the liquidation of one of its subsidiaries will be structurally subordinated to the claims of other creditors of that subsidiary. In addition, even if Vasakronan is a creditor of any of its subsidiaries, its rights as a creditor would be subordinated to any existing security interest in the assets of such subsidiary which could result in Vasakronan's claims against the subsidiary being written down. A write down on claims in respect of a subsidiary may have a material adverse impact on Vasakronan's operations, financial position and earnings.

Legal risks

Changes in legislation may adversely affect Vasakronan's properties or results, increase its expenses and/or halt the development of projects

Vasakronan must comply with a wide variety of laws, regulations and provisions, including urban planning regulations, requirements for construction and operating permits, health, safety, environmental, competition and labour laws, laws relating to rent levels and the rights of tenants, as well as corporate, accounting and tax laws. Any change in such laws, regulations and provisions or their interpretation could require Vasakronan to modify its business operations, assets or strategy, potentially having a negative impact on the value of its properties or its results, an increase in its expenses and/or even halting of the development of certain projects. In particular, requirements for energy efficiency have become more stringent in recent years, which results, among other things, in increased construction prices. Such a fall in the value of Vasakronan's properties, increase in cost of, or interruption or cessation of, development of projects or additional costs incurred as a result of legislative changes may have a material adverse effect on Vasakronan's operations, financial position and earnings.

Vasakronan is subject to future possible change in tax laws and regulations

Vasakronan's operations are affected by the applicable corporation tax, value added tax and property tax rules in force from time to time in Sweden. This is also the case as regards other governmental and municipal charges

and contributions. Notwithstanding that Vasakronan's operations are conducted in accordance with Vasakronan's interpretation of applicable laws and rules in respect of taxes, there is a risk that its interpretation is incorrect or that applicable tax laws and rules may be amended with possible retroactive effect resulting in additional unforeseen tax liabilities. In addition, future changes to applicable tax laws and rules may affect Vasakronan's operations, financial position and earnings.

Disputes and legal proceedings could have a material adverse effect on Vasakronan

Vasakronan may incur costs as a consequence of conducting legal proceedings, settlement costs and costs in respect of awarded damages and other obligations which may be imposed on Vasakronan. Vasakronan and companies within the Group may, from time to time, become involved in disputes, similarly to other companies within Vasakronan's industry, relating to contractual issues, warranty claims, alleged errors in the provision of services, environmental issues and intellectual property rights. Such disputes and claims may be time-consuming, disrupt normal operations, detrimentally affect customer relations and result in significant costs and liabilities. In the event such disputes arise and Vasakronan is held liable in damages or enters into a settlement agreement, there is a risk that claims will not be covered in full by Vasakronan's insurance. In addition, the outcome of complicated disputes may be difficult to predict. As such, potential disputes and legal proceedings brought against Vasakronan may have a material adverse impact on Vasakronan's operations, financial position and earnings.

Environmental risks

Properties affect the environment through their construction, on-going maintenance and through the activities conducted within them. If environmental risk is not handled in an appropriate way it could have an adverse effect on Vasakronan's business and results of operations. According to the Swedish Environmental Code (*Miljöbalken (SFS 1998:808)*), persons who pursue activities that have contributed to contamination are responsible for remedying any harm caused. In Vasakronan's case, it would be its tenants who are pursuing such activities, unless contamination is contributed to by Vasakronan's activities as landlord. Under the Swedish Environmental Code, however, if the person pursuing the activity is unable to carry out or defray the cost of redemption, the responsibility for the after-treatment is imposed on any party that has acquired the property on or after 1 January 1999 and, at the time of acquisition, was aware or should have been aware of the contamination. Accordingly, there is a risk that under certain circumstances claims may be brought against Vasakronan for the clean-up of contamination that has taken place, in order to restore properties to a condition that complies with the Swedish Environmental Code. In the event such liability is imposed on Vasakronan, it may have a material adverse impact on its operations, financial positions and earnings.

Global climate change is leading to higher temperatures, extreme weather conditions and raised water levels. For property companies, this means increased risk of property damage due to temporary flooding and buildings/material not coping with the new weather conditions or temperature changes. In addition, this is a long term risk for areas that are close to the sea. These conditions may have a material adverse impact on Vasakronan's operations, financial position and earnings.

Financial risks

Fluctuations in market interest rates and loan margins may adversely affect Vasakronan's business

Vasakronan's operations are primarily financed through equity and interest-bearing debts and interest expenses represent Vasakronan's largest individual cost item. As a consequence, Vasakronan is exposed to the risk of changes in market interest rates and loan margins. This risk is also affected by the strategy Vasakronan chooses in respect of fixed-interest periods. A short-term fixed-interest maturity lowers interest expenses in the short term but can carry higher interest rate risk as this strategy is more sensitive to fluctuations in variable interest rates over time. Increased interest expenses may have a material adverse impact on Vasakronan's operations, financial position and earnings.

Changes in the value of financial derivative instruments may result in losses for Vasakronan

Vasakronan has a large number of loans with short fixed-interest periods and uses interest rate derivatives (mainly interest rate swaps) as an element in the management of interest-rate risk. Interest rate derivatives are regularly reported at fair value in Vasakronan's balance sheet, with changes in value being reported in the income statement. In the event that market rates fall, the market value of Vasakronan's interest rate derivatives will decrease, which may have a material adverse impact on Vasakronan's operations, financial position and earnings.

Vasakronan is exposed to credit and counterparty risk

Vasakronan's financing activities include, among other things, long and short-term loan agreements and interest rate derivatives, as well as the investment of liquidity surpluses through cash, time deposits in banks and investment in commercial paper. There is a risk that Vasakronan's finance counterparties will fail to perform their financial obligations to Vasakronan, which may have a material adverse impact on Vasakronan's operations, financial position and earnings.

Vasakronan may not be able to refinance its existing loans on competitive terms or at all

External borrowing accounts for a significant part of Vasakronan's supply of capital. As these loans mature, they must be repaid, extended or renewed. The conditions for Vasakronan refinancing loan facilities as they expire depend on access to financing and Vasakronan's financial position at the time of expiry. In the event that Vasakronan is unable to secure refinancing or can only obtain refinancing at substantially increased costs, this may have a material adverse impact on Vasakronan's operations, financial position and earnings.

Currency risk

Vasakronan is exposed to currency risk, which may affect Vasakronan's profits. Currency risk refers mainly to the risk that exchange rate fluctuations, arising from unhedged assets and liabilities in foreign currency, affect Vasakronan's earnings. The Swedish krona is Vasakronan's reporting currency but the Group also has expenses and liabilities in currencies other than the Swedish krona. Vasakronan's currency exposure is limited to the euro, the Norwegian krone, the Australian dollar, the US dollar and the Japanese yen. Fluctuations in the currencies to which Vasakronan is exposed may have a material adverse impact on Vasakronan's operations, financial position and earnings.

A change in the controlling ownership of Vasakronan could result in the requirement for Vasakronan to make repayments under the terms of its existing finance, including any Notes issued under the Programme, and adversely affect its ability to secure subsequent refinancing

If one or more of Första AP-fonden, Andra AP-fonden, Tredje AP-fonden or Fjärde AP-fonden were to reduce their respective holdings in Vasakronan, this could result in control of Vasakronan passing to another shareholder. Such a change in controlling ownership could entail, among other things, a change in credit rating, and may trigger terms in loan agreements that result in the termination of such agreements or a need to renegotiate them. Such a provision is included in Vasakronan's domestic MTN programme (the **Domestic MTN Programme**), commercial paper, the majority of loan agreements in place with lenders and this Programme (see Condition 9(f) (*Change of Control Put Option*)). As at the date of this Base Prospectus, Vasakronan's Domestic MTN Programme, commercial paper, certain loan agreements in place with lenders and the Terms and Conditions of the Notes issued under this Programme contain terms that could trigger early redemption if one or more of Första AP-fonden, Andra AP-fonden, Tredje AP-fonden or Fjärde AP-fonden cease, individually or jointly, directly or indirectly, to own shares representing at least 51 per cent. of the shares and the voting capital in Vasakronan. In the event of a change in controlling ownership, Vasakronan's ability to secure refinancing may be adversely affected, which could indirectly affect the Group's ownership of properties and therefore have a material adverse impact on the Group's operations, earnings and financial position.

Breach of financial covenants may lead to Vasakronan's creditors accelerating its loans

Vasakronan's bank loan agreements usually include both financial and other covenants. Such covenants may, for example, relate to an interest-coverage ratio or loan volumes relative to the fair value of Vasakronan's properties. As security for bank loans, Vasakronan may grant mortgages over certain properties or security interests in intragroup claims against subsidiaries, issue shares in its subsidiaries, partnerships or limited partnerships or issue demand guarantees.

In the event that Vasakronan breaches its financial covenants in a loan agreement this may lead to the acceleration of loans or credit institutions having recourse to pledged assets, which may have a material adverse impact on Vasakronan's operations, financial position and earnings.

Risks related to Notes generally

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

Modification and waivers

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

The VPS Trustee Agreement provides that the Issuer and the VPS Trustee may agree to amend the VPS Trustee Agreement or the VPS Note Conditions without prior approval of the affected holders of VPS Notes provided that:

- (1) such amendment is not detrimental to the rights and benefits of the affected holders of VPS Notes in any material respect, or is made solely for the purpose of rectifying obvious errors and mistakes; or
- (2) such amendment or waiver is required by applicable law, court ruling or a decision by a relevant authority.

The VPS Trustee shall as soon as possible notify the holders of VPS Notes of any proposal to make such amendments, setting out the date from which the amendment will be effective, unless such notice obviously is unnecessary.

Change of law

The conditions of the Notes are governed by English law, except that the registration of VPS Notes in VPS Norway as well as the recording and transfer of ownership to, and other interests in, VPS Notes and Condition 18.3 (*Meetings of Noteholders; Modification and Waiver – VPS Notes*) will be governed by Norwegian law. No assurance can be given as to the impact of any possible judicial decision or change to English law, Norwegian law or administrative practice after the date of this Base Prospectus.

Enforceability of judgments

On 23 June 2016, the UK held a referendum on the UK's membership of the European Union (the EU), the outcome of which was a decision for the UK to leave the EU.

Under the terms of the ratified EU-UK article 50 withdrawal agreement (the **article 50 withdrawal agreement**), a transition period has now commenced which will last until 31 December 2020. During this period most EU rules and regulations will continue to apply to and in the UK and negotiations in relation to a free trade agreement will be ongoing. Under the article 50 withdrawal agreement, the transition period may,

before 1 July 2020, be extended once by up to two years. However, the UK legislation ratifying the article 50 withdrawal agreement (the European Union (Withdrawal) Act 2018 as amended by the European Union (Withdrawal Agreement) Act 2020 (as so amended, the **EUWA**)) contains a prohibition on a Minister of the Crown agreeing any extension to the transition period. While this does not entirely remove the prospect that the transition period will be extended (as the UK Parliament could pass legislation that would override the effect of the prohibition in the EUWA), the likelihood of a further extension is reduced. During the transition period, the UK and the EU may not reach agreement on the future relationship between them, or may reach a significantly narrower agreement than that envisaged by the political declaration of the European Commission and the UK Government.

If no new reciprocal agreement on civil justice is agreed at the end of such a transition period, there will be a period of uncertainty concerning the enforcement of English court judgments in Sweden as the current regulation concerning the recognition and enforcement of judgments that apply between the UK and EU Member States, namely the Recast Brussels Regulation (Regulation (EU) No. 1215/2012 of the European Parliament and of the Council of 12 December 2012) (the **Recast Regulation**) would cease to apply to the UK (and English judgments). Further the UK would no longer be a party to the Lugano Convention under which judgments from the courts of contracting states (currently the EU, plus Switzerland, Iceland and Norway) are recognised and enforced in other contracting states. As a result, a judgment entered against the Issuer in an English court may not be recognised or enforceable in Sweden as a matter of law without a re-trial on its merits (but will be of persuasive authority as a matter of evidence before the courts of law, arbitral tribunals or executive or other public authorities in Sweden).

The article 50 withdrawal agreement provides that judgments issued by English courts in proceedings instituted before the end of the transition period will continue to be recognised and enforced in the EU pursuant to the Recast Regulation. Further, in its White Paper from July 2018, the UK Government states that it will seek to participate in the Lugano Convention on leaving the EU, which would mean English judgments would continue to be recognised and enforced in Sweden (and other contracting states). In the same White Paper, the UK Government also stated it will seek a new bilateral agreement with the EU27 concerning cooperation in the area of civil justice including arrangements for the continued mutual recognition and enforcement of judgments.

Notes where denominations involve integral multiples and definitive Notes

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in its account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to a Specified Denomination. Further, a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed or issued) and would need to purchase a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination. If definitive bearer Notes are issued, holders should be aware that definitive bearer Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

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

The Final Terms relating to any specific Tranche of Notes may provide that it will be the Issuer's intention to apply the proceeds from an offer of those Notes specifically for projects and/or activities that promote climate-friendly and other environmental purposes (either in those words or otherwise) (**Green Projects**).

Prospective investors should have regard to the information in the relevant Final Terms regarding such use of proceeds and must determine for themselves the relevance of such information for the purpose of any investment in such Notes together with any other investigation such investor deems necessary. In particular no assurance is given by the Issuer that the use of such proceeds for any Green Projects will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates (in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, the relevant Green Project). Furthermore, it should be noted that there is currently no clearly defined definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes, a "green" or "sustainable" or an equivalently-labelled project or as to what precise attributes are required for a particular project to be defined as "green" or "sustainable" or such other equivalent label nor can any assurance be given that such a clear definition or consensus will develop over time. Accordingly, no assurance is or can be given to investors that any projects or uses the subject of, or related to, any Green Projects will meet any or all investor expectations regarding such "green", "sustainable" or other equivalently-labelled performance objectives or that any adverse environmental, social and/or other impacts will not occur during the implementation of any projects or uses the subject of, or related to, any Green Projects.

No assurance or representation is given as to the suitability or reliability for any purpose whatsoever of any opinion or certification of any third party (whether or not solicited by the Issuer) which may be made available in connection with the issue of any Notes and in particular with any Green Projects to fulfil any environmental, sustainability, social and/or other criteria. For the avoidance of doubt, any such opinion or certification is not, nor shall be deemed to be, incorporated in and/or form part of this Base Prospectus. Any such opinion or certification is not, nor should be deemed to be, a recommendation by the Issuer or any other person to buy, sell or hold any such Notes. Any such opinion or certification is only current as of the date that such opinion was initially issued. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein and/or the provider of such opinion or certification for the purpose of any investment in such Notes. Currently, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight.

In the event that any such Notes are listed or admitted to trading on any dedicated "green", "environmental", "sustainable" or other equivalently-labelled segment of any stock exchange or securities market (whether or not regulated), no representation or assurance is given by the Issuer or any other person that such listing or admission satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any Green Projects. Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. Nor is any representation or assurance given or made by the Issuer or any other person that any such listing or admission to trading will be obtained in respect of any such Notes or, if obtained, that any such listing or admission to trading will be maintained during the life of the Notes.

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

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

Risks related to the market generally

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

The secondary market generally

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

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (a) the Investor's Currency equivalent yield on the Notes, (b) the Investor's Currency equivalent value of the principal payable on the Notes and (c) the Investor's Currency equivalent market value of the Notes. Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Interest rate risks

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

Credit ratings may not reflect all risks

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

In general, European (including UK) regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU or in the UK and registered under the CRA Regulation (and such registration has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances whilst the registration application is pending). Such general restriction will also apply in the case of credit ratings issued by non-EU and non-UK credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered or UK-registered credit rating agency or the relevant non-EU and non-UK rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). If the status of the rating agency rating the Notes changes, European (including UK) regulated investors may no longer be able to use the rating for regulatory purposes and the Notes may have a different regulatory treatment. This may result in European (including UK) regulated investors selling the Notes which may impact the value of the Notes and any secondary market. The list of registered and certified rating agencies published by ESMA on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list. Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Base Prospectus.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (a) Notes are legal investments for it, (b) Notes can be used as collateral for various types of borrowing and (c) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

Conflicts may arise between the interests of the Calculation Agent and the interests of the Noteholders

Potential conflicts of interest may exist between the Calculation Agent (if any) and Noteholders, including with respect to certain determinations and judgements that such Calculation Agent makes pursuant to the Conditions that may influence amounts receivable by the Noteholders during the term of the Notes and upon their redemption.

The Issuer may appoint a Dealer as Calculation Agent in respect of an issuance of Notes under the Programme. In such a case the Calculation Agent is likely to be a member of an international financial group that is involved, in the ordinary course of its business, in a wide range of banking activities out of which conflicting interests may arise. Whilst such a Calculation Agent will, where relevant, have information barriers and procedures in place to manage conflicts of interest, it may in its other banking activities from time to time be engaged in transactions involving an index or related derivatives which may affect amounts receivable by Noteholders during the term and on the maturity of the Notes or the market price, liquidity or value of the Notes and which could be deemed to be adverse to the interests of the Noteholders.

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

The London Interbank Offered Rate (**LIBOR**), the Euro Interbank Offered Rate (**EURIBOR**), the Copenhagen Interbank Offered Rate (**CIBOR**), the Norwegian Interbank Offered Rate (**NIBOR**) and the Stockholm Interbank Offered Rate (**STIBOR**) and other indices which are deemed to be "benchmarks" are the subject of recent national, international and other regulatory guidance and proposals for reform. Some of these reforms are already effective while others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, or to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes linked to such a "benchmark".

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

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

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

Specifically, the sustainability of LIBOR has been questioned as a result of the absence of relevant active underlying markets and possible disincentives (including possibly as a result of benchmark reforms) for market participants to continue contributing to such benchmarks. The UK Financial Conduct Authority has indicated through a series of announcements that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021.

Separately the euro risk-free rate working group for the euro area has published a set of guiding principles and high level recommendations for fallback provisions in, amongst other things, new euro denominated cash products (including bonds) referencing EURIBOR. The guiding principles indicate, among other things, that continuing to reference EURIBOR in relevant contracts (without robust fallback provisions) may increase the risk to the euro area financial system.

It is not possible to predict with certainty whether, and to what extent, LIBOR, EURIBOR and other benchmarks will continue to be supported going forwards. They may cause LIBOR, EURIBOR and other benchmarks to perform differently than they have done in the past and may have other consequences which cannot be predicted. Such factors may have the following effects on certain benchmarks: (a) discouraging market participants from continuing to administer or contribute to a benchmark; (b) triggering changes in the rules or methodologies used in the benchmarks and/or (c) leading to the disappearance of the benchmark. Any of the above changes or any other consequential changes as a result of international, national or other proposals for reform or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes referencing, or otherwise dependent (in whole or in part) upon, a "benchmark".

The potential elimination of LIBOR, EURIBOR or any other benchmark, or changes in the manner of administration of any benchmark could require or result in an adjustment to the interest provisions of the terms and conditions (as further described in Condition 7.9 (*Benchmark Discontinuation*)), or result in other consequences, in respect of any Notes linked to such benchmark. Any such consequences could have a material adverse effect on the value and return on any such Notes.

The "Terms and Conditions of the Notes" set out below provide for certain fallback arrangements in the event that a published benchmark, such as LIBOR, (including any page on which such benchmark may be published (or any successor service)) becomes unavailable, including the possibility that the rate of interest could be set by reference to a successor rate or an alternative rate and that such successor rate or alternative reference rate will be adjusted in order to reduce or eliminate, to the fullest extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the replacement of the relevant benchmark. The subsequent use of a successor rate or an alternative rate may result in changes to the "Terms and Conditions of the Notes" and/or interest payments that are lower than, or that do not otherwise correlate over time with, the payments that could have been made on such Notes if the relevant benchmark remained available in its current form. In certain circumstances the ultimate fallback of interest for a particular Interest

Period may result in the rate of interest for the last preceding Interest Period being used. This may result in the effective application of a fixed rate for Floating Rate Notes based on the rate which was last observed on the Relevant Screen Page. In addition, due to the uncertainty concerning the availability of successor rates and alternative reference rates and the involvement of an Independent Adviser, the relevant fallback provisions may not operate as intended at the relevant time.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmarks Regulation reforms, investigations and licensing issues in making any investment decision with respect to the Notes linked to a "benchmark".

INFORMATION INCORPORATED BY REFERENCE

The following documents which have previously been published shall be deemed to be incorporated in, and form part of, this Base Prospectus:

1. the audited consolidated financial statements (including the auditors' report thereon and notes thereto) of the Issuer in respect of the year ended 31 December 2019, as set out on the following pages:

	Page(s)
Consolidated income statement	66
Consolidated balance sheet	70
Consolidated statement of changes in equity	73 (table only)
Consolidated cash-flow statements	74
Notes to the financial statements	79 to 97
Auditors' Report	98 to 101

which can be viewed on the Issuer's website at:

<https://www.vasakronanse.cdn.triggerfish.cloud/uploads/2020/04/vasakronan-financial-statements-and-notes-2019.pdf>

2. the audited consolidated financial statements (including the auditors' report thereon and notes thereto) of the Issuer in respect of the year ended and 31 December 2018, as set out on the following pages of the Issuer's 2018 Annual Report:

	Page(s)
Consolidated income statement	62
Consolidated balance sheet	66
Consolidated statement of changes in equity	69 (table only)
Consolidated cash-flow statements	70
Notes to the financial statements	75 to 93
Auditors' Report	107 to 110

which can be viewed on the Issuer's website at:

https://www.vasakronanse.cdn.triggerfish.cloud/uploads/2019/05/eng_rsredovisning_2018_slutlig.pdf

3. the Issuer's Green Finance Framework, August 2018, which is available for viewing on the following website:

https://www.vasakronanse.cdn.triggerfish.cloud/uploads/2018/10/vasakronan_green_bond_framework.pdf

4. the Terms and Conditions of the Notes contained in the Base Prospectus dated 18 October 2018 at pages 26 to 61 prepared by the Issuer in connection with the Programme which is available for viewing on the following website:

https://www.ise.ie/debt_documents/Base%20Prospectus_846481f2-5314-4505-b9c2-f300f528a816.pdf

5. the Terms and Conditions of the Notes contained in the Base Prospectus dated 14 June 2019 at pages 28 to 68 prepared by the Issuer in connection with the Programme which is available for viewing on the following website:

https://www.ise.ie/debt_documents/Base%20Prospectus_715be2c6-c14c-4185-bb9e-3c9a1f12e198.PDF

Copies of the documents specified above as containing information incorporated by reference in this Base Prospectus may be inspected, free of charge, at the registered office of the Issuer and on the websites specified above. Any information contained in any of the documents specified above which is not incorporated by reference in this Base Prospectus is either not relevant to investors or is covered elsewhere in this Base Prospectus.

FINAL TERMS AND DRAWDOWN PROSPECTUSES

In this section the expression **necessary information** means, in relation to any Tranche of Notes, the information necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer, of the rights attaching to the Notes and the reasons for the issuance and its impact on the Issuer. In relation to the different types of Notes which may be issued under the Programme the Issuer has included in this Base Prospectus all of the necessary information except for information relating to the Notes which is not known at the date of this Base Prospectus and which can only be determined at the time of an individual issue of a Tranche of Notes.

Any information relating to the Notes which is not included in this Base Prospectus and which is required in order to complete the necessary information in relation to a Tranche of Notes will be contained either in the relevant Final Terms or in a Drawdown Prospectus.

For a Tranche of Notes which is the subject of Final Terms, those Final Terms will, for the purposes of that Tranche only, complete this Base Prospectus and must be read in conjunction with this Base Prospectus. The terms and conditions applicable to any particular Tranche of Notes which is the subject of Final Terms are the Conditions described in the relevant Final Terms as completed by the relevant Final Terms.

The terms and conditions applicable to any particular Tranche of Notes which is the subject of a Drawdown Prospectus will be the Conditions as supplemented, amended and/or replaced to the extent described in the relevant Drawdown Prospectus. In the case of a Tranche of Notes which is the subject of a Drawdown Prospectus, each reference in this Base Prospectus to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus unless the context requires otherwise.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions which, as completed by the relevant Final Terms, will be endorsed on each Note in definitive form issued under the Programme. In the case of any Tranche of Notes which are being admitted to trading on a regulated market in a Member State of the European Union or the United Kingdom, the relevant Final Terms shall not amend or replace any information in this Base Prospectus. Subject to this, to the extent permitted by applicable law and/or regulation, the Final Terms in respect of any Tranche of Notes may supplement, amend or replace any information in this Base Prospectus.

The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "Summary of Provisions Relating to the Notes while in Global Form" below.

The following are also the terms and conditions which will be applicable to each VPS Note. VPS Notes will not be evidenced by any physical note or document of title other than statements of account made by VPS Norway. Ownership of VPS Notes will be recorded and transfer effected only through the book entry system and register maintained by VPS Norway. The applicable Final Terms (or the relevant provisions thereof) will be in the case of VPS Notes, deemed to apply to any such Notes.

1. INTRODUCTION

1.1 Programme

Vasakronan AB (publ) (the **Issuer**) has established a Euro Medium Term Note Programme (the **Programme**) for the issuance of up to EUR6,000,000,000 in aggregate principal amount of notes (the **Notes**).

1.2 Final Terms

Notes issued under the Programme are issued in series (each a **Series**) and each Series may comprise one or more tranches (each a **Tranche**) of Notes. Each Tranche is the subject of a final terms (the **Final Terms**) which completes these terms and conditions (the **Conditions**). The terms and conditions applicable to any particular Tranche of Notes are these Conditions as completed by Part A of the relevant Final Terms or as supplemented, amended and/or replaced by the Drawdown Prospectus, as the case may be. In the event of any inconsistency between these Conditions and the relevant Final Terms, the relevant Final Terms shall prevail.

1.3 Agency Agreement

The Notes (other than the VPS Notes (as defined below)) are the subject of an amended and restated issue and paying agency agreement dated 8 April 2020 (the **Agency Agreement**) between the Issuer, Citibank N.A., London Branch as fiscal agent (the **Fiscal Agent**, which expression includes any successor fiscal agent appointed from time to time in connection with the Notes), Citigroup Global Markets Europe AG as registrar (the **Registrar**, which expression includes any successor registrar appointed from time to time in connection with the Notes), the paying agents named therein (together with the Fiscal Agent, the **Paying Agents**, which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes) and the transfer agents named therein (together with the Registrar, the **Transfer Agents**, which expression includes any successor or additional transfer agents appointed from time to time in connection with the Notes). In these Conditions references to the **Agents** are to the Paying Agents, the Registrar and the Transfer Agents and any reference to an **Agent** is to any one of them. VPS Notes will be issued in accordance with and subject to a VPS Agency Agreement (such VPS Agency Agreement as amended and/or supplemented and/or restated from time to time, the **VPS Agency Agreement**) between the Issuer and an agent (the **VPS Agent**) who will act as agent of the Issuer in respect of all dealings with VPS

Norway in respect of VPS Notes as provided in the relevant VPS Agency Agreement. Each issue of VPS Notes will have the benefit of a trust agreement (such trust agreement as amended and/or supplemented and/or restated from time to time, the **VPS Trustee Agreement**) dated 18 October 2018 made between the Issuer and Nordic Trustee AS (the **VPS Trustee**, which expression shall include any successor as VPS Trustee). The VPS Trustee acts for the benefit of the holders for the time being of the VPS Notes, in accordance with the provisions of the VPS Trustee Agreement and these Conditions. The VPS Trustee Agreement provides that, unless otherwise agreed, Nordic Trustee AS will act as calculation agent in respect of VPS Notes.

1.4 Deed of Covenant

The Notes may be issued in bearer form (**Bearer Notes**), in registered form (**Registered Notes**) or in uncertificated and dematerialised book entry form registered in the Norwegian Central Securities Depository, Verdipapirsentralen ASA (**VPS Norway**) (**VPS Notes**). Registered Notes are constituted by a deed of covenant dated 8 April 2020 (the **Deed of Covenant**) entered into by the Issuer.

1.5 The Notes

All subsequent references in these Conditions to **Notes** are to the Notes which are the subject of the relevant Final Terms. Copies of the relevant Final Terms are available for viewing at the specified office of the Fiscal Agent.

1.6 Summaries

Certain provisions of these Conditions are summaries of the Agency Agreement and the Deed of Covenant and are subject to their detailed provisions. Noteholders and the holders of the related interest coupons, if any (the **Couponholders** and the **Coupons**, respectively) are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement, the Deed of Covenant and the VPS Trustee Agreement applicable to them. Copies of the Agency Agreement and the Deed of Covenant are available for inspection by Noteholders during normal business hours at the Specified Offices of each of the Agents, the initial Specified Offices of which are set out below. A copy of the VPS Trustee Agreement will be available for inspection during normal business hours at the registered office for the time being of the VPS Trustee.

2. INTERPRETATION

2.1 Definitions

In these Conditions the following expressions have the following meanings:

Accrual Yield has the meaning given in the relevant Final Terms;

Additional Business Centre(s) means the city or cities specified as such in the relevant Final Terms;

Additional Financial Centre(s) means the city or cities specified as such in the relevant Final Terms;

AP Fund means a national pension insurance fund (Sw. *statlig allmän pensionsfond*) in accordance with the National Pension Insurance Funds Act (Sw. *lag (2000:192) om allmänna pensionsfonder (AP-fonder)*);

Business Day means:

- (a) in relation to any sum payable in euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Centre; and
- (b) in relation to any sum payable in a currency other than euro, a day on which commercial banks and foreign exchange markets settle payments generally in London, in the Principal Financial Centre of the relevant currency and in each (if any) Additional Business Centre;

Business Day Convention, in relation to any particular date, has the meaning given in the relevant Final Terms and, if so specified in the relevant Final Terms, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

- (a) **Following Business Day Convention** means that the relevant date shall be postponed to the first following day that is a Business Day;
- (b) **Modified Following Business Day Convention** or **Modified Business Day Convention** means that the relevant date shall be postponed to 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;
- (c) **Preceding Business Day Convention** means that the relevant date shall be brought forward to the first preceding day that is a Business Day;
- (d) **FRN Convention, Floating Rate Convention** or **Eurodollar Convention** means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Final Terms as the Specified Period after the calendar month in which the preceding such date occurred **provided, however, that:**
 - (i) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
 - (ii) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and
 - (iii) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and
- (e) **No Adjustment** means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

Calculation Agent means the Fiscal Agent or such other Person specified in the relevant Final Terms as the party responsible for calculating the Rate(s) of Interest and Interest Amount(s) and/or such other amount(s) as may be specified in the relevant Final Terms;

Calculation Amount has the meaning given in the relevant Final Terms;

Change of Control occurs when the aggregated holdings of the AP Funds cease to represent at least 51 per cent. of the total voting rights represented by the shares in the Issuer;

Change of Control Put Event Notice has the meaning ascribed to it in Condition 9.6 (*Change of Control Put Option*);

Change of Control Put Option has the meaning ascribed to it in Condition 9.6 (*Change of Control Put Option*);

Change of Control Put Option Notice has the meaning ascribed to it in Condition 9.6 (*Change of Control Put Option*);

CIBOR means, in respect of Danish Kroner and for any specified period, the interest rate benchmark known as the Copenhagen interbank offered rate which is calculated and published by a designated distributor (NASDAQ Copenhagen) in accordance with the requirements from time to time of the Danish Financial Benchmark Facility (or any other person which takes over the administration of that rate) based on estimated interbank borrowing rates for Danish Kroner for a number of designated maturities which are provided by a panel of contributor banks (details of historic CIBOR rates can be obtained from the designated distributor);

Clean-up Call Redemption Amount means, in respect of any Note, its principal amount or such other amount as may be specified in the relevant Final Terms;

Clearstream, Luxembourg means Clearstream Banking S.A.;

Consolidated Total Assets means the value of the consolidated total assets of the Issuer and its Subsidiaries, as such amount appears, or would appear, on a consolidated balance sheet of the Issuer prepared in accordance with IFRS as shown in the most recent published audited annual, unaudited semi-annual or unaudited quarterly interim, as the case may be, consolidated financial statements of the Issuer;

Coupon Sheet means, in respect of a Note, a coupon sheet relating to the Note;

DA Selected Bond means the government security or securities selected by the Determination Agent as having an actual or interpolated maturity comparable with the remaining term of the Notes (or, if a Par Call Commencement Date is specified in the applicable Final Terms, the period to the Par Call Commencement Date), that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities denominated in the same currency as the Notes and of a comparable maturity to the remaining term of the Notes (or, if a Par Call Commencement Date is specified in the applicable Final Terms, the period to the Par Call Commencement Date);

Day Count Fraction means, in respect of the calculation of an amount for any period of time (the **Calculation Period**), such day count fraction as may be specified in these Conditions or the relevant Final Terms and:

- (a) if **Actual/Actual (ICMA)** is so specified, means:
 - (i) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (i) the actual number of days in such Regular Period and (ii) the number of Regular Periods in any year; and

- (ii) where the Calculation Period is longer than one Regular Period, the sum of:
 - (A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (I) the actual number of days in such Regular Period and (II) the number of Regular Periods in any year; and
 - (B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (I) the actual number of days in such Regular Period and (II) the number of Regular Periods in any year;
- (b) if **Actual/Actual (ISDA)** is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (i) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (ii) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (c) if **Actual/365 (Fixed)** is so specified, means the actual number of days in the Calculation Period divided by 365;
- (d) if **Actual/360** is so specified, means the actual number of days in the Calculation Period divided by 360;
- (e) if **30/360** is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows

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

where:

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

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

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

M₂ is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

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

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

- (f) if **30E/360** or **Eurobond Basis** is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

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

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

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

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

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

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

- (g) if **30E/360 (ISDA)** is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

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

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

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

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

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

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

provided, however, that in each such case the number of days in the Calculation Period is calculated from and including the first day of the Calculation Period to but excluding the last day of the Calculation Period;

Determination Agent means a financial adviser selected by the Issuer (after consultation with the Relevant Dealer(s));

Early Redemption Amount (Tax) means, in respect of any Note, its principal amount or such other amount as may be specified in the relevant Final Terms;

Early Termination Amount means, in respect of any Note, its principal amount or such other amount as may be specified in these Conditions or the relevant Final Terms;

EURIBOR means, in respect of any specified currency and any specified period, the interest rate benchmark known as the Euro zone interbank offered rate which is calculated and published by a designated distributor (Thomson Reuters) in accordance with the requirements from time to time of the European Money Markets Institute (or any other person which takes over the administration of that rate) based on estimated interbank borrowing rates for a number of designated currencies and maturities which are provided, in respect of each such currency, by a panel of contributor banks (details of historic EURIBOR rates can be obtained from the designated distributor);

Euroclear means Euroclear Bank SA/NV;

Extraordinary Resolution has the meaning given in the Agency Agreement;

Final Redemption Amount means, in respect of any Note, its principal amount or such other amount as may be specified in the relevant Final Terms;

First Interest Payment Date means the date specified in the relevant Final Terms;

Fitch means Fitch Ratings Limited;

Fixed Coupon Amount has the meaning given in the relevant Final Terms;

Gross Redemption Yield means, with respect to a security, the gross redemption yield to maturity on such security, expressed as a percentage and calculated by the Determination Agent on the basis set out by the United Kingdom Debt Management Office in the paper "*Formulae for Calculating Gilt Prices from Yields*", page 5, Section One: Price/Yield Formulae "*Conventional Gilts; Double-dated and Undated Gilts with Assumed (or Actual) Redemption on a Quasi-Coupon Date*" (published on 8 June 1998 and updated on 15 January 2002 and 16 March 2005, and as further amended, updated, supplemented or replaced from time to time) or, if such formula does not reflect generally accepted market practice at the time of redemption, a gross redemption yield to maturity calculated in accordance with generally accepted market practice at such time as determined by the Determination Agent;

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

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

Holder, in the case of Bearer Notes, has the meaning given in Condition 3.2 (Form, Denomination, Title and Transfer – Title to Bearer Notes), in the case of Registered Notes, has the meaning given in Condition 3.4 (*Form, Denomination, Title and Transfer – Title to Registered Notes*) and in the case of

VPS Notes, has the meaning given in Condition 3.11 (*Form, Denomination, Title and Transfer – VPS Notes*);

IFRS means International Financial Reporting Standards, including International Accounting Standards and Interpretations, issued by the International Accounting Standards Board (as amended, supplemented or re-issued from time to time);

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

- (a) amounts raised by acceptance under any acceptance credit facility;
- (b) amounts raised under any note purchase facility;
- (c) the amount of any liability in respect of leases or hire purchase contracts which would, in accordance with applicable law and generally accepted accounting principles, be treated as finance or capital leases;
- (d) the amount of any liability in respect of any purchase price for assets or services the payment of which is deferred for a period in excess of 60 days; and
- (e) amounts raised under any other transaction (including, without limitation, any forward sale or purchase agreement) having the commercial effect of a borrowing;

Interest Amount means, in relation to a Note and an Interest Period, the amount of interest payable in respect of that Note for that Interest Period;

Interest Commencement Date means the Issue Date of the Notes or such other date as may be specified as the Interest Commencement Date in the relevant Final Terms;

Interest Determination Date has the meaning given in the relevant Final Terms;

Interest Payment Date means the First Interest Payment Date and any other date or dates specified as such in, or determined in accordance with the provisions of, the relevant Final Terms and, if a Business Day Convention is specified in the relevant Final Terms:

- (a) as the same may be adjusted in accordance with the relevant Business Day Convention; or
- (b) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Final Terms as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case);

Interest Period means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date;

ISDA Definitions means the 2006 ISDA Definitions (as amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the relevant Final Terms)) as published by the International Swaps and Derivatives Association, Inc.;

Issue Date has the meaning given in the relevant Final Terms;

LIBOR means, in respect of any specified currency and any specified period, the interest rate benchmark known as the London interbank offered rate which is calculated and published by a designated distributor (Thomson Reuters) in accordance with the requirements from time to time of ICE Benchmark Administration Limited (or any other person which takes over the administration of that rate) based on estimated interbank borrowing rates for a number of designated currencies and maturities which are provided, in respect of each such currency, by a panel of contributor banks (details of historic LIBOR rates can be obtained from the designated distributor);

Make Whole Redemption Price has the meaning given in Condition 9.3 (*Redemption and Purchase – Redemption at the option of the Issuer (Issuer Call)*);

Margin has the meaning given in the relevant Final Terms;

Material Subsidiary means, at any particular time, a Subsidiary of the Issuer whose total assets or pre-tax profits as shown in the most recent consolidated audited financial statements represent 5 per cent. or more of the consolidated total assets of the Issuer as calculated by reference to the most recent consolidated audited financial statements of the Issuer;

Maturity Date has the meaning given in the relevant Final Terms;

Maximum Redemption Amount has the meaning given in the relevant Final Terms;

Minimum Redemption Amount has the meaning given in the relevant Final Terms;

Moody's means Moody's Investors Service Limited;

NIBOR means, in respect of Norwegian Kroner and for any specified period, the interest rate benchmark known as the Norwegian interbank offered rate which is calculated and published by a designated distributor (Thomson Reuters) in accordance with the requirements from time to time of Norske Finansielle Referanser AS (or any other person which takes over the administration of that rate) based on estimated interbank borrowing rates for Norwegian Kroner for a number of designated maturities which are provided by a panel of contributor banks (details of historic NIBOR rates can be obtained from the designated distributor);

Non-Sterling Make Whole Redemption Amount has the meaning given in Condition 9.3 (*Redemption and Purchase – Redemption at the option of the Issuer (Issuer Call)*);

Noteholder, in the case of Bearer Notes, has the meaning given in Condition 3.2 (*Form, Denomination, Title and Transfer – Title to Bearer Notes*), in the case of Registered Notes, has the meaning given in Condition 3.4 (*Form, Denomination, Title and Transfer – Title to Registered Notes*) and in the case of VPS Notes, has the meaning given in Condition 3.11 (*Form, Denomination, Title and Transfer – VPS Notes*);

Optional Redemption Amount (Call) means, in respect of any Note, its principal amount or such other amount as may be specified in the relevant Final Terms;

Optional Redemption Amount (Put) means, in respect of any Note, its principal amount or such other amount as may be specified in the relevant Final Terms;

Optional Redemption Date (Call) has the meaning given in the relevant Final Terms;

Optional Redemption Date (Put) has the meaning given in the relevant Final Terms;

Par Call Commencement Date has the meaning given in the relevant Final Terms;

Payment Business Day means:

- (a) if the currency of payment is euro, any day which is:
 - (i) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
 - (ii) in the case of payment by transfer to an account, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or
- (b) if the currency of payment is not euro, any day which is:
 - (i) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
 - (ii) in the case of payment by transfer to an account, a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre;

Permitted Refinancing Indebtedness means any Indebtedness of the Issuer or any of its Subsidiaries or any Guarantee of any Indebtedness raised or issued in exchange for, or the net proceeds of which are used to renew, refund, refinance, replace, exchange or discharge other Indebtedness of the Issuer or any of its Subsidiaries (other than intercompany Indebtedness); provided that:

- (a) the aggregate principal amount (or accretable value) of such Permitted Refinancing Indebtedness does not exceed the principal amount (or accreted value, if applicable) of the Indebtedness renewed, refunded, refinanced, replaced, exchanged or discharged (plus all accrued interest on the Indebtedness and the amount of all fees and expenses, including premiums, incurred in connection therewith);
- (b) such Permitted Refinancing Indebtedness has a final maturity date, or may only be redeemed at the option of the Issuer, either (i) no earlier than the final maturity date of the Indebtedness being renewed, refunded, refinanced, replaced, exchanged or discharged or (ii) after the final maturity date of the Notes;
- (c) if the Indebtedness being renewed, refunded, refinanced, replaced or discharged is expressly, contractually subordinated in right of payment to the Notes, such Permitted Refinancing Indebtedness is subordinated in right of payment to the Notes; and
- (d) if the Issuer was the obligor on the Indebtedness being renewed, refunded, refinanced, replaced or discharged, such Permitted Refinancing Indebtedness is incurred by the Issuer;

Permitted Security Interest means a Security Interest on the undertaking or assets of any Person existing at the time such Person is acquired by and becomes a Subsidiary of the Issuer, provided such Security Interest was not created in contemplation of such acquisition and the principal amount secured has not been increased in contemplation of or since such acquisition;

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

Principal Financial Centre means, in relation to any currency, the principal financial centre for that currency **provided, however, that:**

- (a) in relation to euro, it means the principal financial centre of such Member State of the European Communities as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent; and
- (b) in relation to New Zealand dollars, it means either Wellington or Auckland as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent;

Put Option Notice means a notice which must be delivered to the Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

Put Option Receipt means a receipt issued by the Paying Agent to a depositing Noteholder upon deposit of a Note with such Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

Quotation Time has the meaning given in the relevant Final Terms;

Rate of Interest means the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Notes specified in the relevant Final Terms or calculated or determined in accordance with the provisions of these Conditions and/or the relevant Final Terms;

Rating Agency means Moody's, S&P or Fitch;

Redemption Amount means, as appropriate, the Final Redemption Amount, the Early Redemption Amount (Tax), the Optional Redemption Amount (Call), the Sterling Make Whole Redemption Amount, the Non-Sterling Make Whole Redemption Amount, the Optional Redemption Amount (Put), the Clean-up Call Redemption Amount, the Early Termination Amount or such other amount in the nature of a redemption amount as may be specified in the relevant Final Terms;

Redemption Margin has the meaning given in the relevant Final Terms;

Reference Banks has the meaning given in the relevant Final Terms or, if none, four major banks selected by the Issuer, in the market that is most closely connected with the Reference Rate;

Reference Bond has the meaning given in the relevant Final Terms or, if not so specified or to the extent that such Reference Bond specified in the Final Terms is no longer outstanding on the relevant Reference Date, the DA Selected Bond;

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

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

Reference Date has the meaning given in the relevant notice of redemption;

Reference Government Bond Dealer means each of four banks selected by the Issuer (following, where practicable, consultation with the Determination Agent, if applicable), or their affiliates, which are (a) primary government securities dealers, and their respective successors, or (b) market makers in pricing corporate bond issues;

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

Reference Price has the meaning given in the relevant Final Terms;

Reference Rate means CIBOR, EURIBOR, LIBOR, NIBOR or STIBOR as specified in the relevant Final Terms in respect of the currency and period specified in the relevant Final Terms;

Regular Period means:

- (a) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;
- (b) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **Regular Date** means the day and month (but not the year) on which any Interest Payment Date falls; and
- (c) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **Regular Date** means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period;

Relevant Date means, in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received in the Principal Financial Centre of the currency of payment by the Fiscal Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders;

Relevant Financial Centre has the meaning given in the relevant Final Terms;

Relevant Indebtedness means any Indebtedness which is in the form of or represented by any bond, note, debenture, debenture stock, loan stock, certificate or other instrument which is, or is capable of being listed, quoted or traded on any stock exchange or in any securities market (including, without limitation, any over-the-counter market);

Relevant Screen Page means the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the relevant Final Terms, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

Relevant Time has the meaning given in the relevant Final Terms;

Remaining Term Interest means, with respect to any Note, the aggregate amount of scheduled payment(s) of interest on such Note for the remaining term to maturity of such Note (or, if Par Call Commencement Date is specified in the applicable Final Terms, to the Par Call Commencement Date) as specified in the applicable Final Terms, determined on the basis of the rate of interest applicable to such Note from and including the date on which such Note is to be redeemed by the Issuer pursuant to Condition 9.3 (*Redemption and Purchase – Redemption at the option of the Issuer (Issuer Call)*);

Reserved Matter means any proposal to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes, to alter the method of calculating the amount of any payment in respect of the Notes or the date for any such payment, to change the currency of any payment under the Notes or to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution;

S&P means S&P Global Ratings Europe Limited;

Secured Indebtedness means any Indebtedness secured in whole or in part by any assets of the Issuer or any of its Subsidiaries;

Security Interest means any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction;

Specified Currency has the meaning given in the relevant Final Terms;

Specified Denomination(s) has the meaning given in the relevant Final Terms;

Specified Office has the meaning given in the Agency Agreement;

Specified Period has the meaning given in the relevant Final Terms;

Sterling Make Whole Redemption Amount has the meaning given in Condition 9.3 (*Redemption and Purchase – Redemption at the option of the Issuer (Issuer Call)*);

STIBOR means, in respect of any specified currency and any specified period, the interest rate benchmark known as the Stockholm interbank offered rate which is calculated and published by a designated distributor (Financial Benchmarks Sweden AB) in accordance with the requirements from time to time of Financial Benchmarks Sweden AB (or any other person which takes over the administration of that rate) based on estimated interbank borrowing rates for a number of designated currencies and maturities which are provided, in respect of each such currency, by a panel of contributor banks (details of historic STIBOR rates can be obtained from the designated distributor);

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

- (a) which is a subsidiary (Sw. dotterföretag) to the first Person, directly or indirectly, as defined in the Swedish Companies Act (Sw. aktiebolagslagen 2005:551); or
- (b) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated with those of the first Person;

Talon means a talon for further Coupons;

TARGET2 means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007;

TARGET Settlement Day means any day on which TARGET2 is open for the settlement of payments in euro;

Treaty means the Treaty of the Functioning of the European Union, as amended; and

Zero Coupon Note means a Note specified as such in the relevant Final Terms;

2.2 Interpretation

In these Conditions:

- (a) if the Notes are Zero Coupon Notes, references to Coupons and Couponholders are not applicable;
- (b) if Talons are specified in the relevant Final Terms as being attached to the Notes at the time of issue, references to Coupons shall be deemed to include references to Talons;
- (c) if Talons are not specified in the relevant Final Terms as being attached to the Notes at the time of issue, references to Talons are not applicable;
- (d) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 13 (*Taxation*), any premium payable in respect of a Note and any other amount in the nature of principal payable pursuant to these Conditions;
- (e) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 13 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Conditions;
- (f) references to Notes being "outstanding" shall be construed in accordance with the Agency Agreement;
- (g) if an expression is stated in Condition 2.1 (*Definitions*) to have the meaning given in the relevant Final Terms, but the relevant Final Terms gives no such meaning or specifies that such expression is "not applicable" then such expression is not applicable to the Notes; and
- (h) any reference to the Deed of Covenant, the Agency Agreement, the VPS Agency Agreement or the VPS Trustee Agreement shall be construed as a reference to the Deed of Covenant, the Agency Agreement, the VPS Agency Agreement or the VPS Trustee Agreement, as the case may be, as amended and/or supplemented (as applicable) up to and including the Issue Date of the Notes.

3. FORM, DENOMINATION, TITLE AND TRANSFER

3.1 Bearer Notes

Bearer Notes are in the Specified Denomination(s) with Coupons and, if specified in the relevant Final Terms, Talons attached at the time of issue. In the case of a Series of Bearer Notes with more than one Specified Denomination, Bearer Notes of one Specified Denomination will not be exchangeable for Bearer Notes of another Specified Denomination.

3.2 Title to Bearer Notes

Title to Bearer Notes and the Coupons will pass by delivery. In the case of Bearer Notes, **Holder** means the holder of such Bearer Note and **Noteholder** and **Couponholder** shall be construed accordingly.

3.3 Registered Notes

Registered Notes are in the Specified Denomination(s), which may include a minimum denomination specified in the relevant Final Terms and higher integral multiples of a smaller amount specified in the relevant Final Terms.

3.4 Title to Registered Notes

The Registrar will maintain the register in accordance with the provisions of the Agency Agreement. A certificate (each, a **Note Certificate**) will be issued to each Holder of Registered Notes in respect of its registered holding. Each Note Certificate will be numbered serially with an identifying number which will be recorded in the Register. In the case of Registered Notes, **Holder** means the person in whose name such Registered Note is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof) and **Noteholder** shall be construed accordingly.

3.5 Ownership

The Holder of any Note or Coupon shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or, in the case of Registered Notes, on the Note Certificate relating thereto (other than the endorsed form of transfer) or any notice of any previous loss or theft thereof) and no Person shall be liable for so treating such Holder. No person shall have any right to enforce any term or condition of any Note under the Contracts (Rights of Third Parties) Act 1999.

3.6 Transfers of Registered Notes

Subject to Conditions 3.9 (*Closed periods*) and 3.10 (*Regulations concerning transfers and registration*) below, a Registered Note may be transferred upon surrender of the relevant Note Certificate, with the endorsed form of transfer duly completed, at the Specified Office of the Registrar or any Transfer Agent, together with such evidence as the Registrar or (as the case may be) such Transfer Agent may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer; **provided, however, that** a Registered Note may not be transferred unless the principal amount of Registered Notes transferred and (where not all of the Registered Notes held by a Holder are being transferred) the principal amount of the balance of Registered Notes not transferred are Specified Denominations. Where not all the Registered Notes represented by the surrendered Note Certificate are the subject of the transfer, a new Note Certificate in respect of the balance of the Registered Notes will be issued to the transferor.

3.7 Registration and delivery of Note Certificates

Within five business days of the surrender of a Note Certificate in accordance with Condition 3.6 (*Transfers of Registered Notes*) above, the Registrar will register the transfer in question and deliver a new Note Certificate of a like principal amount to the Registered Notes transferred to each relevant Holder at its Specified Office or (as the case may be) the Specified Office of any Transfer Agent or (at the request and risk of any such relevant Holder) by uninsured first class mail (airmail if overseas) to the address specified for the purpose by such relevant Holder. In this Condition, **business day** means a day on which commercial banks are open for general business (including dealings in foreign

currencies) in the city where the Registrar or (as the case may be) the relevant Transfer Agent has its Specified Office.

3.8 No charge

The transfer of a Registered Note will be effected without charge by or on behalf of the Issuer or the Registrar or any Transfer Agent but against such indemnity as the Registrar or (as the case may be) such Transfer Agent may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such transfer.

3.9 Closed periods

Noteholders may not require transfers to be registered during the period of 15 days ending on the due date for any payment of principal or interest in respect of the Registered Notes.

3.10 Regulations concerning transfers and registration

All transfers of Registered Notes and entries on the Register are subject to the detailed regulations concerning the transfer of Registered Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Noteholder who requests in writing a copy of such regulations.

3.11 VPS Notes

Title to VPS Notes will pass by registration in the registers between the direct or indirect accountholders at VPS Norway in accordance with the Norwegian Securities Registry Act of 5 July 2002 (No. *verdipapirregisterloven*) (the **VPS Act**) and the rules and procedures of VPS Norway. From 1 January 2020, the VPS Act has been repealed and replaced by the Norwegian Central Securities Depositories Act of 15 March 2019 no. 6, which implements Regulation (EU) no. 909/2014 (**CSDR**) into Norwegian law. However, transitional rules have been passed to allow VPS Norway to operate under the old rules in the VPS Act until such time when VPS Norway has been authorised as a CSD under the Norwegian Central Securities Depositories Act and CSDR. The holder of a VPS Note will be the person evidenced as such by a book entry in the records of VPS Norway (as amended from time to time). The person evidenced (including any nominee) as a holder of the VPS Notes shall be treated as the holder of such VPS Notes for the purposes of payment of principal or interest on such Notes and for all other purposes. The Issuer and the VPS Trustee may rely on a certificate of VPS Norway or one issued on behalf of VPS Norway by an account-carrying institution as to a particular person being a holder of VPS Notes. The expressions **Noteholders** and **Holder** and related expressions shall, in each case, be construed accordingly. Any references in these Conditions to Coupons, Talons, Couponholders, Bearer Notes, Note Certificates, Put Option Receipts, Registered Notes, Bearer Global Notes and Notes in definitive form (or, in each case, similar expressions) shall not apply to VPS Notes.

4. STATUS

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

5. COVENANTS

5.1 Negative Pledge

So long as any Note remains outstanding, the Issuer shall not, and the Issuer shall procure that none of its Subsidiaries will, create or permit to subsist any Security Interest other than a Permitted Security Interest upon the whole or any part of its present or future undertaking, assets or revenues (including uncalled capital) to secure any Relevant Indebtedness or to secure any Guarantee of Relevant Indebtedness without (a) at the same time or prior thereto securing the Notes equally and rateably therewith or (b) providing such other security for the Notes as may be approved by an Extraordinary Resolution of Noteholders.

5.2 Limitations on the Incurrence of Secured Indebtedness

So long as any Note remains outstanding the Issuer will not, and will not permit any Subsidiary to incur directly or indirectly, any Secured Indebtedness or any Guarantee of any Secured Indebtedness (excluding for the purposes of this Condition 5.2 any Permitted Refinancing Indebtedness) if, on the date of such incurrence and after giving pro forma effect thereto (including pro forma application of the proceeds) the total value of Secured Indebtedness would exceed 40 per cent. of Consolidated Total Assets.

6. FIXED RATE NOTE PROVISIONS

6.1 Application

This Condition 6 (*Fixed Rate Note Provisions*) is applicable to the Notes only if the Fixed Rate Note Provisions are specified in the relevant Final Terms as being applicable.

6.2 Accrual of interest

The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 10 (*Payments – Bearer Notes*), Condition 11 (*Payments – Registered Notes*) and Condition 12 (*Payments – VPS Notes*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 6 (*Fixed Rate Note Provisions*) (as well after as before judgment) until whichever is the earlier of (a) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (b) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

6.3 Fixed Coupon Amount

The amount of interest payable in respect of each Note for any Interest Period shall be the relevant Fixed Coupon Amount or Broken Amount, as the case may be, and, if the Notes are in more than one Specified Denomination, shall be the relevant Fixed Coupon Amount or Broken Amount, as the case may be, in respect of the relevant Specified Denomination.

6.4 Calculation of interest amount

The amount of interest payable in respect of each Note for any period for which a Fixed Coupon Amount or Broken Amount is not specified shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the

resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount. For this purpose a **sub-unit** means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

7. FLOATING RATE NOTE PROVISIONS

7.1 Application

This Condition 7 (*Floating Rate Note Provisions*) is applicable to the Notes only if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable.

7.2 Accrual of interest

The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 10 (*Payments – Bearer Notes*), Condition 11 (*Payments – Registered Notes*) and Condition 12 (*Payments – VPS Notes*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 7 (*Floating Rate Note Provisions*) (as well after as before judgment) until whichever is the earlier of (a) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (b) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

7.3 Screen Rate Determination

If Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be determined by the Calculation Agent on the following basis:

- (a) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
- (b) if Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight-line linear interpolation by reference to two rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date, where:
 - (i) one rate shall be determined as if the relevant Interest Period were the period of time for which rates are available next shorter than the length of the relevant Interest Period; and
 - (ii) the other rate shall be determined as if the relevant Interest Period were the period of time for which rates are available next longer than the length of the relevant Interest Period;

provided, however, that if no rate is available for a period of time next shorter or, as the case may be, next longer than the length of the relevant Interest Period, then the Calculation Agent

shall determine such rate at such time and by reference to such sources as it determines appropriate;

- (c) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
- (d) if, in the case of (a) above, such rate does not appear on that page or, in the case of (c) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Calculation Agent will:
 - (i) request the principal Relevant Financial Centre office of each of the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Interest Determination Date to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and
 - (ii) determine the arithmetic mean of such quotations; and
- (e) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Calculation Agent) quoted by major banks in the Principal Financial Centre of the Specified Currency, selected by the Issuer, at approximately 11am (local time in the Principal Financial Centre of the Specified Currency) on the first day of the relevant Interest Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time,

and the Rate of Interest for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; **provided, however, that** if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to the Notes during such Interest Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Notes in respect of a preceding Interest Period.

7.4 ISDA Determination

If ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be the sum of the Margin and the relevant ISDA Rate where **ISDA Rate** in relation to any Interest Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Calculation Agent (which will not be the Fiscal Agent for this purpose) under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (a) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the relevant Final Terms;
- (b) the Designated Maturity (as defined in the ISDA Definitions) is a period specified in the relevant Final Terms;

- (c) the relevant Reset Date (as defined in the ISDA Definitions) is either (i) if the relevant Floating Rate Option is based on LIBOR for a currency, the first day of that Interest Period or (ii) in any other case, as specified in the relevant Final Terms; and
- (d) if Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight-line linear interpolation by reference to two rates based on the relevant Floating Rate Option, where:
 - (i) one rate shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period; and
 - (ii) the other rate shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period

provided, however, that if there is no rate available for a period of time next shorter than the length of the relevant Interest Period or, as the case may be, next longer than the length of the relevant Interest Period, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

7.5 Maximum or Minimum Rate of Interest

If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Final Terms, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified.

7.6 Calculation of Interest Amount

The Calculation Agent will, as soon as practicable after the time at which the Rate of Interest is to be determined in relation to each Interest Period, calculate the Interest Amount payable in respect of each Note for such Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of the relevant Note divided by the Calculation Amount. For this purpose a **sub-unit** means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

7.7 Publication

The Calculation Agent will cause each Rate of Interest and Interest Amount determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Paying Agents and each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation and, in the case of the VPS Notes, the VPS Trustee and the VPS Agent as soon as practicable after such determination but (in the case of each Rate of Interest, Interest Amount and Interest Payment Date) in any event not later than the first day of the relevant Interest Period. Notice thereof shall also promptly be given to the Noteholders. The Calculation Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period. If the Calculation Amount is less than the minimum Specified Denomination the Calculation Agent shall not be obliged to publish

each Interest Amount but instead may publish only the Calculation Amount and the Interest Amount in respect of a Note having the minimum Specified Denomination.

7.8 Notifications etc.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Paying Agents, the VPS Trustee, the VPS Agent, VPS Norway, the Noteholders and the Couponholders and (subject as aforesaid) no liability to any such Person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

7.9 Benchmark Discontinuation

Notwithstanding the provisions above in this Condition 7, if the Issuer, in consultation with the party responsible for determining the Rate of Interest (being the Calculation Agent or such other party specified in the applicable Final Terms, as applicable), determines that a Benchmark Event has occurred in relation to an Original Reference Rate at any time when the Conditions provide for any Rate of Interest (or any component part thereof) to be determined by reference to such Original Reference Rate, then the following provisions shall apply.

(a) Independent Adviser

The Issuer shall use reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine (acting in good faith and in a commercially reasonable manner) a Successor Rate, failing which an Alternative Rate and, in either case, an Adjustment Spread and any Benchmark Amendments (each as defined and as further described below) no later than five Business Days prior to the Interest Determination Date relating to the next succeeding Interest Period (the **IA Determination Cut-off Date**) for purposes of determining the Rate of Interest applicable to the Notes for such next succeeding Interest Period and for all future Interest Periods (subject to the subsequent operation of this Condition 7(a) during any other future Interest Period(s)).

(b) Successor Rate or Alternative Rate

If the Independent Adviser (acting in good faith and in a commercially reasonable manner) determines that:

- (i) there is a Successor Rate, then such Successor Rate (as adjusted by the applicable Adjustment Spread as provided in Condition 7.9(c)) shall subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the subsequent further operation of this Condition 7.9); or
- (ii) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate (as adjusted by the applicable Adjustment Spread as provided in Condition 7.9(c)) shall subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the subsequent further operation of this Condition 7.9).

(c) *Adjustment Spread*

If a Successor Rate or Alternative Rate is determined in accordance with Condition 7.9(b), the Independent Adviser acting in good faith and in a commercially reasonable manner shall determine an Adjustment Spread (which may be expressed as a specified quantum or a formula or methodology for determining the applicable Adjustment Spread (and, for the avoidance of doubt, an Adjustment Spread may be positive, negative or zero)), which Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be for each subsequent determination of a relevant Rate of Interest (or a relevant component part thereof) by reference to such Successor Rate or Alternative Rate (as applicable)), subject to the subsequent further operation and adjustment as provided in this Condition 7.9.

(d) *Benchmark Amendments*

If any Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 7.9 and the Independent Adviser acting in good faith and in a commercially reasonable manner determines (i) that amendments to these Conditions are necessary to ensure the proper operation of such Successor Rate or Alternative Rate (as the case may be) and the applicable Adjustment Spread (such amendments, the **Benchmark Amendments**) and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 7.9(e), without any requirement for the consent or approval of Noteholders or Couponholders, vary these Conditions to give effect to such Benchmark Amendments with effect from the date specified in such notice.

At the request of the Issuer, the Fiscal Agent, the Paying Agents and the Calculation Agent shall (at the Issuer's expense and direction), without any requirement for the consent or approval of the Noteholders or Couponholders, be obliged to concur with the Issuer in effecting any Benchmark Amendments required to the Agency Agreement and these Conditions.

In connection with any such variation in accordance with this Condition 7.9(d), the Issuer shall comply with the rules of any stock exchange or other relevant authority on or by which the Notes are for the time being listed or admitted to trading.

(e) *Notices, etc.*

The Issuer shall promptly notify the party responsible for determining the Rate of Interest (being the Calculation Agent or such other party specified in the applicable Final Terms, as applicable), the Fiscal Agent, the Paying Agents and, in accordance with Condition 20 (*Notices*), the Noteholders of any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments determined under this Condition 7.9(e). Such Notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

(f) *Survival of Original Reference Rate*

Without prejudice to the obligations of the Issuer under this Condition 7.9, the Original Reference Rate and the fallback provisions provided for in Condition 7.3 will continue to apply unless and until the party responsible for determining the Rate of Interest (being the Calculation Agent or such other party specified in the applicable Final Terms, as applicable) has been notified of the Successor Rate or the Alternative Rate (as the case may be), the applicable Adjustment Spread and Benchmark Amendments (if applicable), in accordance with Condition 7.9(e).

(g) *Fallbacks*

If, following the occurrence of a Benchmark Event and in relation to the determination of the Rate of Interest on the immediately following Interest Determination Date, the Issuer is unable to appoint an Independent Adviser or no Successor Rate or Alternative Rate (as applicable) is determined pursuant to this provision prior to the IA Determination Cut-off Date and the Relevant Screen Page is no longer available for use, the Rate of Interest applicable to the next succeeding Interest Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the immediately preceding Interest Period (though substituting, where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Period).

For the avoidance of doubt, this Condition 7.9 shall apply to the determination of the Rate of Interest on the relevant Interest Determination Date only, and the Rate of Interest applicable to any subsequent Interest Period(s) is subject to the subsequent operation of, and to adjustment as provided in, this Condition 7.9.

For the purposes of this Condition 7.9:

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

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

Alternative Rate means an alternative to the Original Reference Rate which the Independent Adviser acting in good faith and in a commercially reasonable manner determines in accordance with Condition 7.9(b) has replaced the Original Reference Rate in customary market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) for the same interest period and in the same Specified Currency as the Notes or, if the Independent Adviser determines there is no such rate, such other rate as the Independent Adviser acting in good faith and in a commercially reasonable manner determines is most comparable to the relevant Reference Rate;

Benchmark Amendments has the meaning given to it in Condition 7.9(d);

Benchmark Event means:

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

Independent Adviser means an independent financial institution of international repute or other independent financial adviser experienced in the international capital markets, in each case appointed by the Issuer at its own expense. For the avoidance of doubt, an Independent Adviser appointed pursuant to this Condition 7.9 shall act in good faith as an expert and in a commercially reasonable manner and (in the absence of bad faith or fraud) shall have no liability whatsoever to the Issuer, the Paying Agents, the Noteholders or the Couponholders for any determination made by it pursuant to this Condition 7.9;

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

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

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

Successor Rate means a successor to or replacement of the Original Reference Rate or, where a Successor Rate or an Alternative Rate has been determined pursuant to Condition 7.9(b), such Successor Rate or Alternative Rate, as applicable, which is formally recommended, or formally provided as an option for parties to adopt, by any Relevant Nominating Body.

8. ZERO COUPON NOTE PROVISIONS

8.1 Application

This Condition 8 (*Zero Coupon Note Provisions*) is applicable to the Notes only if the Zero Coupon Note Provisions are specified in the relevant Final Terms as being applicable.

8.2 Late payment on Zero Coupon Notes

If the Redemption Amount payable in respect of any Zero Coupon Note is improperly withheld or refused, the Redemption Amount shall thereafter be an amount equal to the sum of:

- (a) the Reference Price; and
- (b) the product of the Accrual Yield (compounded annually) being applied to the Reference Price on the basis of the relevant Day Count Fraction from (and including) the Issue Date to (but excluding) whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

9. REDEMPTION AND PURCHASE

9.1 Scheduled redemption

Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their Final Redemption Amount on the Maturity Date, subject as provided in Condition 10 (*Payments – Bearer Notes*), Condition 11 (*Payments – Registered Notes*) and Condition 12 (*Payments – VPS Notes*).

9.2 Redemption for tax reasons

The Notes may be redeemed at the option of the Issuer in whole, but not in part:

- (a) at any time (unless the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable); or
- (b) on any Interest Payment Date (if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable),

on giving not less than 30 nor more than 60 days' notice to the Noteholders, or such other period(s) as may be specified in the relevant Final Terms, (which notice shall be irrevocable), at their Early Redemption Amount (Tax), together with interest accrued (if any) to the date fixed for redemption, if:

- (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 13 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of the Kingdom of Sweden or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after an agreement is reached to issue the first Tranche of the Notes; and
- (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided, however, that no such notice of redemption shall be given earlier than:

- (A) where the Notes may be redeemed at any time, 90 days (or such other period as may be specified in the relevant Final Terms) prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due; or
- (B) where the Notes may be redeemed only on an Interest Payment Date, 60 days (or such other period as may be specified in the relevant Final Terms) prior to the Interest Payment Date occurring immediately before the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due.

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Fiscal Agent and, in the case of VPS Notes, the VPS Trustee and the VPS Agent (A) a certificate signed by two directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred of and (B) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment. Upon the expiry of any such notice as is referred to in this Condition 9.2, the Issuer shall be bound to redeem the Notes in accordance with this Condition 9.2.

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

If the Call Option is specified in the relevant Final Terms as being applicable, the Notes may be redeemed at the option of the Issuer in whole or, if so specified in the relevant Final Terms, in part on any Optional Redemption Date (Call) on the Issuer's giving not less than 10 nor more than 60 days' notice to the Noteholders, or such other period(s) as may be specified in the relevant Final Terms (which notice shall be irrevocable (other than in the circumstances set out below) and shall oblige the Issuer to redeem the Notes or, as the case may be, the Notes specified in such notice on the relevant Optional Redemption Date (Call) at the applicable amount specified in the relevant Final Terms

(together, if appropriate, with accrued interest to (but excluding) the relevant Optional Redemption Date (Call)) at one of:

- (a) the Optional Redemption Amount (Call); or
- (b) the Make Whole Redemption Price.

The **Make Whole Redemption Price** will, in respect of Notes to be redeemed, be:

- (i) if **Sterling Make Whole Redemption Amount** is specified as being applicable in the relevant Final Terms an amount equal to the higher of (i) 100 per cent. of the principal amount of such Notes and (ii) the principal amount of such Notes multiplied by the price (expressed as a percentage), as reported in writing to the Issuer by the Determination Agent (if applicable), at which the Gross Redemption Yield on such Notes on the Reference Date is equal to the Gross Redemption Yield (as determined by reference to the middle market price) at the Quotation Time on the Reference Date of the Reference Bond, plus the Redemption Margin, as determined by the Determination Agent; or
- (ii) if **Non-Sterling Make Whole Redemption Amount** is specified in the applicable Final Terms, the greater of (x) 100 per cent. of the nominal amount outstanding of the Notes to be redeemed and (y) the sum of the net present values of the nominal amount outstanding of the Notes to be redeemed and the Remaining Term Interest on such Notes (exclusive of interest accrued to the date of redemption) and such present values shall be calculated by discounting such amounts to the date of redemption on an annual basis (based on the Day Count Fraction specified in the applicable Final Terms) at the Reference Bond Rate plus the Redemption Margin, if any, specified in the applicable Final Terms, all as determined by the Determination Agent.

If Make Whole Redemption Price is specified in the relevant Final Terms as being applicable, any notice of redemption may, at the Issuer's discretion, be subject to one or more conditions precedent, in which case such notice shall state that, in the Issuer's discretion, the Optional Redemption Date (Call) may be delayed until such time as any or all such conditions shall be satisfied (or waived by the Issuer in its sole discretion), or such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied (or waived by the Issuer in its sole discretion) by the Optional Redemption Date (Call), or by the Optional Redemption Date (Call) so delayed.

9.4 Partial redemption

If the Notes are to be redeemed in part only on any date in accordance with Condition 9.3 (*Redemption at the option of the Issuer (Issuer Call)*), in the case of Bearer Notes, the Notes to be redeemed shall be selected by the drawing of lots in such place as the Fiscal Agent approves and in such manner as the Fiscal Agent considers appropriate, subject to compliance with applicable law, the rules of each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation and the notice to Noteholders referred to in Condition 9.3 (*Redemption at the option of the Issuer (Issuer Call)*) (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) shall specify the serial numbers of the Notes so to be redeemed (which will be published by the Issuer in accordance with Condition 20 (*Notices*) not less than 15 days prior to the date fixed for redemption), and, in the case of Registered Notes and (subject to compliance with the rules of VPS Norway in the case of VPS Notes) VPS Notes, each Note shall be redeemed in part in the proportion which the aggregate principal amount of the outstanding Notes to be redeemed on the relevant Optional Redemption Date (Call) bears to the aggregate principal amount of outstanding Notes on such date. If any Maximum Redemption Amount or Minimum Redemption Amount is specified in

the relevant Final Terms, then the Optional Redemption Amount (Call) shall in no event be greater than the maximum or be less than the minimum so specified.

9.5 Redemption at the option of Noteholders (Investor Put)

If Put Option is specified in the relevant Final Terms as being applicable, the Issuer shall, at the option of the Holder of any Note redeem such Note on the Optional Redemption Date (Put) specified in the relevant Put Option Notice at the relevant Optional Redemption Amount (Put) together with interest (if any) accrued to such date. In order to exercise the option contained in this Condition 9.5, the Holder of a Note (other than a holder of a VPS Note) must, not less than 30 nor more than 60 days before the relevant Optional Redemption Date (Put) (or such other period(s) as may be specified in the relevant Final Terms), deposit with any Paying Agent such Note together with all unmatured Coupons relating thereto and a duly completed Put Option Notice in the form obtainable from any Paying Agent. The Paying Agent with which a Note is so deposited shall deliver a duly completed Put Option Receipt to the depositing Noteholder. In the case of a VPS Note, within the notice period set out above, a holder of any VPS Note may exercise its option to require redemption of its VPS Notes by giving written notice to its account manager for VPS Norway, who will notify the VPS Agent and the VPS Trustee of the exercise of such option. No Note, once deposited with a duly Put Option Notice in accordance with this Condition 9.5, may be withdrawn; **provided, however, that** if, prior to the relevant Optional Redemption Date (Put), any such Note becomes immediately due and payable or, upon due presentation of any such Note on the relevant Optional Redemption Date (Put), payment of the redemption moneys is improperly withheld or refused, the relevant Paying Agent shall mail notification thereof to the depositing Noteholder at such address as may have been given by such Noteholder in the relevant Put Option Notice and shall hold such Note at its Specified Office for collection by the depositing Noteholder against surrender of the relevant Put Option Receipt. For so long as any outstanding Note is held by a Paying Agent in accordance with this Condition 9.5, the depositor of such Note and not such Paying Agent shall be deemed to be the Holder of such Note for all purposes.

9.6 Change of Control Put Option

If Change of Control Put Option is specified in the relevant Final Terms as being applicable then if at any time while any Note remains outstanding, there occurs

- (a) a Change of Control, and, within the Change of Control Period, a Rating Event in respect of that Change of Control occurs (such Change of Control and Rating Event not having been cured prior to the expiry of the Change of Control Period), or
- (b) a Change of Control and, on the occurrence of the Change of Control, the Issuer is not rated by any Rating Agency and, within the Change of Control Period a Negative Rating Event occurs,

(each a **Change of Control Put Event**) each Noteholder will have the option (the **Change of Control Put Option**) (unless, prior to the giving of the Change of Control Put Event Notice (as defined below), the Issuer gives notice to redeem the Notes under Condition 9.2 (*Redemption for tax reasons*) or 9.3 (*Redemption at the option of the Issuer (Issuer Call)*)) to require the Issuer to redeem or, at the Issuer's option, to procure the purchase of, all or part of its Notes, on the Optional Redemption Date (as defined below) at the principal amount outstanding of such Notes together with (or where purchased, together with an amount equal to) interest accrued to, but excluding, the Optional Redemption Date.

A **Negative Rating Event** shall be deemed to have occurred if (i) the Issuer does not, prior to or not later than 21 days after the occurrence of the relevant Change of Control, seek, and thereafter throughout the Change of Control Period use reasonable endeavours to obtain, a rating of the Notes or (ii) if the Issuer does so seek and use such reasonable endeavours, it is unable to obtain such rating of

at least the rating assigned to the Notes or the Issuer on the Issue Date of the Notes by the end of the Change of Control Period and the relevant Rating Agency announces publicly or confirms in writing to the Issuer that the failure to issue a rating of at least the rating assigned to the Notes or the Issuer on the Issue Date of the Notes was as a result, directly or indirectly, of the Change of Control (whether or not the Change of Control had occurred at such time).

A **Rating Event** shall be deemed to have occurred in respect of a Change of Control if (within the Change of Control Period) (A) the rating previously assigned to the Notes or to the Issuer by any Rating Agency solicited by (or with the consent of) the Issuer is (x) withdrawn or (y) lowered by at least one full rating notch (for example, from A3 to Baa1, or their respective equivalents) and (B) such rating is not within the Change of Control Period subsequently reinstated to its earlier credit rating or better by such Rating Agency, provided that the Rating Agency making the reduction in or withdrawing the rating announces or publicly confirms or, having been so requested by the Issuer, informs the Issuer in writing that the lowering or withdrawal of the rating was the result, in whole or in part, of the applicable Change of Control (whether or not the applicable Change of Control shall have occurred at the time of the Rating Event).

Change of Control Period means the period beginning on the date (the **Relevant Announcement Date**) that is the earlier of (A) the first public announcement by or on behalf the Issuer or any bidder or any designated adviser, of the relevant Change of Control; and (B) the date of the earliest Potential Change of Control Announcement, and ending 90 days after the Relevant Announcement Date (such 90th day, the **Initial Longstop Date**); provided that, unless any other Rating Agency has on or prior to the Initial Longstop Date effected a Rating Event in respect of its rating of the Issuer, or the Notes if a Rating Agency publicly announces, at any time during the period commencing on the date which is 60 days prior to the Initial Longstop Date and ending on the Initial Longstop Date, that it has placed its rating of the Issuer or the Notes under consideration for rating review either entirely or partially as a result of the relevant public announcement of the Change of Control or Potential Change of Control Announcement, the Change of Control Period shall be extended to the date which falls 60 days after the date of such public announcement by such Rating Agency.

Potential Change of Control Announcement means any public announcement or statement by the Issuer, any actual or potential bidder or any designated adviser thereto relating to any specific and near-term potential Change of Control (where "near-term" shall mean that such potential Change of Control is reasonably likely to occur, or is publicly stated by the Issuer, any such actual or potential bidder or any such designated adviser to be intended to occur, within 180 days of the date of such announcement of statement).

Promptly upon the Issuer becoming aware that a Change of Control has occurred, the Issuer shall give notice (a **Change of Control Put Event Notice**) to the Noteholders in accordance with Condition 20 (*Notices*) specifying the nature of the Change of Control and the circumstances giving rise to it and the procedure for exercising the Change of Control Put Option contained in this Condition 9.6.

To exercise the Change of Control Put Option, a Noteholder must transfer or cause to be transferred its Notes to be so redeemed or purchased to the account of the Fiscal Agent specified in the Change of Control Put Option Notice (as defined below) for the account of the Issuer within the period of 20 Business Days after a Change of Control Put Event Notice is given together with a duly signed and completed notice of exercise in the then current form obtainable from the Fiscal Agent (a **Change of Control Put Option Notice**) and in which the Noteholder may specify a bank account to which payment is to be made under this Condition 9.6.

A Change of Control Put Option Notice once given shall be irrevocable. The Issuer shall redeem or, at its option, procure the purchase of, the Notes in respect of which the Change of Control Put Option has been validly exercised as provided above, and subject to the transfer of such Notes to the account of the Fiscal Agent for the account of the Issuer as described above by the date which is specified in

the Change of Control Put Event Notice and is not more than 90 days after a Change of Control Put Event Notice is given (the **Optional Redemption Date**). Payment in respect of such Notes will be made on the Optional Redemption Date by transfer to the bank account specified in the Change of Control Put Option Notice.

For the avoidance of doubt, the Issuer shall have no responsibility for any cost or loss of whatever kind (including breakage costs) which the Noteholder may incur as a result of or in connection with such Noteholder's exercise or purported exercise of, or otherwise in connection with, any Change of Control Put Option (whether as a result of any purchase or redemption arising therefrom or otherwise).

If 80 per cent. or more in principal amount of the Notes then outstanding have been redeemed pursuant to this Condition 9.6, the Issuer may, on not less than 30 nor more than 60 days' irrevocable notice to the Noteholders in accordance with Condition 20 (*Notices*) given within 30 days after the Optional Redemption Date, redeem on a date to be specified in such notice at its option, all (but not some only) of the remaining Notes at their principal amount, together with interest accrued to but excluding the date of redemption.

9.7 Clean-up Call Option

If the Clean-up Call Option is specified in the relevant Final Terms as being applicable, in the event that Notes representing an aggregate amount equal to or exceeding 80 per cent. of the principal amount of the Notes have been purchased and cancelled or redeemed by the Issuer (other than as a result of the exercise by the Issuer of its redemption right under Condition 9.3 (*Redemption at the option of the Issuer (Issuer Call)*)) the Issuer may, on giving not less than 10 nor more than 60 days' irrevocable notice to the Noteholders (or such other notice period as may be specified in the applicable Final Terms), redeem on the date specified in such notice all, but not some only, of the remaining Notes in that Series at their Clean-up Call Redemption Amount together with any interest accrued to but excluding the date set for redemption.

9.8 No other redemption

The Issuer shall not be entitled to redeem the Notes otherwise than as provided in Conditions 9.1 to 9.7 above.

9.9 Early redemption of Zero Coupon Notes

Unless otherwise specified in the relevant Final Terms, the Redemption Amount payable on redemption of a Zero Coupon Note at any time before the Maturity Date shall be an amount equal to the sum of:

- (a) the Reference Price; and
- (b) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Note becomes due and payable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the Final Terms for the purposes of this Condition 9.9 or, if none is so specified, a Day Count Fraction of 30E/360.

9.10 Purchase

The Issuer or any of its Subsidiaries may at any time purchase Notes in the open market or otherwise and at any price, **provided that** all unmatured Coupons are purchased therewith. Such Notes may be held, reissued, resold or, at the option of the Issuer or the relevant Subsidiary surrendered to the Fiscal Agent for cancellation or, in the case of VPS Notes, cancelled in accordance with the procedures of VPS Norway and the VPS Agency Agreement.

9.11 Cancellation

All Notes so redeemed or purchased or surrendered for cancellation and any unmatured Coupons attached to or surrendered with them shall be cancelled and may not be reissued or resold.

10. PAYMENTS – BEARER NOTES

This Condition 10 (*Payments – Bearer Notes*) is only applicable to Bearer Notes.

10.1 Principal

Payments of principal shall be made only against presentation and (**provided that** payment is made in full) surrender of Bearer Notes at the Specified Office of any Paying Agent outside the United States by cheque drawn in the currency in which the payment is due on, or by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency.

10.2 Interest

Payments of interest shall, subject to Condition 10.8 below, be made only against presentation and (**provided that** payment is made in full) surrender of the appropriate Coupons at the Specified Office of any Paying Agent outside the United States in the manner described in Condition 10.1 above.

10.3 Payments in New York City

Payments of principal or interest may be made at the Specified Office of a Paying Agent in New York City if (i) the Issuer has appointed Paying Agents outside the United States with the reasonable expectation that such Paying Agents will be able to make payment of the full amount of the interest on the Notes in the currency in which the payment is due when due, (ii) payment of the full amount of such interest at the offices of all such Paying Agents is illegal or effectively precluded by exchange controls or other similar restrictions and (iii) payment is permitted by applicable United States law.

10.4 Payments subject to fiscal laws

All payments in respect of the Notes are subject in all cases to (a) any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 13 (*Taxation*) and (b) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the US Internal Revenue Code of 1986, as amended (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto. No commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

10.5 Deductions for unmatured Coupons

If the relevant Final Terms specifies that the Fixed Rate Note Provisions are applicable and a Bearer Note is presented without all unmatured Coupons relating thereto:

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

Each sum of principal so deducted shall be paid in the manner provided in Condition 10.1 above against presentation and (**provided that** payment is made in full) surrender of the relevant missing Coupons.

10.6 Unmatured Coupons void

If the relevant Final Terms specifies that the Floating Rate Note Provisions are applicable, on the due date for final redemption of any Note or early redemption in whole of such Note pursuant to Condition 9.2 (*Redemption for tax reasons*), Condition 9.3 (*Redemption at the option of the Issuer (Issuer Call)*) Condition 9.5 (*Redemption at the option of Noteholders (Investor Put)*), Condition 9.7 (*Clean-up Call Option*) or Condition 14 (*Events of Default*), all unmatured Coupons relating thereto (whether or not still attached) shall become void and no payment will be made in respect thereof.

10.7 Payments on business days

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

10.8 Payments other than in respect of matured Coupons

Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Bearer Notes at the Specified Office of any Paying Agent outside the United States (or in New York City if permitted by Condition 10.3 above).

10.9 Partial payments

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

10.10 Exchange of Talons

On or after the maturity date of the final Coupon which is (or was at the time of issue) part of a Coupon Sheet relating to the Bearer Notes, the Talon forming part of such Coupon Sheet may be exchanged at the Specified Office of the Fiscal Agent for a further Coupon Sheet (including, if appropriate, a further Talon but excluding any Coupons in respect of which claims have already become void pursuant to Condition 15 (*Prescription*)). Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note shall become void and no Coupon will be delivered in respect of such Talon.

11. PAYMENTS – REGISTERED NOTES

This Condition 11 (*Payments – Registered Notes*) is only applicable to Registered Notes.

11.1 Principal

Payments of principal shall be made by cheque drawn in the currency in which the payment is due drawn on, or, upon application by a Holder of a Registered Note to the Specified Office of the Fiscal Agent not later than the fifteenth day before the due date for any such payment, by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency (in the case of a sterling cheque, a town clearing branch of a bank in the City of London) and (in the case of redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.

11.2 Interest

Payments of interest shall be made by cheque drawn in the currency in which the payment is due drawn on, or, upon application by a Holder of a Registered Note to the Specified Office of the Fiscal Agent not later than the fifteenth day before the due date for any such payment, by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency (in the case of a sterling cheque, a town clearing branch of a bank in the City of London) and (in the case of interest payable on redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.

11.3 Payments subject to fiscal laws

All payments in respect of the Registered Notes are subject in all cases to (a) any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 13 (*Taxation*) and (b) any withholding or deduction required pursuant to an agreement described in

Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto. No commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

11.4 Payments on business days

Where payment is to be made by transfer to an account, payment instructions (for value the due date, or, if the due date is not Payment Business Day, for value the next succeeding Payment Business Day) will be initiated and, where payment is to be made by cheque, the cheque will be mailed (a) (in the case of payments of principal and interest payable on redemption) on the later of the due date for payment and the day on which the relevant Note Certificate is surrendered (or, in the case of part payment only, endorsed) at the Specified Office of a Paying Agent and (b) (in the case of payments of interest payable other than on redemption) on the due date for payment. A Holder of a Registered Note shall not be entitled to any interest or other payment in respect of any delay in payment resulting from (i) the due date for a payment not being a Payment Business Day or (ii) a cheque mailed in accordance with this Condition 11 (*Payments – Registered Notes*) arriving after the due date for payment or being lost in the mail.

11.5 Partial payments

If a Paying Agent makes a partial payment in respect of any Registered Note, the Issuer shall procure that the amount and date of such payment are noted on the Register and, in the case of partial payment upon presentation of a Note Certificate, that a statement indicating the amount and the date of such payment is endorsed on the relevant Note Certificate.

11.6 Record date

Each payment in respect of a Registered Note will be made to the person shown as the Holder in the Register at the close of business in the place of the Registrar's Specified Office on the fifteenth day before the due date for such payment (the **Record Date**). Where payment in respect of a Registered Note is to be made by cheque, the cheque will be mailed to the address shown as the address of the Holder in the Register at the opening of business on the relevant Record Date.

12. PAYMENTS – VPS NOTES

Payments of principal and interest in respect of VPS Notes shall be made to the holders shown in the relevant records of VPS Norway in accordance with and subject to the VPS Act (or the Norwegian Central Securities Depositories Act of 15 March 2019 no. 6 when VPS Norway is authorised as a CSD thereunder and the CSDR) and the rules and regulations from time to time governing VPS Norway and subject to any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto

13. TAXATION

13.1 Gross up

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

by the Issuer of principal and interest on the Notes become generally subject, unless the withholding or deduction of such taxes, duties, assessments, or governmental charges is required by law. In that event, the Issuer shall pay such additional amounts as will result in receipt by the Noteholders and the Couponholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Note or Coupon:

- (a) held by or on behalf of a Holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of its having some connection with the Kingdom of Sweden by which such taxes, duties, assessments or charges have been imposed, levied, collected, withheld or assessed other than the mere holding of the Note or Coupon; or
- (b) where the relevant Note or Coupon or Note Certificate is presented or surrendered for payment more than 30 days after the Relevant Date except to the extent that the Holder of such Note or Coupon would have been entitled to such additional amounts on presenting or surrendering such Note or Coupon or Note Certificate for payment on the last day of such period of 30 days.

Notwithstanding any other provision of these Conditions, in no event will the Issuer be required to pay any additional amounts in respect of the Notes for, or on account of, any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, or any official interpretations thereof, or any law implementing an intergovernmental approach there to.

13.2 Taxing jurisdiction

If payments made by the Issuer of principal and interest on the Notes become generally subject at any time to any taxing jurisdiction other than the Kingdom of Sweden, references in these Conditions to the Kingdom of Sweden shall be construed as references to the Kingdom of Sweden and/or such other jurisdiction.

14. EVENTS OF DEFAULT

If any of the following events occurs and is continuing:

- (a) **Non-payment:** the Issuer fails to pay any amount of principal in respect of the Notes within seven days of the due date for payments thereof or fails to pay any amount of interest in respect of the Notes within 14 days of the due date for payment thereof; or
- (b) **Breach of other obligations:** the Issuer defaults in the performance or observance of any of its other obligations under or in respect of the Notes and such default remains unremedied for 30 days after written notice thereof, addressed to the Issuer by any Noteholder (or, in the case of VPS Notes, the VPS Trustee), has been delivered to the Issuer with a copy Fiscal Agent at its Specified Office; or
- (c) **Cross-default of Issuer or Material Subsidiary**
 - (i) any Indebtedness of the Issuer or any of its Material Subsidiaries is not paid when due (within any originally applicable grace period);
 - (ii) any Indebtedness of the Issuer or any of its Material Subsidiaries becomes due and payable prior to its stated maturity otherwise than at the option of the Issuer, the

relevant Material Subsidiary or (**provided that** no event of default, howsoever described, has occurred) any Person entitled to such Indebtedness; or

- (iii) the Issuer, or any of its Material Subsidiaries fails to pay when due (within any applicable grace period) any amount payable by it under any Guarantee of any Indebtedness;

provided that the amount of Indebtedness referred to in subparagraph (i) and/or subparagraph (ii) above and/or the amount payable under any Guarantee referred to in subparagraph (iii) above individually or in the aggregate exceeds EUR60,000,000 (or its equivalent in any other currency or currencies); or

- (d) **Unsatisfied judgment:** one or more judgment(s) or order(s) by a court of competent jurisdiction from which there is no right of appeal for the payment is rendered against the Issuer or any of its Material Subsidiaries and continue(s) unsatisfied and unstayed for a period of 45 days after the date(s) thereof or, if later, the date therein specified for payment of an aggregate amount in excess of EUR60,000,000 (or its equivalent in any other currency or currencies); or
- (e) **Security enforced:** a secured party takes possession, or a receiver, manager or other similar officer is appointed, of the whole or any substantial part of the undertaking, assets and revenues of the Issuer or any of its Subsidiaries; or
- (f) **Insolvency etc.:** (i) the Issuer or any of its Material Subsidiaries becomes insolvent or is unable to pay its debts as they fall due, (ii) an administrator or liquidator is appointed (or application for any such appointment is made) in respect of the Issuer or any of its Material Subsidiaries or the whole or any part of the undertaking, assets and revenues of the Issuer or any of its Material Subsidiaries or (iii) the Issuer or any of its Material Subsidiaries takes any action for a readjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of any of its Indebtedness or any Guarantee of any Indebtedness given by it; or
- (g) **Winding up etc.:** (i) an order is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Issuer or the insolvent or involuntary winding up, liquidation or dissolution of any of its Material Subsidiaries or (ii) the Issuer, or any of its Material Subsidiaries ceases or threatens to cease to carry on all or substantially all of its business (otherwise than, in the case of a Material Subsidiary of the Issuer, for the purposes of or pursuant to an amalgamation, adjustment, reorganisation or restructuring of the Group whilst solvent); or
- (h) **Analogous event:** any event occurs which under the laws of the Kingdom of Sweden has an analogous effect to any of the events referred to in paragraphs (d) to (g) above; or
- (i) **Unlawfulness:** it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Notes,

then any Note may, by written notice addressed by the Holder thereof (or, in the case of VPS Notes, the VPS Trustee) to the Issuer and delivered to the Issuer or to the Specified Office of the Fiscal Agent, be declared immediately due and payable, whereupon it shall become immediately due and payable at its Early Termination Amount together with accrued interest (if any) without further action or formality.

15. PRESCRIPTION

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

16. REPLACEMENT OF NOTES AND COUPONS

If any Note (other than a VPS Note), Note Certificate or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Fiscal Agent, in the case of Bearer Notes, or the Registrar, in the case of Registered Notes (and, if the Notes are then admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent or Transfer Agent in any particular place, the Paying Agent or Transfer Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system), subject to all applicable laws and competent authority, stock exchange and/or quotation system requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes (other than a VPS Note), Note Certificates or Coupons must be surrendered before replacements will be issued.

17. AGENTS

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

The initial Agents and their initial Specified Offices are listed below. The initial Calculation Agent (if any) is specified in the relevant Final Terms. The Issuer reserves the right at any time to vary or terminate the appointment of any Agent and to appoint a successor fiscal agent or registrar or Calculation Agent and additional or successor paying agents; **provided, however, that:**

- (a) the Issuer shall at all times maintain a fiscal agent and a registrar; and
- (b) if a Calculation Agent is specified in the relevant Final Terms, the Issuer shall at all times maintain a Calculation Agent;
- (c) if and for so long as the Notes are admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent and/or a Transfer Agent in any particular place, the Issuer shall maintain a Paying Agent and/or a Transfer Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system; and
- (d) if and so long as VPS Notes are outstanding, the Issuer shall at all times maintain a VPS Agent authorised to act as an account holding institution with VPS Norway.

Notice of any change in any of the Agents or in their Specified Offices shall promptly be given to the Noteholders in accordance with Condition 20 (*Notices*).

18. MEETINGS OF NOTEHOLDERS; MODIFICATION AND WAIVER

18.1 Meetings of Noteholders – Notes other than VPS Notes

The Agency Agreement contains provisions for convening meetings of Noteholders to consider matters relating to the Notes, including the modification of any provision of these Conditions. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuer and shall be convened by it upon the request in writing of Noteholders holding not less than one-tenth of the aggregate principal amount of the outstanding Notes. The quorum at any meeting convened to vote on an Extraordinary Resolution will be two or more Persons holding or representing one more than half of the aggregate principal amount of the outstanding Notes or, at any adjourned meeting, two or more Persons being or representing Noteholders whatever the principal amount of the Notes held or represented; **provided, however, that** Reserved Matters may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders at which two or more Persons holding or representing not less than three-quarters or, at any adjourned meeting, one quarter of the aggregate principal amount of the outstanding Notes form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders and Couponholders, whether present or not.

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

18.2 Modification

The Notes, these Conditions and the Deed of Covenant may be amended without the consent of the Noteholders or the Couponholders to correct a manifest error or as a result of the operation of Condition 7.9 (*Benchmark Discontinuation*). In addition, the parties to the Agency Agreement and (in the case of VPS Notes) the VPS Agency Agreement and the VPS Trustee Agreement may agree to modify any provision thereof, but the Issuer shall not agree, without the consent of the Noteholders, to any such modification unless it is of a formal, minor or technical nature, it is made to correct a manifest error or it is, in the opinion of such parties, not materially prejudicial to the interests of the Noteholders.

18.3 VPS Notes

The VPS Trustee Agreement contains provisions for convening meetings of the holders of VPS Notes (including meetings to be held by written (or electronic) solution for decision making) to consider any matter affecting their interests, including sanctioning by a majority of votes (as more fully set out in the VPS Trustee Agreement) a modification of the VPS Notes or any of the provisions of the VPS Trustee Agreement (or, in certain cases, sanctioning by a majority of two thirds of votes). Such a meeting may be convened by the Issuer, the VPS Trustee, by the holders of not less than 10 per cent. of the Voting VPS Notes or, if the VPS Notes are listed, by the relevant securities exchange/market place. For the purpose of this Condition, **Voting VPS Notes** means the aggregate nominal amount of the total number of VPS Notes not redeemed or otherwise discharged, less the VPS Notes owned by the Issuer, any party who has decisive influence over the Issuer or any party over whom the Issuer has decisive influence.

The quorum at a meeting for passing a resolution is one or more persons holding at least one half of the Voting VPS Notes or at any adjourned meeting one or more persons being or representing holders of Voting VPS Notes whatever the nominal amount of the VPS Notes so held or represented. A resolution passed at any meeting of the holders of VPS Notes shall be binding on all the holders, whether or not they are present at such meeting.

- (a) The VPS Trustee Agreement provides that in order to make the following amendments, a majority of at least two-thirds of the votes cast in respect of Voting VPS Notes is required:
- (i) modification of the Maturity Date of the VPS Notes specified in the applicable Final Terms, or reduction or cancellation of the nominal amount payable upon maturity;
 - (ii) reduction or calculation of the amount payable, or modification of the payment date in respect of any interest in relation to the VPS Notes or variation of the method of calculating the rate of interest in respect of the VPS Notes;
 - (iii) reduction of any Minimum Interest Rate and/or Maximum Interest Rate specified in the applicable Final Terms;
 - (iv) modification of the currency in which payments under the VPS Notes are to be made;
 - (v) modification of the majority requirement to pass a resolution in respect of the matters listed in this paragraph (i);
 - (vi) any alteration of Clause 4.1(f) of the VPS Trustee Agreement (which sets out the matters for which a majority of two-thirds of votes is required);
 - (vii) the transfer of rights and obligations under the VPS Conditions and the VPS Trustee Agreement to another Issuer; and/or
 - (viii) a change of VPS Trustee.
- (b) Save as set out in paragraph (a) above, the VPS Trustee may agree to amendments to the VPS Trustee Agreement or the VPS Conditions without prior approval of the affected VPS Noteholder provided that (i) such amendment is not detrimental to the rights and benefits of the affected VPS Noteholders in any material respect, or (ii) is made solely for the purpose of rectifying obvious errors and mistakes, or (iii) such amendment or waiver is required by applicable law, court ruling or a decision by a relevant authority. The VPS Trustee shall as soon as possible notify the VPS Noteholders of any proposal to make such amendments, setting out the date from which the amendment will be effective, unless such notice obviously is unnecessary.

19. FURTHER ISSUES

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

20. NOTICES

20.1 Bearer Notes

Notices to the Holders of Bearer Notes shall be valid if published in a leading English language daily newspaper published in London (which is expected to be the *Financial Times*) or, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the date of first publication (or if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers). Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Holders of Bearer Notes.

20.2 Registered Notes

Notices to the Holders of Registered Notes shall be sent to them by first class mail (or its equivalent) or (if posted to an overseas address) by airmail at their respective addresses on the Register or, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the fourth day after the date of mailing.

20.3 VPS Notes

Notices to Holders of VPS Notes shall be valid if the relevant notice is given to VPS Norway for communication by it to the holders and, so long as the VPS Notes are listed on a stock exchange, the Issuer shall ensure that notices are duly published in a manner which complies with the rules of such exchange. Any such notice shall be deemed to have been given to the holders of the VPS Notes on the date of delivery of such notice by VPS Norway.

21. CURRENCY INDEMNITY

If any sum due from the Issuer in respect of the Notes or the Coupons or any order or judgment given or made in relation thereto has to be converted from the currency (the **first currency**) in which the same is payable under these Conditions or such order or judgment into another currency (the **second currency**) for the purpose of (a) making or filing a claim or proof against the Issuer, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to the Notes, the Issuer shall indemnify each Noteholder, on the written demand of such Noteholder addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Fiscal Agent, against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which such Noteholder may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

This indemnity constitutes a separate and independent obligation of the Issuer and shall give rise to a separate and independent cause of action.

22. PROVISION OF INFORMATION

In relation to VPS Notes, each Holder agrees and gives consent to VPS Norway to provide to the VPS Agent, upon request, information registered with VPS Norway relating to the VPS Notes and the Holders of the VPS Notes in order that the VPS Agent may provide any relevant Norwegian authorities, including the Financial Supervisory Authority of Norway (in Norwegian: *Finanstilsynet*) and the Norwegian tax authorities with any information required under applicable Norwegian laws. Such information shall include, but not be limited to, the identity of the registered holder of the VPS Notes, the residency of the registered holder of the VPS Notes, the number of VPS Notes registered with the relevant holder, the address of the relevant holder, the account operator in respect of the relevant VPS Norway account (in Norwegian: *kontofører*) and whether or not the VPS Notes are registered in the name of a nominee and the identity of any such nominee.

23. ROUNDING

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions or the relevant Final Terms), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.), (b) all United States dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (c)

all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount, and (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

24. GOVERNING LAW AND JURISDICTION

24.1 Governing law

The Notes and any non-contractual obligations arising out of or in connection with the Notes are governed by English law, except that the registration of VPS Notes in VPS Norway as well as the recording and transfer of ownership to, and other interests in, VPS Notes and Condition 18.3 (*Meetings of Noteholders; Modification and Waiver – VPS Notes*) will be governed by Norwegian law.

24.2 English courts

The courts of England have exclusive jurisdiction to settle any dispute (a **Dispute**) arising out of or in connection with the Notes (including any non-contractual obligation arising out of or in connection with the Notes).

24.3 Appropriate forum

The Issuer agrees that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary.

24.4 Rights of the Noteholders to take proceedings outside England

Notwithstanding Condition 24.2 (*English courts*), any Noteholder may take proceedings relating to a Dispute (**Proceedings**) in any other courts with jurisdiction. To the extent allowed by law, Noteholders may take concurrent Proceedings in any number of jurisdictions.

24.5 Service of process

The Issuer agrees that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to The Swedish Trade & Invest Council at 5 Upper Montagu Street, London W1H 2AG, England, or to such other person with an address in England or Wales and/or at such other address in England or Wales as the Issuer may specify by notice in writing to the Noteholders. Nothing in this paragraph shall affect the right of any Noteholder to serve process in any other manner permitted by law. This Condition applies to Proceedings in England and to Proceedings elsewhere.

FORM OF FINAL TERMS

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

[MiFID II product governance/Professional investors and ECPs only target market – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (a) the target market for the Notes is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, **MiFID II**)]/[MiFID II]; and (b) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market.*] Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[Singapore Securities and Futures Act Product Classification – Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act (Chapter 289 of Singapore)(the **SFA**), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Notes are ["prescribed capital markets products "]/["capital markets products other than prescribed capital markets products"] (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018).]

Final Terms dated [●]

VASAKRONAN AB (PUBL)

Legal Entity Identifier (LEI): 5493007LZNZSEWN5KTV42

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

under the EUR6,000,000,000

Euro Medium Term Note Programme

PART A – CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) set forth in the base prospectus dated 8 April 2020 [and the supplemental base prospectus dated [date]] which [together] constitute[s] a base prospectus (the **Base Prospectus**) for the purposes of the Prospectus Regulation. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 8 of the Prospectus Regulation and must be read in conjunction with the Base Prospectus.]

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) set forth in the base prospectus dated [18 October 2018/14 June 2019]. These Final Terms contain the final terms of the Notes and must be read in conjunction with the Base Prospectus dated 8 April 2020 [and the

supplemental Base Prospectus dated [date]] which [together] constitute[s] a base prospectus (the **Base Prospectus**) for the purposes of the Prospectus Regulation, save in respect of the Conditions which are set forth in the base prospectus dated [18 October 2018/14 June 2019] and are incorporated by reference in the Base Prospectus, in order to obtain all relevant information. This document constitutes the Final Terms relating to the issue of Notes described herein for the purposes of Article 8 of the Prospectus Regulation.]

The Base Prospectus has been published on the websites of the Irish Stock Exchange plc trading as Euronext Dublin (**Euronext Dublin**) (www.ise.ie) and the Issuer (https://vasakronan.se/in-english/).

[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs (in which case the subparagraphs of the paragraphs which are not applicable can be deleted). Italics denote guidance for completing the Final Terms.]

- | | | |
|----|---|---|
| 1. | Issuer | Vasakronan AB (publ) |
| 2. | (a) Series Number: | [●] |
| | (b) Tranche Number: | [●] |
| | (c) [Date on which the Notes become fungible: | [Not Applicable/The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the [●] on [[●]/the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 24 below which is expected to occur on or about [●]]. |
| 3. | Specified Currency or Currencies: | [●] |
| 4. | Aggregate Nominal Amount: | [●] |
| | (a) [Series: | [●] |
| | (b) Tranche: | [●]] |
| 5. | Issue Price: | [●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [●]] |
| 6. | (a) Specified Denominations: | [●] |
| | | <i>(NB – Notes must have a minimum denomination of EUR100,000 (or equivalent))</i> |
| | | <i>(If a Global Note is exchangeable for Definitive Notes at the option of the Noteholders, the Notes shall be tradeable only in principal amounts of at least the Specified Denomination and integral multiples thereof)</i> |
| | (b) Calculation Amount: | [●] |
| 7. | (a) Issue Date: | [●] |

- (b) Interest Commencement Date: [[●]/Issue Date/Not Applicable]
8. Maturity Date: [●]
9. Interest Basis: [[●] per cent. Fixed Rate]
 [CIBOR/EURIBOR/LIBOR/NIBOR/STIBOR] +/-
 [●] per cent. Floating Rate]
 [Zero Coupon]
 (see paragraph [14]/[15]/16 below)
10. Redemption/Payment Basis: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [100] per cent. of their nominal amount.
11. Change of Interest or Redemption/Payment Basis: [Applicable/Not Applicable]
12. Put/Call Options: [Investor Put]
 [Issuer Call]
 [Change of Control Put]
 [Clean-up Call]
 [(see paragraph [17]/[18]/[19]/[20] below)]
13. [(a)] Status of the Notes: Senior
- [(b)] [Date [Board] approval for issuance of Notes obtained]: [●]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14. **Fixed Rate Note Provisions** [Applicable [from [●] to [●]]/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Rate[(s)] of Interest: [●] per cent. per annum payable in arrear on each Interest Payment Date
- (b) Interest Payment Date(s): [●] in each year up to and including the [Maturity Date/[●]]
- (c) Fixed Coupon Amount[(s)]: [●] per Calculation Amount
- (d) Broken Amount(s): [●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]

- (e) Day Count Fraction: [30/360/Actual/Actual (ICMA/ISDA)]
- (f) Determination Date: [[●] in each year][Not Applicable]
- (Only relevant where the Day Count Fraction is Actual/Actual (ICMA))*
15. **Floating Rate Note Provisions** [Applicable [from [●] to [●]]/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Specified Period: [●][, subject to adjustment in accordance with the Business Day Convention set out in (d) below/not subject to any adjustment, or the Business Day Convention in 15(d) below is specified to be Not Applicable]
- (b) Specified Interest Payment Dates: [●][, subject to adjustment in accordance with the Business Day Convention set out in 15(d) below/not subject to any adjustment, or the Business Day Convention in 15(d) below is specified to be Not Applicable]
- (c) First Interest Payment Date: [●]
- (d) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/No Adjustment] [Not Applicable]
- (e) Additional Business Centre(s): [Not Applicable/[●]]
- (f) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination]
- (g) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the [Fiscal Agent]): [●]
- (h) Screen Rate Determination: [●]
- Reference Rate: [CIBOR/EURIBOR/LIBOR/NIBOR/STIBOR]
 - Interest Determination Date(s): [●]
 - Relevant Screen Page: [●]
 - Relevant Time: [●]
 - Relevant Financial Centre: [●]

- (i) ISDA Determination:
 - Floating Rate Option:
 - Designated Maturity:
 - Reset Date: - (j) Linear Interpolation: Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)
 - (k) Margin(s): per cent. per annum
 - (l) Minimum Rate of Interest: per cent. per annum
 - (m) Maximum Rate of Interest: per cent. per annum
 - (n) Day Count Fraction: [Actual/365 (Fixed)]/[Actual/360]/[30/360]/[30E/360]/[Eurobond Basis]/[30E/360 (ISDA)]/
16. **Zero Coupon Note Provisions**
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Accrual Yield: per cent. per annum
 - (b) Reference Price:
 - (c) Day Count Fraction in relation to early Redemption Amounts: [30/360/Actual/Actual (ICMA/ISDA)]

PROVISIONS RELATING TO REDEMPTION

17. **Call Option**
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Optional Redemption Date(s):
 - (b) Par Call Commencement Date:
 - (c) Optional Redemption Amount(s) (Call) of each Note: per Calculation Amount/Make Whole Redemption Price] [in the case of the Optional Redemption Date(s) falling [on]/[in the period from and including [*insert date three months prior to maturity*]/[*other date*] to but excluding [*date*]] [and per Calculation Amount/Make Whole Redemption Price] [in the case of the Optional

- Redemption Date(s) falling [on [●]/in the period from and including [date] to but excluding [date]]
- (d) Make Whole Redemption Price: [Non-Sterling Make Whole Redemption Amount/Sterling Make Whole Redemption Amount/Not Applicable]
- (If not applicable delete the remaining sub paragraphs (i) – (iii) of this paragraph)*
- (i) [Redemption Margin: [●] per cent.
- (ii) [Reference Bond: [●]
- (If a Par Call Commencement Date is included, consider if the Reference Bond should mature on the Par Call Commencement Date rather than the Maturity Date)*
- (iii) [Quotation Time: [●]
- (e) Redeemable in part: [Applicable/Not Applicable/[provide details]]
- (a) Minimum Redemption Amount: [●]
- (b) Maximum Redemption Amount: [●]
- (f) Notice period: [●]
18. **Put Option** [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Optional Redemption Date(s): [●]
- (b) Optional Redemption Amount(s) of each Note: [●] per Calculation Amount
- (c) Notice period: [●]
19. **Change of Control Put Option** [Applicable/Not Applicable]
20. **Clean-up Call Option:** [Applicable//Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Clean-up Call Redemption Amount: [●] per Calculation Amount
- (b) Notice period: [●]

21. **Early Termination Amount** /[Par] per Calculation Amount/Not Applicable
 Early Termination Amount(s) per Calculation Amount payable on redemption on event of default or other early redemption:
22. **Final Redemption Amount of each Note** /[Par] per Calculation Amount
23. **Early Redemption Amount** /[Par] per Calculation Amount/Not Applicable
 Early Redemption Amount(s) per Calculation Amount payable on redemption on event of default or other early redemption:
24. **Early Redemption Amount (Tax)** /[Par] per Calculation Amount/Not Applicable
 Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons:

GENERAL PROVISIONS APPLICABLE TO THE NOTES

25. **Form of Notes:** [Bearer Notes:]
- [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes on days' notice/at any time/in the limited circumstances specified in the Permanent Global Note]
- [Temporary Global Note exchangeable for Definitive Notes on days' notice]
- [Permanent Global Note exchangeable for Definitive Notes on days' notice/at any time/in the limited circumstances specified in the Permanent Global Note]
- [Registered Notes:]
- [Global Registered Note exchangeable for Individual Note Certificates on days' notice/at any time/in the limited circumstances described in the Global Registered Note]
- [and
- Global Registered Note [(U.S.\$/Euro nominal amount)] registered in the name of a nominee for [a common depositary for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg (that is, held under the New Safekeeping Structure (NSS)).]

[VPS Notes:]

[VPS Notes issued in uncertificated and dematerialised book entry form. See further item [6] of *Part B* below.]

26. **New Global Note / New Safekeeping Structure:** [Yes] [No] [Not Applicable]
27. **Additional Financial Centre(s)** [Not Applicable/give details. Note that this paragraph relates to the date of payment, and not the end dates of interest periods for the purposes of calculating the amount of interest end dates, to which sub paragraph 15(e) relates]
28. **Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature):** [Yes/No. As the Notes have more than 27 coupon payments, talons may be required if, on exchange into definitive form, more than 27 coupon payments are left.]

Signed on behalf of **Vasakronan AB (publ)**:

By:
Duly authorised

By:
Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (a) Admission to Trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to the official list and to trading on the regulated market of [Euronext Dublin][the Oslo Stock Exchange] with effect from [●]]
- [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to the official list and to trading on the regulated market of [Euronext Dublin][the Oslo Stock Exchange] with effect from [●].]
- (b) Estimate of total expenses related to admission to trading: [●]

2. RATINGS

The Notes to be issued [have been/are expected to be] rated/[The following ratings reflect ratings assigned to Notes of this type issued under the Programme generally]/[the Notes to be issued will be unrated]:

[[Moody's Investors Service Limited]/[●]: [●]]

[Add a brief explanation of the meaning of the ratings if previously published by the ratings provider.]

[Moody's Investors Service Limited]/[●]: [●] is established in the [EEA/UK] and registered under Regulation (EC) No. 1060/2009, as amended/[●] is not established in the EEA or the UK but the rating it has given to the Notes is endorsed by [●], which is established in the [EEA/UK] and registered under Regulation (EC) No. 1060/2009, as amended/[●] is not established in the EEA or the UK but is certified under Regulation (EC) No. 1060/2009, as amended/[●].

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

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

4. REASONS FOR THE OFFER, ESTIMATED PROCEEDS AND TOTAL EXPENSES

- (a) [Reasons for the offer: [See "*Use of Proceeds*" wording in Base Prospectus.] [The Notes are intended to be issued as Green Bonds, [*further particulars to be provided*].]
- [(b)] Estimated proceeds: [●]
(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)
- [(c)] Estimated total expenses: [●]
[Include breakdown of expenses]

5. [Fixed Rate Notes only – YIELD

- Indication of yield: [●] per cent.

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

6. OPERATIONAL INFORMATION

- (a) ISIN: [●]
- (b) Common Code: [●]
- (c) FISN: [See/[*include code*], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
- (d) CFI Code: [See/[*include code*], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
- (e) Any clearing system(s) other than Euroclear or Clearstream, Luxembourg [Not Applicable/[●]]
- (f) Delivery: Delivery [against/free of] payment
- (g) Names and addresses of additional Paying Agent(s) (if any) or, in the case of [●]

VPS Notes, the VPS Agent and the VPS Trustee:

- (h) [Intended to be held in a manner which would allow Eurosystem eligibility:

[Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper [, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper] [*include this text for Registered Notes which are held under the NSS*] and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]/

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

- (i) Relevant Benchmark[s]:

[[CIBOR]/[EURIBOR]/[LIBOR]/[NIBOR]/[STIBOR] is provided by [administrator legal name]][repeat as necessary]. As at the date hereof, [[administrator legal name] [appears]/[does not appear]][repeat as necessary] in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 (Register of administrators and benchmarks) of Regulation (EU) No 2016/1011]/[As far as the Issuer is aware, as at the date hereof, [CIBOR]/[EURIBOR]/[LIBOR]/[NIBOR]/[STIBOR] does not fall within the

scope of Regulation (EU) No 2016/1011]/[Not Applicable]

7. DISTRIBUTION

- (a) Method of Distribution: [Syndicated/Non-syndicated]
- (b) If syndicated:
 - (i) Names of Dealers [Not Applicable/*give names*]
 - (ii) Stabilisation Manager(s), if any: [Not Applicable/*give names*]
- (c) If non-syndicated, name of Dealer: [Not Applicable/*give names*]
- (d) U.S. Selling Restrictions: Reg S Compliance Category 2
[*In the case of Bearer Notes*] TEFRA C/TEFRA D/TEFRA Not Applicable]
- (e) Prohibition of Sales to EEA and UK Retail Investors: [Applicable/Not Applicable]
(If the Notes clearly do not constitute "packaged" products or the Notes do constitute "packaged" products and a key information document will be prepared, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no key information document will be prepared, "Applicable" should be specified.)
- (f) Prohibition of Sales to Belgian Consumers: [Applicable/Not Applicable]
(N.B. advice should be taken from Belgian counsel before disapplying this selling restriction)

8. PROVISIONS RELATING TO GREEN BONDS

- Green Bonds: [Yes/No]
- [Reviewer(s):] [Name of sustainability rating agency(ies) [and name of third party assurance agent] and [give details of compliance opinion(s) and availability]]
- [Date of third party opinion(s):] [Not Applicable/give details]

USE OF PROCEEDS

The net proceeds of the issue of the Notes will be used by the Issuer for general corporate purposes, unless otherwise specified in the relevant Final Terms.

In particular, if so specified in the use of proceeds section of the applicable Final Terms, the Issuer intends to apply the net proceeds from an issue of Notes specifically for Green Projects as set out in the Green Finance Framework, August 2018, incorporated by reference herein. Such Notes may also be referred to as **Green Bonds**.

FORMS OF THE NOTES

Bearer Notes

Each Tranche of Notes in bearer form (**Bearer Notes**) will initially be in the form of either a temporary global note in bearer form (the **Temporary Global Note**), without interest coupons, or a permanent global note in bearer form (the **Permanent Global Note**), without interest coupons, in each case as specified in the relevant Final Terms. Each Temporary Global Note or, as the case may be, Permanent Global Note (each a **Global Note**) which is not intended to be issued in new global note (**NGN**) form, as specified in the relevant Final Terms, will be deposited on or around the issue date of the relevant Tranche of the Notes with a depository or a common depository for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and each Global Note which is intended to be issued in NGN form, as specified in the relevant Final Terms, will be deposited on or around the issue date of the relevant Tranche of the Notes with a common safekeeper for Euroclear and/or Clearstream, Luxembourg.

On 13 June 2006 the European Central Bank (the **ECB**) announced that Notes in NGN form are in compliance with the "*Standards for the use of EU securities settlement systems in ESCB credit operations*" of the central banking system for the euro (the **Eurosystem**), **provided that** certain other criteria are fulfilled. At the same time the ECB also announced that arrangements for Notes in NGN form will be offered by Euroclear and Clearstream, Luxembourg as of 30 June 2006 and that debt securities in global bearer form issued through Euroclear and Clearstream, Luxembourg after 31 December 2006 will only be eligible as collateral for Eurosystem operations if the NGN form is used.

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

In the case of each Tranche of Bearer Notes, the relevant Final Terms will also specify whether United States Treasury Regulation §1.163-5(c)(2)(i)(C) (or any successor U.S. Treasury Regulation section including, without limitation, regulations issued in accordance with U.S. Internal Revenue Service Notice 2012-20 or otherwise in connection with the U.S. Hiring Incentives to Restore Employment Act of 2010) (the **TEFRA C Rules**) or United States Treasury Regulation §1.163-5(c)(2)(i)(D) (or any successor U.S. Treasury Regulation section including, without limitation, regulations issued in accordance with U.S. Internal Revenue Service Notice 2012-20 or otherwise in connection with the U.S. Hiring Incentives to Restore Employment Act of 2010) (the **TEFRA D Rules**) are applicable in relation to the Notes or, if the Notes do not have a maturity of more than 365 days, that neither the TEFRA C Rules nor the TEFRA D Rules are applicable.

Temporary Global Note exchangeable for Permanent Global Note

If the relevant Final Terms specifies the form of Notes as being "Temporary Global Note exchangeable for a Permanent Global Note", then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for interests in a Permanent Global Note, without interest coupons, not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. No payments will be made under the Temporary Global Note unless exchange for interests in the Permanent Global Note is improperly withheld or refused. In addition, interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever any interest in the Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the Issuer shall procure (in the case of first exchange) the delivery of a Permanent Global Note to the

bearer of the Temporary Global Note or (in the case of any subsequent exchange) an increase in the principal amount of the Permanent Global Note in accordance with its terms against:

- (a) presentation and (in the case of final exchange) presentation and surrender of the Temporary Global Note to or to the order of the Fiscal Agent; and
- (b) receipt by the Fiscal Agent of a certificate or certificates of non-U.S. beneficial ownership.

The principal amount of Notes represented by the Permanent Global Note shall be equal to the aggregate of the principal amounts specified in the certificates of non-U.S. beneficial ownership *provided, however*, that in no circumstances shall the principal amount of Notes represented by the Permanent Global Note exceed the initial principal amount of Notes represented by the Temporary Global Note.

If:

- (a) the Permanent Global Note has not been delivered or the principal amount thereof increased by 5pm (London time) on the seventh day after the bearer of the Temporary Global Note has requested exchange of an interest in the Temporary Global Note for an interest in a Permanent Global Note; or
- (b) the Temporary Global Note (or any part thereof) has become due and payable in accordance with the Conditions or the date for final redemption of the Temporary Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer of the Temporary Global Note in accordance with the terms of the Temporary Global Note on the due date for payment,

then the Temporary Global Note (including the obligation to deliver a Permanent Global Note) will become void at 5pm (London time) on such seventh day (in the case of (a) above) or at 5pm (London time) on such due date (in the case of (b) above) and the bearer of the Temporary Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Temporary Global Note or others may have under the Deed of Covenant).

The Permanent Global Note will become exchangeable, in whole but not in part only and at the request of the bearer of the Permanent Global Note, for Bearer Notes in definitive form (**Definitive Notes**):

- (a) on the expiry of such period of notice as may be specified in the Final Terms; or
- (b) at any time, if so specified in the Final Terms; or
- (c) if the Final Terms specifies "in the limited circumstances described in the Permanent Global Note", then if either of the following events occurs:
 - (i) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or
 - (ii) any of the circumstances described in Condition 14 (*Events of Default*) occurs.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the Final Terms), in an aggregate principal amount equal to the principal amount of Notes represented by the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange.

If:

- (a) Definitive Notes have not been duly delivered by 5pm (London time) on the 30th day after the bearer has requested exchange of the Permanent Global Note for Definitive Notes; or
- (b) the Permanent Global Note was originally issued in exchange for part only of a Temporary Global Note representing the Notes and such Temporary Global Note becomes void in accordance with its terms; or
- (c) the Permanent Global Note (or any part thereof) has become due and payable in accordance with the Conditions or the date for final redemption of the Permanent Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer in accordance with the terms of the Permanent Global Note on the due date for payment,

then the Permanent Global Note (including the obligation to deliver Definitive Notes) will become void at 5pm (London time) on such 30th day (in the case of (a) above) or at 5pm (London time) on the date on which such Temporary Global Note becomes void (in the case of (b) above) or at 5pm (London time) on such due date ((c) above) and the bearer of the Permanent Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Permanent Global Note or others may have under the Deed of Covenant).

Temporary Global Note exchangeable for Definitive Notes

If the relevant Final Terms specifies the form of Notes as being "Temporary Global Note exchangeable for Definitive Notes" and also specifies that the TEFRA C Rules are applicable or that neither the TEFRA C Rules or the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole but not in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes.

If the relevant Final Terms specifies the form of Notes as being "Temporary Global Note exchangeable for Definitive Notes" and also specifies that the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever the Temporary Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Temporary Global Note to the bearer of the Temporary Global Note against the surrender of the Temporary Global Note to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange.

If:

- (a) Definitive Notes have not been duly delivered by 5pm (London time) on the 30th day after the bearer has requested exchange of the Temporary Global Note for Definitive Notes; or
- (b) the Temporary Global Note (or any part thereof) has become due and payable in accordance with the Conditions or the date for final redemption of the Temporary Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer in accordance with the terms of the Temporary Global Note on the due date for payment,

then the Temporary Global Note (including the obligation to deliver Definitive Notes) will become void at 5pm (London time) on such 30th day (in the case of (a) above) or at 5pm (London time) on such due date (in the case of (b) above) and the bearer of the Temporary Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Temporary Global Note or others may have under the Deed of Covenant).

Permanent Global Note exchangeable for Definitive Notes

If the relevant Final Terms specifies the form of Notes as being "Permanent Global Note exchangeable for Definitive Notes", then the Notes will initially be in the form of a Permanent Global Note which will be exchangeable in whole, but not in part, for Definitive Notes:

- (a) on the expiry of such period of notice as may be specified in the relevant Final Terms; or
- (b) at any time, if so specified in the relevant Final Terms; or
- (c) if the relevant Final Terms specifies "in the limited circumstances described in the Permanent Global Note", then if either of the following events occurs:
 - (i) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or
 - (ii) any of the circumstances described in Condition 14 (*Events of Default*) occurs.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the Final Terms), in an aggregate principal amount equal to the principal amount of Notes represented by the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange.

If:

- (a) Definitive Notes have not been duly delivered by 5pm (London time) on the 30th day after the bearer has requested exchange of the Permanent Global Note for Definitive Notes; or
- (b) the Permanent Global Note (or any part thereof) has become due and payable in accordance with the Conditions or the date for final redemption of the Permanent Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer in accordance with the terms of the Permanent Global Note on the due date for payment,

then the Permanent Global Note (including the obligation to deliver Definitive Notes) will become void at 5pm (London time) on such 30th day (in the case of (a) above) or at 5pm (London time) on such due date ((b) above) and the bearer of the Permanent Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Permanent Global Note or others may have under the Deed of Covenant).

If the Permanent Global Note is exchangeable for Definitive Notes at the option of the Noteholders and/or the Issuer other than in the limited circumstances described in the Permanent Global Note, the Notes shall be tradable only in principal amounts of at least the Specified Denomination (or if more than one Specified Denomination, the lowest Specified Denomination).

Rights under Deed of Covenant

Under the Deed of Covenant, persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Temporary Global Note or a Permanent Global Note which becomes void will acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before the Temporary Global Note or Permanent Global Note became void, they had been the holders of Definitive Notes in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

Terms and Conditions applicable to the Notes

The terms and conditions applicable to any Definitive Note will be endorsed on that Note and will consist of the terms and conditions set out under "*Terms and Conditions of the Notes*" below and the provisions of the relevant Final Terms which complete those terms and conditions.

The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "*Summary of Provisions Relating to the Notes while in Global Form*" below.

Legend concerning United States persons

In the case of any Tranche of Bearer Notes having a maturity of more than 365 days, the Notes in global form, the Notes in definitive form and any Coupons and Talons appertaining thereto will bear a legend to the following effect:

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

Registered Notes

Each Tranche of Registered Notes will be in the form of either individual Note Certificates in registered form (**Individual Note Certificates**) or a global Note in registered form (a **Global Registered Note**), in each case as specified in the relevant Final Terms.

In a press release dated 22 October 2008, "*Evolution of the custody arrangement for international debt securities and their eligibility in Eurosystem credit operations*", the ECB announced that it has assessed the new holding structure and custody arrangements for registered notes which the ICSDs had designed in cooperation with market participants and that Notes to be held under the New Safekeeping Structure would be in compliance with the "*Standards for the use of EU securities settlement systems in ESCB credit operations*" of the central banking system for the euro (the **Eurosystem**), subject to the conclusion of the necessary legal and contractual arrangements. The press release also stated that the new arrangements for Notes to be held in NSS form will be offered by Euroclear and Clearstream, Luxembourg as of 30 June 2010 and that registered debt securities in global registered form held issued through Euroclear and Clearstream, Luxembourg after 30 September 2010 will only be eligible as collateral in Eurosystem operations if the New Safekeeping Structure is used.

Each Global Registered Note will either be: (a) in the case of a Note which is not to be held under the New Safekeeping Structure, registered in the name of a common depositary (or its nominee) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and the relevant Global Registered Note will be deposited on or about the issue date with the common depositary and will be exchangeable in accordance with its terms; or (b) in the case of a Note to be held under the New Safekeeping Structure, be registered in the name of a common safekeeper (or its nominee) for Euroclear and/or Clearstream, Luxembourg

and/or any other relevant clearing system and the relevant Global Registered Note will be deposited on or about the issue date with the common safekeeper for Euroclear and/or Clearstream, Luxembourg and will be exchangeable for Individual Note Certificates in accordance with its terms.

If the relevant Final Terms specifies the form of Notes as being **Individual Note Certificates**, then the Notes will at all times be in the form of Individual Note Certificates issued to each Noteholder in respect of their respective holdings.

If the relevant Final Terms specifies the form of Notes as being **Global Registered Note exchangeable for Individual Note Certificates**, then the Notes will initially be in the form of a Global Registered Note which will be exchangeable in whole, but not in part, for Individual Note Certificates:

- (a) on the expiry of such period of notice as may be specified in the relevant Final Terms; or
- (b) at any time, if so specified in the relevant Final Terms; or
- (c) if the relevant Final Terms specifies "in the limited circumstances described in the Global Registered Note ", then if either of the following events occurs:
 - (i) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or
 - (ii) any of the circumstances described in Condition 14 (*Events of Default*) occurs.

Whenever the Global Registered Note is to be exchanged for Individual Note Certificates, the Issuer shall procure that Individual Note Certificates will be issued in an aggregate principal amount equal to the principal amount of the Global Registered Note within five business days of the delivery, by or on behalf of the registered holder of the Global Registered Note to the Registrar of such information as is required to complete and deliver such Individual Note Certificates (including, without limitation, the names and addresses of the persons in whose names the Individual Note Certificates are to be registered and the principal amount of each such person's holding) against the surrender of the Global Registered Note at the specified office of the Registrar.

Such exchange will be effected in accordance with the provisions of the Agency Agreement and the regulations concerning the transfer and registration of Notes scheduled thereto and, in particular, shall be effected without charge to any holder, but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

If:

- (a) Individual Note Certificates have not been delivered by 5pm (London time) on the 30th day after they are due to be issued and delivered in accordance with the terms of the Global Registered Note; or
- (b) any of the Notes represented by a Global Registered Note (or any part of it) has become due and payable in accordance with the Conditions or the date for final redemption of the Notes has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the holder of the Global Registered Note in accordance with the terms of the Global Registered Note on the due date for payment,

then the Global Registered Note (including the obligation to deliver Individual Note Certificates) will become void at 5pm (London time) on such 30th day (in the case of (a) above) or at 5pm (London time) on such due date (in the case of (b) above) and the holder of the Global Registered Note will have no further rights thereunder (but without prejudice to the rights which the holder of the Global Registered Note or others may

have under the Deed of Covenant). Under the Deed of Covenant, persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Global Registered Note will acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before the Global Registered Note became void, they had been the holders of Individual Note Certificates in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

Terms and Conditions applicable to the Notes

The terms and conditions applicable to any Individual Note Certificate will be endorsed on that Individual Note Certificate and will consist of the terms and conditions set out under "*Terms and Conditions of the Notes*" below and the provisions of the relevant Final Terms which complete those terms and conditions.

The terms and conditions applicable to any Global Registered Note will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "*Summary of Provisions Relating to the Notes while in Global Form*" below.

VPS Notes

As set forth in the Final Terms, each Series or Tranche of VPS Notes will be issued in uncertificated and dematerialised book entry form registered in VPS Norway. Legal title to the VPS Notes will be evidenced by book entries in the records of VPS Norway. Issues of VPS Notes will be issued with the benefit of the VPS Trustee Agreement. On the issue of such VPS Notes, the Issuer will send a copy of the applicable Final Terms to the VPS Trustee, with a copy sent to the VPS Agent. On delivery of the applicable Final Terms to VPS Norway and notification to VPS Norway of the subscribers and their VPS Norway account details by the Relevant Dealer, the VPS Agent acting on behalf of the Issuer will credit each subscribing account holder with VPS Norway with a nominal amount of VPS Notes equal to the nominal amount thereof for which it has subscribed and paid.

Settlement of sale and purchase transactions in respect of VPS Notes in VPS Norway will take place in accordance with market practice at the time of the transaction. Transfers of interests in the relevant VPS Notes will take place in accordance with the VPS Act and the rules and procedures for the time being of VPS Norway. From 1 January 2020, the VPS Act has been repealed and replaced by the Norwegian Central Securities Depositories Act of 15 March 2019 no. 6, which implements Regulation (EU) no. 909/2014 (**CSDR**) into Norwegian law. However, transitional rules have been passed to allow VPS Norway to operate under the old rules in the VPS Act until such time when VPS Norway has been authorised as a CSD under the Norwegian Central Securities Depositories Act and CSDR.

Title to VPS Notes will pass by registration in the registers between the direct accountholders at VPS Norway in accordance with the VPS Act (or the Norwegian Central Securities Depositories Act when VPS Norway has been authorised as a CSD thereunder and under CSDR) and the rules and procedures of VPS Norway. The holder of a VPS Note will be the person evidenced as such by a book entry in the records of VPS Norway. The person evidenced (including any nominee) as a holder of the VPS Notes shall be treated as the holder of such VPS Notes for the purposes of payment of principal or interest on such VPS Notes. The expressions **Noteholders** and **holder of Notes** and related expressions shall, in each case, be construed accordingly. Any references in the Conditions to Coupons, Talons, Couponholders, Bearer Notes, Certificates, Put Option Receipts, Registered Notes and Notes in definitive form (or, in each case, similar expressions) shall not apply to VPS Notes.

The registration of VPS Notes in VPS Norway as well as the recording and transfer of ownership to, and other interests in, VPS Notes will be governed by, and construed in accordance with, Norwegian law.

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

Clearing System Accountholders

In relation to any Tranche of Notes represented by a Global Note in bearer form, references in the Conditions to **Noteholder** are references to the bearer of the relevant Global Note which, for so long as the Global Note is held by a depositary or a common depositary, in the case of a CGN, or a common safekeeper, in the case of an NGN for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, will be that depositary or common depositary or, as the case may be, common safekeeper.

In relation to any Tranche of Notes represented by a Global Registered Note, references in the Conditions to **Noteholder** are references to the person in whose name such Global Registered Note is for the time being registered in the Register which, for so long as the Global Registered Note is held by or on behalf of a depositary or a common depositary or a common safekeeper for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, will be that depositary or common depositary or common safekeeper or a nominee for that depositary or common depositary or common safekeeper.

Each of the persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Global Note or a Global Registered Note (each an **Accountholder**) must look solely to Euroclear and/or Clearstream, Luxembourg and/or such other relevant clearing system (as the case may be) for such Accountholder's share of each payment made by the Issuer to the holder of such Global Note or Global Registered Note and in relation to all other rights arising under such Global Note or Global Registered Note. The extent to which, and the manner in which, Accountholders may exercise any rights arising under the Global Note or Global Registered Note will be determined by the respective rules and procedures of Euroclear and Clearstream, Luxembourg and any other relevant clearing system from time to time. For so long as the relevant Notes are represented by a Global Note or Global Registered Note, Accountholders shall have no claim directly against the Issuer in respect of payments due under the Notes and such obligations of the Issuer will be discharged by payment to the holder of such Global Note or Global Registered Note.

Conditions applicable to Global Notes

Each Global Note and Global Registered Note will contain provisions which modify the Conditions as they apply to the Global Note or Global Registered Note. The following is a summary of certain of those provisions:

Payments: All payments in respect of the Global Note or Global Registered Note which, according to the Conditions, require presentation and/or surrender of a Note, Note Certificate or Coupon will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Global Note or Global Registered Note to or to the order of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the Notes. On each occasion on which a payment of principal or interest is made in respect of the Global Note, the Issuer shall procure that in respect of a CGN the payment is noted in a schedule thereto and in respect of an NGN the payment is entered pro rata in the records of Euroclear and Clearstream, Luxembourg.

Payment Business Day: In the case of a Global Note, or a Global Registered Note, shall be, if the currency of payment is euro, any day which is a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or, if the currency of payment is not euro, any day which is a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre.

Payment Record Date: Each payment in respect of a Global Registered Note will be made to the person shown as the Holder in the Register at the close of business (in the relevant clearing system) on the Clearing System Business Day before the due date for such payment (the **Record Date**) where **Clearing System Business Day**

means a day on which each clearing system for which the Global Registered Note is being held is open for business.

Exercise of put option or Change of Control put option: In order to exercise the option contained in Condition 9.5 (*Redemption at the option of Noteholders (Investor Put)*) or Condition 9.6 (*Change of Control Put Option*) the bearer of the Permanent Global Note or the holder of a Global Registered Note must, within the period specified in the Conditions for the deposit of the relevant Note and put notice, give written notice of such exercise to the Fiscal Agent, in accordance with the rules and procedures of Euroclear, Clearstream, Luxembourg and/or other relevant clearing system, specifying the principal amount of Notes in respect of which such option is being exercised. Any such notice will be irrevocable and may not be withdrawn.

Partial exercise of call option: In connection with an exercise of the option contained in Condition 9.3 (*Redemption at the option of the Issuer (Issuer Call)*) in relation to some only of the Notes, the Permanent Global Note or Global Registered Note may be redeemed in part in the principal amount specified by the Issuer in accordance with the Conditions and the Notes to be redeemed will not be selected as provided in the Conditions but in accordance with the rules and procedures of Euroclear and Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in principal amount, at their discretion).

In the case of a partial redemption of Notes, the Notes to be redeemed (**Redeemed Notes**) will be selected individually by lot, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg, (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) in the case of Redeemed Notes represented by a Global Note, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the **Selection Date**). No exchange of the relevant Global Note will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to Condition 9.3 (*Redemption at the option of the Issuer (Issuer Call)*) and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 20 (*Notices*) at least five days prior to the Selection Date.

Notices: Notwithstanding Condition 20 (*Notices*), while all the Notes are represented by a Permanent Global Note (or by a Permanent Global Note and/or a Temporary Global Note) or a Global Registered Note and the Permanent Global Note is (or the Permanent Global Note and/or the Temporary Global Note are), or the Global Registered Note is, deposited with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system or a common safekeeper, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with Condition 20 (*Notices*) on the date of delivery to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

DESCRIPTION OF THE ISSUER

General

Vasakronan AB (publ) (**Vasakronan**) was incorporated on 16 June 1998 as a public limited company under the laws of the Kingdom of Sweden (**Sweden**) pursuant to the Swedish Companies Act (Sw. *aktiebolagslagen 2005:551*) and registered in Sweden with registration number 556061-4603. Vasakronan is the parent company of the Group. The address of its registered office and domicile is Box 30074, 104 25 Stockholm, Sweden and its telephone number is +46 8 566 205 00. Vasakronan is owned by Vasakronan Holding AB, corporate registration number 556650-4196, which is owned in turn in equal shares by Första AP-fonden, Andra AP-fonden, Tredje AP-fonden and Fjärde AP-fonden.

The Group's operations comprise the ownership, management and development of properties with the aim of providing the Group's ultimate owners with a high and stable, long-term return. Vasakronan does not directly own any properties itself but its operations comprise Group-wide functions, primarily the management and administration of the properties owned by its wholly owned subsidiaries. At 31 December 2019, the number of employees of Vasakronan was 304.

Vasakronan owns, develops and manages modern and centrally located office and retail properties, with retail properties primarily concentrated in urban areas. As at 31 December 2019 the portfolio was concentrated in Stockholm (63 per cent. of contractual annual rent), Gothenburg (19 per cent. of contractual annual rent), Malmo (10 per cent. of contractual annual rent) and Uppsala (8 per cent. of contractual annual rent) — which are metropolitan areas with strong economic growth. For the year ended 31 December 2019 Vasakronan's property portfolio generated rental revenue of SEK 7,040 million.

Vasakronan also has interests in various joint ventures. Through partnership agreements with one or more parties, Vasakronan shares controlling influence over other companies, which are classified as joint ventures since the agreement terms or the entities' legal forms entitle the participants to the net assets of joint venture. As at 31 December 2019 the carrying amount in joint ventures amounted to SEK 1,164 million.

The following tables are summaries of the consolidated statement of comprehensive income, balance sheet and cash flow of the Group for the years ended and as at 31 December 2018 and 31 December 2019:

Income Statement (SEK m)	For the year ended 31 December 2018	For the year ended 31 December 2019
Rental Revenues	6,718	7,040
Revenue Growth, %	3.5%	4.8%
Operating Expenses	(711)	(682)
Repairs and Maintenance Expenses	(108)	(119)
Property Administration	(357)	(337)
Property Tax	(527)	(655)
Site Leaseholds	(146)	--
Net Operating Income	4,869	5,207
Surplus ratio, %	72.5%	74.0%
Central Administration	(101)	(113)
Profit from Joint Ventures and Associated Companies	159	1,105
Interest expenses ground rents and land leases ¹⁾	--	(147)
Interest income	3	4
Interest expenses	(1,046)	(1,135)
Profit Before Value Change and Tax	3,884	4,921
Change in Value of Investment Properties	10,651	13,270
Change in Value of Financial Instruments	13	(881)
Divested or Impaired Goodwill	(62)	(74)
Profit Before Tax	14,486	17,229

Current Tax	(120)	(230)
Deferred Tax	(1,464)	(3090)
Profit from Assets Held for Sale	--	--
Profit for the Period	12,902	13,909
Of which, attributable to non-controlling interests	--	(2)
Total profit attributable to shareholders	12,902	13,911

- 1) Since 1 January 2019, ground rents and land lease fees are recognised as interest expenses in accordance with IFRS 16 (replaces the previous standard IAS 17 since 1 January 2019). For the year ended 31 December 2019, this expense amounted to SEK 147 million. Comparison figures have not been restated according to IFRS 16.

Balance Sheet (SEKm)	31 December 2018	31 December 2019
Intangible Assets	2,089	2,024
Investment Properties	138,934	156,071
Equipment	44	40
Investment Properties, leaseholds and land lease ¹⁾	--	5,243
Shares and participations in Joint Ventures	365	1,164
Other Financial Receivables	649	946
Total Non-Current Assets	142,081	165,488
Current Receivables	905	1,176
Cash and Cash Equivalents	2,215	3,515
Total Current Assets	3,120	4,691
TOTAL ASSETS	145,201	170,179
Total Equity	60,271	70,156
Deferred Tax Liabilities	18,286	21,368
Interest-Bearing Debt	61,087	66,638
Liabilities, leaseholds and land leases ¹⁾	--	5,244
Non-Interest Bearing Liabilities	5,557	6,773
TOTAL EQUITY AND LIABILITIES	145,201	170,179

- 1) Since 1 January 2019, ground rents and land lease fees are recognised as interest expenses in accordance with IFRS 16 (replaces the previous standard IAS 17 since 1 January 2019). Comparison figures have not been restated according to IFRS 16.

Cash Flow Statement (SEKm)	For the year ended 31 December 2018	For the year ended 31 December 2019
Operating activities		
Net operating income	4,869	5,207
Central administration	(101)	(113)
Add back amortisation and depreciation	12	12
Adjustment for other non-cash items	(9)	(13)
Cash flow from operating activities before interest and tax	4,771	5,093
Interest paid	(1,069)	(1,194) ³⁾
Interest received	3	3
Taxes paid	(138)	(147)
Cash flow before changes in working capital	3,567	3,755
Increase (-)/decrease (+) in operating receivables	(190)	(213)
Increase (-)/decrease (+) in operating liabilities	258	287
Cash flow from operating activities	3,635	3,829
Investing activities		
Investments in existing property	(3,335)	(4,440)
Property acquisitions	(634)	(977)
Property divestments	2,526	1,550
Other PPE, net	(9)	(3)
Acquisitions of intangible assets	(7)	(12)
Dividends from joint ventures	162	309
Cash flow from investing activities	(1,297)	(3,573)
Cash flow after investing activities	2,338	256
Financing activities		
Dividends and Group contributions	(4,000)	(4,000)
Raised debt: interest-bearing liabilities ²⁾	34,908	35,874
Repayment of debt: interest-bearing liabilities ²⁾	(32,223)	(30,709)
Change in collateral ³⁾	253	214
Redemption of financial instruments	(484)	(335)
Cash flows from financing activities	(1,546)	1,044
Cash flow for the period	792	1,300
Opening balance, cash and cash equivalents	1,423	2,215
Cash flow for the period	792	1,300
Closing balance, cash and cash equivalents	2,215	3,515

1) From Q1 2018, commercial paper issued or redeemed is recognised gross. The comparative figures have been restated.

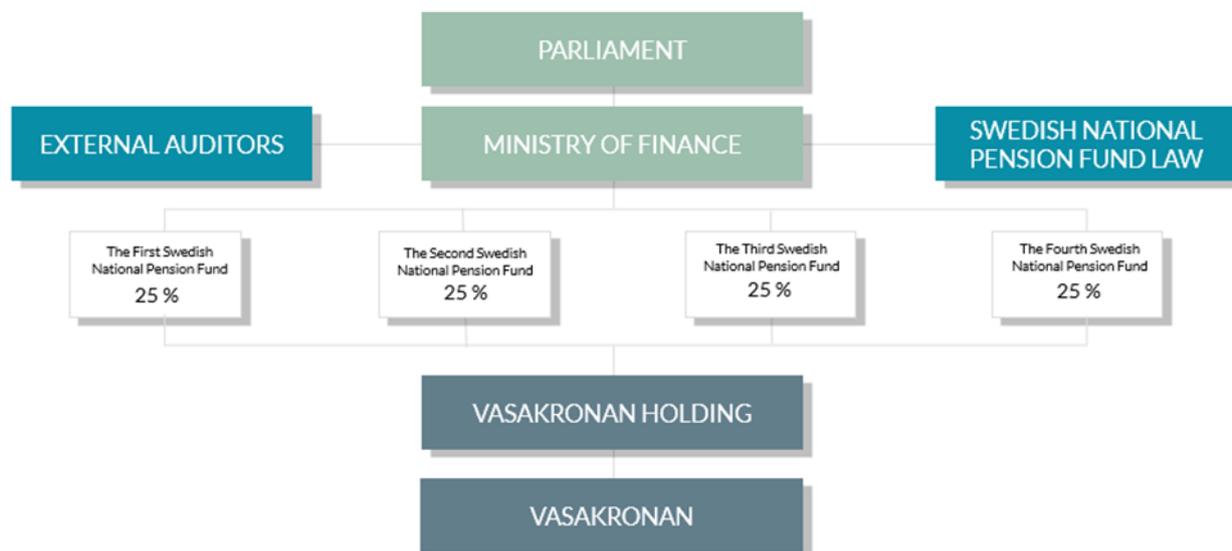
2) From Q2 2018, credit support annexes (CSAs) have been reclassified from working capital to financing activities. The comparative figures have been restated.

3) Interest paid includes ground rents paid and land leases of SEK 147 million.

Ownership structure

As at 31 December 2019, Vasakronan's share capital amounted to SEK 4,000 million. The share capital is divided into 40,000,000 shares of SEK 100 each.

The following chart shows Vasakronan's ownership and governance structure as at 31 December 2019:



Första AP-fonden, Andra AP-fonden, Tredje AP-fonden and Fjärde AP-fonden (**the AP-funds**) are public authorities under the Swedish parliament and are so-called 'buffer funds' within the Swedish national pension system. All AP-funds are closed-end funds, independent from the government and autonomous from the national budget.

Vasakronan has a commitment from the AP-funds pursuant to which they jointly undertake to purchase Vasakronan's commercial paper for up to SEK 18 billion upon request from Vasakronan. The commitment can be terminated with a notice period of 24 months. The commitment has never been utilised. There is a shareholder agreement in place among the AP-funds pursuant to which each of the AP-funds agrees to inject equity pro rata in the event that Vasakronan's total equity declines below the level of paid-in capital, thus ensuring solvency. In the case of an equity injection, each of the funds shall be obliged to inject capital relative to the shares held by such fund in Vasakronan. The agreement can be terminated with a notice period of 18 months.

The Swedish National Pension Funds Act (Sw: *Lagen om allmänna pensionsfonder*) regulates the AP-funds' operations through statutorily prescribed investment rules that were last updated on 1 January 2019. According to the investment rules in force at the date of this Base Prospectus (for further information see "*Investment Rules Schedule*" below) each of the AP-funds is allowed to invest a maximum of 40 per cent. in illiquid assets, including non-listed real estate-companies. This 'illiquid assets' category includes all assets that are under management that are not listed on a regulated market. If the proportion of illiquid assets exceeds this threshold the funds do not have to sell any assets, however they will not be allowed to make further investments in assets in this category.

Investment Rules Schedule

Investment rules defined by law	Old rules	Current rules
Low-risk fixed income instruments	Min 30 per cent.	Min 20 per cent.
Exposure to currency	Max 40 per cent.	Max 40 per cent.
Share capital and votes in a listed company	Max 10 per cent.	Max 10 per cent.
Non-listed assets	Max 5 per cent.	No restriction
Illiquid assets including real estate	No current restriction	Max 40 per cent.
Assets externally managed	Min 10 per cent.	No restriction
Capitalisation of Stockholm stock exchange	Max 2 per cent.	Max 2 per cent.

History

1998

AP Fastigheter was established by the AP-funds.

2008

AP Fastigheter acquired Vasakronan from the Swedish government for a total amount of SEK 41 billion. Through the acquisition of Vasakronan, AP Fastigheter was introduced to properties in a new market, Malmö and Lund. Thereafter the property portfolio was concentrated on Stockholm, Gothenburg, Malmö, Lund and Uppsala. In connection with the acquisition of Vasakronan, properties were divested from Vasakronan to the real estate fund, Niam Fond IV, for a total amount of SEK 7 billion. On 1 December 2008 AP Fastigheter changed its name to Vasakronan.

2010

Vasakronan continued to focus on commercial properties and divested a portfolio of residential property for a total amount of SEK 5.4 billion. After the divestment, residential properties accounted for 1 per cent. of the market value of the remaining property portfolio.

2012

Vasakronan acquired commercial properties in Gothenburg for a total amount of SEK 2.2 billion.

2013

Vasakronan issued the world's first green bond issued by a corporate (according to the Climate Bonds Initiative)².

2018

Vasakronan received a credit rating of A3 with a stable outlook from Moody's.

2019

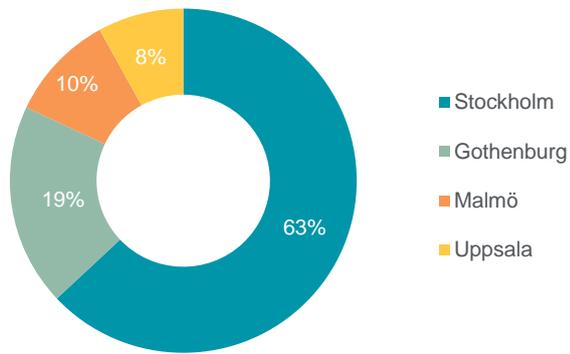
At the beginning of 2019, the Lund portfolio was divested.

Property portfolio

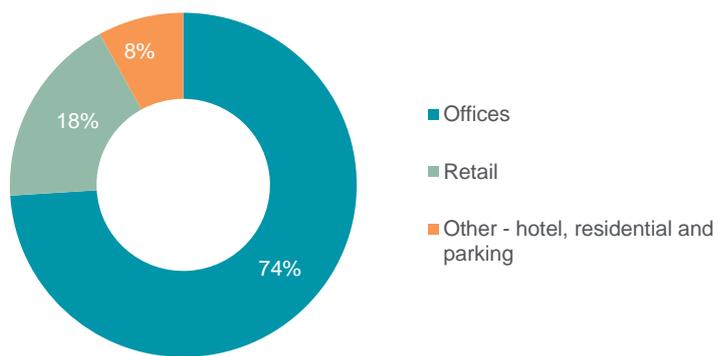
The graphs below show the composition of contractual annual rent according to geographic market and property type as at 31 December 2019.

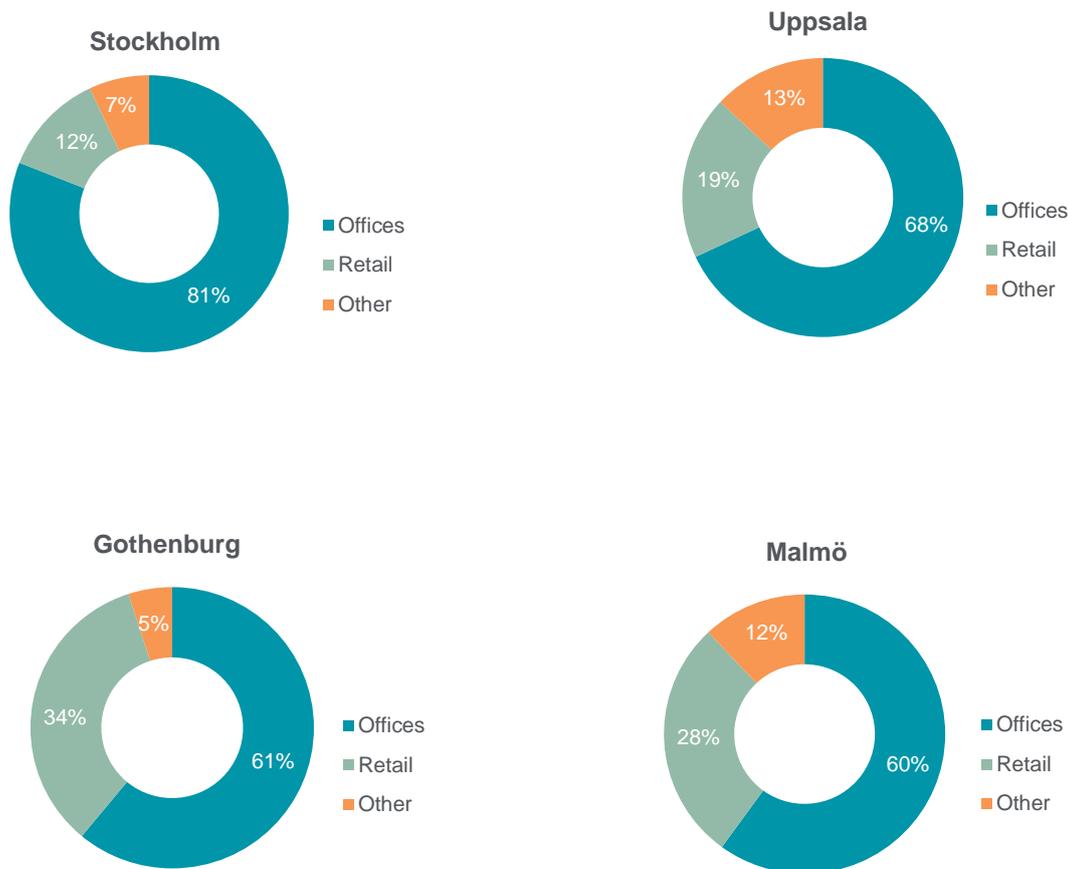
² <https://www.climatebonds.net/market/explaining-green-bonds>

Contracted annual rent by geographic market



Contracted annual rent by property type





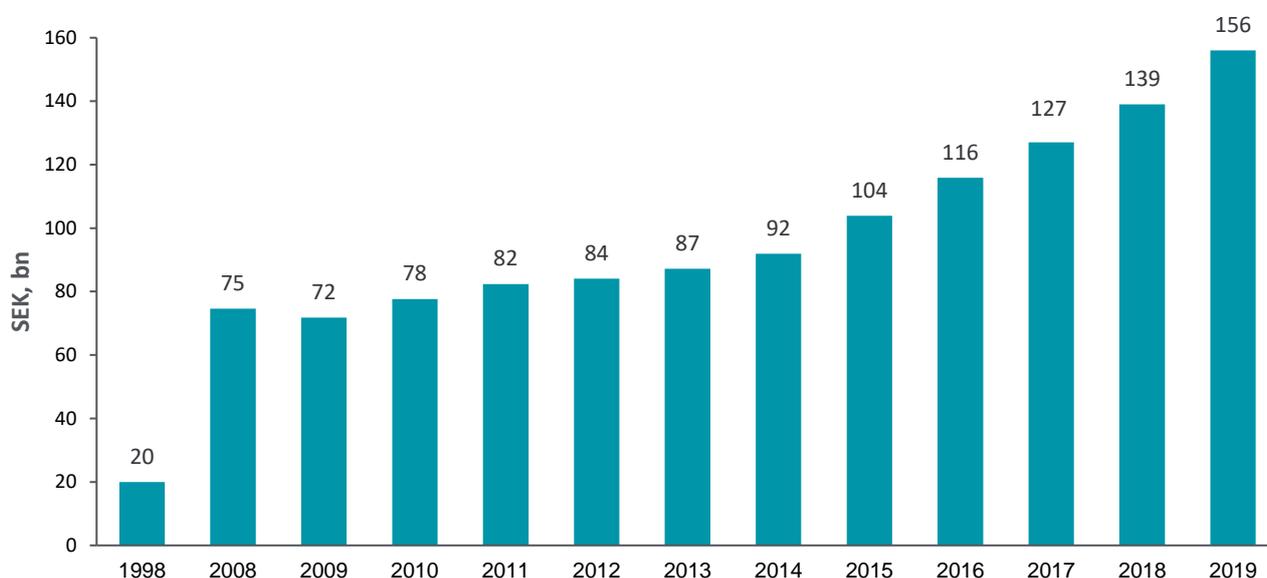
As at 31 December 2019, Vasakronan’s property portfolio consisted of 174 properties with a leasable area of 2,322,000 square metres and a market value of SEK 156 billion.

Vasakronan’s property portfolio focuses on modern and centrally located office and retail properties, with retail properties primarily concentrated in urban areas. Vasakronan’s overall assessment is that urban retail has good potential to manage the changes currently occurring within the retail sector as the sector is experiencing a trend toward small shops where the shops are used to reinforce the tenant’s brand and to drive e-commerce. From a practical perspective, this means a transition to a greater mix of property uses with prime retail locations being retained, while less attractive locations are converted to other businesses, such as restaurants, coffee shops, gyms or office space. When Vasakronan plans a new property or renovations it draws up a plan that specifies the mix of various activities in the building. To help create a healthy, dynamic area with a good range of services, Vasakronan has dialogue with other property owners, municipalities and infrastructure planner.

The market value of Vasakronan’s properties has been measured using the same valuation principles since 1997. The valuation process is governed by a valuation policy under which all properties are valued by external parties at year-end and mid-year, and valued internally at the end of the first and third quarters. External valuations are conducted pursuant to the Royal Institution of Chartered Surveyors Valuation – Professional Standards (the ‘Red Book’). In parallel with the external valuations, internal reviews of the reasonableness of these valuations are carried out. The market values are assessed using a yield-based valuation method that utilises cash-flow statements with a horizon of at least ten years. Based on internal appraisals, the estimated market value of Vasakronan’s property portfolio was SEK 156,071 million as at 31 December 2019 compared with SEK 138,934 million as at 31 December 2018. The compounded annual growth rate from 2008 to 2019 was 9.3 per cent. per year.

The growth in market value of Vasakronan's property portfolio since 1998 is shown below.

Market value, SEK bn



Business Model and Strategy

The mandate from the AP-funds is to generate a high and stable long-term return, with sustainability as an integral part of the business. Vasakronan's main operations consist of ownership, development and management of office and retail properties.

Vasakronan's aim is to maintain and develop a high quality portfolio of properties located in centres of economic growth which will, over time, remain attractive to tenants in the office and retail rental market. Consequently, the portfolio is concentrated in Stockholm, Gothenburg, Malmö and Uppsala, all of which have recorded strong economic growth. The portfolio is modern, energy and cost efficient and centrally located in areas with good transportation links. Retail is concentrated in city shopping districts. Management of the portfolio is divided into four cities: Stockholm, Gothenburg, Malmö and Uppsala. Each regional team handles customer relations and property development locally.

Vasakronan's overall financial return target is a total yield over a rolling ten-year period that will average in excess of 6.5 per cent. annually. The total yield should also be at least 0.5 per cent. higher than the industry average calculated in accordance with the IPD Sweden Annual Property Index (the **IPD Index**) (not including Vasakronan). Over the past ten years, Vasakronan's total yield averaged 11.5 per cent. per year and the average for the IPD Index (not including Vasakronan) was 9.9 per cent. per year for the same period.

The Group's property stock is continuously being developed in order to adapt to customer demand and new buildings are constructed in locations with strong demand. Property development is supplemented by acquisitions and disposals that enhance the quality and yield of Vasakronan's property portfolio based on current market conditions. Vasakronan also holds building rights for residential property and such rights, including the land on which building rights have been granted, can be sold when demand is high.

The properties in the Group's portfolio are developed to a high environmental standard and are managed to ensure that each property operates in an environmentally sustainable manner. Environmental sustainability is an integral part of Vasakronan's organisation and business. This focus on environmental sustainability applies equally to the board, central and regional management and Vasakronan's everyday activities. Each year

business planning is carried out with a focus on areas that could be developed or improved. Based on the business plans, long-term and short-term targets within the financial, environmental and societal areas are set. Vasakronan's strategy is to improve the quality of its portfolio through the development of new modern, environmentally sustainable properties and also through the refurbishment of its existing properties. Vasakronan applies strict criteria for its new developments and refurbishes properties to ensure that its portfolio adheres to high environmental standards. Ensuring that its portfolio is compliant with a high standard of environmental requirements makes its properties competitive and attractive to tenants over the long term. In addition, maintaining and developing high quality, modern, environmentally sustainable properties creates cost efficiencies, leading to lower capital expenditure and lower operating costs over the long term compared to properties not developed and maintained in this manner. For more information on the environmental sustainability of Vasakronan's business and its long-term targets, see the section "Sustainability and social initiatives", below.

Project development

Vasakronan develops properties for long-term ownership and takes a holistic approach with the aim that each individual property will contribute to the street, neighbourhood, district or city as a whole. The level of risk for individual projects depends on the prevailing market conditions. In a weaker market, projects are only commenced once long-term rental contracts are in place in respect of the whole of the property, whereas in stronger markets projects may be commenced before long-term contracts are in place for the whole property.

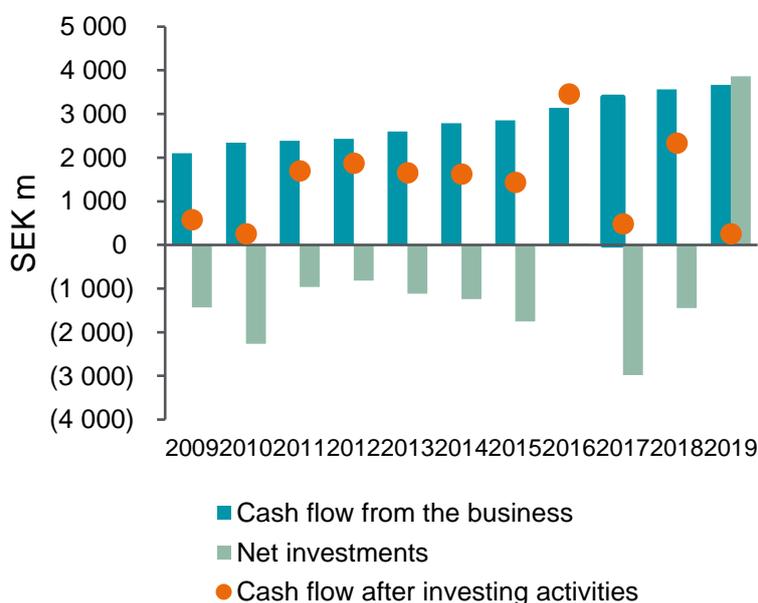
The project portfolio, including developments and refurbishments, had a total allocated investment volume of SEK 14,347 million as at 31 December 2019, of which SEK 6,753 million was invested as at 31 December 2019 and the committed investments represent 8 per cent. of total assets. Vasakronan's eight largest projects conducted during the last five years have delivered an average Return On Investment (as defined in "Alternative Performance Measures", below) of 11.5 per cent. As at 31 December 2019, the occupancy rate in ongoing development projects was 69 per cent. and 50 per cent. of ongoing projects have been completed.

The increased demand for modern, highly efficient and attractive office space has not been met by supply and Vasakronan has therefore increased its project development over a number of years. Project developments are generally in prime locations and in markets that are well known by Vasakronan, which lowers project risks.

Set out below are three of Vasakronan's largest on-going projects as at 31 December 2019:

Sergelhuset, Stockholm Investment (committed amount): SEK 3,700 million Type of project: Renovation and new build development Estimated date of completion: December 2021 Area of premises: 56,500 square metres.	Platinan, Gothenburg Investment (committed amount): SEK 2,600 million Type of project: New build development Estimated date of completion: December 2022 Area of premises: 53,700 square metres	Kronan, Stockholm Investment (committed amount): SEK 1,680 million Type of project: Renovation and new build development Estimated date of completion: November 2021 Area of premises: 42,700 square metres.
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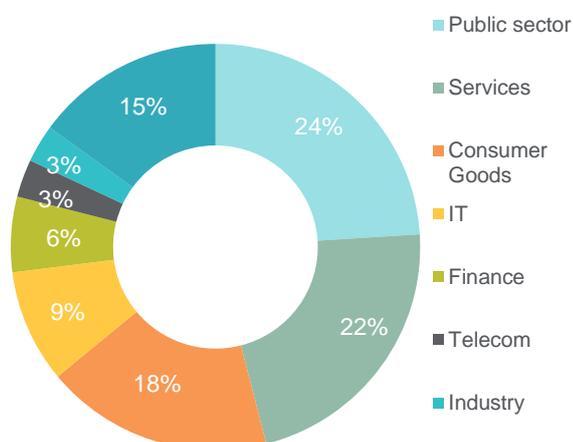
The cash flow chart below shows that cash flow from the business has exceeded net investments historically and that free cash flow before financing (cash flow from operating activities reduced with cash flow from investing activities) has been positive.



Tenants and lease structure

Vasakronan maintains a balanced tenant structure with a wide distribution across many tenants active in various industries and with a diversified maturity profile. No individual tenant accounts for more than 3 per cent. of the contractual annual rent, while the ten largest tenants account for only 18 per cent. Of these ten, five are in the public sector. The contractual annual rent as at 31 December 2019 was SEK 7,193 million in annual rental revenue. The number of commercial contracts (residential and garage not included) in the portfolio amounted to 4,153 as at 31 December 2019. A typical commercial lease agreement signed by Vasakronan is between three and seven years. Public tenants may not sign lease agreements for longer than seven years without special approval from the government although lease agreements for properties built for special purposes, for example courts and life sciences, can be up to 25 years. Rent levels under all lease agreements are index linked and adjusted on an upwards only basis in accordance with the consumer price index.

The illustration below show the composition of Vasakronan's tenants by industry as at 31 December 2019.



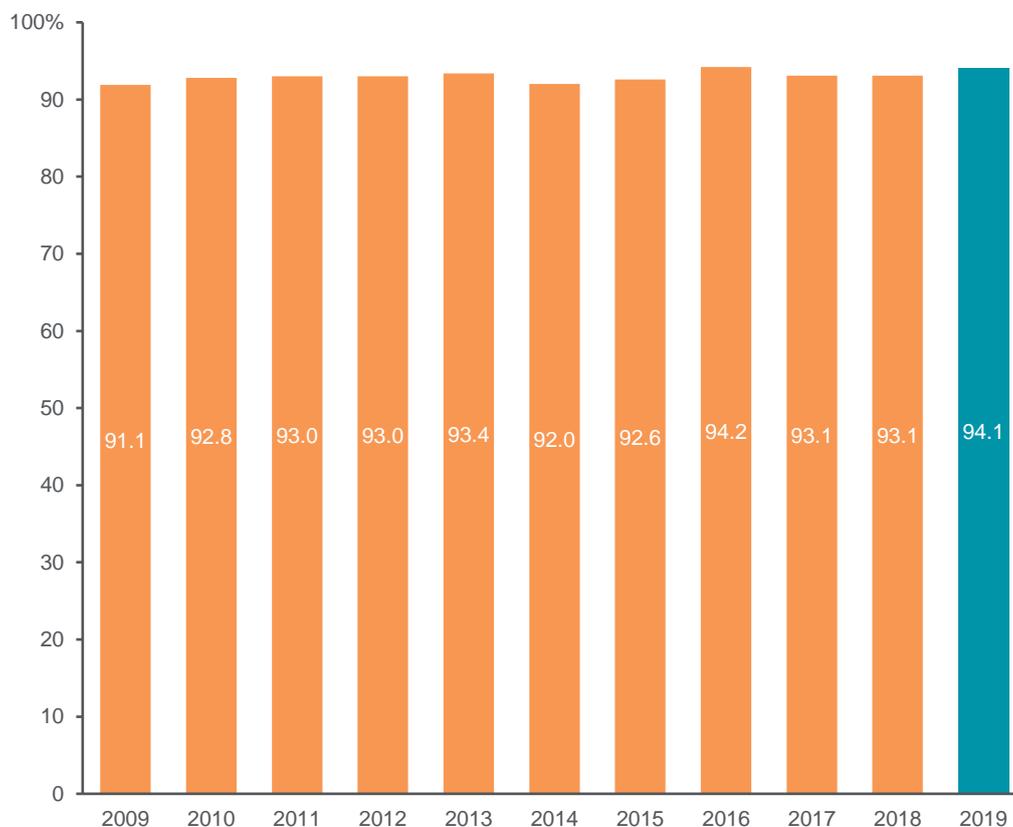
The chart below shows Vasakronan's ten largest tenants and their percentage share of total rental revenue as at 31 December 2019.

Tenant	Type	Share in per cent.
Swedish Police Authority	Public	3
Ericsson	Private	3
H&M (Offices and stores)	Private	3
Swedish Prison and Probation Service	Public	2
Swedish Social Insurance Agency	Public	2
Swedish National Courts Administration	Public	1
Åhléns	Private	1
Handelsbanken	Private	1
KPMG	Private	1
The Riksdag Administration	Public	1
Total		18

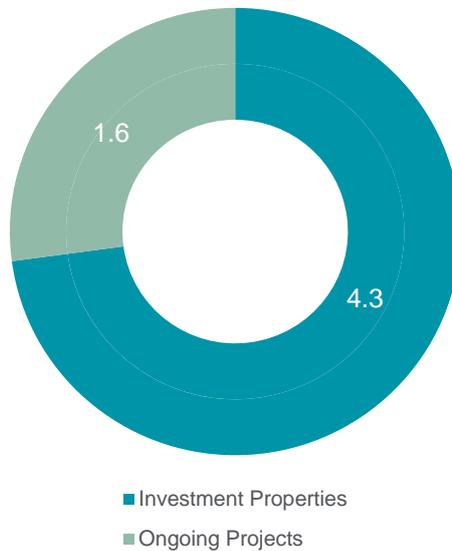
Public Sector Tenants

Vasakronan's occupancy rate was 94.1 per cent. as at 31 December 2019 (93.1 per cent. as at 31 December 2018). 1.6 per cent. of the total vacancies are attributed to the project portfolio, all as shown in the charts below.

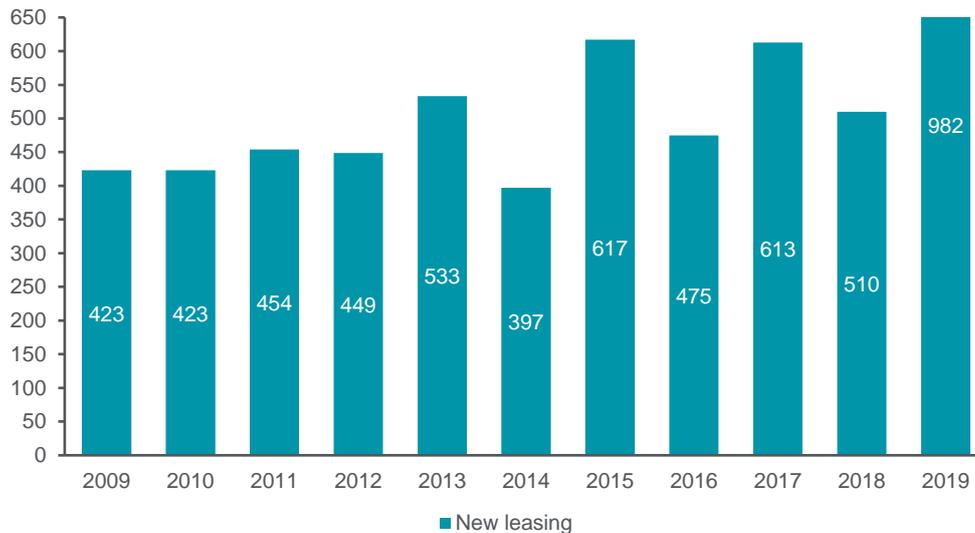
Occupancy rate, per cent.



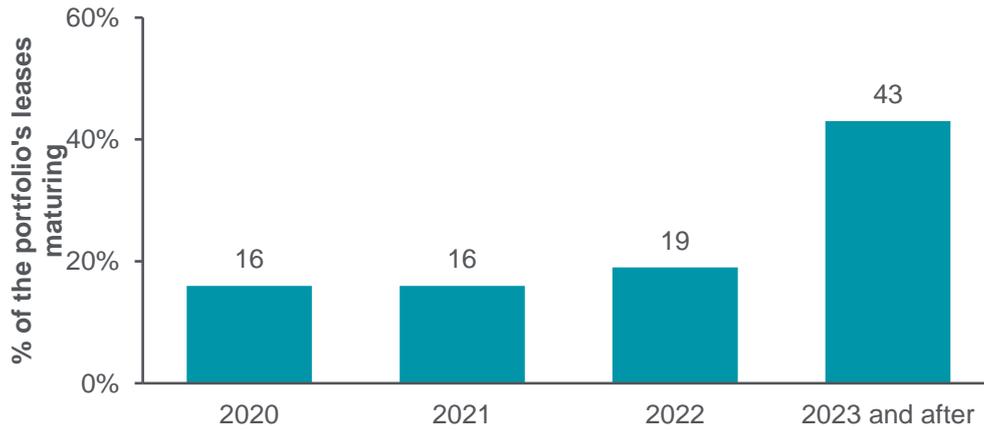
Vacancies 2019, per cent.



During the year ended 31 December 2019, leases corresponding to an annual rent of SEK 982 million and 220,000 square metres were signed. The graph below shows the annual amount of new leasing (in SEK m).



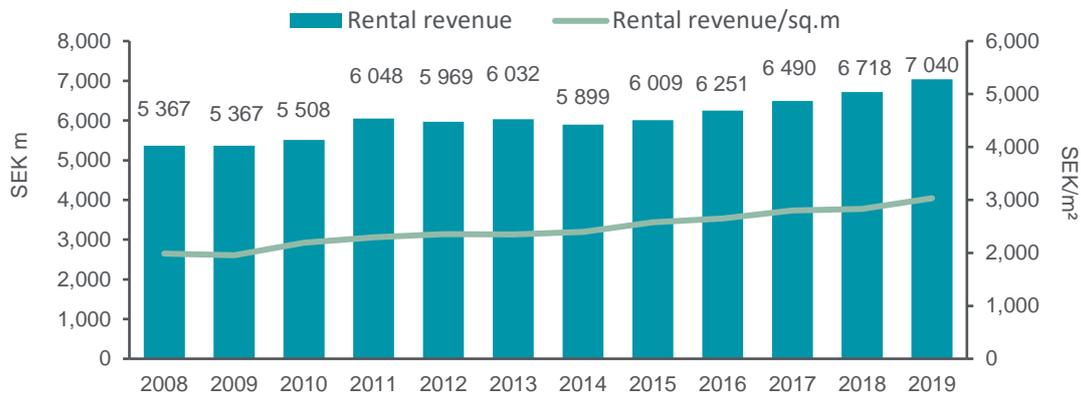
For the lease portfolio as a whole, the average remaining term to maturity is 3.9 years as at 31 December 2019. The graph below shows the duration to maturity in the lease portfolio. During 2020 approximately 16 per cent. of the current commercial, office and retail contracted rent will be subject to renegotiation. Of the contracts that have been subject to renegotiation between 31 December 2018 and 31 December 2019, 70 per cent. have been extended. The chart below shows the current maturity profile of Vasakronan’s lease portfolio, with the percentage of the portfolio’s leases maturing in each of the coming years. Garage (4 per cent.) and Residential (2 per cent.) are not included in the chart below.



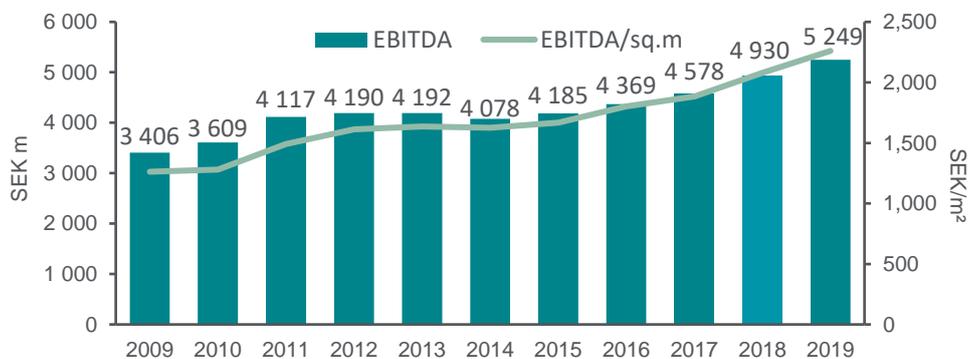
In the year ended 31 December 2019 the rents on renewals increased by 12 per cent. as a result of rising rents. Rental revenue increased during the year ended 31 December 2019 to SEK 7,040 million. Since 2009 revenues have increased 31 per cent. EBITDA and EBITDA margin have been stable over time, as illustrated by the charts below.

Please see "Alternative Performance Measures" below for a further description of alternative performance measures used.

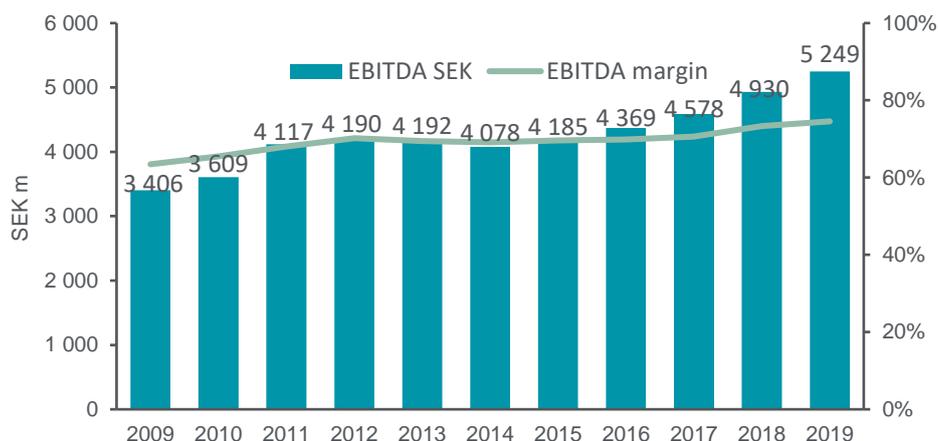
Rental revenue



EBITDA



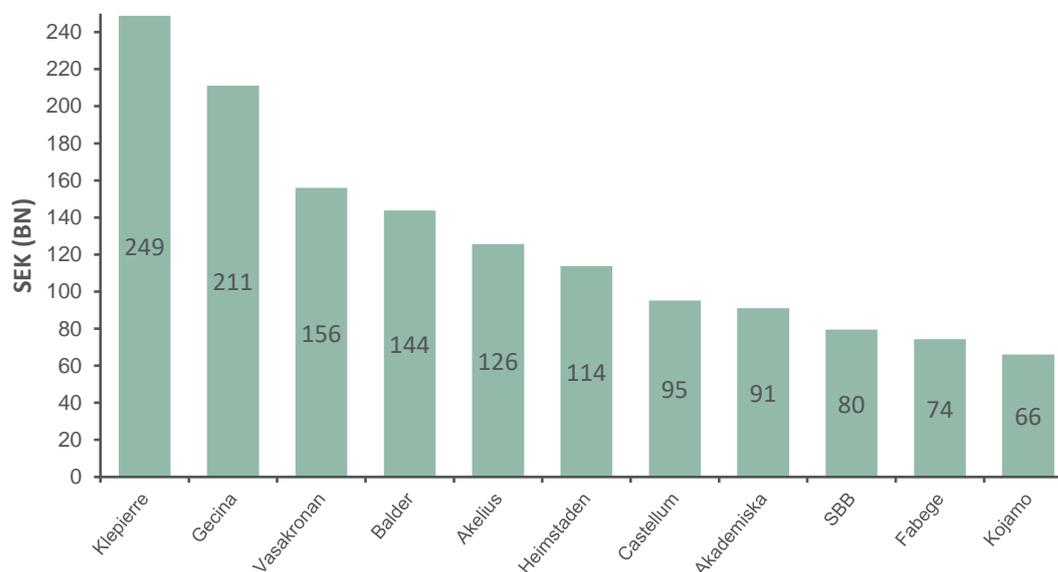
EBITDA margin



Market Share and overview of the market

Vasakronan is the largest real estate company in Sweden and one of the largest real estate companies in the Nordic region in terms of reported property market value (based on the annual financial reports of each of Vasakronan's competitors for the year ended 31 December 2019) with its real estate assets amounting to a market value of SEK 156 billion as at 31 December 2019 (SEK 139 billion as at 31 December 2018). The chart below shows the investment property value of Vasakronan, its domestic competitors as well as some of its larger European peers who are active in the office-segment.

Investment property value, SEK bn



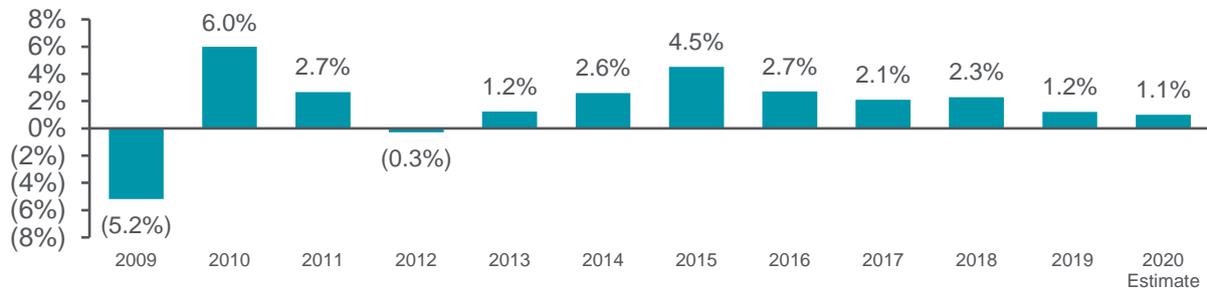
Source: Q4 reports for each company for the year 2019.

In Sweden, Vasakronan is the largest property owner in all its key cities³ (in central Stockholm including its central business district (CBD) Vasakronan owns 12 per cent. of all property; in Gothenburg CBD 22 per cent.; in Malmö CBD and Västra Hamnen 20 per cent.; and in central Uppsala 22 per cent.).

³ Source: CBRE and Vasakronan through Datscha

Sweden is one of 12⁴ countries to have been assigned an Aaa rating by Moody's. The economy in Sweden is growing and according to the latest forecast from the Swedish National Institute of Economic Research (SNIER), GDP increased by 1.2 per cent. in 2019. SNIER forecasts that GDP growth will fall slightly to approximately 1.0 per cent. in 2020.

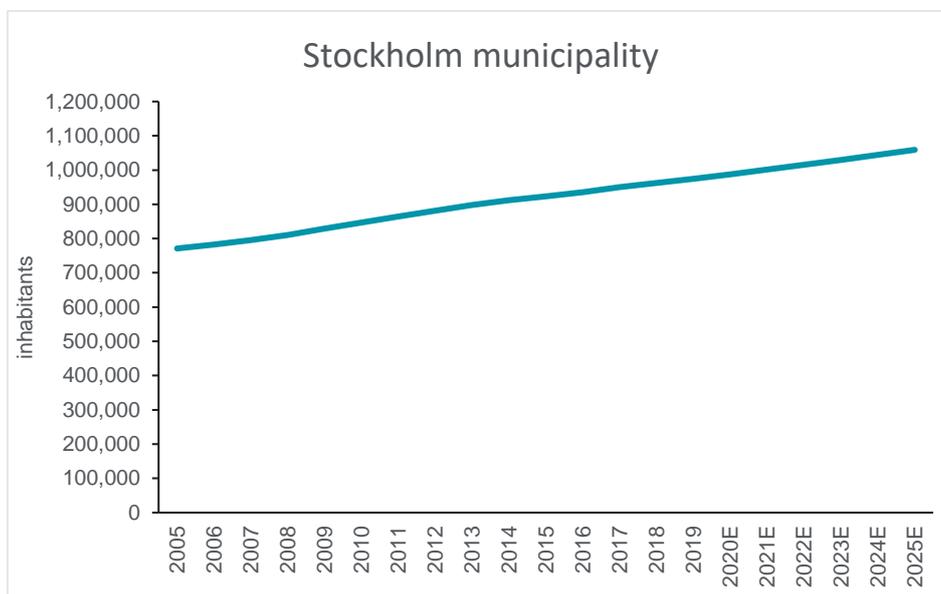
GDP Growth in Sweden



Source: SNIER (<https://www.konj.se/publikationer/konjunkturlaget/konjunkturlaget/2019-12-18-arbetslosheten-stiger-och-inflationen-blir-tydligtlagre-an-riksbankens-mal.html>) & <https://www.scb.se/en/finding-statistics/statistics-by-subject-area/national-accounts/national-accounts/national-accounts-quarterly-and-annual-estimates/pong/statistical-news/national-accounts-fourth-quarter-2019/>)

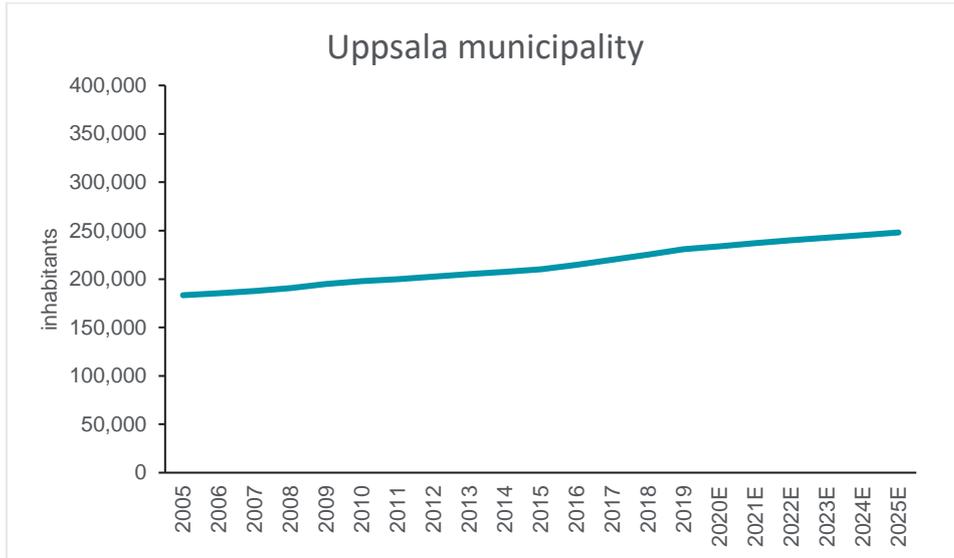
The population in Sweden is growing and the population growth in Vasakronan's four regions remains strong. The graph below shows the population growth in Vasakronan's key-cities.

Population growth in Sweden by geographic market

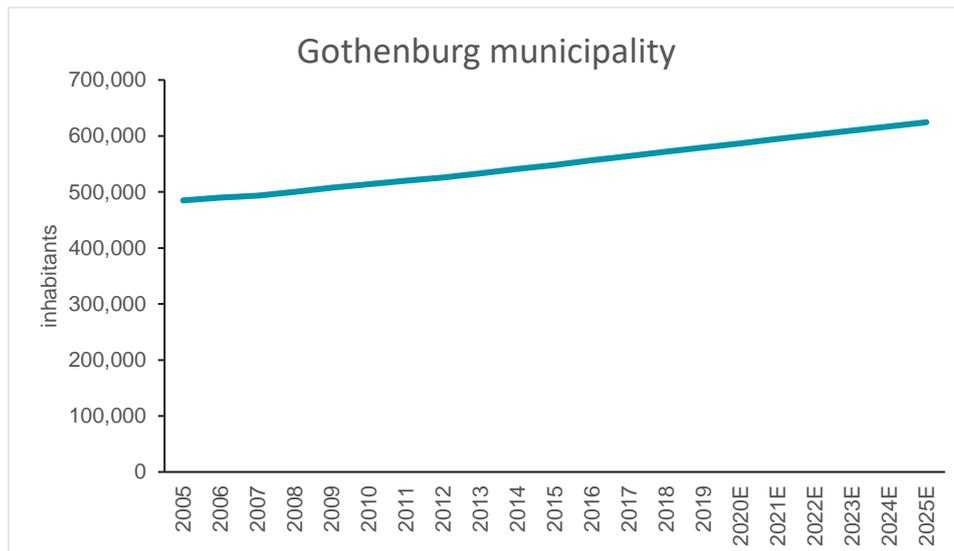


Source: Inhabitants in Swedish municipalities 2005 – 2019, Statistics Sweden, Forecasts: Municipalities' projections for 2020-2025

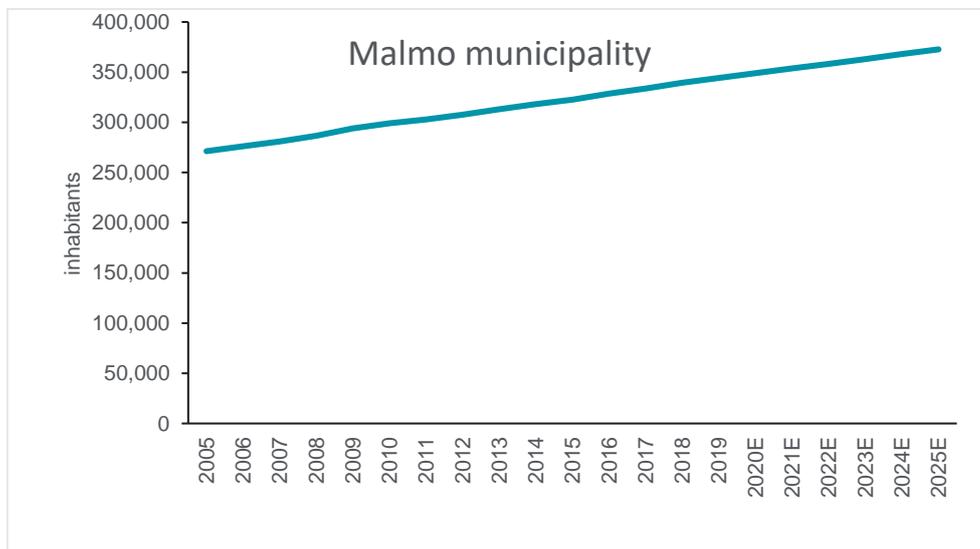
⁴ Source: Country Economy (<https://countryeconomy.com/ratings/moodys>)



Source: Inhabitants in Swedish municipalities 2005 – 2019, Statistics Sweden, Forecasts: Municipalities' projections for 2020-2025



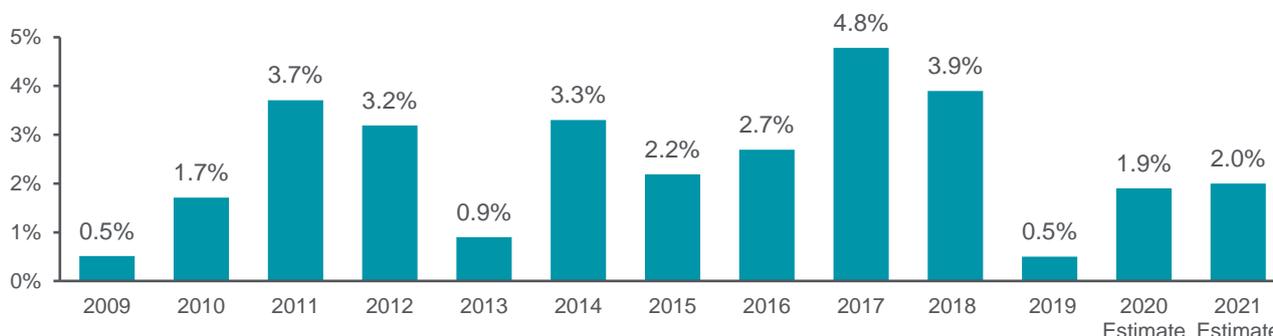
Source: Inhabitants in Swedish municipalities 2005 – 2019, Statistics Sweden, Forecasts: Municipalities' projections for 2020-2025



Source: Inhabitants in Swedish municipalities 2005 – 2019, Statistics Sweden, Forecasts: Municipalities' projections for 2020-2025

The labour market in Sweden remains strong even if employment is expected to increase more slowly moving forward. According to forecasts by Statistiska Centralbyrån (SCB) and Evidens, office employment in metropolitan areas will increase by almost 1.9 and 2.0 per cent. in 2020 and 2021.

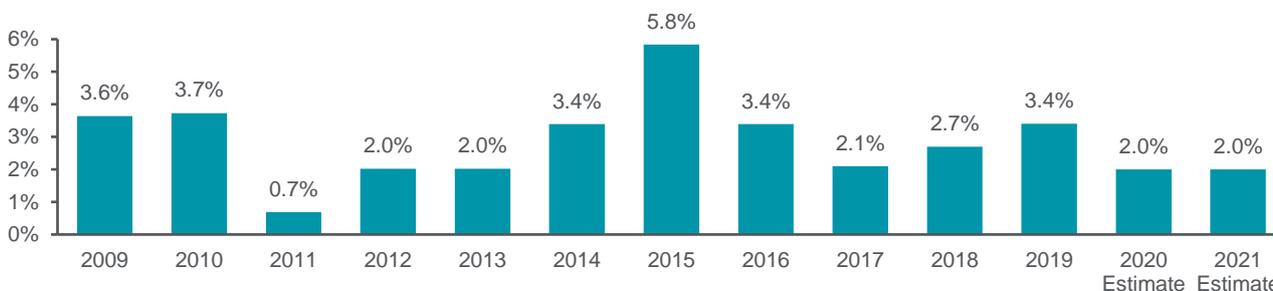
Office employment



Source: SCB and Evidens

According to Handelns Utredningsinstitut (HUI) the growth in retail sales in Sweden was 3.4 per cent. during 2019. The HUI's forecast for 2020 and 2021 indicates growth of 2.0 per cent. per year. The challenges facing the retail sector is not currently in macro-economic conditions or prospects but in the shift to the steadily growing e-commerce sector. E-commerce accounted for almost all retail sales growth in 2019. Despite growing e-commerce the demand for retail stores in excellent locations is still strong and e-commerce companies establish physical stores in order to drive e-commerce, and also the other way around.

Sales growth

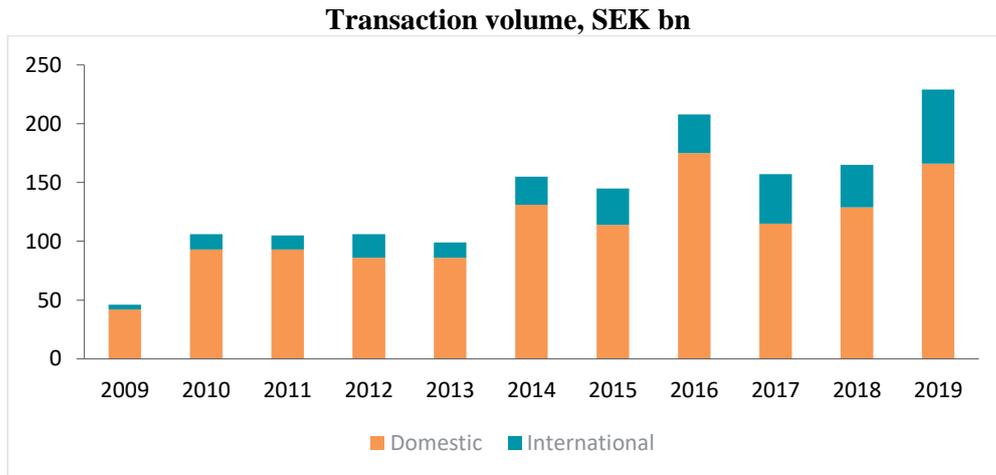


Source: HUI Research

Despite economic growth and reduced unemployment, inflation is still lagging behind the Riksbank's (Sweden's central bank) target of 2 per cent. At its last monetary policy meeting in December 2019, the Riksbank decided to raise the repo rate from negative 0.25 per cent. to zero⁵ The repo rate is the rate of interest at which banks can borrow or deposit funds at the Riksbank for a period of seven days. This economic environment has created a favourable investment climate in the Swedish property market and has contributed to a rise in property prices.

⁵ Source: Riksbank

The graph below shows the transaction volume on the Swedish property market.



Source: Cushman & Wakefield

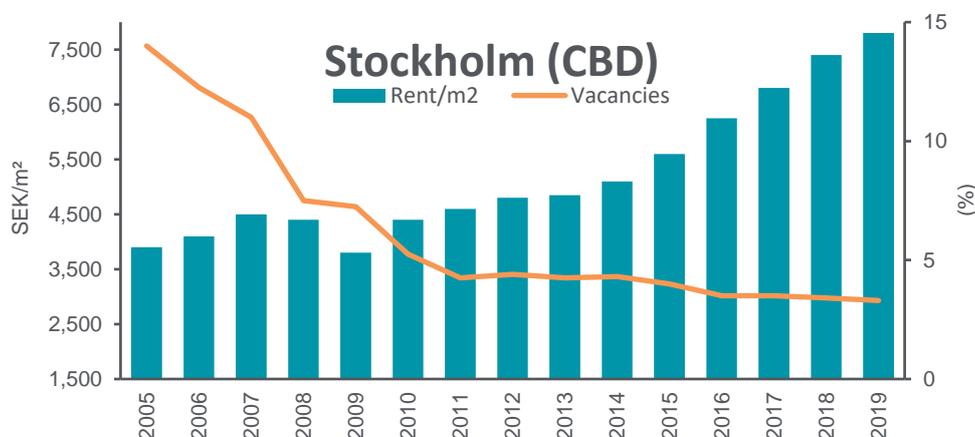
The property yields in the Swedish property market continue to offer attractive spreads over Swedish government bond yields (see "Office employment and completed office space" below).

The office rental market in all cities and suburbs where Vasakronan is active strengthened during 2019 through increased rents. Stockholm's CBD and central Stockholm, saw the strongest growth. The current economic upturn has prompted strong demand for modern, efficient office space in central areas and this along with low levels of new development of office premises over a prolonged period are the main reasons for the trend in strong rent growth. For central locations in Vasakronan's markets, office vacancies have remained relatively low during 2019. Malmö is the exception where office vacancies were approximately 9 per cent. in 2019 due to the relatively high supply of office space⁶.

The charts below show the average rent against vacancy rates generally for the periods indicated across the four key cities where Vasakronan operates.

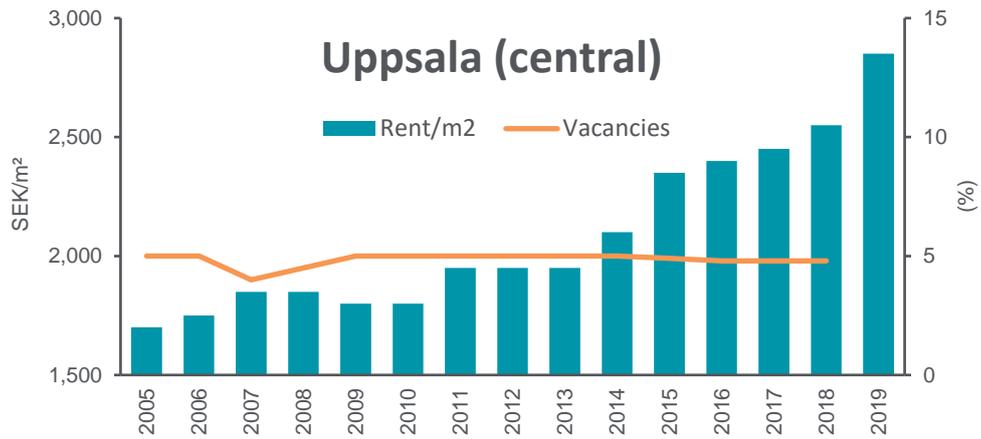
Rents and vacancies - commercial premises

The graphs below show the average rents against vacancy rates on office premises in each of Vasakronan's key cities.

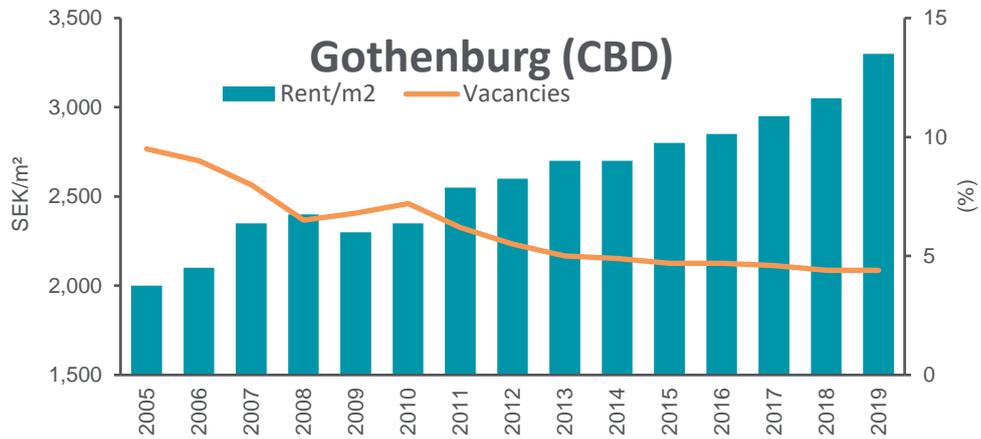


Source: Cushman & Wakefield. As at December 2019.

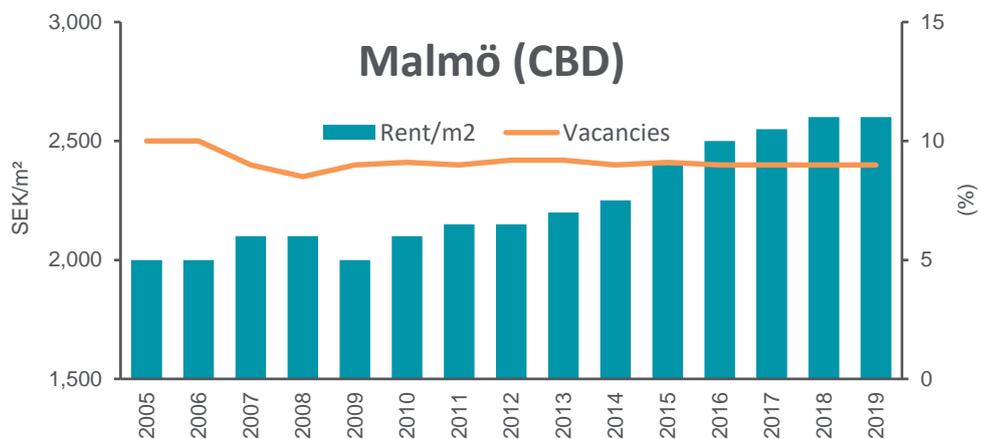
⁶ Source: Cushman & Wakefield



Source: Cushman & Wakefield. As at December 2019.



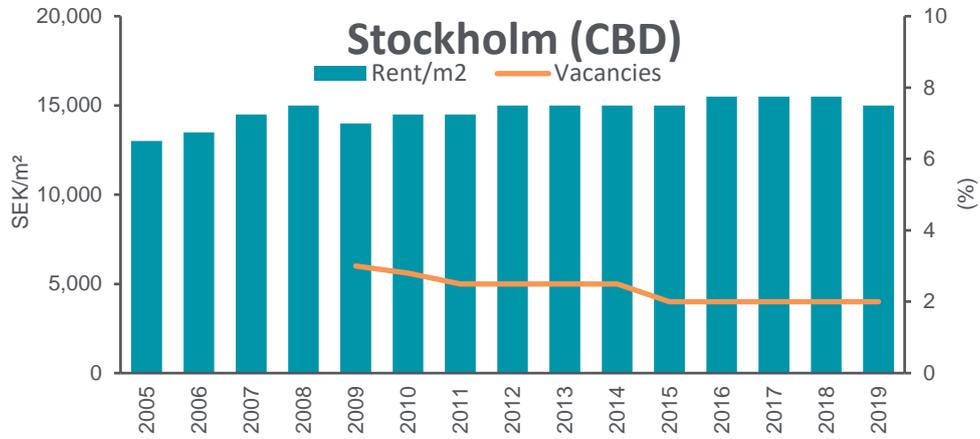
Source: Cushman & Wakefield. As at December 2019.



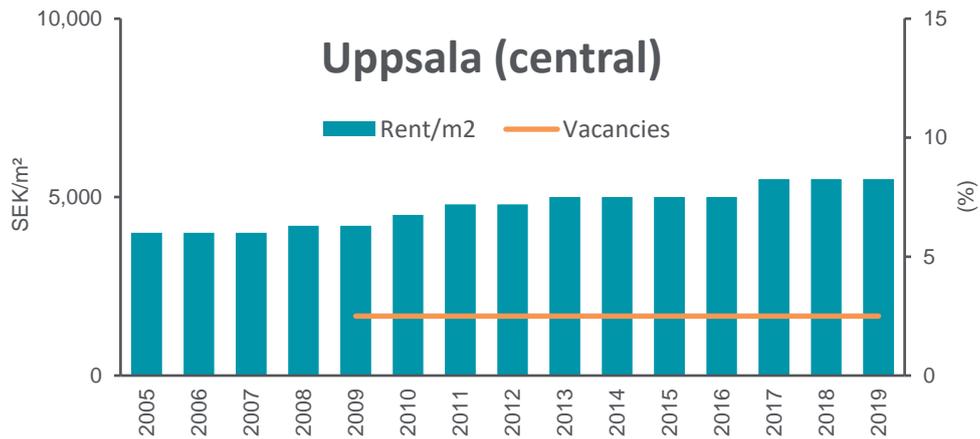
Source: Cushman & Wakefield. As at December 2019.

Rents and vacancies – retail premises

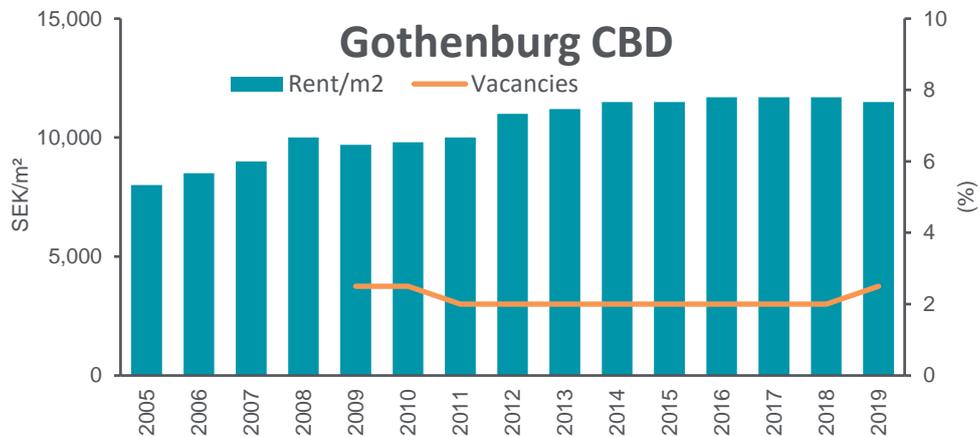
The graphs below show the average rents against vacancy rates on retail premises in each of Vasakronan's key cities.



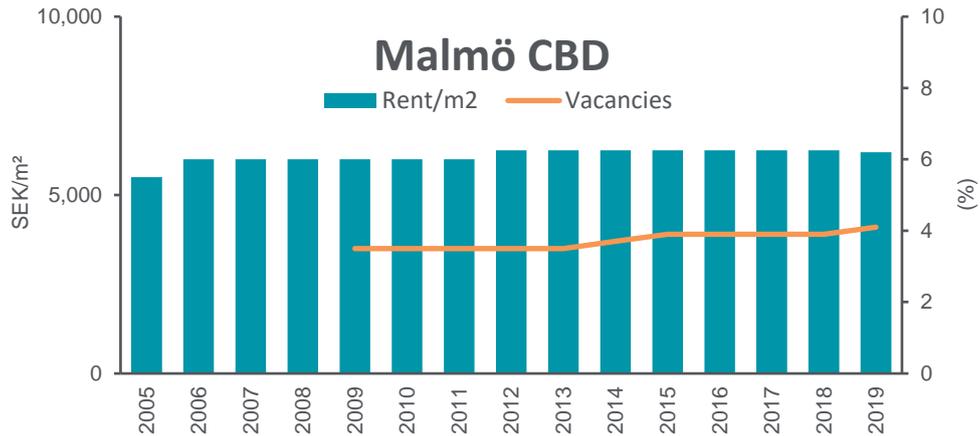
Source: Cushman & Wakefield. As at December 2019.



Source: Cushman & Wakefield. As at December 2019.



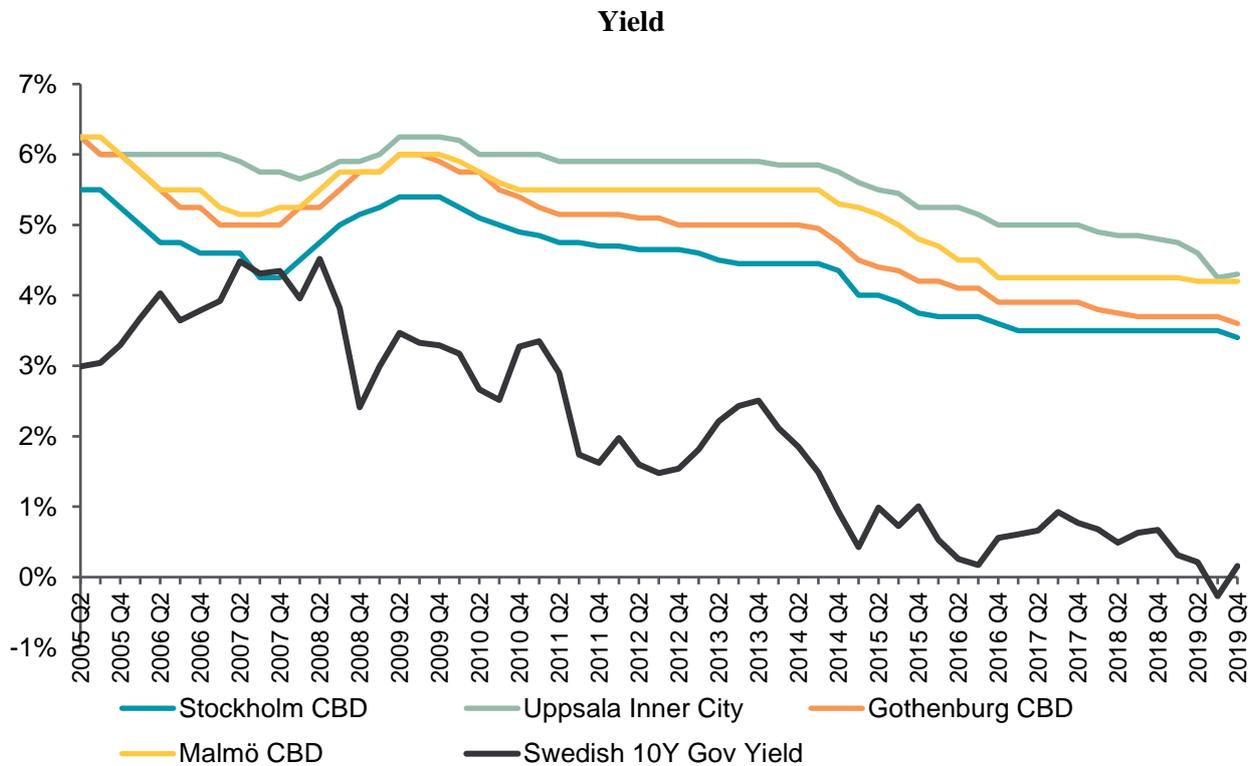
Source: Cushman & Wakefield. As at December 2019.



Source: Cushman & Wakefield. As at December 2019.

Yield requirements

The market's requirements for yields, based on the valuers' experience-based assessments of market return requirements for comparable properties, have fallen for several years in the Stockholm CBD and the rest of the inner city to the low level of 3.4 and 3.8 per cent., respectively. As at 31 December 2019, the yield requirement in the inner suburbs of Stockholm was 4.0 per cent. The yield requirement for prime⁷ office and retail properties in Gothenburg's CBD declined slightly to 3.6 per cent. during 2019. As at 31 December 2019 the yield requirement for prime office premises in the Malmö CBD was 4.2 per cent. In Uppsala, the yield requirement for centrally located office and retail facilities declined to 4.3 per cent. in 2019.



Source: Cushman & Wakefield, Bloomberg.

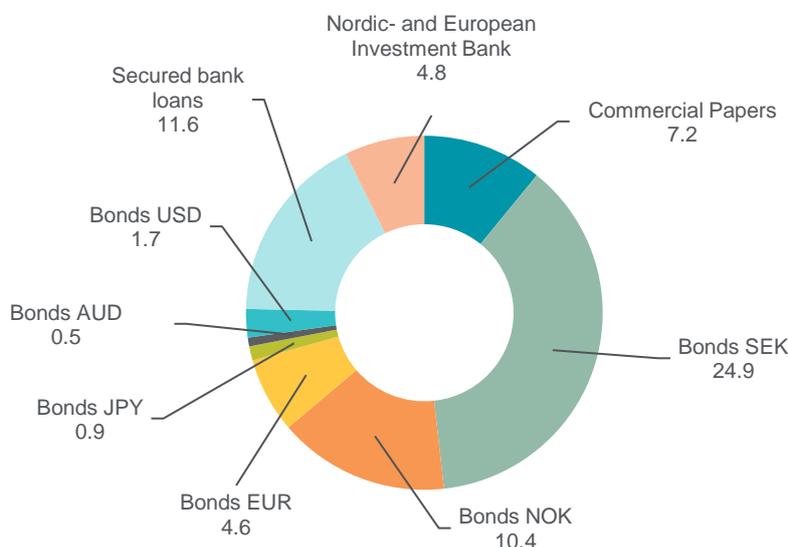
⁷ The best locations of a market and/or the highest quality and specification in a market.

Financing and capital structure

The overall objective of Vasakronan's treasury activities is to secure financing needs at the lowest possible cost within the frameworks and restrictions set by Vasakronan's financial policy. Vasakronan finances its activities through capital supplied by its AP-fund owners and through external borrowing. No capital injections from the owners have been made since 2008 when AP Fastigheter bought Vasakronan. External borrowing has historically been funded through bonds or commercial paper issued in the domestic capital markets or from bank lending and all of the debt is raised at the Vasakronan AB level. Vasakronan's financial policy provides for a secured debt to gross assets ratio of maximum 20 per cent. As at 31 December 2019, external borrowing amounted to SEK 66.638 billion (SEK 61.087 billion as at 31 December 2018) and the secured debt to gross assets ratio was 7 per cent.

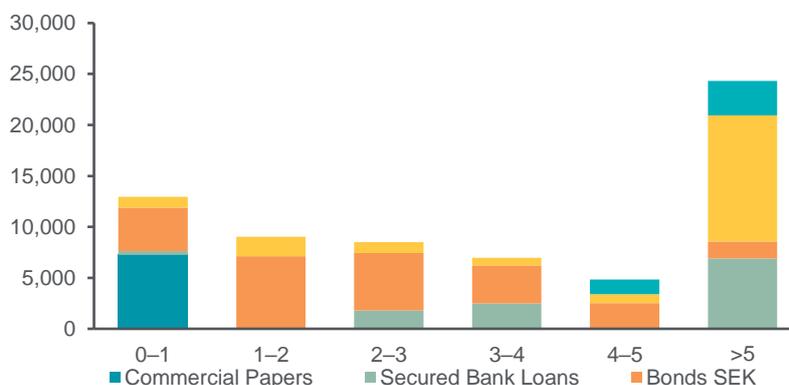
The chart below shows the composition of Vasakronan's financing sources as at 31 December 2019.

Composition of Vasakronan's financing sources (SEK, bn)



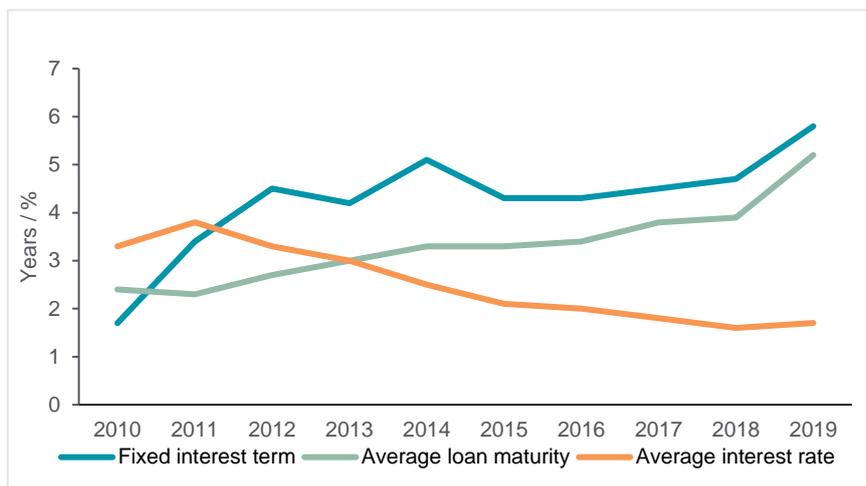
The chart below illustrates Vasakronan's maturity profile of external borrowing as at 31 December 2019 by type of funding source. Vasakronan plans to replace short-term debt with longer dated funding. Average loan maturity has increased by 1.3 years since 2018 and as at 31 December 2019 the average maturity was 5.2 years.

Debt maturity profile (years)



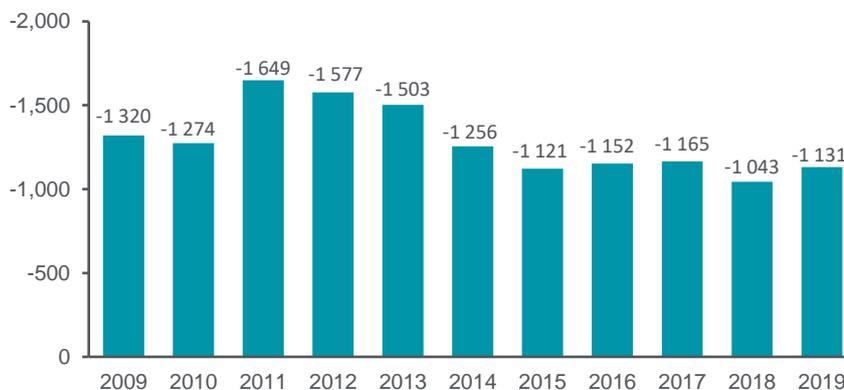
Derivatives are used to adjust the interest maturity in the loan portfolio and to hedge borrowing in other currencies than SEK. Vasakronan uses interest rate derivatives with long tenors, up to 15 years, to hedge interest rate exposure on a portfolio basis. As at 31 December 2019 the average fixed interest maturity was 5.8 years. As at 31 December 2019, 32 per cent. of the external borrowing and derivatives portfolio had a maturity of less than one year.

Average interest rate (per cent.), Fixed interest (per cent.) and Average loan to maturity (Years)



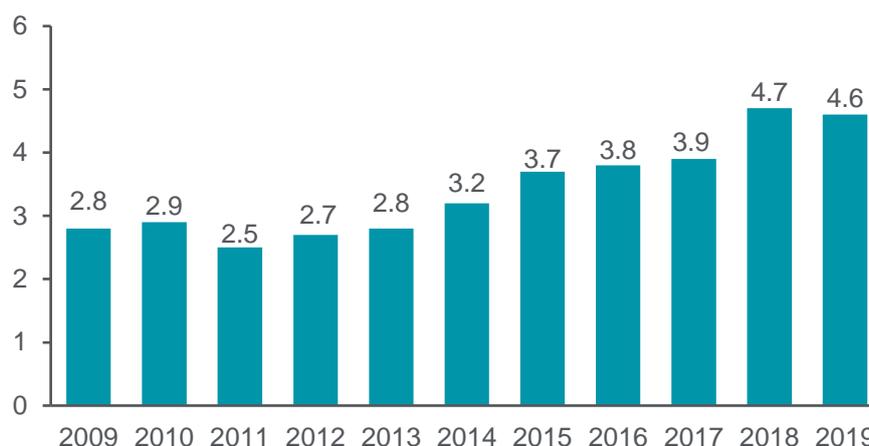
As at 31 December 2019 the average interest rate in the loan portfolio was 1.7 per cent. Net interest expenses have been stable, as shown by the chart below, despite an increase in the total amount of debt.

Interest expense, SEK m



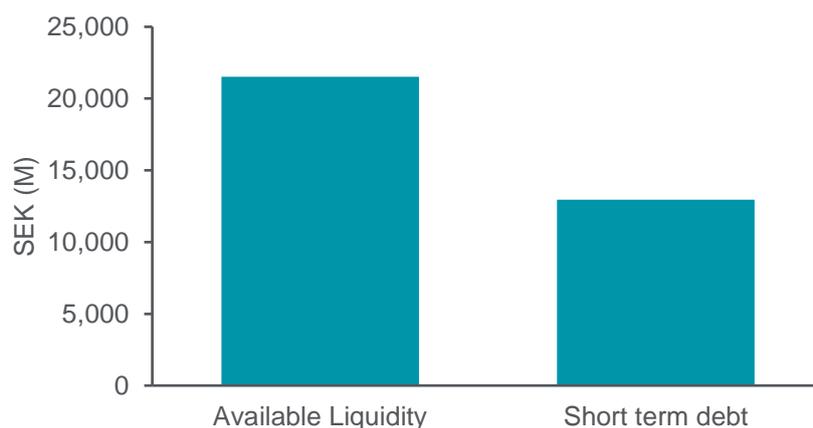
The following graph sets out Vasakronan's interest coverage ratio as at 31 December 2019 and historical levels for each of the years between 2009 and 2019.

Interest coverage ratio (times)



As part of Vasakronan's financial policy, Vasakronan seeks to maintain a debt cover ratio (credit commitment from Owners and cash and loans with a maturity of over 12 months) of at least 100 per cent. As at 31 December 2019 Vasakronan had a debt cover ratio of 166 per cent.

Debt- Cover Ratio



Vasakronan's liquidity is strengthened by the long-term and committed support of its owners through a commitment from the AP-fund owners to jointly purchase commercial paper issued by Vasakronan up to SEK 18 billion, upon a request from Vasakronan. The commitment can be used for general corporate purposes. The commitment is ongoing and can be terminated with a notice period of 24 months. The subscription commitment has never been utilised. The long-term commitment of each of the AP-fund owners is evidenced by the inclusion of a change of control covenant in the terms of Vasakronan's outstanding bonds and commercial paper and its bank loan agreements that allows investors or lenders, as the case may be, to redeem their bonds/commercial paper or terminate the loan, as the case may be, if the current AP-fund owners collectively or separately cease to own at least 51 per cent. of Vasakronan. The change of control covenant is not connected to Vasakronan's rating.

Vasakronan's financial policies, which are reviewed annually by Vasakronan's Board of Directors, govern the allocation of responsibilities and risk mandates and establish principles regarding reporting, and control of financing activities and sources. Vasakronan's Board of Directors decides strategic finance matters. The following table sets out the key requirements contained in the finance policy and Vasakronan's performance in respect of each as at 31 December 2019.

Policy			
	Financial Policy	Actual as at 31 December 2019	
Financial Risks	Financing Risk		
	Average Loan Maturity	At least 2 years	5.2 years
	Loan Maturing 12 Months	Max 40 per cent.	19 per cent.
	Credit Commitment from Owners and Cash / Loan Maturity 12 Months	At least 100 per cent.	166 per cent.
	Interest Rate Risk		
	Interest Coverage Ratio	At least 2 times (average over previous 12 months)	4.6 times (average over previous 12 months)
	Fixed Interest Term	Minimum 2 years	5.8 years
	Interest Maturity within 12 Months	Max 55 per cent.	32 per cent.
	Credit Risk		
	Counterpart's Rating	At least A- / at least BBB+ for derivatives with Credit Support Agreements	Fulfilled
	Currency Risk		
	Currency Exposure without assets in foreign currency	Not permitted	Fulfilled
	Currency Exposure on assets in foreign currency (net of assets and liabilities in foreign currency)	Permitted up to a maximum of 1 per cent. of total assets	Fulfilled
	Secured Debt/Gross Assets	Max 20 per cent.	7 per cent.

Green funding

Green funding is external borrowing for which proceeds are exclusively applied to finance or refinance, in part or in full, new and/or existing assets with environmental benefits. In November 2013, Vasakronan was the first corporate in the world to issue a green bond (according to the Climate Bonds Initiative⁸), and in September 2018 Vasakronan issued the world's first green commercial paper (according to Vasakronan's own

⁸ <https://www.climatebonds.net/market/explaining-green-bonds>

determination based on publicly available information), with funds earmarked for green investments. Vasakronan's framework for green funding encompasses all debt instruments with funds earmarked for green investments and is reviewed by the independent Center for International Climate Research (**CICERO**). Vasakronan was the first Swedish property company to be awarded the highest second opinion, "Dark Green", within the framework. Vasakronan's external auditors validate the annual "Impact Report" prepared by Vasakronan and delivered in respect of its green funding. As at 31 December 2019 47 per cent. of Vasakronan's funding was "green", comprising either green loans from the Nordic Investment Bank, the European Investment Bank or Svenska Handelsbanken or green bonds or green commercial paper issued by Vasakronan.

Eligible assets for green funding according to Vasakronan's framework are:

1. New construction and major renovation of buildings owned and managed by Vasakronan and/or its subsidiaries that have an energy performance at least 25 per cent. below the building regulations governed by the Swedish BBR code valid at the time of approval and that have or will receive a certification of either:
 - LEED New Construction or Core and Shell, minimum certification level "Platinum"; or
 - BREEAM New Construction, minimum certification level "Outstanding".
2. Existing buildings owned and managed by Vasakronan and/or its subsidiaries that have an energy performance less than 100 kiloWatt hours/square metre and either have a certification from the construction phase (as stated in section 1 above) that is not older than ten years or have received a LEED⁹ Existing Buildings: Operations and Maintenance certification (minimum certification level "Gold").
3. Renewable energy projects developed and owned by Vasakronan and/or its subsidiaries from the following energy sources: Bio, Solar and Wind.

Vasakronan's long term target is to have 100 per cent. green funding. The Issuer's green finance framework can be viewed on the Issuer's website (see "*Information Incorporated by Reference*").

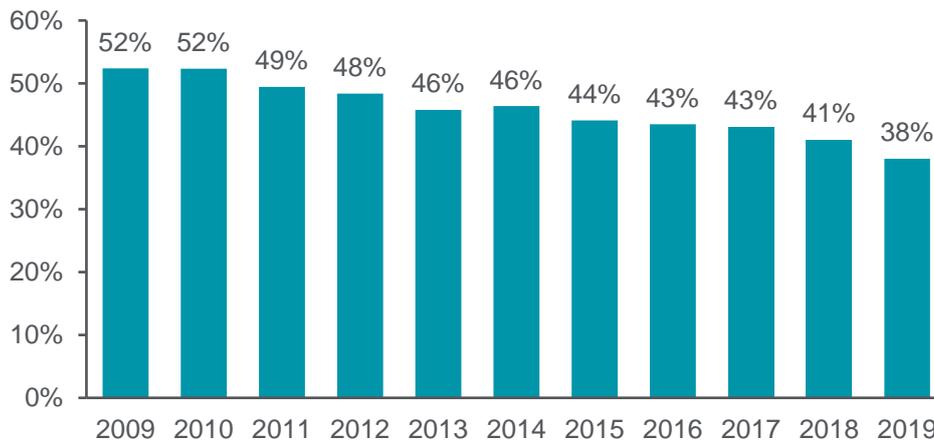
Dividend policy and Loan to value ratio

Vasakronan has an integrated dividend policy and loan to value (**LTV**) target that enables dividends to be adjusted according to the level of the LTV ratio. Vasakronan's dividend policy is to distribute 40-60 per cent. of the Group's profit before value changes and taxes. In order to avoid over capitalisation, larger dividends can be paid in periods of rising property values. In times of negative development of property values, dividends may need to be lower or none and, if required, capital injections will be requested from the AP-fund owners. Vasakronan's target LTV ratio is below 55 per cent.. LTV shall be lower at times of high property values and vice versa. In 2019 a total dividend of SEK 4 billion was paid.

The following graph sets out Vasakronan's LTV ratio as at 31 December 2019 and for each of the years between 2009 and 2019.

⁹ Leadership in Energy and Environmental Design

Loan to value ratio



Sustainability and social initiatives

Sustainability is an integral part of Vasakronan's organisation and business model. The sustainability focus applies equally to the board, central and regional management and Vasakronan's everyday activities. Based on the annual business plans, long-term and short-term targets within the financial, environmental and societal areas are set by Vasakronan's Board. Vasakronan's long-term environmental and societal targets are shown below:

Environmental long-term targets:

- *Our properties shall be self-sufficient and shall need no purchased energy*
- *We aim to half our power requirements*
- *Our business and our customers shall generate no waste that is unable to be recycled or reused*
- *We aim to have Climate-neutral operations by 2030*
- *We aim to build our properties using renewable, recycled or reused materials*
- *All of our financing is aimed to be green*
- *We aim to be ranked as the most sustainable property company in the world*

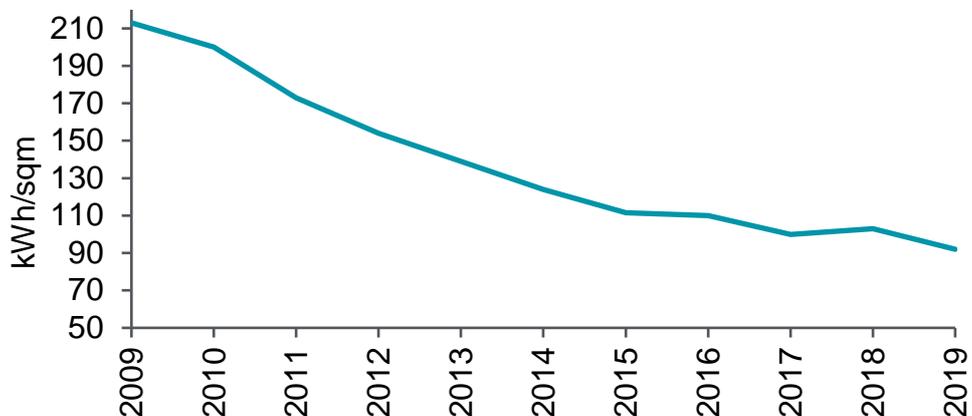
Social long-term targets:

- *All employees shall act in accordance with our values and our Code of Conduct*
- *We aim to have a positive work environment free from negative stress*
- *Discrimination and harassment shall not occur at our workplaces*
- *The design of our properties shall contribute to the security, safety and health of those both inside and outside of them*
- *Suppliers shall work in accordance with our Code of Conduct for suppliers*
- *We aim to reflect the society in which we work in terms of gender, ethnicity and age*
- *We aim to have no workplace accidents at our construction sites*

In the environmental area, Vasakronan has long been an industry leader through, *inter alia*, continuous improvement of its property portfolio's energy performance and through increasing the proportion of environmentally certified buildings in its portfolio. In September 2019, Vasakronan was awarded Sector Leader by GRESB, the Global ESG Benchmark for Real Assets, and according to GRESB, Vasakronan is the highest ranked real estate company in northern Europe operating in the office sector as well as number twelve globally.

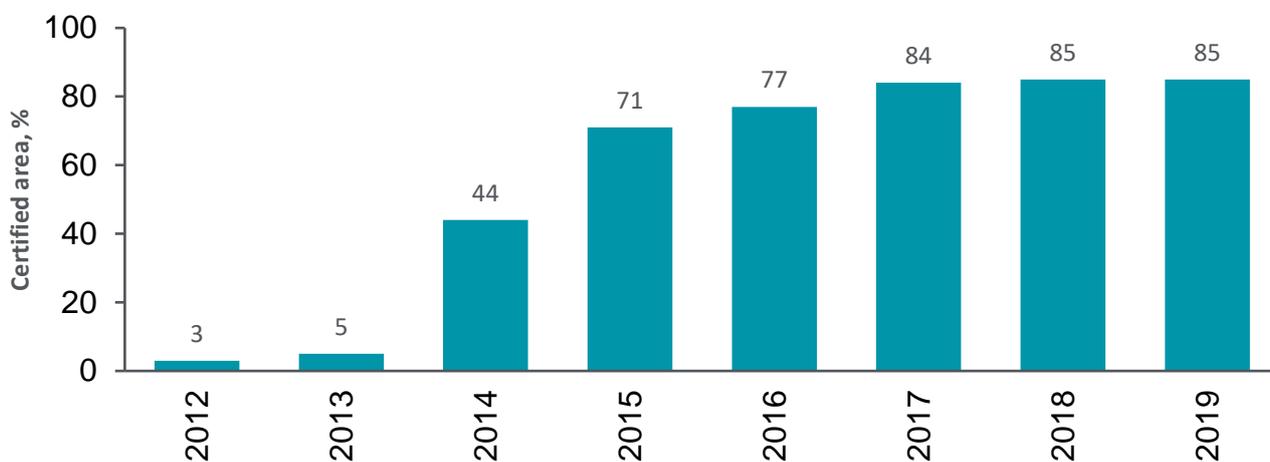
The energy consumption in existing properties has been more than halved since 2009 and as at 31 December 2019 63 per cent. of the portfolio's properties had an energy consumption below 100 kilowatt hour/square metre. The average energy consumption as at 31 December 2019 was 92 per cent.

Energy consumption



As at 31 December 2019 85 per cent. of Vasakronan's property portfolio had environmental certifications (by BREEAM, LEED or Miljöbyggnad). Of the certified assets 72 per cent. are certified according to LEED on a Gold or Platinum level or BREEAM Outstanding or Excellent. Vasakronan's long-term goal is to have 100 per cent. of the portfolio environmentally certified.

Environmental certifications



Since 2006, emission of greenhouse gases across Vasakronan's property portfolio has decreased by approximately 99 per cent. (comparable emissions, i.e. Scope 1 (such as oil, vehicles used for business and service vehicles and refrigerants), Scope 2 (such as district heating and cooling and electricity) and emissions from air travel) Vasakronan's goal for the long term is that none of its operations cause any fossil greenhouse gas emissions.

ALTERNATIVE PERFORMANCE MEASURES

A number of the financial measures presented by Vasakronan under "Description of the Issuer" are not defined in accordance with the IFRS accounting standards. However, Vasakronan believes that these measures provide useful supplementary information to both investors and Vasakronan's management, as they facilitate the evaluation of company performance. It is to be noted that, since not all companies calculate financial measurements in the same manner, these are not always comparable to measurements used by other companies. Accordingly, these financial measures should not be seen as a substitute for measures defined according to IFRS. Unless otherwise stated, the list below presents alternative performance measures, along with their reconciliation to the extent that such information is not defined according to IFRS and not included in Vasakronan's financial statements incorporated by reference into this Base Prospectus.

Average debt-to-maturity – The volume-weighted remaining maturity on interest-bearing liabilities and derivatives on the closing date. Intended as an indication of the Issuer's financial risk.

Average interest rate – The volume-weighted interest rate on interest-bearing liabilities and derivatives on the closing date. Intended as an indication of the Issuer's cost of capital.

Average interest rate to maturity – The volume-weighted remaining maturity on fixed-interest rates on interest-bearing liabilities and derivatives on the closing date. Intended as an indication of the Issuer's interest-rate risk.

Central administration – Costs at the Group level that are not directly related to property management, such as costs associated with the Group management team, property investments, financing and central marketing.

EBITDA – Rental revenue less operating expenses, repairs and maintenance, property administration, property tax, ground rents and land leases, central administration and results from participations in joint ventures. Intended as an indication of the current earnings in property management activities.

EBITDA Margin – EBITDA divided by rental revenues. Intended as an indication of the current earnings in property management activities.

Interest coverage ratio – EBITDA divided by net interest. Intended as an indication of the Issuer's sensitivity to fluctuations in interest rates.

Loan-to-value ratio - Net interest-bearing liabilities divided by total asset less deductions for leaseholds and land leases on the closing date. Intended as an indication of the Issuer's financial risk.

Return on Investment – Average sum of total yield and change in value on project developments by the time of completion.

Surplus ratio – Net operating income divided by rental revenue. Intended as an indication of the current earnings in property management activities.

Total return, total holdings – Sum total of direct yield and change in value, including projects and transactions. Calculated according to the same method as the IPD Index. Intended as an indication of the return on total assets.

The following table provides information in respect of certain key performance indicators and illustrates the basis for their calculations for the current and previous financial periods as at the dates indicated.

<i>EBITDA, SEK m</i>	For the year ended	For the year ended
	31 Dec 2018	31 Dec 2019
Net operating income	4,869	5,207
Central administration	(101)	(113)
Cashflow from dividends in joint venture	162	309
Ground rents and leases ¹⁾	-	(154)
EBITDA, SEK m	4,930	5,249
 <i>EBITDA Margin, %</i>		
Rental revenue	6,718	7,040
EBITDA	4,930	5,249
EBITDA Margin, %	73%	75%
 <i>Interest coverage ratio, times</i>		
 EBITDA	4,930	5,249
Net interest income and expense	(1,043)	(1,131)
Interest coverage ratio, times	4.7	4.6
 <i>LTV (Loan-to value ratio), %</i>		
Net interest-bearing liabilities	58,872	63,123
Total assets	145,201	170,179
LTV (Loan-to value ratio), %	41%	37%
 <i>Net interest-bearing liabilities, SEK m</i>		
Non-current interest-bearing liabilities	45,956	53,682
Current interest-bearing liabilities	15,131	12,956
Cash and cash equivalents	(2,215)	(3,515)
Net interest-bearing liabilities, SEK m	58,872	63,123

1) Since 1 January 2019, ground rents and land lease fees are recognised as interest expenses in accordance with IFRS 16 (replaces the previous standard IAS 17 since 1 January 2019). Comparison figures have not been restated according to IFRS 16.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

In view of the general interest in Vasakronan's operations, and since Vasakronan's domestic bonds are listed on Nasdaq Stockholm, the Swedish Corporate Governance Code is applied by Vasakronan in the conduct of its business and operations.

According to Vasakronan's articles of association, the Board of Directors (the **Board**) shall at any time consist of at least three and not more than ten members, excluding any employee representatives. The AP-fund owners can, but are not obliged to be, represented on the Board. In addition to the AP-fund owner representatives, the ambition of the AP-fund owners is that the Board also contains members who are independent in relation to Vasakronan and the AP-fund owners. The independent members will supplement the Board with specific industry competence. The members of the Board are elected by the annual general meeting.

The Board currently consists of nine members. Each member is appointed for a period of one year at the annual general meeting and can stand for re-election in subsequent years. There is no limit on how many times a member can stand for (re-)election. The current members of the Board (elected at the 2019 annual general meeting held on 7 May 2019 for the period until the 2020 annual general meeting) are as follows:

Ulrika Francke (Chairperson)

Elected: 2018

Other assignments: Chairman of Knightec, Deputy Chairman of Swedbank. Board member of Hexagon, SIS (Swedish Standards Institute) and Avd III IVA.

Previous experience: President and CEO of Tyréns AB, CEO SBC (Sveriges Bostadsrättscentrum AB), Director of Administration and City Commissioner City of Stockholm, President and CEO of Fastighets AB Brommastaden.

Independent: Independent in relation to the AP-fund owners, Vasakronan and its management.

Ann-Sofi Danielsson (member)

Elected: 2017

Other assignments: CFO and Head of IR at Bonava. Board member of Pandox AB.

Previous experience: CFO and other executive positions at the NCC Group.

Independent: Independent in relation to the AP-fund owners, Vasakronan and its management.

Niklas Ekvall (member)

Elected: 2016

Other assignments: CEO, Fourth National Pension Fund. Board member of the Hans Dalborg Stiftelse för Bank- och Finansforskning and the KVA Investment Committee.

Previous experience: CEO of Nordea Investment Management; Vice President, Third National Pension Fund; executive positions in Nordea, Carnegie and Handelsbanken.

Independent: AP-fund representative.

Eva Halvarsson (member)

Elected: 2006

Other assignments: CEO, Second National Pension Fund. Board member of UN-PRI, the Swedish Royal Opera, IWF and FinansKompetensCentrum and WIN WIN Award.

Previous experience: Tax auditor and head of State ownership administration.

Independent: AP-fund representative.

Kerstin Hessius (member)

Elected: 2004

Other assignments: CEO, Third National Pension Fund. Board member of Hemsö, Trenum, Handelsbanken, SVEDAB and Öresund Konsortiet.

Previous experience: CEO of the Stockholm Stock Exchange, Deputy Governor of the Swedish Central Bank, executive positions at Östgöta Enskilda Bank and Alfred Berg. Chairman of Finansmarknadsrådet.

Independent: AP-fund representative

Christel Kinning (member)

Elected: 2014

Other assignments: Own operations. Board member of Stadium, Reima, Zoundindustries, Venue Retail Group and Björn Borg.

Previous experience: CEO of Polarn O. Pyret, CEO of RNB Retail and Brands and executive positions at Kellermann Scandinavia.

Independent: Independent in relation to the AP-fund owners, Vasakronan and its management.

Mikael Angberg (member)

Elected: 2019

Other assignments: Chief Investment officer, First Swedish National Pension Fund. Board member of J.S.Bång Fastigheter AB, Jutas Invest Finland Oy and First National Pension Fund Capital AB.

Previous experience: PIMCO, BNP Paribas, Goldman Sachs, AXA Investment Managers and CERN.

Magnus Meyer (member)

Elected: 2019

Other assignments: CEO of WSP Sverige and WSP Europe. Board member of Kinnarps and Slättö Förvaltning.

Previous experience: Technical Attaché in Los Angeles. Executive positions at Ljungbergsgruppen, GE Real Estate and CEO of Tengbom.

Independent: Independent in relation to the AP-fund owners, Vasakronan and its management.

Kia Orback Pettersson (member)

Elected: 2019

Other assignments: Chairman of MediaPlanet and Friskis & Svettis. Board member of Visual Art, Knowit and Karolinska Sjukhuset.

Previous experience: Marketing Director at Dagens Nyheter, Deputy CEO of Guldfynd and CEO of Sturegallerian.

Independent: Independent in relation to the AP-fund owners, Vasakronan and its management.

The business address of each of the Directors of the Issuer is Box 30074, 104 25 Stockholm, Sweden.

There are no potential conflicts of interest between any duties of directors of the Issuer and their private interests and/or other duties.

In order to enhance the efficiency of its work, the Board has established an Audit Committee and a Remuneration Committee. The primary task of these committees is to prepare the decisions of the Board in these two areas.

Audit Committee

The Board has appointed an Audit Committee consisting of three Board members. The Committee's areas of responsibility are regulated in the rules of procedure established by the Board. The Audit Committees' key functions include preparing the work of the Board on quality assurance of the financial reporting, monitoring the work of company management on internal control and evaluating the audit work. The Audit Committee consists of Ann-Sofi Danielsson, who is also the chairperson; Eva Halvarsson and Ulrika Francke. All members have the competence in auditing required under the Annual Accounts Act.

Remuneration Committee

The Board has appointed a Remuneration Committee consisting of two Board members. The Committee's areas of responsibility are regulated in rules of procedure established by the Board. The Remuneration Committee's primary function is to make recommendations to the Board about the remuneration of Board members, senior management and profit-sharing programme for employees. They committee also monitors compliance with the "Guidelines for Terms of Employment for Senior Executives in state-owned Companies". The Remuneration Committee consists of Ulrika Francke, who is also the Chairman, and Johan Magnusson.

TAXATION

The following is a general description of certain tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes, whether in those countries or elsewhere. Prospective purchasers of Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries. This summary is based upon the law as in effect on the date of this Base Prospectus and is subject to any change in law that may take effect after such date.

Kingdom of Sweden

The following summary outlines certain Swedish tax consequences of the acquisition, ownership and disposal of Notes. The summary is based on the laws of Sweden as in effect as of the date of this Base Prospectus and is intended to provide general information only. The summary is not exhaustive and does thus not address all potential aspects of Swedish taxation that may be relevant for a potential investor in the Notes and is neither intended to be nor should be construed as legal or tax advice. In particular, the summary does not address the rules regarding reporting obligations for, among others, payers of interest. Specific tax consequences may be applicable to certain categories of corporations, e.g. investment companies and life insurance companies, not described below. In addition, the summary does not address Notes that are held on an "investment savings account" (investeringssparkonto) that are subject to a specific tax regime. Investors should consult their professional tax advisors regarding the Swedish and foreign tax consequences (including the applicability and effect of double taxation treaties) of acquiring, owning and disposing of Notes in their particular circumstances.

Non-resident holders of Notes

As used herein, a non-resident holder means a holder of Notes who is (a) an individual who is not a resident of Sweden for tax purposes and who has no connection to Sweden other than his/her investment in the Notes, or (b) an entity not organised under the laws of Sweden.

Payments of any principal amount or any amount that is considered to be interest for Swedish tax purposes to a non-resident holder of any Notes should not be subject to Swedish income tax provided that such holder does not carry out business activities from a permanent establishment in Sweden to which the Notes are effectively connected. Under Swedish tax law, no withholding tax is imposed on payments of principal or interest to a non-resident holder of any Notes.

Under Swedish tax law, a capital gain on a sale of Notes by a non-resident holder will not be subject to Swedish income tax unless the non-resident holder of Notes carries on business activities in Sweden through a permanent establishment to which the Notes are attributable.

Private individuals who are not resident in Sweden for tax purposes may be liable to capital gains taxation in Sweden upon disposal or redemption of certain financial instruments, depending on the classification of the particular financial instrument for Swedish income tax purposes, if they have been resident in Sweden or have lived permanently in Sweden at any time during the calendar year of disposal or redemption or the ten calendar years preceding the year of disposal or redemption. This liability may, however, be limited by tax treaties between Sweden and other countries.

Resident holders of Notes

As used herein, a resident holder means a holder of Notes who is (a) an individual who is a resident in Sweden for tax purposes or (b) an entity organised under the laws of Sweden.

Generally, for Swedish corporations and private individuals (and estates of deceased individuals) that are resident holders of any Notes, all capital income (e.g. income that is considered to be interest for Swedish tax purposes and capital gains on Notes) will be taxable.

Amortisation of principal is not otherwise subject to Swedish income tax. Swedish tax law does not impose withholding tax on payments of principal or interest to a resident holder of notes. However, if amounts that are considered to be interest for Swedish tax purposes are paid to a private individual (or an estate of a deceased person) that is a resident holder of Notes, Swedish preliminary tax (*preliminärskatt*) is normally withheld on such payments at a rate of 30 per cent.

Kingdom of Norway

General

The following is a general summary of Norwegian tax considerations relating to acquisitions, holding and disposal of Notes issued under the Programme. The information does not purport to be a complete summary of Norwegian tax law and practice currently applicable. This summary is based upon the law as in effect on the date of this Base Prospectus and is subject to any change in law that may take effect after such date. Such changes could be made on a retrospective basis.

Norwegian tax legislation does not currently include statutory legislation relating specifically to notes. Instead, taxation treatment must be derived from general tax rules and principles applicable to capital income and capital gains. Therefore, the answers to certain questions in respect of the legal basis and principles of recognition of income related to the Notes may be uncertain. The terms of the Notes may cause the taxation of the Notes to depart from the taxation treatment described in this summary.

Due to the general nature of this summary, potential investors are advised to consult with and rely upon their own tax advisers. Noteholders tax resident in jurisdictions other than Norway should consult with and rely upon local tax advisers as regards the tax position in their country of residence.

Non-Norwegian holders

(a) Payment of interest

Payments of principal and interest on the Notes to persons or legal entities not considered resident in Norway for tax purposes, (nor considered to hold the Notes in connection with business activities conducted or managed in Norway), are not subject to any withholding or deduction for or on account of any Norwegian taxes, duties, assessments or governmental charges.

(b) Sale, exchange and redemption of Notes

Gains or profits realised on the sale, exchange or redemption of the Notes by persons or legal entities not considered resident in Norway for tax purposes (nor considered to hold the Notes in connection with business activities conducted or managed in Norway), are not subject to Norwegian taxes, duties, assessments or governmental charges.

(c) Stamp duties and net wealth taxation

No Norwegian issue tax or stamp duties are payable in connection with the issue of the Notes.

Notes held by persons or legal entities not considered resident in Norway for tax purposes (nor considered to hold the Notes in connection with business activities conducted or managed in Norway), will not be subject to net wealth taxation in Norway.

Norwegian holders

(a) Payment of interest

Holders of Notes resident in Norway for tax purposes will be subject to Norwegian capital income taxation on interest which is currently 22 per cent. (25 per cent. for financial companies subject to financial tax). The same applies to persons and legal entities that hold the Notes in connection with any business activity conducted or managed in Norway.

Interest is as a general rule recognised for tax purposes at the time the interest is considered acquired on an accrual basis. This means that neither the actual payment nor the due date of possible payment of interest is as a starting point decisive when determining when interest deriving from the Notes is recognised for tax purposes.

(b) Sale, exchange and redemption of Notes

Holders of Notes resident in Norway for tax purposes are taxed in Norway on realised gains (including sale, exchange and redemption) of Notes and have a right to deduct losses, which arise on such realisation, provided that one of the following conditions is met:

- (i) the *Notes* are classified as debentures ("*mengdegjeldsbrev*") as opposed to non-negotiable debt, or
- (ii) the realisation of the Notes is connected to business activities.

Gains are taxable as ordinary income, currently at a rate of 22 per cent. (25 per cent. for financial companies subject to financial tax). Losses are deductible at the same rate. This will include gains or losses attributed to any change in the denominated currency (other than NOK). Such gains or losses are taxable even if the Notes are not classified as debentures or not connected to business activities.

The same applies to persons and legal entities that hold the Notes in connection with any business activity conducted or managed in Norway.

Net wealth taxation

For holders of Notes resident in Norway for tax purposes or that hold the Notes in connection with business activities conducted or managed in Norway, except limited liability companies and similar entities, the Notes will be taken into account for net wealth tax purposes in Norway. Listed Notes are valued at the market value on 1 January in the assessment year. The marginal rate of net wealth tax is 0.85 per cent.

The proposed financial transactions tax (FTT)

On 14 February 2013, the European Commission published a proposal (the **Commission's proposal**) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (each other than Estonia, a **participating Member State**). However, Estonia has since stated that it will not participate.

The Commission's proposal has very broad scope and could, if introduced, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission's proposal, FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Notes where at least one

party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

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

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

The Foreign Account Tax Compliance Act (FATCA)

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" (as defined in FATCA) may be required to withhold on certain payments it makes (**foreign passthru payments**) to persons that fail to meet certain certification, reporting, or related requirements. The Issuer may be a foreign financial institution for these purposes. A number of jurisdictions (including the Kingdom of Sweden) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (**IGAs**), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to the date that is two years after the publication of the final regulations defining "foreign passthru payments" and Notes issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date. However, if additional notes (as described under "*Terms and Conditions of the Notes—Further Issues*") that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisers regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

SUBSCRIPTION AND SALE

Notes may be sold from time to time by the Issuer to any one or more of Barclays Bank Ireland PLC, Barclays Bank PLC, BNP Paribas, Citigroup Global Markets Europe AG, Citigroup Global Markets Limited, Danske Bank A/S, Deutsche Bank AG, London Branch, DNB Bank ASA, Nordea Bank Abp, Skandinaviska Enskilda Banken AB (publ), Svenska Handelsbanken AB (publ) and Swedbank AB (publ) and any additional dealers that may accede to the Programme from time to time (the **Dealers**). The arrangements under which Notes may from time to time be agreed to be sold by the Issuer to, and subscribed by, Dealers are set out in an amended and restated dealer agreement dated 8 April 2020 (the **Dealer Agreement**) and made between the Issuer and the Dealers. If in the case of any Tranche of Notes the method of distribution is an agreement between the Issuer and a single Dealer for that Tranche to be issued by the Issuer and subscribed by that Dealer, the method of distribution will be described in the relevant Final Terms as "Non-Syndicated" and the name of that Dealer and any other interest of that Dealer which is material to the issue of that Tranche beyond the fact of the appointment of that Dealer will be set out in the relevant Final Terms. If in the case of any Tranche of Notes the method of distribution is an agreement between the Issuer and more than one Dealer for that Tranche to be issued by the Issuer and subscribed by those Dealers, the method of distribution will be described in the relevant Final Terms as "Syndicated", the obligations of those Dealers to subscribe the relevant Notes will be joint and several and the names and addresses of those Dealers and any other interests of any of those Dealers which is material to the issue of that Tranche beyond the fact of the appointment of those Dealers (including whether any of those Dealers has also been appointed to act as Stabilisation Manager in relation to that Tranche) will be set out in the relevant Final Terms.

Any such agreement will, inter alia, make provision for the form and terms and conditions of the relevant Notes, the price at which such Notes will be subscribed by the Dealer(s) and the commissions or other agreed deductibles (if any) payable or allowable by the Issuer in respect of such subscription. The Dealer Agreement provides that the obligations of any Dealer to subscribe for Notes under any such agreement are subject to certain conditions and that, in certain circumstances, a Dealer shall be entitled to be released and discharged from its obligations under any such agreement prior to the issue of the relevant Notes. The Dealer Agreement makes provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of Notes.

Certain of the Dealers have, directly or indirectly through affiliates, provided investment and commercial banking, financial advisory and other services to the Issuer and its affiliates from time to time, for which they have received monetary compensation. Certain of the Dealers may from time to time also enter into swap and other derivative transactions with the Issuer and its affiliates. In addition, certain of the Dealers and their affiliates may in the future engage in investment banking, commercial banking, financial or other advisory transactions with the Issuer or its affiliates.

United States of America

Regulation S Category 2; TEFRA D or TEFRA C as specified in the relevant Final Terms or neither if TEFRA is specified as not applicable in the relevant Final Terms.

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

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

Each Dealer has agreed that, except as permitted by the Dealer Agreement, it will not offer, sell or deliver Notes, (a) as part of their distribution at any time or (b) otherwise until 40 days after the completion of the distribution of the Notes comprising the relevant Tranche, as certified to the Fiscal Agent or the Issuer by such Dealer (or, in the case of a sale of a Tranche of Notes to or through more than one Dealer, by each of such Dealers as to the Notes of such Tranche purchased by or through it, in which case the Fiscal Agent or the Issuer shall notify each such Dealer when all such Dealers have so certified) within the United States or to, or for the account or benefit of, U.S. persons, and such Dealer will have sent to each dealer to which it sells Notes during the distribution compliance period relating thereto a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

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

Prohibition of Sales to EEA and UK Retail Investors

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms (or are the subject of the offering contemplated by a Drawdown Prospectus, as the case may be) in relation thereto to any retail investor in the EEA or in the UK. For the purposes of this provision:

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

If the Final Terms in respect of any Notes specifies “Prohibition of Sales to EEA and UK Retail Investors” as “Not Applicable”, in relation to each Member State of the EEA and the United Kingdom (each, a **Relevant State**), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the final terms in relation thereto to the public in that Relevant State except that it may make an offer of such Notes to the public in that Relevant State:

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

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

For the purposes of this provision the expression **an offer of Notes to the public** in relation to any Notes in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

Selling Restrictions Addressing Additional United Kingdom Securities Laws

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

- (a) **No deposit-taking:** in relation to any Notes having a maturity of less than one year:
 - (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and:
 - (ii) it has not offered or sold and will not offer or sell any Notes other than to persons:
 - (A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or
 - (B) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,where the issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 (**FSMA**) by the Issuer;
- (b) **Financial promotion:** it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (c) **General compliance:** it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Selling Restrictions Addressing Additional Kingdom of Sweden Securities Laws

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that no Notes will be offered to the public in Sweden nor admitted to trading on a regulated market in Sweden unless and until (a) a prospectus in relation to those Notes has been approved by the competent authority in Sweden or, where appropriate, approved in another Relevant State and such competent authority has certified to the competent authority in Sweden that the prospectus has been approved with respect to the Prospectus Regulation; or (b) an exemption from the requirement to prepare a prospectus is available under the Prospectus Regulation.

Selling Restrictions Addressing Additional Kingdom of Norway Securities Laws

The Notes shall be registered with VPS Norway in dematerialised form or in another central securities depository which is properly authorised and recognised by the Financial Supervisory Authority of Norway (in

Norwegian: Finanstilsynet) as being entitled to register the Notes pursuant to Regulation (EU) No 909/2014, unless (a) the Notes are denominated in NOK and offered or sold outside of Norway to non-Norwegian tax residents only, or (b) the Notes are denominated in a currency other than NOK and offered or sold outside of Norway.

Selling Restrictions Addressing Additional Kingdom of Belgium Securities Laws

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

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948), as amended (the **FIEA**). Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer to sell any Notes in Japan or to, or for the benefit of, a resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident in Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, FIEA and other relevant laws and regulations of Japan.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the **SFA**)) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

1. to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
2. where no consideration is or will be given for the transfer;
3. where the transfer is by operation of law;
4. as specified in Section 276(7) of the SFA; or
5. as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

General

Each Dealer has represented, warranted and agreed and each further Dealer appointed under the Programme will be required to represent warrant and agree that it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in or from which it purchases, offers, sells or delivers Notes or possesses, distributes or publishes this Base Prospectus or any Final Terms or any related offering material, in all cases at its own expense. Other persons into whose hands this Base Prospectus or any Final Terms comes are required by the Issuer and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or possess, distribute or publish this Base Prospectus or any Final Terms or any related offering material, in all cases at their own expense.

The Dealer Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date hereof, of applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in the paragraph headed "*General*" above.

Selling restrictions may be supplemented or modified with the agreement of the Issuer. Any such supplement or modification may be set out in the relevant Drawdown Prospectus or in a supplement to this Base Prospectus.

GENERAL INFORMATION

1. Authorisation

The update of the Programme was authorised by a resolution of the board of directors of the Issuer passed on 6 April 2020. The Issuer has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes.

2. Legal and Arbitration Proceedings

There are no governmental, legal or arbitration proceedings, (including any such proceedings which are pending or threatened, of which the Issuer is aware), which may have, or have had during the 12 months prior to the date of this Base Prospectus, a significant effect on the financial position or profitability of the Issuer and its Subsidiaries.

3. Significant/Material Change

There has been no significant change in the financial performance of the Issuer and its Subsidiaries nor has there been any material adverse change in the prospects of the Issuer since 31 December 2019.

4. Auditors

The consolidated financial statements of the Issuer have been audited without qualification for the years ended 31 December 2019 and 31 December 2018 by Öhrlings PricewaterhouseCoopers AB, who are authorised and regulated by the Supervisory Board of Public Accountants –Karlavägen 104, 115 26 Stockholm, Sweden who have given, and have not withdrawn, their consent to the incorporation by reference of their reports in this Base Prospectus in the form and context in which they are incorporated.

5. Listing Agent

Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent for the Issuer in relation to Notes issued under the Programme and is not itself seeking admission of Notes issued under the Programme to the Official List of Euronext Dublin or to trading on the regulated market of Euronext Dublin for the purposes of the Prospectus Directive.

6. Documents on Display

Copies of the following documents (together with English translations thereof) may be inspected in physical form during normal business hours at the offices of the Issuer at Mäster Samuelsgatan 56, Stockholm, Sweden, and in electronic form on the website <https://vasakronan.se/en>, for 12 months from the date of this Base Prospectus:

- (a) the constitutive documents of the Issuer (as may be updated from time to time);
- (b) the audited consolidated financial statements of the Issuer for the years ended 31 December 2019 and 31 December 2018;
- (c) the Issuer's Green Finance Framework;
- (d) the Agency Agreement;
- (e) the Deed of Covenant;

- (f) the Programme Manual (which contains the forms of the Notes in global and definitive form); and
- (g) the Issuer-ICSDs Agreement.

A copy of the VPS Trustee Agreement will be available for inspection at the registered office of the Issuer and at the registered office of the VPS Trustee and on the website <https://vasakronan.se/en>.

7. Clearing of the Notes

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate common code, International Securities Identification Number (ISIN), Financial Instrument Short Name (FISN) and Classification of Financial Instruments (CFI) code (as applicable) in relation to the Notes of each Tranche will be specified in the relevant Final Terms. The relevant Final Terms shall specify any other clearing system as shall have accepted the relevant Notes for clearance together with any further appropriate information.

VPS Notes will be registered with Verdipapirsentralen ASA (VPS Norway), Fred. Olsens gate 1, P.O. Box 1174 Sentrum, NO-0107, Oslo, Norway. Investors with accounts in Euroclear and/or Clearstream, Luxembourg may hold VPS Notes in their accounts with such clearing systems and the relevant clearing system will be shown in the records of VPS Norway as the holder of the relevant amount of VPS Notes.

8. Notes Having a Maturity of Less Than One Year

Where Notes have a maturity of less than one year and either (a) the issue proceeds are received by the Issuer in the UK or (b) the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the UK, such Notes must: (i) have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be issued only to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses; or (ii) be issued in other circumstances which do not constitute a contravention of section 19 of the FSMA by the Issuer.

9. Issue Price and Yield

Notes may be issued at any price. The issue price of each Tranche of Notes to be issued under the Programme will be determined by the Issuer and the Relevant Dealer(s) at the time of issue in accordance with prevailing market conditions and the issue price of the relevant Notes or the method of determining the price and the process for its disclosure will be set out in the applicable Final Terms. In the case of different Tranches of a Series of Notes, the issue price may include accrued interest in respect of the period from the interest commencement date of the relevant Tranche (which may be the issue date of the first Tranche of the Series or, if interest payment dates have already passed, the most recent interest payment date in respect of the Series) to the issue date of the relevant Tranche.

The yield of each Tranche of Notes set out in the applicable Final Terms will be calculated as of the relevant issue date on an annual or semi-annual basis using the relevant issue price. It is not an indication of future yield.

10. The Legal Entity Identifier

The Legal Entity Identifier (LEI) code of the Issuer is 5493007LNZSEWN5KTV42.

11. Issuer Website

The Issuer's website is <https://vasakronan.se/en/>. Unless specifically incorporated into this Base Prospectus, information contained on the website does not form part of this Base Prospectus.

12. Validity of Prospectus and Prospectus Supplements

For the avoidance of doubt, the Issuer shall have no obligation to supplement this base prospectus after the end of its 12-month validity period.

REGISTERED OFFICE OF THE ISSUER

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