

**SUPPLEMENT TO PROSPECTUS  
REGARDING ADMISSION TO TRADING  
ON THE CORPORATE BOND LIST OF  
NASDAQ STOCKHOLM OF UP TO  
SEK 1,000,000,000**

**SUBORDINATED PERPETUAL FLOATING RATE CALLABLE  
CAPITAL NOTES**

**SAMHÄLLSBYGGNADSBOLAGET I NORDEN AB (PUBL)**



**12 April 2018**

**TÖRNGREN MAGNELL**

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## ABOUT THE SUPPLEMENT

Samhällsbyggnadsbolaget i Norden AB (publ) (the "**Company**") offered subordinated perpetual floating rate callable capital notes (the "**Capital Notes**") with a total issuance frame of SEK 1,000,000,000 and ISIN SE0010414599 in accordance with the terms and conditions dated 22 September 2017 (the "**Terms and Conditions**"). In connection with the issuance, the Company published a prospectus for admission to trading of the Capital Notes on the corporate bond list of Nasdaq Stockholm, which was approved by the Swedish Financial Supervisory Authority (the "**SFSA**") on 23 October 2017 (with SFSA registration number 17-16174) (the "**Prospectus**"). The Prospectus was published on the Company's website [www.sbbnorden.se](http://www.sbbnorden.se) on 23 October 2017 and is available on the SFSA's website [www.fi.se](http://www.fi.se). This document forms a supplement to the Prospectus (the "**Supplement**").

The Supplement has been prepared due to the Company's announcement that the Terms and Conditions of the Capital Notes have been amended and restated on 23 March 2018, as referred to under "Press release 23 March 2018", and due to the publication of the Company's consolidated annual report for the financial year 2017.

The Supplement has been prepared in accordance with chapter 2, section 34 of the Financial Instruments Trading Act (1991:980). The Supplement was approved and registered with the SFSA on 12 April 2018 (with SFSA registration number 18-6507). The Supplement shall be read in conjunction with, and form an integral part of the Prospectus in all respects. The definitions used in the Prospectus shall have the same meaning as in the Supplement.

The changes that are made to the Terms and Conditions are included in the Supplement.

For the full Terms and Conditions, please refer to the Prospectus, which together with the Supplement, is kept available on the above-mentioned websites.

# SBB announces final results of the written procedure of the formal voting of the amendments of the terms & conditions of the outstanding hybrid notes



FRI, MAR 23, 2018 16:55 CET

Samhällsbyggnadsbolaget i Norden AB (publ) ("SBB" or the "Company") initiated 9 March 2018 a so called "Written Procedure", in order to resolve upon amendments of the terms and conditions of the Company's hybrid notes of up to SEK 1,000,000,000 with ISIN SE0010414599 and symbol SAMN 001 (the "Notes") in accordance with the terms and conditions dated 22 September 2017 (the "Terms and Conditions").

The proposed amendments of the Terms and Conditions means that a) the Company's right to repurchase all notes at any time if a so called Equity Classification Event occurs, when the Company receives information from a rating agency that the Notes will be assigned equity credit from a rating perspective of less than 50 %, will be deleted and b) an increased margin upon the occurrence of a so called No Rating Event, when the Company does not receive a rating in respect of itself or the Notes within a certain period of time, will be deleted.

In accordance with the summons, noteholders with a sufficient number of votes have given their formal consent in order to achieve decision-making powers. The Company announces that the Written Procedure was concluded on 23 March 2018, since a sufficient majority of the noteholders have approved the proposals that were presented in the summons to the Written Procedure.

The amendments of the Terms and Conditions will be made on 23 March 2018 and the new terms and conditions will be available on the Company's website ([www.sbbnorden.se](http://www.sbbnorden.se)).

The summons to the Written Procedure, including detailed information about the proceeding and the content of the conditions for the amendment of the Terms and Conditions is available on the Company's website ([www.sbbnorden.se](http://www.sbbnorden.se)) and Stamdata ([www.stamdata.com](http://www.stamdata.com)).

## For further information, please contact:

Ilija Batljan, CEO and Founder of Samhällsbyggnadsbolaget i Norden AB, +46 70 518 39 67, [ilija@sbbnorden.se](mailto:ilija@sbbnorden.se)

The information was submitted for publication, through the agency of the contact person set out above on March 23, 2018, at 16:55 CET.

## About Samhällsbyggnadsbolaget i Norden AB (publ)

The company's strategy is to own, manage and develop community service properties throughout the Nordic region and rental apartments in growth regions in Sweden. Through the company's commitment and engagement in community participation and social responsibility, municipalities and other stakeholders find the company an attractive long-term partner. SBB was named the winner of the 2017 Real Estate Company of the year Award. The company's series B shares (short name SBB B) and preference shares (SBB PREF) are listed on Nasdaq First North Premier. Certified Adviser is Remium Nordic Holding AB ([www.remium.com](http://www.remium.com)). More information about the company is available at [www.sbbnorden.se](http://www.sbbnorden.se).



## SUPPLEMENT TO THE PROSPECTUS

1. Section "1. RISK FACTORS" on pages 1-16 of the Prospectus shall be amended as follows:

- (i) subsection "Geographical risks" shall be deleted and replaced with the following:

"The supply and demand for properties and the return on property investments varies between different geographical markets and may develop differently within geographical markets. The Group has a diversified property portfolio with properties in different geographical markets, such as Oskarshamn, Ludvika, Norrköping, Linköping, Borlänge and Skaraborg. In addition, the Group has expanded its operations in Norway and Finland. Certain markets may be more sensitive to fluctuations in demand. If the demand for premises to lease declines in any or all of the geographical markets where properties are located, it could have a materially adverse effect on the Company's and the Group's operations, result and financial position."

- (ii) in subsection "Refinancing could turn out to be impossible or associated with heavily increased costs" the last paragraph shall be deleted;

- (iii) in subsection "Legal risks" the second paragraph shall be deleted and replaced with the following:

"The Group operates part of its business in Norway and Finland, where domestic law applies on certain agreements and facilities. Similar legal risks may apply to the interpretation of foreign law, requirements for permits and registration in Norway and Finland and the general development of Norwegian and Finnish law."

- (iv) in subsection "Tax losses could be restricted or cancelled, either as a result of future changes in Swedish tax law or, under the current rules, as a result of a change of control, and the value of tax losses could decrease" the last paragraph shall be deleted and replaced with the following:

"No formal tax due diligence or detailed review has been carried out of Norwegian or Finnish tax legislation with respect to the Company's business in Norway and Finland. Some of the abovementioned tax risks may however apply to the business in Norway and Finland."

- (v) in subsection "The Capital Notes as a long-term investment" the first paragraph shall be deleted and replaced with the following:

"Unless the Capital Notes have been earlier redeemed or purchased and cancelled due to, for example, a Change of Control Event, a Withholding Tax Event, a Substantial Repurchase Event, a Tax Deductibility Event or a Rating Event, the Company is under no obligation to redeem the Capital Notes at any time, but does have the right to do (as further described under section *Voluntary early redemption and reinvestment risk*)."

- (vi) subsection "Voluntary early redemption and reinvestment risk" shall be amended as follows:

- a. the second paragraph shall be deleted and replaced with the following:

"The Company may also, at its option, redeem the Capital Notes in whole, but not in part, upon the occurrence of a Tax Deductibility Event, a Rating Event, a Change of Control Event, a Withholding Tax Event or a Substantial Repurchase Event, as further described in the Terms and Conditions."

b. the third paragraph shall be deleted and replaced with the following:

"In the case of a Tax Deductibility Event or a Rating Event, such redemption will be at (i) 101 per cent. of the principal amount of the Capital Notes, where such redemption occurs before the First Call Date (as defined in the Terms and Conditions), or (ii) 100 per cent. of the principal amount of the Capital Notes, where such redemption occurs on or after the relevant date specified in (i) above, together in each case with any Deferred Interest and any other accrued and unpaid interest up to (and including) the redemption date."

(vii) in subsection "Secondary market and liquidity risk" the first paragraph shall be deleted and replaced with the following:

"The Company will apply for listing of the Capital Notes at Nasdaq Stockholm, or, if such admission to trading is not possible to obtain or maintain, admitted to trading on another Regulated market after the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) approves a prospectus for this purpose. However, there is a risk that the Capital Notes will not be approved for trading. On 25 April 2017, the Swedish Securities Council (Sw. *Aktiemarknadsnämnden* ("AMN")) issued a statement (AMN 2017:16) which concluded that the Company's wholly-owned subsidiary, SBB i Norden AB (publ), had breached applicable take-over rules and good practices on the stock market. The reasons for the statement were that SBB i Norden AB (publ) acquired all outstanding ordinary shares in Aktiebolaget Högkullen ("Högkullen"), and thereby obtained control of Högkullen, without providing a bid of Högkullen's preference shares (at the time listed on Nasdaq First North). The Company subsequently provided a bid of the preference shares in Högkullen, substantially in accordance with applicable takeover rules. However, according to AMN's statement, such bid on the preference shares were to be made by SBB i Norden AB (publ), and not by the Company. The Company and SBB i Norden AB (publ) amended and clarified the take-over bid in compliance with AMN's statement without any further actions from AMN. As part of Nasdaq Stockholm's regular surveillance operations, the Company has received queries from Nasdaq Stockholm due to AMN's statement and the following administration of the take-over bid. On 2 February 2018 Nasdaq announced a ruling from Nasdaq's Disciplinary Committee stating that the Company had not complied with the Nasdaq First North Rulebook and therefore was obliged to pay an administrative fine corresponding to two annual listing fees."

(viii) in subsection "Credit ratings, changes in rating methodologies and risk reflection" the first paragraph shall be deleted and replaced with the following:

"The Capital Notes have not been assigned any credit rating. Although the Company has solicited and is now (indicatively) in the final stages of receiving a credit rating for the Capital Notes, there is a risk that the Company is unable to receive a credit rating for the Capital Notes or that the rating assigned to the Capital Notes is less than expected."

2. In section "2. PERSONS RESPONSIBLE FOR THE PROSPECTUS" on page 17 of the Prospectus the first paragraph shall be deleted and replaced with the following:

"The Company issued Capital Notes of an initial amount of SEK 400,000,000 and a subsequent amount of SEK 300,000,000 on 29 September 2017, based on a resolution taken by the board of directors of the Company on 19 September 2017 and 28 September 2017. In addition, the Company issued Capital Notes of another subsequent amount of SEK 300,000,000 on 27 March 2018, based on a resolution taken by the board of directors of the Company on 17 March 2018. This Prospectus has been prepared in connection with the Company applying for admission of

trading of the Capital Notes on the Corporate Bond List at Nasdaq Stockholm and in accordance with the Commission Regulation (EC) no 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council and the rules and regulations in Chapter 2 of the Swedish Financial Instruments Trading Act."

3. Section "3. THE CAPITAL NOTES IN BRIEF" on page 18 of the Prospectus shall be amended as follows:

- (i) subsection "The Notes" shall be deleted and replaced with the following:

"The total aggregate amount of the bond loan is of an amount of up to a maximum of SEK 1,000,000,000. The Issuer may choose not to issue the full amount of Capital Notes on an issue date and may choose to issue the remaining amount of Capital Notes at two subsequent dates, however not later than on the date falling six (6) months after the First Issue Date, which will be listed under this Prospectus (during the validity of this Prospectus, i.e. one (1) year from the date of its approval). As of the date of this Prospectus, an initial amount of Capital Notes of SEK 400,000,000 and a subsequent amount of SEK 300,000,000 was issued on 29 September 2017. Further, another subsequent amount of SEK 300,000,000 was issued on 27 March 2018. As of the date of this Prospectus, the total aggregate amount of the bond loan under the Terms and Conditions is utilised and listed under this Prospectus."

- (ii) subsection "Number of Notes" shall be deleted and replaced with the following:

"The total number of Capital Notes is 1,000 of which 1,000 have been issued as of the date of this Prospectus."

4. In section "4.2. Business overview" subsection "Property management", on page 25 of the Prospectus, shall be deleted and replaced with the following:

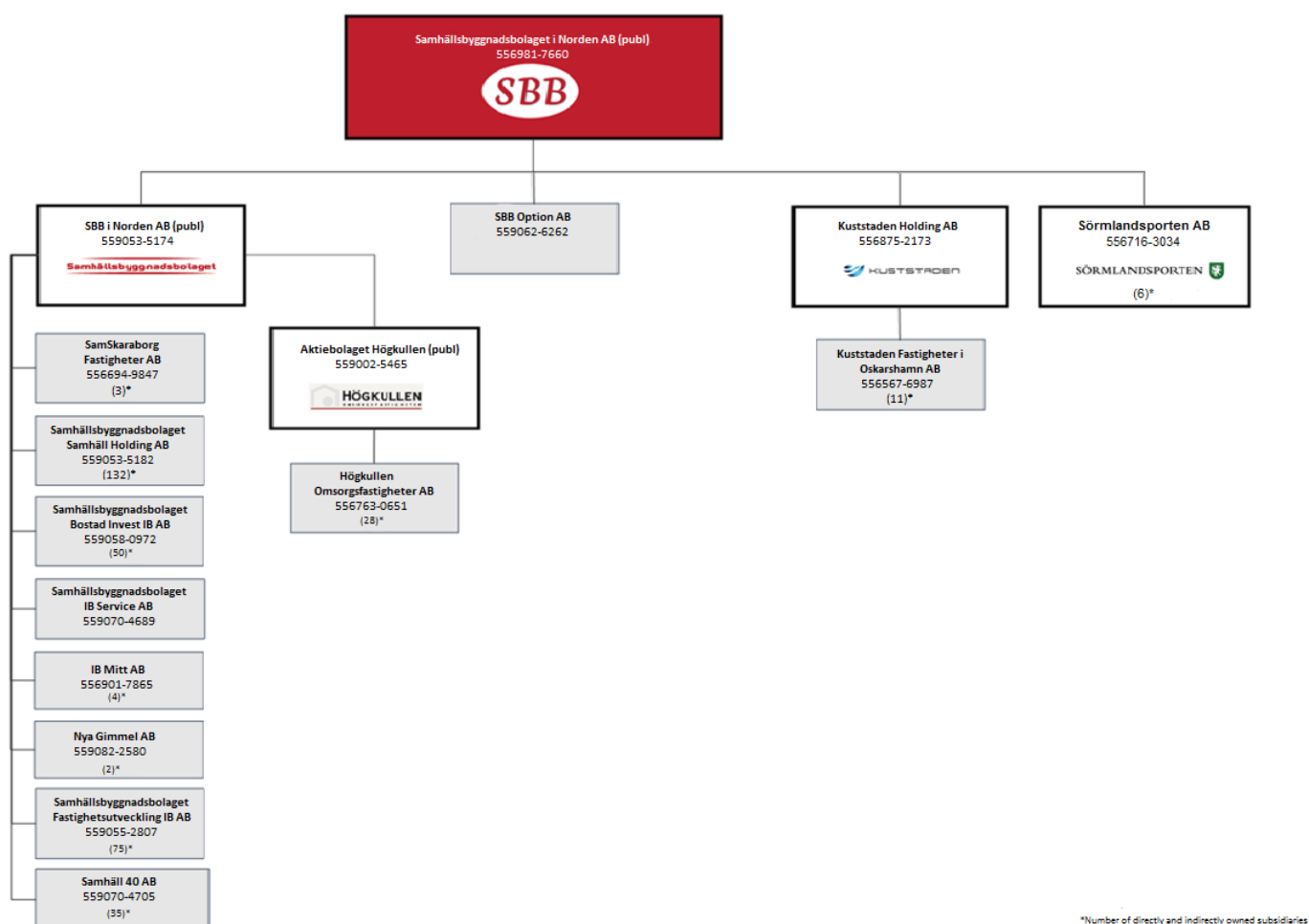
"The Company owns residential, community service properties and properties with clear development potential. The aim is that the property stock shall consist of 80-90 per cent community service properties with long lasting contracts and residential properties in order to maintain drive, flexibility, safety and cash flow.

Since the Company's establishment and until March 2018 the Group has outsourced the property management to Hestia Sambygg AB, founded by Ilija Batljan Invest AB and Hestia Fastighetsförvaltning AB in April 2016. Therefore, The Group was enabled to have a wide geographical spread, efficiently managed from a small central administration. As Hestia Sambygg AB, besides technical and commercial property management, handles property caretaking and economic administration the need for central administration in the Company was minimized. Hence the Company could focus on business development. As of 31 December 2017, the Group has a property portfolio with a book value of SEK 23 bn, consisting of 749 properties. The Company purchased all shares in Hestia Sambygg AB in March 2018, creating an in-house property management organisation and building this competence and functions within the Company. This further supports the Company's goal of becoming the largest player in the Nordic region focusing on community service properties."

5. Section "4.3.1. Organisational structure" on pages 25-26 of the Prospectus shall be deleted and replaced with the following:

"The Company is the parent company of 345 directly or indirectly owned subsidiaries as of 31 December 2017. The Company has issued shares of class A, shares of class B and preference shares. The Company's shares of class B and preference are listed on Nasdaq First North.

The table below lists the companies within the Group as of the date of this Prospectus."



6. Section "4.3.2. Ownership structure" on page 27 of the Prospectus shall be deleted and replaced with the following:

"The table below lists the major shareholders in the Company as of 31 December 2017. As far as the Company is aware of, there are no direct or indirect significant ownership or control over the Company in addition to the table below."

Shareholder	A-shares	B-shares	Preference shares	Votes, %	Capital, %
Ilija Batljan Invest AB	63,495,701			23.5%	8.6%
Ilija Batljan (directly and indirectly)	45,558,167	1,137,606		16.9%	6.3%
AB Arvid Svensson	26,000,000	20,833,333		10.4%	6.3%
Compactor Fastigheter AB	21,997,977	25,405,525		9.1%	6.4%

Backahill AB	13,919,159	14,605,317		5.7%	3.9%
Michael Coccozza	7,619,484	12,896,000		3.3%	2.8%
Meteva AS		84,929,772		3.1%	11.5%
Investmentaktiebolaget					
Cyclops	6,349,570	2,666,666		2.5%	1.2%
Assindia AB	4,762,186	3,924,318		1.9%	1.2%
AktFast Förvaltnings AB	4,762,186	3,924,309		1.9%	1.2%
Stiftelsen för Strategisk					
Forskning		42,651,810		1.6%	5.8%
Highhill Intressenter AB		40,701,897		1.5%	5.5%
Postens Pensionsstiftelse		40,551,810		1.5%	5.5%
Lennart Schuss (indirectly)	2,000,000	14,924,060		1.3%	2.3%
Oscar Lekander	3,174,785	167,700		1.2%	0.5%
Krister Karlsson	3,174,785			1.2%	0.4%
<b>Others</b>	<b>14,782,975</b>	<b>211,031,933</b>	<b>333,205</b>	<b>13.3%</b>	<b>30.6%</b>
<b>Total</b>	<b>217,596,975</b>	<b>520,352,056</b>	<b>333,205</b>	<b>100.0%</b>	<b>100.0%</b>

7. Section "4.4. The board of directors, management and auditors" on page 27 of the Prospectus shall be deleted and replaced with the following:

"The board of directors of the Company consists of seven (7) members. The board of directors and management can be reached at the Company's address Strandvägen 3, SE-114 51 Stockholm, telephone +46 70 674 44 42."

8. Section "4.4.1. Board of directors" on pages 27-29 of the Prospectus shall be deleted and replaced with the following:

**"Lennart Schuss**

*Chairman of the board (since 2017)*

**Experience:** Founding partner of Catella Corporate Finance Sweden

**Other significant assignments:** Chairman of Gimmel Fastigheter AB and SBM Holding AB and member of the Genesta advisory board

**Education:** Master of Business Administration (MBA) degree from the Stockholm School of Economics (SSE)

Shareholding in the Company: 2,000,000 A-shares and 14,924,060 B-shares

**Ilja Batljan**

*Member of the board, CEO (since 2017)*

**Experience:** CEO and founder of SBB i Norden, Deputy CEO and Head of Business Development at Rikshem AB 2011 -2016

**Other significant assignments:** Chairman of Cryptzone Group AB and Södertörns college, board member of Samhällsbyggnadsbolaget i Norden AB, Phoniro AB, Aktiebolaget Höggullen AB (publ) and Teligent Telecom AB

**Education:** Ph.D. in Social Work (demographics, health care and long term care for the elderly), Stockholm University. BA Economics, Stockholm University

Shareholding in the Company: 109,053,868 A-shares and 1,137,606 B-shares, directly and through companies

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**Sven-Olof Johansson**

*Member of the board (since 2017)*

**Experience:** CEO and founder of FastPartner AB (publ)

**Other significant assignments:** Chairman of Compactor Fastigheter AB, board member of NCC AB (publ), Autoropa Aktiebolag and STC Interfinans AB

**Education:** Pol.mag. from Stockholm University and Stockholm School of Economics (SSE)

Shareholding in the Company: 21,997,977 A-shares and 25,405,525 B-shares

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**Seth Lieberman**

*Member of the board (since 2017)*

**Experience:** +30 years of experience from real estate and finance

**Other significant assignments:** Chairman of Stendörren Fastigheter AB, board member of Kvalitena AB (publ)

**Education:** Bachelor of Arts in Economics from Tufts University, USA

Shareholding in the Company: 950,570 B-shares

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**Anne-Grete Strøm-Erichsen**

*Member of the board (since 2017)*

**Experience:** Partner in Rud Pedersen Public Affairs Norge AS

**Other significant assignments:** Norwegian Minister of Defence 2005-2009, 2012-2013, Norwegian Minister of Health 2009-2012

**Education:** South Dakota School of Mines & Technology 1980-1981, further education in Statistics. Bachelor in Engineering from Bergen Technical School (University of Bergen) 1974

Shareholding in the Company: 0

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**Hans Runesten**

*Member of the board (since 2014)*

**Experience:** Former CEO and current Chairman of Effnetplattformen AB (publ)

**Other significant assignments:** Chairman of Effnetplattformen AB (publ) and Axxonen Properties AB, board member of Stendörren Fastigheter AB

**Education:** Master of Business Administration (MBA) degree from Stockholm University

Shareholding in the Company: 4,376,946 B-shares

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**Eva Swartz Grimaldi**

*Member of the board (since 2017)*

**Experience:** Chairman of Norstedts Förlagsgrupp AB, Doberman AB, Apotea AB, Eva Swartz Grimaldi Consulting AB and Doberman Group AB. Board member of Richard Swartz AB

**Other significant assignments:** Chairman of Michael Berglund AB and Efevevmimanisa AB CEO of Bianchi Café & Cycles Sverige AB. Board member of Natur & Kultur Media i Stockholm AB, Sveriges Television Aktiebolag, Bianchi Café & Cycles Stockholm AB, Bianchi Café & Cycles Västerås AB, Axiell Media AB, NOBEL MEDIA AB, Headweb AB, Bokcentralen, förening u.p.a., Norstedts Förlagsgrupp AB and Apotea AB. Deputy board member of Förlagssystem JAL, Aktiebolag and Bokhandelsgruppen i Sverige AB

**Education:** Fil. kand. in Language - Spanish, French and Italian - and in Humanities

Shareholding in the Company: 51,724 B-shares"

9. In section "4.4.2. Management" on page 29 of the Prospectus the first paragraph shall be deleted and replaced with the following:

**"Ilija Batljan** – CEO and (since 2017)

**Lars Thagesson** – Deputy CEO and COO (since 2018)

**Krister Karlsson** – Deputy CEO and Real Estate Manager (since 2016)

**Eva-Lotta Stridh** – CFO (since 2016)

**Rosel Ragnarsson** – Head of Finance (since 2017)

**Oscar Lekander** – Business Development Manager (since 2016)"

10. In section "4.5.2. Commercial leases" on page 30 of the Prospectus the first paragraph shall be deleted and replaced with the following:

"As of 31 December 2017, the Group and its subsidiaries had approximately 14,000 contracted leases, mainly regarding community properties and remaining commercial premises in lower floors and development properties in the form of office/industrial/warehouse. The Group's lease agreements are normally based on the Swedish Property Federation's (Sw. *Fastighetsägarna*) standard agreement and are subject to annual rent adjustments in the form of adjustments to the consumer price index. The agreements usually contain an appendix with specific provisions for the relevant lease and usually a term of three to five years with a notice period of normally nine months."

11. Section "4.5.3. Financial agreements" on page 30 of the Prospectus shall be amended as follows:

(i) the second paragraph shall be deleted and replaced with the following:

"SBB i Norden has on 23 December 2016 issued unsecured but guaranteed notes of SEK 600,000,000 with an interest rate of STIBOR 3m+ 6.25 % due June 2018 (with ISIN SE0009470115). The notes were listed on the corporate bond list of Nasdaq Stockholm on 20 June 2017 under symbol SBBIN 001. Furthermore, SBB i Norden has on 6 April 2017 issued unsecured but guaranteed notes of up to SEK 1,500,000,000 with an interest rate of STIBOR 3m + 6.00 % due April 2020 (with ISIN SE0009805468). As of the date of this Prospectus, notes of an amount of SEK 1,500,000,000 of the total amount has been issued and the notes are listed on the corporate bond list of Nasdaq Stockholm under symbol SBBIN 002. The notes are subject to a condition related to a change of issuer, whereby the Company may become the new issuer in case the noteholders convene a noteholders' meeting and vote in favour for an issuer change. On 23 January 2018, a resolution was made under a written procedure, whereby the noteholders approved the change of issuer. The Company may thus become the issuer of the notes, under the condition that the notes under symbol SBBIN 001 are either repurchased or redeemed in whole, which in any case materialises at the maturity date on 23 June 2018."

(ii) the third paragraph shall be deleted and replaced with the following:

"The Company has on 24 July 2017 issued hybrid notes of up to SEK 1,000,000,000 with a fixed interest rate of 7.5 % (with ISIN SE0010169508), with an initial amount issued of SEK 300,000,000. The noteholder of the hybrid notes received 35,000,000 warrants free of charge, entitling to subscription of ordinary shares of series B in the Company to a subscription price of SEK 7.40 per share. The hybrid notes were subordinated the Company's outstanding senior unsecured notes and were expected to constitute equity from a rating perspective. In connection to the issue of capital notes, as described below, the hybrid notes were repurchased and cancelled.

The Company has on 29 September 2017 issued perpetual callable capital notes of up to SEK 1,000,000,000 with an interest rate of STIBOR 3m + 7.0 % (with ISIN SE0010414599). As of the date of this Prospectus, capital notes of an amount equal to the total amount of SEK 1,000,000,000 have been issued. The capital notes have a similar construction as the repurchased hybrid notes and are subordinated the Company's outstanding senior unsecured notes and are expected to constitute equity from a rating perspective. The capital notes are listed on the corporate bond list of Nasdaq Stockholm under symbol SAMN 001. On 23 March 2018, a resolution was made under a written procedure, whereby the noteholders approved the amendment and restatement of the Terms and Conditions relating to the deletion of two definitions and subsequent changes thereof.

The Company has on 29 January 2018 issued senior unsecured floating rate notes under a loan amounting up to a maximum of SEK 1,000,000,000 with an interest rate of STIBOR 3m + 3.90 % (with ISIN SE0010414581). As of the date of this Prospectus, notes of an amount of SEK 750,000,000 of the total amount have been issued. The notes are listed on the corporate bond list of Nasdaq Stockholm under symbol SAMN 002.

The Company has on 12 February 2018 issued senior unsecured fixed rate notes under a loan amounting to SEK 300,000,000 with a fixed interest rate of 2.90 % (with ISIN SE0010869123). The notes are listed on the corporate bond list of Nasdaq Stockholm under symbol SAMN 003.

The Company has on 16 March 2018 issued senior unsecured floating rate notes under a loan amounting up to a maximum of SEK 1,000,000,000 with an interest rate of STIBOR 3m + 3.65 % (with ISIN SE0010985713). As of the date of this Prospectus, notes of an amount of SEK 250,000,000 of the total amount have been issued. The notes are listed on the corporate bond list of Nasdaq Stockholm under symbol SAMN 004."

12. In section "4.5.5. Other material agreements" on page 31 of the Prospectus the first paragraph shall be amended as follows:



"Since the Company's establishment and until March 2018 the Group had a management agreement with Hestia Sambygg AB, which stated Hestia Sambygg AB as responsible for the management of the Group's property portfolio. The agreement established that Hestia Sambygg AB provides technical, commercial and administrative management, including finance, rental budgeting, planning and maintenance management and operations and operation management. The Group paid a compensation based on cost incurred and margin of seven percent. Hestia Sambygg AB was a part of the Hestia Group until March 2018 when the Company purchased all shares in Hestia Sambygg AB in order to create an in-house property management organisation and build this competence and functions within the Company."

13. Following section "4.9. Costs relating to the listing" on page 32 of the Prospectus two new sections shall be added as follows:

#### **"4.10 Credit ratings**

The independent rating agencies Moody's and Standard & Poor's have rated the Company as follows:

	<b>Moody's</b>	<b>Standard &amp; Poor's</b>
<b>Samhällsbyggnadsbolaget i Norden AB (publ)</b>		
Unsecured notes	B1	BB

The above credit rating agencies are established within the European Union and are registered in accordance with regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (the "Regulation").

In general, European regulated investors are restricted under Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the Regulation. However, this does not apply if the credit rating is issued by a credit rating agency that has been active in the EU before 7 June 2010 and who has applied for registration in accordance with the Regulation unless the application has been rejected.

The rating does not always reflect the risk associated with the notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time.

Credit rating is a way of evaluating credit risk. For more information about credit rating, visit [www.standardandpoors.com](http://www.standardandpoors.com) or [www.moody's.com](http://www.moody's.com).

Below are reference scales of Moody's and Standard & Poor's.

<b>Risk classification*</b>	<b>Moody's</b>	<b>Standard &amp; Poor's</b>
Highest credit quality	Aaa	AAA
Very high credit quality	Aa	AA
High credit quality	A	A
Good credit quality	Baa	BBB

Speculative (non-investment grade)	Ba	BB
Highly speculative	B	B
Substantial credit risk	Caa	CCC
Very high levels of credit risk	Ca	CC

\* The concept of risk classification differs between credit rating agencies. Within the risk classification categories, the rating agencies may add a (+) or (-) (S&P) or (1), (2) or (3) (Moody's) which indicates the relative strength of each category

#### 4.11 Reference values

Notes issued under this Prospectus have STIBOR as interest base. STIBOR constitutes a benchmark according to the regulation (EU) 2016/1011 (the "**Benchmark Regulation**"). None of the administrators of STIBOR are, as of the date of this Prospectus, part of the register held by the European Securities and Markets Authority ("**ESMA**") in accordance with Article 36 of the Benchmark Regulation."

14. In section "5. DOCUMENTS AVAILABLE FOR INSPECTION" on page 33 of the Prospectus the third bullet relating to the annual reports for the Company's subsidiaries for the financial years 2015 and 2016 shall be deleted and replaced by the following:
  - "the annual reports for the Company's subsidiaries, for the financial years 2016 and 2017;"
15. In section "6. DOCUMENTS INCORPORATED BY REFERENCE" of the Prospectus:
  - (i) the following amendments shall be made on page 33:
    - a. the first paragraph shall be deleted and replaced by the following:
 

"The Prospectus consists of, in addition to this document, the following documents which are incorporated by reference. The annual reports for the financial year 2017 and 2016 below are audited. No other information in this Prospectus is either audited or reviewed."
    - b. the first bullet relating to Company's consolidated annual report for the financial year 2015 shall be deleted and replaced by the following:
      - ["Extract from the Company's consolidated annual report for the financial year 2017, including:](#)
        - the consolidated income statement, page 87;
        - the consolidated balance sheet, pages 88-89;
        - the consolidated statement of changes in equity, page 90;
        - the consolidated cash flow analysis, pages 91-92;
        - the consolidated notes, pages 93-117;
        - the Company's income statement, page 118;
        - the Company's balance sheet, pages 119-120;
        - the Company's statement of changes in equity, page 121;
        - the Company's cash flow analysis, page 122;

- the Company's notes, pages 123-136;
  - the auditor's report, pages 138-140."
- c. the last bullet relating to Company's interim report for the period of 1 January – 30 June 2017 shall be deleted,
- (ii) the following amendments shall be made on page 34:
- a. the first and second paragraphs relating to the annual report for the financial years 2015 and 2016 shall be deleted and replaced with the following:
- "The annual reports for the financial year 2017 and 2016 have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), interpretations of these standards (IFRICs) issued by the IFRS Interpretations Committee, RFR 1 (Sw. *Kompletterande redovisningsregler för koncerner*) and the Swedish Annual Accounts Act."
- b. the last paragraph relating to the interim report for the period of 1 January – 30 June 2017 shall be deleted.
16. The section "7. TERMS AND CONDITIONS" on pages 35 to 70 of the Prospectus shall be deleted and replaced by the following:

**TERMS AND CONDITIONS FOR  
SAMHÄLLSBYGGNADSBOLAGET I NORDEN  
AB (PUBL)**



**UP TO SEK 1,000,000,000  
SUBORDINATED PERPETUAL  
FLOATING RATE CALLABLE CAPITAL NOTES**

**ISIN: SE0010414599**

*Originally dated 22 September 2017*

*as amended and restated on 23 March 2018*

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

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## **1 Definitions and construction**

### **1.1 Definitions**

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

“**2028 Step-up Date**” means 29 March 2028.

“**2043 Step-up Date**” means 29 March 2043.

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

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

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

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

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

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

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

“**Change of Control**” occurs when a person or persons acting together, acquire (i) the ownership (directly or indirectly) of more than fifty per cent (50%) of the total voting rights represented by shares of the Issuer or (ii) the power to appoint or remove a majority of the members of the board of directors of the Issuer.

“**Change of Control Event**” has the meaning ascribed to it in Clause 11.5.1.

“**Change of Control Notice**” has the meaning ascribed to it in Clause 11.5.2.

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

**"Change of Control Step-up Date"** means the date which is 30 days after the date following the expiry of the Exercise Period.

**"CSD"** means the Issuer's central securities depository and registrar in respect of the Capital Notes, from time to time, initially Euroclear Sweden AB, Swedish Reg. No. 556112-8074, P.O. Box 191, 101 23 Stockholm, Sweden.

**"Default Event"** means an event or circumstance specified in Clauses 16.1 and 16.2.

**"Deferral Notice"** has the meaning given in Clause 10.1.1.

**"Deferred Interest"** has the meaning given in Clause 10.1.2.

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

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

save for:

- (i) in each case, any compulsory distribution, dividend, other payment, redemption, repurchase, repayment, cancellation, reduction or other acquisition required by the terms of such securities or by mandatory operation of applicable law;

- (ii) in the case of (c) above only, any redemption, repurchase, repayment, cancellation, reduction or other acquisition executed in connection with, or for the purpose of (1) any reduction of the quota value of the share capital of the Issuer without a corresponding return of cash, capital or assets to shareholders of the Issuer or (2) any share buyback programme then in force and duly approved by the shareholders' general meeting of the Issuer or the relevant Subsidiary of the Issuer (as applicable) or any existing or future stock option plan or free share allocation plan or other incentive plan, in all cases, reserved for directors, officers and/or employees of the Issuer or the relevant Subsidiary of the Issuer or any associated hedging transaction; and
- (iii) in the case of (d) above only, any redemption, repurchase, repayment, cancellation, reduction or other acquisition executed in whole or in part in the form of a public tender offer or public exchange offer at a consideration per Parity Note below its par value.

**"Exercise Period"** means the period from the date on which the Change of Control Event occurred to the day which is the earlier of (a) 90 days after such date and (b) the last day on which holders of senior indebtedness of the Issuer, which have a right to put such senior indebtedness for redemption, due to the occurrence of a Change of Control Event, have received the put redemption proceeds.

**"Financial Instruments Accounts Act"** means the Swedish Financial Instruments Accounts Act (Sw. *lag (1998:1479) om kontoföring av finansiella instrument*).

**"First Call Date"** means 29 March 2023.

**"First Issue Date"** means 29 September 2017.

**"Fitch"** means Fitch Ratings Ltd.

**"Force Majeure Event"** has the meaning set forth in Clause 27.1.

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

**"Initial Capital Notes"** means the Capital Notes issued on the First Issue Date.

**"Initial Interest Rate"** has the meaning given in Clause 9.3.1.

**"Interest Amount"** has the meaning given in Clause 9.5.

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

**"Interest Payment Date"** has the meaning given in Clause 9.1.2.

**"Interest Period"** means the period from (but excluding) the First Issue Date to (and including) the first Interest Payment Date and each successive period from (but



excluding) an Interest Payment Date to (and including) the next succeeding Interest Payment Date.

**"Interest Rate"** means the Initial Interest Rate or the relevant Interest Rate, as the case may be.

**"Investment Grade Rating Change"** means if any rating assigned to the Issuer by any Rating Agency is changed from an investment grade rating (being at least Baa3 by Moody's, BBB- by Fitch or BBB- by S&P) to a non-investment grade rating (being Ba1 or lower by Moody's, or BB+ or lower by Fitch or BB+ or lower by S&P).

**"Issuer"** means Samhällsbyggnadsbolaget i Norden AB (publ), a public limited liability company incorporated under the laws of Sweden with Reg. No. 556981-7660.

**"Issuer Winding-up"** has the meaning given in Clause 4.1.

**"Issuing Agent"** means Nordea Bank AB, Reg. No. 516406-0120 or another party replacing it, as Issuing Agent, in accordance with these Terms and Conditions.

**"Margin"** means:

- (a) in respect of the period from (but excluding) the First Issue Date to (and including) the First Call Date 7.00 *per cent*;
- (b) in respect of the period from (but excluding) the First Call Date to (and including) the 2028 Step-up Date 7.00 *per cent*;
- (c) in respect of the period from (but excluding) the 2028 Step-up Date to (and including) the 2043 Step-up Date 7.25 *per cent*; and
- (d) in respect of the period from (but excluding) the 2043 Step-up Date and thereafter 8.00 *per cent*.

**"Moody's"** means Moody's Investors Services Ltd.

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

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

**"Notchholder"** means the person who is registered on a Securities Account as direct registered owner (Sw. *ägare*) or nominee (Sw. *förvaltare*) with respect to a Capital Note.

**"Noteholders' Meeting"** means a meeting among the Noteholders held in accordance with Clause 18 (*Noteholders' Meeting*).

**"Ordinary Shares"** means ordinary shares in the capital of the Issuer.

**"Parity Notes"** means any obligations of:

- (a) the Issuer, issued directly or indirectly by it, which rank, or are expressed to rank, *pari passu* with the Capital Notes; and

- (b) any Subsidiary of the Issuer having the benefit of a guarantee or support agreement from the Issuer which ranks or is expressed to rank *pari passu* with the Capital Notes.

**"Potential Change of Control Announcement"** means any public announcement or statement by the Issuer, any actual or potential bidder or any designated advisor thereto relating to any specific and near-term potential Change of Control (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 advisor to be intended to occur, within 120 days of the date of such announcement of statement).

**"Qualifying Capital Notes"** means notes that contain terms not materially less favourable to Noteholders than the terms of the Capital Notes (as reasonably determined by the Issuer in consultation with the Agent and an independent investment bank, independent financial adviser or legal counsel of international standing) and provided that a certification to such effect (and confirming that the conditions set out in (a) to (h) below have been satisfied) of two authorised signatories of the Issuer shall have been delivered to the Agent and the Issuing Agent prior to the substitution or variation of the Capital Notes), provided that:

- (a) they shall (i) be issued by the Issuer or by any wholly-owned direct or indirect finance Subsidiary of the Issuer with a guarantee of the Issuer or (ii) constitute a variation of the Capital Notes in accordance with Clause 12 (*Substitution or Variation*); and
- (b) they (and/or, as appropriate, the guarantee as aforesaid) shall rank *pari passu* on an Issuer Winding-up with the ranking of the Capital Notes; and
- (c) they shall contain terms which provide for the same Interest Rate from time to time applying to the Capital Notes and preserve the same Interest Payment Dates; and
- (d) they shall preserve the obligations (including the obligations arising from the exercise of any right) of the Issuer as to redemption of the Capital Notes, including (without limitation) as to timing of, and amounts payable upon, such redemption; and
- (e) they shall preserve any existing rights under the Capital Notes to any accrued interest, any Deferred Interest and any other amounts payable under the Capital Notes which, in each case, has accrued to Noteholders and not been paid; and
- (f) they shall not contain terms providing for the mandatory deferral of interest and shall not contain terms providing for loss absorption through principal write-down or conversion to Ordinary Shares or preference shares; and
- (g) they shall, immediately after such exchange or variation, be assigned at least the same credit rating(s) by the same Rating Agency(ies) as may have been assigned to the Capital Notes immediately prior to such exchange or variation (if any); and
- (h) they shall otherwise contain substantially identical terms (as reasonably determined by the Issuer) to the Capital Notes, save where any modifications to such terms are required to be made to avoid the occurrence or effect of a Tax

Deductibility Event, a Rating Event or, as the case may be, a Withholding Tax Event; and

- (i) they shall be (i) listed on the corporate bond list of Nasdaq Stockholm and admitted to trading on Nasdaq Stockholm's Regulated Market or (ii) admitted to trading on any other Regulated Market for the purposes of Directive 2004/39/EC as selected by the Issuer on, or as soon as reasonably practicable after issue; and
- (j) they shall be compatible with the requirements of the CSD.

**"Rating Agency"** means Fitch, Moody's and S&P and any other rating agency of equivalent international standing requested by the Issuer to grant a corporate credit rating to the Issuer and, in each case, their successors or affiliates.

**"Rating Downgrade"** shall be deemed to have occurred in respect of a Change of Control if within the Change of Control Period (i) the rating previously assigned to the Issuer (if any) by any Rating Agency is withdrawn and not subsequently reinstated within the Change of Control Period or (ii) the non-investment grade rating previously assigned to the Issuer by any Rating Agency (if any) is lowered one rating category (for example, from Ba1/BB+ to Ba2/BB or such similar lower or equivalent rating) and not subsequently upgraded within the Change of Control Period or (iii) an Investment Grade Rating Change occurs and is not subsequently reinstated within the Change of Control Period, provided that a Rating Downgrade otherwise arising by virtue of a particular change in rating shall be deemed not to have occurred in respect of a particular Change of Control if the Rating Agency making the change in rating to which this definition would otherwise apply does not publicly announce or publicly confirm that the withdrawal or reduction was the result of the applicable Change of Control;

**"Rating Event"** shall be deemed to occur if the Issuer has received confirmation from any Rating Agency either directly or via a publication by such Rating Agency, that an amendment, clarification or change has occurred in the equity credit criteria of such Rating Agency effective after the First Issue Date (or effective after the date when the equity credit is assigned for the first time, as applicable) and this has resulted in lower equity credit (or such other nomenclature that the relevant Rating Agency may then use to describe the degree to which an instrument exhibits the characteristics of an ordinary share) for the Capital Notes than the equity credit assigned on the First Issue Date (or if equity credit is not assigned on the First Issue Date, at the date when the equity credit is assigned for the first time).

**"Record Date"** means the fifth (5) Business Day prior to (i) an Interest Payment Date, (ii) a Redemption Date or (iii) another relevant date, or in each case such other Business Day falling prior to a relevant date if generally applicable on the Swedish bond market.

**"Regulated Market"** means any regulated market (as defined in Directive 2004/39/EC on markets in financial instruments).

**"S&P"** means Standard and Poor's Credit Market Services Europe Limited.

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

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

“**SEK**” means the lawful currency of Sweden.

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

“**STIBOR**” means the rate for 3 month deposits in SEK which appears on Reuters Screen SIDE page under the heading “FIXINGS” (or such other page as may replace that page on that service, or such other service as may be nominated as the information vendor, for the purpose of displaying comparable rates) as of 11.00 a.m. (Stockholm time) on the second Business Day before the first day of the relevant Interest Period (the “**Interest Determination Date**”) as determined by the Issuing Agent or its duly appointed successor (in such capacity, the Issuing Agent) and:

- (a) if such rate does not appear on that page, the Issuing Agent will:
  - (i) request the principal Stockholm office of each of four major banks in the Stockholm interbank market, selected by the Issuing Agent in consultation with the Issuer, to provide a quotation of the rate at which deposits in SEK are offered by it in the Stockholm interbank market at approximately 11.00 a.m. (Stockholm time) on the Interest Determination Date to prime banks in the Stockholm interbank market for 3 months and in an amount that is representative for a single transaction in that market at that time; and
  - (ii) if at least two such quotations are provided, determine the arithmetic mean (rounded, if necessary, to the fifth decimal place, 0.000005 being rounded upwards) of such quotations; and
  - (iii) if fewer than two such quotations are provided as requested, the Issuing Agent will determine the arithmetic mean (rounded, if necessary, as aforesaid) of the rates quoted by major banks in Stockholm, selected by the Issuing Agent in consultation with the Issuer, at approximately 11.00 a.m. (Stockholm time) on the first day of the relevant Interest Period for loans in SEK to leading European banks for 3 months and in an amount that is representative for a single transaction in that market at that time.
- (b) if the rate cannot be determined in accordance with the above provisions, the rate shall be the rate applicable to the immediately preceding Interest Period all as determined by the Issuing Agent.

For the avoidance of doubt, should STIBOR in accordance with the above be less than zero then STIBOR shall for the purposes hereof be deemed zero.

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

“**Subsidiary**” has the meaning provided in the Swedish Companies Act and “**Subsidiaries**” shall be construed accordingly.

**“Substantial Repurchase Event”** shall be deemed to occur if the Issuer and/or any of its Subsidiaries repurchases and cancels or has at any time repurchased and cancelled, a principal amount of Capital Notes equal to or greater than 80 per cent. of the aggregate principal amount of the Capital Notes initially issued (which shall include, for these purposes, any Subsequent Capital Notes).

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

**“Swedish Companies Act”** means the Swedish Companies Act (Sw. *Aktiebolagslagen* (2005:551)).

**“Tax Deductibility Event”** means the receipt by the Issuer of an opinion of counsel in Sweden (experienced in such matters) to the effect that, as a result of a Tax Law Change, any interest payments under the Capital Notes were, but are no longer, tax-deductible by the Issuer for Swedish tax purposes to the same extent as any unsubordinated obligations of the Issuer.

**“Tax Law Change”** means (a) any amendment to, clarification of, or change in, the laws or treaties (or any regulations thereunder) of Sweden, or any political subdivision or any authority thereof or therein having the power to tax, affecting taxation, (b) any governmental action (c) or any amendment to, clarification of, or change in the official position or the interpretation of such law, treaty (or regulations thereunder) or governmental action or any interpretation, decision or pronouncement that provides for a position with respect to such law, treaty (or regulations thereunder) or governmental action that differs from the theretofore generally accepted position, in each case, by any legislative body, court, governmental authority or regulatory body in Sweden, irrespective of the manner in which such amendment, clarification, change, action, pronouncement, interpretation or decision is made known, which amendment, clarification or change is effective or such governmental action, pronouncement, interpretation or decision is announced on or after the First Issue Date.

**“Taxes”** has the meaning given in Clause 25 (*Taxation*).

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

**“Withholding Tax Event”** shall be deemed to occur if, as a result of any Tax Law Change, in making any payments on the Capital Notes, the Issuer has paid or will or would on the next Interest Payment Date be required to pay additional amounts on the Capital Notes pursuant to Clause 25 (*Taxation*) and the Issuer cannot avoid the foregoing by taking reasonable measures available to it; and

**“Written Procedure”** means the written or electronic procedure for decision making among the Noteholders in accordance with Clause 19 (*Written Procedure*).

**The following text in italics does not form part of the Terms and Conditions:**

*The Issuer intends (without thereby assuming any legal or contractual obligation whatsoever) that it will only redeem or repurchase Capital Notes to the extent that the equity credit of the Capital Notes to be redeemed or repurchased does not exceed the*

equity credit resulting from the sale or issuance during the 360-day period prior to the date of such redemption or repurchase by the Issuer or any subsidiary of the Issuer of replacement hybrid notes to third party purchasers (other than subsidiaries of the Issuer).

The foregoing shall not apply if:

- (a) the issuer rating assigned by S&P to the Issuer is at least "BBB" (or such similar nomenclature then used by S&P) and the Issuer is of the view that such rating would not fall below this level as a result of such redemption or repurchase; or
- (b) the Capital Notes are not even assigned "minimal equity content" (or such similar nomenclature then used by S&P) at the time of such redemption or repurchase; or
- (c) the Capital Notes are redeemed pursuant to Change of Control Event, a Tax Deductibility Event, a Rating Event, a Substantial Repurchase Event or a Withholding Tax Event; or
- (d) less than (x) 10 per cent. of the aggregate principal amount of the Capital Notes originally issued is repurchased pursuant to Clause 11.1 in any period of 12 consecutive months or (y) 25 per cent. of the aggregate principal amount of the Capital Notes originally issued is repurchased in any period of 10 consecutive years; or
- (e) the relevant repurchase has followed an issuance of Ordinary Shares where the amount of equity credit resulting from such issuance is equal to or more than the amount of equity credit assigned by S&P to the Capital Notes being repurchased at the time of their issuance; or
- (f) such replacement would cause the Issuer's outstanding hybrid capital which is assigned equity credit by S&P to exceed the maximum aggregate principal amount of hybrid capital which S&P, under its then prevailing methodology, would assign equity credit to, based on the Issuer's adjusted total capitalisation; or
- (g) if such redemption or repurchase occurs on or after the 2043 Step-up Date.

For the avoidance of doubt, the Issuer wishes to clarify that at any time, including during the period up to the fifth anniversary of the First Issue Date, the Issuer shall not be required to replace the Capital Notes if paragraph (e) or (f) above applies.

For the purposes of the foregoing, "equity credit" (or such similar nomenclature then used by S&P) describes:

- (i) the part of the nominal amount of the Capital Notes that was assigned equity credit by S&P at the time of their issuance; and
- (ii) the part of the net proceeds received from issuance of replacement hybrid notes or Ordinary Shares that was assigned equity credit by S&P at the time of their sale or issuance (or the equity credit S&P has confirmed will be assigned by it upon expiry or waiver of issuer call rights which prevent the assignment of equity credit by S&P on the issue date of such replacement hybrid notes).

## 1.2 Construction

- 1.2.1 Unless a contrary indication appears, any reference in these Terms and Conditions to:
- a) “**assets**” includes present and future properties, revenues and rights of every description;
  - b) any agreement or instrument is a reference to that agreement or instrument as supplemented, amended, novated, extended, restated or replaced from time to time;
  - c) a “**regulation**” includes any regulation, rule or official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
  - d) a provision of law is a reference to that provision as amended or re-enacted; and
  - e) a time of day is a reference to Stockholm time.
- 1.2.2 When ascertaining whether a limit or threshold specified in SEK has been attained or broken, an amount in another currency shall be counted on the basis of the rate of exchange for such currency against SEK for the previous Business Day, as published by the Swedish Central Bank (Sw. *Riksbanken*) on its website ([www.riksbank.se](http://www.riksbank.se)). If no such rate is available, the most recently published rate shall be used instead.
- 1.2.3 A notice shall be deemed to be sent by way of press release if it is made available to the public within Sweden promptly and in a non-discriminatory manner.
- 1.2.4 No delay or omission of the Agent or of any Noteholder to exercise any right or remedy under the Terms and Conditions shall impair or operate as a waiver of any such right or remedy.

## 2 Status of the Capital Notes

- 2.1 The Capital Notes are denominated in SEK and each Capital Note is constituted by these Terms and Conditions. The Issuer undertakes to make payments in relation to the Capital Notes and to comply with these Terms and Conditions.
- 2.2 By subscribing for Capital Notes, each initial Noteholder agrees that the Capital Notes shall benefit from and be subject to the Terms and Conditions and by acquiring Capital Notes, each subsequent Noteholder confirms such agreement.
- 2.3 The nominal amount of each Capital Note is SEK 1,000,000 (the “**Nominal Amount**”). All Capital Notes are issued on a fully paid basis at an issue price of 100 *per cent.* of the Nominal Amount.
- 2.4 Provided that no Default Event is continuing or would result from such issue, the Issuer may, at two occasions, issue Subsequent Capital Notes however not later than on the date falling six (6) months after the First Issue Date. Subsequent Capital Notes shall benefit from and be subject to the Terms and Conditions, and, for the avoidance of doubt, the ISIN, the Interest Rate, the Nominal Amount and perpetual nature applicable to the Initial Capital Notes shall apply to Subsequent Capital Notes. The price of the

Subsequent Capital Notes may be set at a discount or at a premium compared to the Nominal Amount. The maximum Total Nominal Amount of the Capital Notes (the Initial Capital Notes and all Subsequent Capital Notes) may not exceed SEK 1,000,000,000 unless consent from the Noteholders is obtained in accordance with Clause 17 (*Decisions by Noteholders*). Each Subsequent Capital Note shall entitle its holder to Interest in accordance with Clause 9 (*Interest Payments*), and otherwise have the same rights as the Initial Capital Notes.

- 2.5 The Capital Notes constitute direct, unsecured and subordinated obligations of the Issuer. The rights and claims of the Noteholders in respect of the Capital Notes against the Issuer are subordinated as described in Clause 4 (*Subordination and rights on a winding-up and re-construction*).
- 2.6 The Capital Notes are freely transferable but the Noteholders may be subject to purchase or transfer restrictions with regard to the Capital Notes, as applicable, under local laws to which a Noteholder may be subject. Each Noteholder must ensure compliance with such restrictions at its own cost and expense.
- 2.7 No action is being taken in any jurisdiction that would or is intended to permit a public offering of the Capital Notes or the possession, circulation or distribution of any document or other material relating to the Issuer or the Capital Notes in any jurisdiction other than Sweden, where action for that purpose is required. Each Noteholder must inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Capital Notes.

### **3 Use of proceeds**

The Issuer shall use the proceeds from the issue of the Capital Notes, less the costs and expenses incurred by the Issuer in connection with the issue of the Capital Notes, towards general corporate purposes.

### **4 Subordination and rights on a winding-up and re-construction**

#### **4.1 Rights on a winding-up or company re-construction**

- 4.1.1 In the event of a voluntary or involuntary liquidation (Sw. *likvidation*) or bankruptcy (Sw. *konkurs*) of the Issuer (each an "**Issuer Winding-up**"), the Noteholders (or the Agent on their behalf) shall, in respect of their Capital Notes, have a claim (in lieu of any other amount) for the principal amount of their Capital Notes and any accrued and unpaid interest (including any Deferred Interest) thereon and such claims will rank:
  - (a) *pari passu* without any preference among themselves and with any present or future claims in respect of obligations of the Issuer in respect of Parity Notes;
  - (b) in priority to all present or future claims in respect of (A) the Ordinary Shares of the Issuer and (B) any other obligation of the Issuer which ranks or is expressed by its terms to rank junior to the Capital Notes or any Parity Note; and
  - (c) junior to any present or future claims in respect of (A) all unsubordinated obligations of the Issuer and (B) all Subordinated Indebtedness.



In the event of a company re-construction (Sw. *företagsrekonstruktion*) of the Issuer under the Swedish Business Reorganization Act (an "**Issuer Re-construction**"), the Noteholders (or the Agent on their behalf) shall, in respect of their Capital Notes, have a claim (in lieu of any other amount) for the principal amount of their Capital Notes and any accrued and unpaid interest (including any Deferred Interest) thereon and such claims will rank:

- (a) *pari passu* without any preference among themselves and with any present or future claims in respect of obligations of the Issuer in respect of Parity Notes; and
- (b) junior to any present or future claims in respect of (A) all unsubordinated obligations of the Issuer and (B) all Subordinated Indebtedness.

*Claims in respect of the share capital of the Issuer, including preference shares (if any), are not subject to loss absorbing measures under an Issuer Re-construction.*

#### **4.2 Set-off**

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

### **5 Conditions for settlement of the Capital Notes**

- 5.1 The Issuer shall provide to the Agent three (3) Business Days prior to the First Issue Date the documents and other evidence set out in Schedule 1 (*Conditions Precedent for Settlement*).
- 5.2 The Agent may assume that the documentation delivered to it pursuant to Clause 5.1 is accurate, legally valid, correct and complete unless it has actual knowledge that this is not the case, and the Agent does not have to verify the contents of any such documentation. The documentation and evidence delivered to the Agent pursuant to Clause 5.1 are not reviewed by the Agent from a legal or commercial perspective of the Noteholders.
- 5.3 When the conditions in Clause 5.1 have been fulfilled to the satisfaction of the Agent (acting reasonably), the Agent shall without undue delay confirm in writing to the Issuing Agent, that the Issuing Agent may procure the settlement of the Capital Notes by way of transfer of the proceeds to an account as instructed by the Issuer.
- 5.4 The proceeds from any Subsequent Capital Notes shall be transferred to the Issuer once the Issuer has provided to the Agent a copy of a resolution of the board of directors or other persons authorised to exercise the relevant powers of the Issuer, approving the issue of Subsequent Capital Notes. The Agent shall confirm in writing to the Issuing Agent when the conditions in this Clause 5.4 have been fulfilled to the satisfaction of the Agent (acting reasonably), after which the Issuing Agent shall procure the settlement of the Subsequent Capital Notes and transfer the proceeds to an account as instructed by the Issuer.

## **6 Capital Notes in book-entry form**

- 6.1 The Capital Notes will be registered for the Noteholders on their respective Securities Accounts and no physical notes will be issued. Accordingly, the Capital Notes will be registered in accordance with the Financial Instruments Accounts Act. Registration requests relating to the Capital Notes shall be directed to an Account Operator.
- 6.2 Those who according to assignment, Security, the provisions of the Swedish Children and Parents Code (Sw. *föräldrabalken (1949:381)*), conditions of will or deed of gift or otherwise have acquired a right to receive payments in respect of a Capital Note shall register their entitlements to receive payment in accordance with the Financial Instruments Accounts Act.
- 6.3 The Issuer (and the Agent when permitted under the CSD's applicable regulations) shall be entitled to obtain information from the debt register (Sw. *skuldbok*) kept by the CSD in respect of the Capital Notes. At the request of the Agent or the Issuing Agent, the Issuer shall promptly obtain such information, including but not limited to information from the debt register kept by the CSD in respect of the Capital Notes, and provide it to the Agent or the Issuing Agent, as applicable.

## **7 Right to act on behalf of a Noteholder**

- 7.1 If any person other than a Noteholder wishes to exercise any rights under the Terms and Conditions, it must obtain a power of attorney or other proof of authorisation from the Noteholder or a successive, coherent chain of powers of attorney or proofs of authorisation starting with the Noteholder and authorising such person.
- 7.2 A Noteholder may issue one or several powers of attorney to third parties to represent it in relation to some or all of the Capital Notes held by it. Any such representative may act independently under the Terms and Conditions in relation to the Capital Notes for which such representative is entitled to represent the Noteholder and it may further delegate its right to represent the Noteholder by way of a further power of attorney.
- 7.3 The Agent shall only have to examine the face of a power of attorney or other proof of authorisation that has been provided to it pursuant to Clause 7.2 and may assume that it has been duly authorised, is valid, has not been revoked or superseded and that it is in full force and effect, unless otherwise is apparent from its face.

## **8 Payments in respect of the Capital Notes**

- 8.1 Any payment or repayment under the Terms and Conditions, or any amount due in respect of a repurchase of any Capital Notes, shall be made to such person who is registered as a Noteholder on the Record Date prior to an Interest Payment Date or other relevant due date, or to such other person who is registered with the CSD on such date as being entitled to receive the relevant payment, repayment or repurchase amount.
- 8.2 If a Noteholder has registered, through an Account Operator, that principal and interest shall be deposited in a certain bank account, such deposits will be effected by the CSD on the relevant payment date. In other cases, payments will be transferred by the CSD to the Noteholder at the address registered with the CSD on the Record Date. Should

the CSD, due to a delay on behalf of the Issuer or some other obstacle, not be able to effect payments as aforesaid, the Issuer shall procure that such amounts are paid to the persons who are registered as Noteholders on the relevant Record Date as soon as possible after such obstacle has been removed.

8.3 If, due to any obstacle for the CSD, the Issuer cannot make a payment or repayment, such payment or repayment may be postponed until the obstacle has been removed.

8.4 If payment or repayment is made in accordance with this Clause 8, the Issuer and the CSD shall be deemed to have fulfilled their obligation to pay, irrespective of whether such payment was made to a person not entitled to receive such amount.

## **9 Interest Payments**

### **9.1 Interest Payment Dates**

9.1.1 Each Initial Capital Note carries Interest at the Initial Interest Rate from (but excluding) the First Issue Date up to (and including) the relevant Redemption Date. Any Subsequent Capital Note will carry Interest at the Interest Rate from (but excluding) the Interest Payment Date falling immediately prior to its issuance up to (and including) the relevant Redemption Date.

9.1.2 Subject to Clause 10 (*Optional Interest Deferral*) and the Business Day Convention, interest shall be payable on the Capital Notes quarterly in arrears on 29 December, 29 March, 29 June and 29 September each calendar year (each an "**Interest Payment Date**") with the first Interest Payment Date being 29 December 2017.

### **9.2 Interest Accrual**

9.2.1 The Capital Notes (and any unpaid amounts thereon) will cease to bear interest from (but including) the date of redemption thereof pursuant to the relevant paragraph of Clause 11 (*Redemption and Repurchase of the Capital Notes*) or the date of substitution or variation thereof pursuant to Clause 12 (*Substitution or Variation*), as the case may be.

9.2.2 When interest is required to be calculated in respect of a period of less than a full year, such interest shall be calculated based upon actual/360-days basis.

### **9.3 Initial Interest Rate**

9.3.1 The Interest Rate in respect of each Interest Period commencing prior to the 2028 Step-up Date shall be the aggregate of the relevant Margin and the relevant STIBOR for such Interest Period, all as determined by the Issuing Agent (the "**Initial Interest Rate**").

9.3.2 The Interest Payment in respect of each Interest Period may be deferred in accordance with Clause 10 (*Optional Interest Deferral*).

### **9.4 Step-up Interest Rates**

The Interest Rate in respect of each Interest Period falling after the 2028 Step-up Date and the 2043 Step-up Date respectively shall be the aggregate of the relevant Margin

and the relevant STIBOR for such Interest Period, all as determined by the Issuing Agent (each a "Step-up Interest Rate").

**9.5 Determination of Step-up Interest Rates and Calculation of Interest Amounts**

The Issuing Agent shall, at or as soon as practicable after 11.00 a.m. (Stockholm time) on each Interest Determination Date, determine the Step-up Interest Rate in respect of the Interest Period commencing immediately following such Interest Determination Date and shall calculate the amount of interest which will (subject to deferral in accordance Clause 10 (*Optional Interest Deferral*)) be payable in respect of each such Interest Period (the "Interest Amount").

**9.6 Publication of Step-up Interest Rates and Interest Amounts**

Unless the Capital Notes are to be redeemed, the Issuer shall cause notice of each Step-up Interest Rate and the related Interest Amount to be given to the Agent, the Issuing Agent, any stock exchange on which the Capital Notes are for the time being listed or admitted to trading and, in accordance with Clause 14 (*Notices*), the Noteholders, in each case as soon as practicable after its determination but in any event not later than the first Business Day of the relevant Interest Period.

**9.7 Issuing Agent**

The Issuer may from time to time replace the Issuing Agent with another independent financial institution. If the Issuing Agent is unable or unwilling to continue to act as the Issuing Agent or fails to determine a Step-up Interest Rate or calculate the related Interest Amount or effect the required publication thereof (in each case as required pursuant to these Terms and Conditions), the Issuer shall forthwith appoint another independent financial institution to act as such in its place. The Issuing Agent may not resign its duties or be removed without a successor having been appointed as aforesaid. If the Issuer fails to appoint a successor Issuing Agent in a timely manner, then the Issuing Agent shall be entitled to appoint as its successor a reputable financial institution of good standing which the Issuer and the Agent shall approve.

**9.8 Determinations of Issuing Agent Binding**

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Clause 9 by the Issuing Agent shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Issuing Agent and all Noteholders and (in the absence of wilful default and bad faith) no liability to the Noteholders or the Issuer shall attach to the Issuing Agent in connection with the exercise or non-exercise by it of any of its powers, duties and discretions.

**9.9 Step-up after first Change of Control Event**

Notwithstanding any other provision of this Clause 9, if the Issuer does not elect to redeem the Capital Notes in accordance with Clause 11.5 following the occurrence of a Change of Control Event, the then prevailing Interest Rate, and each subsequent Interest Rate otherwise determined in accordance with the provisions of this Clause 9, on the

Capital Notes shall be increased by 5.00 *per cent. per annum* with effect from (and including) the day immediately following the Change of Control Step-up Date.

## **10 Optional Interest Deferral**

### **10.1 Deferral of Interest Payments**

10.1.1 The Issuer may, at any time and at its sole discretion, elect to defer any Interest Payment, in whole but not in part, which is otherwise scheduled to be paid on an Interest Payment Date (except on any Interest Payment Date on which the Capital Notes are to be redeemed) by giving notice (a “**Deferral Notice**”) of such election to the Noteholders in accordance with Clause 14 (*Notices*), the Issuing Agent and the Agent not less than seven (7) Business Days prior to the relevant Interest Payment Date.

10.1.2 Any Interest Payment so deferred pursuant to this Clause 10 shall, from (but excluding) the Interest Payment Date on which such Interest Payment would (but for its deferral) have been payable to (and including) the date on which it is paid in full, itself bear interest at the Interest Rate prevailing from time to time (which interest shall compound on each Interest Payment Date) and, for so long as the same remains unpaid, such deferred interest (together with the interest accrued thereon) shall constitute “**Deferred Interest**”.

10.1.3 The deferral of an Interest Payment in accordance with this Clause 10 shall not constitute a Default Event by the Issuer under the Capital Notes or for any other purpose.

### **10.2 Settlement of Deferred Interest**

#### *Optional Settlement*

10.2.1 Deferred Interest may be paid (in whole but not in part) at any time at the option of the Issuer following delivery of a notice to such effect given by the Issuer to the Noteholders in accordance with Clause 14 (*Notices*), the Issuing Agent and the Agent not less than seven (7) Business Days prior to the date (to be specified in such notice) on which the Issuer will pay such Deferred Interest.

#### *Mandatory settlement*

10.2.2 The Issuer shall pay any Deferred Interest, in whole but not in part, on the first to occur of the following dates:

- (a) the tenth (10<sup>th</sup>) Business Day following the date on which a Deferred Interest Payment Event occurs;
- (b) any Interest Payment Date in respect of which the Issuer does not elect to defer all of the interest accrued in respect of the relevant Interest Period; and
- (c) the date on which the Capital Notes are redeemed or repaid in accordance with Clause 11 (*Redemption and Repurchase of the Capital Notes*) or Clause 16 (*Default and Enforcement*).

Notice of any Deferred Interest Payment Event shall be given by the Issuer to the Noteholders in accordance with Clause 14 (*Notices*), the Issuing Agent and the Agent within three (3) Business Days of such event.

## **11 Redemption and Repurchase of the Capital Notes**

### **11.1 Issuer's purchase of Notes**

The Issuer or any Group Company may, subject to applicable law, at any time and at any price purchase Capital Notes on the market or in any other way at prices aligned with current market prices of the Capital Notes (traded or quoted). The Capital Notes held by the Issuer or any Group Company may at such Group Company's discretion be retained, sold or, if held by the Issuer, cancelled.

### **11.2 Issuer's Call Option**

11.2.1 The Issuer may, by giving not less than 30 nor more than 60 days' notice to the Issuing Agent, the Agent and, in accordance with Clause 14 (*Notices*), the Noteholders (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all, but not some only, of the Capital Notes on the First Call Date or on any Interest Payment Date thereafter at their principal amount together with any Deferred Interest and any other accrued and unpaid interest up to (and including) the redemption date.

11.2.2 Upon the expiry of such notice, the Issuer shall redeem the Capital Notes.

### **11.3 Redemption upon a Tax Deductibility Event or a Rating Event**

11.3.1 If a Tax Deductibility Event or a Rating Event has occurred and is continuing, the Issuer may, by giving not less than 30 nor more than 60 days' notice to the Issuing Agent, the Agent and, in accordance with Clause 14 (*Notices*), the Noteholders (which notice shall be irrevocable and shall specify the date fixed for redemption) and subject to Clause 13 (*Preconditions to Special Event Redemption, Change of Control Redemption, Substitution and Variation*), redeem all, but not some only, of the Capital Notes at any time at an amount equal to:

- (a) 101 per cent. of their principal amount, where such redemption occurs before the First Call Date; or
- (b) 100 per cent. of their principal amount, where such redemption occurs on or after the First Call Date,

together, in each case, with any Deferred Interest and any other accrued and unpaid interest up to (and including) the redemption date.

11.3.2 Upon the expiry of such notice, the Issuer shall redeem the Capital Notes

### **11.4 Redemption upon a Withholding Tax Event or a Substantial Repurchase Event**

11.4.1 If a Withholding Tax Event has occurred and is continuing, or if a Substantial Repurchase Event has occurred, the Issuer may, by giving not less than 30 nor more than 60 days' notice to the Issuing Agent, the Agent and, in accordance with Clause 14 (*Notices*), the Noteholders (which notice shall be irrevocable and shall specify the date

fixed for redemption) and subject to Clause 13 (*Preconditions to Special Event Redemption, Change of Control Redemption, Substitution and Variation*), redeem all, but not some only, of the Capital Notes at any time at their principal amount together with any Deferred Interest and any other accrued and unpaid interest up to (and including) the redemption date.

11.4.2 Upon the expiry of such notice, the Issuer shall redeem the Capital Notes.

#### **11.5 Redemption for Change of Control Event**

11.5.1 If after the First Issue Date (i) a Change of Control occurs and, if a rating has been assigned by a Rating Agency prior to the Change of Control Event, (ii) within the Change of Control Period, a Rating Downgrade in respect of that Change of Control occurs (a "**Change of Control Event**") the Issuer may, at the earliest on the date following the expiry of the Exercise Period, and upon giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all, but not some only, of the Capital Notes at an amount equal to 100 per cent. of their principal amount together with any Deferred Interest and any other accrued and unpaid interest up to (and including) the redemption date.

11.5.2 Immediately upon the Issuer becoming aware that a Change of Control Event has occurred, the Issuer shall give notice (a "**Change of Control Notice**") to the Agent and the Noteholders in accordance with Clause 14 (*Notices*) specifying the nature of the Change of Control Event.

#### **11.6 Cancellation of Capital Notes**

All Capital Notes which are redeemed pursuant to this Clause 11 or substituted pursuant to Clause 12 (*Substitution and Variation*) and all Capital Notes purchased and elected to be cancelled pursuant to Clause 11.1 will be cancelled and may not be reissued or resold. The Issuer shall promptly inform the Noteholders in accordance with Clause 14 (*Notices*) and the Agent of any such cancellation and for so long as the Capital Notes are admitted to trading on Nasdaq Stockholm and the rules of such exchange so require, the Issuer shall promptly inform Nasdaq Stockholm of the cancellation of any Capital Notes under this Clause 11.6.

### **12 Substitution or Variation**

12.1.1 If at any time a Tax Deductibility Event, a Rating Event or a Withholding Tax Event has occurred on or after the First Issue Date and is continuing, then the Issuer may, subject to Clause 13 (*Preconditions to Special Event Redemption, Change of Control Redemption, Substitution and Variation*) (without any requirement for the consent or approval of the Noteholders) and subject to it having delivered to the Agent immediately prior to the giving of any notice referred to herein a certificate signed by two authorised signatories of the Issuer stating that certain provisions of Clause 13 (*Preconditions to Special Event Redemption, Change of Control Event Redemption, Substitution and Variation*) have been complied with having given not less than 30 nor more than 60 days' notice to the Issuing Agent, the Agent, and, in accordance with

Clause 14 (*Notices*), the Noteholders (which notice shall be irrevocable), at any time either:

- (a) substitute all, but not some only, of the Capital Notes for Qualifying Capital Notes; or
- (b) vary the terms of the Capital Notes with the effect that they remain or become, as the case may be, Qualifying Capital Notes.

12.1.2 Upon expiry of such notice, the Issuer shall either vary the terms of or, as the case may be, substitute the Capital Notes in accordance with this Clause 12.

12.1.3 In connection with any substitution or variation in accordance with this Clause 12, the Issuer shall comply with the rules of any stock exchange on which the Capital Notes are for the time being listed or admitted to trading.

### **13 Preconditions to Special Event Redemption, Change of Control Event Redemption, Substitution and Variation**

13.1.1 Prior to the publication of any notice of redemption pursuant to Clause 11 (*Redemption and Repurchase of the Capital Notes*) (other than redemption pursuant to Clause 11.2) or any notice of substitution or variation pursuant to Clause 12 (*Substitution or Variation*), the Issuer shall deliver to the Agent a certificate signed by two authorised signatories of the Issuer stating:

- (a) that the relevant requirement or circumstance giving rise to the right to redeem, substitute or vary (as the case may be) the Capital Notes is satisfied;
- (b) in the case of a Withholding Tax Event, that the Issuer is unable to avoid paying additional amounts by taking measures reasonably available to it; and
- (c) in the case of a substitution or variation pursuant to Clause 12 (*Substitution or Variation*), that:
  - (i) the Issuer has determined that the terms of the Qualifying Capital Notes are not materially less favourable to Noteholders than the terms of the Capital Notes and that determination was reasonably reached by the Issuer in consultation with an independent investment bank, independent financial adviser or legal counsel of international standing;
  - (ii) the criteria specified in paragraphs (a) to (h) of the definition of Qualifying Capital Notes will be satisfied by the Qualifying Capital Notes upon issue; and
  - (iii) the relevant substitution or variation (as the case may be) will not result in the occurrence of a Special Event.

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



- 13.1.3 Any redemption of the Capital Notes in accordance with Clause 11 shall be conditional on all Deferred Interest being paid in full in accordance with the provisions of Clause 10.2 on or prior to the date of such redemption.

## **14 Notices**

### **14.1 Notices**

- 14.1.1 Any notice or other communication to be made under or in connection with the Terms and Conditions:
- (a) if to the Agent, shall be given at the address registered with the Swedish Companies Registration Office (Sw. Bolagsverket) on the Business Day prior to dispatch or, if sent by email by the Issuer, to such email address notified by the Agent to the Issuer from time to time;
  - (b) if to the Issuer, shall be given at the address registered with the Swedish Companies Registration Office on the Business Day prior to dispatch or, if sent by email by the Agent, to such email address notified by the Issuer to the Agent from time to time; and
  - (c) if to the Noteholders, shall be given at their addresses as registered with the CSD, on the date such person shall be a Noteholder in order to receive the communication (or if not applicable, the Business Day prior to dispatch), and by either courier delivery or letter for all Noteholders. A notice to the Noteholders shall also be published on the websites of the Issuer and the Agent.
- 14.1.2 Any notice or other communication made by one person to another under or in connection with the Terms and Conditions shall be sent by way of courier, personal delivery or letter (and, if between the Agent and the Issuer, by email) and will only be effective, in case of courier or personal delivery, when it has been left at the address specified in Clause 14.1.1 or, in case of letter, three (3) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 14.1.1 or, in case of email to the Agent or the Issuer, when received in legible form by the email address specified in Clause 14.1.1.
- 14.1.3 Failure to send a notice or other communication to a Noteholder or any defect in it shall not affect its sufficiency with respect to other Noteholders.

## **15 Admission to trading etc.**

### **15.1 Admission to trading**

The Issuer has the intention and shall use its best efforts (without assuming any legal or contractual obligation) to ensure (i) that the Initial Capital Notes are listed on the corporate bond list of Nasdaq Stockholm or, if such admission to trading is not possible to obtain or maintain, admitted to trading on another Regulated Market within thirty (30) days after the First Issue Date, (ii) that any Subsequent Capital Notes are listed on the corporate bond list of Nasdaq Stockholm or, if such admission to trading is not possible to obtain or maintain, admitted to trading on another Regulated Market within thirty (30) days following the relevant subsequent issue date, and (iii) that the Capital Notes, once admitted to trading on the relevant Regulated Market, continue being listed

thereon (however, taking into account the rules and regulations of the relevant Regulated Market and the CSD (as amended from time to time) preventing trading in the Capital Notes in close connection to the redemption of the Capital Notes).

## **15.2 The Agency Agreement**

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

## **16 Default and enforcement**

### **16.1 Proceedings**

- 16.1.1 Without prejudice to the Issuer's right to defer the payment of interest under Clause 10 (*Optional Interest Deferral*), if a default is made by the Issuer for a period of 30 days or more in relation to the payment of any interest, principal or premium in respect of the Capital Notes which is due and payable, then the Issuer shall be deemed to be in default under the Capital Notes and the Agent (acting on instructions of the Noteholders in accordance with these Terms and Conditions) or any Noteholder (subject to Clause 23.2) may institute proceedings for an Issuer Winding-up provided that the Default Event is still continuing.

- 16.1.2 In the event of an Issuer Winding-up, a Noteholder may, provided such Noteholder does not contravene a previously adopted resolution in accordance with Clause 17.7 (if any), either independently or through the Agent prove and/or claim in such Issuer Winding-up in respect of the Capital Notes, such claim being for such amount, and being subordinated in such manner, as is provided under Clause 4 (*Subordination and rights on a winding-up and re-construction*).

### **16.2 Enforcement**

The Agent (acting on the instructions of the Noteholders in accordance with these Terms and Conditions) may institute such proceedings against the Issuer as it may think fit to enforce any term or condition binding on the Issuer under the Capital Notes but in no event shall the Issuer, by virtue of the institution of any such proceedings, be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it.

### **16.3 Extent of Noteholders' Remedy**

No remedy against the Issuer, other than as referred to in this Clause 16, shall be available to the Agent and the Noteholders, whether for the recovery of amounts owing in respect of the Capital Notes or in respect of any breach by the Issuer of any of its other obligations under or in respect of the Capital Notes.

## **17 Decisions by Noteholders**

- 17.1 A request by the Agent for a decision by the Noteholders on a matter relating to the Terms and Conditions shall (at the option of the Agent) be dealt with at a Noteholders' Meeting or by way of a Written Procedure.

- 17.2 Any request from the Issuer or a Noteholder (or Noteholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount (such request may only be validly made by a person who is a Noteholder on the Business Day immediately following the day on which the request is received by the Agent and shall, if made by several Noteholders, be made by them jointly) for a decision by the Noteholders on a matter relating to the Terms and Conditions shall be directed to the Agent and dealt with at a Noteholders' Meeting or by way of a Written Procedure, as determined by the Agent. The person requesting the decision may suggest the form for decision making, but if it is in the Agent's opinion more appropriate that a matter is dealt with at a Noteholders' Meeting than by way of a Written Procedure, it shall be dealt with at a Noteholders' Meeting.
- 17.3 The Agent may refrain from convening a Noteholders' Meeting or instigating a Written Procedure if (i) the suggested decision must be approved by any person in addition to the Noteholders and such person has informed the Agent that an approval will not be given, or (ii) the suggested decision is not in accordance with applicable laws.
- 17.4 Should the Agent not convene a Noteholders' Meeting or instigate a Written Procedure in accordance with these Terms and Conditions, without Clause 17.3 being applicable, the Issuer or the Noteholder(s) requesting a decision by the Noteholders may convene such Noteholders' Meeting or instigate such Written Procedure, as the case may be, instead.
- 17.5 Should the Issuer want to replace the Agent, it may (i) convene a Noteholders' Meeting in accordance with Clause 18.1 or (ii) instigate a Written Procedure by sending communication in accordance with Clause 19.1, in both cases with a copy to the Agent. After a request from the Noteholders pursuant to Clause 21.4.3, the Issuer shall no later than ten (10) Business Days after receipt of such request (or such later date as may be necessary for technical or administrative reasons) convene a Noteholders' Meeting in accordance with Clause 18.1. The Issuer shall inform the Agent before a notice for a Noteholders' Meeting or communication relating to a Written Procedure where the Agent is proposed to be replaced is sent and shall, on the request of the Agent, append information from the Agent together with the a notice or the communication.
- 17.6 Only a person who is registered as a Noteholder, or who has been provided with a power of attorney pursuant to Clause 7 (*Right to act on behalf of a Noteholder*) from a person who is registered as a Noteholder at the following times:
- (a) on the Business Day specified in the notice pursuant to Clause 18.3, in respect of a Noteholders' Meeting, or
  - (b) on the Business Day specified in the communication pursuant to Clause 19.3, in respect of a Written Procedure,
- may exercise voting rights as a Noteholder at such Noteholders' Meeting or in such Written Procedure, provided that the relevant Capital Notes are included in the definition of Adjusted Nominal Amount.
- 17.7 The following matters shall require the consent of Noteholders representing at least two thirds (2/3) of the Adjusted Nominal Amount for which Noteholders are voting at a Noteholders' Meeting or for which Noteholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 19.3:

- (a) the issue of any Subsequent Capital Notes, if the Total Nominal Amount of the Capital Notes exceeds, or if such issue would cause the Total Nominal Amount of the Capital Notes to at any time exceed, SEK 1,000,000,000 or after the date falling six (6) months after the First Issue Date (for the avoidance of doubt, for which consent shall be required at each occasion such Subsequent Capital Notes are issued);
- (b) a change to the terms of any of Clause 2.1, and Clauses 2.5 – 2.7;
- (c) a change to the Interest Rate or the Nominal Amount;
- (d) a change to the terms dealing with the requirements for Noteholders' consent set out in this Clause 17;
- (e) a change of Issuer or any delay of the due date for payment of any interest on the Capital Notes other than as permitted pursuant to Clause 10;
- (f) a mandatory exchange of the Capital Notes for other securities (other than as expressly permitted under these Terms and Conditions); and
- (g) early redemption of the Capital Notes, other than as otherwise permitted or required by these Terms and Conditions

17.8 Any matter not covered by Clause 17.7, including for the avoidance of doubt the initiation of an Issuer Winding-up, shall require the consent of Noteholders representing more than fifty (50) per cent. of the Adjusted Nominal Amount for which Noteholders are voting at a Noteholders' Meeting or for which Noteholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 19.3. This includes, but is not limited to, any amendment to, or waiver of, the terms of the Terms and Conditions that does not require a higher majority.

17.9 Quorum at a Noteholders' Meeting or in respect of a Written Procedure only exists if a Noteholder (or Noteholders) representing at least fifty (50) per cent. of the Adjusted Nominal Amount in case of a matter pursuant to Clause 17.7, and otherwise twenty (20) per cent. of the Adjusted Nominal Amount:

- (a) if at a Noteholders' Meeting, attend the meeting in person or by telephone conference (or appear through duly authorised representatives); or
- (b) if in respect of a Written Procedure, reply to the request.

If a quorum exists for some but not all of the matters to be dealt with at a Noteholders' Meeting or by a Written Procedure, decisions may be taken in the matters for which quorum exists.

17.10 If a quorum does not exist at a Noteholders' Meeting or in respect of a Written Procedure, the Agent or the Issuer shall convene a second Noteholders' Meeting (in accordance with Clause 18.1) or initiate a second Written Procedure (in accordance with Clause 19.1), as the case may be, provided that the person(s) who initiated the procedure for Noteholders' consent has confirmed that the relevant proposal has not been withdrawn. For the purposes of a second Noteholders' Meeting or second Written Procedure pursuant to this Clause 17.10, the date of request of the second Noteholders' Meeting pursuant to Clause 18.1 or second Written Procedure pursuant to Clause 19.1, as the case may be, shall be deemed to be the relevant date when the quorum did not

exist. The quorum requirement in Clause 17.9 shall not apply to such second Noteholders' Meeting or Written Procedure.

- 17.11 Any decision which extends or increases the obligations of the Issuer or the Agent, or limits, reduces or extinguishes the rights or benefits of the Issuer or the Agent, under the Terms and Conditions shall be subject to the Issuer's or the Agent's consent, as appropriate.
- 17.12 A Noteholder holding more than one Capital Note need not use all its votes or cast all the votes to which it is entitled in the same way and may in its discretion use or cast some of its votes only.
- 17.13 The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Noteholder for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Noteholders that consent at the relevant Noteholders' Meeting or in a Written Procedure within the time period stipulated for the consideration to be payable or the time period for replies in the Written Procedure, as the case may be.
- 17.14 A matter decided at a duly convened and held Noteholders' Meeting or by way of Written Procedure is binding on all Noteholders, irrespective of them being present or represented at the Noteholders' Meeting or responding in the Written Procedure. The Noteholders that have not adopted or voted for a decision shall not be liable for any damages that this may cause other Noteholders.
- 17.15 All costs and expenses incurred by the Issuer or the Agent for the purpose of convening a Noteholders' Meeting or for the purpose of carrying out a Written Procedure, including reasonable fees to the Agent, shall be paid by the Issuer.
- 17.16 If a decision shall be taken by the Noteholders on a matter relating to the Terms and Conditions, the Issuer shall promptly at the request of the Agent provide the Agent with a certificate specifying the number of Capital Notes owned by Group Companies or (to the knowledge of the Issuer) affiliates, irrespective of whether such person is directly registered as owner of such Capital Notes. The Agent shall not be responsible for the accuracy of such certificate or otherwise be responsible to determine whether a Capital Note is owned by a Group Company or an affiliate.
- 17.17 Information about decisions taken at a Noteholders' Meeting or by way of a Written Procedure shall promptly be sent by notice to the Noteholders and published on the websites of the Issuer and the Agent, provided that a failure to do so shall not invalidate any decision made or voting result achieved. The minutes from the relevant Noteholders' Meeting or Written Procedure shall at the request of a Noteholder be sent to it by the Issuer or the Agent, as applicable.

## **18 Noteholders' Meeting**

- 18.1 The Agent shall convene a Noteholders' Meeting as soon as practicable and in any event no later than ten (10) Business Days after receipt of a valid request from the Issuer or the Noteholder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a notice thereof to each person who is registered as a

Noteholder on a date selected by the Agent which falls no more than five (5) Business Days prior to the date on which the notice is sent.

- 18.2 Should the Issuer want to replace the Agent, it may convene a Noteholders' Meeting in accordance with Clause 18.1 with a copy to the Agent. After a request from the Noteholders pursuant to Clause 21.4.3, the Issuer shall no later than five (5) Business Days after receipt of such request (or such later date as may be necessary for technical or administrative reasons) convene a Noteholders' Meeting in accordance with Clause 18.1. The Issuer shall inform the Agent before a notice for a Noteholders' Meeting where the Agent is proposed to be replaced is sent and shall, on the request of the Agent, append information from the Agent together with the a notice.
- 18.3 The notice pursuant to Clause 18.1 shall include the (i) time for the meeting, (ii) place for the meeting, (iii) agenda for the meeting (including each request for a decision by the Noteholders), (iv) Business Day on which a person must be a Noteholder in order to exercise Noteholders' rights at the Noteholders' Meeting and (v) a form of power of attorney. Only matters that have been included in the notice may be resolved upon at the Noteholders' Meeting. Should prior notification by the Noteholders be required in order to attend the Noteholders' Meeting, such requirement shall be included in the notice.
- 18.4 The Noteholders' Meeting shall be held no earlier than ten (10) Business Days and no later than twenty (20) Business Days from the notice.
- 18.5 Without amending or varying these Terms and Conditions, the Agent may prescribe such further regulations regarding the convening and holding of a Noteholders' Meeting as the Agent may deem appropriate. Such regulations may include a possibility for Noteholders to vote without attending the meeting in person.

## **19 Written Procedure**

- 19.1 The Agent shall instigate a Written Procedure as soon as practicable and in any event no later than ten (10) Business Days after receipt of a valid request from the Issuer or the Noteholder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a communication to each such person who is registered as a Notcholder on the a date selected by the Agent which falls no more than five (5) Business Days prior to the date on which the communication is sent.
- 19.2 Should the Issuer want to replace the Agent, it may send a communication in accordance with Clause 19.1 to each Notcholder with a copy to the Agent.
- 19.3 A communication pursuant to Clause 19.1 shall include (i) each request for a decision by the Noteholders, (ii) a description of the reasons for each request, (iii) a specification of the Business Day on which a person must be registered as a Noteholder in order to be entitled to exercise voting rights, (iv) instructions and directions on where to receive a form for replying to the request (such form to include an option to vote yes or no for each request) as well as a form of power of attorney, and (v) the stipulated time period within which the Noteholder must reply to the request (such time period to last at least ten (10) Business Days from the communication pursuant to Clause 19.1). If the voting

shall be made electronically, instructions for such voting shall be included in the communication.

- 19.4 When the requisite majority consents of the total Adjusted Nominal Amount pursuant to Clauses 17.7 and 17.8 have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 17.7 and 17.8, as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

## **20 Amendments and Waivers**

- 20.1 The Issuer and the Agent (acting on behalf of the Noteholders) may, in addition to Clause 12 (*Substitution or Variation*) agree to amend the Terms and Conditions or waive any provision in the Terms and Conditions, provided that:
- (a) such amendment or waiver is not detrimental to the interest of the Noteholders, or is made solely for the purpose of rectifying obvious errors and mistakes;
  - (b) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority; or
  - (c) such amendment or waiver has been duly approved by the Noteholders in accordance with Clause 17 (*Decisions by Noteholders*).
- 20.2 The consent of the Noteholders is not necessary to approve the particular form of any amendment to the Terms and Conditions. It is sufficient if such consent approves the substance of the amendment.
- 20.3 The Agent shall promptly notify the Noteholders of any amendments or waivers made in accordance with Clause 20.1, setting out the date from which the amendment or waiver will be effective. Any amendments to the Terms and Conditions are published on the websites of the Issuer and the Agent. The Issuer shall ensure that any amendments to the Terms and Conditions are duly registered with the CSD and each other relevant organisation or authority.
- 20.4 An amendment to the Terms and Conditions shall take effect on the date determined by the Noteholders Meeting, in the Written Procedure or by the Agent, as the case may be.

## **21 Appointment and Replacement of the Agent**

### **21.1 Appointment of Agent**

- 21.1.1 By subscribing for Capital Notes, each initial Noteholder appoints the Agent to act as its agent in all matters relating to the Capital Notes and the Terms and Conditions, and authorises the Agent to act on its behalf (without first having to obtain its consent, unless such consent is specifically required by these Terms and Conditions) in any legal or arbitration proceedings relating to the Capital Notes held by such Noteholder. By acquiring Capital Notes, each subsequent Noteholder confirms such appointment and authorisation for the Agent to act on its behalf.
- 21.1.2 Each Noteholder shall immediately upon request provide the Agent with any such documents, including a written power of attorney (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights

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

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

## **21.2 Duties of the Agent**

- 21.2.1 The Agent shall represent the Noteholders in accordance with the Terms and Conditions. The Agent is not responsible for the content, due execution, legal validity, perfection or enforceability of the Terms and Conditions.
- 21.2.2 When acting in accordance with the Terms and Conditions, the Agent is always acting with binding effect on behalf of the Noteholders. The Agent shall carry out its duties under the Terms and Conditions in a reasonable, proficient and professional manner, with reasonable care and skill.
- 21.2.3 The Agent is entitled to delegate its duties to other professional parties, but the Agent shall remain liable for the actions of such parties under the Terms and Conditions.
- 21.2.4 The Agent shall treat all Noteholders equally and, when acting pursuant to the Terms and Conditions, act with regard only to the interests of the Noteholders and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other person, other than as explicitly stated in the Terms and Conditions.
- 21.2.5 The Agent is entitled to engage external experts when carrying out its duties under the Terms and Conditions. The Issuer shall on demand by the Agent pay all costs for external experts engaged after the occurrence of a Default Event or for the purpose of investigating or considering (i) an event or circumstance which the Agent reasonably believes is or may lead to a Default Event or (ii) a matter relating to the Issuer which the Agent reasonably believes may be detrimental to the interests of the Noteholders hereunder.
- 21.2.6 Notwithstanding any other provision of the Terms and Conditions to the contrary, the Agent is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation.
- 21.2.7 If in the Agent's reasonable opinion the cost, loss or liability which it may incur (including reasonable fees to the Agent) in complying with instructions of the Noteholders, or taking any action at its own initiative, will not be covered by the Issuer



or the Noteholders (as applicable), the Agent may refrain from acting in accordance with such instructions, or taking such action, until it has received such funding or indemnities (or adequate Security has been provided therefore) as it may reasonably require.

- 21.2.8 The Agent shall give a notice to the Noteholders (i) before it ceases to perform its obligations under the Terms and Conditions by reason of the non-payment by the Issuer of any fee or indemnity due to the Agent under the Terms and Conditions or the Agency Agreement or (ii) if it refrains from acting for any reason described in Clause 21.2.7.
- 21.2.9 The Agent's duties under the Terms and Conditions are solely mechanical and administrative in nature and the Agent only acts in accordance with the Terms and Conditions and upon instructions from the Noteholders, unless otherwise set out in the Terms and Conditions. In particular, the Agent is not acting as an advisor (whether legal, financial or otherwise) to the Noteholders or any other person.
- 21.2.10 The Agent is not obligated to assess or monitor the financial condition of the Issuer or compliance by the Issuer of the terms of the Terms and Conditions unless to the extent expressly set out in the Terms and Conditions and the other Terms and Conditions, or to take any steps to ascertain whether any Default Event has occurred.
- 21.2.11 Unless it has actual knowledge to the contrary, the Agent may assume that all information provided by or on behalf of the Issuer (including by its advisors) is correct, true and complete in all aspects.

### **21.3 Limited liability for the Agent**

- 21.3.1 The Agent will not be liable to the Noteholders for damage or loss caused by any action taken or omitted by it under or in connection with the Terms and Conditions, unless directly caused by its negligence or wilful misconduct. The Agent shall never be responsible for indirect loss.
- 21.3.2 The Agent shall not be considered to have acted negligently if it has acted in accordance with advice from or opinions of reputable external experts addressed to the Agent or if the Agent has acted with reasonable care in a situation when the Agent considers that it is detrimental to the interests of the Noteholders to delay the action in order to first obtain instructions from the Noteholders.
- 21.3.3 The Agent shall not be liable for any delay (or any related consequences) in crediting an account with an amount required pursuant to the Terms and Conditions to be paid by the Agent to the Noteholders, provided that the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.
- 21.3.4 The Agent shall have no liability to the Noteholders for damage caused by the Agent acting in accordance with instructions of the Noteholders given in accordance with Clause 17 (*Decisions by Noteholders*) or a demand by Noteholders given in accordance with the Terms and Conditions.

21.3.5 Any liability towards the Issuer which is incurred by the Agent in acting under, or in relation to, the Terms and Conditions shall not be subject to set-off against the obligations of the Issuer to the Noteholders under the Terms and Conditions.

21.3.6 The Agent is not liable for information provided to the Noteholders by or on behalf of the Issuer or by any other person.

#### **21.4 Replacement of the Agent**

21.4.1 Subject to Clause 21.4.6, the Agent may resign by giving notice to the Issuer and the Noteholders, in which case the Noteholders shall appoint a successor Agent at a Noteholders' Meeting convened by the retiring Agent or by way of Written Procedure initiated by the retiring Agent.

21.4.2 Subject to Clause 21.4.6, if the Agent is Insolvent, the Agent shall be deemed to resign as Agent and the Issuer shall within ten (10) Business Days appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.

21.4.3 A Noteholder (or Noteholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount may, by notice to the Issuer (such notice may only be validly given by a person who is a Noteholder on the Business Day immediately following the day on which the notice is received by the Issuer and shall, if given by several Noteholders, be given by them jointly), require that a Noteholders' Meeting is held for the purpose of dismissing the Agent and appointing a new Agent. The Issuer may, at a Noteholders' Meeting convened by it or by way of Written Procedure initiated by it, propose to the Noteholders that the Agent be dismissed and a new Agent appointed.

21.4.4 If the Noteholders have not appointed a successor Agent within ninety (90) days after (i) the earlier of the notice of resignation was given or the resignation otherwise took place or (ii) the Agent was dismissed through a decision by the Noteholders, the Issuer shall appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.

21.4.5 The retiring Agent shall, at its own cost, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Terms and Conditions.

21.4.6 The Agent's resignation or dismissal shall only take effect upon the appointment of a successor Agent and acceptance by such successor Agent of such appointment and the execution of all necessary documentation to effectively substitute the retiring Agent.

21.4.7 Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of the Terms and Conditions but shall remain entitled to the benefit of the Terms and Conditions and remain liable under the Terms and Conditions in respect of any action which it took or failed to take whilst acting as Agent. Its successor, the Issuer and each of the Noteholders shall have the same rights and obligations amongst themselves under the Terms and Conditions as they would have had if such successor had been the original Agent.

- 21.4.8 In the event that there is a change of the Agent in accordance with this Clause 21.4, the Issuer shall execute such documents and take such actions as the new Agent may reasonably require for the purpose of vesting in such new Agent the rights, powers and obligation of the Agent and releasing the retiring Agent from its further obligations under the Terms and Conditions and the Agency Agreement. Unless the Issuer and the new Agent agrees otherwise, the new Agent shall be entitled to the same fees and the same indemnities as the retiring Agent.

## **22 Appointment and Replacement of the Issuing Agent**

- 22.1 The Issuer appoints the Issuing Agent to manage certain specified tasks under these Terms and Conditions and in accordance with the legislation, rules and regulations applicable to and/or issued by the CSD and relating to the Capital Notes.
- 22.2 The Issuing Agent may retire from its assignment or be dismissed by the Issuer, provided that the Issuer and the Agent has approved that a commercial bank or securities institution approved by the CSD accedes as new Issuing Agent at the same time as the old Issuing Agent retires or is dismissed. If the Issuing Agent is insolvent, the Issuer and the Agent shall jointly immediately appoint a new Issuing Agent, which shall replace the old Issuing Agent as in accordance with these Terms and Conditions.

## **23 No Direct Actions by Noteholders**

- 23.1 A Noteholder may not take any steps whatsoever against the Issuer to enforce or recover any amount due or owing to it pursuant to the Terms and Conditions (save for in accordance with Clause 16 (*Default and enforcement*)). A Noteholder may not initiate, support or procure the winding-up, dissolution, liquidation, company reorganisation (Sw. *företagsrekonstruktion*) or bankruptcy (Sw. *konkurs*) (or its equivalent in any other jurisdiction) of the Issuer in relation to any of the liabilities of the Issuer under the Terms and Conditions. Such steps may only be taken by the Agent in accordance with these Terms and Conditions.
- 23.2 Clause 23.1 shall not apply if the Agent has been instructed by the Noteholders in accordance with the Terms and Conditions to take certain actions but fails for any reason to take, or is unable to take (for any reason other than a failure by a Noteholder to provide documents in accordance with Clause 21.1.2), such actions within a reasonable period of time and such failure or inability is continuing. However, if the failure to take certain actions is caused by the non-payment by the Issuer of any fee or indemnity due to the Agent under the Terms and Conditions or the Agency Agreement or by any reason described in Clause 21.2.7, such failure must continue for at least forty (40) Business Days after notice pursuant to Clause 21.2.8 before a Noteholder may take any action referred to in Clause 23.1.

## **24 Prescription**

- 24.1 The right to receive repayment of the principal of the Capital Notes shall be prescribed and become void ten (10) years from the relevant Redemption Date. The right to receive payment of interest (excluding any capitalised interest) shall be prescribed and become void three (3) years from the relevant due date for payment. The Issuer is entitled to any

funds set aside for payments in respect of which the Noteholders' right to receive payment has been prescribed and has become void.

- 24.2 If a limitation period is duly interrupted in accordance with the Swedish Act on Limitations (Sw. *preskriptionslag (1981:130)*), a new limitation period of ten (10) years with respect to the right to receive repayment of the principal of the Capital Notes, and of three (3) years with respect to receive payment of interest (excluding capitalised interest) will commence, in both cases calculated from the date of interruption of the limitation period, as such date is determined pursuant to the provisions of the Swedish Act on Limitations.

## **25 Taxation**

All payments of principal, premium and interest (including Deferred Interest) in respect of the Capital Notes will be made without withholding or deduction for, or on account of, any present or future taxes or duties ("**Taxes**") of whatever nature imposed or levied by or on behalf of Sweden or any political subdivision or any authority thereof or therein having power to tax, unless the withholding or deduction of the Taxes is required by law. In such event, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the Noteholders after such withholding or deduction shall equal the respective amounts of principal, premium and interest (including Deferred Interest) which would otherwise have been receivable in respect of the Capital Notes, as the case may be, in the absence of such withholding or deduction.

## **26 Press releases**

- 26.1.1 Any notice that the Issuer or the Agent shall send to the Noteholders shall also be published by way of press release by the Issuer or the Agent, as applicable.
- 26.1.2 In addition to Clause 26.1.1, if any information relating to the Capital Notes or the Issuer contained in a notice the Agent may send to the Noteholders under these Terms and Conditions has not already been made public by way of a press release, the Agent shall before it sends such information to the Noteholders give the Issuer the opportunity to issue a press release containing such information. If the Issuer does not promptly issue a press release and the Agent considers it necessary to issue a press release containing such information before it can lawfully send a notice containing such information to the Noteholders, the Agent shall be entitled to issue such press release.

## **27 Force Majeure and Limitation of Liability**

- 27.1 Neither the Agent nor the Issuing Agent shall be held responsible for any damage arising out of any legal enactment, or any measure taken by a public authority, or war, strike, lockout, boycott, blockade or any other similar circumstance (a "**Force Majeure Event**"). The reservation in respect of strikes, lockouts, boycotts and blockades applies even if the Agent or the Issuing Agent itself takes such measures, or is subject to such measures.

27.2 The Issuing Agent shall not have any liability to the Noteholders if it has observed reasonable care. The Issuing Agent shall not be responsible for indirect damage with exception of gross negligence and wilful misconduct.

27.3 Should a Force Majeure Event arise which prevents the Agent or the Issuing Agent from taking any action required to comply with these Terms and Conditions, such action may be postponed until the obstacle has been removed.

27.4 The provisions in this Clause 27 apply unless they are inconsistent with the provisions of the Financial Instruments Accounts Act which provisions shall take precedence.

## **28 Governing Law and Jurisdiction**

28.1 These Terms and Conditions, and any non-contractual obligations arising out of or in connection therewith, shall be governed by and construed in accordance with the laws of Sweden.

28.2 The Issuer submits to the non-exclusive jurisdiction of the City Court of Stockholm (Sw. *Stockholms tingsrätt*).

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We hereby certify that the above amended and restated Terms and Conditions are binding upon ourselves.

Place: Stockholm  
Date: originally 22 September 2017 and amended  
and restated on 23 March 2018

**SAMHÄLLSBYGGNADSBOLAGET I  
NORDEN AB (PUBL)**  
as Issuer

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We hereby undertake to act in accordance with the above amended and restated Terms and Conditions to the extent they refer to us.

Place: Stockholm  
Date: originally 22 September 2017 and amended  
and restated on 23 March 2018

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

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**Schedule 1**  
**Conditions Precedent for Settlement**

**1 Documents**

- a) A copy of the constitutional documents of Issuer;
- b) A copy of a resolution of the board of directors or other persons authorised to exercise the relevant powers of the Issuer, approving the transactions contemplated by, the Terms and Conditions and resolving that it execute, deliver and perform its obligations under the Terms and Conditions and all related documents to which it is or will become a party;
- c) a copy of the executed Agency Agreement; and
- d) a copy of the executed Terms and Conditions.