

KLÖVERN

TERMS AND CONDITIONS FOR

KLÖVERN AB (PUBL)

UP TO SEK 1,500,000,000

**SUBORDINATED PERPETUAL FLOATING RATE
CALLABLE CAPITAL SECURITIES**

ISIN: SE0011337898

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

TABLE OF CONTENTS

| | | |
|-----|---|----|
| 1. | DEFINITIONS AND CONSTRUCTION | 1 |
| 2. | STATUS OF THE CAPITAL SECURITIES | 7 |
| 3. | USE OF PROCEEDS..... | 8 |
| 4. | CONDITIONS FOR DISBURSEMENT | 8 |
| 5. | CAPITAL SECURITIES IN BOOK-ENTRY FORM..... | 9 |
| 6. | RIGHT TO ACT ON BEHALF OF A HOLDER..... | 10 |
| 7. | PAYMENTS IN RESPECT OF THE CAPITAL SECURITIES..... | 10 |
| 8. | INTEREST | 10 |
| 9. | OPTIONAL INTEREST DEFERRAL | 11 |
| 10. | REDEMPTION AND REPURCHASE OF THE CAPITAL SECURITIES | 12 |
| 11. | PRECONDITIONS TO SPECIAL EVENT REDEMPTION OR CHANGE OF CONTROL EVENT REDEMPTION..... | 14 |
| 12. | ADMISSION TO TRADING ETC..... | 14 |
| 13. | DEFAULT AND ENFORCEMENT | 15 |
| 14. | DECISIONS BY HOLDERS..... | 15 |
| 15. | HOLDERS' MEETING | 18 |
| 16. | WRITTEN PROCEDURE | 19 |
| 17. | AMENDMENTS AND WAIVERS..... | 19 |
| 18. | APPOINTMENT AND REPLACEMENT OF THE AGENT..... | 20 |
| 19. | APPOINTMENT AND REPLACEMENT OF THE ISSUING AGENT | 23 |
| 20. | APPOINTMENT AND REPLACEMENT OF THE CSD | 23 |
| 21. | NO DIRECT ACTIONS BY HOLDERS | 23 |
| 22. | PRESCRIPTION..... | 24 |
| 23. | NOTICES..... | 24 |
| 24. | FORCE MAJEURE AND LIMITATION OF LIABILITY | 25 |
| 25. | GOVERNING LAW AND JURISDICTION | 25 |

1. DEFINITIONS AND CONSTRUCTION

1.1 Definitions

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

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

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

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

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

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

“**Agent**” means Nordic Trustee & Agency AB (publ), 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 Sunday or other public holiday. Saturdays, Midsummer Eve (*midsommarafton*), Christmas Eve (*julafton*) and New Year’s Eve (*nyårsafton*) shall for the purpose of this definition be deemed to be public holidays.

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

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

“**Change of Control Event**” occurs if any person or persons, acting collectively, acquires or takes Control over the Issuer. However the aforementioned shall not apply should Control be acquired or taken by a company (i) that is a real estate company incorporated under the laws of Sweden and (ii) whose shares are listed on Nasdaq’s Nordic Mid Cap or Nasdaq’s Nordic Large Cap. Should Control have been acquired or taken by a company (i) that is a real estate company incorporated under the laws of Sweden and (ii) whose shares are listed on Nasdaq’s Nordic Mid Cap or Nasdaq’s Nordic Large Cap, this Change of Control Event provision shall apply *mutatis mutandis* to subsequent changes of Control in the new listed owner.

“Change of Control Step-up Date” means the date falling six (6) months after the date on which a Change of Control Event has occurred.

“Control” means (i) acquire or otherwise obtain control over, directly or indirectly, more than fifty (50) per cent. of the total outstanding voting rights in the Issuer or (ii) the right to, directly or indirectly, appoint or discharge all or a majority of the members of the board of directors in the Issuer.

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

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

“Deferred Interest” has the meaning ascribed to in Clause 9.1.2.

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

save for:

- (i) in each case, any compulsory distribution, dividend, other payment, redemption, repurchase, repayment, cancellation, reduction or other acquisition required by the terms of such securities or by mandatory operation of applicable law; and
- (ii) in the case of (c) above only, any redemption, repurchase, repayment, cancellation, reduction or other acquisition that is executed in connection with, or for the purpose of (A) any reduction of the quota value of the share capital of the Issuer without a corresponding return of cash, capital or assets to shareholders of the Issuer or (B) any share buyback programme then in force and duly approved by the shareholders’ general meeting of the Issuer or the relevant Subsidiary of the Issuer (as applicable) or any existing or future stock option plan or free share allocation plan or other incentive plan, in all cases, reserved for directors, officers and/or employees of the Issuer or the relevant Subsidiary of the Issuer or any associated hedging transaction.

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

“First Call Date” means the date falling five (5) years after the First Issue Date.

“First Issue Date” means 21 June 2018.

“Force Majeure Event” has the meaning set forth in Clause 24.1.

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

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

“Holders’ Meeting” means a meeting among the Holders held in accordance with Clause 15 (*Holders’ Meeting*).

“Initial Capital Securities” means the Capital Securities issued on the First Issue Date.

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

“Interest” means the interest on the Capital Securities calculated in accordance with Clause 8 (*Interest*).

“Interest Payment” means, in respect the payment of interest on an Interest Payment Date, the amount of interest payable for the relevant Interest Period in accordance with Clause 8 (*Interest*).

“Interest Payment Date” means, subject to Clause 9 (*Optional interest deferral*), 21 March, 21 June, 21 September and 21 December of each year or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention. The first Interest Payment Date for the Capital Securities shall be 21 September 2018 and the last Interest Payment Date shall be the relevant Redemption Date.

“Interest Period” means (i) in respect of the first Interest Period, the period from (but excluding) the First Issue Date to (and including) the first Interest Payment Date or, if the Capital Securities is redeemed before, the Redemption Date, and (ii) in respect of subsequent Interest Periods, the period from (but excluding) an Interest Payment Date to (and including) the next following Interest Payment Date or, if the Capital Securities is redeemed before, the Redemption Date.

“Interest Rate” means STIBOR and the applicable Margin.

“Issuer” means Klöver AB (publ), a public limited liability company incorporated under the laws of Sweden with Reg. No. 556482-5833.

“Issuer Winding-up” has the meaning set forth in Clause 2.6.

“Issuing Agent” means Swedbank AB (publ), or another party replacing it, as Issuing Agent, in accordance with these Terms and Conditions and the CSD Regulations.

“Margin” means:

- (a) in respect of the period from (but excluding) the First Issue Date to (and including) the First Call Date, 6.00 per cent. *per annum*;
- (b) in respect of the period from (but excluding) the First Call Date to (and including) 21 June 2025, 8.00 per cent. *per annum*;
- (c) in respect of the period from (but excluding) 21 June 2025 to (and including) 21 June 2027, 9.00 per cent. *per annum*;
- (d) in respect of the period from (but excluding) 21 June 2027 to (and including) 21 June 2029, 10.00 per cent. *per annum*; and
- (e) in respect of the period from (but excluding) 21 June 2029 and thereafter, 11.00 per cent. *per annum*.

“Net Proceeds” means the gross proceeds from the offering of the Capital Securities, minus the costs incurred by the Issuer in conjunction with the issuance thereof.

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

“Parity Securities” means any obligations of:

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

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

“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.

“Redemption Date” means the date on which the relevant Capital Securities are to be redeemed or repurchased in accordance with Clause 10 (*Redemption and repurchase of the Capital Securities*).

“Reference Banks” means Nordea Bank AB (publ), Skandinaviska Enskilda Banken AB (publ), Svenska Handelsbanken AB (publ) and Swedbank AB (publ) (or such other banks as may be appointed by the Issuing Agent in consultation with the Issuer).

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

“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.

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

“STIBOR” means:

- (a) the applicable percentage rate *per annum* displayed on Nasdaq Stockholm’s website for STIBOR fixing (or through another website replacing it) as of or around 11.00 a.m. on the Quotation Day for the offering of deposits in Swedish Kronor and for a period comparable to the relevant Interest Period; or
- (b) if no rate is available for the relevant Interest Period, the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Issuing Agent at its request quoted by the Reference Banks, for deposits of SEK 100,000,000 for the relevant period; or
- (c) if no quotation is available pursuant to paragraph (b), the interest rate which according to the reasonable assessment of the Issuing Agent best reflects the interest rate for deposits in Swedish Kronor offered in the Stockholm interbank market for the relevant period.

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

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

“Subsidiary” means, in relation to any person, any Swedish or foreign legal entity (whether incorporated or not), which at the time is a subsidiary (*dotterföretag*) to such person, directly or indirectly, as defined in the Swedish Companies Act (*Aktiebolagslagen (2005:551)*).

“Substantial Repurchase Event” shall be deemed to occur if the Issuer cancels Capital Securities pursuant to Clause 10.2 (*Purchase of Capital Securities by Group Companies*).

“Swedish Kronor” and **“SEK”** means the lawful currency of Sweden.

“Tax 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 Securities were, but are no longer, tax-deductible by

the Issuer for Swedish tax purposes to the same extent as any unsubordinated obligations of the Issuer.

“Tax Law Change” means (a) any amendment to, clarification of, or change in, the laws or treaties (or any regulations thereunder) of Sweden, or any political subdivision or any authority thereof or therein having the power to tax, affecting taxation, (b) any governmental action, or (c) any amendment to, clarification of, or change in the application, official position or the interpretation of such law, treaty (or regulations thereunder) or governmental action or any interpretation, decision or pronouncement that provides for a position with respect to such law, treaty (or regulations thereunder) or governmental action that differs from the theretofore generally accepted position, in each case, by any legislative body, court, governmental authority or regulatory body in Sweden, irrespective of the manner in which such amendment, clarification, change, action, pronouncement, interpretation or decision is made known, which amendment, clarification or change is effective or such governmental action, pronouncement, interpretation or decision is announced on or after the date falling five (5) Business Days prior to the First Issue Date.

“Total Nominal Amount” means the total aggregate Nominal Amount of the Capital Securities 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 Securities, the Issuer has paid or will or would on the next Interest Payment Date be required to pay additional amounts on the Capital Securities and the Issuer cannot avoid the foregoing by taking reasonable measures available to it.

“Written Procedure” means the written or electronic procedure for decision making among the Holders in accordance with Clause 16 (*Written Procedure*).

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 Following the contemplated corporate reorganisation whereby Nordea Bank AB (publ) will merge into its wholly owned subsidiary in Finland, Nordea Bank Abp will by operation of law succeed to all the rights, obligations and liabilities of Nordea Bank AB (publ). For the avoidance of doubt, following such reorganisation any reference in these Terms and

Conditions to Nordea Bank AB (publ) shall be construed as a reference to Nordea Bank Abp.

- 1.2.3 When ascertaining whether a limit or threshold specified in Swedish Kronor has been attained or broken, an amount in another currency shall be counted on the basis of the rate of exchange for such currency against Swedish Kronor for the previous Business Day, as published by the Swedish Central Bank (*Riksbanken*) on its website (www.riksbank.se). If no such rate is available, the most recently published rate shall be used instead.
- 1.2.4 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.
- 1.2.5 No delay or omission of the Agent or of any Holder to exercise any right or remedy under the Terms and Conditions shall impair or operate as a waiver of any such right or remedy.

2. STATUS OF THE CAPITAL SECURITIES

- 2.1 The Capital Securities are denominated in Swedish Kronor and each Capital Security is constituted by these Terms and Conditions. The Issuer undertakes to comply with these Terms and Conditions.
- 2.2 By subscribing for Capital Securities, each initial Holder agrees that the Capital Securities shall benefit from and be subject to the Terms and Conditions and by acquiring Capital Securities, each subsequent Holder confirms such agreement.
- 2.3 The nominal amount of each Capital Security is SEK 100,000 (the “**Nominal Amount**”). The Total Nominal Amount of the Capital Securities as at the First Issue Date is SEK 800,000,000. All Initial Capital Securities are issued on a fully paid basis at an issue price of 100 per cent. of the Nominal Amount.
- 2.4 The Issuer may, on one or several occasions, issue Subsequent Capital Securities. Subsequent Capital Securities shall benefit from and be subject to the Terms and Conditions, and, for the avoidance of doubt, the ISIN, the Interest Rate, the Nominal Amount and the perpetual nature applicable to the Initial Capital Securities shall apply to Subsequent Capital Securities. The issue price of the Subsequent Capital Securities may be set to par, at a discount or at a premium compared to the Nominal Amount. The maximum Total Nominal Amount of the Capital Securities (the Initial Capital Securities and all Subsequent Capital Securities) may not exceed SEK 1,500,000,000 unless a consent from the Holders is obtained in accordance with Clause 14.7(a). Each Subsequent Capital Security shall entitle its holder to Interest in accordance with Clause 8 (*Interest*), and otherwise have the same rights as the Initial Capital Securities.
- 2.5 The Capital Securities constitute direct, general, unconditional, subordinated and unsecured obligations of the Issuer. The rights and claims of the Holders in respect of the Capital Securities against the Issuer, are subordinated as described in Clause 2.6 below.
- 2.6 In the event of a voluntary or involuntary liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Issuer (each an “**Issuer Winding-up**”), the Holders (or the Agent on their behalf) shall, in respect of their Capital Securities, have a claim for the principal amount of their Capital Securities and any accrued and unpaid interest (including any Deferred Interest) thereon and such claims will rank:
 - (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 Securities;

- (b) in priority to all present and future claims in respect of (i) the ordinary shares of the Issuer, and (ii) any other obligation of the Issuer expressed by its terms as at its original issue date to rank junior to the Capital Securities or any Parity Securities; and
 - (c) junior in right of payment to any present or future claims of (i) all unsubordinated obligations of the Issuer, and (ii) all Subordinated Indebtedness.
- 2.7 Subject to applicable law, no Holder may exercise, claim or plead any right of set-off, compensation or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with the Capital Securities and each Holder shall, by virtue of its holding of any Capital Security, be deemed to have waived all such rights of set-off, compensation or retention.
- 2.8 The Capital Securities are freely transferable but the Holders may be subject to purchase or transfer restrictions with regard to the Capital Securities, as applicable, under local laws to which a Holder may be subject. Each Holder must ensure compliance with such restrictions at its own cost and expense.
- 2.9 No action is being taken in any jurisdiction that would or is intended to permit a public offering of the Capital Securities or the possession, circulation or distribution of any document or other material relating to the Issuer or the Capital Securities in any jurisdiction other than Sweden, where action for that purpose is required. Each Holder must inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Capital Securities.

3. USE OF PROCEEDS

The Issuer shall use the Net Proceeds from the issue of the Capital Securities for general corporate purposes.

4. CONDITIONS FOR DISBURSEMENT

- 4.1 The Issuing Agent shall pay the Net Proceeds from the issuance of the Initial Capital Securities to the Issuer on the First Issue Date provided that the Agent notifies the Issuing Agent that it has received the following at the latest 09.00 am three (3) Business Days prior to the First Issue Date:
- (a) the Terms and Conditions and the Agency Agreement duly executed by the Issuer;
 - (b) a copy of a resolution from the board of directors of the Issuer approving the issue of the Capital Securities, the terms of the Terms and Conditions and the Agency Agreement, and resolving to enter into such documents and any other documents necessary in connection therewith;
 - (c) the articles of association and an up-to-date certificate of registration of the Issuer;
 - (d) evidence that the person(s) who has/have signed the Terms and Conditions, the Agency Agreement and any other documents in connection therewith on behalf of the Issuer is/are duly authorised to do so; and
 - (e) such other documents and information as is agreed between the Agent and the Issuer.

4.2 The Issuing Agent shall pay the Net Proceeds from the issuance of any Subsequent Capital Securities to the Issuer on the date of the issue of such Subsequent Capital Securities provided that the Agent notifies the Issuing Agent that it has received the following at the latest 09.00 am three (3) Business Days prior thereto:

- (a) a copy of a resolution from the board of directors of the Issuer approving the issue of the Subsequent Capital Securities and resolving to enter into documents necessary in connection therewith; and
- (b) such other documents and information as is agreed between the Agent and the Issuer.

4.3 The Agent shall confirm to the Issuing Agent when the conditions in Clause 4.1 or 4.2, as the case may be, have been satisfied.

4.4 The Agent may assume that the documentation delivered to it pursuant to Clause 4.1 or 4.2 (as applicable) is accurate, 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 4.1 and 4.2 are not reviewed by the Agent from a legal or commercial perspective of the Holders.

5. CAPITAL SECURITIES IN BOOK-ENTRY FORM

5.1 The Capital Securities will be registered for the Holders on their respective Securities Accounts and no physical Capital Securities will be issued. Accordingly, the Capital Securities will be registered in accordance with the Financial Instruments Accounts Act. Registration requests relating to the Capital Securities shall be directed to an Account Operator.

5.2 Those who according to assignment, Security, the provisions of the Swedish Children and Parents Code (*föräldrabalken (1949:381)*), conditions of will or deed of gift or otherwise have acquired a right to receive payments in respect of a Capital Security shall register their entitlements to receive payment in accordance with the Financial Instruments Accounts Act.

5.3 The Issuer (and the Agent when permitted under the CSD's applicable regulations) shall at all times be entitled to obtain information from the debt register (*skuldbok*) kept by the CSD in respect of the Capital Securities. At the request of the Agent or the Issuing Agent, the Issuer shall promptly obtain such information and provide it to the Agent. For the purpose of carrying out any administrative procedure that arises out of the Terms and Conditions, the Issuing Agent shall be entitled to obtain information from the debt register kept by the CSD in respect of the Capital Securities.

5.4 The Issuer shall issue any necessary power of attorney to such persons employed by the Agent, as notified by the Agent, in order for such individuals to independently obtain information directly from the debt register kept by the CSD in respect of the Capital Securities. The Issuer may not revoke any such power of attorney unless directed by the Agent or unless consent thereto is given by the Holders.

5.5 The Issuer and the Agent may use the information referred to in Clause 5.3 and 5.4 only for the purposes of carrying out their duties and exercising their rights in accordance with the Terms and Conditions and shall not disclose such information to any Holder or third party unless necessary for such purposes.

6. RIGHT TO ACT ON BEHALF OF A HOLDER

- 6.1 If any person other than a Holder wishes to exercise any rights under the Terms and Conditions, it must obtain a power of attorney or other proof of authorisation from the Holder or a successive, coherent chain of powers of attorney or proofs of authorisation starting with the Holder and authorising such person.
- 6.2 A Holder may issue one or several powers of attorney to third parties to represent it in relation to some or all of the Capital Securities held by it. Any such representative may act independently under the Terms and Conditions in relation to the Capital Securities for which such representative is entitled to represent the Holder.
- 6.3 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 6.2 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 or the Agent has actual knowledge to the contrary.

7. PAYMENTS IN RESPECT OF THE CAPITAL SECURITIES

- 7.1 Any payment or repayment under the Terms and Conditions, or any amount due in respect of a repurchase of any Capital Securities, shall be made to such person who is registered as a Holder on the Record Date prior to an Interest Payment Date or other relevant 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.
- 7.2 If a Holder has registered, through an Account Operator, that principal, interest or any other payment shall be deposited in a certain bank account, such deposits will be effected by the CSD on the relevant payment date. In other cases, payments will be transferred by the CSD to the Holder 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 Holders on the relevant Record Date as soon as possible after such obstacle has been removed.
- 7.3 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.
- 7.4 If payment or repayment is made in accordance with this Clause 7, 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, unless the Issuer or the CSD (as applicable) was aware that the payment was being made to a person not entitled to receive such amount.
- 7.5 The Issuer is not liable to gross-up any payments under the Terms and Conditions by virtue of any withholding tax, public levy or the similar.

8. INTEREST

8.1 Interest

- 8.1.1 Each Initial Capital Securities carries Interest at the applicable Interest Rate from (but excluding) the First Issue Date up to (and including) the relevant Redemption Date.

- 8.1.2 Any Subsequent Capital Securities will carry Interest at the applicable Interest Rate from (but excluding) the Interest Payment Date falling immediately prior to its issuance (or the First Issue Date if there is no such Interest Payment Date) up to (and including) the relevant Redemption Date.
- 8.1.3 Interest shall be calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis).
- 8.1.4 Subject to Clause 9 (*Optional interest deferral*) and the Business Day Convention, interest shall be payable on the Capital Securities quarterly in arrears on each Interest Payment Date.

8.2 **Step-up after a Change of Control Event**

Notwithstanding any other provision of this Clause 8, if the Issuer does not elect to redeem the Capital Securities in accordance with Clause 10.5 (*Change of Control Event*) 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 8, on the Capital Securities shall be increased by 500 basis points *per annum* with effect from (but excluding) the Change of Control Step-up Date up to (and including) the relevant Redemption Date.

8.3 **Default interest**

If the Issuer fails to pay any amount payable by it pursuant to Clause 9.2.2 (*Mandatory settlement*) or Clause 10 (*Redemption and repurchase of the Capital Securities*) (except for Clause 10.1 (*No maturity*), Clause 10.2 (*Purchase of Capital Securities by Group Companies*) and Clause 10.6 (*Cancellation of Capital Securities*)) on its due date, default interest shall accrue on the overdue amount from (but excluding) the due date up to (and including) the date of actual payment at a rate of two (2) per cent. *per annum*. Accrued default interest shall not be capitalised. No default interest shall accrue where the failure to pay was solely attributable to the Agent or the CSD.

9. **OPTIONAL INTEREST DEFERRAL**

9.1 **Deferral of Interest Payments**

- 9.1.1 The Issuer may, at any time and at its sole discretion, elect to defer any Interest Payment, in whole or in part, which is otherwise scheduled to be paid on an Interest Payment Date (except on any Interest Payment Date on which the Capital Securities are to be redeemed) by giving notice of such election to the Holders in accordance with Clause 23 (*Notices*), the Issuing Agent and the Agent not less than seven (7) Business Days prior to the relevant Interest Payment Date. Notwithstanding the foregoing, failure to give such notice shall not prejudice the right of the Issuer to defer any Interest Payment as described above.
- 9.1.2 Any Interest Payment so deferred pursuant to this Clause 9 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**".

- 9.1.3 The deferral of an Interest Payment in accordance with this Clause 9 shall not constitute a default pursuant to Clause 13 (*Default and Enforcement*) by the Issuer under the Capital Securities or for any other purpose.

9.2 Settlement of Deferred Interest

9.2.1 Optional Settlement

Deferred Interest may be paid, in whole or in part, at any time at the option of the Issuer following delivery of a notice to such effect given by the Issuer to the Holders in accordance with Clause 23 (*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.

9.2.2 Mandatory settlement

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

- (a) the tenth (10th) Business Day following the date on which a Deferred Interest Payment Event occurs;
- (b) any Interest Payment Date in respect of which the Issuer does not elect to defer all of the interest accrued in respect of the relevant Interest Period; and
- (c) the date on which the Capital Securities are redeemed or repaid in accordance with Clause 10 (*Redemption and repurchase of the Capital Securities*) or Clause 13 (*Default and Enforcement*).

Notice of any Deferred Interest Payment Event shall be given by the Issuer to the Holders in accordance with Clause 23 (*Notices*), the Issuing Agent and the Agent within three (3) Business Days of such event.

10. REDEMPTION AND REPURCHASE OF THE CAPITAL SECURITIES

10.1 No maturity

The Capital Securities are perpetual and have no specified maturity date. The Issuer may only redeem the Capital Securities in the circumstances described in this Clause 10 (*Redemption and repurchase of the Capital Securities*). The Capital Securities are not redeemable at the option of the Holders at any time.

10.2 Purchase of Capital Securities by Group Companies

The Issuer or any Group Company may, subject to applicable law, at any time and at any price purchase Capital Securities on the market or in any other way. Capital Securities held by a Group Company may at such Group Company's discretion be retained or sold or, if held by the Issuer, cancelled by the Issuer, provided that the aggregate principal amount of the Capital Securities subject to such cancellation represents eighty (80) per cent. or more of the aggregate principal amount of the Capital Securities initially issued (which shall include, for these purposes, any Subsequent Capital Securities).

10.3 Issuer's call option

10.3.1 The Issuer may, by giving not less than 30 nor more than 60 days' prior notice to the Issuing Agent, the Agent and, in accordance with Clause 23 (*Notices*), the Holders (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all, but not some only, of the Capital Securities 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.

10.3.2 Upon the expiry of such notice, the Issuer shall redeem the Capital Securities.

10.4 Redemption due to an Accounting Event, a Substantial Repurchase Event, a Tax Event or a Withholding Tax Event

10.4.1 If an Accounting Event, a Substantial Repurchase Event, a Tax Event or a Withholding Tax Event has occurred and is continuing, the Issuer may, by giving not less than 30 nor more than 60 days' prior notice to the Issuing Agent, the Agent and, in accordance with Clause 23 (*Notices*), the Holders (which notice shall be irrevocable and shall specify the date fixed for redemption) and subject to Clause 11 (*Preconditions to Special Event Redemption or Change of Control Event*), redeem all, but not some only, of the Capital Securities 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.

10.4.2 Upon the expiry of such notice, the Issuer shall redeem the Capital Securities.

10.5 Change of Control Event

10.5.1 Upon the occurrence of a Change of Control Event, the Issuer may, no later than the Change of Control Step-up Date, and upon giving not less than 30 nor more than 60 days' prior notice to the Holders (which notice shall be irrevocable and shall specify the date fixed for redemption) and subject to Clause 11 (*Preconditions to Special Event Redemption or Change of Control Event*), redeem all, but not some only, of the Capital Securities 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.

10.5.2 Immediately upon the Issuer becoming aware that a Change of Control Event has occurred, the Issuer shall give notice to the Agent, the Issuing Agent and the Holders in accordance with Clause 23 (*Notices*) specifying the nature of the Change of Control Event.

10.6 Cancellation of Capital Securities

All Capital Securities which are redeemed pursuant to this Clause 10 and all Capital Securities purchased and elected to be cancelled pursuant to Clause 10.2 (*Purchase of Capital Securities by Group Companies*) will be cancelled and may not be reissued or resold. The Issuer shall promptly inform the Holders in accordance with Clause 23 (*Notices*), the Agent and the Issuing Agent of any such cancellation and for so long as the Capital Securities are admitted to trading on Nasdaq Stockholm or another Regulated Market, as the case may be, and the rules of such exchange so require, the Issuer shall promptly inform Nasdaq Stockholm or the Regulated Market, as the case may be, of the cancellation of any Capital Securities under this Clause 10.6.

11. PRECONDITIONS TO SPECIAL EVENT REDEMPTION OR CHANGE OF CONTROL EVENT REDEMPTION

- 11.1 Prior to the publication of any notice of redemption pursuant to Clause 10 (*Redemption and repurchase of the Capital Securities*) (other than redemption pursuant to Clause 10.3 (*Issuer's call option*)), the Issuer shall deliver to the Agent a certificate signed by two authorised signatories of the Issuer stating that the relevant requirement or circumstance giving rise to the right to redeem the Capital Securities is satisfied.
- 11.2 In addition, in the case of an Accounting Event, a Tax Event or a Withholding Tax Event, the Issuer shall deliver to the Agent and the Issuing Agent an opinion of independent legal, accounting or other tax advisers to the effect that the relevant requirement or circumstance giving rise to the right to redeem is satisfied (save, in the case of a Withholding Tax Event, as to whether reasonable measures to avoid paying additional amounts are available to the Issuer). Such certificate and, if applicable, opinion, shall be conclusive and binding on the Holders.
- 11.3 Any redemption of the Capital Securities in accordance with Clause 10 (*Redemption and repurchase of the Capital Securities*) shall be conditional on all Deferred Interest being paid in full in accordance with the provisions of Clause 9.2.2 (*Mandatory settlement*) on or prior to the date of such redemption.

12. ADMISSION TO TRADING ETC.

12.1 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 Securities 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 Securities are listed on the corporate bond list of Nasdaq Stockholm (or, if applicable, any other Regulated Market on which the Initial Capital Securities are listed) within thirty (30) days following the relevant subsequent issue date, and (iii) that the Capital Securities, 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 Securities in close connection to the redemption of the Capital Securities).

12.2 The Agency Agreement

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

13. DEFAULT AND ENFORCEMENT

13.1 Proceedings

13.1.1 Without prejudice to the Issuer's right to defer the payment of interest under Clause 9 (*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 Securities which is due and payable, then the Issuer shall be deemed to be in default under the Capital Securities and the Agent (acting on instructions of the Holders in accordance with these Terms and Conditions) or any Holder (subject to Clause 21.2) may institute proceedings for an Issuer Winding-up provided that such default is still continuing.

13.1.2 In the event of an Issuer Winding-up, a Holder may, provided such Holder does not contravene a previously adopted resolution in accordance with Clause 14.7 (if any), either independently or through the Agent prove and/or claim in such Issuer Winding-up in respect of the Capital Securities, such claim being for such amount, and being subordinated in such manner, as is provided under Clauses 2.6 and 2.7.

13.2 Enforcement

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

13.3 Extent of Holders' Remedy

No remedy against the Issuer, other than as referred to in this Clause 13, shall be available to the Agent and the Holders in relation to the Capital Securities, whether for the recovery of amounts owing in respect of the Capital Securities or in respect of any breach by the Issuer of any of its other obligations under or in respect of the Capital Securities.

14. DECISIONS BY HOLDERS

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

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

with at a Holders' Meeting than by way of a Written Procedure, it shall be dealt with at a Holders' Meeting.

- 14.3 The Agent may refrain from convening a Holders' Meeting or instigating a Written Procedure if (i) the suggested decision must be approved by any person in addition to the Holders and such person has informed the Agent that an approval will not be given, or (ii) the suggested decision is not in accordance with applicable laws.
- 14.4 Should the Agent not convene a Holders' Meeting or instigate a Written Procedure in accordance with these Terms and Conditions, without Clause 14.3 being applicable, the Issuer or the Holder(s) requesting a decision by the Holders may convene such Holders' Meeting or instigate such Written Procedure, as the case may be, instead. The Issuer shall upon request provide the convening Holder(s) with the information available in the debt register (*skuldbok*) kept by the CSD in respect of the Capital Securities in order to convene and hold the Holders' Meeting or instigate and carry out the Written Procedure, as the case may be.
- 14.5 Should the Issuer want to replace the Agent, it may (i) convene a Holders' Meeting in accordance with Clause 15.1 or (ii) instigate a Written Procedure by sending communication in accordance with Clause 16.1, in both cases with a copy to the Agent. After a request from the Holders pursuant to Clause 18.4.3, the Issuer shall no later than ten (10) Business Days after receipt of such request (or such later date as may be necessary for technical or administrative reasons) convene a Holders' Meeting in accordance with Clause 15.1. The Issuer shall inform the Agent before a notice for a Holders' Meeting or communication relating to a Written Procedure where the Agent is proposed to be replaced is sent and shall, on the request of the Agent, append information from the Agent together with the notice or the communication.
- 14.6 Only a person who is registered as a Holder, or who has been provided with a power of attorney pursuant to Clause 6 (*Right to act on behalf of a Holder*) from a person who is, registered as a Holder at the following times:
- (a) on the Business Day specified in the notice pursuant to Clause 15.2, in respect of a Holders' Meeting, or
 - (b) on the Business Day specified in the communication pursuant to Clause 16.2, in respect of a Written Procedure,
- may exercise voting rights as a Holder at such Holders' Meeting or in such Written Procedure, provided that the relevant Capital Securities are included in the Adjusted Nominal Amount. Such Business Day specified pursuant to paragraph (a) or (b) above must fall no earlier than one (1) Business Day after the effective date of the notice or communication, as the case may be.
- 14.7 The following matters shall require the consent of Holders representing at least sixty-six and two thirds (66⅔) per cent. of the Adjusted Nominal Amount for which Holders are voting at a Holders' Meeting or for which Holders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 16.2:
- (a) the issue of any Subsequent Capital Securities, if the Total Nominal Amount of the Capital Securities exceeds, or if such issue would cause the Total Nominal Amount of the Capital Securities to at any time exceed, SEK 1,500,000,000 (for the avoidance of doubt, for which consent shall be required at each occasion such Subsequent Capital Securities are issued);

- (b) a change to the terms of any of Clauses 2.1, 2.5, 2.8 and 2.9;
- (c) a change to the Interest Rate (including, for the avoidance of doubt, changes to the Margin or STIBOR) or the Nominal Amount;
- (d) a change of the amounts of which the Capital Securities may be redeemed pursuant to Clause 10.3.1, 10.4.1 or 10.5.1.
- (e) a change to the terms dealing with the requirements for Holders' consent set out in this Clause 14;
- (f) a change of Issuer or any delay of the due date for payment of any interest on the Capital Securities other than as permitted pursuant to Clause 9 (*Optional interest deferral*);
- (g) a mandatory exchange of the Capital Securities for other securities; and
- (h) early redemption of the Capital Securities, other than as otherwise permitted or required by these Terms and Conditions.

14.8 Any matter not covered by Clause 14.7, including for the avoidance of doubt the initiation of an Issuer Winding-up, shall require the consent of Holders representing more than fifty (50) per cent. of the Adjusted Nominal Amount for which Holders are voting at a Holders' Meeting or for which Holders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 16.2. 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 (other than an amendment permitted pursuant to Clause 17.1(a) or (b)).

14.9 Quorum at a Holders' Meeting or in respect of a Written Procedure only exists if a Holder (or Holders) representing at least fifty (50) per cent. of the Adjusted Nominal Amount in case of a matter pursuant to Clause 14.7, and otherwise twenty (20) per cent. of the Adjusted Nominal Amount:

- (a) if at a Holders' 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 Holders' Meeting or by a Written Procedure, decisions may be taken in the matters for which a quorum exists.

14.10 If a quorum does not exist at a Holders' Meeting or in respect of a Written Procedure, the Agent or the Issuer shall convene a second Holders' Meeting (in accordance with Clause 15.1) or initiate a second Written Procedure (in accordance with Clause 16.1), as the case may be, provided that the person(s) who initiated the procedure for Holders' consent has confirmed that the relevant proposal is not withdrawn. For the purposes of a second Holders' Meeting or second Written Procedure pursuant to this Clause 14.10, the date of request of the second Holders' Meeting pursuant to Clause 15.1 or second Written Procedure pursuant to Clause 16.1, as the case may be, shall be deemed to be the relevant date when the quorum did not exist. The quorum requirement in Clause 14.9 shall not apply to such second Holders' Meeting or Written Procedure.

- 14.11 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 applicable.
- 14.12 A Holder holding more than one Capital Security need not use all its votes or cast all the votes to which it is entitled in the same way and may in its discretion use or cast some of its votes only.
- 14.13 The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Holder for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Holders that consent at the relevant Holders' Meeting or in a Written Procedure within the time period stipulated for the consideration to be payable or the time period for replies in the Written Procedure, as the case may be.
- 14.14 A matter decided at a duly convened and held Holders' Meeting or by way of Written Procedure is binding on all Holders, irrespective of them being present or represented at the Holders' Meeting or responding in the Written Procedure. The Holders that have not adopted or voted for a decision shall not be liable for any damages that this may cause other Holders.
- 14.15 All costs and expenses incurred by the Issuer or the Agent for the purpose of convening a Holders' Meeting or for the purpose of carrying out a Written Procedure, including reasonable fees to the Agent, shall be paid by the Issuer.
- 14.16 If a decision is to be taken by the Holders 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 Securities owned by Group Companies, irrespective of whether such person is directly registered as owner of such Capital Securities. The Agent shall not be responsible for the accuracy of such certificate or otherwise be responsible for determining whether a Capital Security is owned by a Group Company.
- 14.17 Information about decisions taken at a Holders' Meeting or by way of a Written Procedure shall promptly be sent by notice to each person registered as a Holder on the date referred to in Clause 14.6(a) or 14.6(b), as the case may be, and also be published on the websites of the Issuer and the Agent, provided that a failure to do so shall not invalidate any decision made or voting result achieved. The minutes from the relevant Holders' Meeting or Written Procedure shall at the request of a Holder be sent to it by the Issuer or the Agent, as applicable.

15. HOLDERS' MEETING

- 15.1 The Agent shall convene a Holders' 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 Holder(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 Holder 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.
- 15.2 The notice pursuant to Clause 15.1 shall include (i) time for the meeting, (ii) place for the meeting, (iii) agenda for the meeting (including each request for a decision by the Holders), (iv) the day on which a person must be Holder in order to exercise Holders' rights at the Holders' Meeting, and (v) a form of power of attorney. Only matters that have been included in the notice may be resolved upon at the Holders' Meeting. Should prior

notification by the Holders be required in order to attend the Holders' Meeting, such requirement shall be included in the notice.

- 15.3 The Holders' Meeting shall be held no earlier than ten (10) Business Days and no later than thirty (30) Business Days after the effective date of the notice.
- 15.4 Without amending or varying these Terms and Conditions, the Agent may prescribe such further regulations regarding the convening and holding of a Holders' Meeting as the Agent may deem appropriate. Such regulations may include a possibility for Holders to vote without attending the meeting in person.

16. WRITTEN PROCEDURE

- 16.1 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 Holder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a communication to each person who is registered as a Holder on 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.
- 16.2 A communication pursuant to Clause 16.1 shall include (i) each request for a decision by the Holders, (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 Holder 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 Holder must reply to the request (such time period to last at least ten (10) Business Days and not longer than thirty (30) Business Days from the effective date of the communication pursuant to Clause 16.1). If the voting is to be made electronically, instructions for such voting shall be included in the communication.
- 16.3 When consents from Holders representing the requisite majority of the total Adjusted Nominal Amount pursuant to Clauses 14.7 and 14.8 have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 14.7 or 14.8, as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

17. AMENDMENTS AND WAIVERS

- 17.1 The Issuer and the Agent (acting on behalf of the Holders) may agree to amend 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 Holders as a group, 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 Holders in accordance with Clause 14 (*Decisions by Holders*).
- 17.2 The consent of the Holders 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.

17.3 The Agent shall promptly notify the Holders of any amendments or waivers made in accordance with Clause 17.1, 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.

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

18. APPOINTMENT AND REPLACEMENT OF THE AGENT

18.1 Appointment of the Agent

18.1.1 By subscribing for Capital Securities, each initial Holder appoints the Agent to act as its agent in all matters relating to the Capital Securities and 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 Securities held by such Holder. By acquiring Capital Securities, each subsequent Holder confirms such appointment and authorisation for the Agent to act on its behalf.

18.1.2 Each Holder shall immediately upon request provide the Agent with any such documents, including a written power of attorney (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Terms and Conditions. The Agent is under no obligation to represent a Holder which does not comply with such request.

18.1.3 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.

18.1.4 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 Agency Agreement and the Agent's obligations as Agent under the Terms and Conditions are conditioned upon the due payment of such fees and indemnifications.

18.1.5 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.

18.2 Duties of the Agent

18.2.1 The Agent shall represent the Holders in accordance with the Terms and Conditions. However, the Agent is not responsible for the execution or enforceability of Terms and Conditions.

18.2.2 When acting in accordance with the Terms and Conditions, the Agent is always acting with binding effect on behalf of the Holders. The Agent shall act in the best interest of the Holders as a group and carry out its duties under the Terms and Conditions in a reasonable, proficient and professional manner, with reasonable care and skill.

18.2.3 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.

- 18.2.4 The Agent shall treat all Holders equally and, when acting pursuant to the Terms and Conditions, act with regard only to the interests of the Holders 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.
- 18.2.5 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 for the purpose of investigating or considering a matter relating to the Issuer which the Agent reasonably believes may be detrimental to the interests of the Holders under these Terms and Conditions.
- 18.2.6 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.
- 18.2.7 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 Holders, or taking any action at its own initiative, will not be covered by the Issuer, the Agent may refrain from acting in accordance with such instructions, or taking such action, until it has received such funding or indemnities (or adequate Security has been provided therefore) as it may reasonably require.
- 18.2.8 The Agent shall give a notice to the Holders (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 18.2.7.
- 18.2.9 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 Holders, 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 Holders or any other person.
- 18.2.10 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 event or circumstance set out in Clause 13 (*Default and Enforcement*) has occurred.
- 18.2.11 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.
- 18.3 **Limited liability for the Agent**
- 18.3.1 The Agent will not be liable to the Holders for damage or loss caused by any action taken or omitted by it under or in connection with the Terms and Conditions, unless directly caused by its negligence or wilful misconduct. The Agent shall never be responsible for indirect loss.
- 18.3.2 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 engaged by the Agent or if the Agent has acted with reasonable care in a situation when the Agent considers that it is

detrimental to the interests of the Holders to delay the action in order to first obtain instructions from the Holders.

- 18.3.3 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 Holders, provided that the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.
- 18.3.4 The Agent shall have no liability to the Holders for damage caused by the Agent acting in accordance with instructions of the Holders given in accordance with Clause 14 (*Decisions by Holders*) or a demand by Holders given in accordance with the Terms and Conditions.
- 18.3.5 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 Holders under the Terms and Conditions.
- 18.3.6 The Agent is not liable for information provided to the Holders by or on behalf of the Issuer or by any other person.
- 18.4 **Replacement of the Agent**
- 18.4.1 Subject to Clause 18.4.6, the Agent may resign by giving notice to the Issuer and the Holders, in which case the Holders shall appoint a successor Agent at a Holders' Meeting convened by the retiring Agent or by way of Written Procedure initiated by the retiring Agent.
- 18.4.2 Subject to Clause 18.4.6, 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.
- 18.4.3 A Holder (or Holders) representing at least ten (10) per cent. of the Adjusted Nominal Amount may, by notice to the Issuer (such notice may only be validly given by a person who is a Holder on the Business Day immediately following the day on which the notice is received by the Issuer and shall, if given by several Holders, be given by them jointly), require that a Holders' Meeting is held for the purpose of dismissing the Agent and appointing a new Agent. The Issuer may, at a Holders' Meeting convened by it or by way of Written Procedure initiated by it, propose to the Holders that the Agent be dismissed and a new Agent appointed.
- 18.4.4 If the Holders have not appointed a successor Agent within ninety (90) days after (i) the earlier of the notice of resignation was given or the resignation otherwise took place or (ii) the Agent was dismissed through a decision by the Holders, the Issuer shall appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- 18.4.5 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.

- 18.4.6 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.
- 18.4.7 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 Holders 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.
- 18.4.8 In the event that there is a change of the Agent in accordance with this Clause 18.4, 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 agree otherwise, the new Agent shall be entitled to the same fees and the same indemnities as the retiring Agent.

19. APPOINTMENT AND REPLACEMENT OF THE ISSUING AGENT

- 19.1 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 Securities.
- 19.2 The Issuing Agent may retire from its assignment or be dismissed by the Issuer, provided that the Issuer 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 shall immediately appoint a new Issuing Agent, which shall replace the old Issuing Agent as issuing agent in accordance with these Terms and Conditions.

20. APPOINTMENT AND REPLACEMENT OF THE CSD

- 20.1 The Issuer has appointed the CSD to manage certain tasks under these Terms and Conditions and in accordance with the CSD Regulations and the other regulations applicable to the Capital Securities.
- 20.2 The CSD may retire from its assignment or be dismissed by the Issuer, provided that the Issuer has effectively appointed a replacement CSD that accedes as CSD at the same time as the old CSD retires or is dismissed and provided also that the replacement does not have a negative effect on any Holder or the listing of the Capital Securities on the Regulated Market. The replacing CSD must be authorised to professionally conduct clearing operations pursuant to the Securities Markets Act (*lag (2007:528) om värdepappersmarknaden*) and be authorised as a central securities depository in accordance with the Financial Instruments Account Act.

21. NO DIRECT ACTIONS BY HOLDERS

- 21.1 A Holder may not take any steps whatsoever against the Issuer to enforce or recover any amount due or owing to it pursuant to the Terms and Conditions, or to initiate, support or procure the winding-up, dissolution, liquidation, company reorganisation (*företagsrekonstruktion*) or bankruptcy (*konkurs*) (or its equivalent in any other

jurisdiction) of the Issuer in relation to any of the obligations and 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.

- 21.2 Clause 21.1 shall not apply if the Agent has been instructed by the Holders 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 Holder to provide documents in accordance with Clause 18.1.2), such actions within a reasonable period of time and such failure or inability is continuing. However, if the failure to take certain actions is caused by the non-payment of any fee or indemnity due to the Agent under the Terms and Conditions or the Agency Agreement or by any reason described in Clause 18.2.7, such failure must continue for at least forty (40) Business Days after notice pursuant to Clause 18.2.8 before a Holder may take any action referred to in Clause 21.1.

22. PRESCRIPTION

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

23. NOTICES

- 23.1 Any notice or other communication to be made under or in connection with the Terms and Conditions:
- (a) if to the Agent, shall be given at the address specified on its website www.nordictrustee.com on the Business Day prior to dispatch or, if sent by email by the Issuer, to the email address notified by the Agent to the Issuer from time to time;
 - (b) if to the Issuer, shall be given at the address registered with the Swedish Companies Registration Office (*Bolagsverket*) on the Business Day prior to dispatch or, if sent by email by the Agent, to the email address notified by the Issuer to the Agent from time to time; and
 - (c) if to the Holders, shall be given at their addresses as registered with the CSD, on the date such person shall be a Holder in order to receive the communication, and by either courier delivery or letter for all Holders. A Notice to the Holders shall also be published on the websites of the Issuer and the Agent.
- 23.2 Any notice or other communication made by one person to another under or in connection with the Terms and Conditions shall be sent by way of courier, personal delivery or letter, or, if between the Issuer and the Agent, by email, and will only be effective, in case of courier or personal delivery, when it has been left at the address specified in Clause 23.1,

in case of letter, three (3) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 23.1, or, in case of email, when received in readable form by the email recipient.

23.3 Any notice pursuant to the Terms and Conditions shall be in English.

23.4 Failure to send a notice or other communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders.

24. FORCE MAJEURE AND LIMITATION OF LIABILITY

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

24.2 The Issuing Agent shall have no liability to the Holders if it has observed reasonable care. The Issuing Agent shall never be responsible for indirect damage with exception of gross negligence and wilful misconduct.

24.3 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.

24.4 The provisions in this Clause 24 apply unless they are inconsistent with the provisions of the Financial Instruments Accounts Act which provisions shall take precedence.

25. GOVERNING LAW AND JURISDICTION

25.1 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.


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

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

Place: *Stockholm*

Date: *2018-06-15*

KLÖVERN AB (PUBL)
as Issuer


Name: *Jens Andersson*

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

Place: *Stockholm*

Date: *2018 06 15*

NORDIC TRUSTEE & AGENCY AB (PUBL)
as Agent


Name: *Christian Seinfeldt by PoA*