

TERMS AND CONDITIONS

Heimstaden

Heimstaden AB (publ)

EUR 300,000,000

**Subordinated Perpetual Fixed to Reset Rate Callable
Capital Securities**

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SELLING RESTRICTIONS

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.

The Capital Securities have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”) or under any relevant securities laws of any state or other jurisdiction of the United States, and are subject to U.S. tax law requirements. The Capital Securities may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act (Regulation S)) except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in accordance with applicable U.S. state securities laws. Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code.

PRIVACY NOTICE

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

The personal data collected will be processed by the Issuer, the Agent and the Issuing Agent for the following purposes (i) to exercise their respective rights and fulfil their respective obligations under these Terms and Conditions and the Agency Agreement, (ii) to manage the administration of the Capital Securities and payments under the Capital Securities, (iii) to enable the Holders to exercise their rights under these Terms and Conditions; and (iv) to comply with their obligations under applicable laws and regulations.

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

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

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

The Issuer’s, the Agent’s and the Issuing Agent’s addresses, and the contact details for their respective data protection officers (if applicable), are found on their respective websites www.heimstaden.se, www.nordictrustee.com and www.swedbank.com.

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TERMS AND CONDITIONS

1. DEFINITIONS AND CONSTRUCTION

1.1 Definitions

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

“**5 Year EUR Mid-Swap Rate**” means, with respect to a Reset Period, the mid swap rate for euro swap transactions with a maturity of five years, as published on Reuters screen ICESWAP2 under FIXED VS. 6M EURIBOR (or such other page or service as may replace it for the purposes of displaying European swap rates of leading reference banks for swaps in Euro) (in each case, the “**Reset Screen Page**”), as at approximately 11.00 a.m. (Central European time) on the Reset Interest Determination Date applicable to such Reset Period.

In the event that the relevant 5 Year EUR Mid-Swap Rate does not appear on the Reset Screen Page on the relevant Reset Interest Determination Date, the 5 Year EUR Mid-Swap Rate will be the Reset Reference Bank Rate on such Reset Interest Determination Date. If:

- (a) at least three quotations are provided, the 5 Year EUR Mid-Swap Rate will be calculated by the Issuing Agent on the basis of the arithmetic mean (or, if only three quotations are provided, the median) of the quotations provided, eliminating the highest quotation (or, in the event of equality one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest);
- (b) only two quotations are provided, the Reset Reference Bank Rate will be the arithmetic mean of the quotations provided;
- (c) only one quotation is provided, the Reset Reference Bank Rate will be the quotation provided; and
- (d) no quotations are provided, the Reset Reference Bank Rate for the relevant period will be the 5 Year EUR Mid-Swap Rate on the last day where the 5 Year EUR Mid Swap Rate was published on a Reset Screen Page.

The “**5 Year Swap Rate Quotations**” means, in relation to any Reset Period, the arithmetic mean of the bid and offered rates for the annual fixed leg (calculated on a 30/360 Day Count Basis) of a fixed-for-floating euro interest rate swap which (i) has a term of five years commencing on the relevant Reset Date, (ii) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market, and (iii) has a floating leg based on the 6-month EURIBOR rate (calculated on the basis of the actual number of days elapsed and a year of 360 days).

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

“**Accounting Event**” shall be deemed to occur if, after the Issue Date:

- (a) a change in accounting principles or methodology shall be applicable to the audited consolidated financial statements of the Issuer;

and

- (b) as a result of such change the Capital Securities would not be recorded as “equity” in the next audited consolidated financial statements of the Issuer.

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

“**Affiliate**” means, in respect of any Person, any other Person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified Person. For the purpose of this definition, “control” when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities by contract or otherwise; and the terms “controlling” and “controlled” have meanings correlative to the foregoing.

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

“**Agent**” means the Holders’ agent under these Terms and Conditions from time to time, initially Nordic Trustee & Agency AB (publ) reg. no. 556882-1879, P.O. Box 7329, SE-103 90 Stockholm, Sweden.

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

“**Capital Security**” means debt instruments (Sw. *skuldförbindelser*), each for the Nominal Amount and as defined in Chapter 1 Section 3 of the Central Securities Depositories and Financial Instruments Accounts Act, issued by the Issuer as Capital Securities under these Terms and Conditions.

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

“**Change of Control**” means an event or series of events where one or more persons (other than Fredensborg AS, reg. no. 943 582 815) acting together gains control of the Issuer.

For the purpose of this definition:

- (a) “**control of the Issuer**” means the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to directly or indirectly:
- (i) cast, or control the casting of, more than fifty (50) per cent. of the maximum number of votes that may be cast at a general meeting of the shareholders of the Issuer; or
 - (ii) having the right to appoint or remove all, or the majority, of the directors or other equivalent officers of the Issuer; and

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

A “**Change of Control Event**” will be deemed to occur if:

- (a) a Change of Control occurs; and
- (b) on the date (the “**Relevant Announcement Date**”) that is the earlier of (1) the date of the earliest Potential Change of Control Announcement (as defined below) (if any) and (2) the date of the first public announcement of the relevant Change of Control, the Issuer’s long-term senior unsecured debt obligations carry:
- (i) an investment grade credit rating (Baa3/BBB-/BBB-, or equivalent, or better) (an “**Investment Grade Rating**”) from any Rating Agency providing a solicited rating at the invitation or with the consent of the Issuer, either directly or via a publication by such Rating Agency, and, within the Change of Control Period, any such Rating Agency downgrades its rating of the Issuer’s long-term senior unsecured debt obligations to a non-investment grade credit rating (Ba1/BB+/BB+ or equivalent, or worse) or withdraws its rating of the Issuer’s long-term senior unsecured debt obligations and such rating is not within the Change of Control Period (in the case of a downgrade) upgraded or (in the case of a withdrawal) reinstated to an Investment Grade Rating by such Rating Agency; or
- (ii) a non-investment grade credit rating (Ba1/BB+/BB+ or equivalent or worse) from any Rating Agency (provided by such Rating Agency at the invitation or with the consent of the Issuer) and such rating from any Rating Agency is within the Change of Control Period downgraded by one or more notches (for illustration, Ba1/BB+/BB+ to Ba2/BB/BB being one notch) or withdrawn and is not within the Change of Control Period subsequently (in the case of a downgrade) upgraded or (in the case of a withdrawal) reinstated to its earlier credit rating or better by such Rating Agency; and
- (c) in making the relevant decision(s) referred to in paragraph (b) above, the relevant Rating Agency announces publicly or confirms in writing to the Issuer or the Agent that such downgrading and/or withdrawal resulted, directly or indirectly, from the Change of Control or the Potential Change of Control Announcement (whether or not the Change of Control shall have occurred at the time such rating is downgraded and/or withdrawn).

If the rating designations employed by S&P, Moody’s or Fitch are changed from those which are described in paragraph (b) above, or if a rating is procured from a Substitute Rating Agency, the Issuer shall determine the rating designations of S&P, Moody’s or Fitch or such Substitute Rating Agency (as appropriate) as are most equivalent to the prior rating designations of S&P, Moody’s or Fitch and paragraph (b) shall be construed accordingly.

“**Change of Control Period**” means the period commencing on the Relevant Announcement Date and ending one hundred and twenty (120) days after the occurrence of the Change of

Control or, where a Rating Agency has publicly announced that the Issuer's long-term senior unsecured debt obligations are under consideration for rating review or, as the case may be, rating (such public announcement being within the period ending one hundred and twenty (120) days after the Change of Control), the later of (i) such one hundred and twentieth (120th) day after the Change of Control and (ii) the date falling sixty (60) days after such public announcement.

"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.

"CSD" means the Issuer's central securities depository and registrar in respect of the Capital Securities from time to time; initially Euroclear Sweden AB reg. no. 556112-8074, P.O. Box 191, SE-101 23 Stockholm, Sweden.

"Deferred Interest" has the meaning ascribed to it in Clause 11.1 (*Deferral of Interest Payments*).

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

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

save for:

- (i) in each case, any compulsory distribution, dividend, other payment, redemption, repurchase, repayment, cancellation, reduction or other acquisition required by the terms of such securities or by mandatory operation of applicable law;
- (ii) in each case, any declaration or payment of any distribution or dividend or any other payment made by the Issuer on its share capital, which is made by reason of a claim (in accordance with the Swedish Companies Act (Sw. *aktiebolagslagen (2005:551)*) by shareholder(s) owning not less than ten (10.00) per cent. of the shares in the Issuer;
- (iii) in the case of paragraph (b) above only, any partial payment of accrued but unpaid interest on Parity Securities, provided that all accrued but unpaid interest on the Capital Securities and all outstanding Parity Securities at the same time is paid *pro rata*;

- (iv) in the case of paragraph (c) above only, any redemption, repurchase, repayment, cancellation, reduction or other acquisition that is executed in connection with, or for the purpose of:
 - (A) any reduction of the quota value of the share capital of the Issuer without a corresponding return of cash, capital or assets to shareholders of the Issuer; or
 - (B) any share buyback programme then in force and duly approved by the shareholders' general meeting of the Issuer or the relevant Subsidiary of the Issuer (as applicable) or any existing or future stock option plan or free share allocation plan or other incentive plan, in all cases, reserved for directors, officers and/or employees of the Issuer or the relevant Subsidiary of the Issuer or any associated hedging transaction; and
- (v) 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 Security below its par value.

“**EUR**” or “**euro**” means the single currency of the participating member states in accordance with the legislation of the European Community relating to Economic and Monetary Union.

“**EURIBOR**” means the Euro Interbank Offered Rate.

“**First Reset Date**” means 15 January 2027, being the date falling five (5) years and three (3) months after the Issue Date.

“**Fitch**” means Fitch Ratings Ltd.

“**Force Majeure Event**” has the meaning ascribed to it in Clause 28.1.

“**Group**” means the Issuer and its Subsidiaries from time to time.

“**Group Company**” means any member of the Group.

“**Holder**” 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 Security.

“**Holders' Meeting**” means a meeting among the Holders held in accordance with Clause 19 (*Holders' Meeting*).

“**Initial Interest Rate**” has the meaning ascribed to it in Clause 10.3 (*Initial Interest Rate*).

“**Interest**” means the interest on the Capital Securities calculated in accordance with Clause 10 (*Interest*).

“**Interest Amount**” has the meaning ascribed to it in Clause 10.5 (*Determination of Reset Interest Rates and Calculation of Interest Amounts*).

“**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 10 (*Interest*).

“**Interest Payment Date**” has the meaning given in Clause 10.2 (*Interest Payment Dates*).

“**Interest Period**” means each period beginning on (but excluding) the Issue Date or any Interest Payment Date and ending on (and including) the next succeeding Interest Payment Date (or, if the Capital Securities are redeemed prior to such Interest Payment Date, the relevant Redemption Date), and not subject to adjustment by any business day convention.

“**Interest Rate**” means the Initial Interest Rate or the relevant Reset Interest Rate, as the case may be.

“**Issue Date**” means 15 October 2021.

“**Issuer**” means Heimstaden AB (publ), a public limited liability company incorporated under the laws of Sweden with reg. no. 556670-0455, Östra Promenaden 7A, SE-211 28, Malmö, Sweden.

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

“**Issuing Agent**” means Swedbank AB (publ), Swedish reg. no. 502017-7753, or another party replacing it, as Issuing Agent, in accordance with these Terms and Conditions.

“**Margin**” means, in respect of any Interest Period falling after the First Reset Date:

- (a) from (but excluding) the First Reset Date up to (and including) the Step-up Date, 700.1 basis points per annum; and
- (b) from (but excluding) the Step-up Date up to (and including) the Redemption Date, 800.1 basis points per annum,

in each case as increased pursuant to Clause 10.7 (*Step-up after a Change of Control Event*) (if applicable).

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

“**Nasdaq Stockholm**” means the Regulated Market of Nasdaq Stockholm Aktiebolag, reg. no. 556420-8394, SE-105 78 Stockholm, Sweden.

“**Net Proceeds**” means the proceeds from the issuance of the Capital Securities after deduction has been made for all fees, costs and expenses, stamp, registration and other taxes incurred by the Issuer in connection with the issuance and listing of the Capital Securities.

“**Nominal Amount**” has the meaning ascribed to it in Clause 2.1.

“**Par Call Date**” has the meaning ascribed to it in Clause 13.3.1.

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

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

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

“Potential Change of Control Announcement” means any public announcement or statement by or on behalf of the Issuer, any actual or potential bidder or any advisor acting on behalf of any actual or potential bidder relating to any potential Change of Control where within 180 days following the date of such announcement or statement, a Change of Control occurs.

“Qualifying Capital Securities” means securities that contain terms not materially less favourable to Holders than the terms of the Capital Securities (as reasonably determined by the Issuer in consultation with an independent investment bank, independent financial adviser or legal counsel of international standing) and provided that a certification to such effect shall have been delivered to the Agent prior to the substitution or variation of the Capital Securities, provided that:

- (a) they shall be issued by the Issuer or by any wholly-owned direct or indirect finance Subsidiary of the Issuer with a guarantee of the Issuer; 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 Securities; and
- (c) they shall contain terms which provide for the same interest rate from time to time applying to the Capital Securities 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 Securities, including (without limitation) as to timing of, and amounts payable upon, such redemption; and
- (e) they shall preserve any existing rights under the Capital Securities to any accrued interest, any Deferred Interest and any other amounts payable under the Capital Securities which, in each case, has accrued to Holders and not been paid; and
- (f) they shall not contain terms providing for the mandatory deferral or cancellation of interest and shall not contain terms providing for loss absorption through principal write-down or conversion to ordinary shares; and
- (g) they shall, immediately after such exchange or variation, be assigned at least the same credit rating(s) by the same Rating Agencies providing a solicited rating at the invitation or with the consent of the Issuer, either directly or via a publication by such Rating Agency, as may have been assigned to the Capital Securities 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 Securities, save where any modifications to such terms are required to be made to avoid the occurrence or effect of, a Tax Event, a Rating Event, an Accounting Event or, as the case may be, a Withholding Tax Event; and
- (i) they shall be (A) admitted to trading on the corporate bond list of Nasdaq Stockholm or (B) admitted to trading on any other regulated market or multilateral trading facility for the purposes of Directive 2014/65/EU (as amended) as selected by the Issuer on, or as soon as reasonably practicable after issue and approved by the Agent.

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

“**Rating Agency**” means each of Fitch, Moody’s and S&P and any other rating agency (a “**Substitute 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 Event**” shall be deemed to occur if the Issuer has received confirmation from a Rating Agency providing a solicited rating at the invitation or with the consent of the Issuer, either directly or via a publication by such Rating Agency, that an amendment, clarification or change in interpretation has occurred in the equity credit criteria of such Rating Agency effective after the Issue Date (or, if equity credit is not assigned on the Issue Date, effective after the date when the equity credit is assigned for the first time, as applicable) and (a) this has resulted in lower equity credit (or such other nomenclature that the Rating Agency may then use to describe the degree to which an instrument exhibits the characteristics of an ordinary share) for the Capital Securities, in whole or in part, than the equity credit assigned on the Issue Date (or, if equity credit is not assigned on the Issue Date, effective after the date when the equity credit is assigned for the first time, as applicable) (or if the Capital Securities have been partially or fully re-financed since the Issue Date and are no longer eligible for equity credit in part or in full as a result, all or any of the Capital Securities would have received lower equity credit as a result of such amendment, clarification, change in methodology or change in the interpretation had they not been re-financed) or (b) this has resulted in the length of time the Capital Securities are assigned a particular level of “equity credit”, after being assigned such equity credit for the first time, by that Rating Agency being shortened as compared to the length of time they would have been assigned that level of “equity credit” by that Rating Agency under its prevailing methodology on the Issue Date.

“**Record Date**” means the fifth (5th) Business Day prior to:

- (a) an Interest Payment Date;
- (b) a Redemption Date; or
- (c) 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 13 (*Redemption and repurchase of the Capital Securities*).

“**Regulated Market**” means any regulated market for the purposes of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments.

“**Reset Date**” means the First Reset Date and each fifth (5th) anniversary thereof.

“**Reset Interest Determination Date**” means, with respect to a Reset Period, the day falling two Business Days prior to the Reset Date on which such Reset Period commences.

“**Reset Interest Rate**” has the meaning given in Clause 10.4 (*Reset Interest Rates*).

“**Reset Period**” means each period from (and including) a Reset Date to (but excluding) the next succeeding Reset Date thereafter.

“**Reset Reference Bank Rate**” means the percentage rate calculated by the Issuing Agent in accordance with these Terms and Conditions on the basis of the 5 Year Swap Rate Quotations

provided by the Reset Reference Banks to the Issuer and the Issuing Agent at approximately 11:00 a.m. (Central European Time) on the relevant Reset Interest Determination Date.

“**Reset Reference Banks**” means five major banks in the European Interbank market selected by the Issuer.

“**S&P**” means S&P Global Ratings Europe Limited.

“**Securities Account**” means the account for dematerialised securities maintained by the CSD pursuant to the Central Securities Depositories and Financial Instruments Accounts Act in which:

- (a) an owner of such security is directly registered; or
- (b) an owner’s holding of securities is registered in the name of a nominee.

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

“**Step-up Date**” means 15 January 2032, being the date falling five (5) years after the First Reset Date.

“**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.

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

“**Substantial Repurchase Event**” shall be deemed to occur if the Issuer and/or any of its Subsidiaries repurchases and cancels or has at any time repurchased and cancelled, a principal amount of Capital Securities equal to or greater than seventy-five (75.00) per cent. of the aggregate principal amount of the Capital Securities initially issued.

“**Tax Event**” means the receipt by the Issuer of an opinion of a counsel in Sweden (experienced in such matters) to the effect that, as a result of a Tax Law Change, the Issuer is no longer able to claim a deduction to which it was entitled as at the Issue Date or at any time thereafter in respect of payments relating to the Capital Securities in computing its taxation liabilities for Swedish tax purposes (a “**Tax Deduction**”) or the amount of any Tax Deduction is materially reduced and, in either case, in circumstances where unsubordinated debt obligations of the Issuer continue to be fully or partly tax deductible for such purposes.

“**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 official published interpretation of such law, treaty (or regulations thereunder) or

governmental action or any official published 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 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 20 (*Written Procedure*).

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

The Issuer intends (but is not obliged to ensure) that until 15 January 2032, to the extent that the Capital Securities provide the Issuer with "equity credit" for rating purposes by Fitch, to redeem or repurchase the Capital Securities only to the extent they are replaced with instruments that provide equivalent Fitch equity credit (or such other nomenclature that Fitch may then use to describe the degree to which an instrument exhibits the characteristics of an ordinary share). The intention above does not provide for any claim for Holders nor does it create any legal obligation for the Issuer. Customary exceptions apply as to the Issuer's replacement intention including that the Issuer does not intend to replace the Capital Securities:

- (a) *if the Capital Securities are not required to support the credit profile of the Issuer compared to the credit profile as of the Issue Date; or*
- (b) *if the Capital Securities are redeemed pursuant to a Tax Event, a Substantial Repurchase Event, a Rating Event, a Withholding Tax Event, an Accounting Event or a Change of Control Event having occurred and some or all of the Capital Securities left outstanding are redeemed or purchased.*

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 (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency or 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 No delay or omission of the Agent or of any Holder to exercise any right or remedy under these Terms and Conditions shall impair or operate as a waiver of any such right or remedy.

2. THE AMOUNT OF THE CAPITAL SECURITIES

2.1 The nominal amount of each Capital Security is EUR 100,000 (the “**Nominal Amount**”). The total Nominal Amount of the Capital Securities is EUR 300,000,000.

2.2 The ISIN for the Capital Securities is SE0016278352.

2.3 The Capital Securities are issued on a fully paid basis at an issue price of one hundred (100.00) per cent. of the Nominal Amount.

2.4 The minimum permissible investment in connection with the issue of the Capital Securities is EUR 100,000.

2.5 The Capital Securities are denominated in EUR and each Capital Security is constituted by these Terms and Conditions.

2.6 By subscribing for Capital Securities, each initial Holder agrees that the Capital Securities shall benefit from and be subject to these Terms and Conditions and by acquiring Capital Securities each subsequent Holder confirms these Terms and Conditions.

3. STATUS OF THE CAPITAL SECURITIES

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

3.2 In the event of:

- (a) a voluntary or involuntary liquidation (Sw. *likvidation*) or bankruptcy (Sw. *konkurs*) of the Issuer (each an “**Issuer Winding-up**”), the Holders shall, in respect of their Capital Securities, have a claim for the principal amount of their Capital Securities and any accrued and unpaid interest (including any Deferred Interest) thereon and such claims will rank:
 - (i) *pari passu* without any preference among themselves and with any present or future claims in respect of obligations of the Issuer in respect of Parity Securities;
 - (ii) in priority to all present and future claims in respect of:
 - (A) the shares of the Issuer; and

- (B) any other obligation of the Issuer expressed by its terms as at its original issue date to rank junior to the Capital Securities or any Parity Securities; and
- (iii) junior in right of payment to any present or future claims of:
 - (A) all unsubordinated obligations of the Issuer; and
 - (B) all Subordinated Indebtedness; or
- (b) a company re-construction (Sw. *företagsrekonstruktion*) of the Issuer under the Swedish Company Reorganisation Act (Sw. *lag (1996:764) om företagsrekonstruktion*), the Holders shall, in respect of their Capital Securities, have a claim for the principal amount of their Capital Securities and any accrued and unpaid interest (including any Deferred Interest) thereon and such claims will rank:
 - (i) *pari passu* without any preference among themselves and with any present or future claims in respect of obligations of the Issuer in respect of Parity Securities; and
 - (ii) junior in right of payment to any present or future claims of:
 - (A) all unsubordinated obligations of the Issuer; and
 - (B) all Subordinated Indebtedness.

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

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

4. USE OF PROCEEDS

The Net Proceeds from the Capital Securities shall be applied by the Issuer towards (i) prepayment and cancellation of SEK 7 billion bridge financing facility provided by J.P. Morgan AG in respect of the acquisition of certain property portfolios from Akelius and (ii) general corporate purposes of the Group, including investments and financing acquisitions.

5. CONDITIONS PRECEDENT

5.1 Conditions precedent in respect of the Capital Securities

- 5.1.1 The Issuing Agent shall pay the Net Proceeds from the Capital Securities to Issuer on the later of:
- (a) the Issue Date; and
 - (b) the date on which the Agent notifies the Issuing Agent that it has received the following, in form and substance satisfactory to the Agent (acting reasonably):

- (i) copies of the articles of association and certificate of registration of the Issuer;
- (ii) a copy of a resolution from the board of directors of the Issuer:
 - (A) approving the issue of the Capital Securities and resolving that it executes and performs these Terms and Conditions and Agency Agreement; and
 - (B) authorising a specified person or persons to execute these Terms and Conditions and Agency Agreement on its behalf;
- (iii) a copy of these Terms and Conditions and the Agency Agreement duly executed by the Issuer; and
- (iv) evidence that the Capital Securities has been or will be registered with the CSD.

5.1.2 The Agent shall confirm to the Issuing Agent when the conditions set out in paragraph (b) of Clause 5.1.1 have been satisfied.

5.2 **No responsibility for documentation**

The Agent may assume that the documentation and evidence delivered to it pursuant to this Clause 5 is accurate, legally valid, enforceable, correct, true and complete unless it has actual knowledge to the contrary and the Agent does not have to verify or assess the contents of any such documentation or evidence. The Agent does not have any obligation to review the documentation and evidence set out in this Clause 5 from a legal or commercial perspective of the Holders.

6. THE CAPITAL SECURITIES AND TRANSFERABILITY

6.1 Each Holder is bound by these Terms and Conditions without there being any further actions required to be taken or formalities to be complied with.

6.2 The Capital Securities are freely transferable. All Capital Securities transfers are subject to these Terms and Conditions and these Terms and Conditions are automatically applicable in relation to all Capital Securities transferees upon completed transfer.

6.3 Upon a transfer of Capital Securities, any rights and obligations under these Terms and Conditions relating to such Capital Securities are automatically transferred to the transferee.

6.4 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, (due to, *e.g.*, its nationality, its residency, its registered address or its place(s) of business). Each Holder must ensure compliance with such restrictions at its own cost and expense.

6.5 For the avoidance of doubt and notwithstanding the above, a Holder which allegedly has purchased Capital Securities in contradiction to mandatory restrictions applicable may

nevertheless utilise its voting rights under these Terms and Conditions and shall be entitled to exercise its full rights as a Holder hereunder in each case until such allegations have been resolved.

7. CAPITAL SECURITIES IN BOOK-ENTRY FORM

7.1 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 Central Securities Depositories and Financial Instruments Accounts Act. Registration requests relating to the Capital Securities shall be directed to an Account Operator.

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

7.3 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 Securities. At the request of the Agent, the Issuer shall promptly obtain such information and provide it to the Agent.

7.4 For the purpose of or in connection with any Holders' Meeting or any Written Procedure, the Issuing Agent shall be entitled to obtain information from the debt register kept by the CSD in respect of the Capital Securities. If the Agent does not otherwise obtain information from such debt register as contemplated under these Terms and Conditions, the Issuing Agent shall at the request of the Agent obtain information from the debt register and provide it to the Agent.

7.5 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.

7.6 The Issuer (and the Agent when permitted under the CSD's applicable regulations) may use the information referred to in Clause 7.3 only for the purposes of carrying out their duties and exercising their rights in accordance with these Terms and Conditions and shall not disclose such information to any Holder or third party unless necessary for such purposes.

8. RIGHT TO ACT ON BEHALF OF A HOLDER

8.1 If any Person other than a Holder wishes to exercise any rights under these Terms and Conditions, it must obtain a power of attorney (or, if applicable, a coherent chain of powers of attorney), a certificate from the authorised nominee or other sufficient proof of authorisation for such Person.

8.2 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 these Terms and Conditions in relation to the Capital Securities for which such representative is entitled to represent the Holder.

8.3 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 Clauses 8.1 and 8.2 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.

9. PAYMENTS IN RESPECT OF THE CAPITAL SECURITIES

9.1 Any payment or repayment under these 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 the relevant payment 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.

9.2 If a Holder has registered, through an Account Operator, that principal, Interest and any other payment that shall be made under these Terms and Conditions shall be deposited in a certain bank account, such deposits will be effectuated by the CSD on the relevant payment date. Should the CSD, due to a delay on behalf of the Issuer or some other obstacle, not be able to effectuate payments as aforesaid, the Issuer shall procure that such amounts are paid as soon as possible after such obstacle has been removed.

9.3 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.

9.4 If payment or repayment is made in accordance with this Clause 9, 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 of that the payment was being made to a Person not entitled to receive such amount.

9.5 The Issuer is not liable to gross-up any payments under these Terms and Conditions by virtue of any withholding tax, public levy or similar.

10. INTEREST

10.1 Interest accrual

10.1.1 Subject to Clause 11 (*Optional interest deferral*), the Capital Securities (and any unpaid amounts thereon) will carry Interest from, but excluding, the Issue Date up to, and including, the relevant Redemption Date.

10.1.2 Interest shall be calculated on the basis of a 360-day year comprised of twelve months of 30 days each and, in case of an incomplete month, the actual number of days elapsed (30/360-days basis) (the “**day-count fraction**”). Where it is necessary to compute an amount of interest in respect of any Capital Security for a period of more than an Interest Period, such interest

shall be the aggregate of the interest computed in respect of a full year plus the interest computed in respect of the period exceeding the full year calculated in the manner as aforesaid.

- 10.1.3 Interest in respect of any Capital Security shall be calculated on the Nominal Amount of the Capital Security, being EUR 100,000. The amount of interest calculated per Capital Security for any period shall be equal to the product of the relevant Interest Rate, the Nominal Amount and the day-count fraction for the relevant period and rounding the resulting figure to the nearest cent (subject to the rules and procedures of the CSD).

10.2 **Interest Payment Dates**

- 10.2.1 Subject to Clause 11 (*Optional Interest Deferral*), interest shall be payable on the Capital Securities annually in arrear on 15 January each year (each an “**Interest Payment Date**”) from (and including) 15 January 2022. The first payment of interest will be made on 15 January 2022 and thereafter in arrear on 15 January each year (short first coupon).

- 10.2.2 The Interest Payment in respect of each Interest Period may be deferred in accordance with Clause 11 (*Optional interest deferral*).

10.3 **Initial Interest Rate**

Subject to Clause 10.7 (*Step-up after a Change of Control Event*), the Interest Rate in respect of each Interest Period commencing prior to the First Reset Date is 6.750 per cent. per annum (the “**Initial Interest Rate**”).

10.4 **Reset Interest Rates**

Subject to Clause 10.7 (*Step-up after a Change of Control Event*), the Interest Rate in respect of each Interest Period falling in a Reset Period shall be the aggregate of the applicable Margin and the applicable 5 Year EUR Mid-Swap Rate for such Reset Period, all as determined by the Issuing Agent (each a “**Reset Interest Rate**”).

10.5 **Determination of Reset Interest Rates and Calculation of Interest Amounts**

The Issuing Agent shall, provided that it has been notified by the Issuer thereof no later than five (5) Business Days prior to the relevant Reset Interest Determination Date, at or as soon as practicable after 11.00 a.m. (Central European Time) on each Reset Interest Determination Date, determine the Reset Interest Rate in respect of the Reset Period commencing immediately following such Reset Interest Determination Date and shall calculate the amount of interest which will (subject to deferral in accordance with Clause 11 (*Optional Interest Deferral*)) be payable in respect of each such Interest Period (the “**Interest Amount**”).

10.6 **Publication of Reset Interest Rates and Interest Amounts**

Unless the Capital Securities are to be redeemed, the Issuer shall cause notice of each Reset Interest Rate and each related Interest Amount to be given to the Agent, any stock exchange on which the Capital Securities are for the time being listed or admitted to trading and, in accordance with Clause 27 (*Notices*), the Holders, in each case as soon as practicable after its determination but in any event not later than the first Business Day of the relevant Reset Period.

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

Notwithstanding any other provision of this Clause 10, if the Issuer does not elect to redeem the Capital Securities in accordance with Clause 13.6 (*Voluntary redemption due to a Change of Control Event*) following the occurrence of the first Change of Control Event to occur after the Issue Date, the then prevailing Interest Rate, and each subsequent Interest Rate otherwise determined in accordance with the provisions of this Clause 10, on the Capital Securities shall be increased by five hundred (500) basis points per annum with effect from (but excluding) the Change of Control Step-up Date.

10.8 **Default Interest**

If the Issuer fails to pay any amount payable by it pursuant to Clause 11.3 (*Mandatory settlement of Deferred Interest*) or Clause 13 (*Redemption and repurchase of the Capital Securities*) (except for Clause 13.1 (*No maturity*), Clause 13.2 (*Group Companies may purchase Capital Securities*) and Clause 13.7 (*Cancellation of Capital Securities*)) on its due date, default interest shall accrue on the overdue amount from (but excluding) the due date up to (and including) the date of actual payment at a rate of two (2.00) 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.

11. **OPTIONAL INTEREST DEFERRAL**

11.1 **Deferral of Interest Payments**

11.1.1 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 27 (*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.

11.1.2 If the Issuer makes only a partial payment of interest on an Interest Payment Date, such amount shall be applied equally to each Capital Security.

11.1.3 Any Interest Payment so deferred pursuant to this Clause 11 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**”.

11.1.4 The deferral of an Interest Payment in accordance with this Clause 11 shall not constitute a default pursuant to Clause 17 (*Default and Enforcement*) by the Issuer under the Capital Securities or for any other purpose.

11.2 **Optional settlement of Deferred Interest**

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

with Clause 27 (*Notices*), the Issuing Agent and the Agent not less than seven (7) Business Days prior to the date (to be specified in such notice) on which the Issuer will pay such Deferred Interest. Any such notice shall state the date fixed for the payment and the relevant Record Date and is irrevocable.

11.3 **Mandatory settlement of Deferred Interest**

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

- (a) the tenth (10th) Business Day following the date on which a Deferred Interest Payment Event occurs;
- (b) any Interest Payment Date in respect of which the Issuer does not elect to defer all of the interest accrued in respect of the relevant Interest Period; and
- (c) the date on which the Capital Securities are redeemed or repaid in accordance with Clause 13 (*Redemption and repurchase of the Capital Securities*) or Clause 17 (*Default and Enforcement*).

11.3.2 Notice of any Deferred Interest Payment Event shall be given by the Issuer to the Holders in accordance with Clause 27 (*Notices*), the Issuing Agent and the Agent within three (3) Business Days of such event.

12. **BENCHMARK EVENT**

12.1 Notwithstanding the provisions above in Clause 10 (*Interest*), if, on or after the First Reset Date, the Issuer (in consultation with the Issuing Agent) determines that a Benchmark Event has occurred in relation to the Original Reference Rate (whether such occurrence is before, on or after the First Reset Date) when any Reset Interest Rate (or any component part thereof) remains to be determined by reference to the Original Reference Rate, then the following provisions shall apply:

- (a) The Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, with a view to the Independent Adviser determining, no later than three (3) Business Days prior to the relevant Reset Interest Determination Date, a Successor Rate, failing which an Alternative Rate (in accordance with paragraph (b) below) and, in either case, an Adjustment Spread if any (in accordance with paragraph (c) below) and any Benchmark Amendments (in accordance with paragraph (d) below). An Independent Adviser appointed pursuant to this Clause 12 shall act in good faith as an expert and (in the absence of bad faith or fraud) shall have no liability whatsoever to the Issuer, the Issuing Agent, the Agent or the Holders for any determination made by it or for any advice given to the Issuer in connection with to the operation of this Clause 12.
- (b) If:
 - (i) the Independent Adviser determines that there is a Successor Rate, then such Successor Rate (as adjusted by the applicable Adjustment Spread as provided in paragraph (c) below) shall subsequently be used in place of the Original Reference Rate as a component part of determining the relevant Reset Interest

- Rate(s) for all future payments of interest on the Capital Securities (subject to the subsequent further operation of this Clause 12); or
- (ii) the Independent Adviser determines that there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate (as adjusted by the applicable Adjustment Spread as provided in paragraph (c) below) shall subsequently be used in place of the Original Reference Rate as a component part of determining the relevant Reset Interest Rate(s) for all future payments of interest on the Capital Securities (subject to the subsequent further operation of this Clause 12); or
 - (iii) either (I) the Issuer is unable to appoint an Independent Adviser or (II) the Independent Adviser does not determine a Successor Rate or an Alternative Rate or, in either case, no applicable Adjustment Spread is determined pursuant to paragraph (c) below, three Business Days prior to the Reset Interest Determination Date relating to any applicable Reset Period, the fallback provisions set out in the definitions of 5 Year EUR Mid-Swap Rate and Reset Reference Bank Rate in Clause 1.1 (*Definitions*) will continue to apply. For the avoidance of doubt, this paragraph (iii) shall apply to the determination of the Reset Interest Rate on the relevant Reset Interest Determination Date only, and the Reset Interest Rate applicable to any subsequent Reset Period(s) is subject to the subsequent operation of, and to adjustment as provided in, this Clause 12.
- (c) If a Successor Rate or Alternative Rate is determined in accordance with paragraph (b), the Independent Adviser acting in good faith and in a commercially reasonable manner shall determine an Adjustment Spread (which may be expressed as a specified quantum or a formula or methodology for determining the applicable Adjustment Spread (and, for the avoidance of doubt, an Adjustment Spread may be positive, negative or zero)) which shall be applied to the Successor Rate or the Alternative Rate (as the case may be) for each subsequent determination of a relevant Reset Interest Rate by reference to such Successor Rate or Alternative Rate (as applicable), subject to the subsequent further operation and adjustment as provided in this Clause 12.
- (d) If any Successor Rate, Alternative Rate and (in either case) the applicable Adjustment Spread is determined in accordance with this Clause 12 and the Independent Adviser determines: (I) that amendments to these Terms and Conditions and/or the Agency Agreement are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or (in either case) Adjustment Spread (such amendments, the “**Benchmark Amendments**”) and (II) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with paragraph (d) below, without any requirement for the consent or approval of the Holders, vary these Terms and Conditions and/or the Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice. In connection with any such variation in accordance with this paragraph (d), the Issuer shall comply with the rules of any stock exchange or other relevant authority on or by which the Capital Securities are for the time being listed or admitted to trading.

- (e) The Issuer shall, no later than three Business Days prior to the relevant Interest Payment Date, notify the Agent, the Issuing Agent and, in accordance with Clause 27 (*Notices*), the Holders of any Successor Rate, Alternative Rate, the applicable Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Clause 12. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any. No later than notifying the Agent of the same, the Issuer shall deliver to the Agent a certificate signed by an authorised signatory of the Issuer:
- (i) confirming (x) that a Benchmark Event has occurred; (y) the Successor Rate or, as the case may be, the Alternative Rate; and (z) the applicable Adjustment Spread and/or the specific terms of any Benchmark Amendments, in each case as determined in accordance with the provisions of this Clause 12;
 - (ii) certifying that the Benchmark Amendments are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or (in either case) Adjustment Spread; and
 - (iii) certifying that the Issuer has duly consulted with an Independent Adviser with respect to each of the matters above.

The Agent shall be entitled to rely on such certificate (without enquiry or liability to any person) as sufficient evidence thereof. The Successor Rate or Alternative Rate and (in either case) the Adjustment Spread, the Benchmark Amendments (if any) and any such other relevant changes pursuant to this Clause 12 specified in such certificate will (in the absence of manifest error in the determination of the Successor Rate or Alternative Rate and (in either case) the Adjustment Spread and the Benchmark Amendments (if any) and without prejudice to the Agent's ability to rely on such certificate as aforesaid) be binding on the Issuer, the Agent, the Issuing Agent and the Holders.

At the request of the Issuer, but subject to receipt by the Agent of a certificate signed by an authorised signatory of the Issuer pursuant to this paragraph (d), the Agent and the Issuing Agent shall, (at the Issuer's expense and direction), without any requirement for the consent or approval of the Holders, be obliged to concur with the Issuer in effecting any Benchmark Amendments required to the Agency Agreement and these Terms and Conditions and the Agent and the Issuing Agent shall not be liable to any party for any consequences thereof, provided that none of the Agent and the Issuing Agent shall be obliged so to concur if in the sole opinion of the Agent or the Issuing Agent (as applicable) doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the rights and/or the protective provisions afforded to it in the Terms and Conditions or the Agency Agreement (including, for the avoidance of doubt, any supplemental agency agreement) in any way.

- (f) Without prejudice to the obligations of the Issuer under this Clause 12.1, the Original Reference Rate and the fallback provisions provided for in the definitions of 5 Year EUR Mid-Swap Rate and Reset Reference Bank Rate in Clause 1.1 (*Definitions*) will continue to apply unless and until the Issuing Agent has been notified of the Successor

Rate or the Alternative Rate (as the case may be), the applicable Adjustment Spread and Benchmark Amendments, in accordance with this Clause 12.

- (g) If, in the case of any Benchmark Event, any Successor Rate, Alternative Rate and/or Adjustment Spread is notified to the Issuing Agent pursuant to paragraph (e), and the Issuing Agent is in any way uncertain as to the application of such Successor Rate, Alternative Rate and/or Adjustment Spread in the calculation or determination of any Reset Interest Rate, it shall promptly notify the Issuer thereof and the Issuer shall direct the Issuing Agent in writing (which direction may be by way of a written determination of an Independent Adviser) as to which course of action to adopt in the application of such Successor Rate, Alternative Rate and/or Adjustment Spread in the determination of such Reset Interest Rate. If the Issuing Agent is not promptly provided with such direction, or is otherwise unable to make such calculation or determination for any reason, it shall notify the Issuer thereof and the Issuing Agent shall be under no obligation to make such calculation or determination and shall not incur any liability for not doing so. For the avoidance of doubt, for the period that the Issuing Agent remains uncertain of the application of the Successor Rate, Alternative Rate and/or Adjustment Spread in the calculation or determination of any Reset Interest Rate, the Original Reference Rate and the fallback provisions provided for in the definitions of 5 Year EUR Mid-Swap Rate and Reset Reference Bank Rate in Clause 1.1 (*Definitions*) shall continue to apply.
- (h) Notwithstanding any other provision of this Clause 12, no Successor Rate or Alternative Rate will be adopted, nor will the applicable Adjustment Spread be applied, nor will any Benchmark Amendments be made, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to (i) result in a reduction of the amount of “equity credit” assigned to the Capital Securities by any Rating Agency when compared to the “equity credit” assigned to the Capital Securities immediately prior to the occurrence of the relevant Benchmark Event from such Rating Agency or (ii) otherwise prejudice the eligibility of the Capital Securities for “equity credit” from any Rating Agency.

12.2 As used in this Clause 12:

- (i) “**Adjustment Spread**” means either a spread (which may be positive or negative or zero), or the formula or methodology for calculating a spread, in either case, which is to be applied to the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:
 - (A) in the case of a Successor Rate, is formally recommended, or formally provided as an option for parties to adopt, in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or
 - (B) in the case of an Alternative Rate, or (where (A) above does not apply) in the case of a Successor Rate, is in customary market usage in the international debt capital markets for transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or

- (C) (if the Independent Adviser determines that neither (A) nor (B) above applies) the Independent Adviser determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or
 - (D) (if the Independent Adviser determines that neither (A), (B) nor (C) above applies) the Independent Adviser determines to be appropriate to reduce or eliminate, to the fullest extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Holders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be);
- (ii) “**Alternative Rate**” means an alternative benchmark or screen rate which the Independent Adviser determines in accordance with this Clause 12 has replaced the Original Reference Rate in customary market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) for resetting five year periods in euro or, if the Independent Adviser determines there is no such rate, such other rate as the Independent Adviser acting in good faith and in a commercially reasonable manner determines is most comparable to the Original Reference Rate;
- (iii) “**Benchmark Amendments**” has the meaning specified in Clause 12.1(d);
- (iv) “**Benchmark Event**” means:
- (A) the Original Reference Rate ceasing to be published for at least five Business Days or ceasing to exist or be administered;
 - (B) the later of (I) the making of a public statement by the administrator of the Original Reference Rate that it will, on or before a specified date, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate) and (II) the date falling six months prior to the specified date referred to in (B)(I) above;
 - (C) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been permanently or indefinitely discontinued;
 - (D) the later of (I) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate will, on or before a specified date, be permanently or indefinitely discontinued and (II) the date falling six months prior to the specified date referred to in (D)(I) above;

- (E) the later of (I) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that means the Original Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, in each case on or before a specified date and (II) the date falling six months prior to the specified date referred to in (E)(I) above;
 - (F) it has, or will prior to the next Reset Interest Determination Date, become unlawful for the Issuer, the Issuing Agent or any other party to calculate any payments due to be made to any Holder using the Original Reference Rate; and/or
 - (G) the later of (I) the making of a public statement by the supervisor of the administrator of the Original Reference Rate announcing that such Original Reference Rate is or will, on or before a specified date, be no longer representative or may no longer be used and (II) the date falling six months prior to the specified date referred to in (G)(I) above;
- (v) “**Independent Adviser**” means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer under Clause 12.1 at its own expense and with prior notification to the Agent;
 - (vi) “**Original Reference Rate**” means the rate described in the first paragraph of the definition of 5 Year EUR Mid-Swap Rate in Clause 1.1 (*Definitions*) (provided that if, following one or more Benchmark Events, such 5 Year EUR Mid-Swap Rate (or any Successor Rate or Alternative Rate which has replaced it) has been replaced by a (or a further) Successor Rate or Alternative Rate, the term “**Original Reference Rate**” shall include any such Successor Rate or Alternative Rate);
 - (vii) “**Relevant Nominating Body**” means, in respect of the Original Reference Rate:
 - (A) the central bank, reserve bank, monetary authority or any similar institution for the currency to which the Original Reference Rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the Original Reference Rate; or
 - (B) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (I) the central bank, reserve bank, monetary authority or any similar institution for the currency to which the Original Reference Rate relates, (II) any central bank or other supervisory authority which is responsible for supervising the administrator of the Original Reference Rate, (III) a group of the aforementioned central banks or other supervisory authorities, or (IV) the Financial Stability Board or any part thereof; and
 - (viii) “**Successor Rate**” means a successor to or replacement of the Original Reference Rate which is provided by law or regulation applicable to

indebtedness denominated in the currency to which the Original Reference Rate relates and/or formally recommended by any Relevant Nominating Body.

13. REDEMPTION AND REPURCHASE OF THE CAPITAL SECURITIES

13.1 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 13 (*Redemption and repurchase of the Capital Securities*). The Capital Securities are not redeemable at the option of the Holders at any time.

13.2 Group Companies may purchase Capital Securities

The Issuer or any other Group Company may, subject to applicable law, at any time and at any price purchase Capital Securities in 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.

13.3 Voluntary redemption by the Issuer (call option)

13.3.1 The Issuer may redeem all, but not only some, of the Capital Securities on (a) any date from (and including) 15 October 2026 up to (and including) the First Reset Date or (b) on any Interest Payment Date falling thereafter (each such date a "**Par Call Date**") at a price per Capital Security equal to one hundred (100.00) per cent. of the Nominal Amount together with any Deferred Interest and any interest accrued from (but excluding) the immediately preceding Interest Payment Date to (and including) the Redemption Date.

13.3.2 Redemption in accordance with Clause 13.3.1 shall be made by the Issuer giving at least twenty (20) but not more than sixty (60) Business Days' notice, prior to the proposed Redemption Date, to the Holders, the Issuing Agent and the Agent. Any such notice shall state the Redemption Date and the relevant Record Date and is irrevocable. Upon expiry of such notice, the Issuer is bound to redeem the Capital Securities in full at the applicable amounts.

13.4 Make-whole redemption by the Issuer

13.4.1 The Issuer may, having given at least twenty (20) but not more than sixty (60) Business Days' notice to the Issuing Agent, the Agent and, in accordance with Clause 27 (*Notices*), the Holders (which notice shall be irrevocable and shall specify the date fixed for redemption (such date, the "**Make-whole Redemption Date**")), redeem all, but not some only, of the Capital Securities then outstanding on any date other than a Par Call Date at the Make-whole Redemption Amount.

13.4.2 Any such notice of the redemption of the Capital Securities may, at the Issuer's discretion, be subject to one or more conditions precedent, in which case such notice shall state that, in the Issuer's discretion, the Make-whole Redemption Date may be delayed until such time as any or all such conditions shall be satisfied (or waived by the Issuer in its sole discretion), or such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied (or waived by the Issuer in its sole discretion) by the Make-whole Redemption Date, or by the Make-whole Redemption Date so delayed. The Issuer shall notify the Agent, the Issuing Agent and, in accordance with Clause 27 (*Notices*),

the Holders of any delay to the Make-whole Redemption Date or rescindment of the notice of the redemption of the Capital Securities (as applicable).

13.4.3 For the purposes of this Clause 13.4, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

“**Benchmark Rate**” means the mid-market annual yield to maturity of the Reference Bond as displayed on the Reference Screen Page at 11.00 a.m. (CET) on the Calculation Date (or, if the Reference Screen Page is not available at such time, the average of the four quotations given by Reference Dealers of the mid-market annual yield to maturity of the Reference Bond on the Calculation Date at or around 11.00 a.m. (CET). The Benchmark Rate (and the reference of the Similar Security, if applicable) will be published by the Issuer in accordance with Clause 27 (*Notices*).

“**Calculation Date**” means the third (3rd) Business Day prior to the Make-whole Redemption Date.

“**Make-whole Calculation Agent**” means an investment bank, financial institution of international standing or an independent financial adviser with appropriate expertise to be appointed by the Issuer.

“**Make-whole Margin**” means, in respect of any Make-whole Redemption Date the applicable Margin plus a make-whole margin of 50 basis points per annum, as increased pursuant to Clause 10.7 (*Step-up after a Change of Control Event*) (if applicable).

“**Make-whole Redemption Amount**” means, in respect of each Capital Security, an amount in Euro, determined by the Make-whole Calculation Agent, equal to the sum of:

- (a) the greater of (x) 100 per cent. of the principal amount outstanding of such Capital Security to be redeemed and (y) the sum of the present values as at the Make-whole Redemption Date of the principal amount outstanding of such Capital Security plus the remaining scheduled payments of interest on such Capital Security (exclusive of any Deferred Interest and any interest accruing on such Capital Security from, and including, the last Interest Payment Date or, as the case may be, the Issue Date, immediately preceding such Make-whole Redemption Date to, but excluding, the Make-whole Redemption Date) up to the next Par Call Date and discounted to such Make-whole Redemption Date, on the basis of the day-count fraction at a rate equal to the Make-whole Redemption Rate; and
- (b) any interest accrued but not paid, and any unpaid Deferred Interest, on such Capital Security to, but excluding, the Make-whole Redemption Date.

“**Make-whole Redemption Rate**” means the sum, as calculated by the Make-whole Calculation Agent, of the Benchmark Rate and the Make-whole Margin.

“**Reference Bond**” means DBR 0.000% due 9 October 2026 (with ISIN DE0001141844), or if such security is no longer outstanding, a Similar Security chosen by the Make-whole Calculation Agent and notified to the Issuer.

“**Reference Dealers**” means four banks selected from time to time by the Make-whole Calculation Agent, at its sole discretion, which are primary European government securities dealers, and their respective successors, or market makers in pricing corporate bond issues.

“**Reference Screen Page**” means Bloomberg screen page “HP” for the Reference Bond (using the settings “Mid YTM” and “Daily”) (or any successor or replacement page, section or other part of the information service), or such other page, section or other part as may replace it on the information service or such other information service, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying the mid-market yield to maturity for the Reference Bond.

“**Similar Security**” means a German Bundesobligationen having an actual or interpolated maturity comparable with the remaining term to the next Par Call Date of the Capital Securities to be redeemed, that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities comparable with the Capital Securities.

13.5 **Voluntary redemption due to a Special Event**

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

- (a) in relation to an Accounting Event, Rating Event or Tax Event:
 - (i) if the Redemption Date falls prior to 15 October 2026, one hundred and one (101.00) per cent. of the Nominal Amount; or
 - (ii) if the Redemption Date falls on or after 15 October 2026, one hundred (100.00) per cent. of the Nominal Amount,
- (b) in relation to a Substantial Repurchase Event or a Withholding Tax Event, one hundred (100.00) per cent. of the Nominal Amount,

in each case together with any Deferred Interest and any interest accrued from (but excluding) the immediately preceding Interest Payment Date to (and including) the Redemption Date.

13.5.2 Redemption in accordance with Clause 13.5.1 shall be made by the Issuer giving at least twenty (20) but not more than sixty (60) Business Days’ notice, prior to the proposed Redemption Date, to the Holders, the Issuing Agent and the Agent. Any such notice shall state the Redemption Date and the relevant Record Date and is irrevocable. Upon expiry of such notice, the Issuer is bound to redeem the Capital Securities in full at the applicable amounts.

13.6 **Voluntary redemption due to a Change of Control Event**

13.6.1 Upon the occurrence of a Change of Control Event, the Issuer may, no later than the Change of Control Step-up Date, redeem all, but not some only, of the Capital Securities at a price per Capital Security equal to one hundred (100.00) per cent. of the Nominal Amount together with any Deferred Interest and any interest accrued from (but excluding) the immediately preceding Interest Payment Date to (and including) the Redemption Date.

13.6.2 Redemption in accordance with Clause 13.6.1 shall be made by the Issuer giving at least twenty (20) but not more than sixty (60) Business Days’ notice, prior to the proposed Redemption Date, to the Holders, the Issuing Agent and the Agent. Any such notice shall state the Redemption Date and the relevant Record Date and is irrevocable. Upon expiry of such notice, the Issuer is bound to redeem the Capital Securities in full at the applicable amounts.

13.6.3 Immediately upon the Issuer becoming aware that a Change of Control Event has occurred, the Issuer shall give notice to the Agent and the Holders in accordance with Clause 27 (*Notices*), specifying the nature of the Change of Control Event.

13.7 **Cancellation of Capital Securities**

All Capital Securities which are redeemed pursuant to this Clause 13 and all Capital Securities purchased and elected to be cancelled pursuant to Clause 13.2 (*Group Companies may purchase Capital Securities*) will be cancelled and may not be reissued or resold. The Issuer shall promptly inform the Holders in accordance with Clause 27 (*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 and the rules of such exchange so require, the Issuer shall promptly inform Nasdaq Stockholm (or any other relevant Regulated Market on which the Capital Securities are admitted to trading) of the cancellation of any Capital Securities under this Clause 13.7.

14. **SUBSTITUTION OR VARIATION**

14.1 If at any time a Tax Event, a Rating Event, a Withholding Tax Event or an Accounting Event has occurred and is continuing, then the Issuer may, subject to Clause 15 (*Preconditions to Special Event Redemption, Change of Control Event Redemption or Substitution or Variation*) (without any requirement for the consent or approval of the Holders) subject to its having satisfied the Agent immediately prior to the giving of any notice referred to herein that the provisions of this Clause 14 (*Substitution or Variation*) have been complied with, and having given not less than thirty (30) nor more than sixty (60) days' notice to the Agent, the Issuing Agent and, in accordance with Clause 27 (*Notices*), to the Holders (which notice shall be irrevocable), at any time either:

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

and the Agent shall (subject to the following provisions of this Clause 14 (*Substitution or Variation*) and subject to the receipt by it of the certificate by an authorised signatory of the Issuer referred to in Clause 15 (*Preconditions to Special Event Redemption, Change of Control Event Redemption or Substitution or Variation*)) agree to such substitution or variation.

14.2 Upon expiry of such notice, the Issuer shall either vary the terms of or, as the case may be, substitute the Capital Securities in accordance with this Clause 14 (*Substitution or Variation*).

14.3 The Agent shall (at the expense of the Issuer) use reasonable endeavours to assist the Issuer in the substitution of the Capital Securities for, or the variation of the terms of the Capital Securities so that they remain or, as the case may be, become, Qualifying Capital Securities, provided that the Agent shall not be obliged to participate in, or assist with, any such substitution or variation if the terms of the proposed Qualifying Capital Securities, or the participation in or assistance with such substitution or variation, would expose the Agent to any liability or impose, in the Agent's opinion, more onerous obligations upon it. If the Agent

does not participate or assist as provided above, the Issuer may redeem the Capital Securities as provided in Clause 13 (*Redemption and repurchase of Capital Securities*).

- 14.4 In connection with any substitution or variation in accordance with this Clause 14 (*Substitution or Variation*), the Issuer shall comply with the rules of any stock exchange on which the Capital Securities are for the time being listed or admitted to trading.

15. PRECONDITIONS TO SPECIAL EVENT REDEMPTION, CHANGE OF CONTROL EVENT REDEMPTION OR SUBSTITUTION AND VARIATION

- 15.1 Prior to the publication of any notice of redemption pursuant to Clause 13 (*Redemption and repurchase of the Capital Securities*) (other than redemption pursuant to Clause 13.3 (*Voluntary redemption by the Issuer (call option)*)) or any notice of substitution or variant pursuant to Clause 14 (*Substitution or Variation*), the Issuer shall deliver to the Agent a certificate signed by the CEO, CFO or another authorised signatory 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 Securities 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;
- (c) in the case of an Accounting Event only, a copy of a letter or report from a recognised international accounting firm confirming that an Accounting Event has occurred; and
- (d) the case of a substitution or variation pursuant to Clause 14 (*Substitution or Variation*), that:
 - (i) the Issuer has determined that the terms of the Qualifying Capital Securities are not materially less favourable to Holders than the terms of the Capital Securities 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 Securities will be satisfied by the Qualifying Capital Securities upon issue; and
 - (iii) the relevant substitution or variation (as the case may be) will not result in the occurrence of a Special Event.

- 15.2 In addition, (i) in the case of a Tax Event or a Withholding Tax Event, the Issuer shall deliver to the 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) and (ii) in the case of a Tax Event only, the Issuer shall deliver to the Agent a tax ruling from the Swedish tax authorities, issued prior to the Tax Law Change, which confirms that the Issuer was entitled to claim a Tax Deduction on or after the Issue Date.

- 15.3 Any redemption of the Capital Securities in accordance with Clause 13 (*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 11.3 (*Mandatory settlement of Deferred Interest*) on or prior to the date of such redemption.

16. ADMISSION TO TRADING

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

- (a) the Capital Securities are admitted to trading 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 Issue Date; and
- (b) 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).

17. DEFAULT AND ENFORCEMENT

17.1 Proceedings

- (a) Without prejudice to the Issuer's right to defer the payment of interest under Clause 11 (*Optional interest deferral*), if a default is made by the Issuer for a period of thirty (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 (subject to Clause 25.2) any Holder may institute proceedings for an Issuer Winding-up provided that such default is still continuing.
- (b) In the event of an Issuer Winding-up, a Holder may, provided such Holder does not contravene a previously adopted resolution (if any), either independently or through the Agent prove and/or claim in such Issuer Winding-up in respect of the Capital Securities, such claim being for such amount, and being subordinated in such manner, as is provided under Clause 3.2.

17.2 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.

17.3 **Extent of Holders' Remedy**

No remedy against the Issuer, other than as referred to in this Clause 17, shall be available to the Agent and the Holders, whether for the recovery of amounts owing in respect of the Capital Securities or in respect of any breach by the Issuer of any of its other obligations under or in respect of the Capital Securities.

18. **DECISIONS BY HOLDERS**

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

18.2 Any request from the Issuer or a Holder (or Holders) representing at least ten (10.00) 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 these Terms and Conditions shall be directed to the Agent and dealt with at a Holders' 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 Holders' Meeting than by way of a Written Procedure, it shall be dealt with at a Holders' Meeting.

18.3 The Agent may refrain from convening a Holders' Meeting or instigating a Written Procedure if:

- (a) 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
- (b) the suggested decision is not in accordance with applicable laws.

18.4 Only a Person who is, or who has been provided with a power of attorney or other proof of authorisation pursuant to Clause 8 (*Right to act on behalf of a Holder*) from a Person who is, registered as a Holder:

- (a) on the Business Day specified in the notice pursuant to Clause 19.2, in respect of a Holders' Meeting; or
- (b) on the Business Day specified in the communication pursuant to Clause 20.3, 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 definition of Adjusted Nominal Amount.

18.5 The following matters shall require consent of Holders representing at least two thirds (2/3) 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 20.3:

- (a) a change to the currency, denomination, status or transferability of the Capital Securities;

- (b) a change to the Nominal Amount or the Interest Rate (including, for the avoidance of doubt, changes to the Margin);
 - (c) 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 11 (*Optional interest deferral*);
 - (d) early redemption of the Capital Securities, other than as otherwise permitted or required by these Terms and Conditions;
 - (e) a mandatory exchange of Capital Securities for other securities; and
 - (f) amend the provisions in this Clause 18.5 or in Clause 18.6.
- 18.6 Any matter not covered by Clause 18.5, including for the avoidance of doubt the initiation of an Issuer Winding-up, shall require the consent of Holders representing more than fifty (50.00) 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 20.3. This includes, but is not limited to, any amendment to or waiver of the terms of these Terms and Conditions that does not require a higher majority (other than an amendment or waiver permitted pursuant to paragraphs (a) or (b) of Clause 21.1).
- 18.7 Quorum at a Holders' Meeting or in respect of a Written Procedure only exists if a Holders (or Holders) representing at least fifty (50.00) per cent. of the Adjusted Nominal Amount in case of a matter pursuant to Clause 18.5 and otherwise twenty (20.00) 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.
- 18.8 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 19.1) or initiate a second Written Procedure (in accordance with Clause 20.1), as the case may be, provided that the relevant proposal has not been withdrawn by the Person(s) who initiated the procedure for Holders' consent. The quorum requirement in Clause 18.7 shall not apply to such second Holders' Meeting or Written Procedure.
- 18.9 Any decision which extends or increases the obligations of the Issuer or the Agent, or limits, reduces or extinguishes the rights or benefits of the Issuer or the Agent, under these Terms and Conditions shall be subject to the Issuer's or the Agent's consent, as appropriate.
- 18.10 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.
- 18.11 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.

- 18.12 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.
- 18.13 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.
- 18.14 If a decision shall be taken by the Holders on a matter relating to these Terms and Conditions, the Issuer shall promptly at the request of the Agent provide the Agent with a certificate specifying the number of Capital Securities owned by Group Companies or (to the knowledge of the Issuer) their Affiliates, 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 to determine whether a Capital Security is owned by a Group Company or an Affiliate of a Group Company.
- 18.15 Information about decisions taken at a Holders' Meeting or by way of a Written Procedure shall promptly be sent by notice to the Holders 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 Holders' Meeting or Written Procedure shall at the request of a Holders be sent to it by the Issuer or the Agent, as applicable.

19. HOLDERS' MEETING

- 19.1 The Agent shall convene a Holders' Meeting no later than five (5) Business Days after receipt of a 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 to each such Person who is registered as a Holder on the Business Day prior to the date on which the notice is sent. If the Holders' Meeting has been requested by the Holder(s), the Agent shall send a copy of the notice to the Issuer.
- 19.2 Should the Issuer want to replace the Agent, it may convene a Holders' Meeting by sending a notice to each Holder in accordance with Clause 19.1 with a copy to the Agent. Before such notice is sent the Issuer shall inform the Agent of its request to replace the Agent and, on the request of the Agent, append a statement from the Agent together with the notice. After a request from the Holders pursuant to Clause 22.4.3, 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 Holders' Meeting in accordance with Clause 19.1.
- 19.3 The notice pursuant to Clause 19.1 shall include:
- (a) time for the meeting;
 - (b) place and, at the Agent's discretion, dial-ins for the meeting,

- (c) 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 (such Business Day not to fall earlier than the effective date of the notice pursuant to Clause 19.1),
 - (d) agenda for the meeting (including each request for a decision by the Holders) and
 - (e) a form of power of attorney.
- 19.4 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.
- 19.5 The Holders' Meeting shall be held no earlier than ten (10) Business Days and no later than twenty (20) Business Days from the notice.
- 19.6 If the Agent, in breach of these Terms and Conditions, has not convened a Holders' Meeting within five (5) Business Days after having received such notice, the requesting Person may convene the Holders' Meeting itself. If the requesting Person is a Holder, the Issuer shall upon request from such Holder provide the Holder with necessary information from the register kept by the CSD and, if no Person to open the Holders' Meeting has been appointed by the Agent, the meeting shall be opened by a Person appointed by the requesting Person.
- 19.7 At a Holders' Meeting, the Issuer, the Holders (or the Holders' representatives/proxies) and the Agent may attend along with each of their representatives, counsels and assistants. Further, the directors of the board, the managing director and other officials of the Issuer and the Issuer's auditors may attend the Holders' Meeting. The Holders' Meeting may decide that further individuals may attend. If a representative/proxy shall attend the Holders' Meeting instead of the Holder, the representative/proxy shall present a duly executed proxy or other document establishing its authority to represent the Holder.
- 19.8 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.

20. WRITTEN PROCEDURE

- 20.1 The Agent shall instigate a Written Procedure no later than five (5) Business Days after receipt of a 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 such Person who is registered as a Holder on the Business Day prior to the date on which the communication is sent. If the Written Procedure has been requested by the Holder(s), the Agent shall send a copy of the communication to the Issuer.
- 20.2 Should the Issuer want to replace the Agent, it may send a communication in accordance with Clause 20.1 to each Holder with a copy to the Agent.
- 20.3 A communication pursuant to Clause 20.1 shall include:
- (a) each request for a decision by the Holders;

- (b) a description of the reasons for each request;
- (c) 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 (such Business Day not to fall earlier than the effective date of the communication pursuant to Clause 20.1);
- (d) 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;
- (e) the stipulated time period within which the Holder must reply to the request (such time period to last at least ten (10) Business Days but not more than twenty (20) Business Days from the communication pursuant to Clause 20.1); and
- (f) if the voting shall be made electronically, instructions for such voting.

20.4 If the Agent, in breach of these Terms and Conditions, has not instigated a Written Procedure within five (5) Business Days after having received such notice, the requesting Person may instigate a Written Procedure itself. If the requesting Person is a Holder, the Issuer shall upon request from such Holder provide the Holder with necessary information from the register kept by the CSD.

20.5 When the requisite majority consents of the total Adjusted Nominal Amount pursuant to Clauses 18.5 and 18.6 have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 18.5 or 18.6, as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

21. AMENDMENTS AND WAIVERS

21.1 The Issuer and the Agent (acting on behalf of the Holders) may agree to amend these Terms and Conditions or waive any provision in these Terms and Conditions, provided that:

- (a) such amendment or waiver is not prejudicial to the interest of the Holders, 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 18 (*Decisions by Holders*).

21.2 The consent of the Holders is not necessary to approve the particular form of any amendment or waiver to these Terms and Conditions. It is sufficient if such consent approves the substance of the amendment or waiver.

21.3 The Agent shall promptly notify the Holders of any amendments or waivers made in accordance with Clause 21.1, setting out the date from which the amendment or waiver will be effective, and ensure that any amendments to these Terms and Conditions are available on the website of the Agent and the Issuer shall ensure that such amendments to these Terms and Conditions are available on the website of the Issuer. The Issuer shall ensure that any amendments to these Terms and Conditions are duly registered with the CSD.

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

22. APPOINTMENT AND REPLACEMENT OF THE AGENT

22.1 Appointment of Agent

22.1.1 By subscribing for Capital Securities, each initial Holder appoints the Agent to act as its agent and security agent in all matters relating to the Capital Securities and these Terms and Conditions, and authorises the Agent to act on its behalf (without first having to obtain its consent, unless such consent is specifically required by these Terms and Conditions) in any legal or arbitration proceedings relating to the Capital Securities held by such Holder, including the winding-up, dissolution, liquidation, company reorganisation (Sw. *företagsrekonstruktion*), or bankruptcy (Sw. *konkurs*) (or its equivalent in any other jurisdiction) of the Issuer. By acquiring Capital Securities, each subsequent Holder confirms such appointment and authorisation for the Agent to act on its behalf.

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

22.1.3 The Issuer shall promptly upon request provide the Agent with any documents and other assistance (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under these Terms and Conditions.

22.1.4 The Agent is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in these Terms and Conditions and the Agent's obligations as agent and security agent under these Terms and Conditions are conditioned upon the due payment of such fees and indemnifications.

22.1.5 The Agent may act as agent and/or security agent for several issues of securities issued by or relating to the Issuer and other Group Companies notwithstanding potential conflicts of interest.

22.2 Duties of the Agent

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

22.2.2 The Agent shall keep the latest version of these Terms and Conditions (including any document amending these Terms and Conditions) available on the website of the Agent. The latest versions of these Terms and Conditions shall be available to the Holders at the office of the Agent during normal business hours.

22.2.3 Upon request by a Holder, the Agent may distribute to the Holders any information from such Holder which relates to the Capital Securities (at the discretion of the Agent). The Agent may

require that the requesting Holder reimburses any costs or expenses incurred, or to be incurred, by the Agent in doing so (including a reasonable fee for the work of the Agent) before any such information is distributed. The Agent may upon request by a Holder disclose the identity of any other Holder who has consented to the Agent in doing so.

- 22.2.4 When acting in accordance with these Terms and Conditions, the Agent is always acting with binding effect on behalf of the Holders. The Agent shall carry out its duties under these Terms and Conditions in a reasonable, proficient and professional manner, with reasonable care and skill.
- 22.2.5 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 these Terms and Conditions.
- 22.2.6 The Agent shall treat all Holders equally and, when acting pursuant to these Terms and Conditions, act with regard only to the interests of the Holders and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other Person, other than as explicitly stated in these Terms and Conditions.
- 22.2.7 The Agent shall be entitled to disclose to the Holders any event or circumstance directly or indirectly relating to the Issuer or the Capital Securities. Notwithstanding the foregoing, the Agent may if it considers it to be beneficial to the interests of the Holders delay disclosure or refrain from disclosing certain information.
- 22.2.8 The Agent is entitled to engage external experts when carrying out its duties under these 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.
- 22.2.9 The Agent shall enter into agreements with the CSD, and comply with such agreement and the CSD regulations applicable to the Agent, as may be necessary in order for the Agent to carry out its duties under these Terms and Conditions.
- 22.2.10 Notwithstanding any other provision of these Terms and Conditions to the contrary, the Agent is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation.
- 22.2.11 If in the Agent's reasonable opinion the cost, loss or liability which it may incur (including reasonable fees to the Agent) in complying with instructions of the Holders, or taking any action at its own initiative, will not be covered by the Issuer, the Agent may refrain from acting in accordance with such instructions, or taking such action, until it has received such funding or indemnities (or adequate security has been provided therefore) as it may reasonably require.
- 22.2.12 The Agent shall give a notice to the Holders (i) before it ceases to perform its obligations under these Terms and Conditions by reason of the non-payment by the Issuer of any fee or indemnity due to the Agent under these Terms and Conditions, or (ii) if it refrains from acting for any reason described in Clause 22.2.11.
- 22.2.13 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.

22.3 **Limited liability for the Agent**

- 22.3.1 The Agent will not be liable to the Holders for damage or loss caused by any action taken or omitted by it under or in connection with these Terms and Conditions, unless directly caused by its negligence or wilful misconduct. The Agent shall never be responsible for indirect loss.
- 22.3.2 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 Holders to delay the action in order to first obtain instructions from the Holders.
- 22.3.3 The Agent shall not be liable for any delay (or any related consequences) in crediting an account with an amount required pursuant to these Terms and Conditions to be paid by the Agent to the Holders, provided that the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.
- 22.3.4 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 18 (*Decisions by Holders*) or a demand given by Holders in accordance with these Terms and Conditions.
- 22.3.5 Any liability towards the Issuer which is incurred by the Agent in acting under, or in relation to, these Terms and Conditions shall not be subject to set-off against the obligations of the Issuer to the Holders under these Terms and Conditions.
- 22.3.6 The Agent is not liable for information provided to the Holders by or on behalf of the Issuer or by any other Person.

22.4 **Replacement of the Agent**

- 22.4.1 Subject to Clause 22.4.6, 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.
- 22.4.2 Subject to Clause 22.4.6, if the Agent is insolvent or becomes subject to bankruptcy proceedings, 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.
- 22.4.3 A Holder (or Holders) representing at least ten (10.00) 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.
- 22.4.4 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.

- 22.4.5 The retiring Agent shall, at its own cost, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under these Terms and Conditions.
- 22.4.6 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.
- 22.4.7 Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of these Terms and Conditions but shall remain entitled to the benefit of these Terms and Conditions and remain liable under these Terms and Conditions in respect of any action which it took or failed to take whilst acting as Agent. Its successor, the Issuer and each of the Holders shall have the same rights and obligations amongst themselves under these Terms and Conditions as they would have had if such successor had been the original Agent.
- 22.4.8 In the event that there is a change of the Agent in accordance with this Clause 22.4, the Issuer shall execute such documents and take such actions as the new Agent may reasonably require for the purpose of vesting in such new Agent the rights, powers and obligation of the Agent and releasing the retiring Agent from its further obligations under these Terms and Conditions. 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.

23. APPOINTMENT AND REPLACEMENT OF THE ISSUING AGENT

- 23.1 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.
- 23.2 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.
- 23.3 The Issuer may (with prior notification to the Agent), from time to time replace the Issuing Agent with another reputable independent financial institution of good standing. If the Issuing Agent is unable or unwilling to continue to act as the Issuing Agent or fails to determine a Reset 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 reputable independent financial institution of good standing engaged in the interbank market that is closely connected with the calculation or determination to be made by the Issuing Agent to act as such in its place. The Issuing Agent may not resign its duties or be removed without a successor approved by the CSD 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 independent financial

institution of good standing engaged in the inter-bank market that is closely connected with the calculation or determination to be made by the Issuing Agent which the Issuer shall approve.

- 23.4 All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of Clause 10 (*Interest*) by the Issuing Agent shall (in the absence of manifest error) be binding on the Issuer, the Issuing Agent, the Agent and all Holders and (in the absence of wilful default, gross negligence and fraud) no liability to the Holders 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.

24. APPOINTMENT AND REPLACEMENT OF THE CSD

- 24.1 The Issuer has appointed the CSD to manage certain tasks under these Terms and Conditions and in accordance with the legislation, rules and regulations applicable to the CSD.
- 24.2 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 listed on the corporate bond list of Nasdaq Stockholm (or any other Regulated Market, as applicable). The replacing CSD must be authorised to professionally conduct clearing operations pursuant to the Swedish Securities Market Act (*Sw. lag (2007:528) om värdepappersmarknaden*).

25. NO DIRECT ACTIONS BY HOLDERS

- 25.1 A Holder may not take any action or take any legal steps whatsoever against the Issuer or a Subsidiary to enforce or recover any amount due or owing to it pursuant to these Terms and Conditions, or to initiate, support or procure the winding-up, dissolution, liquidation, company reorganisation (*Sw. företagsrekonstruktion*) or bankruptcy (*Sw. konkurs*) (or its equivalent in any other jurisdiction) of the Group Companies in relation to any of the liabilities of the Issuer or a Subsidiary under these Terms and Conditions. Such steps may only be taken by the Agent.
- 25.2 Clause 25.1 shall not apply if the Agent has been instructed by the Holders in accordance with these Terms and Conditions to take certain actions but fails for any reason to take, or is unable to take (for any reason other than a failure by a Holder to provide documents in accordance with Clause 22.1.2), 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 these Terms and Conditions or by any reason described in Clause 22.2.11, such failure must continue for at least forty (40) Business Days after notice pursuant to Clause 22.2.12 before a Holder may take any action referred to in Clause 25.1.

26. TIME-BAR

- 26.1 The right to receive repayment of the principal of the Capital Securities shall be time-barred and become void ten (10) years from the relevant Redemption Date. The right to receive

payment of Interest (excluding any capitalised Interest) shall be time-barred 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 time-barred and has become void.

26.2 If a limitation period is duly interrupted in accordance with the Swedish Act on Limitations (Sw. *preskriptionslagen (1981:130)*), a new time-bar 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 the right to receive payment of Interest (excluding capitalised Interest) will commence, in both cases calculated from the date of interruption of the time-bar period, as such date is determined pursuant to the provisions of the Swedish Act on Limitations.

27. NOTICES

27.1 Any notice or other communication to be made under or in connection with these 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 to such address as notified by the Agent to the Issuer from time to time, and, if sent by email by the Issuer, to such email address as 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 (Sw. *Bolagsverket*) on the Business Day prior to dispatch or such address as notified by the Issuer to the Agent from time to time or, if sent by email by the Agent, to such email address as 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 Business Day prior to dispatch, and by either courier delivery (if practicable possible) or letter for all Holders, provided that the same means of communication shall be used for all Holders. A notice to the Holders shall also be published on the websites of the Issuer and the Agent.

27.2 Any notice or other communication made by one Person to another under or in connection with these 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 27.1 or, in case of letter, three (3) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 27.1 or, in case of email to the Agent or the Issuer, when received in legible form by the email address specified in Clause 27.1.

27.3 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.

28. FORCE MAJEURE AND LIMITATION OF LIABILITY

- 28.1 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.
- 28.2 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.
- 28.3 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.
- 28.4 The provisions in this Clause 28 apply unless they are inconsistent with the provisions of the Central Securities Depositories and Financial Instruments Accounts Act which provisions shall take precedence.

29. GOVERNING LAW AND JURISDICTION

- 29.1 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.
- 29.2 Any dispute or claim arising in relation to these Terms and Conditions shall, subject to Clause 29.3, be determined by Swedish courts and the District Court of Stockholm shall be the court of first instance.
- 29.3 The submission to the jurisdiction of the Swedish courts shall not limit the right of the Agent (or the Holders, as applicable) to take proceedings against the Issuer in any court which may otherwise exercise jurisdiction over the Issuer or any of its assets.

* * *

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

Place:

HEIMSTADEN AB (publ)

as Issuer



Name:

Jacob Thulesius

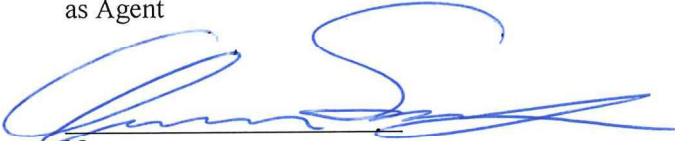
Name:

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

Place:

Stockholm
NORDIC TRUSTEE & AGENCY AB (PUBL)

as Agent



Name:

Christian Svanfeldt