

## Securities Note

FRN Storebrand Livsforsikring AS Callable Subordinated  
Bond Issue 2020/2050

NO0010886153



Storebrand Livsforsikring AS

Arrangers:



30.06.2020

**Important notice**

This Securities Note has been approved by the Financial Supervisory Authority of Norway (the "Norwegian FSA") (Finanstilsynet), as competent authority under Regulation (EU) 2017/1129. The Norwegian FSA only approves this Securities Note as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129. Such approval should not be considered as an endorsement of the securities that are the subject of this Securities Note. The investors should make their own assessment as to the suitability of investing in the securities.

The Securities Note has been prepared in connection with the listing of the Bonds on Oslo Børs. This Securities Note together with the Registration Document constitutes the Prospectus. The Prospectus is valid for a period of up to 12 months following its approval by the Norwegian FSA on 30<sup>th</sup> June 2020. New information that is significant for the Issuer or its subsidiaries may be disclosed after the Securities Note has been made public, but prior to listing of the securities. Such information will be published as a supplement to the Securities Note to Regulation (EU) 2017/1129. On no account must the publication or the disclosure of the Securities Note give the impression that the information herein is complete or correct on a given date after the date on the Securities Note, or that the business activities of the Issuer or its subsidiaries may not have been changed.

Only the Issuer and the Arrangers are entitled to procure information about conditions described in the Securities Note. Information procured by any other person is of no relevance in relation to the Securities Note and cannot be relied on.

Unless otherwise stated, the Securities Note is subject to Norwegian law. In the event of any dispute regarding the Securities Note, Norwegian law will apply.

In certain jurisdictions, the distribution of the Securities Note may be limited by law, for example in the United States of America or in the United Kingdom. Verification and approval of the Securities Note by Norwegian FSA implies that the Securities Note may be used in any EEA country. No other measures have been taken to obtain authorisation to distribute the Securities Note in any jurisdiction where such action is required. Persons that receive the Securities Note are required by the Issuer and the Arrangers to obtain information on and comply with such restrictions.

This Securities Note is not an offer to sell or a request to buy Bonds.

The content of the Securities Note does not constitute legal, financial or tax advice and Bond owners should seek legal, financial and/or tax advice.

Contact the Issuer to receive copies of the Securities Note.

**Factors which are material for the purpose of assessing the market risks associated with Bond**

The Bonds may not be a suitable investment for all investors. Each potential investor in the Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference in this Securities Note and/or Registration Document or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact the Bonds will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds, including where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Bonds and be familiar with the behaviour of the financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

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## 1. Risk factors

All investments in interest bearing securities have risk associated with such investment. The risk is related to the general volatility in the market for such securities, varying liquidity in a single bond issue as well as company specific risk factors. The Bonds may not be a suitable investment for all investors. Each potential investor in the Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds. An investment in the Bonds entails significant risks and is suitable only for investors who understand the risk factors associated with this type of investment and who can afford a loss of all or part of its investment. In case of a bankruptcy, the bondholder risk losing its entire investment, and an eventually settlement will not take place until the bankruptcy proceedings have been completed.

In each category below the Issuer sets out the most material risks with respect to investing in the bonds. The most material risk, in the Issuer's assessment within each risk category, taking into the negative impact of such risk on the Issuer and the Bonds and the probability of its occurrence are set first.

### **Structural subordination**

*The Issuer's obligations under the Bonds are subordinated*

The claims of Bondholders against the Issuer in respect of payments of principal and interest on the Bonds will, in the event of the liquidation, dissolution, administration or other winding-up of the Issuer by way of public administration, be subordinated in right of payment to the claims of all Senior Creditors of the Issuer. "Senior Creditors" means all creditors of the Issuer who are policyholders or other unsubordinated creditors of the Issuer. There is a real risk that an investor in the Bonds will lose all or some of his investment should the Issuer become insolvent.

*The Bonds are subject to optional redemption by the Issuer*

The Bonds are subordinated and unsecured and the Issuer has no obligation to redeem or prepay the Bonds. The Bondholders have no right to call for the Bonds redemption or otherwise request prepayment or redemption of the principal amount of the Bonds, except upon actual bankruptcy or liquidation of the Issuer. The Issuer may at its discretion redeem the Bonds on 19 June 2025 (the "First Call Date"), or on any Interest Payment Date thereafter. The Issuer may furthermore redeem the Bonds at any time upon the occurrence of a Capital Disqualification Event, a Rating Agency Event or a Taxation Event. The right of the Issuer to redeem the Bonds is conditional upon (i) no Capital Requirement Breach having occurred or is likely to occur as a result of a redemption, (ii) prior consent of the Issuer Supervisor and (iii) the provisions of clause 3.9 in the Bond Terms (as applicable), redeem all (but not only some) of the outstanding Bonds at the Redemption Price, without premium or penalty. The optional redemption feature of the Bonds is likely to limit their market value. During any period when the Issuer may elect to redeem the Bonds, their market value generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period. The Issuer may be expected to redeem the Bonds when its cost of borrowing is lower than the interest rate on the Bonds. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Bonds being redeemed and may only be able to do so at a lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time. It shall also be noted that the Issuer may choose not to redeem the Bonds at the First Call Date or at any other time thereafter until Maturity Date, and that the Issuer Supervisor may prevent the Issuer to redeem the Bonds at Maturity Date. As a consequence of the foregoing, there is a risk that the Bonds are not redeemed by the Issuer at the Maturity Date and that the Bondholders as a result do not receive payment of the principal amount of the Bonds.

*Under certain conditions, interest payments under the Bonds may be optionally or mandatorily deferred*

The payment obligations by the Issuer under the Bonds are conditional upon the Issuer not being in breach of Applicable Regulations at the time of payment, and still not being in breach of Applicable Regulation immediately thereafter. If no distribution or dividend or other payment (including payment in relation to redemption or repurchase) has been made on or in respect of any Junior Obligations or Parity Obligations since the date as provided for in the Bond Terms and provided such Interest Payment Date is not a Mandatory Interest Deferral Date, the Issuer shall be entitled to defer payment of interest accrued in respect of the Bonds and any such deferral shall not constitute a default in respect of the Bonds. The Issuer must defer such interest payment on any Mandatory Interest Deferral Date and any such deferral shall not constitute a default in respect of the Bonds. All deferred interest on the Bonds shall become due and payable. After the Issuer has fully paid all deferred interest on the Bonds, if the Bonds remain outstanding, future interest payments on the Bonds will be subject to further deferral as described above. Any deferral of interest payments is likely to have an adverse effect on the market price of the Bonds. In addition, as a result of the interest deferral provision of the Bonds, the market price of the Bonds may be more volatile than the market prices of other debt securities on which original issue discount or interest accrues that are not subject to such deferrals and may be more sensitive generally to adverse changes in the Issuer's financial condition.

*Under certain conditions, amounts of principal and corresponding interest may be reduced*

Under Norwegian legislation, the Issuer's subordinated capital (which would include principal and corresponding interest thereon in respect of the Bonds) may, in certain circumstances, be cancelled. To the extent that only part of the outstanding principal amount of the Bonds has been cancelled as provided above, interest will continue to accrue in accordance with the Bond Terms on the then remaining outstanding principal amount of the Bonds.

*There are no events of default under the Bonds*

The Bond Terms do not provide for events of default allowing acceleration of the Bonds if certain events occur. Accordingly, if the Issuer fails to meet any obligations under the Bonds, including the payment of any interest, investors will not have the right of acceleration of principal. Upon a payment default, the sole remedy available to Bondholders for recovery of amounts owing in respect of any payment of principal or interest on the Bonds will be the institution of proceedings to enforce such payment. Notwithstanding the foregoing, the Issuer will not, 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.

### **Regulatory risk**

*Changes to the Solvency II Directive*

The Issuer is subject to the Solvency II Directive. Changes to this directive may result in the Bonds no longer being eligible to count as cover for the capital or solvency requirements for the Issuer. This would lead to a Capital Disqualification Event, where the bonds could be redeemed by the issuer at a price that could be lower than the market value at the time of redemption.

### **Changes in ranking and terms**

*No limitation on issuing further debt and guarantees*

There is no restriction on the amount of debt which the Issuer may issue ranking equal or senior to the obligations. Such issuance of further debt may reduce the amount recoverable by the Bondholders upon insolvency or winding-up of the Issuer or may increase the likelihood that payments of the principal amount or interest under the Bonds will be mandatorily deferred or may, in the case of interest payments, be deferred at the option of the Issuer.

**Market risks related to the Bonds**

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

*Spread risk - Changes in market spread*

The Bonds will bear interest at a floating rate which will be based on two components, namely the 3-months NIBOR and the Margin. Since the Margin is fixed at the time of issuance of the transaction Bondholders are subject to the risk that the Margin does not reflect the spread that investors require in addition to the 3-month NIBOR as a compensation for the risks inherent in the Bonds (market spread). The market spread typically changes on a daily basis. As the market spread changes, the price of the Bonds changes in the opposite direction. A decrease in the market spread has a positive impact on the price of the Bonds; an increase in the market spread has a negative impact on the price of the Bond. However, the price of the Bonds is subject to changes in the market spread, changes in the 3-months NIBOR or both. Bondholders should be aware that movements in the market spread can adversely affect the price of the Bonds and can lead to losses for the Bondholders. In addition, Bondholders are exposed to reinvestment risk with respect to proceeds from coupon payments or early redemptions by the Issuer. If the market yield (or market spread respectively) declines, and if Bondholders want to invest such proceeds in comparable transactions, Bondholders will only be able to reinvest such proceeds in comparable transactions at the then prevailing lower market yields (or market spreads respectively).

*Credit risk - The market value of the Bonds could decrease if the creditworthiness of the Issuer deteriorates*

If the likelihood that the Issuer will be in a position to fully perform all obligations under the Bonds when they fall due decreases, for example, because of the materialisation of any of the risks regarding the Issuer, the market value of the Bonds will be materially and adversely affected. In addition, even if the likelihood that the Issuer will be in position to fully perform all obligations under the Bonds when they fall due actually has not decreased, market participants could nevertheless have a different perception. In addition, the market participants' estimation of the creditworthiness of corporate debtors in general or debtors operating in the same business as the Issuer could adversely change. If any of these risks occurs, third parties would only be willing to purchase Bonds for a lower price than before the materialisation of the aforementioned risk. Under these circumstances, the market value of the Bonds will decrease.

*Credit ratings may not reflect all risks*

The Bonds are, at the date of the Prospectus, rated by S&P. S&P is established in the European Economic Area (EEA) and registered under Regulation (EC) No 1060/2009, as amended (the CRA Regulation) and are, as of the date of this Prospectus, included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (<http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the CRA Regulation. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Bonds. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the Rating Agency at any time.

## 2. Person responsible

### PERSONS RESPONSIBLE FOR THE INFORMATION

Persons responsible for the information given in the Prospectus are as follows:

Storebrand Livsforsikring AS,  
Professor Kohts vei 9,  
1366 Lysaker,  
Norway.

### DECLARATION BY PERSONS RESPONSIBLE

Storebrand Livsforsikring AS confirms that the information contained in the Prospectus is in accordance with the facts and that the Prospectus makes no omission likely to affect its import.



30.06.2020

Storebrand Livsforsikring AS

### Competent authority approval

This Securities Note has been approved by the Financial Supervisory Authority of Norway (the "Norwegian FSA") (Finanstilsynet), as competent authority under Regulation (EU) 2017/1129. The Norwegian FSA only approves this Securities Note as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129. Such approval should not be considered as an endorsement of the securities that are the subject of this Securities Note. The investors should make their own assessment as to the suitability of investing in the securities.



### 3. Information concerning the securities

ISIN code:	NO0010886153
The Bonds/The Issue:	FRN Storebrand Livsforsikring AS Callable Subordinated Bond Issue 2020/2050.
Issuer:	Storebrand Livsforsikring AS.
Security Type:	Callable subordinated bond issue with floating rate.
Bond Issue:	NOK 500 000 000
Face Value:	NOK 2 000 000 - each and among themselves pari passu ranking.
Securities Form:	The Bonds are electronically registered in book-entry form with the Securities Depository.
Issue Date:	19 June 2020.
Interest Accrual Date:	Issue Date.
Interest Bearing To:	Maturity Date.
Maturity Date:	19 June 2050.
Interest Rate:	Reference Rate + Margin. The Bonds shall bear interest at a rate per annum equal to the Reference Rate + Margin. If the Interest Rate becomes negative, the Interest Rate shall be deemed to be zero. Each Outstanding Bond will accrue interest at the Interest Rate on the nominal amount for each Interest Period, commencing on and including the first date of the Interest Period (or the Interest Accrual Date, for the first Interest Period), and ending on but excluding the last date of the Interest Period. The Interest Rate shall be calculated based on the Day Count Convention.
Reference Rate:	3 months NIBOR. NIBOR rounded to the nearest hundredth of a percentage point on each Reset Date, for the period stated.
Reset Date:	Dates on which the Interest Rate is fixed for the subsequent Interest Period for Bonds where Reference Rate applies. The first Reset Date is two (2) Business Days before the Interest Accrual Date. Thereafter the Reset Date is two (2) Business Days prior to each Interest Payment Date.
Margin:	2.05% p.a.
Current Rate:	2.42%.
Interest Period:	period between 19 March, 19 June, and 19 December each year (each an "Interest Payment Date"), with 19 September



2020 being the first Interest Payment Date. Means, subject to adjustment in accordance with the Business Day Convention, the periods set out above, provided however that an Interest Period shall not extend beyond the Maturity Date.

**NIBOR:**

Means, for FRN, the Norwegian Interbank Offered Rate, being

- a) the interest rate fixed for a period comparable to the relevant Interest Period published by Global Rate Set Systems (GRSS) at approximately 12.00 (Oslo time) on the Interest Quotation Day; or
- b) if paragraph a) above is not available for the relevant Interest Period;
  - (i) the linear interpolation between the two closest relevant interest periods, and with the same number of decimals, quoted under paragraph a) above; or
  - (ii) a rate for deposits in the relevant currency for the relevant Interest Period as supplied; or
- c) if the interest rate under paragraph a) is no longer available, the interest rate will be set by the Bond Trustee in consultation with the Issuer to:
  - (i) any relevant replacement reference rate generally accepted in the market; or
  - (ii) such interest rate that best reflects the interest rate for deposits in NOK offered for the relevant Interest Period.

Information about the past and the future performance of the NIBOR and its volatility can be obtained at: <https://most.referanserenter.no/nibor-rates.html>  
Rates are available for free for the past 90 days – for more information a subscription is required.

**Day Count Convention:**

Actual/360.

The interest shall be calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis).

**Business Day Convention:**

Modified Following Business Day

The Interest Period will be extended to include the first following Business Day unless that day falls in the next calendar month, in which case the Interest Period will be shortened to the first preceding Business Day.

**Call:**

Ordinary call:

19 June 2025 (the "First Call Date"), and on any Interest Payment Date thereafter (each, a "Call Date").

**Capital Disqualification, Rating Agency and Taxation call:**  
See the Bond Terms paragraph (d) of Clause 3.7 (Optional Redemption).

Call Price:	Redemption Price.
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Redemption Price:	100% of Face Value. The Face Value of the Bonds, subject to any adjustment following reduction of amounts of principal, plus accrued and unpaid interest, including Arrears of Interest (if any).
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Deferral of Interest:	<p><i>Optional Deferral of Interest</i></p> <p>The Issuer may on any Optional Interest Deferral Date by notice to the Bond Trustee defer payment of all (but not only some) of the Interest accrued but unpaid to that date.</p>
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*Mandatory Deferral of Interest*

The Issuer will on any Mandatory Interest Deferral Date by notice to the Bond Trustee (together with a certificate signed by authorised signatories of the Issuer confirming the relevant Interest Payment Date is a Mandatory Interest Deferral Date) defer payment of all (but not only some) of the Interest accrued but unpaid to that date.

*Payment of Deferred Interest*

- (a) Arrears of Interest may, at the option of the Issuer, be paid in whole or in part at the next Interest Payment Date which is not a Mandatory Interest Deferral Date.
- (b) Arrears of Interest shall, subject to prior approval from the Issuer Supervisor (to the extent required under the Applicable Regulations), be paid in whole on a date which is not a Mandatory Interest Deferral Date at the earliest of:
  - (i) the next Interest Payment Date which is a Compulsory Interest Payment Date or seven (7) days after the date when the requirements for a Compulsory Interest Payment Date would be deemed to be satisfied, if such date falls earlier than the next Interest Payment Date;
  - (ii) the date of any redemption of the Bonds in accordance with the terms and conditions for the Bonds;
  - (iii) the date of a Bankruptcy Event; or
  - (iv) the date on which the Issuer pays, or any other person declares or pays, any distribution or dividend or makes any payment (including payment in relation to redemption or repurchase) on or in respect of any Junior Obligations or Parity Obligations, or the date on which any dividend or other distribution or payment (including payment in relation to redemption or repurchase) on or in respect of the Issuer's share capital is paid.

Interest will not accrue on Arrears of Interest.

The term "deferral of interest" shall be understood in accordance with the Applicable Regulations.

**Mandatory Deferral:**

No Bonds shall be redeemed on the Maturity Date, or prior to the Maturity Date pursuant to the relevant provisions on Optional Redemption, if the date set for redemption is a Mandatory Redemption Deferral Date and redemption shall be deferred ("Mandatory Deferral"). Any failure to pay principal due to a Mandatory Deferral shall not constitute a default by the Issuer for any purpose, provided that nothing shall be construed to permit the Issuer to defer any principal otherwise due and payable except under the circumstances specified in the definition of Mandatory Redemption Deferral Date.

Notwithstanding that the date set for redemption may be a Mandatory Redemption Deferral Date, the Bonds may be redeemed and the relevant redemption amount may still be paid to the extent permitted under, and in accordance with, the Applicable Regulations.

The Issuer shall notify the Bond Trustee (on behalf of the bondholders) and the Paying Agent no later than five (5) Business Days prior to any date set for redemption of the Bonds if such redemption is to be deferred, provided that if the conditions to the date set for redemption being a Mandatory Redemption Deferral Date are satisfied less than five (5) Business Days prior to the date set for redemption, the Issuer shall give notice of such deferral as soon as reasonably practicable following the occurrence of such event.

If redemption of the Bonds does not occur on the Maturity Date or, as appropriate, the date specified in the relevant Redemption Notice by the Issuer, as a result of a Mandatory Deferral the Issuer shall (subject, in the case of paragraphs (a) and (b) below only, to the provisions of subordination and to receiving the prior approval of the Issuer Supervisor (if required)), redeem such Bonds at their principal amount together with any Arrears of Interest and any other accrued and unpaid interest, upon the earliest of:

- (a) the date falling ten (10) Business Days after the first date which immediately follows the date set for redemption and which is not a Mandatory Redemption Deferral Date (unless such 10th Business Day is itself a Mandatory Redemption Deferral Date, in which case this paragraph will apply mutatis mutandis to determine the due date for redemption of the Bonds); or
- (b) the date falling ten (10) Business Days after the Issuer Supervisor has agreed to the repayment or redemption of the Bonds; or
- (c) the date of a Bankruptcy Event,

and the Issuer shall give the Redemption Notice to the Bond Trustee (on behalf of the bondholders) and the Paying Agent as soon as reasonably practicable following the occurrence of the relevant event triggering such redemption.

If the Mandatory Deferral provisions do not apply, but redemption of the Bonds does not occur on the Maturity Date or, as appropriate, the date specified in the relevant Redemption Notice by the Issuer because the Issuer was not or would not be solvent, subject to receiving the prior approval of the Issuer Supervisor (if required), such Bonds shall be redeemed at their principal amount together with any Arrears of Interest and any other accrued and unpaid interest on the 10th Business Day immediately following the day that (A) the Issuer is solvent and (B) the redemption of the Bonds would not result in the Issuer ceasing to be solvent, provided that if such Business Day specified for redemption is a Mandatory Redemption Deferral Date, then the Bonds shall not be redeemed on such date and the provisions above shall apply mutatis mutandis to determine the due date for redemption of the Bonds.

**Optional Redemption:**

Issuer may on the First Call Date or any Interest Payment Date thereafter, if the Issuer provides satisfactory evidence to the Bond Trustee (on behalf of the Bondholders), that (i) in the opinion of the Issuer Supervisor no Capital Requirement Breach has occurred or is likely to occur as a result of a redemption, and (ii) the Issuer has received prior consent of the Issuer Supervisor, redeem in a manner permitted by any Applicable Regulations and other applicable law all (but not only some) of the outstanding Bonds at the Redemption Price, without any premium or penalty.

If the Issuer and/or the Issuer Group is in a Capital Requirement Breach or repayment or redemption would lead to such Capital Requirement Breach, redemption may be made notwithstanding (i) and/or (ii) above if:

- (i) the Issuer Supervisor has exceptionally waived the suspension of repayment or redemption of that item;
- (ii) the item is exchanged for or converted into another Tier 2 or basic own-fund item of at least the same quality; and
- (iii) the Minimum Capital Requirement is complied with after the repayment or redemption.

Exercise of an Optional Redemption shall be notified in writing to the Bondholders in accordance with the Bond Terms paragraph (b) of Clause 8.3 (Notices) at least thirty (30) Business Days prior to the relevant redemption date (the "Redemption Notice").

If the Issuer provides satisfactory evidence to the Bond Trustee (on behalf of the Bondholders), that a;

- (i) Capital Disqualification Event;
- (ii) Rating Agency Event; or
- (iii) Taxation Event;

has occurred when the Bonds are outstanding, the Issuer may subject to (i) no Capital Requirement Breach having occurred or would occur as a result of a redemption, (ii) prior consent of the Issuer Supervisor, and (iii) the provisions of paragraph (c) of the Bond Terms Clause 3.9 (Preconditions to redemption, purchase, variation or substitution) below (as applicable), redeem all (but not only some) of the outstanding Bonds at the Redemption Price, without any premium or penalty.

Exercise the Optional Redemption shall be notified by a Redemption Notice.

Issue Price: 100 % of Face Value.

Yield: Investors wishing to invest in the Bonds after the Issue Date must pay the market price for the Bonds in the secondary market at the time of purchase. Depending on the development in the bond market in general and the development of the Issuer, the price of the Bonds may have increased (above par) or decreased (below par). As the Bonds have a floating reference rate, it is the market's expectations of risk premium, i.e. margin that affects the price. If the price has increased, the yield for the purchaser in the secondary market, given that the reference rate does not change, will be lower than the interest rate of the Bonds and vice versa.  
Yield for the Interest Period (19 June 2020 – 21 September 2020) is 2.42 % p.a. assuming a price of 100 %.

The yield is calculated in accordance with «Anbefaling til Konvensjoner for det norske sertifikat- og obligasjonsmarkedet» - <https://www.finansanalytiker.no/wp-content/uploads/2020/02/Rentekonvensjon-pr-januar-2020-v2.pdf> - prepared by Norske Finansanalytikeres Forening in January 2020.

Business Day: Any day on which the CSD settlement system is open and the relevant currency settlement system is open.

Redemption: Matured interest and matured principal will be credited each Bondholder directly from the CSD. Claims for interest and principal shall be limited in time pursuant the Norwegian Act relating to the Limitation Period Claims of May 18 1979 no 18, p.t. 3 years for interest rates and 10 years for principal.

Status: The Bonds will constitute direct, unsecured and subordinated debt, and will in connection with a Bankruptcy Event of the Issuer rank:

- (a) pari passu without any preference among the Bonds;
- (b) pari passu with all outstanding Parity Obligations;
- (c) in priority to payments to creditors in respect of Junior Obligations; and

(d) junior in right of payment to any present or future claims of (i) policyholders of the Issuer, and (ii) any other obligations of the Issuer ranking or expressed to rank senior to the Bonds.

Security:	The Bonds are unsecured.
Information Covenants:	See Bond Terms clause 4.2.
Events of default:	<p>The Bond Terms do not contain any event of default provision and the Bond Trustee (on behalf of the Bondholders) may not declare any event of default by the Issuer of any of its obligations under the Bond Terms neither on the basis of the Bond Terms nor on the basis of general principles of Norwegian law.</p> <p>Bondholders may only demand prepayment in the event of a Bankruptcy Event.</p>
Purpose:	The purpose of the Bond Issue – net proceeds MNOK 500,- - is general corporate purposes, and for the Bonds to qualify as Tier 2 capital (basic own funds) of the Issuer and/or the Issuer Group for the purpose of the Applicable Regulations and as determined by the Issuer Supervisor.
Approvals:	The Bonds were issued in accordance with the Issuer's Board Meeting approval 15.06.2020 and the approval from the Financial Supervisory Authority of Norway dated 20.06.2019.
Listing:	An application for listing will be sent Oslo Børs.
Bond Terms:	<p>The Bond Terms has been entered into between the Issuer and the Bond Trustee. The Bond Terms regulates the Bondholder's rights and obligations in relations with the issue. The Bond Trustee enters into this agreement on behalf of the Bondholders and is granted authority to act on behalf of the Bondholders to the extent provided for in the Bond Terms.</p> <p>When bonds are subscribed/purchased, the Bondholder has accepted the Bond Terms and is bound by the terms of the Bond Terms.</p> <p>Information regarding bondholders' meeting and the Bondholder's right to vote are described in the Bond Terms clause 5 and 6.</p> <p>Information regarding the role of the Bond Trustee, see Bond Terms clause 7.</p> <p>The Bond Terms is attached to this Securities Note.</p>
Documentation:	Registration Document, Supplement to the Registration Document, Securities Note and the Bond Terms.

Securities Note

ISIN NO0010886153

Registration Document:	The Issuers Registration Document dated 24.10.2019.
Supplement to the Registration Document:	The Issuers Supplement to the Registration Document dated 30.06.2020.
Securities Note:	This Securities Note dated 30.06.2020.
Prospectus:	Means the Registration Document, Supplement to the Registration Document and the Securities Note together.
Availability of the Documentation:	<a href="http://www.storebrand.no">www.storebrand.no</a>
Bond Trustee:	Nordic Trustee AS, P.O. Box 1470 Vika, 0116 Oslo, Norway.
Arrangers:	Nordea Bank AB (publ), filial i Norge, P.O. Box 1166 Sentrum, 0107 Oslo, Norway, and Swedbank AB, Filipstad Brygge 1, Postboks 1441 Vika, 0115 Oslo, Norway.
Paying Agent:	Nordea Bank AB (publ), filial i Norge, P.O. Box 1166 Sentrum, 0107 Oslo, Norway. The Paying Agent is in charge of keeping the records in the Securities Depository.
Calculation Agent:	Nordic Trustee AS, P.O. Box 1470 Vika, Norway.
Listing Agent:	NT Service AS, P.O. Box 1470 Vika, Norway.
Securities Depository:	Verdipapirregisteret ("VPS"), Postboks 4, 0051 OSLO
Market-Making:	There is no market-making agreement entered into in connection with the Bonds.
Legislation under which the Securities have been created:	Norwegian law.
Fees and Expenses:	The Issuer shall pay any stamp duty and other public fees in connection with the bonds. Any public fees or taxes on sales of Bonds in the secondary market shall be paid by the Bondholders, unless otherwise decided by law or regulation. The Issuer is responsible for withholding any withholding tax imposed by Norwegian law.
Fees:	Prospectus fee (NFSA:) NOK 34 000,- Listing fee 2020 (Oslo Børs): NOK 11 750,- Registration fee (Oslo Børs): NOK 16 700,- Listing Agent: NOK 18 000,-
Transfer restrictions:	The Bonds are freely transferable and may be pledged, subject to the following: (i) Bondholders located in the United States will not be permitted to transfer the Bonds except (a) subject to an effective registration statement under the Securities Act, (b) to a person that the Bondholder reasonably believes is a QIB within the meaning of



Rule 144A that is purchasing for its own account, or the account of another QIB, to whom notice is given that the resale, pledge or other transfer may be made in reliance on Rule 144A, (c) outside the United States in accordance with Regulation S under the Securities Act, including in a transaction on the Oslo Børs and (d) pursuant to any other exemption from registration under the Securities Act, including Rule 144 thereunder (if available).

- (ii) The Bonds may not, subject to applicable Canadian laws, be traded in Canada for a period of four months and a day from the date the Bonds were originally issued.
- (iii) Bondholders may be subject to purchase or transfer restrictions with regard to the Bonds, as applicable from time to time under local laws to which a Bondholder may be subject (due e.g. to its nationality, its residency, its registered address, its place(s) for doing business). Each Bondholder must ensure compliance with local laws and regulations applicable at own cost and expense.
- (iv) Notwithstanding the above, a Bondholder which has purchased the Bonds in contradiction to mandatory restrictions applicable may nevertheless utilise its voting rights under the Bond Terms.

## 4. Definitions

Unless otherwise defined in the Securities Note, capitalized terms used in this Securities Note shall have the meaning given to such terms in the Bond Terms dated 17 June 2020 entered into between Storebrand Livsforsikring AS and Nordic Trustee AS as Bond Trustee (on behalf of the bondholders from time to time).

Applicable Regulations:	Any legislation, rules or regulations (whether having the force of law, regulations or otherwise) applying to the Issuer, the Issuer Group or any member of the Issuer Group from time to time relating to the characteristics, features or criteria of own-funds or capital resources and, for the avoidance of doubt and without limitation to the foregoing, includes any legislation, rules or regulations implementing the Directive 2009/138/EC of 25 November 2009 on the taking-up and pursuit of business of insurance and re-insurance as amended from time to time (the " <b>Solvency II directive</b> ") into Norwegian law, including, without limitation, any implementing measures adopted pursuant to the Solvency II directive (as amended from time to time) including, without limitation, the Commission Delegated Regulation (EU) 2015/35 of 10 October 2014, Commission Delegated Regulation (EU) 2017/1542, the Norwegian Financial Undertaking Act of 10 April 2015 no. 17 (the " <b>Financial Undertaking Act</b> ", No: Finansforetaksloven), the Norwegian Solvency II regulation of 25 August 2015 no. 999 (the " <b>Norwegian Solvency II regulation</b> ", No: Solvens II-forskriften) and the other applicable implementing measures adopted pursuant to the Solvency II directive (as amended from time to time) which are in force in Norway from time to time.
Arrears of Interest:	Any interest not paid on an Optional Interest Deferral Date or a Mandatory Interest Deferral Date as set forth in the Bond Terms Clause 3.5.3 (Payment of Deferred Interest).
Bankruptcy Event:	A decision by the Ministry of Finance that the Issuer shall become subject to public administration (No: offentlig administrasjon) according to chapter 21 of the Financial Undertaking Act, as amended from time to time.
Bondholder:	A person who is registered in the CSD as directly registered owner or nominee holder of a Bond, subject however to the Bond Terms Clause 5.3 ( <i>Bondholders' rights</i> ).
Bonds:	The debt instruments issued by the Issuer pursuant to the Bond Terms.
Capital Disqualification Event:	An event which occurs if, as a result of any replacement of or change to (or change to the interpretation by any court or authority entitled to do so of) the Applicable Regulations which becomes effective on or after the Issue Date, the Bonds or part of the Bonds are no longer, or the Issuer has demonstrated to the satisfaction of the Issuer Supervisory that there is a substantial risk that they will no longer be, eligible in accordance with the Applicable Regulations to count as cover for the capital or solvency requirements (however such terms are described from time to time in the Applicable Regulations) for the Issuer whether on a single or consolidated basis (and including, for the avoidance of doubt, any regulatory change to any applicable limitation on the amount of such capital).

Capital Requirement Breach:	A breach of the applicable capital requirements or solvency requirements applicable to the Issuer and the Issuer Group from time to time as such requirements are defined under the Applicable Regulations, and for the avoidance of any doubt and without limitation to the foregoing, including a breach of the solvency capital requirement as defined in Section 14-10 of the Financial Undertaking Act and as further detailed in Applicable Regulations.
Compulsory Interest Payment Date:	Any Interest Payment Date, other than a Mandatory Interest Deferral Date, where a decision of payment of any distribution or dividend or other payment (including payment in relation to redemption or repurchase) on or in respect of any Junior Obligations has been made by the Issuer during the six months immediately preceding such Interest Payment Date.
Decisive Influence:	Means a person having, as a result of an agreement or through the ownership of shares or interests in another person (directly or indirectly): (a) a majority of the voting rights in that other person; or (b) a right to elect or remove a majority of the members of the board of directors of that other person.
Financial Undertaking:	Entity with authorization according to the Financial Undertaking Act.
Issuer Group:	The Issuer and other companies (if any) being part of the Issuer's insurance group (No: <i>forsikringsgruppe</i> ) as defined in Section 38 of the Norwegian Solvency II regulation and any other Applicable Regulations.
Issuer Supervisor:	The Financial Supervisory Authority of Norway (No: <i>Finanstilsynet</i> ) and any successor or replacement thereto, or other authority having primary responsibility for the prudential oversight and supervision of the Issuer and the Issuer Group.
Junior Obligations:	(i) The Issuer's share capital, or (ii) any other obligations of the Issuer ranking or expressed to rank junior to the Bonds.
Mandatory Interest Deferral Date:	Each Interest Payment Date: (a) immediately following the date as of which the Issuer's most recent quarterly report to the Issuer Supervisor disclosed that a Capital Requirement Breach has occurred, unless since the date of publication of such quarterly report, the Issuer has remedied the Capital Requirement Breach; (b) in respect of which there is a risk that a Capital Requirement Breach or a Bankruptcy Event would occur as a result of the payment of interest; or (c) the occurrence of any event which under the Applicable Regulations would require the Issuer to defer or suspend payment of interest in respect of the Bonds (unless the Issuer Supervisor has waived such requirement), except that any such Interest Payment Date shall not be Mandatory Interest Deferral Date if: (i) the Issuer Supervisor has exceptionally waived the deferral of interest payments; (ii) such interest payment does not further weaken the solvency position of the Issuer); and (iii) the Minimum Capital Requirement is complied with after the interest payment is made. Notwithstanding that an Interest Payment Date may be a Mandatory Interest Deferral Date, interest may still be paid on that relevant Interest Payment Date to the extent permitted under, and in accordance with, the Applicable Regulations.

Mandatory Redemption Deferral Date:	Any date in respect of which a Capital Requirement Breach has occurred and is continuing or would occur if the payment of the relevant redemption amount otherwise due was made on such date.
Minimum Capital Requirement:	The minimum capital requirement for the Issuer and the Issuer Group as defined in Section 14-11 of the Financial Undertakings Act as further detailed in the Applicable Regulations.
Optional Interest Deferral Date:	Any Interest Payment Date which is not a Compulsory Interest Payment Date or a Mandatory Interest Deferral Date.
Optional Redemption:	Issuer's Call pursuant to the Bond Terms Clause 3.7 ( <i>Optional Redemption</i> ) and the dates stated therein at the Redemption Price. The relevant redemption dates shall be adjusted pursuant to the Business Day Convention.
Parity Obligations:	Any obligations of the Issuer ranking or expressed to rank pari passu with the Bonds.
Rating Agency:	S&P Global Ratings Inc. or any other regulated credit rating agency as defined in Regulation 1060/2009 of 16 September 2009 on credit rating agencies (as amended from time to time).
Rating Agency Event:	If and when the Bonds are rated by a Rating Agency, a change in the rating methodology, or in the interpretation of such methodology, as the case may be, becoming effective after the Issue Date, as a result of which the capital treatment assigned by a Rating Agency to the Bonds or part thereof, as notified by such Rating Agency to the Issuer or as published by such Rating Agency, becomes, in the reasonable opinion of the Issuer, materially unfavourable for the Issuer, when compared to the capital treatment assigned by such Rating Agency to the Bonds, as notified by such Rating Agency to the Issuer or as published by such Rating Agency, on or around the Issue Date.
Redemption Notice:	The written notification of exercise of an Optional Redemption as set forth in the Bond Terms paragraph (c) of Clause 3.7 ( <i>Optional Redemption</i> ).
Relevant Record Date:	Means the date on which a Bondholder's ownership of Bonds shall be recorded in the CSD as follows: <ul style="list-style-type: none"> <li>a) in relation to payments pursuant to these Bond Terms, the date designated as the Relevant Record Date in accordance with the rules of the CSD from time to time;</li> <li>b) for the purpose of casting a vote with regard to Clause 6 (Bondholders' Decisions), the date falling on the immediate preceding Business Day to the date of that Bondholders' decision being made, or another date as accepted by the Bond Trustee.</li> </ul>
Reset Date:	Dates on which the Interest Rate is fixed for the subsequent Interest Period for Bonds where Reference Rate applies. The first Reset Date is two Business Days before the Interest Accrual Date. Thereafter the Reset Date is two Business Days prior to each Interest Payment Date.
Solvency II:	Solvency II directive and any implementing measures adopted pursuant to the Solvency II directive (as amended from time to time), including, without limitation, the Commission Delegated Regulation (EU) 2015/35 of 10 October 2014.
Taxation Event:	An event which occurs as a result of any amendment to, clarification of or change (including any announced prospective change) in the laws or treaties (or regulations thereunder) of Norway affecting taxation (including any change in the

	<p>interpretation by any court or authority entitled to do so) or any governmental action, on or after the Issue Date, and there is a substantial risk that:</p> <ul style="list-style-type: none"><li>a) the Issuer is, or will be, subject to a significant amount of other taxes, duties or other governmental charges or civil liabilities with respect to the Bonds;</li><li>b) the treatment of any of the Issuer's items of income or expense with respect to the Bonds as reflected on the tax returns (including estimated returns) filed (or to be filed) by the Issuer will not be respected by a taxing authority, which subjects the Issuer to more than a significant amount of additional taxes, duties or other governmental charges; or</li><li>c) the Issuer would be required to gross up interest payments.</li></ul>
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## 5. Additional information

Storebrand Livsforsikring AS appointed Nordea Bank AB (publ), filial i Norge and Swedbank AB as Arrangers for the issuance of the Tier 2 Bonds. The Arrangers has acted as advisors to Storebrand Livsforsikring AS in relation to the pricing of the Bonds.

The Arrangers and/or any of their affiliated companies and/or officers, directors and employees may be a market maker or hold a position in any instrument or related instrument discussed in this Securities Note, and may perform or seek to perform financial advisory or banking services related to such instruments. The Arranger's may act as managers or co-managers for this Issuer in private and/or public placements and/or resale not publicly available or commonly known.

Storebrand Livsforsikring AS is rated A-, with a stable outlook by the credit rating agency S&P Global Ratings Europe Limited (S&P).

The Bonds were, at the date of issue, rated BBB by S&P. An obligation rated 'BBB' exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to weaken the obligor's capacity to meet its financial commitments on the obligation.

S&P is established in the European Economic Area (EEA) and registered under Regulation (EC) No 1060/2009, as amended (the CRA Regulation) and are, as of the date of this Prospectus, included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (<http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the CRA Regulation.

A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the Rating Agency at any time.

### **Statement from the Listing Agent:**

NT Services AS, acting as Listing Agent, has assisted the Issuer in preparing this Securities Note. The Listing Agent has not verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and the Listing Agent expressly disclaims any legal or financial liability as to the accuracy or completeness of the information contained in this Securities Note or any other information supplied in connection with bonds issued by the Issuer or their distribution. The statements made in this paragraph are without prejudice to the responsibility of the Issuer. Each person receiving this Securities Note acknowledges that such person has not relied on the Listing Agent nor on any person affiliated with it in connection with its investigation of the accuracy of such information or its investment decision.

## **6. Appendix:**

- Bond Terms



## Bond Terms

Issuer:	Storebrand Livsforsikring AS
Company No / LEI-code:	958 995 369 / 5967007LIEEXZX9TZC13
With Bond Trustee:	Nordic Trustee AS
Company no / LEI-code:	963 342 624 / 549300XAKTM2BMKIPT85
On behalf of the Bondholders in:	FRN Storebrand Livsforsikring AS Callable Subordinated Bond Issue 2020/2050
With ISIN:	NO0010886153
Dated:	17 June 2020

The Issuer undertakes to issue the Bonds in accordance with the terms set forth in these Bond Terms, which shall remain in effect for so long as any Bonds remain outstanding:

### 1. MAIN TERMS OF THE BONDS

Maximum Issue Amount:	NA	
Bond Issue:	500,000,000	
Face Value:	2,000,000	
Currency:	NOK (Norwegian Kroner)	
Issue Date:	19 June 2020	
Maturity Date:	19 June 2050	
Redemption Price:	100% of Face Value	
Call:	<p>Ordinary call: 19 June 2025 (the "<b>First Call Date</b>"), and on any Interest Payment Date thereafter (each, a "<b>Call Date</b>").</p> <p>Capital Disqualification, Rating Agency and Taxation call: See paragraph (d) of Clause 3.7 (<i>Optional Redemption</i>).</p>	Call price = Redemption Price
Interest Accrual Date:	Issue Date	
Interest Rate:	Reference Rate + Margin	
Reference Rate:	3 months NIBOR	
Margin:	2.05 % p.a.	
Interest Period:	the period between 19 March, 19 June, and 19 December each year (each an " <b>Interest Payment Date</b> "), with 19 September 2020 being the first Interest Payment Date.	

Day Count Convention:	Actual/360
Business Day Convention:	Modified Following Business Day
Listing:	Yes; Oslo Børs
Special Conditions:	NA

## 2. INTERPRETATION

In these Bond Terms, capitalised terms set out in Clause 1 (*Main terms of the Bonds*) shall have the meaning set out therein, and additionally the following capitalised terms shall have the meaning set out below:

Applicable Regulations:	Any legislation, rules or regulations (whether having the force of law, regulations or otherwise) applying to the Issuer, the Issuer Group or any member of the Issuer Group from time to time relating to the characteristics, features or criteria of own-funds or capital resources and, for the avoidance of doubt and without limitation to the foregoing, includes any legislation, rules or regulations implementing the Directive 2009/138/EC of 25 November 2009 on the taking-up and pursuit of business of insurance and re-insurance as amended from time to time (the " <b>Solvency II directive</b> ") into Norwegian law, including, without limitation, any implementing measures adopted pursuant to the Solvency II directive (as amended from time to time) including, without limitation, the Commission Delegated Regulation (EU) 2015/35 of 10 October 2014, Commission Delegated Regulation (EU) 2017/1542, the Norwegian Financial Undertaking Act of 10 April 2015 no. 17 (the " <b>Financial Undertaking Act</b> ", No: <i>Finansforetaksloven</i> ), the Norwegian Solvency II regulation of 25 August 2015 no. 999 (the " <b>Norwegian Solvency II regulation</b> ", No: <i>Solvens II-forskriften</i> ) and the other applicable implementing measures adopted pursuant to the Solvency II directive (as amended from time to time) which are in force in Norway from time to time.
Arrears of Interest:	Any interest not paid on an Optional Interest Deferral Date or a Mandatory Interest Deferral Date as set forth in Clause 3.5.3 ( <i>Payment of Deferred Interest</i> ).
Bankruptcy Event:	A decision by the Ministry of Finance that the Issuer shall become subject to public administration ( <i>No: offentlig administrasjon</i> ) according to chapter 21 of the Financial Undertaking Act, as amended from time to time.
Bond Terms:	This agreement including any attachments hereto, and any subsequent amendments and additions agreed between the parties hereto.
Bond Trustee:	The company designated as such in the preamble to these Bond Terms, or any successor, acting for and on behalf of the Bondholders in accordance with these Bond Terms.
Bond Trustee Agreement:	An agreement to be entered into between the Issuer and the Bond Trustee relating among other things to the fees to be paid by the Issuer to the Bond Trustee for its obligations relating to the Bonds unless otherwise agreed in these Bond Terms.
Bondholder:	A person who is registered in the CSD as directly registered owner or nominee holder of a Bond, subject however to Clause 5.3 ( <i>Bondholders' rights</i> ).
Bondholders' Meeting:	Meeting of Bondholders as set forth in Clause 6 ( <i>Bondholders' decisions</i> ) of these Bond Terms.
Bonds:	The debt instruments issued by the Issuer pursuant to these Bond Terms.

Business Day:	Any day on which the CSD settlement system is open and the relevant currency settlement system is open.
Business Day Convention:	Means that: (a) If Modified Following Business Day is specified (FRN), the Interest Period will be extended to include the first following Business Day unless that day falls in the next calendar month, in which case the Interest Period will be shortened to the first preceding Business Day. (b) If No Adjustment is specified (Fixed Rate), no adjustment will be made to the Interest Period.
Call:	Issuer's early redemption as set forth in Clause 3.7 ( <i>Optional Redemption</i> ).
Capital Disqualification Event:	An event which occurs if, as a result of any replacement of or change to (or change to the interpretation by any court or authority entitled to do so of) the Applicable Regulations which becomes effective on or after the Issue Date, the Bonds or part of the Bonds are no longer, or the Issuer has demonstrated to the satisfaction of the Issuer Supervisory that there is a substantial risk that they will no longer be, eligible in accordance with the Applicable Regulations to count as cover for the capital or solvency requirements (however such terms are described from time to time in the Applicable Regulations) for the Issuer whether on a single or consolidated basis (and including, for the avoidance of doubt, any regulatory change to any applicable limitation on the amount of such capital).
Capital Requirement Breach:	A breach of the applicable capital requirements or solvency requirements applicable to the Issuer and the Issuer Group from time to time as such requirements are defined under the Applicable Regulations, and for the avoidance of any doubt and without limitation to the foregoing, including a breach of the solvency capital requirement as defined in Section 14-10 of the Financial Undertaking Act and as further detailed in Applicable Regulations.
Compulsory Interest Payment Date:	Any Interest Payment Date, other than a Mandatory Interest Deferral Date, where a decision of payment of any distribution or dividend or other payment (including payment in relation to redemption or repurchase) on or in respect of any Junior Obligations has been made by the Issuer during the six months immediately preceding such Interest Payment Date.
CSD:	The central securities depository in which the Bonds are registered, being Verdipapirsentralen ASA (VPS).
Day Count Convention:	The convention for calculation of payment of interest; (a) If Fixed Rate, the 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), unless: (i) the last day in the relevant Interest Period is the 31st calendar day but the first day of that Interest Period is a day other than the 30th or the 31st day of a month, in which case the month that includes that last day shall not be shortened to a 30-day month; or

	<p>(ii) the last day of the relevant Interest Period is the last calendar day in February, in which case February shall not be lengthened to a 30-day month.</p> <p>(b) If FRN, the interest shall be calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis).</p>
Decisive Influence:	Means a person having, as a result of an agreement or through the ownership of shares or interests in another person (directly or indirectly): (a) a majority of the voting rights in that other person; or (b) a right to elect or remove a majority of the members of the board of directors of that other person.
EventS of Default:	No events of default, cf. Clause 3.10 ( <i>Events of default</i> ).
Exchange:	Shall have the meaning ascribed to such term in Clause 1 ( <i>Main terms of the Bonds</i> ), setting out the exchange or other recognized marketplace for securities, on which the Issuer has, or has applied for, listing of the Bonds. If NA is specified, the terms of these Bond Terms covering Exchange do not apply.
Face Value:	The face (nominal) value of each Bond.
Finance Documents:	Means these Bond Terms, any Bond Trustee Agreement and any other document designated by the Issuer and the Bond Trustee as a Finance Document.
Financial Undertaking:	Entity with authorization according to the Financial Undertaking Act.
Fixed Rate:	Means if the Interest Rate is stated in percentage (%).
FRN:	Means if the Interest Rate is stated as Reference Rate + Margin.
Interest Accrual Date:	The date on which interest on the Bond starts to accrue.
Interest Period:	Means, subject to adjustment in accordance with the Business Day Convention, the periods set out in Clause 1 ( <i>Main terms of the Bonds</i> ), provided however that an Interest Period shall not extend beyond the Maturity Date.
Interest Rate:	<p>Rate of interest applicable to the Bonds;</p> <p>(a) If Fixed Rate, the Bonds shall bear interest at the percentage (%) set out in Clause 1 (<i>Main terms of the Bonds</i>).</p> <p>(b) If FRN the Bonds shall bear interest at a rate per annum equal to the Reference Rate + Margin as set out in Clause 1 (<i>Main terms of the Bonds</i>).</p> <p>If the Interest Rate becomes negative, the Interest Rate shall be deemed to be zero.</p>
Interest Payment Date:	Means the last day of each Interest Period.
Interest Quotation Date:	Means, in relation to any period for which an Interest Rate is to be determined, the day falling two (2) Business Days before the first day of the relevant Interest Period.
Issue:	Any issue of Bonds pursuant to these Bond Terms.
Issuer:	The company designated as such in the preamble to these Bond Terms.
Issuer Group:	The Issuer and other companies (if any) being part of the Issuer's insurance group (No: <i>forsikringsgruppe</i> ) as defined in Section 38 of the Norwegian Solvency II regulation and any other Applicable Regulations.

Issuer's Bonds:	Bonds owned by the Issuer, any party who has Decisive Influence over the Issuer, or any party over whom the Issuer has Decisive Influence.
Issuer Supervisor:	The Financial Supervisory Authority of Norway (No: <i>Finanstilsynet</i> ) and any successor or replacement thereto, or other authority having primary responsibility for the prudential oversight and supervision of the Issuer and the Issuer Group.
Junior Obligations:	(i) The Issuer's share capital, or (ii) any other obligations of the Issuer ranking or expressed to rank junior to the Bonds.
LEI-code:	Legal Entity Identifier, a unique 20-character code that identifies legal entities that engage in financial transactions.
Listing:	Indicates listing of the Bonds. If YES is specified, the Issuer shall submit an application in order to have the Bonds listed on the Exchange. If NO is specified, no obligation for listing applies, but the Issuer may, at its own discretion, apply for listing.
Mandatory Deferral:	Shall have the meaning set forth in Clause 3.6 ( <i>Mandatory Deferral</i> ).
Mandatory Interest Deferral Date:	<p>Each Interest Payment Date:</p> <p>(a) immediately following the date as of which the Issuer's most recent quarterly report to the Issuer Supervisor disclosed that a Capital Requirement Breach has occurred, unless since the date of publication of such quarterly report, the Issuer has remedied the Capital Requirement Breach;</p> <p>(b) in respect of which there is a risk that a Capital Requirement Breach or a Bankruptcy Event would occur as a result of the payment of interest; or</p> <p>(c) the occurrence of any event which under the Applicable Regulations would require the Issuer to defer or suspend payment of interest in respect of the Bonds (unless the Issuer Supervisor has waived such requirement),</p> <p>except that any such Interest Payment Date shall not be Mandatory Interest Deferral Date if:</p> <p>(i) the Issuer Supervisor has exceptionally waived the deferral of interest payments;</p> <p>(ii) such interest payment does not further weaken the solvency position of the Issuer); and</p> <p>(iii) the Minimum Capital Requirement is complied with after the interest payment is made.</p> <p>Notwithstanding that an Interest Payment Date may be a Mandatory Interest Deferral Date, interest may still be paid on that relevant Interest Payment Date to the extent permitted under, and in accordance with, the Applicable Regulations.</p>
Mandatory Redemption Deferral Date:	Any date in respect of which a Capital Requirement Breach has occurred and is continuing or would occur if the payment of the relevant redemption amount otherwise due was made on such date.
Margin:	Means, if FRN, the margin of the Interest Rate. The provisions regarding Margin do not apply for Fixed Rate.



Maturity Date:	Means the date set out in Clause 1 ( <i>Main terms of the Bonds</i> ), or any other day where the Outstanding Bonds are paid in full, adjusted according to the Business Day Convention.
Minimum Capital Requirement:	The minimum capital requirement for the Issuer and the Issuer Group as defined in Section 14-11 of the Financial Undertaking Act as further detailed in the Applicable Regulations.
NA:	Means that the provision to which NA is designated is not applicable to these Bond Terms.
NIBOR:	Means, for FRN, the Norwegian Interbank Offered Rate, being <ul style="list-style-type: none"> <li>a) the interest rate fixed for a period comparable to the relevant Interest Period published by Global Rate Set Systems (GRSS) at approximately 12.00 (Oslo time) on the Interest Quotation Day; or</li> <li>b) if paragraph a) above is not available for the relevant Interest Period; <ul style="list-style-type: none"> <li>(i) the linear interpolation between the two closest relevant interest periods, and with the same number of decimals, quoted under paragraph a) above; or</li> <li>(ii) a rate for deposits in the relevant currency for the relevant Interest Period as supplied; or</li> </ul> </li> <li>c) if the interest rate under paragraph a) is no longer available, the interest rate will be set by the Bond Trustee in consultation with the Issuer to: <ul style="list-style-type: none"> <li>(i) any relevant replacement reference rate generally accepted in the market; or</li> </ul> </li> </ul> such interest rate that best reflects the interest rate for deposits in NOK offered for the relevant Interest Period.
Optional Interest Deferral Date:	Any Interest Payment Date which is not a Compulsory Interest Payment Date or a Mandatory Interest Deferral Date.
Optional Redemption:	Issuer's Call pursuant to Clause 3.7 ( <i>Optional Redemption</i> ) and the dates stated therein at the Redemption Price. The relevant redemption dates shall be adjusted pursuant to the Business Day Convention.
Outstanding Bonds:	Means any Bonds not redeemed or otherwise discharged.
Parity Obligations:	Any obligations of the Issuer ranking or expressed to rank <i>pari passu</i> with the Bonds.
Paying Agent:	The legal entity appointed by the Issuer to act as its paying agent with respect to the Bonds in the CSD.
Rating Agency:	S&P Global Ratings Inc. or any other regulated credit rating agency as defined in Regulation 1060/2009 of 16 September 2009 on credit rating agencies (as amended from time to time).
Rating Agency Event:	If and when the Bonds are rated by a Rating Agency, a change in the rating methodology, or in the interpretation of such methodology, as the case may be, becoming effective after the Issue Date, as a result of which the capital treatment assigned by a Rating Agency to the Bonds or part thereof, as notified by such Rating Agency to the Issuer or as published by such Rating Agency, becomes, in the reasonable opinion of the Issuer, materially unfavourable for the Issuer, when compared to the capital treatment assigned by such Rating Agency to the Bonds, as notified by such Rating Agency to the Issuer or as published by such Rating Agency, on or around the Issue Date.



Redemption Notice:	The written notification of exercise of an Optional Redemption as set forth in paragraph (c) of Clause 3.7 ( <i>Optional Redemption</i> ).
Redemption Price:	The Face Value of the Bonds, subject to any adjustment following reduction of amounts of principal, plus accrued and unpaid interest, including Arrears of Interest (if any).
Reference Rate:	NIBOR rounded to the nearest hundredth of a percentage point on each Reset Date, for the period stated. If NA is specified, Reference Rate does not apply.
Relevant Record Date:	Means the date on which a Bondholder's ownership of Bonds shall be recorded in the CSD as follows: a) in relation to payments pursuant to these Bond Terms, the date designated as the Relevant Record Date in accordance with the rules of the CSD from time to time; b) for the purpose of casting a vote with regard to Clause 6 ( <i>Bondholders' Decisions</i> ), the date falling on the immediate preceding Business Day to the date of that Bondholders' decision being made, or another date as accepted by the Bond Trustee.
Repayment Date:	Means any date for payment of instalments, payment of any Call or the Maturity Date, or any other days of repayments of Bonds.
Reset Date:	Dates on which the Interest Rate is fixed for the subsequent Interest Period for Bonds where Reference Rate applies. The first Reset Date is two (2) Business Days before the Interest Accrual Date. Thereafter the Reset Date is two (2) Business Days prior to each Interest Payment Date.
Solvency II:	Solvency II directive and any implementing measures adopted pursuant to the Solvency II directive (as amended from time to time), including, without limitation, the Commission Delegated Regulation (EU) 2015/35 of 10 October 2014.
Summons:	Means the call for a Bondholders' Meeting or a Written Resolution as the case may be.
Taxation Event:	An event which occurs as a result of any amendment to, clarification of or change (including any announced prospective change) in the laws or treaties (or regulations thereunder) of Norway affecting taxation (including any change in the interpretation by any court or authority entitled to do so) or any governmental action, on or after the Issue Date, and there is a substantial risk that: a) the Issuer is, or will be, subject to a significant amount of other taxes, duties or other governmental charges or civil liabilities with respect to the Bonds; b) the treatment of any of the Issuer's items of income or expense with respect to the Bonds as reflected on the tax returns (including estimated returns) filed (or to be filed) by the Issuer will not be respected by a taxing authority, which subjects the Issuer to more than a significant amount of additional taxes, duties or other governmental charges; or c) the Issuer would be required to gross up interest payments.
Voting Bonds:	Outstanding Bonds less the Issuer's Bonds.

Written Resolution:	Means a written (or electronic) solution for a decision making among the Bondholders, as set out in Clause 6.5 ( <i>Written Resolutions</i> ).
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### **3. SPECIAL TERMS OF THE BONDS**

#### **3.1 Use of proceeds**

The purpose of the Bond Issue is general corporate purposes, and for the Bonds to qualify as Tier 2 capital (basic own funds) of the Issuer and/or the Issuer Group for the purpose of the Applicable Regulations and as determined by the Issuer Supervisor.

#### **3.2 Status**

The Bonds will constitute direct, unsecured and subordinated debt, and will in connection with a Bankruptcy Event of the Issuer rank:

- (a) *pari passu* without any preference among the Bonds;
- (b) *pari passu* with all outstanding Parity Obligations;
- (c) in priority to payments to creditors in respect of Junior Obligations; and
- (d) junior in right of payment to any present or future claims of (i) policyholders of the Issuer, and (ii) any other obligations of the Issuer ranking or expressed to rank senior to the Bonds.

#### **3.3 Security**

The Bonds are unsecured.

#### **3.4 Payments in respect of the Bonds**

##### **3.4.1 Covenant to pay**

- (a) On each Interest Payment Date the Issuer shall, subject to Clause 3.5 (*Deferral of Interest*), in arrears pay the accrued Interest Rate amount to the Bondholders.
- (b) Subject to the provisions on Issuer deferral of redemption date, satisfaction of the preconditions to redemption, purchases, variation and substitution and to receiving the prior approval of the Issuer Supervisor (if required), unless previously redeemed or purchased and cancelled, the Issuer will redeem the Bonds at their principal amount on the Maturity Date together with any Arrears of Interest (if payable) and any other accrued and unpaid interest to (but excluding) the Maturity Date.
- (c) If a payment date falls on a day on which is not a Business Day, the payment shall be made on the first following Business Day.
- (d) The Issuer undertakes to pay to the Bond Trustee any other amount payable pursuant to the Finance Documents at its due date.
- (e) The Issuer may not apply any counterclaims in set-off against its payment obligations pursuant to the Finance Documents.

- (f) Amounts payable to the Bondholders by the Issuer shall be available to the Bondholders on the date the amount is due pursuant to these Bond Terms and will be made to the Bondholders registered as such in the CSD at the Relevant Record Date for the actual payment.

#### 3.4.2 Interest Rate calculation and fixing

- (a) Each Outstanding Bond will accrue interest at the Interest Rate on the nominal amount for each Interest Period, commencing on and including the first date of the Interest Period (or the Interest Accrual Date, for the first Interest Period), and ending on but excluding the last date of the Interest Period.
- (b) The Interest Rate shall be calculated based on the Day Count Convention.
- (c) If FRN, the Interest Rate shall be adjusted by the Bond Trustee on each Interest Quotation Date during the term of the Bonds. The Bondholders, the Issuer, the Paying Agent and the Exchange (to the extent applicable) shall be notified of the new Interest Rate applicable for the next Interest Period.

### 3.5 Deferral of Interest

#### 3.5.1 Optional Deferral of Interest

The Issuer may on any Optional Interest Deferral Date by notice to the Bond Trustee defer payment of all (but not only some) of the Interest accrued but unpaid to that date.

#### 3.5.2 Mandatory Deferral of Interest

The Issuer will on any Mandatory Interest Deferral Date by notice to the Bond Trustee (together with a certificate signed by authorised signatories of the Issuer confirming the relevant Interest Payment Date is a Mandatory Interest Deferral Date) defer payment of all (but not only some) of the Interest accrued but unpaid to that date.

#### 3.5.3 Payment of Deferred Interest

- (a) Arrears of Interest may, at the option of the Issuer, be paid in whole or in part at the next Interest Payment Date which is not a Mandatory Interest Deferral Date.
- (b) Arrears of Interest shall, subject to prior approval from the Issuer Supervisor (to the extent required under the Applicable Regulations), be paid in whole on a date which is not a Mandatory Interest Deferral Date at the earliest of:
  - (i) the next Interest Payment Date which is a Compulsory Interest Payment Date or seven (7) days after the date when the requirements for a Compulsory Interest Payment Date would be deemed to be satisfied, if such date falls earlier than the next Interest Payment Date;
  - (ii) the date of any redemption of the Bonds in accordance with the terms and conditions for the Bonds;
  - (iii) the date of a Bankruptcy Event; or
  - (iv) the date on which the Issuer pays, or any other person declares or pays, any distribution or dividend or makes any payment (including payment in relation to

redemption or repurchase) on or in respect of any Junior Obligations or Parity Obligations, or the date on which any dividend or other distribution on or payment (including payment in relation to redemption or repurchase) on or in respect of the Issuer's share capital is paid.

3.5.4 Interest will not accrue on Arrears of Interest.

3.5.5 The term "deferral of interest" shall be understood in accordance with the Applicable Regulations.

### 3.6 **Mandatory Deferral**

- (a) No Bonds shall be redeemed on the Maturity Date, or prior to the Maturity Date pursuant to the relevant provisions on Optional Redemption, if the date set for redemption is a Mandatory Redemption Deferral Date and redemption shall be deferred ("**Mandatory Deferral**"). Any failure to pay principal due to a Mandatory Deferral shall not constitute a default by the Issuer for any purpose, provided that nothing shall be construed to permit the Issuer to defer any principal otherwise due and payable except under the circumstances specified in the definition of Mandatory Redemption Deferral Date.
- (b) Notwithstanding that the date set for redemption may be a Mandatory Redemption Deferral Date, the Bonds may be redeemed and the relevant redemption amount may still be paid to the extent permitted under, and in accordance with, the Applicable Regulations.
- (c) The Issuer shall notify the Bond Trustee (on behalf of the bondholders) and the Paying Agent no later than five (5) Business Days prior to any date set for redemption of the Bonds if such redemption is to be deferred, provided that if the conditions to the date set for redemption being a Mandatory Redemption Deferral Date are satisfied less than five (5) Business Days prior to the date set for redemption, the Issuer shall give notice of such deferral as soon as reasonably practicable following the occurrence of such event.
- (d) If redemption of the Bonds does not occur on the Maturity Date or, as appropriate, the date specified in the relevant Redemption Notice by the Issuer, as a result of a Mandatory Deferral the Issuer shall (subject, in the case of paragraphs (a) and (b) below only, to the provisions of subordination and to receiving the prior approval of the Issuer Supervisor (if required)), redeem such Bonds at their principal amount together with any Arrears of Interest and any other accrued and unpaid interest, upon the earliest of:
  - (i) the date falling ten (10) Business Days after the first date which immediately follows the date set for redemption and which is not a Mandatory Redemption Deferral Date (unless such 10th Business Day is itself a Mandatory Redemption Deferral Date, in which case this paragraph will apply *mutatis mutandis* to determine the due date for redemption of the Bonds); or
  - (ii) the date falling ten (10) Business Days after the Issuer Supervisor has agreed to the repayment or redemption of the Bonds; or
  - (iii) the date of a Bankruptcy Event,

and the Issuer shall give the Redemption Notice to the Bond Trustee (on behalf of the bondholders) and the Paying Agent as soon as reasonably practicable following the occurrence of the relevant event triggering such redemption.

- (e) If the Mandatory Deferral provisions do not apply, but redemption of the Bonds does not occur on the Maturity Date or, as appropriate, the date specified in the relevant Redemption Notice by the Issuer because the Issuer was not or would not be solvent, subject to receiving the prior approval of the Issuer Supervisor (if required), such Bonds shall be redeemed at their principal amount together with any Arrears of Interest and any other accrued and unpaid interest on the 10th Business Day immediately following the day that (A) the Issuer is solvent and (B) the redemption of the Bonds would not result in the Issuer ceasing to be solvent, provided that if such Business Day specified for redemption is a Mandatory Redemption Deferral Date, then the Bonds shall not be redeemed on such date and the provisions above shall apply *mutatis mutandis* to determine the due date for redemption of the Bonds.
- (f) At the same time as delivering any notice of deferral of redemption to the Bond Trustee (on behalf of the bondholders), the Issuer shall send to the Bond Trustee a certificate signed by an authorised signatory of the Issuer confirming that the relevant date set for redemption is or is not (as applicable) a Mandatory Redemption Deferral Date. Any such certificate shall, in the absence of manifest error, be treated and accepted by the Issuer, the Bond Trustee (on behalf of the bondholders) and all other interested parties as correct and sufficient evidence thereof, shall be binding on all such persons and the Bond Trustee shall be entitled to rely on such certificate without liability to any person.

### **3.7 Optional Redemption**

- (a) Issuer may on the First Call Date or any Interest Payment Date thereafter, if the Issuer provides satisfactory evidence to the Bond Trustee (on behalf of the Bondholders), that (i) in the opinion of the Issuer Supervisor no Capital Requirement Breach has occurred or is likely to occur as a result of a redemption, and (ii) the Issuer has received prior consent of the Issuer Supervisor, redeem in a manner permitted by any Applicable Regulations and other applicable law all (but not only some) of the outstanding Bonds at the Redemption Price, without any premium or penalty.
- (b) If the Issuer and/or the Issuer Group is in a Capital Requirement Breach or repayment or redemption would lead to such Capital Requirement Breach, redemption may be made notwithstanding (i) and/or (ii) above if:
  - (i) the Issuer Supervisor has exceptionally waived the suspension of repayment or redemption of that item;
  - (ii) the item is exchanged for or converted into another Tier 2 or basic own-fund item of at least the same quality; and
  - (iii) the Minimum Capital Requirement is complied with after the repayment or redemption.

- (c) Exercise of an Optional Redemption shall be notified in writing to the Bondholders in accordance with paragraph (b) of Clause 8.3 (*Notices*) at least thirty (30) Business Days prior to the relevant redemption date (the "**Redemption Notice**").
- (d) If the Issuer provides satisfactory evidence to the Bond Trustee (on behalf of the Bondholders), that a;
  - (i) Capital Disqualification Event;
  - (ii) Rating Agency Event; or
  - (iii) Taxation Event;

has occurred when the Bonds are outstanding, the Issuer may subject to (i) no Capital Requirement Breach having occurred or would occur as a result of a redemption, (ii) prior consent of the Issuer Supervisor, and (iii) the provisions of paragraph (c) of Clause 3.9 (*Preconditions to redemption, purchase, variation or substitution*) below (as applicable), redeem all (but not only some) of the outstanding Bonds at the Redemption Price, without any premium or penalty.

- (e) Exercise of the Optional Redemption shall be notified by a Redemption Notice.

### **3.8 The Issuer's acquisition of Bonds**

- (a) The Issuer or any of its subsidiaries may at any time purchase Bonds in any manner at any price, subject to (i) prior consent of the Issuer Supervisor, and in the case of purchase within the period of five (5) years from the Issue Date, (ii) such purchase shall be funded out of the proceeds from new issuance of capital of at least the same quality as the Bonds (unless such requirement no longer is required under the Applicable Regulations).
- (b) Any Bonds repurchased by the Issuer or its subsidiaries may at the Issuer's discretion be retained, sold or cancelled by causing such Bonds to be deleted of the records of the CSD.

### **3.9 Preconditions to redemption, purchase, variation or substitution**

- (a) Prior to the publication of any Redemption Notice before the Maturity Date or any purchase, variation or substitution of the Bonds, provided that no Capital Requirement Breach has occurred or is continuing, the Issuer will be required to be in continued compliance with the applicable capital adequacy requirements set out in the Applicable Regulations and on the same date as publishing any Redemption Notice before the Maturity Date or making any purchase, variation or substitution of the Bonds the Issuer shall deliver to the Bond Trustee a certificate signed by an authorised signatory of the Issuer confirming such compliance. Any such certificate shall be conclusive evidence of such compliance (it being declared that the Bond Trustee may rely absolutely on such certification without liability to any person).
- (b) Prior to the publication of any Redemption Notice or notice of variation or substitution pursuant to any Optional Redemption by the Issuer upon the occurrence of a Capital Disqualification Event, Rating Agency Event or Taxation Event, the Issuer shall deliver to the Bond Trustee (A) in the case of a redemption, variation or substitution in a



Taxation Event a certificate signed by an authorised signatory stating that any or all of the requirements referred to in paragraphs (i), (ii) or (iii) in the definition of Taxation Event will apply on the next Interest Payment Date and cannot be avoided by the Issuer taking reasonable measures available to it, together with an opinion of independent tax counsel of recognized standing to such effect and the Bond Trustee shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above; and (B) in the case of a redemption, variation or substitution in a Capital Disqualification Event or Rating Agency Event, a certificate signed by an authorised signatory stating that a Capital Disqualification Event or Rating Agency Event (as applicable) has occurred and is continuing. Any such certificate shall be conclusive and binding on the Bondholders.

- (c) In the case of a redemption or purchase within the period of five (5) years from the Issue Date, (i) the Issuer shall deliver a statement determining that the circumstance entitling it to exercise the right of redemption or purchase was concluded or judged to have been unlikely to occur at the Issue Date; and (ii) such redemption or purchase shall be funded out of the proceeds of a new issuance of capital of at least the same quality as the Bonds (unless such requirement no longer exists under the Applicable Regulations).

### **3.10 Events of default**

- (a) These Bond Terms do not contain any event of default provision and the Bond Trustee (on behalf of the Bondholders) may not declare any event of default by the Issuer of any of its obligations under these Bond Terms neither on the basis of these Bond Terms nor on the basis of general principles of Norwegian law.
- (b) Bondholders may only demand prepayment in the event of a Bankruptcy Event.

## **4. GENERAL TERMS OF THE BONDS**

### **4.1 Conditions precedent**

#### **4.1.1 Conditions precedent to the Issue Date**

- (a) The Bond Trustee shall have received the following documentation, no later than two (2) Business Days prior to the Issue Date:
  - (i) these Bond Terms duly signed,
  - (ii) the Issuer's corporate resolution to issue the Bonds,
  - (iii) confirmation that the relevant individuals are authorised to sign on behalf of the Issuer these Bond Terms and other relevant documents in relation hereto, (Company Certificate, Power of Authority etc.),
  - (iv) the Issuer's Articles of Association,
  - (v) confirmation that the requirements set forth in Chapter 7 of the Norwegian Securities Trading Act (prospectus requirements) are fulfilled,
  - (vi) to the extent necessary, any public authorisations required for the issue of the Bonds,



- (vii) confirmation that the Bonds have been registered in the CSD,
  - (viii) the Bond Trustee Agreement duly signed (to the extent applicable),
  - (ix) confirmation according to paragraph (d) of Clause 4.1.2 (*Confirmation*) if applicable,
  - (x) approval from the Issuer Supervisor regarding issuance of Bonds in accordance with Clause 3.1 (*Use of proceeds*),
  - (xi) any other relevant documentation presented in relation to the issue of the Bonds, and
  - (xii) any statements (including legal opinions) required by the Bond Trustee regarding documentation in this Clause 4.1 (*Conditions precedent*).
- (b) The Bond Trustee may, in its reasonable opinion, waive the deadline or requirements for the documentation as set forth in this Clause 4.1 (*Conditions precedent*).
  - (c) The Issuance of the Bonds is subject to the Bond Trustee's written notice to the Issuer, the manager of the issuance of the Bonds and the Paying Agent that the documents have been controlled and that the required conditions precedent are fulfilled.

#### 4.1.2 Representations and warranties

##### (a) General

The Issuer makes the representations and warranties set out in this Clause 4.1.2 (*Representations and warranties*) to the Bond Trustee (on behalf of the Bondholders) at the Issue Date and with reference to the facts and circumstances then existing.

##### (b) Information

All information which has been presented to the Bond Trustee or the Bondholders in relation to the Bonds is, to the best knowledge of the Issuer, having taken all reasonable measures to ensure the same:

- (i) true and accurate in all material respects as at the date the relevant information is expressed to be given; and
- (ii) does not omit any material information likely to affect the accuracy of the information as regards the evaluation of the Bonds in any material respects unless subsequently disclosed to the Bond Trustee in writing or otherwise made publicly known.

##### (c) Requirements

- (i) The Issuer has made a valid resolution to issue the Bonds and the provisions of the Finance Documents do not contravene any of the Issuer's other obligations.

- (ii) All public requirements have been fulfilled (i.e. pursuant to chapter 7 of the Norwegian Securities Trading Act), and any required public authorisation has been obtained.

(d) Confirmation

The Bond Trustee may require a statement from the Issuer confirming the Issuer's compliance with this Clause 4.1.2 (*Representations and warranties*).

#### **4.2 Information covenants**

The Issuer undertakes to:

- (a) inform the Bond Trustee of any other event which may have a material effect on the Issuer's ability to fulfil its obligations pursuant to these Bond Terms,
- (b) inform the Bond Trustee if the Issuer intends to sell or dispose of all or a substantial part of its assets or operations or change the nature of its business,
- (c) upon request, provide the Bond Trustee with its annual and interim reports and any other information reasonably required by the Bond Trustee,
- (d) upon request report to the Bond Trustee the balance of Issuer's Bonds,
- (e) provide a copy to the Bond Trustee of any notice to its creditors to be made according to applicable laws and regulations,
- (f) send a copy to the Bond Trustee of notices to the Exchange which have relevance to the Issuer's liabilities pursuant to these Bond Terms,
- (g) inform the Bond Trustee of changes in the registration of the Bonds in the CSD, and
- (h) inform the Bond Trustee of any events described in Clause 3.5 (*Deferral of Interest*), 3.6 (*Mandatory Deferral*), 3.7 (*Optional Redemption*) and 3.9 (*Preconditions to redemption, purchase, variation or substitution*).

#### **4.3 Registration of Bonds**

The Issuer shall continuously ensure the correct registration of the Bonds in the CSD.

#### **4.4 Listing and prospectus**

- (a) In the event that the Bonds are listed on the Exchange, matters concerning the listing requiring the approval of the Bondholders shall be resolved pursuant to the terms of these Bond Terms.
- (b) In the event that the Bonds are listed on the Exchange, the Issuer shall submit the documents and the information necessary to maintain the listing.
- (c) The Issuer shall ensure that these Bond Terms shall be incorporated in any prospectus and other subscription or information materials related to the Bonds.

**4.5 No event of default**

A failure to comply with any covenant shall not constitute an event of default.

**5. THE BONDHOLDERS**

**5.1 Bond Terms binding on all Bondholders**

- (a) By virtue of being registered as a Bondholder (directly or indirectly) with the CSD, the Bondholders are bound by these Bond Terms and any other Finance Document, without any further action required to be taken or formalities to be complied with by the Bond Trustee, the Bondholders, the Issuer or any other party.
- (b) These Bond Terms shall be publicly available from the Bond Trustee or the Issuer.
- (c) The Bond Trustee is always acting with binding effect on behalf of all the Bondholders.

**5.2 Limitation of rights of action**

- (a) No Bondholder is entitled to take any enforcement action, instigate any insolvency procedures, or take other action against the Issuer or any other party in relation to any of the liabilities of the Issuer or any other party under or in connection with the Finance Documents, other than through the Bond Trustee and in accordance with these Bond Terms, provided, however, that the Bondholders shall not be restricted from exercising any of their individual rights derived from these Bond Terms, including any right to exercise any put option.
- (b) Each Bondholder shall immediately upon request by the Bond Trustee provide the Bond Trustee with any such documents, including a written power of attorney (in form and substance satisfactory to the Bond Trustee), as the Bond Trustee deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents. The Bond Trustee is under no obligation to represent a Bondholder which does not comply with such request.

**5.3 Bondholders' rights**

- (a) If a beneficial owner of a Bond not being registered as a Bondholder wishes to exercise any rights under the Finance Documents, it must obtain proof of ownership of the Bonds, acceptable to the Bond Trustee.
- (b) A Bondholder (whether registered as such or proven to the Bond Trustee's satisfaction to be the beneficial owner of the Bond as set out in paragraph (a) above) may issue one or more powers of attorney to third parties to represent it in relation to some or all of the Bonds held or beneficially owned by such Bondholder. The Bond Trustee shall only have to examine the face of a power of attorney or similar evidence of authorisation that has been provided to it pursuant to this Clause 5.3 (*Bondholders' rights*) and may assume that it is in full force and effect, unless otherwise is apparent from its face or the Bond Trustee has actual knowledge to the contrary.

## **6. BONDHOLDERS' DECISIONS**

### **6.1 Authority of the Bondholders' Meeting**

- (a) A Bondholders' Meeting may, on behalf of the Bondholders, resolve to alter any of these Bond Terms, including, but not limited to, any reduction of principal or interest and any conversion of the Bonds into other capital classes.
- (b) A Bondholders' Meeting can only resolve that any overdue payment of any instalment will be reduced if there is a *pro rata* reduction of the principal that has not fallen due, however, the meeting may resolve that accrued interest (whether overdue or not) shall be reduced without a corresponding reduction of principal, including if any such accrued and overdue interest has been issued under a separate ISIN in accordance with the regulations of the CSD from time to time.
- (c) The Bondholders' Meeting may not adopt resolutions which will give certain Bondholders an unreasonable advantage at the expense of other Bondholders.
- (d) Subject to the power of the Bond Trustee to take certain action as set out in Clause 7.1 (*Power to represent the Bondholders*), if a resolution by, or an approval of, the Bondholders is required, such resolution may be passed at a Bondholders' Meeting. Resolutions passed at any Bondholders' Meeting will be binding upon all Bondholders.
- (e) At least 50% of the Voting Bonds must be represented at a Bondholders' Meeting for a quorum to be present.
- (f) Resolutions will be passed by simple majority of the Voting Bonds represented at the Bondholders' Meeting, unless otherwise set out in paragraph (g) below.
- (g) Save for any amendments or waivers which can be made without resolution pursuant to Clause 8.1.2 (*Procedure for amendments and waivers*), section (i) and (ii), a majority of at least 2/3 of the Voting Bonds represented at the Bondholders' Meeting is required for approval of any waiver or amendment of these Bond Terms.

### **6.2 Procedure for arranging a Bondholders' Meeting**

- (a) A Bondholders' Meeting shall be convened by the Bond Trustee upon the request in writing of:
  - (i) the Issuer;
  - (ii) Bondholders representing at least 1/10 of the Voting Bonds;
  - (iii) the Exchange, if the Bonds are listed and the Exchange is entitled to do so pursuant to the general rules and regulations of the Exchange; or
  - (iv) the Bond Trustee.

The request shall clearly state the matters to be discussed and resolved.

- (b) If the Bond Trustee has not convened a Bondholders' Meeting within ten (10) Business Days after having received a valid request for calling a Bondholders' Meeting pursuant

to paragraph (a) above, then the re-requesting party may itself call the Bondholders' Meeting.

- (c) Summons to a Bondholders' Meeting must be sent no later than ten (10) Business Days prior to the proposed date of the Bondholders' Meeting. The Summons shall be sent to all Bondholders registered in the CSD at the time the Summons is sent from the CSD. If the Bonds are listed, the Issuer shall ensure that the Summons is published in accordance with the applicable regulations of the Exchange. The Summons shall also be published on the website of the Bond Trustee (alternatively by press release or other relevant information platform).
- (d) Any Summons for a Bondholders' Meeting must clearly state the agenda for the Bondholders' Meeting and the matters to be resolved. The Bond Trustee may include additional agenda items to those requested by the person calling for the Bondholders' Meeting in the Summons. If the Summons contains proposed amendments to these Bond Terms, a description of the proposed amendments must be set out in the Summons.
- (e) Items which have not been included in the Summons may not be put to a vote at the Bondholders' Meeting.
- (f) By written notice to the Issuer, the Bond Trustee may prohibit the Issuer from acquiring or dispose of Bonds during the period from the date of the Summons until the date of the Bondholders' Meeting unless this would constitute a breach by the Issuer's obligations pursuant to Clause 3.4.1 (*Covenant to pay*).
- (g) A Bondholders' Meeting may be held on premises selected by the Bond Trustee, or if paragraph (b) above applies, by the person convening the Bondholders' Meeting (however to be held in Oslo). The Bondholders' Meeting will be opened and, unless otherwise decided by the Bondholders' Meeting, chaired by the Bond Trustee (the "**Chairperson**"). If the Bond Trustee is not present, the Bondholders' Meeting will be opened by a Bondholder and the Chairperson elected by the Bondholders' Meeting.
- (h) Each Bondholder, the Bond Trustee and, if the Bonds are listed, representatives of the Exchange, or any person or persons acting under a power of attorney for a Bondholder, shall have the right to attend the Bondholders' Meeting (each a "**Representative**"). The Chairperson may grant access to the meeting to other persons not being Representatives, unless the Bondholders' Meeting decides otherwise. In addition, each Representative has the right to be accompanied by an advisor. In case of dispute or doubt with regard to whether a person is a Representative or entitled to vote, the Chairperson will decide who may attend the Bondholders' Meeting and exercise voting rights.
- (i) Representatives of the Issuer have the right to attend the Bondholders' Meeting. The Bondholders Meeting may resolve to exclude the Issuer's representatives and/or any person holding only Issuer's Bonds (or any representative of such person) from participating in the meeting at certain times, however, the Issuer's representative and any such other person shall have the right to be present during the voting.
- (j) Minutes of the Bondholders' Meeting must be recorded by, or by someone acting at the instruction of, the Chairperson. The minutes must state the number of Voting Bonds represented at the Bondholders' Meeting, the resolutions passed at the meeting, and the

results of the vote on the matters to be decided at the Bondholders' Meeting. The minutes shall be signed by the Chairperson and at least one other person. The minutes will be deposited with the Bond Trustee who shall make available a copy to the Bondholders and the Issuer upon request.

- (k) The Bond Trustee will ensure that the Issuer, the Bondholders and the Exchange are notified of resolutions passed at the Bondholders' Meeting and that the resolutions are published on the website of the Bond Trustee (or other relevant electronically platform or press release).
- (l) The Issuer shall bear the costs and expenses incurred in connection with convening a Bondholders' Meeting regardless of who has convened the Bondholders' Meeting, including any reasonable costs and fees incurred by the Bond Trustee.

### **6.3 Voting rules**

- (a) Each Bondholder (or person acting for a Bondholder under a power of attorney) may cast one vote for each Voting Bond owned on the Relevant Record Date, ref. Clause 5.3 (*Bondholders' rights*). The Chairperson may, in its sole discretion, decide on accepted evidence of ownership of Voting Bonds.
- (b) Issuer's Bonds shall not carry any voting rights. The Chairperson shall determine any question concerning whether any Bonds will be considered Issuer's Bonds.
- (c) For the purposes of this Clause 6 (*Bondholders' decisions*), a Bondholder that has a Bond registered in the name of a nominee will, in accordance with Clause 5.3 (*Bondholders' rights*), be deemed to be the owner of the Bond rather than the nominee. No vote may be cast by any nominee if the Bondholder has presented relevant evidence to the Bond Trustee pursuant to Clause 5.3 (*Bondholders' rights*) stating that it is the owner of the Bonds voted for. If the Bondholder has voted directly for any of its nominee registered Bonds, the Bondholder's votes shall take precedence over votes submitted by the nominee for the same Bonds.
- (d) Any of the Issuer, the Bond Trustee and any Bondholder has the right to demand a vote by ballot. In case of parity of votes, the Chairperson will have the deciding vote.

### **6.4 Repeated Bondholders' Meeting**

- (a) Even if the necessary quorum set out in paragraph (d) of Clause 6.1 (*Authority of the Bondholders' Meeting*) is not achieved, the Bondholders' Meeting shall be held and voting completed for the purpose of recording the voting results in the minutes of the Bondholders' Meeting. The Bond Trustee or the person who convened the initial Bondholders' Meeting may, within ten (10) Business Days of that Bondholders' Meeting, convene a repeated meeting with the same agenda as the first meeting.
- (b) The provisions and procedures regarding Bondholders' Meetings as set out in Clause 6.1 (*Authority of the Bondholders' Meeting*), Clause 6.2 (*Procedure for arranging a Bondholders' Meeting*) and Clause 6.3 (*Voting rules*) shall apply *mutatis mutandis* to a repeated Bondholders' Meeting, with the exception that the quorum requirements set out in paragraph (d) of Clause 6.1 (*Authority of the Bondholders' Meeting*) shall not apply

to a repeated Bondholders' Meeting. A Summons for a repeated Bondholders' Meeting shall also contain the voting results obtained in the initial Bondholders' Meeting.

- (c) A repeated Bondholders' Meeting may only be convened once for each original Bondholders' Meeting. A repeated Bondholders' Meeting may be convened pursuant to the procedures of a Written Resolution in accordance with Clause 6.5 (*Written Resolutions*), even if the initial meeting was held pursuant to the procedures of a Bondholders' Meeting in accordance with Clause 6.2 (*Procedure for arranging a Bondholders' Meeting*) and vice versa.

## 6.5 Written Resolutions

- (a) Subject to these Bond Terms, anything which may be resolved by the Bondholders in a Bondholders' Meeting pursuant to Clause 6.1 (*Authority of the Bondholders' Meeting*) may also be resolved by way of a Written Resolution. A Written Resolution passed with the relevant majority is as valid as if it had been passed by the Bondholders in a Bondholders' Meeting, and any reference in any Finance Document to a Bondholders' Meeting shall be construed accordingly.
- (b) The person requesting a Bondholders' Meeting may instead request that the relevant matters are to be resolved by Written Resolution only, unless the Bond Trustee decides otherwise.
- (c) The Summons for the Written Resolution shall be sent to the Bondholders registered in the CSD at the time the Summons is sent from the CSD and published at the Bond Trustee's web site, or other relevant electronic platform or via press release.
- (d) The provisions set out in Clause 6.1 (*Authority of the Bondholders' Meeting*), 6.2 (*Procedure for arranging a Bondholder's Meeting*), Clause 6.3 (*Voting Rules*) and Clause 6.4 (*Repeated Bondholders' Meeting*) shall apply *mutatis mutandis* to a Written Resolution, except that:
  - (i) the provisions set out in paragraphs (g), (h) and (i) of Clause 6.2 (*Procedure for arranging Bondholders Meetings*); or
  - (ii) provisions which are otherwise in conflict with the requirements of this Clause 6.5 (*Written Resolution*),shall not apply to a Written Resolution.
- (e) The Summons for a Written Resolution shall include:
  - (i) instructions as to how to vote to each separate item in the Summons (including instructions as to how voting can be done electronically if relevant); and
  - (ii) the time limit within which the Bond Trustee must have received all votes necessary in order for the Written Resolution to be passed with the requisite majority (the "**Voting Period**" which shall be at least ten (10) Business Days but not more than fifteen (15) Business Days from the date of the Summons.



- (f) Only Bondholders of Voting Bonds registered with the CSD on the Relevant Record Date, or the beneficial owner thereof having presented relevant evidence to the Bond Trustee pursuant to Clause 5.3 (*Bondholders' rights*), will be counted in the Written Resolution.
- (g) A Written Resolution is passed when the requisite majority set out in paragraph (e) or paragraph (f) of Clause 6.1 (*Authority of Bondholders' Meeting*) has been obtained, based on a quorum of the total number of Voting Bonds, even if the Voting Period has not yet expired. A Written Resolution will also be passed if the sufficient numbers of negative votes are received prior to the expiry of the Voting Period.
- (h) The effective date of a Written Resolution passed prior to the expiry of the Voting Period is the date when the resolution is approved by the last Bondholder that results in the necessary voting majority being obtained.
- (i) If no resolution is passed prior to the expiry of the Voting Period, the number of votes shall be calculated at the close of business on the last day of the Voting Period, and a decision will be made based on the quorum and majority requirements set out in paragraphs (d) to (f) of Clause 6.1 (*Authority of Bondholders' Meeting*).

## **7. THE BOND TRUSTEE**

### **7.1 Power to represent the Bondholders**

- (a) The Bond Trustee has power and authority to act on behalf of, and/or represent, the Bondholders in all matters, including but not limited to taking any legal or other action, including enforcement of these Bond Terms, and the commencement of bankruptcy or other insolvency proceedings against the Issuer, or others.
- (b) The Issuer shall promptly upon request provide the Bond Trustee with any such documents, information and other assistance (in form and substance satisfactory to the Bond Trustee), that the Bond Trustee deems necessary for the purpose of exercising its and the Bondholders' rights and/or carrying out its duties under the Finance Documents.
- (c) In order to carry out its functions and obligations under these Bond Terms, the Bond Trustee will have access to the relevant information regarding ownership of the Bonds, as recorded and regulated with the CSD.

### **7.2 The duties and authority of the Bond Trustee**

- (a) The Bond Trustee shall represent the Bondholders in accordance with the Finance Documents, including, inter alia, by following up on the delivery of any Compliance Certificates and such other documents which the Issuer is obliged to disclose or deliver to the Bond Trustee pursuant to the Finance Documents and, when relevant, in relation to accelerating and enforcing the Bonds on behalf of the Bondholders.
- (b) The Bond Trustee is not obligated to assess or monitor the financial condition of the Issuer or any other Obligor unless to the extent expressly set out in these Bond Terms, or to take any steps to ascertain whether any Capital Requirement Breach has occurred. Until it has actual knowledge to the contrary, the Bond Trustee is entitled to assume that no Capital Requirement Breach has occurred. The Bond Trustee is not responsible for the valid execution or enforceability of the Finance Documents, or for any discrepancy

between the indicative terms and conditions described in any marketing material presented to the Bondholders prior to issuance of the Bonds and the provisions of these Bond Terms.

- (c) The Bond Trustee is entitled to take such steps that it, in its sole discretion, considers necessary or advisable to protect the rights of the Bondholders in all matters pursuant to the terms of the Finance Documents. The Bond Trustee may submit any instructions received by it from the Bondholders to a Bondholders' Meeting before the Bond Trustee takes any action pursuant to the instruction.
- (d) The Bond Trustee is entitled to engage external experts when carrying out its duties under the Finance Documents.
- (e) The Bond Trustee shall hold all amounts recovered on behalf of the Bondholders on separated accounts.
- (f) The Bond Trustee will ensure that resolutions passed at the Bondholders' Meeting are properly implemented, provided, however, that the Bond Trustee may refuse to implement resolutions that may be in conflict with these Bond Terms, any other Finance Document, or any applicable law.
- (g) Notwithstanding any other provision of the Finance Documents to the contrary, the Bond Trustee 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.
- (h) If the cost, loss or liability which the Bond Trustee may incur (including reasonable fees payable to the Bond Trustee itself) in:
  - (i) complying with instructions of the Bondholders; or
  - (ii) taking any action at its own initiative,

will not, in the reasonable opinion of the Bond Trustee, be covered by the Issuer or the relevant Bondholders pursuant to paragraphs (e) and (g) of Clause 7.4 (*Expenses, liability and indemnity*), the Bond Trustee may refrain from acting in accordance with such instructions, or refrain from taking such action, until it has received such funding or indemnities (or adequate security has been provided therefore) as it may reasonably require.

- (i) The Bond Trustee shall give a notice to the Bondholders before it ceases to perform its obligations under the Finance Documents by reason of the non-payment by the Issuer of any fee or indemnity due to the Bond Trustee under the Finance Documents.
- (j) The Bond Trustee may instruct the CSD to split the Bonds to a lower nominal amount in order to facilitate partial redemptions, restructuring of the Bonds or other situations.

### **7.3 Equality and conflicts of interest**

- (a) The Bond Trustee shall not make decisions which will give certain Bondholders an unreasonable advantage at the expense of other Bondholders. The Bond Trustee shall, when acting pursuant to the Finance Documents, act with regard only to the interests of

the Bondholders and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other person, other than as explicitly stated in the Finance Documents.

- (b) The Bond Trustee may act as agent, trustee, representative and/or security agent for several bond issues relating to the Issuer notwithstanding potential conflicts of interest. The Bond Trustee is entitled to delegate its duties to other professional parties.

#### **7.4 Expenses, liability and indemnity**

- (a) The Bond Trustee will not be liable to the Bondholders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its gross negligence or wilful misconduct. The Bond Trustee shall not be responsible for any indirect or consequential loss. Irrespective of the foregoing, the Bond Trustee shall have no liability to the Bondholders for damage caused by the Bond Trustee acting in accordance with instructions given by the Bondholders in accordance with these Bond Terms.
- (b) The Bond Trustee will not be liable to the Issuer for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless caused by its gross negligence or wilful misconduct. The Bond Trustee shall not be responsible for any indirect or consequential loss.
- (c) Any liability for the Bond Trustee for damage or loss is limited to the amount of the Outstanding Bonds. The Bond Trustee is not liable for the content of information provided to the Bondholders by or on behalf of the Issuer or any other person.
- (d) The Bond Trustee shall not be considered to have acted negligently in:
  - (i) acting in accordance with advice from or opinions of reputable external experts;  
or
  - (ii) taking, delaying or omitting any action if acting with reasonable care and provided the Bond Trustee considers that such action is to the interests of the Bondholders.
- (e) The Issuer is liable for, and will indemnify the Bond Trustee fully in respect of, all losses, expenses and liabilities incurred by the Bond Trustee as a result of negligence by the Issuer (including its directors, management, officers, employees and agents) in connection with the performance of the Bond Trustee's obligations under the Finance Documents, including losses incurred by the Bond Trustee as a result of the Bond Trustee's actions based on misrepresentations made by the Issuer in connection with the issuance of the Bonds, the entering into or performance under the Finance Documents, and for as long as any amounts are outstanding under or pursuant to the Finance Documents.
- (f) The Issuer shall cover all costs and expenses incurred by the Bond Trustee in connection with it fulfilling its obligations under the Finance Documents. The Bond Trustee is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents. For Nordic Financial Undertakings, and Nordic governmental issuers, annual fee will be determined according to applicable fee structure and terms and conditions presented at the Bond Trustee's web site

(www.nordictrustee.com) at the Issue Date, unless otherwise is agreed with the Bond Trustee. For other issuers a separate Bond Trustee Agreement will be entered into. The Bond Trustee's obligations under the Finance Documents are conditioned upon the due payment of such fees and indemnifications.

- (g) The Issuer shall on demand by the Bond Trustee pay all costs incurred for external experts engaged after the occurrence of a Capital Requirement Breach, or for the purpose of investigating or considering (i) an event or circumstance which the Bond Trustee reasonably believes is or may lead to an Capital Requirement Breach or (ii) a matter relating to the Issuer or any of the Finance Documents which the Bond Trustee reasonably believes may constitute or lead to a breach of any of the Finance Documents or otherwise be detrimental to the interests of the Bondholders under the Finance Documents.
- (h) Fees, costs and expenses payable to the Bond Trustee which are not reimbursed in any other way due to a Capital Requirement Breach, the Issuer being Insolvent or similar circumstances pertaining to any Obligors, may be covered by making an equal reduction in the proceeds to the Bondholders hereunder of any costs and expenses incurred by the Bond Trustee in connection therewith. The Bond Trustee may withhold funds from any escrow account (or similar arrangement) or from other funds received from the Issuer or any other person, and to set-off and cover any such costs and expenses from those funds.
- (i) As a condition to effecting any instruction from the Bondholders the Bond Trustee may require satisfactory Security, guarantees and/or indemnities for any possible liability and anticipated costs and expenses from those Bondholders who have given that instruction and/or who voted in favour of the decision to instruct the Bond Trustee.

#### **7.5 Replacement of the Bond Trustee**

- (a) The Bond Trustee may be replaced by a majority of 2/3 of Voting Bonds in accordance with the procedures set out in Clause 6 (*Bondholders' Decision*), and the Bondholders may resolve to replace the Bond Trustee without the Issuer's approval.
- (b) The Bond Trustee may resign by giving notice to the Issuer and the Bondholders, in which case a successor Bond Trustee shall be elected pursuant to this Clause 7.5 (*Replacement of the Bond Trustee*), initiated by the retiring Bond Trustee.
- (c) If the Bond Trustee is Insolvent, or otherwise is permanently unable to fulfil its obligations under these Bond Terms, the Bond Trustee shall be deemed to have resigned and a successor Bond Trustee shall be appointed in accordance with this Clause 7.5 (*Replacement of the Bond Trustee*). The Issuer may appoint a temporary Bond Trustee until a new Bond Trustee is elected in accordance with paragraph (a) above.
- (d) The change of Bond Trustee shall only take effect upon execution of all necessary actions to effectively substitute the retiring Bond Trustee, and the retiring Bond Trustee undertakes to co-operate in all reasonable manners without delay to such effect. The retiring Bond Trustee shall be discharged from any further obligation in respect of the Finance Documents from the change takes effect, but shall remain liable under the Finance Documents in respect of any action which it took or failed to take whilst acting

as Bond Trustee. The retiring Bond Trustee remains entitled to any benefits and any unpaid fees or expenses under the Finance Documents before the change has taken place.

- (e) Upon change of Bond Trustee the Issuer shall co-operate in all reasonable manners without delay to replace the retiring Bond Trustee with the successor Bond Trustee and release the retiring Bond Trustee from any future obligations under the Finance Documents and any other documents.

## **8. OTHER PROVISIONS**

### **8.1 Amendments and waivers**

#### **8.1.1 Approval from both parties**

Amendments of these Bond Terms may only be made with the approval of the parties to these Bond Terms, with the exception of amendments related to Clause 7.5 (*Replacement of the Bond Trustee*).

#### **8.1.2 Compliance with the Applicable Regulations**

The Issuer and the Bond Trustee (on behalf of the Bondholders) shall be entitled to make amendments of the terms of the Bonds which are of a formal, minor or technical nature or are made to correct a manifest error. As the Bonds are issued for solvency capital adequacy purposes as set out herein, the Bond Trustee shall furthermore be entitled (but not obliged), upon request from the Issuer and subject to approval from the Issuer Supervisor, be entitled to make amendments to the terms of Bonds to ensure that the Bonds continue to qualify as Tier 2 capital of the Issuer for the purpose of the Applicable Regulations as set out under Purpose above, where such change is required as a result of any change in the Applicable Regulations, or in any official interpretation thereof. Other amendments to the terms of the Bonds shall be subject to approval by the Bondholders' meeting (with simple or qualified majority, as the case may be) and, if and where relevant, the Issuer Supervisor's consent.

#### **8.1.3 Procedure for amendments and waivers**

The Issuer and the Bond Trustee (acting on behalf of the Bondholders) may agree to amend the Finance Documents or waive a past default or anticipated failure to comply with any provision in a Finance Document, provided that:

- (a) such amendment or waiver is not detrimental to the rights and benefits of the Bondholders in any material respect, or is made solely for the purpose of rectifying obvious errors and mistakes; or
- (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 Bondholders in accordance with Clause 6 (*Bondholders' Decisions*).

#### **8.1.4 Authority with respect to documentation**

If the Bondholders have resolved the substance of an amendment to any Finance Document, without resolving on the specific or final form of such amendment, the Bond Trustee shall be considered authorised to draft, approve and/or finalise (as applicable) any required

documentation or any outstanding matters in such documentation without any further approvals or involvement from the Bondholders being required.

#### 8.1.5 Notification of amendments or waivers

The Bond Trustee shall as soon as possible notify the Bondholders of any amendments or waivers made in accordance with this Clause 8.1 (*Amendments and waivers*), setting out the date from which the amendment or waiver will be effective, unless such notice obviously is unnecessary. The Issuer shall ensure that any amendment to these Bond Terms is duly registered with the CSD.

### 8.2 Expenses

- (a) The Issuer shall cover all its own expenses in connection with these Bond Terms and the fulfilment of its obligations hereunder, including the 'preparation of these Bond Terms, listing of the Bonds on the Exchange, and the registration and administration of the Bonds in the CSD.
- (b) The expenses and fees payable to the Bond Trustee shall be paid by the Issuer. For Financial Undertaking, and Nordic governmental issuers, annual fee will be determined according to applicable fee structure and terms and conditions presented at the Bond Trustee's web site ([www.nordictrustee.com](http://www.nordictrustee.com)) at the Issue Date, unless otherwise is agreed with the Bond Trustee. For other issuers a separate Bond Trustee Agreement will be entered into. Fees and expenses payable to the Bond Trustee which, due to insolvency or similar by the Issuer, are not reimbursed in any other way may be covered by making an equivalent reduction in the payments to the Bondholders.
- (c) Any public fees payable in connection with these Bond Terms and fulfilling of the obligations pursuant to these Bond Terms shall be covered by the Issuer. The Issuer is not responsible for reimbursing any public fees levied on the trading of Bonds.
- (d) The Issuer is responsible for withholding any withholding tax imposed by relevant law.

### 8.3 Notices

- (a) Written notices, warnings, summons etc. to the Bondholders made by the Bond Trustee shall be sent via the CSD with a copy to the Issuer and the Exchange. Information to the Bondholders may also be published at the web site [www.stamdata.no](http://www.stamdata.no).
- (b) The Issuer's written notifications to the Bondholders shall be sent via the Bond Trustee, alternatively through the CSD with a copy to the Bond Trustee and the Exchange.

### 8.4 Contact information

The Issuer and the Bond Trustee shall ensure that the other party is kept informed of any changes in its postal address, e-mail address, telephone and fax numbers and contact persons.

### 8.5 Governing law

These Bond Terms shall be governed by and construed in accordance with Norwegian law.

### 8.6 Jurisdiction

The Bond Trustee and the Issuer agree for the benefit of the Bond Trustee and the Bondholders that the Oslo district court (*Oslo Tingrett*) shall have jurisdiction with respect to any dispute



arising out of or in connection with these Bond Terms (a "**Dispute**"). The Issuer agrees for the benefit of the Bond Trustee and the Bondholders that any legal action or proceedings arising out of or in connection with these Bond Terms against the Issuer or any of its assets may be brought in such court and that the Issuer shall be prevented from taking proceedings relating to a Dispute in any other court of law.

Paragraph (a) above has been agreed for the benefit of the Bond Trustee and the Bondholders only. The Bond Trustee shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Bond Trustee may also take concurrent proceedings in any number of jurisdictions. Accordingly, it is agreed that the Oslo district court (*Oslo Tingrett*) has non-exclusive jurisdiction to settle any Dispute.

### SIGNATURES

The Issuer

By: 

Name: Kjetil R. Krøge

The Bond Trustee

By: 

Name: Morten S. Bredesen