



AKADEMISKA HUS

## Akademiska Hus AB (publ)

(incorporated as a limited company in the Kingdom of Sweden (with registered no. 556459-9156))

### €3,000,000,000

## Euro Medium Term Note Programme

Under the Euro Medium Term Note Programme (the "**Programme**") described in this Prospectus, Akademiska Hus AB (publ) (the "**Issuer**"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue debt securities (the "**Notes**"). The aggregate principal amount of Notes outstanding will not at any time exceed €3,000,000,000 (or the equivalent in other currencies). This Prospectus supersedes any previous Prospectus or supplements thereto. Any Notes issued under the Programme within 12 months of the date of this Prospectus are issued subject to the provisions therein. This Prospectus does not affect any Notes issued prior to the date hereof.

Application has been made to the Financial Conduct Authority in its capacity as competent authority (the "**UK Listing Authority**") for Notes issued under the Programme for the period of 12 months from the date of this Prospectus to be admitted to the official list of the UK Listing Authority (the "**Official List**") and to the London Stock Exchange plc (the "**London Stock Exchange**") for such Notes to be admitted to trading on the London Stock Exchange's Regulated Market (the "**Market**"). References in this Prospectus to Notes being "**listed**" (and all related references) shall mean that such Notes have been admitted to trading on the Market and have been admitted to the Official List. The Market is a regulated market for the purposes of Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments.

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and certain other information which is applicable to each Tranche (as defined under "*Terms and Conditions of the Notes*") of Notes will be set out in a final terms document (the "**Final Terms**") which will be delivered to the UK Listing Authority and the London Stock Exchange. Copies of Final Terms in relation to Notes to be listed on the London Stock Exchange will also be published on the website of the London Stock Exchange through a regulatory information service.

Each Series (as defined in "*Overview of the Programme*") of Notes in bearer form will initially be represented on issue by a temporary global note in bearer form (each a "**Temporary Global Note**") or a permanent global note in bearer form (each a "**Permanent Global Note**"). Notes in registered form will be represented by registered certificates (each a "**Certificate**"), one Certificate being issued in respect of each Noteholder's entire holding of Registered Notes of one Series. Global Notes may (i) if the Global Notes are intended to be issued in new global note ("**NGN**") form, as specified in the applicable Final Terms, be deposited on the issue date with a common safekeeper (the "**Common Safekeeper**") for Euroclear Bank S.A./N.V. ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream, Luxembourg**"); and (ii) if the Global Notes are intended to be issued in classic global note ("**CGN**") form as specified in the applicable Final Terms be deposited on the issue date with a common depository on behalf of Euroclear and Clearstream, Luxembourg. The provisions governing the exchange of interests in Global Notes for other Global Notes and definitive Notes are described in "*Summary of Provisions Relating to the Notes while in Global Form*".

Tranches of Notes may be rated or unrated. Where a Tranche of Notes is rated, such rating will be specified in the applicable Final Terms. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

The Issuer's senior long term debt obligations have been rated AA by Standard & Poor's Credit Market Services Europe Limited ("**S&P**"). S&P is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended) (the "**CRA Regulation**"). As such, S&P is included in the list of credit ratings agencies published by the European Securities and Markets Authority ("**ESMA**") on its website in accordance with the CRA Regulation. The rating of certain Series of Notes to be issued under the Programme may be specified in the applicable Final Terms. Please also refer to "*Credit ratings may not reflect all risks*" in the "*Risk Factors*" section of this Prospectus.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended, (the "**Securities Act**") and are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (see "*Subscription and Sale*").

Prospective investors should have regard to the factors described under the section headed "*Risk Factors*" in this Prospectus. This Prospectus does not describe all of the risks of an investment in the Notes.

*Arranger*

**Skandinaviska Enskilda Banken AB (publ)**

*Dealers*

**Danske Bank  
Handelsbanken Capital Markets  
SEB  
The Royal Bank of Scotland**

**Deutsche Bank  
Nordea  
Swedbank  
UBS Investment Bank**

31 May 2016

*This Prospectus comprises a base prospectus for the purposes of Article 5.4 of the Prospectus Directive. When used in this Prospectus, "Prospectus Directive" means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in a relevant Member State of the European Economic Area (the "EEA") and for the purpose of giving information with regard to the Issuer and the Notes which, according to the particular nature of the Issuer and the Notes, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer.*

*The Issuer accepts responsibility for the information contained in this Prospectus and the Final Terms for each Tranche of Notes issued under the Programme. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.*

*Certain exchange rate information on page 4 has been extracted from Bloomberg. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by Bloomberg, no facts have been omitted which would render the reproduced information inaccurate or misleading.*

*This Prospectus is to be read in conjunction with all documents which are deemed to be incorporated in it by reference (see "Documents Incorporated by Reference" below). This Prospectus shall be read and construed on the on the basis that those documents are incorporated and form part of this Prospectus.*

*No person has been authorised to give any information or to make any representation other than those contained in this Prospectus in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Dealers or the Arranger (as defined in "Overview of the Programme"). Neither the delivery of this Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer or the Group since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.*

*The distribution of this Prospectus and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer, the Dealers and the Arranger to inform themselves about and to observe any such restriction. This document is not an offer of securities for sale in the United States. The Notes have not been and will not be registered under the Securities Act or any state securities laws and may not be offered or sold in the United States or to or for the account or benefit of US persons (as such terms are defined in Regulation S under the Securities Act) unless registered under the Securities Act or offered pursuant to an exemption from such registration. The Notes include Notes in bearer form that are subject to US tax law requirements. For a description of certain restrictions on offers and sales of Notes and on distribution of this Prospectus, see "Subscription and Sale".*

*This Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer or the Dealers to subscribe for, or purchase, any Notes.*

*To the fullest extent permitted by law, none of the Dealers or the Arranger accept any responsibility for the contents of this Prospectus or for any other statement, made or purported to be made by the Arranger or a Dealer or on its behalf in connection with the Issuer or the issue and offering of the Notes. The Arranger and each Dealer accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Prospectus or any such statement. Neither this Prospectus nor any document incorporated by reference nor any other financial statements are intended to*

*provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Arranger or the Dealers that any recipient of this Prospectus or any other financial statements or any document incorporated by reference should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Prospectus and its purchase of Notes should be based upon such investigation as it deems necessary. None of the Dealers or the Arranger undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers or the Arranger.*

*Notes may not be a suitable investment for all investors. Each potential investor in any Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:*

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

*Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.*

*In this Prospectus, unless otherwise specified or the context otherwise requires, references to:*

- "US\$" and "US dollars" are to United States dollars;*
- references to "SEK" are to Swedish Kronor; and*
- references to "euro" and "€" are to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.*

*The translation of amounts from SEK to Euro as at 31 December 2014 are made at SEK 9.4390 = €1.00 and at 31 December 2015 are made at SEK 9.1879 = €1.00 (Source: Bloomberg). No representation is made that the SEK, Euro or United States dollar amounts referred to herein could have been or could be converted into United States dollars, Euro or SEK, as the case may be, at any particular rate or at all.*

## Table of Contents

	Page
Documents Incorporated by Reference .....	5
Supplemental Prospectus .....	6
Overview of the Programme .....	7
Risk Factors .....	12
Terms and Conditions of the Notes .....	18
Summary of Provisions Relating to the Notes While in Global Form .....	42
Use of Proceeds .....	46
Akademiska Hus .....	47
Taxation .....	53
Subscription and Sale .....	54
Form of Final Terms .....	57
General Information .....	65

**In connection with the issue of any Tranche, the Dealer or Dealers (if any) named as the stabilising manager(s) (the "Stabilisation Manager(s)") (or persons acting on behalf of any Stabilisation Manager(s)) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilisation Manager(s) (or persons acting on behalf of a Stabilisation Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche and 60 days after the date of the allotment of the relevant Tranche. Any stabilisation action or over-allotment shall be conducted by the relevant Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.**

## Documents Incorporated by Reference

This Prospectus should be read and construed in conjunction with the audited consolidated annual financial statements of the Issuer for the financial years ended 31 December 2014 and 31 December 2015 together in each case with the audit report thereon, and the unaudited consolidated financial information of the Issuer for the three months ended 31 March 2016, each of which has been previously published. The 31 December 2014 audited consolidated financial statements (together with the audit report) are contained on pages 74 – 108 of the Issuer's 2014 Annual Report, the 31 December 2015 audited consolidated financial statements (together with the audit report) are contained on pages 58 – 93 of the Issuer's 2015 Annual Report and the unaudited consolidated financial information is contained on pages 9 – 16 of the Issuer's Interim Report for January – March 2016, all of which have been filed with the Financial Conduct Authority.

Such documents shall be incorporated in, and form part of this Prospectus, save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus. Any non-incorporated parts of a document referred to herein are either deemed not relevant for an investor or are otherwise covered elsewhere in this Prospectus.

The Terms and Conditions of the Notes contained in the previous Prospectuses dated 28 May 2015, pages 19 – 42(inclusive), 28 May 2014, pages 19 - 42 (inclusive), 28 June 2013, pages 19 - 42 (inclusive), dated 28 May 2012, pages 19 - 38 (inclusive), dated 27 May 2011, pages 20 - 41 (inclusive), dated 28 May 2010, pages 20 - 42 (inclusive), dated 29 May 2009, pages 16 - 34 (inclusive) prepared by the Issuer in connection with the Programme shall be incorporated in, and form part of, this Prospectus.

Any documents themselves incorporated by reference in the documents incorporated by reference in this Prospectus shall not form a part of this Prospectus.

Copies of documents deemed to be incorporated by reference in this Prospectus may be obtained (without charge) from (i) the registered office of the Issuer, (ii) the website of the Regulatory News Service operated by the London Stock Exchange at [www.londonstockexchange.com/exchange/news/market-news/market-news-home.html](http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html) and (iii) at [www.akademiskahus.se](http://www.akademiskahus.se).

## **Supplemental Prospectus**

If at any time the Issuer shall be required to prepare a supplemental prospectus pursuant to Section 87G of the FSMA, the Issuer will prepare and make available an appropriate amendment or supplement to this Prospectus or a further Prospectus which, in respect of any subsequent issue of Notes to be listed on the Official List and admitted to trading on the Market, shall constitute a supplemental prospectus as required by the UK Listing Authority and Section 87G of the FSMA.

The Issuer has given an undertaking to the Dealers that if at any time during the duration of the Programme there is a significant new factor, material mistake or inaccuracy relating to information contained in this Prospectus which is capable of affecting the assessment of any Notes whose inclusion in this Prospectus or removal is necessary for the purpose of allowing an investor to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer, and the rights attaching to the Notes, the Issuer shall prepare an amendment or supplement to this Prospectus or publish a replacement Prospectus for use in connection with any subsequent offering of the Notes and shall supply to each Dealer such number of copies of such supplement hereto as such Dealer may reasonably request.

## Overview of the Programme

The following overview is qualified in its entirety by the remainder of this Prospectus.

Issuer	Akademiska Hus AB (publ)
Arranger	Skandinaviska Enskilda Banken AB (publ)
Dealers	Danske Bank A/S Deutsche Bank AG, London Branch Nordea Bank Danmark A/S Skandinaviska Enskilda Banken AB (publ) Svenska Handelsbanken AB (publ) Swedbank AB (publ) The Royal Bank of Scotland plc UBS Limited
	<p>The Issuer may from time to time terminate the appointment of any Dealer under the Programme or appoint additional Dealers either in respect of one or more Tranches or in respect of the whole Programme. References in this Prospectus to "<b>Permanent Dealers</b>" are to the persons listed above as Dealers and to such additional persons that are appointed as Dealers in respect of the whole Programme (and whose appointment has not been terminated) and to "<b>Dealers</b>" are to all Permanent Dealers and all persons appointed as a Dealer in respect of one or more Tranches.</p>
Trustee	Citicorp Trustee Company Limited
Issuing and Paying Agent and Transfer Agent	Citibank, N.A., London Branch
Registrar	Citigroup Global Markets Deutschland AG
Initial Programme Amount	Up to €3,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate principal amount of Notes outstanding at any one time.
Method of Issue	<p>The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each a "<b>Series</b>"), having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a "<b>Tranche</b>"), on the same or different issue dates. The specific terms of each Tranche (which will be completed, where necessary, with the relevant terms and conditions and, save in respect of the issue date, issue price, first payment of interest and principal amount of the Tranche, will be identical to the</p>

terms of other Tranches of the same Series) will be completed in the final terms document to this Prospectus (the "**Final Terms**").

Issue Price

Notes may be issued at their principal amount or at a discount or premium to their principal amount.

Form of Notes

The Notes may be issued in bearer form only ("**Bearer Notes**"), in bearer form exchangeable for Registered Notes ("**Exchangeable Bearer Notes**"), or in registered form only ("**Registered Notes**"). Each Tranche of Bearer Notes and Exchangeable Bearer Notes will be represented on issue by a Temporary Global Note if (i) definitive Notes are to be made available to Noteholders following the expiry of 40 days after their issue date or (ii) such Notes have an initial maturity of more than 12 months and are being issued in compliance with the D Rules (as defined in "*Overview of the Programme – Selling Restrictions*"), otherwise such Tranche will be represented by a Permanent Global Note. Registered Notes will be represented by Certificates, one Certificate being issued in respect of each Noteholder's entire holding of Registered Notes of one Series. Certificates representing Registered Notes that are registered in the name of a nominee for one or more clearing systems are referred to as "**Global Certificates**".

The relevant Final Terms will specify whether Notes are issued as Bearer Notes, Exchangeable Bearer Notes or Registered Notes.

Clearing Systems

Clearstream, Luxembourg and Euroclear and, in relation to any Tranche, such other clearing system as may be agreed between the Issuer, the Issuing and Paying Agent, the Trustee and the relevant Dealer.

Initial Delivery of Notes

On or before the issue date for each Tranche, if the relevant Global Note is an NGN or the Global Certificate is held under the new safekeeping structure ("**NSS**"), the Global Note or the Global Certificate, as applicable, will be delivered to a Common Safekeeper for Euroclear and Clearstream, Luxembourg. On or before the issue date for each Tranche, if the relevant Global Note is a CGN or the Global Certificate is not held under the NSS, the Global Note representing Bearer Notes or Exchangeable Bearer Notes or the Global Certificate representing Registered Notes may be deposited with a Common Depository for Euroclear and Clearstream, Luxembourg. Global Notes or Global Certificates may also be deposited with any other clearing system or may be delivered outside any clearing



system provided that the method of such delivery has been agreed in advance by the Issuer, the Issuing and Paying Agent, the Trustee and the relevant Dealer. Registered Notes that are to be credited to one or more clearing systems on issue will be registered in the name of nominees or a common nominee for such clearing systems.

Currencies

Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in any currency agreed between the Issuer and the relevant Dealers.

Maturities

Subject to compliance with all relevant laws, regulations and directives, the Notes will have a minimum maturity of one month.

Denomination

Definitive Notes will be in such denominations as may be specified thereon, save that (i) in the case of any Notes which are to be admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive, the minimum denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the Notes); and (ii) unless otherwise permitted by then current laws and regulations, Notes (including Notes denominated in Sterling) which must be redeemed before the first anniversary of their date of issue and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the Financial Services and Markets Act 2000 will have a denomination of £100,000 (or its equivalent in other currencies).

Fixed Rate Notes

Fixed interest will be payable in arrear on the date or dates in each year specified hereon.

Floating Rate Notes

Floating Rate Notes will bear interest set separately for each Series by reference to LIBOR, EURIBOR, STIBOR, NIBOR or CHF LIBOR as adjusted for any applicable Margin. Interest periods will be specified in the applicable Final Terms.

Zero Coupon Notes

Zero Coupon Notes may be issued at their principal amount or at a discount to it and will not bear interest.

CPI Linked Interest Notes

Payments of interest in respect of CPI Linked Interest Notes will be calculated by reference to the Swedish consumer price index ("**CPI**") published by Statistiska centralbyrån (Statistics Sweden) ("**SCB**") on Reuters Page SCBE02.

Other provisions in relation to Floating Rate

Floating Rate Notes and CPI Linked Interest Notes may also have a maximum interest rate, a

Notes and CPI Linked Interest Notes:	<p>minimum interest rate or both.</p> <p>Interest on Floating Rate Notes and CPI Linked Interest Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the Issuer and the relevant Dealer.</p>
Interest Periods and Rates of Interest	<p>The length of the interest periods for the Notes and the applicable rate of interest or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum rate of interest, a minimum rate of interest, or both. The use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period. All such information will be set out in the relevant Final Terms.</p>
Optional Redemption	<p>The Final Terms issued in respect of each issue of Notes will state whether such Notes may be redeemed prior to their stated maturity at the option of the Issuer (either in whole or in part) and/or the holders, and if so the terms applicable to such redemption.</p>
Status of Notes	<p>The Notes will constitute unsubordinated and unsecured obligations of the Issuer as described in "<i>Terms and Conditions of the Notes – Status</i>".</p>
Negative Pledge	<p>The Notes will contain a Negative Pledge as described in "<i>Terms and Conditions of the Notes – Negative Pledge</i>".</p>
Cross Default	<p>The Notes will contain a cross default provision as described in "<i>Terms and Conditions of the Notes – Events of Default</i>".</p>
Withholding Tax	<p>All payments of principal and interest in respect of the Notes will be made free and clear of withholding taxes of Sweden, subject to customary exceptions (including the IPMA Standard EU Exceptions), all as described in "<i>Terms and Conditions of the Notes – Taxation</i>".</p>
Governing Law	<p>The Notes and any non-contractual obligations arising out of or in connection with the Notes will be governed by and shall be construed in accordance with English law.</p>
Listing	<p>Application has been made to list the Notes under the Programme on the Official List and to admit them to trading on the Market or as otherwise specified hereon.</p>
Ratings	<p>Tranches of Notes may be rated or unrated. Where a Tranche of Notes is rated such rating will be specified in the applicable Final Terms. A rating is not a recommendation to buy, sell or hold</p>

## Selling Restrictions

securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

United States, European Economic Area (in respect of Notes having a denomination of less than €100,000 (or its equivalent in any other currency as at the date of issue of the Notes)), United Kingdom, and such other restrictions as may be required in connection with a particular issue of Notes. See "*Subscription and Sale*".

Offers of Notes under the Programme will comply with Category 2 restrictions for purposes of Regulation S under the Securities Act.

The Notes will be issued in compliance with US Treasury Regulations s1.163-5(c)(2)(i)(D) (or any successor United States Treasury regulation section, including without limitation, successor regulations issued in accordance with Internal Revenue Service Notice 2012-20 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010) (the "**D Rules**"), unless (i) the relevant Final Terms states that Notes are issued in compliance with US Treasury Regulations s1.163-5(c)(2)(i)(C) (or any successor United States Treasury regulation section, including without limitation, successor regulations issued in accordance with Internal Revenue Service Notice 2012-20 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010) (the "**C Rules**"), or (ii) the Notes are issued other than in compliance with the D Rules or the C Rules but in circumstances in which the Notes will not constitute "registration required obligations" under the United States Tax Equity and Fiscal Responsibility Act of 1982 ("**TEFRA**"), which circumstances will be referred to in the relevant Final Terms as a transaction to which TEFRA is not applicable.

## Risk Factors

*The Issuer believes that the following factors may affect its ability to fulfil its obligations under Notes issued under the Programme. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.*

*Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.*

*The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the Issuer may be unable to pay interest, principal or other amounts on or in connection with any Notes for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Prospectus (including any documents deemed to be incorporated by reference herein) and reach their own views prior to making any investment decision.*

### **Factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme**

#### **Strategic risk**

Akademiska Hus is strategically exposed in the long run to developments in the property market. In turn, this is affected by macroeconomic factors such as growth, the labour market and inflation. The Issuer is also affected by the education policy of the Swedish Government. Major investments in modern research and education environments have formed the Group's campuses. In this respect the property portfolio involves a strategic risk. The campuses have a specific purpose and are not in a broad sense general. Investments in specially adapted premises take place once a long lease that justifies the investment has been signed. In the case of more complex specialist buildings intended for laboratory and research activities, the lease term is normally ten years or more. Purchases and sales of properties take place to counteract and deal with the strategic risk in the property portfolio.

#### **Operating risks**

The term operating risk refers mainly to the risk of financial consequences and consequences related to trust which ensue from shortcomings in internal routines and systems. The risk also includes legal risks and risks within regulatory compliance. The handling of operating risks is aimed at identifying, assessing, monitoring and reducing those risks. The risks are handled based on the expected consequences and the degree of probability that they could occur. Internal directives and guidelines form the basis of risk management within the Issuer. As opposed to market risks, the handling generally is directed more at reducing the risks. Corporate culture is critical in ensuring that internal controls are a normal and necessary operating prerequisite. The Issuer's assets are insured in line with the assessed insurance requirements.

The operating risks that need to be handled can be divided into:

- Administrative – insufficient or unsuitable routines, lack of controls and reporting, human error, lack of expertise, an unclear allocation of responsibility.
- IT – incorrect data systems, information security, stoppage risks.
- Legal – sub-standard documentation, incorrect agreements.

Failure to properly manage these risks may have a material adverse effect on the Issuer's business which could adversely affect the value of the Noteholders' investment.

Notwithstanding anything in this risk factor, this risk factor should not be taken as implying that the Issuer, will be unable to comply with its obligations as a company with securities admitted to the Official List.

## **Risks in property management**

### *Changes in value*

The Issuer reports the fair value of its properties in accordance with International Financial Reporting Standards ("**IFRS**"). Changes in value will affect the Statement of Comprehensive Income.

Changes in fair value of the properties can have a major impact on the Issuer's financial performance. The changes are caused by external factors and by specific changes in the properties; as a consequence, the above results can vary considerably. External factors are the market rent trend, the direct yield requirement and cost of capital requirements. Specific changes in the properties include changes in vacant space and investments. Changes in fair value of properties are normally unrealised and do not affect the cash flow.

### *Environmental risks*

Owning and managing properties is associated with environmental risks which if not handled in an appropriate way could have an adverse effect on the Issuer's business and result of operations which in turn may adversely affect the value of the Noteholders' investment. The Environmental Code places considerable responsibility on the property owner. The Issuer handles this in a structured, co-ordinated way, among other things by satisfying the environmental certification stipulations laid down in ISO 14001:2004. Environmental impact is identified and the environmental work is planned following documented environmental enquiries. The results are collected and evaluated in order to identify the most significant environmental aspects.

### *Rental revenue*

The customers are stable and creditworthy – approximately 90 per cent. of the rental revenue comes from government-controlled customers and thus have the highest credit rating. Rental revenue is assured through leases, which by industry standards, are long leases. At the year end the average remaining lease term was 5.8 years. The average term for new contracts is approximately 11 years . Specialist buildings intended for laboratory and research operations account for about 35 per cent. of the holdings for which leases are normally signed with terms of ten years or more. Around 70 per cent. of the rents are adapted annually to the change in Consumer Price Index. A large change in rental revenue will have an effect on the Issuer's business, financial condition, results of operation and prospects which could adversely affect the value of the Noteholders' investment.

### *Projects*

Investments, being value-enhancing measures, are only made if there is a lease with a customer which justifies the investment on business grounds. There is a risk related to the physical design and implementation if there is lack of governance and monitoring. Construction cost risk is limited to the greatest extent possible contractually in relation to both entrepreneur and tenant. A handling mistake may affect the value of the Noteholders' investment.

### *Operating and maintenance cost*

There is a maintenance plan for each individual building. Investments, i.e. value-enhancing measures, are only made if there is a lease agreement with a customer. Maintenance costs are, to a large extent, variable and can be reduced or postponed to meet a fall in profit or cost of vacant space. If not handled in an appropriate way this could lead to higher maintenance costs in the long run or property holdings that are not well maintained. This could have a negative effect on the Issuer's business and prospects which could also affect the value of the Noteholders' investment.

### *Electricity price risk*

There is a risk that the future price of electricity including currency effects will affect the Issuer's operating cost negatively. Hedging of future electricity prices is regulated in the guidelines for purchasing electricity.

### *Vacant space*

An increase in vacant space has a direct impact on profit. Vacant space generally has a lower rental level than the property holdings as a whole and therefore the economic level of vacancy rate is lower than the vacant space in square metres. Lease expiry dates are spread out over time.

### **Financial risks**

The Issuer pursues an active process of liability management where the strategy is to weight up the financial risks and the desired low financing cost. At the statutory board meeting the Issuer's Board of Directors adopts the finance policy, which lays down the long-term strategic orientation and allocation of responsibility, the approach to financial risks and the mandates that should be in place to handle these risks.

#### *Interest risk*

There is a risk that the Issuer's net interest income and expense may vary due to a change in the market interest rates. The interest risk is managed within the fixed interest mandate set by the Issuer's Board of Directors.

#### *Refinancing risk*

There is a risk that the Issuer will be exposed to higher than expected expenses or that financing potential is limited when loans are due to be refinanced. This could have a material adverse effect on the Issuer's financial position which could adversely affect the value of the Noteholders' investment. The Issuer's Board of Directors adopts a maturity mandate.

#### *Credit and counter-party risk*

There is a risk that a counter-party does not meet its undertakings. If this occurs it could have a material effect on the Issuer's financial position which could adversely affect the value of the Noteholders' investment. A limit for financial counter-party risk is based on the rating and the term of the commitment. ISDA agreements are always signed before derivative transactions are carried out. The Issuer has also entered into a number of supplementary agreements, Credit Support Annexes (CSA).

#### *Currency risk*

There is a risk that fluctuations in the exchange rate may affect the Issuer's profit. In relation to the financing, the currency exposure risk is mitigated by the use of currency swap agreements.

### **Factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme**

#### *Risks related to the structure of a particular issue of Notes*

A range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of certain such features:

#### **Risks applicable to all Notes**

*If the Issuer has the right to redeem any Notes at its option, this may limit the market value of the Notes concerned and an investor may not be able to reinvest the redemption proceeds in a manner which achieves a similar effective return.*

An optional redemption feature is likely to limit the market value of Notes. During any period when the Issuer may elect to redeem Notes, the market value of those Notes 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 Notes when its cost of borrowing is lower than the interest rate on the Notes. 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 Notes

being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

*If the Issuer has the right to convert the interest rate on any Notes from a fixed rate to a floating rate, or vice versa, this may affect the secondary market and the market value of the Notes concerned.*

Fixed/Floating Rate Notes may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Issuer's ability to convert the interest rate will affect the secondary market in, and the market value of, such Notes since the Issuer may be expected to convert the rate when it is likely to result in a lower overall cost of borrowing for the Issuer. If the Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Notes.

*Notes which are issued at a substantial discount or premium may experience price volatility in response to changes in market interest rates.*

The market values of securities issued at a substantial discount or premium to their nominal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

### **Risks applicable to certain types of Notes**

*There are particular risks associated with an investment in CPI Linked Notes. In particular, an investor might receive less interest than expected or no interest in respect of such Notes and may lose some or all of the principal amount invested by it.*

The Issuer may issue CPI Linked Notes with principal or interest determined by reference to the Swedish consumer price index. Potential investors should be aware that:

- (a) the market price of such Notes may be volatile;
- (b) they may receive no interest;
- (c) payment of principal or interest may occur at a different time than expected;
- (d) they may lose all or a substantial portion of their principal;
- (e) the index may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices; and
- (f) the timing of changes in the index may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the index, the greater the effect on yield.

The historical experience of the relevant index should not be viewed as an indication of the future performance of such index during the term of any Notes. Accordingly, each potential investor should consult its own financial and legal advisers about the risk entailed by an investment in any CPI Linked Notes and the suitability of such Notes in light of its particular circumstances.

### **Risks related to Notes generally**

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

The conditions of the Notes contain provisions which may permit their modification without the consent of all investors and confer significant discretions on the Trustee which may be exercised without the consent of the Noteholders and without regard to the individual interests of particular Noteholders. The Terms and Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions

permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The Terms and Conditions of the Notes also provide that the Trustee may, without the consent of Noteholders, agree to (i) any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of Notes or (ii) determine without the consent of the Noteholders that any Event of Default or potential Event of Default shall not be treated as such or (iii) the substitution of another company as principal debtor under any Notes in place of the Issuer, in the circumstances described in Condition 11 of the Terms and Conditions of the Notes.

If the United Kingdom, Denmark or Sweden joins the European Monetary Union prior to the maturity of the Notes, this may affect investors in the Notes. If the United Kingdom, Denmark or Sweden joins the European Monetary Union prior to the maturity of the Notes, there is no assurance that this would not adversely affect investors in the Notes. It is possible that prior to the maturity of the Notes the United Kingdom, Denmark or Sweden may become a participating Member State and that the euro may become the lawful currency of the United Kingdom, Denmark or Sweden. In that event (i) all amounts payable in respect of any Notes denominated in Sterling, Danish krone or Swedish krona (as the case may be) may become payable in euro (ii) the law may allow or require such Notes to be re-denominated into euro and additional measures to be taken in respect of such Notes; and (iii) there may no longer be available published or displayed rates for deposits in Sterling, Danish krone or Swedish krona (as the case may be) used to determine the rates of interest on such Notes or changes in the way those rates are calculated, quoted and published or displayed. The introduction of the euro could also be accompanied by a volatile interest rate environment, which could adversely affect investors in the Notes.

***The value of the Notes could be adversely affected by a change in English law or administrative practice.***

The Terms and Conditions of the Notes are based on English law in effect as at the date of issue of the relevant Notes. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of issue of the relevant Notes.

***Investors who hold less than the minimum Specified Denomination may be unable to sell their Notes and may be adversely affected if definitive Notes are subsequently required to be issued.***

Although Notes which are admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive are required to have a minimum Specified Denomination of €100,000 (or its equivalent in any other currency as at the date of issue of the relevant Notes), it is possible that the Notes may be traded in the clearing systems in amounts in excess of €100,000 (or its equivalent) that are not integral multiples of €100,000 (or its equivalent). In such a case, should definitive Notes be required to be issued, Noteholders who hold Notes in the relevant clearing system in amounts that are not integral multiples of a Specified Denomination may need to purchase or sell, on or before the relevant Exchange Date, a principal amount of Notes such that their holding is an integral multiple of a Specified Denomination.

#### **Risks related to the market generally**

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

***An active secondary market in respect of the Notes may never be established or may be illiquid and this would adversely affect the value at which an investor could sell his Notes.***

Notes may have no established trading market when issued, and one may never develop. If a market for the Notes does develop, it may not be liquid. Therefore, investors may not be able to



sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities.

***If an investor holds Notes which are not denominated in the investor's home currency, he will be exposed to movements in exchange rates adversely affecting the value of his holding, In addition, the imposition of exchange controls in relation to any Notes could result in an investor not receiving payments on those Notes.***

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer to make payments in respect of the Notes. As a result, investors may receive less interest or principal than expected, or no interest or principal.

***The value of Fixed Rate Notes may be adversely affected by movements in market interest rates.***

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

***Credit ratings assigned to the issuer or any Notes may not reflect all the risks associated with an investment in those Notes.***

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

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). The list of registered and certified rating agencies published by ESMA on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list. Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Prospectus.

## Terms and Conditions of the Notes

*The following is the text of the Terms and Conditions that, subject to completion and minor amendment and as supplemented or varied in accordance with the provisions of Part A of the relevant Final Terms, shall be applicable to the Notes. Either (i) the full text of these Terms and Conditions together with the relevant provisions of Part A of the Final Terms or (ii) these Terms and Conditions as so completed (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Bearer Notes or on the Certificates relating to such Registered Notes. All capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Final Terms. Those definitions will be endorsed on the definitive Notes or Certificates, as the case may be. References in the Conditions to "Notes" are to the Notes of one Series only, not to all Notes that may be issued under the Programme.*

The Notes are constituted by an Amended and Restated Trust Deed dated 29 May 2009 as supplemented by the First Supplemental Trust Deed dated 28 May 2010, the Second Supplemental Trust Deed dated 27 May 2011, the Third Supplemental Trust Deed dated 28 June 2013 and the Fourth Supplemental Trust Deed dated 28 May 2014 (as further amended or supplemented as at the date of issue of the Notes (the "**Issue Date**"), the "**Trust Deed**") between the Issuer and Citicorp Trustee Company Limited (the "**Trustee**", which expression shall include all persons for the time being the trustee or trustees under the Trust Deed) as trustee for the Noteholders (as defined below). These terms and conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bearer Notes, Certificates, Coupons and Talons referred to below. An Amended and Restated Agency Agreement (as amended or supplemented as at the Issue Date, the "**Agency Agreement**") dated 28 June 2013 has been entered into in relation to the Notes between the Issuer, the Trustee, Citibank, N.A., London Branch as initial issuing and paying agent, the calculation agent and the other agents named in it. The issuing and paying agent, the paying agents, the registrar, the transfer agents and the calculation agent(s) for the time being (if any) are referred to below respectively as the "**Issuing and Paying Agent**", the "**Paying Agents**" (which expression shall include the Issuing and Paying Agent), the "**Registrar**", the "**Transfer Agents**" (which expression shall include the Registrar) and the "**Calculation Agent(s)**". Copies of the Trust Deed and the Agency Agreement are available for inspection during usual business hours at the principal office of the Trustee (presently at Citigroup Centre, Canada Square, London E14 5LB) and at the specified offices of the Paying Agents and the Transfer Agents.

The Noteholders and the holders of the interest coupons (the "**Coupons**") appertaining to interest bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the "**Talons**") (the "**Couponholders**") are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and the relevant Final Terms and are deemed to have notice of those provisions applicable to them of the Agency Agreement.

### 1 Form, Denomination and Title

The Notes are issued in bearer form ("**Bearer Notes**", which expression includes Notes that are specified to be Exchangeable Bearer Notes), in registered form ("**Registered Notes**") or in bearer form exchangeable for Registered Notes ("**Exchangeable Bearer Notes**"), in each case in the Specified Denomination(s) shown provided that, in the case of any Notes which are to be admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive, the minimum Specified Denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the relevant Notes).

All Registered Notes shall have the same Denomination. Where Exchangeable Bearer Notes are issued, the Registered Notes for which they are exchangeable shall have the same Denomination as the lowest denomination of Exchangeable Bearer Notes.

This Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note or a CPI Linked Interest Note, a combination of any of the foregoing or any other kind of Note, depending upon the Interest Basis shown in the applicable Final Terms.

This Note may be a CPI Linked Redemption Note, depending upon the Redemption/Payment basis shown in the applicable Final Terms.

Bearer Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Notes that do not bear interest in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable.

Registered Notes are represented by registered certificates ("**Certificates**") and, save as provided in Condition 2(c), each Certificate shall represent the entire holding of Registered Notes by the same holder.

Title to the Bearer Notes and the Coupons and Talons shall pass by delivery. Title to the Registered Notes shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the "**Register**"). Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Note, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it (or on the Certificate representing it) or its theft or loss (or that of the related Certificate) and no person shall be liable for so treating the holder.

In these Conditions, "**Noteholder**" means the bearer of any Bearer Note or the person in whose name a Registered Note is registered (as the case may be), "**holder**" (in relation to a Note, Coupon or Talon) means the bearer of any Bearer Note, Coupon or Talon or the person in whose name a Registered Note is registered (as the case may be) and capitalised terms have the meanings given to them hereon, the absence of any such meaning indicating that such term is not applicable to the Notes.

## **2 Exchanges of Exchangeable Bearer Notes and Transfers of Registered Notes**

### *(a) Exchange of Exchangeable Bearer Notes*

Subject as provided in Condition 2(f), Exchangeable Bearer Notes may be exchanged for the same aggregate principal amount of Registered Notes (in respect of which a new Certificate will be issued) at the request in writing of the relevant Noteholder and upon surrender of each Exchangeable Bearer Note to be exchanged, together with all unmatured Coupons and Talons relating to it, at the specified office of any Transfer Agent; provided, however, that where an Exchangeable Bearer Note is surrendered for exchange after the Record Date (as defined in Condition 7(b)) for any payment of interest, the Coupon in respect of that payment of interest need not be surrendered with it. Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Denomination may not be exchanged for Bearer Notes of another Denomination. Bearer Notes that are not Exchangeable Bearer Notes may not be exchanged for Registered Notes.

### *(b) Transfer of Registered Notes*

One or more Registered Notes may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer and the Trustee), duly completed and executed and any other evidence as the Registrar or Transfer Agent may reasonably require. In the case of a partial redemption of Notes, the Notes to be redeemed ("**Redeemed Notes**") will be selected individually by lot, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of

Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion). In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Trustee. A copy of the current regulations will be made available by the Registrar to any Noteholder upon request.

(c) *Exercise of Options or Partial Redemption in Respect of Registered Notes*

In the case of an exercise of an Issuer's or Noteholders' option in respect of, or a partial redemption of, a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

(d) *Delivery of New Certificates*

Each new Certificate to be issued pursuant to Condition 2(a), (b) or (c) shall be available for delivery within five business days of receipt of the request for exchange, form of transfer or Exercise Notice (as defined in Condition 6(f)) or surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to which delivery or surrender of such request for exchange, form of transfer, Exercise Notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant request for exchange, form of transfer, Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Transfer Agent the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(d), "**business day**" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar.

(e) *Exchange Free of Charge*

Exchange and transfer of Notes and Certificates on registration, transfer, exercise of an option or partial redemption shall be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require).

(f) *Closed Periods*

No Noteholder may require the transfer of a Registered Note to be registered or an Exchangeable Bearer Note to be exchanged for one or more Registered Note(s) (i) during the period of 15 days ending on the due date for redemption of that Note, (ii) during the period of 15 days prior to any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 6(e), (iii) after any such Note has been called for redemption or (iv) during the period of seven days ending on (and including) any Record Date. An Exchangeable Bearer Note called for redemption may,

however, be exchanged for one or more Registered Note(s) in respect of which the Certificate is simultaneously surrendered not later than the relevant Record Date.

### 3 Status

The Notes and Coupons constitute (subject to Condition 4), direct, unconditional and unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Notes and Coupons shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4, at all times rank at least equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Issuer, present and future.

### 4 Negative Pledge

- (a) So long as any of the Notes or Coupons remains outstanding (as defined in the Trust Deed) neither the Issuer nor any Subsidiary (as defined in the Trust Deed) shall create or permit to subsist any mortgage, charge, pledge, lien or other form of encumbrance or security interest ("**Security**") upon the whole or any part of their respective undertakings, assets or revenues present or future to secure any Relevant Debt, or any guarantee of or indemnity in respect of any Relevant Debt, unless, at the same time or prior thereto, the Issuer's obligations under the Notes, Coupons and the Trust Deed (A) are secured equally and rateably therewith to the satisfaction of the Trustee or (B) have the benefit of such other security, guarantee, indemnity or other arrangement as the Trustee in its absolute discretion shall deem to be not materially less beneficial to the Noteholders or as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders.
- (b) For the purposes of this Condition, "**Relevant Debt**" means any present or future indebtedness in the form of, or represented by, bonds, notes, debentures or other securities that are for the time being, or are capable of being, quoted, listed or ordinarily dealt in on any stock exchange, automated trading system, over-the-counter or other securities market, having an original maturity of more than one year from its date of issue.

### 5 Interest and other Calculations

#### (a) *Rate of Interest and Accrual*

Each Note bears interest on its outstanding principal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date (as specified in the Final Terms). The amount of interest payable shall be determined in accordance with Condition 5(g).

Interest shall cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment of the full amount of principal is improperly withheld or refused, in which event interest shall continue to accrue (as well after as before judgment) at the Rate of Interest in the manner provided in this Condition 5 to the Relevant Date (as defined in Condition 8).

#### (b) *Business Day Convention*

If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (i) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (ii) the Following Business Day Convention, such date shall be postponed to the next day that is a

Business Day, (iii) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (iv) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

(c) *Interest on Floating Rate Notes*

Subject to paragraph (iii) below, if the Rate of Interest is specified as being Floating Rate, the Rate of Interest for each Interest Accrual Period:

(i) if the Primary Source for the Floating Rate is a Relevant Screen Page, subject as provided below, shall be:

(x) the offered quotation; or

(y) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page (or such replacement page on that service which displays the information) as at either 11.00 a.m. London time in the case of LIBOR, 11.00 a.m. Brussels time in the case of EURIBOR, 11.00 a.m. Stockholm time in the case of STIBOR, 12:00 noon Oslo time in the case of NIBOR or 11:00 a.m. London time in the case of CHF LIBOR on the Interest Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

(ii) if the Relevant Screen Page is not available or if, sub-paragraph (i)(x) above applies and no such offered quotation appears on the Relevant Screen Page or if sub-paragraph (i)(y) above applies and fewer than three such offered quotations appear on the Relevant Screen Page in each case as at the time specified above, subject as provided below, the Calculation Agent shall request, if the Reference Rate is LIBOR, the principal London office of each of the Reference Banks or, if the Reference Rate is EURIBOR, the principal Euro-zone office of each of the Reference Banks or, if the Reference Rate is STIBOR, the principal Stockholm office of each of the Reference Banks or, if the Reference Rate is NIBOR, the principal Oslo office of each of the Reference Banks or, if the Reference Rate is CHF LIBOR, the principal London office of each of the Reference Banks, to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time), or if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) or, if the Reference Rate is STIBOR, at approximately 11.00 a.m. (Stockholm time), or if the Reference Rate is NIBOR, at approximately 12:00 noon. (Oslo time) or, if the Reference Rate is CHF LIBOR, at approximately 11:00 a.m. (London time) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Accrual Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent; and

(iii) if paragraph (ii) above applies and the Calculation Agent determines that fewer than two Reference Banks providing offered quotations, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, if the Reference Rate is LIBOR, at approximately 11.00

a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) or, if the Reference Rate is STIBOR, at approximately 11.00 a.m. (Stockholm time), or if the Reference Rate is NIBOR, at approximately 12:00 noon (Oslo time) or, if the Reference Rate is CHF LIBOR, at approximately 11:00 a.m. (London time) on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, or, if the Reference Rate is STIBOR, the Stockholm inter-bank market or, if the Reference Rate is NIBOR, the Oslo inter-bank market or, if the Reference Rate is CHF LIBOR, the London inter-bank market, as the case may be, or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time), or, if the Reference Rate is STIBOR, at approximately 11.00 a.m. (Stockholm time), or if the Reference Rate is NIBOR, at approximately 12:00 noon (Oslo time) or, if the Reference Rate is CHF LIBOR, at approximately 11:00 a.m. (London time), on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Trustee and the Issuer suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, or, if the Reference Rate is STIBOR, the Stockholm inter-bank market, or, if the Reference Rate is NIBOR, the Oslo inter-bank market or, if the Reference Rate is CHF LIBOR, the London inter-bank market, as the case may be, provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

(d) *Interest on CPI Linked Interest Notes*

The Rate of Interest payable from time to time for each Interest Period (as specified in the applicable Final Terms) will be equal to the rate per annum specified in the applicable Final Terms multiplied by the Inflation Index Ratio (as defined in this Condition 5(d)).

For the purposes of this Condition 5(d):

- (i) "**CPI**" means the Swedish consumer price index as published by Statistiska Centralbyrån (Statistics Sweden) ("**SCB**") on Reuters page SCBE02.
- (ii) "**Inflation Index Ratio**" means the Interest Rate Index divided by the Base Index (as specified in the applicable Final Terms) as determined by the Calculation Agent.
- (iii) "**Interest Rate Index**" means the CPI for the Relevant Month (as specified in the applicable Final Terms) relating to the relevant Interest Payment Date. If the CPI for the applicable Relevant Month has not been published within ten (10) Business Days before the relevant Interest Payment Date, the Interest Rate Index shall be determined by the Calculation Agent as the higher of:

- (x) the index announced by the Swedish National Debt Office for the purposes of the Benchmark Bond specified in the applicable Final Terms on or before the tenth Business Day before the relevant Interest Payment Date on the basis of prices on the Swedish bond market; or
- (y) the CPI most recently published before the applicable Relevant Month.

If the CPI is no longer established or published, an equivalent index of consumer prices in Sweden using the same or a substantially similar formula or method of calculation which is calculated or has been published by SCB or by such body as establishes or publishes such an index in the place of SCB (the "**Replacement Index**"). In the event of the CPI being replaced, the Replacement Index shall be converted to the index series upon which the Base Index is based.

(e) *Interest on Zero Coupon Notes*

Where a Note the Rate of Interest of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Redemption Amount of such Note determined in accordance with Condition 6(c). As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 6(c)).

(f) *Margin, Maximum/Minimum Rates of Interest, Redemption Amounts and Rounding*

- (i) If any Margin (as specified in the Final Terms) is specified hereon (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with Condition 5(c) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin, subject always to the next paragraph.
- (ii) If any Maximum or Minimum Rate of Interest or Redemption Amount is specified hereon, then any Rate of Interest or Redemption Amount shall be subject to such maximum or minimum, as the case may be.
- (iii) For the purposes of any calculations required pursuant to these Conditions, (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that are due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes "**unit**" means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, means 0.01 euro.

(g) *Calculations*

The amount of interest payable per Calculation Amount in respect of any Note for any Interest Accrual Period shall be equal to the product of the Rate of Interest, the Calculation Amount specified hereon, and the Day Count Fraction for such Interest Accrual Period, unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Accrual Period, in which case the amount of interest payable per Calculation Amount in respect of such Note for such Interest Accrual Period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable per Calculation Amount in respect of such Interest Period shall be the sum of the Interest Amounts payable in respect of each of those Interest Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions



above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.

(h) *Determination and Publication of Rates of Interest, Interest Amounts and Redemption Amounts*

The Calculation Agent shall, as soon as practicable on each Interest Determination Date, or such other time on such date as the Calculation Agent may be required to calculate any Redemption Amount, obtain any quote or make any determination or calculation, determine the Rate of Interest and calculate the amount of interest payable (the "**Interest Amounts**") for the relevant Interest Accrual Period, calculate the Redemption Amount, obtain such quote or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the Redemption Amount to be notified to the Trustee, the Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of an Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 5(b), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made with the prior written consent of the Trustee by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 10, the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made unless the Trustee otherwise requires. The determination of each Rate of Interest, Interest Amount and Redemption Amount, the obtaining of each quote and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

(i) *Determination or Calculation by Trustee*

Subject to Condition 5(k), if the Calculation Agent does not at any time for any reason determine or calculate the Rate of Interest for an Interest Accrual Period or any Interest Amount or Redemption Amount, the Trustee shall do so (or shall appoint an agent on its behalf to do so) and such determination or calculation shall be deemed to have been made by the Calculation Agent. In doing so, the Trustee shall apply the foregoing provisions of this Condition, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and, in all other respects it shall do so in such manner as it shall deem fair and reasonable in all the circumstances.

(j) *Definitions*

In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

**"Business Day"** means:

- (i) in the case of a specified currency other than euro, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for that currency; and/or
- (ii) in the case of euro, a day on which the TARGET2 System is operating (a "**TARGET2 Business Day**"); and/or

- (iii) in the case of a specified currency and/or one or more specified financial centres, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in the specified currency in the specified financial centre(s) or, if no currency is specified, generally in each of the financial centres so specified.

"**CHF LIBOR**" means the London inter-bank offered rate for Swiss Francs.

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period or Interest Accrual Period, the "**Calculation Period**"):

- (i) if "Actual/Actual" or "Actual/Actual – ISDA" is specified hereon, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (x) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (y) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (ii) if "Actual/365 (Fixed)" is specified hereon, the actual number of days in the Calculation Period divided by 365;
- (iii) if "Actual/360" is specified hereon, the actual number of days in the Calculation Period divided by 360;
- (iv) if "30/360", "360/360" or "Bond Basis" is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{DayCountFraction} = \frac{[360 \times (Y_2 - Y_1)] + [(M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y<sub>1</sub>" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M<sub>2</sub>" is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

"D<sub>1</sub>" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30;

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

$$\text{DayCountFraction} = \frac{[360 \times (Y_2 - Y_1)] + [(M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y<sub>1</sub>" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D<sub>1</sub>" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D<sub>2</sub> will be 30;

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

$$\text{DayCountFraction} = \frac{[360 \times (Y_2 - Y_1)] + [(M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y<sub>1</sub>" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D<sub>1</sub>" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D<sub>1</sub> will be 30; and

"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D<sub>2</sub> will be 30; and

- (vii) if "Actual/Actual-ICMA" is specified hereon:

(a) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and

(b) if the Calculation Period is longer than one Determination Period, the sum of:

(x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and

(y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of

days in such Determination Period and (2) the number of Determination Periods normally ending in any year

where:

**"Determination Date"** means the date specified as such hereon or, if none is so specified, the Interest Determination Date.

**"Determination Period"** means the period from and including an Interest Determination Date in any year to but excluding the next Interest Determination Date.

**"EURIBOR"** means the Euro-zone inter-bank offered rate.

**"Euro-zone"** means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty on the Functioning of the European Union, as amended.

**"Interest Accrual Period"** means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date.

**"Interest Amount"** means:

- (i) in respect of an Interest Accrual Period, the amount of interest payable per Calculation Amount for that Interest Accrual Period and which, in the case of Fixed Rate Notes, and unless otherwise specified hereon, shall mean the Fixed Coupon Amount or Broken Amount specified hereon as being payable on the Interest Payment Date ending the Interest Period of which such Interest Accrual Period forms part; and
- (ii) in respect of any other period, the amount of interest payable per Calculation Amount for that period.

**"Interest Commencement Date"** means the Issue Date or such other date as may be specified hereon.

**"Interest Determination Date"** means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such in the relevant Final Terms or, if none is so specified and the Specified Currency is not euro, the first day of such Interest Accrual Period if the Specified Currency is Sterling or the day falling two Business Days in London for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is not Sterling.

**"Interest Period"** means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

**"Interest Period Date"** means each Interest Payment Date unless otherwise specified hereon.

**"LIBOR"** means the London inter-bank offered rate.

**"NIBOR"** means the Norwegian inter-bank offered rate.

**"Rate of Interest"** means the rate of interest payable from time to time in respect of this Note and that is either specified or calculated in accordance with the provisions in the relevant Final Terms.

**"Reference Banks"** means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in the case of a determination of STIBOR, the principal Stockholm office of four major banks in the Stockholm inter-bank market, in the case of

a determination of NIBOR, the principal Oslo office of four major banks in the case of a determination of CHF LIBOR, the principal London office of four major banks in the London inter-bank market, in each case selected by the Calculation Agent or as specified hereon.

**"Reference Rates"** means the rate specified as such hereon.

**"Relevant Screen Page"** means such page, section, caption, column or other part of a particular information service as may be specified hereon.

**"Specified Currency"** means the currency specified hereon or, if none is specified, the currency in which the Notes are denominated.

**"STIBOR"** means the Stockholm inter-bank offered rate.

**"TARGET2 System"** means the Trans-European Automated Real-Time Gross-Settlement Express Transfer (TARGET2) System or any successor thereto.

(k) *Linear Interpolation*

Where Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms the Rate of Interest for such Interest Period shall be calculated by the Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified as applicable in the applicable Final Terms) or the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the applicable final Terms) one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period provided, however, that if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

**"Designated Maturity"** means, in relation to Screen Rate Determination, the period of time designated in the Reference Rate.

(l) *Calculation Agent*

The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for them in the relevant Final Terms and for so long as any Note is outstanding (as defined in the Trust Deed). Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Accrual Period or to calculate any Interest Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount or to comply with any other requirement, the Issuer shall (with the prior written approval of the Trustee) appoint a leading bank or investment banking firm engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

## 6 **Redemption, Purchase and Options**

(a) *Final Redemption*

- (i) Unless previously redeemed, purchased and cancelled as provided below, each Note, other than where Condition 6(a)(ii) below is applicable, shall be finally redeemed on the Maturity Date specified hereon at its Final Redemption Amount

(which, unless otherwise provided in the relevant Final Terms, is its principal amount).

- (ii) If CPI Linked Redemption is indicated as being applicable in the relevant Final Terms, the Final Redemption Amount will be determined by the Calculation Agent on the following basis:
- (iii) Final Redemption Amount = Inflation Index Ratio x nominal amount of the Notes
- (iv) However, if the Final Index is lower than the Base Index (as specified in the applicable Final Terms) the Final Index will be deemed to be the same as the Base Index for the determination of the Final Redemption Amount.

For the purposes of this Condition 6(a)(ii):

- (x) "**Final Index**" means the CPI for the Relevant Month of the Relevant Year (each as specified in the applicable Final Terms). If the CPI for the Relevant Month of the Relevant Year is not published within ten (10) Business Days before the Maturity Date, the Final Index shall be determined by the Calculation Agent as the higher of:
  - the index announced by the Swedish National Debt Office for the purposes of the Benchmark Bond (as specified in the applicable Final Terms) on or before the tenth Business Day before the Maturity Date on the basis of prices on the Swedish bond market; or
  - the CPI most recently published before the Relevant Month in the Relevant Year.
- (y) "**Inflation Index Ratio**" means the Final Index divided by the Base Index (as specified in the applicable Final Terms) as determined by the Calculation Agent.

If the CPI is no longer established or published, an equivalent index of consumer prices in Sweden using the same or a substantially similar formula or method of calculation which is calculated or has been published by SCB or by such body as establishes or publishes such an index in the place of SCB (the "**Replacement Index**"). In the event of the CPI being replaced, the Replacement Index shall be converted to the index series upon which the Base Index is based.

*(b) Early Redemption Amount – Notes other than Zero Coupon Notes*

- (i) The Early Redemption Amount payable in respect of any Note other than a Zero Coupon Note will be calculated as follows:
  - (x) in the case of a Note with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof;
  - (y) in the case of a Note (other than a Zero Coupon Note or a CPI Linked Redemption Note) with a Final Redemption Amount which is or may be less or greater than the Issue Price, at the amount specified in the applicable Final Terms or, if no such amount is so specified in the applicable Final Terms, at its nominal amount;
  - (z) in the case of a CPI Linked Redemption Note, at its nominal amount multiplied by the Inflation Index Ratio as determined by the Calculation Agent in accordance with Condition 6(a)(ii) above, except that the date on which the early redemption is to take place shall be used to calculate the "Final Index" rather than the Maturity Date.

*(c) Early Redemption Amount – Zero Coupon Notes*

- (i) The Early Redemption Amount payable in respect of any Note that does not bear interest prior to the Maturity Date, the Early Redemption Amount of which is not linked to an index and/or a formula, upon redemption of such Note pursuant to

Condition 6(d) or upon it becoming due and payable as provided in Condition 10 shall be the Amortised Face Amount (calculated as provided below) of such Note.

- (ii) Subject to the provisions of sub-paragraph (iii) below, the Amortised Face Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown in the relevant Final Terms, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually. Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown in the relevant Final Terms.
- (iii) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 6(d) or upon it becoming due and payable as provided in Condition 10 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (ii) above, except that such sub-paragraph shall have effect as though the reference therein to the date on which the Note becomes due and payable were replaced by a reference to the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph shall continue to be made (both before and after judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 5(e).

(d) *Redemption for Taxation Reasons*

Subject to Conditions 6(b) and 6(c), the Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date (if this Note is a Floating Rate Note or CPI Linked Interest Note) or, at any time, (if this Note is not a Floating Rate Note or CPI Linked Interest Note) on giving not less than the minimum period and not more than the maximum period of notice specified in the applicable Final Terms to the Noteholders (which notice shall be irrevocable) at their Early Redemption Amount (together with interest accrued to the date fixed for redemption), if:

- (i) the Issuer satisfies the Trustee immediately before the giving of such notice that it has or will become obliged to pay additional amounts as described under Condition 8 as a result of any change in, or amendment to, the laws or regulations of Sweden or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date, and
- (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Before the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Trustee (x) a certificate signed by two Authorised Signatories of the Issuer stating that the obligation referred to in (i) above cannot be avoided by the Issuer taking reasonable measures available to it and (y) an opinion of independent legal advisers of recognised standing acceptable to the Trustee to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment and the Trustee shall be entitled to accept such certificate and/or opinion as sufficient evidence of the satisfaction of the condition precedent set out in (ii) above in which event it shall be conclusive and binding on the Noteholders and the Couponholders.

(e) *Redemption at the Option of the Issuer*

If Issuer Call is specified as being applicable in the relevant Final Terms, the Issuer may, on giving not less than the minimum period nor more than the maximum period of irrevocable notice specified in the applicable Final Terms to the Noteholders, redeem all or, if so provided, some of the Notes in the principal amount or integral multiples thereof on any Optional Redemption Date. Any such redemption of Notes shall be at their Optional Redemption Amount together with interest accrued to the date fixed for redemption. Any such redemption or exercise must relate to Notes of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed specified hereon and no greater than the Maximum Redemption Amount to be redeemed specified hereon.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption, the notice to Noteholders shall also contain the certificate numbers of the Notes to be redeemed, which shall have been drawn in such place as the Trustee may approve and in such manner as it deems appropriate, subject to compliance with any applicable laws and stock exchange or other relevant authority requirements.

(f) *Redemption at the Option of Noteholders*

If Investor Put is specified as being applicable in the relevant Final Terms, the Issuer shall, at the option of the holder of any such Note, redeem such Note upon the holder of such Note giving not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms to the Issuer on the Option Redemption Dates at its Optional Redemption Amount together with interest accrued to the date fixed for redemption.

To exercise such option the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Coupons and unexchanged Talons) with any Paying Agent or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice ("**Exercise Notice**") in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the notice period. No Note or Certificate so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

(g) *Purchases*

The Issuer and any of its Subsidiaries may at any time purchase Notes (provided that all unmatured Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price.

(h) *Cancellation*

All Notes purchased by or on behalf of the Issuer or any of its subsidiaries may be surrendered for cancellation. Bearer Notes to be cancelled shall be cancelled by surrendering each such Note together with all unmatured Coupons and all unexchanged Talons to the Issuing and Paying Agent and Registered Notes to be cancelled shall be cancelled by surrendering the Certificate representing such Notes to the Registrar and, in each case, such Notes shall be cancelled forthwith (together with all unmatured Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.



## 7 Payments and Talons

### (a) *Bearer Notes*

Payments of principal and interest in respect of Bearer Notes shall, subject as mentioned below, be made against presentation and surrender of Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 7(e)(v)) or Coupons (in the case of interest, save as specified in Condition 7(e)(ii)), as the case may be, at the specified office of any Paying Agent outside the United States by a cheque payable in the currency in which such payment is due drawn on, or, at the option of the holder, by transfer to an account denominated in that currency with, a bank in the principal financial centre for that currency or, in the case of payment in euro, at the option of the holder, by transfer to or cheque drawn on a euro account (or any other account to which euro may be transferred) specified by the holder; provided that, in the case of Bearer Notes and Coupons, payments will not be made either by mail to an address in the United States or by transfer to an account maintained in the United States.

### (b) *Registered Notes*

(i) Payments of principal in respect of Registered Notes shall be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in subparagraph (ii) below.

(ii) Interest on Registered Notes shall be paid to the person shown on the Register (i) where in global form, at the close of the business day (being for the purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date, and (ii) where in definitive form at the close of business on the fifteenth day before the due date for payment thereof (the "**Record Date**"). Payments of interest on each Registered Note shall be made in the currency in which such payments are due by cheque drawn on a bank in the principal financial centre of the country of the currency concerned, subject as provided in Condition 7(a), and mailed to the holder (or to the first named of joint holders) of such Note at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date and, subject as provided in Condition 7(a), such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a bank in the principal financial centre of the country of that currency or, in the case of payment in euro, by transfer to a euro account (or any other account to which euro may be transferred) specified by the holder.

### (c) *Payments in the United States*

Notwithstanding the foregoing, if any Bearer Notes are denominated in US dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.

### (d) *Payments subject to Fiscal Laws*

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Condition 8. No commission or

expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 8, Appointment of Agents

The Issuing and Paying Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent initially appointed by the Issuer and their respective specified offices are listed below. The Issuing and Paying Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. The Issuer reserves the right at any time with the prior written approval of the Trustee to vary or terminate the appointment of the Issuing and Paying Agent, any other Paying Agent, the Registrar, any Transfer Agent or the Calculation Agent and to appoint additional or other Paying Agents or Transfer Agents, provided that the Issuer shall at all times maintain:

- (i) an Issuing and Paying Agent,
- (ii) a Registrar in relation to Registered Notes,
- (iii) a Transfer Agent in relation to Registered Notes,
- (iv) one or more Calculation Agent(s) where the Conditions so require,
- (v) Paying Agents having specified offices in at least two major European cities (including London, so long as the Notes are admitted to the Official List of the Financial Conduct Authority in its capacity as competent authority under the Financial Services and Markets Act 2000 and admitted to trading on the London Stock Exchange's EEA Regulated Market),
- (vi) such other agents as may be required by any other stock exchange on which the Notes may be listed in each case, as approved in writing in advance by the Trustee and
- (vii) a Paying Agent with a specified office in a European Union member state (if any) that will not be obliged to withhold or deduct tax pursuant to any law implementing European Council Directive 2003/48/EC.

In addition, the Issuer shall forthwith appoint a Paying Agent in New York City in respect of any Bearer Notes denominated in US dollars in the circumstances described in Condition 7(c).

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders.

(e) *Unmatured Coupons and unexchanged Talons*

- (i) Upon the due date for redemption of, Bearer Notes which comprise Fixed Rate Notes they should be surrendered for payment together with all unexpired Coupons (if any) appertaining thereto, failing which an amount equal to the face value of each missing unexpired Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unexpired Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Redemption Amount due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 9).
- (ii) Upon the due date for redemption of any Bearer Note comprising a Floating Rate Note or CPI Linked Interest Note, unexpired Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.

- (iii) Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
- (iv) Where any Bearer Note that provides that the relative unmatured Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmatured Coupons, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.
- (v) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate representing it, as the case may be. Interest accrued on a Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note or Certificate representing it, as the case may be.

(f) *Talons*

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Issuing and Paying Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 9).

(g) *Non-Business Days*

If any date for payment in respect of any Note or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, "**business day**" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the relevant place of presentation, in such jurisdictions (if any) as shall be specified as "Business Centres" hereon or in the relevant Final Terms and:

- (i) (in the case of a payment in a currency other than euro) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency; or
- (ii) (in the case of a payment in euro) which is a TARGET2 Business Day.

## 8 **Taxation**

All payments of principal and interest by or on behalf of the Issuer in respect of the Notes and the Coupons shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Sweden or any authority therein or thereof having power to tax ("**Taxes**"), unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts as shall result in receipt by the Noteholders and Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Note or Coupon:

- (a) *Other connection:* to, or to a third party on behalf of, a holder who is liable to such Taxes in respect of the Note or Coupon by reason of his having some connection with Sweden other than the mere holding of the Note or Coupon;

- (b) *Presentation more than 30 days after the Relevant Date*: presented (or in respect of which the Certificate representing it is presented) for payment more than 30 days after the Relevant Date except to the extent that the holder would have been entitled to such additional amounts on presenting it for payment on the last day of the period of 30 days;
- (c) *Lawful avoidance of withholding*: to, or to a third party on behalf of, a holder who could lawfully avoid (but has not so avoided) such withholding or deduction by complying or procuring that any third party complies with any statutory requirements or by making or procuring that any third party makes a declaration of non-residence or other similar claim for exemption to the relevant tax authority in the place where the relevant Note (or the Certificate representing it) or Coupons is presented for payment;
- (d) *Payment to individuals*: where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (e) *Payment by another Paying Agent*: presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note or Coupon to another Paying Agent in a Member State of the European Union.

As used in these Conditions, "**Relevant Date**" in respect of any Note or Coupon means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note (or relative Certificate) or Coupon being made in accordance with these Conditions, such payment will be made, provided that payment is in fact made upon such presentation.

References in these Conditions to (i) "principal" shall be deemed to include any premium payable in respect of the Notes, all Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 6 or any amendment or supplement to it, (ii) "interest" shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 5 or any amendment or supplement to it and (iii) "principal" and/or "interest" shall be deemed to include any additional amounts that may be payable under this Condition or any undertaking given in addition to or in substitution for it under the Trust Deed.

## 9 Prescription

Claims against the Issuer for payment in respect of the Notes and Coupons (which, for this purpose, shall not include Talons) shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

## 10 Events of Default

If any of the following events ("**Events of Default**") occurs and is continuing, the Trustee at its discretion may, and if so requested by holders of at least one-fifth in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (subject in each case to being indemnified to its satisfaction), give notice to the Issuer that the Notes are, and they shall immediately become, due and payable at their Redemption Amount together with accrued interest:

- (a) *Non-Payment*

default is made for more than 5 Business Days in the payment on the due date of principal or 10 Business Days in the payment on the due date of interest in respect of any of the Notes; or

(b) *Breach of Other Obligations*

the Issuer does not perform or comply with any one or more of its other obligations under the Notes or the Trust Deed which default is incapable of remedy or, if in the opinion of the Trustee capable of remedy, is not in the opinion of the Trustee remedied within 30 days after notice of such default shall have been given to the Issuer by the Trustee; or

(c) *Cross-Default*

- (i) any other present or future indebtedness of the Issuer or any of its Subsidiaries (as defined in the Trust Deed) for or in respect of moneys borrowed or raised becomes due and payable prior to its stated maturity by reason of an event of default (howsoever described);
- (ii) any such indebtedness is not paid when due or, as the case may be, within any applicable grace period; or
- (iii) the Issuer or any of its Subsidiaries fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this paragraph (c) have occurred equals or exceeds U.S.\$10,000,000 or its equivalent (as determined by the Trustee, such determination to be final and conclusive); or

(d) *Enforcement Proceedings*

a distress, attachment, execution or other legal process is levied, enforced or sued out on or against any part of the property, assets or revenues of the Issuer or any of its Subsidiaries and is not discharged or stayed within 90 days; or

(e) *Security Enforced*

any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer or any of its Subsidiaries becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, manager or other similar person); or

(f) *Insolvency*

the Issuer or any of its Subsidiaries is (or is, or could be, deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a material part of (or of a particular type of) its debts, proposes or makes a general assignment or (in the opinion of the Trustee) an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting all or any part of (or of a particular type of) the debts of the Issuer or any of its Subsidiaries; or

(g) *Winding-up*

an order is made or an effective resolution passed for the winding-up or dissolution of the Issuer or any of its Subsidiaries, or the Issuer or any of its Subsidiaries shall apply or petition for a winding-up or administration order in respect of itself or cease or through an official action of its board of directors threaten to cease to carry on all or (in the opinion of the Trustee) substantially all of its business or operations, in each case except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (i) on

terms previously approved by the Trustee in writing or by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders or (ii) in the case of a Subsidiary, whereby the undertaking and assets of the Subsidiary are transferred to or otherwise vested in the Issuer or another of its Subsidiaries; or

(h) *Ownership*

the Issuer ceases to be directly or indirectly majority owned and controlled by the Kingdom of Sweden; or

(i) *Authorisation and Consents*

any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order (i) to enable the Issuer lawfully to enter into, exercise its respective rights and perform and comply with its respective obligations under the Notes and the Trust Deed, (ii) to ensure that those obligations are legally binding and enforceable and (iii) to make the Notes and the Trust Deed admissible in evidence in the courts of Sweden is not taken, fulfilled or done; or

(j) *Analogous Events*

any event occurs that under the laws of Sweden has an analogous effect to any of the events referred to in any of the foregoing paragraphs;

provided that in the case of paragraphs (d), (e), and, in relation to the winding up of any Subsidiaries only, (g), (i) and (j), the Trustee shall have certified that such event is, in its opinion, materially prejudicial to the interests of the Noteholders.

## **11 Meetings of Noteholders, Modification, Waiver and Substitution**

(a) *Meetings of Noteholders*

The Trust Deed contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Trust Deed) of a modification of any of these Conditions or any provisions of the Trust Deed. Such a meeting may be convened by Noteholders holding not less than 10 per cent. in principal amount of the Notes for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons holding or representing a clear majority in principal amount of the Notes for the time being outstanding, or at any adjourned meeting two or more persons being or representing Noteholders whatever the principal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to amend the dates of maturity or redemption of the Notes or any date for payment of interest or Interest Amounts on the Notes, (ii) to reduce or cancel the principal amount of, or any premium payable on redemption of, the Notes, (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Notes, (iv) if a Minimum and/or a Maximum Rate of Interest or Redemption Amount is shown hereon, to reduce any such Minimum and/or Maximum, (v) to vary any method of, or basis for, calculating the Redemption Amount, including the method of calculating the Amortised Face Amount, (vi) to vary the currency or currencies of payment or denomination of the Note (vii) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution, in which case the necessary quorum shall be two or more persons holding or representing not less than three quarters, or at any adjourned meeting not less than one quarter, in principal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders.

These Conditions may be completed in relation to any Series of Notes by the terms of the relevant Final Terms in relation to such Series.

(b) *Modification of the Trust Deed*

The Trustee may agree, without the consent of the Noteholders or Couponholders, to (i) any modification of any of the provisions of the Trust Deed that is (in the opinion of the Trustee) of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed that is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation or waiver shall be binding on the Noteholders and the Couponholders and, if the Trustee so requires, such modification shall be notified to the Noteholders and the Couponholders as soon as practicable.

(c) *Substitution*

The Trust Deed contains provisions permitting the Trustee to agree, subject to such amendment of the Trust Deed and such other conditions as the Trustee may require, but without the consent of the Noteholders or the Couponholders, to the substitution of any other entity in place of the Issuer, or of any previous substituted entity, as principal debtor under the Trust Deed and the Notes. In the case of such a substitution the Trustee may agree, without the consent of the Noteholders or the Couponholders, to a change of the law governing the Notes, the Coupons, the Talons and/or the Trust Deed provided that such change would not in the opinion of the Trustee be materially prejudicial to the interests of the Noteholders. If the Issuer is substituted, new listing particulars will be produced.

(d) *Entitlement of the Trustee*

In connection with the exercise of its functions (including but not limited to those referred to in this Condition) the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders or Couponholders and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from the Issuer any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders or Couponholders. The Trustee has no responsibility for the maintenance of any rating assigned to the Notes.

(e) *Change and Indemnification of the Trustee*

The Trust Deed contains general provisions for the retirement and removal of the Trustee and the appointment by the Issuer of a successor Trustee which has previously been approved by an Extraordinary Resolution. The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility. The Trustee is entitled to enter into business transactions with the Issuer and any entity related to the Issuer without accounting for any profit.

## **12 Replacement of Notes, Certificates, Coupons and Talons**

If a Note, Certificate, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange regulations, at the specified office of the Issuing and Paying Agent (in the case of Bearer Notes, Coupons or Talons) and of the Registrar (in the case of Certificates) or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, inter alia, that if the allegedly lost, stolen or destroyed Note, Certificate, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Notes, Certificates, Coupons or further

Coupons) and otherwise as the Issuer may require. Mutilated or defaced Notes, Certificates, Coupons or Talons must be surrendered before replacements will be issued.

### **13 Further Issues**

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further securities either having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them and/or the Issue Price (as specified hereon)) and so that such further issue shall be consolidated and form a single series with the outstanding securities of any series (including the Notes) or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Notes include (unless the context requires otherwise) any other securities issued pursuant to this Condition and forming a single series with the Notes. Any further securities forming a single series with the outstanding securities of any series (including the Notes) constituted by the Trust Deed or any deed supplemental to it shall, and any other securities may (with the consent of the Trustee), be constituted by the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Noteholders and the holders of securities of other series where the Trustee so decides.

### **14 Notices**

Notices to the holders of Registered Notes shall be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. Notices to the holders of Bearer Notes shall be valid if published in a daily newspaper of general circulation in London (which is expected to be the Financial Times). If in the opinion of the Trustee any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made, as provided above.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Notes in accordance with this Condition.

### **15 Contracts (Rights of Third Parties) Act 1999**

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

### **16 Governing Law and Jurisdiction**

#### *(a) Governing Law*

The Trust Deed, the Notes, the Coupons, the Talons and any non-contractual obligations arising out of or in connection with the Trust Deed, the Notes, the Coupons and the Talons are governed by, and construed in accordance with, English law.

#### *(b) Jurisdiction*

Subject to this Condition 16(b), the English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the Trust Deed, any Notes, Coupons or Talons (including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to non-contractual obligations arising out of or in connection with the Trust Deed, any Notes, Coupons or Talons) (a "**Dispute**") and all Disputes will be submitted to the exclusive jurisdiction of the English courts.

For the purposes of this Condition 16(b), the Issuer waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.



To the extent allowed by law, the Trustee, the Noteholders and the Couponholders may, in respect of any Dispute or Disputes, take (i) proceedings in any other court with jurisdiction; and (ii) concurrent proceedings in any number of jurisdictions.

(c) *Service of Process*

The Issuer irrevocably appoints Business Sweden - The Swedish Trade & Invest Council of 5 Upper Montagu Street, W1H 2AG London, United Kingdom as its agent for service of process in respect of any proceedings before the English courts in relation to a Dispute, and agrees that, in the event of Business Sweden - The Swedish Trade & Invest Council being unable or unwilling for any reason so to act, it will immediately appoint another person approved by the Trustee as its agent for service of process in England in respect of any Dispute. The Issuer agrees that failure by a process agent to notify it of any process will not invalidate service. Nothing herein shall affect the right to serve process in any other manner permitted by law.

(d) *Immunity from Proceedings*

The Issuer irrevocably agrees that, should any proceedings in relation to a Dispute ("**Proceedings**") be taken anywhere (whether for any injunction, specific performance, damages or otherwise), no immunity (to the extent that it may at any time exist, whether on the grounds of sovereignty or otherwise) from those Proceedings, from attachment (whether in aid of execution, before judgment or otherwise) of its assets or from execution of judgment shall be claimed by it or on its behalf or with respect to its assets, any such immunity being irrevocably waived. The Issuer irrevocably agrees that it and its assets are, and shall be, subject to such Proceedings, attachment or execution in respect of its obligations under these Conditions.

## Summary of Provisions Relating to the Notes While in Global Form

### Initial Issue of Notes

Global Notes which are issued in CGN form and Global Certificates which are not held under the NSS may be delivered on or prior to the original issue date of the Tranche to a Common Depository for Euroclear and Clearstream, Luxembourg (the "**Common Depository**"). If the Global Note is a CGN, upon the initial deposit of a Global Note with the Common Depository or registration of Registered Notes in the name of any nominee for Euroclear and Clearstream, Luxembourg and the delivery of the relative Global Certificate to the Common Depository, Euroclear or Clearstream, Luxembourg will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid.

If the Global Notes are to be issued in NGN form or the Global Certificates are held under NSS (as the case may be), the Global Notes or the Global Certificates will be delivered on or prior to the original issue date of the Tranche to a Common Safekeeper. Depositing the Global Notes or the Global Certificates with the Common Safekeeper does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue, or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria. Where the Global Notes issued in respect of any Tranche are issued under the NSS or in NGN form, Euroclear and Clearstream, Luxembourg will be notified as to whether or not such Global Notes are intended to be held in a manner which would allow Eurosystem eligibility.

If the Global Note is an NGN the nominal amount of the Notes shall be the aggregate amount from time to time entered in the records of Euroclear or Clearstream, Luxembourg. The records of such clearing system shall be conclusive evidence of the nominal amount of Notes represented by the Global Note and a statement issued by such clearing system at any time shall be conclusive evidence of the records of the relevant clearing system at that time.

Notes that are initially deposited with the Common Depository may also be credited to the accounts of subscribers with Approved Intermediaries or (if indicated in the relevant Final Terms) other clearing systems through direct or indirect accounts with Euroclear and Clearstream, Luxembourg held by such other clearing systems. Conversely, Notes that are initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream, Luxembourg or other clearing systems (or Approved Intermediaries).

### Relationship of Accountholders with Clearing Systems

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or any other clearing system as the holder of a Note represented by a Global Note or a Global Certificate must look solely to Euroclear, Clearstream, Luxembourg or such other clearing system (as the case may be) for his share of each payment made by the Issuer to the bearer of such Bearer Global Note or the holder of the underlying Registered Notes, as the case may be, and in relation to all other rights arising under the Global Notes or Global Certificates, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg or such other clearing system (as the case may be). Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Note or Global Certificate and such obligations of the Issuer will be discharged by payment to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, in respect of each amount so paid.

### Exchange

#### 1 Temporary Global Notes

Each Temporary Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date:

- (i) if the relevant Final Terms indicate that the Global Note is issued in compliance with the C Rules or in a transaction to which TEFRA is not applicable (as to

which, see "Overview of the Programme – Selling Restrictions"), in whole, but not in part, for the Definitive Notes defined and described below; and

- (ii) otherwise, in whole or in part upon certification as to non-US beneficial ownership in the form set out in the Agency Agreement for interests in a Permanent Global Note or, if so provided in the relevant Final Terms, for Definitive Notes.

Each Temporary Global Note which is also an Exchangeable Bearer Note will be exchangeable in whole or from time to time in part for one or more Registered Notes in accordance with the Conditions on or after the Issue Date but before its Exchange Date, by its presentation to the Issuing and Paying Agent.

## **2 Permanent Global Notes**

Each Permanent Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole but not, except as provided under paragraph 4 below, in part for Definitive Notes or (if the Permanent Global Note is an Exchangeable Global Note) Registered Notes represented by Certificates:

- (i) if the Permanent Global Note is an Exchangeable Bearer Note, by the holder giving notice to the Issuing and Paying Agent of its election to exchange the whole or a part of such Permanent Global Note for Registered Notes; and
- (ii) if the Permanent Global Note is held on behalf of Euroclear or Clearstream, Luxembourg or any other clearing system (an "**Alternative Clearing System**"), and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so.

In the event that a Global Note is exchanged for Definitive Notes, such Definitive Notes shall be issued in Specified Denomination(s) only. Noteholders who hold Notes in the relevant clearing system in amounts that are not integral multiples of a Specified Denomination may need to purchase or sell, on or before the relevant Exchange Date, a principal amount of Notes such that their holding is an integral multiple of a Specified Denomination.

## **3 Permanent Global Certificates**

If the Final Terms state that the Notes are to be represented by a Permanent Global Certificate on issue, transfers of the holding of Notes represented by any Global Certificate pursuant to Condition 2(b) may only be made in part:

- (i) if the Notes represented by the Global Certificate are held on behalf of Euroclear or Clearstream, Luxembourg or an Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or
- (ii) with the consent of the Issuer;

provided that, in the case of the first transfer of part of a holding pursuant to (i) above, the Registered Holder has given the Registrar not less than 30 days' notice at its specified office of the Registered Holder's intention to effect such transfer.

## **4 Partial Exchange of Permanent Global Notes**

For so long as a Permanent Global Note is held by or on behalf of a clearing system and the rules of that clearing system permit, such Permanent Global Note will be exchangeable in part on one or more occasions for Registered Notes if the Permanent Global Note is an Exchangeable Bearer Note and the part submitted for exchange is to be exchanged for Registered Notes.

## 5 Delivery of Notes

On or after any due date for exchange the holder of a Global Note may surrender such Global Note or, in the case of a partial exchange, present it for endorsement to or to the order of the Issuing and Paying Agent. In exchange for any Global Note, or the part thereof to be exchanged, the Issuer will (i) in the case of a Temporary Global Note exchangeable for a Permanent Global Note, deliver, or procure the delivery of, a Permanent Global Note in an aggregate principal amount equal to that of the whole or that part of a Temporary Global Note that is being exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a Permanent Global Note to reflect such exchange or (ii) in the case of a Global Note exchangeable for Definitive Notes or Registered Notes, deliver, or procure the delivery of, an equal aggregate principal amount of duly executed and authenticated Definitive Notes and/or Certificates, as the case may be. In this Prospectus, "**Definitive Notes**" means, in relation to any Global Note, the definitive Bearer Notes for which such Global Note may be exchanged (if appropriate, having attached to them all Coupons in respect of interest that have not already been paid on the Global Note and (if applicable) a Talon). Definitive Notes will be security printed and Certificates will be printed in accordance with any applicable legal and stock exchange requirements in or substantially in the form set out in the Schedules to the Trust Deed. On exchange in full of each Permanent Global Note, the Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant Definitive Notes.

## 6 Exchange Date

"**Exchange Date**" means, in relation to a Temporary Global Note, on or after the first day following the expiry of 40 days after its issue date and, in relation to a Permanent Global Note, a day falling not less than 60 days, or in the case of an exchange for Registered Notes five days after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Issuing and Paying Agent is located and in the city in which the relevant clearing system is located.

## 7 Amendment to Conditions

The Temporary Global Notes, Permanent Global Notes and Global Certificates contain provisions that apply to the Notes that they represent, some of which modify the effect of the terms and conditions of the Notes set out in this Prospectus. The following is a summary of certain of those provisions:

## 8 Payments

No payment falling due after the Exchange Date will be made on any Global Note unless exchange for an interest in a Permanent Global Note or for Definitive Notes or Registered Notes is improperly withheld or refused. Payments on any Temporary Global Note issued in compliance with the D Rules before the Exchange Date will only be made against presentation of certification as to non-US beneficial ownership dated no earlier than the due date for such payment in the form set out in the Agency Agreement. All payments in respect of Notes represented by a Global Note will be made against presentation for endorsement and, if no further payments fall to be made in respect of the Notes, surrender of that Global Note at the specified office of the Issuing and Paying Agent or such other Paying Agent provided for in the Conditions. A record of each payment, distinguishing between any payment of principal and any payment of interest, will be endorsed on such Global Note by the Paying Agent to whom it was presented or will be made in the records of Euroclear and Clearstream, Luxembourg as applicable. Condition 0(vii) and Condition 8(e) will apply to the Definitive Notes only.

## 9 Prescription

Claims against the Issuer in respect of Notes that are represented by a Permanent Global Note will become void unless it is presented for payment within a period of 10

years (in the case of principal) and 5 years (in the case of interest) from the appropriate Relevant Date (as defined in Condition 8).

## **10 Meetings**

For the purposes of any quorum requirements of a meeting of Noteholders and, at any such meeting, the holder of a Permanent Global Note shall be treated as having one vote in respect of each integral currency unit of the Specified Currency of the Notes. (All holders of Registered Notes are entitled to one vote in respect of each Note comprising such Noteholder's holding, whether or not represented by a Global Certificate.)

## **11 Cancellation**

Cancellation of any Note represented by a Temporary Global Note or a Permanent Global Note that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the principal amount of the relevant Temporary Global Note or Permanent Global Note on its presentation to or to the order of the Issuing and Paying Agent for endorsement.

## **12 Purchase**

Notes represented by a Permanent Global Note may only be purchased by the Issuer or any of its Subsidiaries if they are purchased together with the rights to receive all future payments of interest (if any) thereon.

## **13 Issuer's Option**

Any option of the Issuer provided for in the Conditions of any Notes while such Notes are represented by a Permanent Global Note shall be exercised by the Issuer giving notice to the Noteholders within the time limits set out in and containing all information required by the Conditions, except that the notice shall not be required to contain the serial numbers of Notes drawn in the case of a partial exercise of an option and accordingly no drawing of Notes shall be required.

## **14 Noteholders' Options**

Any option of the Noteholders provided for in the Conditions of any Notes while such Notes are represented by a Permanent Global Note may be exercised by the holder of the Permanent Global Note giving notice to the Issuing and Paying Agent within the time limits relating to the deposit of Notes with a Paying Agent set out in the Conditions substantially in the form of the notice available from any Paying Agent, except that the notice shall not be required to contain the serial numbers of the Notes in respect of which the option has been exercised and at the same time presenting the Permanent Global Note to the Issuing and Paying Agent, or to a Paying Agent acting on behalf of the Issuing and Paying Agent, for notation.

## **15 Trustee's Powers**

In considering the interests of Noteholders while any Global Note is held on behalf of, or Registered Notes are registered in the name of any nominee for, a clearing system, the Trustee may have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its accountholders or participants with entitlements to such Global Note or Registered Notes and may consider such interests on the basis that such accountholders were the holders of the Notes represented by such Global Note or Global Certificate.

## **16 Notices**

So long as any Notes are represented by a Global Note and such Global Note is held on behalf of a clearing system, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Note.

## **Use of Proceeds**

The net proceeds of each issue of Notes will be used by the Issuer for its general corporate purposes. If, in respect of an issue, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

## Akademiska Hus

### General

Akademiska Hus AB (publ) (the "**Issuer**", and together with its subsidiaries and affiliates taken as a whole from time to time, the "**Group**") was incorporated under the laws of the Kingdom of Sweden as a limited liability company on 30 December 1992 under the Swedish Companies Act. The Issuer's registered office and domicile is at P.O. Box 483 SE-401 27 Göteborg, Sweden (street address Stampgatan 14) with telephone number +46 31 63 24 00. The Issuer commenced operations in October 1993. The Issuer is wholly-owned by the Kingdom of Sweden and complies with the ownership policy adopted by the Swedish Government . As the Issuer is wholly owned by the Kingdom of Sweden, the Issuer complies with the ownership policy adopted by the Ministry of Education. The Issuer also complies with the Swedish Corporate Governance Code (the "**Code**"). The Code has been prepared for companies with a broad ownership base. For companies wholly owned by the Kingdom of Sweden the rules laid down in the Code regarding (i) election committee; (ii) appointment of Board of Directors and auditors; and (iii) the reporting of the independence of Board members, are replaced by guidelines in the ownership policy.

The Issuer owns, develops and manages properties situated in the major Swedish university cities and in a number of cities with colleges. This is managed through six regional offices. The activities of the regional offices are coordinated, and from an operational point of view controlled by, the Issuer's head office. The head office supports the business of the regions through internal departments for: strategic business and market development, finance, IT, corporate communications, project and property development, accounting and human resources.

The Swedish State is responsible for the provision of higher education in Sweden and it has direct control over universities and colleges. It has been the policy of the Swedish Government since the mid-forties to give the Swedish people access to higher education.

As at 31 December 2015, the rentable space was 3.2 million square metres and the assessed fair value of the properties as recorded in the accounts was SEK 66,575 million. The Issuer is one of the largest property companies in Sweden in terms of reported property values.

The Issuer aims to offer its customers well-maintained and suitably designed premises for study and research through long-term ownership and management of the properties in its portfolio. In the process of development and construction of new facilities, as well as discussing future needs, the Issuer has an ongoing dialogue with the customer.

The following table is a summary of the consolidated Income Statement and Balance Sheet as at and for the years ended 31 December 2014 and 31 December 2015 (on an audited basis):

	As of the year ended 31 December			
	2015		2014	
	(SEK million)	(€ million)	(SEK million)	(€ million)
<b>Income Statement</b>				
Rental Revenue.....	5,505	599	5,495	582
Total Property Management Income .....	5,701	620	5,681	602
Total Property Management Expenses .....	-1,998	-217	-1,964	-208
Net Operating Income .....	3,703	403	3,717	393
Total Changes in Fair Property Values .....	2,655	289	3,529	374
Profit Before Financial Items.....	6,323	688	7,200	763
Total Financial Items .....	-182	-20	-939	-99
Profit After Financial Items.....	6,141	668	6,261	663
Taxes .....	-1,361	-148	-1,046	-111
Net Profit For the Year.....	4,780	520	5,215	552
<b>Statement of Financial Position</b>				
Investment Properties.....	66,575	7,246	61,437	6,509
Total Assets.....	74,433	8,101	69,719	7,386
Total Equity .....	30,271	3,295	33,432	3,542
Total Debts.....	28,399	3,091	23,124	2,450
Total Equities and Liabilities .....	74,433	8,101	69,719	7,386

## History

In the early 1990s, the Swedish Government, seeking greater efficiency, formed two new state-owned companies to take over the ownership and management of state-owned real estate, which until then had been directly owned and managed by a state authority.

The Group was assigned primary responsibility for university premises. The first decade for the Group was marked by the build-up of the company and significant property investments as a result of expansion in higher education. In recent years there has been increased interest in community properties and the Group's special segment in that market – premises for higher education and research – which has heightened competition.

At the year end 2012, the six property owning subsidiaries of the Issuer were merged into the Issuer. The merger was implemented to facilitate a more efficient organisational structure with long-term financial stability and yield. It will also provide more flexibility for the owner in managing the capital structure. The Issuer now operates as one united company instead of a group with six regional subsidiaries. The only remaining subsidiary, Akademiska Hus Utveckling och Support AB, is a dormant company which does not conduct any business.



A Governmental bill, adopted by the Swedish parliament in December 2013, clarified the Issuer's role and reiterated once more the intention for the Issuer to remain wholly-owned by the Kingdom of Sweden: "Akademiska Hus Aktiebolag will own, develop and manage properties for universities and colleges where the primary focus will be on education and research and it will carry on operations compatible therewith. Operations will be run on a commercial basis and will generate a yield in line with the market by setting rents that take into account inherent operating risks. Akademiska Hus Aktiebolag will work to promote the long-term, sustainable development of university and college campuses"... "Akademiska Hus Aktiebolag will remain wholly-owned by the State".

In autumn 2014 the role of Akademiska Hus was further clarified by the Swedish parliament as follows: "Akademiska Hus will contribute to more student accommodation through clarification that the company's remit includes the construction and management of student accommodation."

## Current Business

### Rented Properties

The following table sets out the categories of property (and percentage of rentable space) as at 31 December 2015:

Teaching facilities .....	45 per cent.
Laboratories .....	35 per cent.
Offices/administration facilities and Miscellaneous* .....	20 per cent.

\* Miscellaneous includes sports halls, various agricultural facilities and restaurant areas.

The highest rents derive from laboratories and technical research facilities, as these are specialised and require a much higher investment.

The following table gives a breakdown of the Issuer's sources of rental revenue and the assessed fair value of the properties in each region for the year ended 31 December 2015:

	<u>Rental revenue, net</u>	<u>Assessed fair value properties</u>
	<i>(SEK million)</i>	
Stockholm.....	1,911	28,214
Uppsala .....	1,051	12,691
Syd .....	773	8,191
Väst.....	750	8,124
Norr .....	480	4,420
Öst .....	539	4,934
<b>Total</b> .....	<u>5,504</u>	<u>66,575</u>

Universities and colleges clearly dominate and account for approximately 90 per cent. of the rental revenue. The authority responsible for these institutions is the Ministry of Education and Research.

At 31 December 2015, the financial level of vacant space was 1.1 per cent. and the vacancy rate of the total space was 3.8 per cent.

The Issuer does not enter into speculative land purchases or property development. Investments in specially adapted premises take place once a long lease, that justifies the investment, has been signed. Any subsequent changes required by the customer are at the cost of the customer.

During 2015 investments in new construction and development totalled SEK 2,497 million. Properties worth SEK 33 million were sold during the year. The Issuer still has a large project portfolio. The rental revenue has developed positively during the year due to projects being completed. A major part of the properties being sold affected only part of the year as they were sold in October. The work to improve the efficiency in the property management continues. There is an increasing interest in investing in the market segment, community properties, in which the Issuer is active, as well as in high-quality properties with long leases.

The average term for leases differs depending on the category of property. The average lease term for new contracts is approximately 11 years and at 31 December 2015 the average remaining lease term was 5.8 years. In the case of more complex specialist buildings intended for laboratory and research activities, the lease term is normally 10 years or more. The Government must approve contracts longer than 10 years.

### **Maintenance of Properties**

The Issuer's policy is to have good, on-going maintenance of its properties and to not neglect any maintenance required. This is done through systematic maintenance and refurbishment of the properties.

### **Market Share and Competition**

The Issuer has a presence throughout Sweden. Its market share is about 61 per cent. calculated as a proportion of the floor space for university and college premises. Apart from universities and colleges, customers include certain state-owned authorities, municipal authorities, institutions and foundations and service operations.

The Issuer does not use its land or buildings as collateral. The only collateral posted is over cash in relation to collateral margins in derivative transactions and in electricity hedging.

### **Relationship with the Sole Shareholder**

In terms of shareholder involvement, the Issuer submits a report to the sole shareholder, the Kingdom of Sweden, on a quarterly basis. Although the sole shareholder has appointed the Board of Directors of the Issuer, the management has unfettered discretion to make decisions. The shareholder is not involved in the day-to-day management of the Issuer. The shareholder sets out the overall financial targets for the Issuer. The targets are reviewed on a regular basis.

The present targets were decided at the Annual Shareholders Meeting, in April 2014. The targets first applied for the financial year 2014 and are intended to be long-term. Changes in internal and external conditions may lead to a revision of the targets at any time.

### **Capital Structure:**

The equity ratio shall be in the range 30 to 40 per cent.

### **Profitability:**

The yield on operating capital shall be at least 6.5 per cent. Operating profit is calculated excluding changes in values.

### **Dividend policy:**

The ordinary dividend shall be between 40 and 60 per cent. of the profit after tax for the year, excluding any changes in value and deferred tax related thereto. A decision regarding the dividend shall take into account the Issuer's operations and its capital structure objective.

To facilitate the future harmonisation of the capital structure with the sole shareholder's equity ratio target, resolutions were passed at the Annual Meeting on 28 April 2015 whereby, through the revaluation of investment properties (and including reductions in share capital to be immediately followed by increases in share capital in the same amount by way of bonus issues), the non-restricted equity of the Issuer was increased by SEK 5,000 million. In October 2015, Akademiska Hus held an Extraordinary Shareholder's Meeting, which resolved to pay an extra dividend of SEK 6,500 million to its sole shareholder, the Kingdom of Sweden. The purpose of the extra dividend was to adjust the capital structure to the sole shareholder's objective of

maintaining an equity ratio of between 30 and 40 per cent. SEK 4,500 million of the extra dividend was paid to the sole shareholder in autumn 2015. At the year-end the remaining SEK 2,000 million comprised a non-interest bearing debt to the sole shareholder at the year-end. It was paid to the sole shareholder in April 2016. The Group's equity ratio, having taken the extra dividend of SEK 6,500 million fully into account, was 40.7 per cent at year-end 2015.

### Board of Directors

The Issuer is managed by the Board of Directors. Each Director is appointed for a period of one year at the Annual Shareholders Meeting.

The current members of the Board of Directors are as follows:

<b>Name</b>	<b>Position</b>	<b>Principal activities outside the Group</b>
Anitra Steen	Chairman	Chairman of the Board of AFA Försäkring and Orale Care. Board Member of PostNord.
Britta Burreau		President of Nordea Liv
Olof Ehrlén		Senior advisor Nordstjernan AB. Former President and CEO, NCC AB
Thomas Jennlinger	Employee representative (Ledarna)	Operating Manager, Akademiska Hus Uppsala
Anders Larsson	Employee representative (SEKO)	Operating Engineer, Akademiska Hus Stockholm
Ingela Lindh		Deputy city manager and CEO of Stockholm Stadshus AB
Kristina Ekengren		Company Manager at the State Ownership Unit at the Ministry of Enterprise and Innovation
Gunnar Svedberg		Former CEO Innventia AB
Ingemar Ziegler		Former CEO of AB Storstockholms Lokaltrafik

There are no potential conflicts between any duties to the Issuer in relation to the persons referred to above and their private interest and/or other duties.

The business address of the Board of Directors is Akademiska Hus AB, Stampgatan 14, P.O. Box 483, SE-401 27 Göteborg, Sweden.

## Management and Employees

The current Executive Management is made up by the following:

<u>Name</u>	<u>Position</u>	<u>Principal activities outside the Issuer</u>
Kerstin Lindberg Göransson	CEO	None
Peter Bohman	Regional Director, Akademiska Hus Uppsala	None
David Carlsson	Regional Director, Akademiska Hus Norr	None
Birgitta van Dahlen	Regional Director, Akademiska Hus Väst	None
Ulf Däversjö	Chief Procurement Officer	None
Fredrik Färm	Human Resources Director ( <i>pro tempore</i> )	None
Cecilia Nielsen	Director of Communications	None
Anders Ruth	CFO ( <i>pro tempore</i> )	None
Tomas Ringdahl	Regional Director, Akademiska Hus Syd	None
Lars Hagman	Regional Director, Akademiska Hus Öst	None
Michael Walmerud	Vice President	None
Sten Wetterblad	Regional Director, Akademiska Hus Stockholm	None
Carolin Åberg Sjöqvist	General Counsel	None

The business address of the Executive Management is Akademiska Hus AB, Stampgatan 14, P.O. Box 483, SE-401 27 Göteborg, Sweden.

None of the members of the Executive Management has any principal activities outside the Issuer, conflict or potential conflict of interests between their duties to the Issuer and their private interests and/or other duties.

## Taxation

### Sweden

*The following summary outlines certain Swedish tax consequences to holders of Notes who are not residents of Sweden for income tax purposes. Purchasers are urged to consult their professional advisers as to the tax consequences of acquiring, holding or transferring Notes.*

Under Swedish law as presently in effect, payments of any principal or any amount that is considered to be interest for Swedish tax purposes to the holder of any Note will not be subject to Swedish income tax, provided that such holder is neither resident in Sweden for tax purposes nor engaged in trade or business in Sweden through a permanent establishment to which the Notes are effectively connected.

Swedish law, as presently in effect, does not provide for deduction or withholding for or on account of taxes on payments of any principal or interest to the holder of any Notes, except on payment of interest, and any other yield on any Notes which is paid at the same time as interest, to a holder who is a private individual (or an estate of a deceased individual) with tax residence in Sweden.

### The proposed financial transaction tax ("FTT")

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

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

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

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

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

## Subscription and Sale

Subject to the terms and on the conditions contained in an Amended and Restated Programme Agreement dated 28 May 2014, as amended and/or supplemented and/or restated from time to time, (the "**Programme Agreement**") between the Issuer, the Permanent Dealers and the Arrangers, the Notes will be offered on a continuous basis by the Issuer to the Permanent Dealers. However, the Issuer has reserved the right to sell the Notes directly on its own behalf to Dealers that are not Permanent Dealers and who agree to be bound by the restrictions below. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Programme Agreement also provides for Notes to be issued in syndicated Tranches that are jointly and severally, or severally underwritten by two or more Dealers.

The Issuer will pay each relevant Dealer a commission as agreed between the Issuer and the Dealer in respect of Notes subscribed by it. The Issuer has agreed to reimburse the Arrangers for their expenses incurred in connection with the establishment of the Programme and the Dealers for certain of their activities in connection with the Programme. The commissions in respect of an issue of Notes on a syndicated basis will be set out in the Subscription Agreement.

The Issuer has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Programme Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

### United States

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

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and Treasury regulations promulgated thereunder. The applicable Final Terms will identify whether TEFRA C rules or TEFRA D rules apply or whether TEFRA is not applicable.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the completion of the distribution, as determined and certified by the relevant Dealer or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager, of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

**Until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.**

#### **Public Offer Selling Restriction under the Prospectus Directive**

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each Dealer has represented and agreed, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Prospectus as completed by the final terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer;
- (c) at any time if the denomination per Note being offered amounts to at least €100,000; or
- (d) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (a) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision:

- the expression "**offer of Notes to the public**" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State;
- the expression "**Prospectus Directive**" means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in each Relevant Member State.

#### **United Kingdom**

Each Dealer has represented and agreed that:

- (i) in relation to any Notes which have a maturity of less than one year, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of section 19 of the FSMA by the Issuer;
- (ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the

issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and

- (iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

### **General**

Each Dealer has acknowledged and each further Dealer appointed under the Programme will be required to acknowledge that neither the Issuer nor any Dealer makes any representation that any action has been or will be taken in any jurisdiction by the Issuer or any Dealer that would permit a public offering of the Notes, or possession or distribution of the Prospectus or any other offering material or any Final Terms, in any country or jurisdiction where action for that purpose is required. Each Dealer has agreed to and each further Dealer appointed under the Programme will agree to (to the best of its knowledge) comply with all relevant securities laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes the Prospectus or any other offering material or any Final Terms and neither the Issuer nor any other Dealer shall have responsibility therefor.

With regard to each Tranche, the relevant Dealer will be required to comply with any additional restrictions agreed between the Issuer and the relevant Dealer and set out in the Subscription Agreement or Dealer Accession Letter, as relevant.



## Form of Final Terms

### Final Terms dated [●]

**Akademiska Hus AB (publ) Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes] under the €3,000,000,000 Euro Medium Term Note Programme**

#### PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Prospectus dated 31 May 2016 [and the supplemental Prospectus[es] dated [●] [and [●]] which [together] constitute[s] a base prospectus (the "**Prospectus**") for the purposes of the Prospectus Directive. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Prospectus]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus. The Prospectus has been published on the website of the London Stock Exchange plc at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html> [and copies may be obtained from [address]].

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Prospectus dated [original date] [and the supplemental Prospectus[es] dated [●] [and] [●]] which are incorporated by reference in the Prospectus dated [current date]. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Prospectus dated [current date] [and the supplemental Prospectus[es] dated [●] [and] [●]], which [together] constitute[s] a base prospectus (the "**Prospectus**") for the purposes of the Prospectus Directive, including the Conditions incorporated by reference in the Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus. The Prospectus has been published on the website of the London Stock Exchange plc at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html> [and copies may be obtained from [address]].

1	Issuer:	Akademiska Hus AB (publ)
2	(i) Series Number:	[ ]
	(ii) Tranche Number:	[ ]
	(iii) Date on which the Notes will be consolidated and form a single Series:	The Notes will be consolidated and form a single Series with [ ] on [the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph [23] below, which is expected to occur on or about [●]] [Not Applicable]
3	Specified Currency or Currencies:	[ ]
4	Aggregate Nominal Amount of Notes admitted to trading:	[ ]
	(i) Series:	[ ]
	(ii) Tranche:	[ ]
5	Issue Price:	[ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [ ] (if applicable)]

- 6 (i) Specified Denominations: [ ]  
(ii) Calculation Amount: [ ]
- 7 (i) Issue Date: [ ]  
(ii) Interest Commencement Date: [ ] [Issue Date] [Not Applicable]
- 8 Maturity Date: [ ]
- 9 Interest Basis: [[ ] per cent. Fixed Rate]  
[[[ ] month  
[LIBOR/EURIBOR/STIBOR/NIBOR/CHF LIBOR] +/- [ ] per cent. Floating Rate]  
[Zero Coupon]  
[CPI Linked Interest]  
(see paragraph [14]/[15]/[16]/[17] below)
- 10 Redemption[/Payment] Basis: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [100] per cent. of their nominal amount  
[CPI Linked Redemption]
- 11 Change of Interest Basis: [ ] [Not Applicable]
- 12 Put/Call Options: [Investor Put]  
[Issuer Call]  
[Not Applicable]  
[(see paragraph [18]/[19] below)]
- 13 [Date [Board] approval for issuance of Notes obtained: [[ ] [and [ ], respectively]]

#### PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

- 14 **Fixed Rate Note Provisions** [Applicable/Not Applicable]
- (i) Rate[(s)] of Interest: [ ] per cent. per annum payable in arrear on each Interest Payment Date
- (ii) Interest Payment Date(s): [ ] [in each year up to and including the Maturity Date]
- (iii) Fixed Coupon Amount[(s)]: [ ] per Calculation Amount
- (iv) Broken Amount(s): [[ ] per Calculation Amount payable on the Interest Payment Date falling [in/on] [ ] [Not Applicable]
- (v) Day Count Fraction: [30/360] [Actual/Actual (ICMA/ISDA)]
- (vi) Determination Dates: [[ ] in each year] [Not Applicable]
- 15 **Floating Rate Note Provisions** [Applicable][Not Applicable]

- (i) Interest Period(s): [ ]
- (ii) Specified Interest Payment Dates: [ ] [,subject to adjustment in accordance with the Business Day Convention set out in (v) below]
- (iii) First Interest Payment Date: [ ]
- (iv) Interest Period Date: [ ]
- (v) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/ Modified Following Business Day Convention/Preceding Business Day Convention]
- (vi) Business Centre(s): [ ]
- (vii) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination]
- (viii) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Agent): [ ]
- (ix) Screen Rate Determination [ ]
- Reference Rate: [ ] month  
[LIBOR/EURIBOR/STIBOR/NIBOR/CHF LIBOR]
- Interest Determination Date(s): [ ]
- Relevant Screen Page: [ ]
- (x) Linear Interpolation [Not Applicable/Applicable – the Rate of interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation]
- (xi) Margin(s): [ ] per cent. per annum
- (xii) Minimum Rate of Interest: [ ] per cent. per annum
- (xiii) Maximum Rate of Interest: [ ] per cent. per annum
- (xiv) Day Count Fraction: [[Actual/Actual] [Actual/365 (Fixed)] [Actual/360] [30/360] [360/360] [Bond Basis] [30E/360] [Eurobond Basis] [30E/360(ISDA)] [Actual/Actual - ICMA][Actual/Actual ISDA]
- 16 Zero Coupon Note Provisions** [Applicable/Not Applicable]
- (i) Amortisation Yield: [ ] per cent. per annum
- (ii) Day Count Fraction in relation to Early Redemption Amounts: [30/360] [Actual/360] [Actual/365]

17	<b>CPI Linked Interest Note Provisions</b>	[Applicable/Not Applicable]
	(i) Party responsible for calculating the Rate of Interest (if not the Calculation Agent) and Interest Amount (if not the Agent):	[ ]
	(ii) Base Index:	[ ], being the CPI for the Relevant Month in [ ]
	(iii) Rate of Interest:	[ ] per cent. per annum multiplied by Inflation Index Ratio
	(iv) Interest Period(s):	[ ]
	(v) Interest Payment Dates:	[ ]
	(vi) Relevant Month:	[ ] in each year
	(vii) Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/ Modified Following Business Day Convention/Preceding Business Day Convention]
	(viii) Minimum Rate of Interest:	[ ] per cent. per annum
	(ix) Maximum Rate of Interest:	[ ] per cent. per annum
	(x) Benchmark Bond	[ ]
	(xi) Day Count Fraction:	[ ]

**PROVISIONS RELATING TO REDEMPTION**

18	<b>Call Option</b>	[Applicable/Not Applicable]
	(i) Optional Redemption Date(s):	[ ]
	(ii) Optional Redemption Amount(s):	[ ] per Calculation Amount
	(iii) If redeemable in part:	
	(a) Minimum Redemption Amount:	[ ] per Calculation Amount
	(b) Maximum Redemption Amount:	[ ] per Calculation Amount
	(iv) Notice periods:	Minimum period: [ ] days Maximum period: [ ] days
19	<b>Put Option</b>	[Applicable/Not Applicable]
	(i) Optional Redemption Date(s):	[ ]
	(ii) Optional Redemption Amount(s):	[ ] per Calculation Amount
	(iii) Notice periods:	Minimum period: [ ] days Maximum period: [ ] days
20	<b>Final Redemption Amount</b>	[ ] per Calculation Amount
21	<b>CPI Linked Redemption</b>	[Applicable/Not Applicable]

- (i) Base Index: [ ], being the CPI for the Relevant Month of the [ ]
  - (ii) Relevant Year: [ ]
  - (iii) Party responsible for calculating the Final Redemption Amount (if not the Calculation Agent): [ ]
- 22 **Early Redemption Amount** [ ] per Calculation Amount
- Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default:

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

- 23 Form of Notes:
- (a) Form
    - Bearer Notes:
      - [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]
      - [Temporary Global Note exchangeable for Definitive Notes] (If the Temporary Global Note is exchangeable for definitives at the option of the holder, the Notes shall be tradeable only in amounts of at least the Specified Denomination (or if more than one Specified Denomination, the lowest Specified Denomination) provided in paragraph 6 and multiples thereof)
      - [Permanent Global Note exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]
    - Exchangeable Notes:
      - [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for definitive Certificates on request]
    - Registered Notes:
      - [The Notes will be represented by a Permanent Global Certificate exchangeable for definitive Certificates in the circumstances set out therein]
  - (b) [New Global Note]/[New Safekeeping Structure]: [Yes][No]
- 24 Financial Centre(s) [Not Applicable] [ ]
- 25 Talons for future Coupons to be attached to Definitive Notes: [Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive

form, more than 27 coupon payments  
are still to be made/No.]

**THIRD PARTY INFORMATION**

[[ ] has been extracted from [ ]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [ ], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of Akademiska Hus AB (publ):

By: .....

*Duly authorised*

## PART B – OTHER INFORMATION

### 1 LISTING AND ADMISSION TO TRADING

- (i) Listing and Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the London Stock Exchange's regulated market and listing on the Official List of the UK Listing Authority with effect from [ ].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the London Stock Exchange's regulated market and listing on the Official List of the UK Listing Authority with effect from [ ].]
- (ii) Estimate of total expenses related to admission to trading: [ ]

### 2 RATINGS

- Ratings: [The Notes to be issued [have been] [are expected to be] rated] [The following ratings reflect ratings assigned to Notes of this type issued under the Programme generally]:
- [ ] by Standard & Poor's Credit Market Services Europe Limited.]

### 3 [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER]

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

### 4 [REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES]

- (i) Reasons for the offer [See Use of Proceeds wording in the Prospectus] [ ]
- (ii) Estimated net proceeds [ ]
- (iii) Estimated total expenses: [ ]

### 5 [YIELD (Fixed Rate Notes only)]

Indication of yield: [ ]

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

### 6 [HISTORIC INTEREST RATES (Floating Rate Notes only)]

Details of historic [LIBOR/EURIBOR/STIBOR/NIBOR/CHF LIBOR] rates can be obtained from [Reuters].]

### 7 [PERFORMANCE OF INDEX/FORMULA AND OTHER INFORMATION CONCERNING

**THE UNDERLYING** (CPI-Linked Notes Only)

- (i) Name of underlying index: the Swedish consumer price index ("**CPI**") as published by Statistiska centralbyrån (Statistics Sweden) ("**SCB**") on Reuters page SCBE02.(ii) Information about the Index: [ ]

The Issuer [intends to provide post-issuance information [ ]] [does not intend to provide post-issuance information.]

**8 OPERATIONAL INFORMATION**

- (i) ISIN: [ ]
- (ii) Common Code: [ ]
- (iii) Any clearing system(s) other than Euroclear and Clearstream Luxembourg and the relevant identification number(s): [Not Applicable] [ ]
- (iv) Names and addresses of initial Paying Agent(s): [ ]
- (v) Names and addresses of additional Paying Agent(s) (if any): [ ]

**9 DISTRIBUTION**

- (i) If syndicated, names of Managers: [Not Applicable] [ ]
- (ii) Date of [Subscription] Agreement: [ ]
- (iii) U.S. Selling Restrictions: [Reg. S Compliance Category [1/2/3]; TEFRA D/TEFRA C/TEFRA not applicable]]



## General Information

### Listing of Notes

It is expected that listing of the Notes on the Official List and admission of the Notes to trading on the London Stock Exchange's Regulated Market will be admitted separately, as and when issued, subject only to the issue of one or more Global Note (or one or more Certificates) in respect of each Tranche. Application has been made to the UK Listing Authority for Notes issued under the Programme to be admitted to the Official List and to the London Stock Exchange for such Notes to be admitted to trading on the London Stock Exchange's regulated market. The listing of the Programme in respect of such Notes is expected to be granted on or about 3 June 2016. Prior to listing and admission to trading, however, dealings will be permitted by the London Stock Exchange in accordance with its rules. Transactions will normally be effected for delivery on the third working day after the day of the transaction.

### Authorisation

The Issuer has obtained all necessary consents, approvals and authorisations in Sweden in connection with the issue and performance of the Notes. The establishment of the Programme and the issue of Notes under the Programme was authorised by a resolution of the Board of Directors passed on 12 December 1997 and pursuant to a resolution of the Board of Directors passed on 11 December 2015, the CEO of the Issuer has been authorised to sign the update of the Programme. By a Power of Attorney dated 17 December 2015 the Treasurer of the Issuer has been authorised to sign the update of the Programme.

### Significant or Material Change

There has been no significant change in the financial or trading position of the Issuer or of the Group since 31 March 2016 and no material adverse change in the financial position or prospects of the Issuer or of the Group since 31 December 2015.

### Litigation

There are no governmental, legal or arbitration proceedings (including any proceedings which are pending or threatened) of which the Issuer is aware in the 12 months preceding the date of this Prospectus which may have or have had in the recent past a significant effect on the financial position or profitability of the Issuer or of the Group.

### U.S. Tax

Each Bearer Note having a maturity of more than one year, Coupon and Talon will bear the following legend: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code".

### Clearing Systems

Notes have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems. The Common Code and the International Securities Identification Number ("ISIN") for each Series of Notes will be set out in the relevant Final Terms.

The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium. The address of Clearstream, Luxembourg is 42 Avenue JF Kennedy L-1855 Luxembourg. The address of any alternative clearing system will be specified in the applicable Final Terms.

### Conditions for determining price

The issue price and the amount of the relevant Notes will be determined, before filing of the relevant Final Terms of each Tranche, based on then prevailing market conditions.

### Material Contracts

There are no material contracts entered into in the ordinary course of the Issuer's business which could result in any member of the Issuer's Group being under an obligation or entitlement

that is material to the Issuer's ability to meet its obligations to Noteholders in respect of the Notes being issued.

### **Exchange Rates**

The exchange rate information on page 3 of this Prospectus has been sourced from a third party and has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from the information published by such third party no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of such third party information is identified where used.

### **Documents on Display**

For so long as Notes may be issued pursuant to this Prospectus, the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection at the office of the Issuer and the Issuing and Paying Agent:

- (a) the Trust Deed (which includes the form of the Global Notes, the definitive Bearer Notes, the Certificates, the Coupons and the Talons);
- (b) the Programme Agreement;
- (c) the Agency Agreement;
- (d) the Certificate of Registration and Articles of Association of the Issuer (together with English translations);
- (e) the published annual report and audited accounts of the Issuer for the last two years ended 31 December 2014 and 31 December 2015 and the most recent published unaudited condensed consolidated interim accounts;
- (f) each Final Terms; and
- (g) all reports including auditors' reports, letters and other documents, balance sheets, valuations and statements by any expert any part of which is extracted or referred to in this Prospectus.

In addition, this Prospectus and each Final Terms will be available at the website of the Regulatory News Service operated by the London Stock Exchange at [www.londonstockexchange.com/exchange/news/market-news/market-news-home.html](http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html). This Prospectus and any Supplements to it will also be available at the website of the Issuer at <http://www.akademiskahus.se/en/about-us/financial-information/financing/borrowing-facilities/>. The English language translations of the Certificate of Registration and Articles of the Association of the Issuer are direct and accurate translations of the original Swedish language documents. In the event of a discrepancy between the English language translation and the Swedish language original, the Swedish language original will prevail.

Copies of the latest annual report and consolidated accounts of the Issuer and the latest interim unaudited consolidated accounts of the Issuer may be obtained, and copies of the Trust Deed will be available for inspection, at the specified offices of each of the Paying Agents during normal business hours, so long as any of the Notes is outstanding (together with English translations).

### **Auditors**

KPMG AB (authorised and regulated by the Supervisory Board of Public Accountants – Revisorsnämnden), with Björn Flink as auditor in charge, have audited and delivered unqualified audit reports on the accounts of the Issuer for the years ended 31 December 2014 and 31 December 2015.

### **Post Issuance information**

Save as set out in the relevant Final Terms, the Issuer does not intend to provide any post-issuance information in relation to any issues of Notes.

### **Trustee's action**

The Conditions and the Trust Deed provide for the Trustee to take action on behalf of the Noteholders in certain circumstances, but only if the Trustee is indemnified and/or secured and/or pre-funded to its satisfaction. It may not always be possible for the Trustee to take certain actions, notwithstanding the provision of an indemnity and/or security and/or pre-funding to it. Where the Trustee is unable to take any action, the Noteholders are permitted by the Conditions and the Trust Deed to take the relevant action directly.

### **CPI Linked Notes**

Information on the CPI, including historical data, can be found on the main pages of SCB's (Statistics Sweden) website (<http://www.scb.se/>).

### **Dealers transacting with the Issuer**

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services to the Issuer and its affiliates in the ordinary course of business. They have received, or may in the future receive, customary fees and commissions for these transactions.

In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or their affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in the securities of the Issuer, including potentially the Notes offered hereby. Any such short positions could adversely affect future trading prices of the Notes offered hereby. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

## REGISTERED OFFICE OF THE ISSUER

### **Akademiska Hus AB (publ)**

Stampgatan 14  
P.O. Box 483  
SE-401 27 Göteborg  
Sweden

## ARRANGER

### **Skandinaviska Enskilda Banken AB (publ)**

Kungsträdgårdsgatan 8  
SE-106 40 Stockholm  
Sweden

## DEALERS

**Danske Bank A/S**  
2-12 Holmens Kanal  
DK-1092 Copenhagen K  
Denmark

**Deutsche Bank AG, London  
Branch**  
Winchester House  
1 Great Winchester Street  
London EC2N 2DB  
United Kingdom

**Nordea Bank Danmark A/S**  
Christiansbro  
Strandgade 3  
DK-1401 Copenhagen K  
Denmark

**Skandinaviska Enskilda  
Banken AB (publ)**  
Kungsträdgårdsgatan 8  
SE-106 40 Stockholm  
Sweden

**Svenska Handelsbanken AB  
(publ)**  
Blasieholmstorg 11  
SE-106 70 Stockholm  
Sweden

**Swedbank AB (publ)**  
SE-105 34 Stockholm  
Sweden

**The Royal Bank of Scotland plc**  
135 Bishopsgate  
London EC2M 3UR  
United Kingdom

**UBS Limited**  
1 Finsbury Avenue  
London EC2M 2PP  
United Kingdom

## LEGAL ADVISERS

*To the Issuer*

**Wistrand Advokatbyrå**  
Regeringsgatan 65  
P.O. Box 7543  
SE-103 93 Stockholm  
Sweden

*To the Dealers and the Trustee*

**Allen & Overy LLP**  
One Bishops Square  
London E1 6AD  
United Kingdom

## AUDITORS

**KPMG AB**  
P.O. Box 16106,  
SE-103 23 Stockholm  
Sweden

**TRUSTEE**

**Citicorp Trustee Company Limited**

**Citigroup Centre**

Canada Square

Canary Wharf

London E14 5LB

United Kingdom

**ISSUING AND PAYING AGENT, TRANSFER AGENT AND CALCULATION AGENT**

**Citibank, N.A., London Branch**

Citigroup Centre

Canada Square

Canary Wharf

London E14 5LB

United Kingdom

**REGISTRAR**

**Citigroup Global Markets Deutschland AG**

Reuterweg 16

60323 Frankfurt

Germany