



**TERMS AND CONDITIONS FOR**

**SVENSK HYPOTEKSPENSION FOND 3 AB (PUBL)**

**SEK 2,000,000,000 – MORTGAGE BACKED FIXED RATE  
NOTES**

**ISIN: SE0007691621**

Originally dated 3 February 2016 and as amended and restated on 27 November 2019

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## TABLE OF CONTENTS

1.	DEFINITIONS AND CONSTRUCTION .....	1
2.	STATUS OF THE NOTES .....	12
3.	LIMITED RECOURSE .....	12
4.	USE OF PROCEEDS.....	13
5.	NOTES IN BOOK-ENTRY FORM .....	13
6.	RIGHT TO ACT ON BEHALF OF A NOTEHOLDER .....	13
7.	PAYMENTS IN RESPECT OF THE NOTES .....	14
8.	INTEREST.....	14
9.	REDEMPTION AND REPURCHASE OF THE NOTES.....	15
10.	TRANSACTION SECURITY .....	17
11.	MANAGEMENT, SERVICING AND CUSTODY .....	18
12.	FURTHER ADVANCES, PURCHASES OF REVOLVING PORTFOLIO PROMISSORY NOTES AND NEW PROMISSORY NOTES.....	19
13.	DISTRIBUTION OF PROCEEDS .....	20
14.	PURCHASE AND SALE OF ELIGIBLE SECURITIES.....	24
15.	INFORMATION TO NOTEHOLDERS .....	25
16.	GENERAL UNDERTAKINGS.....	26
17.	ACCELERATION OF THE NOTES .....	28
18.	DECISIONS BY NOTEHOLDERS .....	30
19.	NOTEHOLDERS' MEETING .....	34
20.	WRITTEN PROCEDURE.....	35
21.	AMENDMENTS AND WAIVERS.....	35
22.	APPOINTMENT AND REPLACEMENT OF THE AGENT.....	36
23.	APPOINTMENT AND REPLACEMENT OF THE CSD .....	39
24.	APPOINTMENT AND REPLACEMENT OF THE ISSUING AGENT.....	39
25.	NO DIRECT ACTIONS BY NOTEHOLDERS.....	39
26.	PRESCRIPTION.....	40
27.	NOTICES AND PRESS RELEASES.....	40
28.	FORCE MAJEURE AND LIMITATION OF LIABILITY .....	41
29.	GOVERNING LAW AND JURISDICTION .....	41

## 1. DEFINITIONS AND CONSTRUCTION

### 1.1 Definitions

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

“**Account Bank**” means DNB Bank ASA, Sweden Branch, or another party replacing it, as Account Bank, in accordance with the Transaction Documents.

“**Account Guarantee**” has the meaning set forth in the Bank Account Agreement.

“**Account Guarantee Provider**” has the meaning set forth in the Bank Account Agreement.

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

“**Account Pledge Agreement**” means the account pledge agreement entered into on or before the Issue Date between the Issuer and the Agent (acting on behalf of the Secured Parties), regarding the Issuer Bank Accounts (except the Equity Account) and the Custodial Account.

“**Accounting Principles**” means the international financial reporting standards (IFRS) within the meaning of Regulation 1606/2002/EC (or as otherwise adopted or amended from time to time) as applied by the Issuer in preparing its annual financial statements.

“**Additional Interest**” has the meaning set forth in Clause 8.3.2.

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

“**Affiliate**” means (i) an entity controlling or under common control with the Issuer and (ii) any other person or entity owning any Notes (irrespective of whether such person is directly registered as owner of such Notes) that has undertaken towards the Issuer to vote for such Notes in accordance with the instructions given by the Issuer. For the purposes of this definition, “control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of an entity, whether through ownership of voting securities, by agreement or otherwise.

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

“**Agency Fee**” means all fees and expenses payable by the Issuer to the Agent in accordance with the Agency Agreement.

“**Agent**” means Intertrust CN (Sweden) AB, Swedish Reg. No. 556625-5476, or another party replacing it, as Agent, in accordance with these Terms and Conditions.

“**Back-up Guarantee**” means the first demand guarantee in the maximum amount equal to the lower of (i) SEK 30,000,000 and (ii) the amount called under the Liquidity Guarantee but unpaid by the Account Bank on the date of the relevant Back-up Guarantee Event (as

defined in the Guarantee Agreement) or the date the Back-up Guarantee is called (whichever is the lowest), naming the Issuer as beneficiary and provided under the Guarantee Agreement or a new guarantee provided by a Rated Institution substantially in the form of the Back-up Guarantee and valid for at least one (1) year from the date of its issuance.

**“Bank Account Agreement”** means the bank account agreement entered into on or before the Issue Date between the Issuer, the Manager, the Account Bank and the Agent, regarding the Issuer Bank Accounts and the Custodial Account, or another bank account agreement entered into after the Issue Date between the Issuer, the Manager, the Agent and a new Account Bank.

**“Borrower”** means, in relation to a Promissory Note, the person or persons to whom the loan evidenced by the Promissory Note was advanced, and the person or persons from time to time assuming the obligation under such loan.

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

**“Business Day Convention”** means the first following day that is a Business Day.

**“Cash Limit”** means the lower of (i) SEK 60,000,000 and (ii) the difference between the Guaranteed Issuer Bank Account Amount and SEK 10,000,000.

**“Change of Control Event”** means the Issuer ceasing to be a wholly-owned Subsidiary of the Shareholder otherwise than with the consent of the Noteholders.

**“Collateral”** means any Security over (i) one or more mortgage certificates (*pantbrev*) over real estate or (ii) a co-operative flat (*bostadsrätt*), in each case securing a Borrower’s obligations under a Promissory Note.

**“Collection Account”** means the Issuer’s bank account with the Account Bank, or another pledged account into which the Proceeds are paid pursuant to the Transaction Documents.

**“Collection Period”** means each calendar month.

**“Collection Policy”** has the meaning set forth in the Servicing Agreement.

**“Control Notice”** means a written notice provided by the Agent to the Manager and the Account Bank pursuant to Clause 3.3.3 of the Management Agreement that withdrawals from the Collection Account or the Interest account may only be made with the prior consent of the Agent.

**“Credit Policy”** has the meaning set forth in the Servicing Agreement.

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

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

“**Custodial Account**” has the meaning set forth in the Bank Account Agreement.

“**Custodian**” means Bluestep Servicing AB, Swedish Reg. No. 556955-3927, Box 23138, Sveavägen N163, 104 35, Stockholm, Sweden, or another party replacing it, as Custodian, in accordance with the Transaction Documents.

“**Custodian Fee**” has the meaning set forth in the Custody Agreement.

“**Custody Agreement**” means the custody agreement entered into on or before the Issue Date between the Issuer, the Custodian and the Agent, regarding the storage of the Transferred Promissory Notes, the Collateral and other loan documentation, or a replacement custody agreement entered into after the Issue Date between the Issuer, the Agent and a New Custodian.

“**Deferred Interest**” has the meaning set out in Clause 8.3.1.

“**Eligible Securities**” means securities rated at least BBB+ and F2 by Fitch and scheduled to mature before the next Interest Payment Date.

“**Eligibility Criteria**” has the meaning set forth in the Mortgage Sale Agreement.

“**Enforcement Notice**” has the meaning set out in Clause 17.1.

“**Equity Account**” means the Issuer’s bank account with the Account Bank, or another account into which an amount of SEK 250,000 shall be paid on or before the Issue Date and thereafter be held for as long as the Notes are outstanding in accordance with Clause 16.5 (*Equity Account*).

“**Event of Default**” means an event or circumstance specified in Clause 17.1.

“**Excess Consideration**” means the interest rate per annum that is equal to (i) 3.74 per cent. plus (ii) an interest rate equal to the average between the bid and offer rates for thirty (30) year STIBOR 3 month interest-rate swaps in Swedish Kronor, as displayed on ICAP plc’s website at our about 11.00 a.m. on the fifth (5) Business Day before the Step-up Date, rounded up to two decimal places minus (iii) the Fixed Interest Rate.

“**Expense Account**” means the Issuer’s bank account with the Account Bank, or another account into which amounts set aside on each Waterfall Date to cover expected fees, taxes and Permitted Costs shall be deposited in accordance with Clause 13.1.2(f).

“**Final Maturity Date**” means the first Interest Payment Date falling after the forty-fifth (45<sup>th</sup>) anniversary of the Issue Date, i.e. 27 April 2061.

“**Financial Indebtedness**” means:

- (a) moneys borrowed (including under any bank financing or debt instrument (*skuldförbindelse*));
- (b) the amount of any liability under any finance leases (a lease which in accordance with the Accounting Principles is treated as an asset and a corresponding liability);
- (c) receivables sold or discounted (other than on a non-recourse basis, provided that the requirements for de-recognition under the Accounting Principles are met);

- (d) any other transaction (including the obligation to pay deferred purchase price) having the commercial effect of a borrowing or otherwise being classified as borrowing under the Accounting Principles;
- (e) the marked-to-market value of derivative transactions entered into in connection with protection against, or in order to benefit from, the fluctuation in any rate or price (if any actual amount is due as a result of a termination or a close-out, such amount shall be used instead);
- (f) counter-indemnity obligations in respect of guarantees or other instruments issued by a bank or financial institution; and
- (g) without double-counting, liabilities under guarantees or indemnities for any of the obligations referred to in paragraphs (a) to (f) above.

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

“**First Call Date**” means the Interest Payment Date falling immediately before the fourth anniversary of the Issue Date.

“**Fixed Interest Rate**” means 2 per cent. per annum.

“**Force Majeure Event**” has the meaning set forth in Clause 28.1.

“**Further Advance**” means additional loan advances made to the Borrowers under the loans in the Portfolio in accordance with Clause 12.2 (*Further Advances*).

“**Further Advance Promissory Note**” means a Promissory Note evidencing a Further Advance made by the Originator and transferred to the Issuer pursuant to the Mortgage Sale Agreement and these Terms and Conditions.

“**Guarantee Agreement**” has the meaning set forth in the Bank Account Agreement.

“**Guaranteed Issuer Bank Account Amount**” means the sum of (i) the amount that may be called by the Issuer under the Account Guarantee pursuant to the terms of the Guarantee Agreement and (ii) the amount standing to the credit of the Pledged Rated Account from time to time.

“**Initial and Revolving Eligibility Criteria**” has the meaning set forth in the Mortgage Sale Agreement.

“**Initial Nominal Amount**” has the meaning set forth in Clause 2.4.

“**Initial Portfolio**” means on the Issue Date the Promissory Notes listed in Schedule 1 (*List of Promissory Notes in the Initial Portfolio*) to the Mortgage Sale Agreement, except for any Repaid Promissory Notes.

“**Insolvency Event**” means, in respect of a party to a Transaction Document:

- (a) the party is, or is deemed for the purposes of any applicable law to be, insolvent, or admits inability to pay its debts as they fall due, in each case within the meaning of Chapter 2, Sections 7-9 of the Swedish Bankruptcy Act (*konkurslagen (1987:672)*), suspends making payments on any of its debts;

- (b) by reason of actual financial difficulties the party commences negotiations with all or substantially all of its creditors with a view to rescheduling any of its indebtedness (including company reorganisation under the Swedish Company Reorganisation Act (*lag (1996:764) om företagsrekonstruktion*));
- (c) the party is subject to an involuntary winding-up, dissolution or liquidation;
- (d) any corporate action, legal proceedings or other procedure or step, other than vexatious or frivolous and as disputed in good faith and discharged within twenty (20) Business Days, is taken in relation to:
  - (i) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation of the party;
  - (ii) a composition, compromise, assignment or arrangement with any creditor of the party; or
  - (iii) the appointment of a liquidator, administrator or other similar officer in respect of the party or any of its assets; or
- (e) any attachment, sequestration, distress or execution, or any analogous process in any jurisdiction, affects any asset of the party and is not discharged within twenty (20) Business Days or any Security over any asset of the party is enforced.

**“Intercreditor Agreement”** means the intercreditor agreement dated on or before the Issue Date between the Shareholder (in its capacity as Manager, Servicer and Originator under the Mortgage Sale Agreement), Svensk Hypotekspension Fond 2 AB (publ) (in its capacity as seller under the Mortgage Sale Agreement), the Standby Manager, the Standby Servicer, the Custodian, the Standby Custodian, the Agent and the Issuer, relating to the ranking of the Secured Obligations and the distribution of Proceeds.

**“Interest”** means the interest on the Notes calculated in accordance with Clauses 8.1 to 8.2.

**“Interest Account”** means the Issuer’s bank account with the Account Bank, or another pledged account into which amounts are set aside on each Waterfall Date to cover Senior Interest accrued and unpaid until the end of the relevant Collection Period shall be deposited in accordance with Clause 13.1.2(i).

**“Interest Payment Date”** means 27 January, 27 April, 27 July and 27 October of each year or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention. The first Interest Payment Date for the Notes shall be 27 April 2016 and the last Interest Payment Date shall be the relevant Redemption Date.

**“Interest Period”** means (i) in respect of the first Interest Period, the period from (but excluding) the Issue Date to (and including) the first Interest Payment Date, and (ii) in respect of subsequent Interest Periods, the period from (but excluding) an Interest Payment Date to (and including) the next succeeding Interest Payment Date (or a shorter period if relevant).

**“Investor Report”** means the investment report for each Interest Period that shall be distributed by the Issuer to the Noteholders pursuant to Clause 15.1.2, in the form set out in Schedule 1 to the Management Agreement.

“**Issue Date**” means 9 February 2016.

“**Issuer**” means Svensk Hypotekspension Fond 3 AB (publ), a public limited liability company incorporated under the laws of Sweden with Reg. No. 559017-2440.

“**Issuer Bank Accounts**” means the Collection Account, the Equity Account, the Expense Account, the Interest Account, the Revolving Account and any other bank account opened by the Issuer in accordance with the Transaction Documents.

“**Issuing Agent**” means DNB Bank ASA, Sweden Branch, or another party replacing it, as Issuing Agent, in accordance with these Terms and Conditions and the CSD Regulations.

“**Liquidity Guarantee**” means an unconditional on demand guarantee in the maximum amount of SEK 30,000,000 naming the Issuer as beneficiary provided by the Account Bank or a new guarantee substantially in the form of the Liquidity Guarantee and valid for at least one (1) year from the date of its issuance provided by a Rated Institution and, in the event that the provider of the Liquidity Guarantee is not a Rated Institution, secured by the Back-up Guarantee.

“**Management Agreement**” means the management agreement entered into on or before the Issue Date between the Issuer, the Manager and the Agent, regarding certain cash management and other services relating to the Portfolio and the Notes, or another management agreement entered into after the Issue Date between the Issuer, the Agent and a New Manager.

“**Manager**” means the Shareholder in its capacity as manager of the Portfolio appointed under the Management Agreement, or another party replacing it, as Manager, in accordance with the Transaction Documents.

“**Manager Fee**” has the meaning set forth in the Management Agreement.

“**Minimum Reserve Amount**” means an amount in cash and/or an amount available under the Liquidity Guarantee equal to SEK 12,000,000 on the Issue Date and thereafter increased by SEK 2,000,000 on each Waterfall Date until it amounts to 1.50 per cent of the total Nominal Amount plus accrued and unpaid Senior Interest (however, such amount not to be higher than SEK 30,000,000 or lower than SEK 12,000,000).

“**Mortgage Sale Agreement**” means the mortgage sale agreement entered into on or before the Issue Date between the Originator, Svensk Hypotekspension Fond 2 AB (publ), the Issuer and the Agent, regarding the sale of the Portfolio.

“**New Custodian**” has the meaning set forth in Clause 11.4.

“**New Manager**” has the meaning set forth in Clause 11.4.

“**New Promissory Note**” means a Promissory Note originated by the Originator and which meets the New Eligibility Criteria.

“**New Eligibility Criteria**” has the meaning set forth in the Mortgage Sale Agreement.

“**New Servicer**” has the meaning set forth in Clause 11.4.



“**Nominal Amount**” means in respect of each Note the Initial Nominal Amount, less the aggregate amount by which that Note has been redeemed in part pursuant to Clause 9.3 (*Voluntary partial redemption*).

“**Non-Eligible Promissory Note**” has the meaning set forth in the Mortgage Sale Agreement.

“**Note Loan**” means the loan constituted by these Terms and Conditions and evidenced by the Notes.

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

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

“**Note**” means a debt instrument (*skuldförbindelse*) for the Nominal Amount and of the type set forth in Chapter 1 Section 3 of the Financial Instruments Accounts Act and which are governed by and issued under these Terms and Conditions, with ISIN SE0007691621.

“**Originator**” means the Shareholder in its capacity as originator of the Transferred Promissory Notes forming part of the Portfolio.

“**Permitted Costs**” means (i) fees and expenses (other than the Set-Up Costs) of rating agencies, legal advisers, accountants and auditors of the Issuer, (ii) agreed fees to the arranger of the issue of the Notes, (iii) fees payable by the Issuer to the Account Bank in respect of the Issuer Bank Accounts and the Custodial Account, (iv) fees payable by the Issuer in respect of the Pledged Rated Account, (v) fees and interest payable by the Issuer in respect of the Account Guarantee, the Back-up Guarantee and the Liquidity Guarantee (vi) fees payable by the Issuer to the CSD, the Issuing Agent, the Swedish Financial Supervisory Authority and listing fees for the Notes, (vii) stamp duty and administration fees for additional mortgage certificates applied for from time to time in respect of any Transferred Promissory Note, (viii) costs incurred in finding a new substitute custodian, manager or servicer or a new standby custodian servicer or manager and costs incurred in relation to transferring the relevant services to such new substitute custodian, manager or servicer, which according to the relevant Transaction Document shall be borne by the Issuer, and (ix) any other sums due to third parties under obligations incurred in the course of the Issuer’s business.

“**Pledged Rated Account**” has the meaning set out in the Bank Account Agreement.

“**Portfolio**” means (i) on the Issue Date the Initial Portfolio and (ii) after the Issue Date any Transferred Promissory Notes from time to time.

“**Proceeds**” means all proceeds resulting from (i) repayments, prepayments, terminations and other collections and fees in respect of the Portfolio, (ii) purchases of Promissory Notes by the Originator in accordance with the Mortgage Sale Agreement, (iii) an enforcement of the Transaction Security and/or (iv) any other payments in respect of the Portfolio.

“**Promissory Note**” means a negotiable promissory note (*löpande skuldebrev*) executed by, and evidencing a loan to, a Borrower (including any amendments thereto) and secured by the related Collateral.

“**Promissory Notes Pledge Agreement**” means the promissory notes pledge agreement entered into on or before the Issue Date between the Issuer and the Agent (acting on behalf of the Secured Parties), regarding pledge of the Transferred Promissory Notes.

“**Purchase Date**” has the meaning set forth in the Mortgage Sale Agreement.

“**Rated Institution**” means a bank or financial institution having a long term issuer default rating of at least BBB+ by Fitch and a short-term issuer default rating of at least F2 by Fitch.

“**Record Date**” means the fifth (5) Business Day prior to (i) an Interest Payment Date, (ii) a Redemption Date, (iii) a date on which a payment to the Noteholders is to be made under Clause 13 (*Distribution of proceeds*) or (iv) another relevant date, or in each case such other Business Day falling prior to a relevant date if generally applicable on the Swedish bond market.

“**Redemption Date**” means the date on which the relevant Notes are to be redeemed or repurchased in accordance with Clause 9 (*Redemption and repurchase of the Notes*).

“**Refinancing**” has the meaning set forth in Clause 16.6.

“**Relevant Party**” has the meaning set forth in Clause 28 (*Force majeure and limitation of liability*).

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

“**Repaid Promissory Note**” has the meaning set forth in the Mortgage Sale Agreement.

“**Revolving Account**” means the Issuer’s bank account with the Account Bank, or another pledged account into which the Revolving Cash Amount may be deposited.

“**Revolving Cash Amount**” means (i) up to and including the Step-up Date, an amount not exceeding SEK 25,000,000 or a lower amount determined by the Manager on the relevant Waterfall Date (or the Agent if a Control Notice has been served) and (ii) following the Step-up Date, SEK 0.

“**Revolving Conditions**” has the meaning set forth in Clause 12.1 (*Revolving Conditions*).

“**Revolving Portfolio**” means (i) the Promissory Notes listed in Schedule 2 (*List of Revolving Portfolio Promissory Notes*) to the Mortgage Sale Agreement, and (ii) any additional Promissory Notes which have been executed by a Borrower under a Revolving Portfolio Promissory Note in respect of additional loan advances, except (in the case of each of (i) and (ii)) for any Repaid Promissory Notes.

“**Revolving Portfolio Promissory Note**” means a Promissory Note which is included in the Revolving Portfolio from time to time.

“**Secured Obligations**” means all present and future obligations and liabilities of the Issuer to the relevant Secured Parties under the Transaction Documents (for the avoidance of doubt, the Secured Obligations do not include the obligations and liabilities of the Issuer under or in respect of the Senior Additional Purchase Price and Subordinated Additional Purchase Price).

“**Secured Parties**” means the Noteholders and the Agent (including in its capacity as Agent under the Agency Agreement), the Custodian, the Standby Custodian, the Manager, the Standby Manager, the Servicer and the Standby Servicer.

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

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

“**Security Documents**” means the Share Pledge Agreement, the Promissory Notes Pledge Agreement and the Account Pledge Agreement.

“**Security Providers**” means the Issuer and the Shareholder.

“**Senior Additional Purchase Price**” has the meaning set forth in the Mortgage Sale Agreement and which may not exceed 0.80 per cent. of the Transfer Purchase Price for the Initial Portfolio per annum.

“**Senior Interest**” means Interest on the Notes calculated at the Fixed Interest Rate (including Deferred Interest and Additional Interest but excluding any Excess Consideration).

“**Servicer**” means the Shareholder in its capacity as servicer appointed under the Servicing Agreement, including any sub-servicer appointed by the Shareholder, or any other party replacing it or the relevant sub-servicer, as Servicer, in accordance with the Transaction Documents.

“**Servicer Fee**” has the meaning set forth in the Servicing Agreement.

“**Servicing Agreement**” means the servicing agreement entered into on or before the Issue Date between the Issuer, the Servicer and the Agent, regarding the servicing of the Portfolio, or another servicing agreement entered into after the Issue Date between the Issuer, the Agent and a New Servicer.

“**Set-Up Costs**” means costs and expenses incurred by the Issuer in connection with the issue of the Notes, which shall be paid by the Shareholder and contributed to the Issuer by means of a shareholders contribution.

“**Shareholder**” means Svensk Hypotekspension AB, Swedish Reg. No. 556630-4985, Medborgarplatsen 3, 118 72 Stockholm, Sweden.

“**Share Pledge Agreement**” means the share pledge agreement entered into on or before the Issue Date between the Shareholder and the Agent (acting on behalf of the relevant Secured Parties), regarding shares in the Issuer.

“**Standby Custodian**” means the Standby Servicer in its capacity as standby custodian in accordance with the Standby Custodian Agreement, or another party replacing it, as Standby Custodian, in accordance with the Transaction Documents.

“**Standby Custodian Fee**” has the meaning set forth in the Standby Custodian Agreement.

“**Standby Custody Agreement**” means the standby custody agreement entered into on or before the Issue Date between the Issuer, the Standby Custodian and the Agent or another standby custody agreement entered into after the Issue Date between the Issuer, the Agent and a new Standby Custodian.

“**Standby Management Agreement**” means the standby management agreement entered into on or before the Issue Date between the Issuer, the Manager, the Standby Manager and the Agent or another standby management agreement entered into after the Issue Date between the Issuer, the Agent and a new Standby Manager.

“**Standby Manager**” means Structured Finance Management Limited in its capacity as standby manager in accordance with the Standby Management Agreement, or another party replacing it, as Standby Manager, in accordance with the Transaction Documents.

“**Standby Manager Fee**” has the meaning set forth in the Standby Management Agreement.

“**Standby Servicer**” means Emric Operations AB in its capacity as standby servicer in accordance with the Standby Servicing Agreement, or another party replacing it, as Standby Servicer, in accordance with the Transaction Documents.

“**Standby Servicer Fee**” has the meaning set forth in the Standby Servicing Agreement.

“**Standby Servicing Agreement**” means the standby servicing agreement entered into on or before the Issue Date between the Issuer, the Standby Servicer and the Agent or another standby servicer agreement entered into after the Issue Date between the Issuer, the Agent and a new Standby Servicer.

“**Step-Up Date**” means the First Call Date.

“**Subordinated Additional Purchase Price**” has the meaning set forth in the Mortgage Sale Agreement and which may not exceed 0.75 per cent. of the Transfer Purchase Price for the Initial Portfolio per annum.

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

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

“**Tax Amount**” has the meaning set forth in Clause 17.1(f).

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

“**Transaction Documents**” means these Terms and Conditions, the Security Documents, the Intercreditor Agreement, the Mortgage Sale Agreement, the Agency Agreement, the Management Agreement, the Servicing Agreement, the Custody Agreement, the Standby Custody Agreement, the Standby Management Agreement, the Standby Servicing Agreement, the Bank Account Agreement (including the Guarantee Agreement attached thereto), the Liquidity Guarantee and the VAT Letter Agreement.

“**Transaction Security**” means the Security provided for the Secured Obligations pursuant to the Security Documents.

“**Transferred Promissory Note**” means a Promissory Note which has been transferred to the Issuer under the Mortgage Sale Agreement but excluding any Promissory Notes which have been subsequently purchased by the Originator in accordance with the Mortgage Sale Agreement or which have been repaid in full by the relevant Borrower.

“**Transfer Purchase Price**” has the meaning set forth in the Mortgage Sale Agreement.

“**VAT Letter Agreement**” means the letter agreement relating to certain issues pertaining to the VAT group comprising the Shareholder and the Issuer, entered into on or before the Issue Date between the Issuer, the Shareholder and the Agent.

“**Waterfall Dates**” means the sixth (6<sup>th</sup>) day of each calendar month of each year or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention. The first Waterfall Date shall be 6 March 2016.

“**Written Procedure**” means the written or electronic procedure for decision making among the Noteholders in accordance with Clause 20 (*Written Procedure*).

## 1.2 Construction

1.2.1 Unless a contrary indication appears, any reference in these Terms and Conditions to:

- (a) “**assets**” includes present and future properties, revenues and rights of every description;
- (b) any agreement or instrument is a reference to that agreement or instrument as supplemented, amended, novated, extended, restated or replaced from time to time;
- (c) a “**regulation**” includes any regulation, rule or official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
- (d) a provision of law is a reference to that provision as amended or re-enacted; and
- (e) a time of day is a reference to Stockholm time.

1.2.2 An Event of Default is continuing if it has not been remedied or waived.

1.2.3 When ascertaining whether a limit or threshold specified in Swedish Kronor has been attained or broken, an amount in another currency shall be counted on the basis of the rate of exchange for such currency against Swedish Kronor for the previous Business Day, as published by the Swedish Central Bank (*Riksbanken*) on its website ([www.riksbank.se](http://www.riksbank.se)). If no such rate is available, the most recently published rate shall be used instead.

1.2.4 A notice shall be deemed to be sent by way of press release if it is made available to the public within Sweden promptly and in a non-discriminatory manner.

1.2.5 No delay or omission of the Agent or of any Noteholder to exercise any right or remedy under the Transaction Documents shall impair or operate as a waiver of any such right or remedy.

## 2. STATUS OF THE NOTES

- 2.1 The Notes are denominated in Swedish Kronor and each Note is constituted by these Terms and Conditions. Subject to Clause 2.2, the Issuer undertakes to make payments in relation to the Notes and to comply with these Terms and Conditions.
- 2.2 Notwithstanding the above payment undertaking, all payments in respect of the Notes will only be made if and to the extent that the cash flow of the Issuer so permits and be subject to and made in accordance with Clause 13 (*Distribution of Proceeds*). The Noteholders' right to receive payment of the Excess Consideration (if any) is always subordinated to the right to receive payment in full of the Total Nominal Amount and the Senior Interest.
- 2.3 By subscribing for Notes, each initial Noteholder agrees that the Notes shall benefit from and be subject to the Transaction Documents and by acquiring Notes, each subsequent Noteholder confirms such agreement.
- 2.4 The maximum Total Nominal Amount of the Notes on the Issue Date will be the lower of (i) SEK 2,000,000,000 and (ii) the Transfer Purchase Price for the Initial Portfolio under the Mortgage Sale Agreement rounded down to the nearest SEK 1,000,000. The initial nominal amount of each Note is SEK 1,000,000 (the "**Initial Nominal Amount**"). All Notes are issued on a fully paid basis at an issue price of 100 per cent. of the Initial Nominal Amount rounded down to the nearest SEK 1,000,000.
- 2.5 The Notes constitute direct, general, secured and, subject to Clauses 3 (*Limited Recourse*) and 8.3 (*Deferred Interest*), unconditional obligations of the Issuer and shall at all times rank *pari passu* and without any preference among them. The Notes are obligations solely of the Issuer and are not obligations of, or guaranteed by the Shareholder or any other person who is a party to a Transaction Document.
- 2.6 The Notes are freely transferable but the Noteholders may be subject to purchase or transfer restrictions with regard to the Notes, as applicable, under local laws to which a Noteholder may be subject. Each Noteholder must ensure compliance with such restrictions at its own cost and expense.
- 2.7 No action is being taken in any jurisdiction that would or is intended to permit a public offering of the Notes or the possession, circulation or distribution of any document or other material relating to the Issuer or the Notes in any jurisdiction other than Sweden, where action for that purpose is required. Each Noteholder must inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Notes.

## 3. LIMITED RECOURSE

- 3.1 Notwithstanding any other provision of any Transaction Document, all obligations of the Security Providers to the Noteholders are limited in recourse to the Transaction Security and no Noteholder will have any claim, by operation of law or otherwise against, or recourse to, any of the Security Providers' other assets. If:
- (a) there is no Transaction Security remaining which is capable of being realised or otherwise converted into cash;
  - (b) all amounts available from the Transaction Security have been applied to meet or provide for the relevant obligations specified in, and in accordance with, the provisions of the Transaction Documents; and/or

- (c) there are insufficient amounts available from the Transaction Security to pay the Noteholders in full, in accordance with the provisions of the Transaction Documents,

then the Noteholders shall have no further claim against the Security Providers in respect of any amounts owing to them which remain unpaid, and such unpaid amounts shall be deemed to be discharged in full and the claims of the Noteholders (and the obligations of the Security Providers in respect thereof) shall be extinguished.

- 3.2 The provisions of this Clause 3 shall survive the Final Maturity Date.

#### **4. USE OF PROCEEDS**

The Issuer shall use the proceeds from the issue of the Notes for the purchase of the Initial Portfolio in accordance with the terms of the Mortgage Sale Agreement.

#### **5. NOTES IN BOOK-ENTRY FORM**

- 5.1 The Notes will be registered for the Noteholders on their respective Securities Accounts and no physical notes will be issued. Accordingly, the Notes will be registered in accordance with the Financial Instruments Accounts Act. Registration requests relating to the Notes shall be directed to an Account Operator.
- 5.2 Those who according to assignment, Security, the provisions of the Swedish Children and Parents Code (*föräldrabalken (1949:381)*), conditions of will or deed of gift or otherwise have acquired a right to receive payments in respect of a Note shall register their entitlements to receive payment in accordance with the Financial Instruments Accounts Act.
- 5.3 The Issuer and the Agent shall at all times be entitled to obtain information from the debt register (*skuldbok*) kept by the CSD in respect of the Notes. The Issuer shall further provide the Agent with a power of attorney in order to enable the Agent to access the debt register (*skuldbok*) kept by the CSD in respect of the Notes on behalf of the Issuer. For the purpose of carrying out any administrative procedure that arises out of the Transaction Documents, the Issuing Agent shall be entitled to obtain information from the debt register kept by the CSD in respect of the Notes.
- 5.4 The Issuer, the Agent and the Issuing Agent may use the information referred to in Clause 5.3 only for the purposes of carrying out their duties and exercising their rights in accordance with the Transaction Documents and shall not disclose such information to any Noteholder or third party unless necessary for such purposes.

#### **6. RIGHT TO ACT ON BEHALF OF A NOTEHOLDER**

- 6.1 If any person other than a Noteholder wishes to exercise any rights of a Noteholder under the Transaction Documents, it must obtain a power of attorney or other proof of authorisation from the Noteholder or a successive, coherent chain of powers of attorney or proofs of authorisation starting with the Noteholder and authorising such person.
- 6.2 A Noteholder may issue one or several powers of attorney to third parties to represent it in relation to some or all of the Notes held by it. Any such representative may act independently under the Transaction Documents in relation to the Notes for which such representative is entitled to represent the Noteholder and may further delegate its right to represent the Noteholder by way of a further power of attorney.

- 6.3 The Agent shall only have to examine the face of a power of attorney or other proof of authorisation that has been provided to it pursuant to Clause 6.2 and may assume that it has been duly authorised, is valid, has not been revoked or superseded and that it is in full force and effect, unless otherwise is apparent from its face or the Agent has actual knowledge to the contrary.

## **7. PAYMENTS IN RESPECT OF THE NOTES**

- 7.1 Subject to and in accordance with Clause 8.3 (*Deferred interest*) and Clause 13 (*Distribution of proceeds*), any payment or repayment under the Terms and Conditions, or any amount due in respect of a repurchase of any Notes, shall be made to such person who is registered as a Noteholder on the Record Date prior to an Interest Payment Date or other relevant due date, or to such other person who is registered with the CSD on such date as being entitled to receive the relevant payment, repayment or repurchase amount.

- 7.2 If a Noteholder has registered, through an Account Operator, that principal, interest or any other payment shall be deposited in a certain bank account, such deposits will be effected by the CSD on the relevant payment date. In other cases, payments will be transferred by the CSD to the Noteholder at the address registered with the CSD on the Record Date. However, Interest only accrues up to and including the relevant payment date. Should the CSD, due to a delay on behalf of the Issuer or some other obstacle, not be able to effect payments as aforesaid, the Issuer shall procure that such amounts are paid to the persons who are registered as Noteholders on the relevant Record Date as soon as possible after such obstacle has been removed.

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

- 7.4 If payment or repayment is made in accordance with this Clause 7, the Issuer and the CSD shall be deemed to have fulfilled their obligation to pay, irrespective of whether such payment was made to a person not entitled to receive such amount.

- 7.5 The Issuer is not liable to gross-up any payments under the Transaction Documents by virtue of any withholding tax, public levy or the similar.

## **8. INTEREST**

### **8.1 Accrual of Interest**

- 8.1.1 From (but excluding) the Issue Date up to (and including) the Step-up Date or (if earlier) the relevant Redemption Date, the Notes carry interest at the Fixed Interest Rate.
- 8.1.2 From (but excluding) the Step-up Date up to (and including) the relevant Redemption Date, the Notes carry interest at the Fixed Interest Rate plus the Excess Consideration.
- 8.1.3 Senior Interest accrues during an Interest Period. Subject to Clause 8.3 (*Deferred Interest*) and funds being available on the Interest Account following application of Clause 13 (*Distribution of proceeds*) below, payment of Senior Interest in respect of the Notes shall be made to the Noteholders from the Interest Account on each Interest Payment Date for the preceding Interest Period to the extent of such available funds (split *pro rata* in the case of a partial payment).
- 8.1.4 Excess Consideration accrues during an Interest Period and is capitalised on each Interest Payment Date. Any capitalised Excess Consideration will thereafter carry interest at the



Fixed Interest Rate plus the Excess Consideration. Payment of any accrued Excess Consideration, including any interest accrued on capitalised Excess Consideration pursuant to the above, will be made immediately after the Total Nominal Amount and accrued Senior Interest have been paid in full.

## 8.2 **Calculation of Interest**

Interest on the Notes shall be calculated on the basis of a 360-day year comprised of twelve months of 30 days each and, in case of an incomplete month, the actual number of days elapsed (30/360-days basis).

## 8.3 **Deferred Interest**

8.3.1 To the extent that funds available to the Issuer to pay Senior Interest on the Notes on an Interest Payment Date are insufficient to pay the full amount of such interest, payment of the shortfall (“**Deferred Interest**”) will not then fall due but will instead be deferred until the first Interest Payment Date thereafter on which funds are available to the Issuer following application of Clause 13 (*Distribution of proceeds*) to fund the payment of such Deferred Interest to the extent of such available funds (split *pro rata* in the case of a partial payment).

8.3.2 Such Deferred Interest will accrue interest (“**Additional Interest**”) at the rate of Senior Interest applicable from time to time to such Notes and payment or application of any Additional Interest will also be deferred until the first Interest Payment Date thereafter on which funds are available following application of Clause 13 (*Distribution of proceeds*) to the Issuer to pay such Additional Interest to the extent of such available funds (split *pro rata* in the case of a partial payment).

8.3.3 Payment of any amounts of Deferred Interest and Additional Interest shall not be deferred beyond the Final Maturity Date or beyond any earlier date on which the Notes fall to be redeemed in full in accordance with Clause 9 (*Redemption and Repurchase of the Notes*) and any such amount which has not then been paid in respect of the Notes shall thereupon become due and payable in full.

## 8.4 **Default Interest**

If, subject to Clause 8.3 (*Deferred Interest*) and Clause 13 (*Distribution of proceeds*), the Issuer fails to pay any amount payable by it in respect of the Notes on its due date, default interest shall accrue on the overdue amount from (but excluding) the due date up to (and including) the date of actual payment at a rate which is two (2) per cent. higher than the aggregate of the relevant interest rate. Accrued default interest shall not be capitalised. No default interest shall accrue where the failure to pay was solely attributable to the Agent or the CSD or due to insufficient funds being available for distribution in accordance with Clause 13 (*Distribution of proceeds*), in which case the relevant interest rate shall apply instead.

# 9. **REDEMPTION AND REPURCHASE OF THE NOTES**

## 9.1 **Redemption at maturity**

The Issuer shall redeem all, but not some only, of the outstanding Notes in full on the Final Maturity Date with an amount per Note equal to the Nominal Amount plus accrued and unpaid Interest. If the Final Maturity Date is not a Business Day, then the redemption shall occur on the first following Business Day.

## 9.2 **Voluntary total redemption (call option)**

- 9.2.1 On or after the First Call Date or, if earlier, when the Nominal Amount is less than twenty (20) per cent. of the Initial Nominal Amount, the Issuer may redeem all, but not some only, of the outstanding Notes in full at an amount per Note equal to the Nominal Amount plus accrued and unpaid Interest.
- 9.2.2 Redemption in accordance with Clause 9.2.1 shall be made by the Issuer on a date determined by the Issuer giving not less than twenty (20) and not more than forty (40) Business Days' notice to the Noteholders and the Agent, in each case calculated from the effective date of the notice. The notice from the Issuer shall specify the Redemption Date and also the Record Date on which a person shall be registered as a Noteholder to receive the amounts due on such Redemption Date. The notice is irrevocable but may, at the Issuer's discretion, contain one or more conditions precedent. Upon fulfilment of the conditions precedent (if any), the Issuer is bound to redeem the Notes in full at the applicable amount on the specified Redemption Date.

## 9.3 **Partial redemption**

- 9.3.1 On each Interest Payment Date, the Issuer shall apply all or part of the funds available for this purpose pursuant to Clause 13 (*Distribution of proceeds*) as at such date in repayment of the Nominal Amount outstanding under the Notes in which case all outstanding Notes shall be partially repaid by way of reducing the Nominal Amount of each Note *pro rata*.
- 9.3.2 Partial redemption of the Notes in accordance with Clause 9.3.1 shall be made by the Issuer on an Interest Payment Date. The applicable amount shall be an even amount in Swedish Kronor rounded down to the nearest SEK 1,000 and paid to the person who is registered as a Noteholder on the Record Date prior to the relevant Redemption Date.

## 9.4 **Early redemption due to illegality (call option)**

- 9.4.1 The Issuer may redeem all, but not some only, of the outstanding Notes at an amount per Note equal to the Nominal Amount together with any accrued and unpaid Interest on a Redemption Date determined by the Issuer if it is or becomes unlawful for the Issuer to perform its obligations under the Transaction Documents.
- 9.4.2 The Issuer may redeem the relevant Notes if, as a result of any change in, or amendment to, laws or regulations in Sweden, or any change in the interpretation or application of such laws or regulations, which amendment or change is effective on or after the Issue Date, the Issuer has incurred or suffered or will incur or suffer (i) a substantial decrease in revenue or (ii) a substantial additional or increased cost (and any obligation to pay such additional or increased cost cannot be avoided by reasonable measures available to the Issuer). The Notes shall be redeemed at an amount per Note equal to the Nominal Amount together with any accrued and unpaid Interest.
- 9.4.3 The Issuer may give notice of any redemption pursuant to Clause 9.4.1 and any redemption pursuant to Clause 9.4.2 no later than twenty (20) Business Days after having received actual knowledge of any event specified therein (after which time period such right shall lapse). The notice from the Issuer is irrevocable, shall specify the Redemption Date and also the Record Date on which a person shall be registered as a Noteholder to receive the amounts due on such Redemption Date. The Issuer is bound to redeem the Notes in full at the applicable amount on the specified Redemption Date.

## 9.5 Voluntary total redemption before the First Call Date (call option)

- 9.5.1 Subject to an Affiliate Refinancing being unconditionally committed, the Issuer may redeem all, but not some only, of the outstanding Notes in full before the First Call Date, at an amount, per Note equal to the Nominal Amount plus accrued and unpaid Interest plus the Early Call Premium.
- 9.5.2 Redemption in accordance with Clause 9.5.1 shall be made by the Issuer on a date determined by the Issuer giving not less than five (5) and not more than forty (40) Business Days' notice to the Noteholders and the Agent, in each case calculated from the effective date of the notice. The notice from the Issuer shall specify the Redemption Date and also the Record Date on which a person shall be registered as a Noteholder to receive the amounts due on such Redemption Date. The notice is irrevocable but may, at the Issuer's discretion, contain one or more conditions precedent. Upon fulfilment of the conditions precedent (if any), the Issuer is bound to redeem the Notes in full at the applicable amount on the specified Redemption Date.

For the purposes of this Clause 9.5 the following definitions shall have the following meanings:

**"Affiliate Refinancing"** means Financial Indebtedness by way of notes (*obligationsfinansiering*) incurred or to be incurred by an Affiliate for the purposes of redeeming the Notes in full no later than on the First Call Date.

**"Early Call Premium"** means an amount corresponding to the difference between the Interest that would have been payable under a Note during the period from a Redemption Date falling before the First Call Date up to and including the First Call Date, if the Notes would have been redeemed on the First Call Date and the interest payable during the same period under a note issued by the relevant Affiliate pursuant to an Affiliate Refinancing, *plus* an amount corresponding to 0.1 per cent. of the Nominal Amount.

## 10. TRANSACTION SECURITY

- 10.1 As continuing Security for the due and punctual fulfilment of the Secured Obligations the Issuer:
- (a) grants to the Secured Parties as represented by the Agent, on or before the Issue Date, the Transaction Security (other than the Security created under the Share Pledge Agreement); and
  - (b) shall procure that the Shareholder grants to the Secured Parties as represented by the Agent (other than the Manager and/or the Servicer, for as long as the Shareholder is acting in that capacity), on or before the Issue Date, a pledge over all the shares in the Issuer in accordance with the Share Pledge Agreement.
- 10.2 The Transaction Security shall be provided pursuant to, and subject to the terms of, the Security Documents entered into or to be entered into between the Issuer or the Shareholder (as applicable) and the Agent, acting on behalf of the Secured Parties. The Agent shall hold the Transaction Security on behalf of the Secured Parties in accordance with the Security Documents.
- 10.3 The Agent may (without first having to obtain the Noteholders' consent) consent to a purchase of any Transferred Promissory Note by the Originator in accordance with the Mortgage Sale Agreement or a substitution of Borrower or Collateral under the loans

evidenced by the Transferred Promissory Notes in accordance with the Servicing Agreement, provided the criteria stipulated in the Mortgage Sale Agreement or the Servicing Agreement, as the case may be, are met, in the opinion of the Agent.

- 10.4 Unless and until the Agent has received instructions from the Noteholders in accordance with Clause 18 (*Decisions by Noteholders*), the Agent shall (without first having to obtain the Noteholders' consent) be entitled to enter into agreements with the Issuer, the Shareholder or a third party or take any other actions, if it is, in the Agent's opinion, necessary for the purpose of maintaining, altering, releasing or enforcing the Transaction Security, creating further Security for the benefit of the Secured Parties or for the purpose of settling the Noteholders', the Issuer's or the Shareholder's rights to the Transaction Security, in each case in accordance with the terms of the Transaction Documents.
- 10.5 For the purpose of exercising the rights of the Secured Parties, the Agent may instruct the CSD in the name and on behalf of the Issuer to arrange for payments to the Secured Parties under the Transaction Documents and change the bank account registered with the CSD and from which payments under the Notes are made to another bank account. The Issuer shall immediately upon request by the Agent provide it with any such documents, including a written power of attorney (in form and substance satisfactory to the Agent and the CSD), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under this Clause 10.5.
- 10.6 The Agent shall be entitled to release all Transaction Security upon the full discharge of the Secured Obligations.

## 11. MANAGEMENT, SERVICING AND CUSTODY

- 11.1 The Manager shall, in accordance with the Management Agreement and the Bank Account Agreement, perform certain cash management and administrative services in respect of the Transferred Promissory Notes and the Notes on behalf of the Issuer and the Agent.
- 11.2 The Servicer shall, in accordance with the Servicing Agreement, perform certain functions in relation to the servicing of the Transferred Promissory Notes on behalf of the Issuer and the Agent.
- 11.3 The Custodian shall, in accordance with the Custody Agreement, act as custodian in respect of Transferred Promissory Notes, the Collateral and other loan documentation on behalf of the Issuer and the Agent.
- 11.4 If the Agent is entitled to terminate the Custody Agreement, Management Agreement or the Servicing Agreement (in accordance with the respective terms thereof), as the case may be, but if the Agent decides not to exercise such right, the Agent shall promptly obtain the instructions of the Noteholders in accordance with Clause 18 (*Decisions by Noteholders*). If the Agent decides to terminate such agreement, the Agent shall promptly do so and appoint a new Custodian (the "**New Custodian**"), a new Manager (the "**New Manager**") or a new Servicer (the "**New Servicer**"), as the case may be, and in accordance with the provisions of the Custody Agreement, Management Agreement and the Servicing Agreement.
- 11.5 Upon termination of the Custody Agreement, Management Agreement or the Servicing Agreement, as the case may be, the Issuer shall use its reasonable endeavours to assist the Agent in appointing a New Custodian, New Manager and/or New Servicer in accordance with the provisions of the Custody Agreement, Management Agreement and the Servicing Agreement and the Issuer shall execute such documents and take such action as the New

Custodian, New Manager and/or New Servicer may reasonably require for the purpose of vesting in such New Custodian, New Manager and/or New Servicer the same rights, powers and obligations of the Custodian, Manager and/or the Servicer as they have under the Custody Agreement, Management Agreement or the Servicing Agreement, as the case may be. Unless the Agent decides otherwise, the Standby Custodian shall become the New Custodian in the place of the Custodian, pursuant to the Standby Custody Agreement, the Standby Manager shall become New Manager in the place of the Manager, pursuant to the Standby Management Agreement, and the Standby Servicer shall become New Servicer in the place of the Servicer, pursuant to the Standby Servicing Agreement.

- 11.6 The New Custodian, New Manager or the New Servicer, as the case may be, shall take instructions from the Agent and be given all necessary powers of attorney and other support from the Issuer to be able to perform its duties. The New Custodian shall be entitled to the Custodian Fee, the New Manager shall be entitled to the Manager Fee and the New Servicer shall be entitled to the Servicer Fee, as the case may be.

## 12. FURTHER ADVANCES, PURCHASES OF REVOLVING PORTFOLIO PROMISSORY NOTES AND NEW PROMISSORY NOTES

### 12.1 Revolving Conditions

The Issuer may only purchase Further Advance Promissory Notes pursuant to Clause 12.2.3 or purchase Revolving Portfolio Promissory Notes or New Promissory Notes pursuant to Clause 12.3, provided that the following conditions (the “**Revolving Conditions**”) are satisfied at the relevant Purchase Date:

- (a) no Event of Default is continuing;
- (b) the Originator has not failed to purchase any Non-Eligible Promissory Note from the Issuer pursuant to the Mortgage Sale Agreement;
- (c) the aggregate amount of the recovery shortfall (i.e. the amount that has not been repaid) for Transferred Promissory Notes under which the related Collateral has been enforced does not exceed SEK 100,000,000;
- (d) the Originator has not been fined or otherwise found guilty by any governmental authority or court of law of engaging in misselling (*vilseledande marknadsföring*) or similar practices, provided that the relevant conduct does not relate to an isolated incident and that such decision or ruling can reasonably be expected to affect the validity or effectiveness of a substantial number of Transferred Promissory Notes;
- (e) the relevant Transfer Purchase Price for the purchased Promissory Note is funded from balances standing to the credit of the Revolving Account; and
- (f) Security is granted over the Promissory Note and the related Collateral pursuant to the Security Documents.

### 12.2 Further Advances

- 12.2.1 If the Issuer receives a request from a Borrower to make a Further Advance in respect of a Transferred Promissory Note, the Issuer may, and only in accordance with this Clause 12.2 (*Further Advances*), the Mortgage Sale Agreement, any applicable law and the Credit Policy, request the Originator to agree to a Further Advance in respect of such Transferred

Promissory Note. Such a request may only be made by the Issuer provided that, immediately following such Further Advance having been made, (i) the Issuer purchases the relevant Further Advance Promissory Note from the Originator pursuant to Clause 12.2.3 below or (ii) the Originator purchases the Transferred Promissory Note in respect of which the Further Advance was made from the Issuer, in each case in accordance with the Mortgage Sale Agreement.

- 12.2.2 For the avoidance of doubt, the Issuer is not permitted to make any Further Advances in respect of a Transferred Promissory Note in its own name.
- 12.2.3 Prior to the First Call Date and provided that the Revolving Conditions are satisfied, the Issuer shall use its best efforts, in accordance with the terms of the Mortgage Sale Agreement, to purchase from the Originator the Further Advance Promissory Notes requested to be issued by the Originator pursuant to Clause 12.2.1 above, provided that, at the relevant Purchase Date:
- (a) the aggregate amount of the Further Advance Promissory Notes purchased by the Issuer during the preceding twelve (12) months does not exceed SEK 32,000,000; and
  - (b) if the Transferred Promissory Note(s) in respect of which the Further Advance is made originally formed part of the Initial Portfolio or was purchased from the Revolving Portfolio, the Initial and Revolving Eligibility Criteria are met in respect of such Transferred Promissory Note(s) together with the Further Advance having been made; or
  - (c) if the Transferred Promissory Note(s) in respect of which the Further Advance is made was originally a New Promissory Note purchased by the Issuer, the New Eligibility Criteria is met in respect of such Transferred Promissory Note(s) together with the Further Advance having been made.

### 12.3 **Purchases of Revolving Portfolio Promissory Notes and New Promissory Notes**

Prior to the First Call Date and provided that the Revolving Conditions are satisfied, the Issuer shall use its best efforts to, pursuant to the terms of the Mortgage Sale Agreement:

- (a) purchase Revolving Portfolio Promissory Notes, which meet the Initial and Revolving Eligibility Criteria, from the Revolving Portfolio; and
- (b) when no more Revolving Portfolio Promissory Notes are available for purchase from the Revolving Portfolio, purchase New Promissory Notes which meet the New Eligibility Criteria.

## 13. **DISTRIBUTION OF PROCEEDS**

### 13.1 **Distribution of Proceeds prior to Acceleration of the Notes**

- 13.1.1 The Issuer shall ensure that all Proceeds and any yield and other proceeds obtained from holding or selling Eligible Securities which shall be deposited on the Collection Account pursuant to Clause 14 are paid into the Collection Account.
- 13.1.2 Should (i) the amount available for distribution pursuant to Clause 13.1.3 not be sufficient to cover the payment obligations set out in paragraphs (a)-(f) of Clause 13.1.3 or (ii) the prolongation of the Liquidity Guarantee or Back-up Guarantee for at least one (1) more

year not have been confirmed at least sixty (60) days prior to their respective expiry dates, the Issuer shall, on the relevant Waterfall Date, draw down an amount under the Liquidity Guarantee (or, if payment is not made under the Liquidity Guarantee, under the Back-up Guarantee) equal to the difference between the cash amount held as a Minimum Reserve Amount and the total amount required to be held as a Minimum Reserve Amount at such time and deposit such amount on the Collection Account subject to the terms of the Liquidity Guarantee or as the case may be the Guarantee Agreement.

13.1.3 Unless the Notes have been accelerated in accordance with Clause 17 (*Acceleration of the Notes*), all balances standing to the credit of the Issuer Bank Accounts (other than the Equity Account and the Pledged Rated Account (unless following an application of Clause 13.2 in the Bank Account Agreement)) as at the last day of each Collection Period shall on the following Waterfall Date, be transferred to the Collection Account and distributed in the following order of priority, in accordance with the instructions of the Manager (unless the Agent has served a Control Notice, in which case the Agent shall give such instructions):

- (a) *first*, to pay any Agency Fee and any indemnities payable by the Issuer to the Agent in accordance with the Agency Agreement (other than any indemnity given for liability against the Noteholders) that falls due on or about such Waterfall Date;
- (b) *secondly*, to pay the Servicer Fee, the Manager Fee, the Standby Manager Fee, the Standby Servicer Fee, the Custodian Fee and the Standby Custodian Fee, which fall due on or about such Waterfall Date *pro rata*;
- (c) *thirdly*, to pay the Permitted Costs which fall due on or about such Waterfall Date;
- (d) *fourthly*, until the Step-Up Date and provided that the Revolving Conditions are satisfied, to pay the Senior Additional Purchase Price which falls due on or about such Waterfall Date;
- (e) *fifthly*, to pay taxes which fall due on or about such Waterfall Date;
- (f) *sixthly*, to credit the Expense Account with an amount equal to the aggregate of the amount of Agency Fee, Servicer Fee, Manager Fee, Standby Manager Fee, Standby Servicer Fee, Custodian Fee, Standby Custodian Fee, Permitted Costs, Senior Additional Purchase Price and taxes, in each case, expected to be incurred prior to the next Waterfall Date;
- (g) *seventhly*, to repay any amount utilised under the Liquidity Guarantee or the Back-up Guarantee (as applicable);
- (h) *eighthly*, to replenish the Collection Account up to the Minimum Reserve Amount less any amount available under the Liquidity Guarantee;
- (i) *ninthly*, (i) on the Waterfall Dates in January, April, July and October, accrued and unpaid Senior Interest on the Notes to be paid on the next Interest Payment Date plus Deferred Interest and Additional Interest (if any) shall be deposited on the Interest Account, (ii) on the Waterfall Dates in February, May, August and November, the estimated Senior Interest on the Notes for a period of one month plus Deferred Interest and Additional Interest (if any) shall be deposited on the Interest Account, and (iii) on the Waterfall Dates in March, June, September and December, the estimated Senior Interest on the Notes for a period of two months

plus Deferred Interest and Additional Interest (if any) shall be deposited on the Interest Account;

- (j) *tenthly*, until the Step-Up Date, to credit the Revolving Account with an amount equivalent to the sum of (i) the amount which will be used to purchase Further Advance Promissory Notes, Revolving Portfolio Promissory Notes and New Promissory Notes before the next Waterfall Date and (ii) the amount equivalent to the difference between the Revolving Cash Amount and the value of the Eligible Securities standing on the Custodial Account as at such Waterfall Date;
- (k) *eleventh*, until the Step-Up Date and provided that the Revolving Conditions are satisfied, to pay the Subordinated Additional Purchase Price which falls due on or about such Waterfall Date;
- (l) *twelfth*, until the Total Nominal Amount has been repaid in full (A) if the Waterfall Date is the last Waterfall Date of an Interest Period, on the next Interest Payment Date, shall be applied *pro rata* in repayment of all or part of the Total Nominal Amount, in accordance with Clause 9.3 (*Partial redemption*) or (B) otherwise be kept on the Collection Account; and
- (m) *thirteenth*, after the Total Nominal Amount has been repaid in full, any remaining funds shall be used pay any accrued and unpaid Excess Consideration.

13.1.4 The obligation to make payments pursuant to Clause 13.1.3 above shall include any amounts which have been deferred (including any amounts owing under conditional shareholders contributions which have been granted by the Shareholder by converting any part of the Senior Additional Purchase Price or the Subordinated Additional Purchase Price).

## 13.2 **Distribution of Proceeds following Acceleration of the Notes**

13.2.1 If and when the Notes have been accelerated in accordance with Clause 17 (*Acceleration of the Notes*), all balances standing to the credit of the Issuer Bank Accounts (other than the Pledged Rated Account (unless following an application of Clause 13.2 in the Bank Account Agreement), the amount under the Liquidity Guarantee (or, if payment is not made under the Liquidity Guarantee, under the Back-up Guarantee) equal to the difference between the cash amount held as a Minimum Reserve Amount and the total amount required to be held as a Minimum Reserve Amount at such time, all other Proceeds and any yield and other proceeds obtained from holding or selling Eligible Securities shall be distributed in the following order of priority, in accordance with the instructions of the Agent:

- (a) *first*, in or towards payment *pro rata* of (i) all unpaid fees, costs, expenses and indemnities payable by the Issuer to the Agent in accordance with the Agency Agreement (other than any indemnity given for liability against the Noteholders), (ii) other costs, expenses and indemnities relating to the acceleration of the Notes, the enforcement of the Transaction Security or the protection of the Noteholders' rights as may have been incurred by the Agent, (iii) any costs incurred by the Agent for external experts that have not been reimbursed by the Issuer in accordance with Clause 22.2.5, and (iv) any costs and expenses incurred by the Agent in relation to a Noteholders' Meeting or a Written Procedure that have not been reimbursed by the Issuer in accordance with Clause 18.17, together with



default interest in accordance with Clause 8.4 (*Default Interest*) on any such amount calculated from the date it was due to be paid or reimbursed by the Issuer;

- (b) *secondly*, in or towards payment *pro rata* of all unpaid Servicer Fee, the Manager Fee, the Standby Manager Fee, the Standby Servicer Fee, the Custodian Fee, Standby Custodian Fee, together with default interest in accordance with Clause 8.4 (*Default Interest*) on any such amount calculated from the date it was due to be paid or reimbursed by the Issuer;
- (c) *thirdly*, in or towards payment of all unpaid Permitted Costs due to the Secured Parties in respect of the Secured Obligations;
- (d) *fourthly*, to repay any amount utilised under the Liquidity Guarantee or Back-up Guarantee (as applicable);
- (e) *fifthly*, in or towards payment *pro rata* of any accrued but unpaid Senior Interest, Deferred Interest and any Additional Interest;
- (f) *sixthly*, in or towards payment *pro rata* of any unpaid Nominal Amount;
- (g) *seventhly*, in or towards payment of all unpaid Permitted Costs not included in paragraph (c) above;
- (h) *eighthly*, in or towards payment of any accrued and unpaid Excess Consideration; and
- (i) *ninthly*, in or towards payment *pro rata* of all unpaid Senior Additional Purchase Prices and Subordinated Additional Purchase Prices (including any amounts owing under conditional shareholders contributions which have been granted by the Shareholder by converting any part of the Senior Additional Purchase Price or the Subordinated Additional Purchase Price).

Any excess funds after the application of proceeds in accordance with paragraphs (a) to (i) above shall be kept by the Issuer.

- 13.2.2 If a Noteholder or another party has paid any fees, costs, expenses or indemnities referred to in Clause 13.2.1(a), such Noteholder or other party shall be entitled to reimbursement by way of a corresponding distribution in accordance with Clause 13.2.1(a).
- 13.2.3 Funds that the Agent receives (directly or indirectly) in connection with the acceleration of the Notes or the enforcement of the Transaction Security constitute escrow funds (*redovisningsmedel*) and must be held on a separate interest-bearing account on behalf of the Noteholders and the other interested parties. The Agent shall arrange for payments of such funds in accordance with this Clause 13.2 as soon as reasonably practicable.
- 13.2.4 If the Issuer or the Agent shall make any payment under this Clause 13.2, the Issuer or the Agent, as applicable, shall notify the Noteholders of any such payment at least fifteen (15) Business Days before the payment is made. The notice from the Issuer shall specify the Redemption Date and also the Record Date on which a person shall be registered as a Noteholder to receive the amounts due on such Redemption Date. Notwithstanding the foregoing, for any Interest due but unpaid the Record Date specified in Clause 7.1 shall apply and for any partial redemption in accordance with Clause 9.3 (*Voluntary partial redemption (call option)*) due but not made, the Record Date specified in Clause 9.3.2 shall apply.

- 13.2.5 In the event of bankruptcy of the Issuer, the Noteholders' right to payment shall (including but not limited to for the purpose of Chapter 5 Section 10 of the Swedish Bankruptcy Act) be subject to the condition that claims with better priority pursuant to this Clause 13.2 have been, or will be, fully paid as a result of payments or distributions in connection with the bankruptcy.

#### **14. PURCHASE AND SALE OF ELIGIBLE SECURITIES**

- 14.1 Should the aggregate amount standing to the credit of the Issuer Bank Accounts (excluding the Pledged Rated Account), at any time during which the Account Bank is not a Rated Institution, exceed the Cash Limit, the Issuer shall be obliged to use an amount equal to the difference between the amount standing to the credit of the Issuer Bank Accounts (excluding the Pledged Rated Account) and the Cash Limit to purchase Eligible Securities.
- 14.2 The Eligible Securities purchased pursuant to Clause 14.1 shall be kept on the Custodial Account.
- 14.3 Provided that the Cash Limit is not exceeded following such deposit, all, or such part of the Eligible Securities which generate sufficient sales proceeds in order for the Issuer to be able to make the payments under paragraphs (a) – (i) of Clause 13.1.3, shall be sold immediately prior to each Waterfall Date and the proceeds deposited on the Collection Account.
- 14.4 Except as provided for in Clause 14.3, any yield and other proceeds obtained from holding or selling Eligible Securities shall:
- (a) be used to purchase Eligible Securities;
  - (b) provided that the Cash Limit is not exceeded following such deposit and that no event specified in paragraphs (a) - (f) of Clause 13.1 in the Bank Account Agreement has occurred, be deposited:
    - (i) until the Step-up Date and in an amount which, together with the cash portion of the Revolving Cash Amount set aside pursuant to paragraph (j) of Clause 13.1.3 and all previous deposits made hereunder during the relevant Collection Period, does not exceed the Revolving Cash Amount for the most recent Waterfall Date, on the Revolving Account; or
    - (ii) following the Step-up Date or for any amount exceeding the amount set forth in paragraph (i) above, on the Collection Account;
  - (c) following the occurrence of an event specified in paragraphs (a) - (f) of Clause 13.1 in the Bank Account Agreement, be deposited on the Pledged Rated Account; or
  - (d) if and when the Notes have been accelerated in accordance with Clause 17 (*Acceleration of the Notes*), be distributed pursuant to Clause 13.2 (*Distribution of Proceeds following Acceleration of the Notes*).

## 15. INFORMATION TO NOTEHOLDERS

### 15.1 Information from the Issuer

15.1.1 The Issuer shall make the following information available to the Noteholders by way of press release and by publication on the website of the Issuer:

- (a) as soon as the same become available, but in any event within four (4) months after the end of each financial year, its audited financial statements for that financial year prepared in accordance with the Accounting Principles;
- (b) as soon as the same become available, but in any event within two (2) months after the end of each interim half of its financial year, its financial statements or the year-end report (*bokslutskommuniké*) (as applicable) for such period prepared in accordance with the Accounting Principles; and
- (c) any other information required by the Swedish Securities Markets Act (*lag (2007:582) om värdepappersmarknaden*) and the rules and regulations of the Regulated Market on which the Notes are admitted to trading.

15.1.2 The Issuer shall provide to the Noteholders no later than five (5) Business Days before an Interest Payment Date, (i) an Investor Report, (ii) a specification of payments to be made to the Noteholders on the next Interest Payment Date, (iii) a specification of the Total Nominal Amount, calculated for the next Interest Payment Date and (iii) a specification of the Senior Interest and Excess Consideration (if any), calculated for the next Interest Payment Date.

15.1.3 When the financial statements and other information are made available to the Noteholders pursuant to Clauses 15.1.1 - 15.1.2, the Issuer shall send copies of such financial statements and other information to the Agent. Together with the financial statements, the Issuer shall submit to the Agent copies of any notices sent to the Regulated Market on which the Note Loan is admitted to trading.

### 15.2 Information from the Agent

15.2.1 Subject to the restrictions of a non-disclosure agreement entered into by the Agent in accordance with Clause 15.2.2, the Agent is entitled to disclose to the Noteholders any event or circumstance directly or indirectly relating to the Issuer or the Notes. Notwithstanding the foregoing, the Agent may if it considers it to be beneficial to the interests of the Noteholders delay disclosure or refrain from disclosing certain information other than in respect of an Event of Default that has occurred and is continuing.

15.2.2 If a committee representing the Noteholders' interests under the Transaction Documents has been appointed by the Noteholders in accordance with Clause 18 (*Decisions by Noteholders*), the members of such committee may agree with the Issuer not to disclose information received from the Issuer, provided that it, in the reasonable opinion of such members, is beneficial to the interests of the Noteholders. The Agent shall be a party to such agreement and receive the same information from the Issuer as the members of the committee.

### 15.3 Information among the Noteholders

Upon request by a Noteholder, the Agent shall promptly distribute to the Noteholders any information from such Noteholder which relates to the Notes. The Agent may require that

the requesting Noteholder reimburses any costs or expenses incurred, or to be incurred, by the Agent in doing so (including a reasonable fee for the work of the Agent) before any such information is distributed.

#### 15.4 **Publication of Transaction Documents**

15.4.1 The latest version of these Terms and Conditions (including any document amending these Terms and Conditions) shall be available on the websites of the Issuer and the Agent.

15.4.2 The latest versions of the Transaction Documents shall be available to the Noteholders at the office of the Agent during normal business hours.

### 16. **GENERAL UNDERTAKINGS**

#### 16.1 **Authorisations**

The Issuer shall obtain, maintain, and comply with the terms of any authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration required for the conduct of its business.

#### 16.2 **Restrictions on activities:**

The Issuer shall not:

- (a) engage in any activity whatsoever which is not incidental to or necessary in connection with any of the activities in which the Transaction Documents provide or envisage that the Issuer will engage in;
- (b) enter into any agreements or commitments not contemplated in the Transaction Documents;
- (c) have any subsidiary undertakings (*Dotterföretag*, as defined in Section 1:11 of the Swedish Companies Act (2005:551)); or
- (d) have any employees or hire any consultants (other than, for the avoidance of doubt, external advisers or experts).

#### 16.3 **Dealings with related parties**

The Issuer shall conduct all dealings with the Shareholder and any of its Affiliates on arms' length terms and with the prior consent of the Noteholders, save for any transaction contemplated by the terms of any Transaction Document.

#### 16.4 **Expense Account**

For as long as no Event of Default is continuing, the balance standing to the credit of the Expense Account may be used by the Manager to pay any Agency Fee, Servicer Fee, Manager Fee, Standby Manager Fee, Standby Servicer Fee, Custodian Fee, Senior Additional Purchase Price, Standby Custodian Fee, taxes or Permitted Costs that become due and payable between any two successive Waterfall Dates.

## 16.5 **Equity Account**

The Issuer shall on or before the Issue Date deposit SEK 250,000 on the Equity Account and maintain such amount on the Equity Account for as long as any Notes are outstanding. Interest accruing on the Equity Account shall be transferred to the Collection Account on each Waterfall Date.

## 16.6 **Financial indebtedness**

The Issuer shall not incur or allow to remain outstanding any Financial Indebtedness other than Financial Indebtedness:

- (a) incurred under the Notes;
- (b) incurred under the Transaction Documents; and
- (c) arising as a result of a refinancing of the Notes in full (a “**Refinancing**”).

## 16.7 **Negative pledge**

The Issuer shall not create or permit to subsist, any Security over any of its present or future assets or revenues (including, but not limited to, the Portfolio or any part thereof) or enter into any other preferential arrangement having a similar effect, other than:

- (a) any Transaction Security;
- (b) any security provided in the form of a pledge over an escrow account to which the proceeds incurred in relation to a Refinancing are intended to be received; or
- (c) any Security agreed to be provided for the benefit of the financing providers in relation to a Refinancing, however provided always that any perfection requirements in relation thereto are satisfied after repayment of the Notes in full.

## 16.8 **Distributions**

### 16.8.1 The Issuer shall not:

- (a) make any dividend payments;
- (b) repurchase its shares;
- (c) redeem its share capital or other restricted equity with repayment to shareholders; or
- (d) make other similar distributions or transfers of value.

### 16.8.2 Notwithstanding Clause 16.8.1, the Issuer shall be entitled to:

- (a) give group contribution (*koncernbidrag*) by way of distributions to the Shareholder and make dividend payments provided that in each case (i) no cash or other funds are transferred from the Issuer to the Shareholder as a result thereof (i.e. the group contributions or dividends are merely accounting measures) and (ii) any claims on the Issuer are subordinated pursuant to the Intercreditor Agreement; and

- (b) repay any conditional shareholders contributions which have been granted by the Shareholder by converting of any part of the Senior Additional Purchase Price or the Subordinated Additional Purchase Price pursuant to the Mortgage Sale Agreement.

## 16.9 Admission to trading

16.9.1 The Issuer shall use its best efforts to ensure that the Note Loan is admitted to trading on the Regulated Market of NASDAQ Stockholm within three (3) months after issuance, and that it remains admitted or, if such admission to trading is not possible to obtain or maintain, admitted to trading on another Regulated Market.

16.9.2 Following an admission to trading, the Issuer shall take all actions on its part to maintain the admission as long as any Notes are outstanding, but not longer than up to and including the last day on which the admission to trading reasonably can, pursuant to the then applicable regulations of the Regulated Market and the CSD, subsist.

## 16.10 Undertakings relating to the Agency Agreement

16.10.1 The Issuer shall, in accordance with the Agency Agreement:

- (a) pay fees to the Agent;
- (b) indemnify the Agent for costs, losses and liabilities;
- (c) furnish to the Agent all information requested by or otherwise required to be delivered to the Agent; and
- (d) not act in a way which would give the Agent a legal or contractual right to terminate the Agency Agreement.

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

## 16.11 CSD related undertakings

The Issuer shall keep the Notes affiliated with a CSD and comply with all applicable CSD Regulations.

## 17. ACCELERATION OF THE NOTES

17.1 The Agent is entitled to, and shall following a demand in writing from a Noteholder (or Noteholders) representing at least fifty (50) per cent. of the Adjusted Nominal Amount (such demand may only be validly made by a person who is a Noteholder on the Business Day immediately following the day on which the demand is received by the Agent and shall, if made by several Noteholders, be made by them jointly) or following an instruction given pursuant to Clause 17.5, on behalf of the Noteholders (i) by notice to the Issuer (an “**Enforcement Notice**”), declare all, but not some only, of the outstanding Notes due and payable together with any other amounts payable under the Transaction Documents, immediately or at such later date as the Agent determines, and (ii) exercise any or all of its rights, remedies, powers and discretions under the Transaction Documents, if:

- (a) the Issuer does not pay on the due date any amount payable by it under these Terms and Conditions (subject to Clause 8.3 (*Deferred interest*) and despite funds being available for distribution in accordance with Clause 13 (*Distribution of Proceeds*), unless the non-payment:
    - (i) is caused by technical or administrative error; and
    - (ii) is remedied within ten (10) Business Days from the due date;
  - (b) the Issuer (i) does not comply with any terms of or acts in violation of any Transaction Document to which it is a party (other than those terms referred to in paragraph (a) above) and (ii) such non-compliance is materially prejudicial to the interests of the Noteholders (as determined by the Agent (acting reasonably)), unless the non-compliance:
    - (i) is capable of remedy; and
    - (ii) is remedied within thirty (30) Business Days of the earlier of the Agent giving notice and the Issuer becoming aware of the non-compliance;
  - (c) the Shareholder does not comply with any term of the VAT Letter Agreement or the Share Pledge Agreement unless the non-compliance:
    - (i) is capable of remedy; and
    - (ii) is remedied within thirty (30) days of the earlier of the Agent giving notice and the Shareholder becoming aware of the non-compliance;
  - (d) an Insolvency Event occurs, in respect of the Issuer;
  - (e) a Change of Control Event occurs;
  - (f) the Issuer incurs Swedish corporate tax in excess of SEK 10,000,000 (the “**Tax Amount**”), unless (i) such tax is neutralised by means of group contributions (*koncernbidrag*) or (ii) the Shareholder provides additional subordinated funding as a shareholder’s contribution (*aktieägartillskott*) to the Issuer in an amount sufficient to meet such tax liabilities in full to the extent that they exceed the Tax Amount; or
  - (g) any Transaction Document becomes invalid, ineffective or varied (other than in accordance with the provisions of the Transaction Documents), and such invalidity, ineffectiveness or variation is materially prejudicial to the interests of the Noteholders.
- 17.2 The Agent may not accelerate the Notes in accordance with Clause 17.1 by reference to a specific Event of Default if it is no longer continuing or if it has been decided, on a Noteholders Meeting or by way of a Written Procedure, to waive such Event of Default (temporarily or permanently).
- 17.3 The Issuer shall immediately notify the Agent (with full particulars, including, but not limited to, what steps have been taken to remedy it) upon becoming aware of the occurrence of any event or circumstance which constitutes an Event of Default, or any event or circumstance which would (with the expiry of a grace period, the giving of notice or any combination of any of the foregoing) constitute an Event of Default, and shall

provide the Agent with such further information as it may reasonably request in writing following receipt of such notice. Should the Agent not receive such information, the Agent is entitled to assume that no such event or circumstance exists or can be expected to occur, provided that the Agent does not have actual knowledge of such event or circumstance.

- 17.4 The Agent shall notify the Noteholders of the occurrence of an Event of Default within five (5) Business Days of the date on which the Agent received actual knowledge of that an Event of Default has occurred and is continuing. The Agent shall, within twenty (20) Business Days of the date on which the Agent received actual knowledge of that an Event of Default has occurred and is continuing, decide if the Notes shall be so accelerated. If the Agent decides not to accelerate the Notes, the Agent shall promptly seek instructions from the Noteholders in accordance with Clause 18 (*Decisions by Noteholders*). The Agent shall always be entitled to take the time necessary to consider whether an occurred event constitutes an Event of Default.
- 17.5 If the Noteholders instruct the Agent to accelerate the Notes, the Agent shall promptly declare the Notes due and payable and take such actions as may, in the opinion of the Agent, be necessary or desirable to enforce the rights of the Noteholders under the Transaction Document, unless the relevant Event of Default is no longer continuing.
- 17.6 If the right to accelerate the Notes is based upon a decision of a court of law, an arbitral tribunal or a government authority, it is not necessary that the decision has become enforceable under law or that the period of appeal has expired in order for cause of acceleration to be deemed to exist.
- 17.7 In the event of an acceleration of the Notes in accordance with this Clause 17, the Issuer shall redeem all Notes at an amount per Note equal to the Nominal Amount plus accrued and unpaid Interest.

## **18. DECISIONS BY NOTEHOLDERS**

- 18.1 A request by the Agent for a decision by the Noteholders on a matter relating to the Transaction Documents shall (at the option of the Agent) be dealt with at a Noteholders' Meeting or by way of a Written Procedure.
- 18.2 Any request from the Issuer or a Noteholder (or Noteholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount (such request may only be validly made by a person who is a Noteholder on the Business Day immediately following the day on which the request is received by the Agent and shall, if made by several Noteholders, be made by them jointly) for a decision by the Noteholders on a matter relating to the Transaction Documents shall be directed to the Agent and dealt with at a Noteholders' Meeting or by way a Written Procedure, as determined by the Agent. The person requesting the decision may suggest the form for decision making, but if it is in the Agent's opinion more appropriate that a matter is dealt with at a Noteholders' Meeting than by way of a Written Procedure, it shall be dealt with at a Noteholders' Meeting.
- 18.3 The Agent may refrain from convening a Noteholders' Meeting or instigating a Written Procedure if (i) the suggested decision must be approved by any person in addition to the Noteholders and such person has informed the Agent that an approval will not be given, or (ii) the suggested decision is not in accordance with applicable laws.
- 18.4 Should the Agent not convene a Noteholders' Meeting or instigate a Written Procedure in accordance with these Terms and Conditions, without Clause 18.3 being applicable, the Issuer or the Noteholder(s) requesting a decision by the Noteholders may convene such



Noteholders' Meeting or instigate such Written Procedure, as the case may be, instead. The Issuer or the Issuing Agent shall upon request provide the convening Noteholder(s) with the information available in the debt register (*skuldbok*) kept by the CSD in respect of the Notes in order to convene and hold the Noteholders' Meeting or instigate and carry out the Written Procedure, as the case may be.

- 18.5 Should the Issuer want to replace the Agent, it may (i) convene a Noteholders' Meeting in accordance with Clause 19.1 or (ii) instigate a Written Procedure by sending communication in accordance with Clause 20.1, in both cases with a copy to the Agent. After a request from the Noteholders pursuant to Clause 22.4.3, the Issuer shall no later than ten (10) Business Days after receipt of such request (or such later date as may be necessary for technical or administrative reasons) convene a Noteholders' Meeting in accordance with Clause 19.1. The Issuer shall inform the Agent before a notice for a Noteholders' Meeting or communication relating to a Written Procedure where the Agent is proposed to be replaced is sent and shall, on the request of the Agent, append information from the Agent together with the a notice or the communication.
- 18.6 Only a person who is, or who has been provided with a power of attorney pursuant to Clause 6 (*Right to act on behalf of a Noteholder*) from a person who is, registered as a Noteholder:
- (a) on the Business Day specified in the notice pursuant to Clause 19.2, in respect of a Noteholders' Meeting, or
  - (b) on the Business Day specified in the communication pursuant to Clause 20.2, in respect of a Written Procedure,
- may exercise voting rights as a Noteholder at such Noteholders' Meeting or in such Written Procedure, provided that the relevant Notes are included in the Adjusted Nominal Amount.
- 18.7 The following matters shall require the consent of Noteholders representing at least sixty-six and two thirds ( $66\frac{2}{3}$ ) per cent. of the Adjusted Nominal Amount for which Noteholders are voting at a Noteholders' Meeting or for which Noteholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 20.2:
- (a) any transactions or agreements relating to matters in which the Manager, the Servicer or the Shareholder (or another parent company of the Issuer) or any of their respective Affiliates has a conflicting interest with the Issuer;
  - (b) any transactions or agreements between the Issuer on the one side and the Manager, the Servicer or the Shareholder (or another parent company of the Issuer) or any of their respective Affiliates on the other side, except as contemplated by the Transaction Documents;
  - (c) changes to the Eligibility Criteria, the Credit Policy and the Collection Policy, which in the Agent's opinion are materially prejudicial to the interest of the Noteholders;
  - (d) appointment of a New Custodian (other than the Standby Custodian), appointment of a New Manager (other than the Standby Manager) or a New Servicer (other than the Standby Servicer) on terms to be approved by the Noteholders (unless the terms of the new Custody Agreement, new Management Agreement or new Servicing Agreement, as the case may be, are on substantially the same terms as in

the Custody Agreement, Management Agreement or the Servicing Agreement, as the case may be, existing on the Issue Date, in which case the Agent may appoint itself or any other appropriate third party as such New Custodian, New Manager or New Servicer);

- (e) replacement of the Account Bank other than as permitted by the Transaction Documents; and
  - (f) transfer of ownership of shares in the Issuer.
- 18.8 The following matters shall require the consent of Noteholders representing at least eighty (80) per cent. of the Adjusted Nominal Amount for which Noteholders are voting at a Noteholders' Meeting or for which Noteholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 20.2:
- (a) the issue of any Notes after the Issue Date (for the avoidance of doubt, for which consent shall be required at each occasion such Notes are issued);
  - (b) a change to the terms of any of Clause 2.1, and Clauses 2.5 to 2.7;
  - (c) a change to the Interest Rate, Excess Consideration or the Nominal Amount (other than as a result of an application of Clause 9.3 (*Voluntary partial redemption*));
  - (d) a change to the terms for the distribution of proceeds set out in Clause 13 (*Distribution of proceeds*);
  - (e) a change to the terms dealing with the requirements for Noteholders' consent set out in this Clause 18;
  - (f) a change of Issuer, an extension of the tenor of the Notes or any delay of the due date for payment of any Nominal Amount or Interest on the Notes;
  - (g) a release of the Transaction Security, except in connection with (i) the repayment of any Transferred Promissory Note, (ii) a purchase of any Transferred Promissory Note by the Originator in accordance with the Mortgage Sale Agreement and with the consent of the Agent, (iii) a substitution of Borrower or Collateral under the loans evidenced by the Transferred Promissory Notes made in accordance with the Servicing Agreement and with the consent of the Agent, or (iv) a redemption of the Notes in accordance with Clause 9 (*Redemption and Repurchase of the Notes*);
  - (h) a mandatory exchange of the Notes for other securities;
  - (i) early redemption of the Notes, other than upon an acceleration of the Notes pursuant to Clause 17 (*Acceleration of the Notes*) or as otherwise permitted or required by these Terms and Conditions; and
  - (j) changes to the Articles of Association of the Issuer, including a change to the business of the Issuer;
- 18.9 Any matter not covered by Clauses 18.7 and 18.8 shall require the consent of Noteholders representing more than 50 per cent. of the Adjusted Nominal Amount for which Noteholders are voting at a Noteholders' Meeting or for which Noteholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 20.2. This includes, but is not limited to, any amendment to, or waiver of, the terms of any

Transaction Document that does not require a higher majority (other than an amendment permitted pursuant to Clause 21.1(a) or (b)), an acceleration of the Notes, or the enforcement of any Transaction Security.

- 18.10 All decisions regarding the transactions contemplated by, and taken in accordance with, these Terms and Conditions shall be deemed approved and consented to by the Shareholder in its capacity as the sole shareholder of the Issuer (unless the Shareholder is under a legal or similar obligation to act otherwise).
- 18.11 Quorum at a Noteholders' Meeting or in respect of a Written Procedure only exists if a Noteholder (or Noteholders) representing at least fifty (50) per cent. of the Adjusted Nominal Amount in case of a matter pursuant to Clauses 18.7 and 18.8 and otherwise twenty (20) per cent. of the Adjusted Nominal Amount:
- (a) if at a Noteholders' Meeting, attend the meeting in person or by telephone conference (or appear through duly authorised representatives); or
  - (b) if in respect of a Written Procedure, reply to the request.

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

- 18.12 If a quorum does not exist at a Noteholders' Meeting or in respect of a Written Procedure, the Agent or the Issuer shall convene a second Noteholders' Meeting (in accordance with Clause 19.1) or initiate a second Written Procedure (in accordance with Clause 20.1), as the case may be, provided that the person(s) who initiated the procedure for Noteholders' consent has confirmed that the relevant proposal is not withdrawn. For the purposes of this Clause 18.12, the date of request of the second Noteholders' Meeting pursuant to Clause 19.1 or second Written Procedure pursuant to Clause 20.1, as the case may be, shall be deemed to be the relevant date when the quorum did not exist. The quorum requirement in Clause 18.11 shall not apply to such second Noteholders' Meeting or Written Procedure.
- 18.13 Any decision which extends or increases the obligations of the Issuer or the Agent or any third party which is a party under the Transaction Documents, or limits, reduces or extinguishes the rights or benefits of the Issuer or the Agent or any third party which is a party under the Transaction Documents, under the Transaction Documents shall be subject to the Issuer's or the Agent's or the relevant third party's consent, as applicable.
- 18.14 A Noteholder holding more than one Note need not use all its votes or cast all the votes to which it is entitled in the same way and may in its discretion use or cast some of its votes only.
- 18.15 The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Noteholder for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Noteholders that consent at the relevant Noteholders' Meeting or in a Written Procedure within the time period stipulated for the consideration to be payable or the time period for replies in the Written Procedure, as the case may be.
- 18.16 A matter decided at a duly convened and held Noteholders' Meeting or by way of Written Procedure is binding on all Noteholders, irrespective of them being present or represented at the Noteholders' Meeting or responding in the Written Procedure. The Noteholders that

have not adopted or voted for a decision shall not be liable for any damages that this may cause other Noteholders.

- 18.17 All costs and expenses incurred by the Issuer or the Agent for the purpose of convening a Noteholders' Meeting or for the purpose of carrying out a Written Procedure, including reasonable fees to the Agent, shall be paid by the Issuer.
- 18.18 If a decision is to be taken by the Noteholders on a matter relating to the Transaction Documents, the Issuer shall promptly at the request of the Agent provide the Agent with a certificate specifying the number of Notes owned by the Issuer or (to the knowledge of the Issuer) Affiliates, irrespective of whether such person is directly registered as owner of such Notes. The Agent shall not be responsible for the accuracy of such certificate or otherwise be responsible for determining whether a Note is owned by the Issuer or an Affiliate.
- 18.19 Information about decisions taken at a Noteholders' Meeting or by way of a Written Procedure shall promptly be sent by notice to each person registered as a Noteholder on the date referred to in Clause 18.6(a) or 18.6(b), as the case may be, and also be published on the websites of the Issuer and the Agent, provided that a failure to do so shall not invalidate any decision made or voting result achieved. The minutes from the relevant Noteholders' Meeting or Written Procedure shall at the request of a Noteholder be sent to it by the Issuer or the Agent, as applicable.

## **19. NOTEHOLDERS' MEETING**

- 19.1 The Agent shall convene a Noteholders' Meeting as soon as practicable and in any event no later than ten (10) Business Days after receipt of a valid request from the Issuer or the Noteholder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a notice thereof to each person who is registered as a Noteholder on a date selected by the Agent which falls no more than five (5) Business Days prior to the date on which the notice is sent.
- 19.2 Should the Issuer want to replace the Agent, it may convene a Noteholders' Meeting in accordance with Clause 19.1 with a copy to the Agent. After a request from the Noteholders pursuant to Clause 22.4.3, the Issuer shall no later than five (5) Business Days after receipt of such request (or such later date as may be necessary for technical or administrative reasons) convene a Noteholders' Meeting in accordance with Clause 19.1.
- 19.3 The notice pursuant to Clause 19.1 shall include (i) time for the meeting, (ii) place for the meeting, (iii) agenda for the meeting (including each request for a decision by the Noteholders), (iv) the Business Day on which a person must be a Noteholder in order to exercise Noteholders' rights at the Noteholder's Meeting, which must fall no earlier than one (1) Business Day after the effective date of the notice and (v) a form of power of attorney. Only matters that have been included in the notice may be resolved upon at the Noteholders' Meeting. Should prior notification by the Noteholders be required in order to attend the Noteholders' Meeting, such requirement shall be included in the notice.
- 19.4 The Noteholders' Meeting shall be held no earlier than ten (10) Business Days and no later than thirty (30) Business Days after the effective date of the notice.
- 19.5 Without amending or varying these Terms and Conditions, the Agent may prescribe such further regulations regarding the convening and holding of a Noteholders' Meeting as the Agent may deem appropriate. Such regulations may include a possibility for Noteholders to vote without attending the meeting in person.

## 20. WRITTEN PROCEDURE

- 20.1 The Agent shall instigate a Written Procedure as soon as practicable and in any event no later than ten (10) Business Days after receipt of a valid request from the Issuer or the Noteholder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a communication to each person who is registered as a Noteholder on a date selected by the Agent which falls no more than five (5) Business Days prior to the date on which the communication is sent.
- 20.2 A communication pursuant to Clause 20.1 shall include (i) each request for a decision by the Noteholders, (ii) a description of the reasons for each request, (iii) a specification of the Business Day on which a person must be registered as a Noteholder in order to be entitled to exercise voting rights, which must fall no earlier than one (1) Business Day after the effective date of the communication, (iv) instructions and directions on where to receive a form for replying to the request (such form to include an option to vote yes or no for each request) as well as a form of power of attorney, and (v) the stipulated time period within which the Noteholder must reply to the request (such time period to last at least ten (10) and not longer than thirty (30) Business Days from the effective date of the communication pursuant to Clause 20.1). If the voting is to be made electronically, instructions for such voting shall be included in the communication.
- 20.3 When consents from Noteholders representing the requisite majority of the total Adjusted Nominal Amount pursuant to Clauses 18.7, 18.8, and 18.9 have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clauses 18.7, 18.8, or 18.9, as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

## 21. AMENDMENTS AND WAIVERS

- 21.1 The Issuer and the Agent (acting on behalf of the Noteholders) may, with the prior consent of any third party which is a party to such Transaction Document (if any) and, in case of the Terms and Conditions, the Account Guarantee provider, agree to amend the Transaction Documents or waive any provision in a Transaction Document, provided that:
- (a) such amendment or waiver is not detrimental to the interest of the Noteholders as a group, or is made solely for the purpose of rectifying obvious errors and mistakes;
  - (b) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority; or
  - (c) such amendment or waiver has been duly approved by the Noteholders in accordance with Clause 18 (*Decisions by Noteholders*).
- 21.2 The consent of the Noteholders is not necessary to approve the particular form of any amendment to the Transaction Documents. It is sufficient if such consent approves the substance of the amendment.
- 21.3 The Agent shall promptly notify the Noteholders of any amendments or waivers made in accordance with Clause 21.1, setting out the date from which the amendment or waiver will be effective, and ensure that any amendments to the Transaction Documents are published in the manner stipulated in Clause 15.3 (*Publication of Transaction Documents*). The Issuer shall ensure that any amendments to the Transaction Documents are duly registered with the CSD and each other relevant organisation or authority.

21.4 An amendment to the Transaction Documents shall take effect on the date determined by the Noteholders Meeting, in the Written Procedure or by the Agent, as the case may be.

## **22. APPOINTMENT AND REPLACEMENT OF THE AGENT**

### **22.1 Appointment of the Agent**

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

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

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

22.1.4 The Agent is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in the Transaction Documents or the Agency Agreement and the Agent's obligations as Agent under the Transaction Documents are conditioned upon the due payment of such fees and indemnifications.

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

### **22.2 Duties of the Agent**

22.2.1 The Agent shall represent the Noteholders in accordance with the Transaction Documents, including, *inter alia*, holding the Transaction Security pursuant to the Security Documents on behalf of the Noteholders and, where relevant, enforcing the Transaction Security on behalf of the Noteholders. However, the Agent is not responsible for the execution or enforceability of the Transaction Documents or the perfection of the Transaction Security.

22.2.2 When acting in accordance with the Transaction Documents, the Agent is always acting with binding effect on behalf of the Noteholders. The Agent shall act in the best interests of the Noteholders as a group and carry out its duties under the Transaction Documents in a reasonable, proficient and professional manner, with reasonable care and skill.

22.2.3 The Agent is entitled to delegate its duties to other professional parties, but the Agent shall remain liable for the actions of such parties under the Transaction Documents.

- 22.2.4 The Agent shall treat all Noteholders equally and, when acting pursuant to the Transaction Documents, act with regard only to the interests of the Noteholders and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other person, other than as explicitly stated in the Transaction Documents.
- 22.2.5 The Agent is entitled to engage external experts when carrying out its duties under the Transaction Documents. The Issuer shall on demand by the Agent pay all costs for external experts engaged after the occurrence of an Event of Default, or for the purpose of investigating or considering (i) an event or circumstance which the Agent reasonably believes is or may lead to an Event of Default or (ii) a matter relating to the Issuer or the Transaction Security which the Agent reasonably believes may be detrimental to the interests of the Noteholders under the Transaction Documents. Any compensation for damages or other recoveries received by the Agent from external experts engaged by it for the purpose of carrying out its duties under the Transaction Documents shall be distributed in accordance with Clause 13 (*Distribution of proceeds*).
- 22.2.6 The Agent shall, as applicable, enter into agreements with the CSD, and comply with such agreement and the CSD Regulations applicable to the Agent, as may be necessary in order for the Agent to carry out its duties under the Transaction Documents.
- 22.2.7 Notwithstanding any other provision of the Transaction Documents to the contrary, the Agent is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation.
- 22.2.8 If in the Agent's reasonable opinion the cost, loss or liability which it may incur (including reasonable fees to the Agent) in complying with instructions of the Noteholders, or taking any action at its own initiative, will not be covered by an expected distribution of Proceeds in accordance with Clause 13 (*Distribution of proceeds*), the Agent may refrain from acting in accordance with such instructions, or taking such action, until it has received such funding or indemnities (or adequate Security has been provided therefore) as it may reasonably require save that the Agent shall always notify the Noteholders about the occurrence of an Event of Default in accordance with Clause 17.3.
- 22.2.9 The Agent shall give a notice to the Noteholders (i) before it ceases to perform its obligations under the Transaction Documents by reason of the non-payment by the Issuer of any fee or indemnity due to the Agent under the Transaction Documents or the Agency Agreement or (ii) if it refrains from acting for any reason described in Clause 22.2.8.
- 22.3 **Limited liability for the Agent**
- 22.3.1 The Agent will not be liable to the Noteholders for damage or loss caused by any action taken or omitted by it under or in connection with any Transaction Document, unless directly caused by its negligence or wilful misconduct. The Agent shall never be responsible for indirect loss.
- 22.3.2 The Agent shall not be considered to have acted negligently if it has acted in accordance with advice from or opinions of reputable external experts engaged by the Agent or if the Agent has acted with reasonable care in a situation when the Agent considers that it is detrimental to the interests of the Noteholders to delay the action in order to first obtain instructions from the Noteholders.
- 22.3.3 The Agent shall not be liable for any delay (or any related consequences) in crediting an account with an amount required pursuant to the Transaction Documents to be paid by the Agent to the Noteholders, provided that the Agent has taken all necessary steps as soon as

reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.

22.3.4 The Agent shall have no liability to the Noteholders for damage caused by the Agent acting in accordance with instructions of the Noteholders given in accordance with Clause 18 (*Decisions by Noteholders*) or a demand by Noteholders given pursuant to Clause 17.1.

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

## 22.4 **Replacement of the Agent**

22.4.1 Following the Step-Up Date and subject to Clause 22.4.6, the Agent may resign by giving notice to the Issuer and the Noteholders, in which case the Noteholders shall appoint a successor Agent at a Noteholders' Meeting convened by the retiring Agent or by way of Written Procedure initiated by the retiring Agent.

22.4.2 Subject to Clause 22.4.6, if the Agent is Insolvent, the Agent shall be deemed to resign as Agent and the Issuer shall within ten (10) Business Days appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.

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

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

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

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

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



- 22.4.8 In the event that there is a change of the Agent in accordance with this Clause 22.4, the Issuer shall execute such documents and take such actions as the new Agent may reasonably require for the purpose of vesting in such new Agent the rights, powers and obligation of the Agent and releasing the retiring Agent from its further obligations under the Transaction Documents and the Agency Agreement. Unless the Issuer and the new Agent agree otherwise, the new Agent shall be entitled to the same fees and the same indemnities as the retiring Agent.

### **23. APPOINTMENT AND REPLACEMENT OF THE CSD**

- 23.1 The Issuer has appointed the CSD to manage certain tasks under these Terms and Conditions and in accordance with the CSD Regulations and the other regulations applicable to the Notes.
- 23.2 The CSD may retire from its assignment or be dismissed by the Issuer, provided that the Issuer has effectively appointed a replacement CSD that accedes as CSD at the same time as the old CSD retires or is dismissed and provided also that the replacement does not have a negative effect on any Noteholder or the listing of the Notes on the Regulated Market. The replacing CSD must be authorised to professionally conduct clearing operations pursuant to the Securities Markets Act (*lag (2007:528) om värdepappersmarknaden*) and be authorised as a central securities depository in accordance with the Financial Instruments Account Act (*lag (1998:1479) om kontoföring av finansiella instrument*).

### **24. APPOINTMENT AND REPLACEMENT OF THE ISSUING AGENT**

- 24.1 The Issuer appoints the Issuing Agent to manage certain specified tasks under these Terms and Conditions and in accordance with the legislation, rules and regulations applicable to and/or issued by the CSD and relating to the Notes.
- 24.2 The Issuing Agent shall enter into agreements with the CSD, and comply with such agreement and the CSD Regulations applicable to the Issuing Agent, as may be necessary in order for the Issuing Agent to carry out its duties under the Transaction Documents.
- 24.3 The Issuing Agent may retire from its assignment or be dismissed by the Issuer, provided that the Issuer has approved that a commercial bank or securities institution approved by the CSD accedes as new Issuing Agent at the same time as the old Issuing Agent retires or is dismissed. If the Issuing Agent is Insolvent, the Issuer shall immediately appoint a new Issuing Agent, which shall replace the old Issuing Agent as issuing agent in accordance with these Terms and Conditions.

### **25. NO DIRECT ACTIONS BY NOTEHOLDERS**

- 25.1 A Noteholder may not take any steps whatsoever against the Issuer or with respect to the Transaction Security to enforce or recover any amount due or owing to it pursuant to the Transaction Documents, or to initiate, support or procure the winding-up, dissolution, liquidation, company reorganisation (*företagsrekonstruktion*) or bankruptcy (*konkurs*) (or its equivalent in any other jurisdiction) of the Issuer in relation to any of the obligations and liabilities of the Issuer under the Transaction Documents. Such steps may only be taken by the Agent.
- 25.2 Clause 25.1 shall not apply if the Agent has been instructed by the Noteholders in accordance with the Transaction Documents to take certain actions but fails for any reason to take, or is unable to take (for any reason other than a failure by a Noteholder to provide documents in accordance with Clause 22.1.2), such actions within a reasonable period of

time and such failure or inability is continuing. However, if the failure to take certain actions is caused by the non-payment by the Issuer of any fee or indemnity due to the Agent under the Transaction Documents or the Agency Agreement or by any reason described in Clause 22.2.8, such failure must continue for at least forty (40) Business Days after notice pursuant to Clause 22.2.9 before a Noteholder may take any action referred to in Clause 25.1.

- 25.3 The provisions of Clause 25.1 shall not in any way limit an individual Noteholder's right to claim and enforce payments which are due by the Issuer to some but not all Noteholders.

## 26. PRESCRIPTION

- 26.1 The right to receive repayment of the principal of the Notes shall be prescribed and become void ten (10) years from the relevant Redemption Date. The right to receive payment of Interest (excluding any capitalised interest) shall be prescribed and become void three (3) years from the relevant due date for payment. The Issuer is entitled to any funds set aside for payments in respect of which the Noteholders' right to receive payment has been prescribed and has become void.

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

## 27. NOTICES AND PRESS RELEASES

### 27.1 Notices

- 27.1.1 Any notice or other communication to be made under or in connection with the Transaction Documents:

- (a) if to the Agent, shall be given at the address registered with the Swedish Companies Registration Office (*Bolagsverket*) on the Business Day prior to dispatch or, if sent by email by the Issuer, to the email address notified by the Agent to the Issuer from time to time;
- (b) if to the Issuer, shall be given at the address specified on its website <http://www.shpfond3.se> on the Business Day prior to dispatch or, if sent by email by the Agent, to the email address notified by the Issuer to the Agent from time to time; and
- (c) if to the Noteholders, shall be given at their addresses as registered with the CSD, on the date such person shall be a Noteholder in order to receive the communication and by either courier delivery or letter for all Noteholders. A Notice to the Noteholders shall also be published on the websites of the Issuer and the Agent.

- 27.1.2 Any notice or other communication made by one person to another under or in connection with the Transaction Documents shall be sent by way of courier, personal delivery or letter, or, if between the Issuer and the Agent, by email, and will only be effective, in case of courier or personal delivery, when it has been left at the address specified in Clause 27.1.1 or, in case of letter, three (3) Business Days after being deposited postage prepaid in an

envelope addressed to the address specified in Clause 27.1.1, or, in case of email, when received in readable form by the email recipient.

- 27.1.3 Any notice pursuant to the Transaction Documents shall be in English.
- 27.1.4 Failure to send a notice or other communication to a Noteholder or any defect in it shall not affect its sufficiency with respect to other Noteholders.

## 27.2 **Press releases**

27.2.1 Any notice that the Issuer or the Agent shall send to the Noteholders pursuant to Clauses 9.2 (*Voluntary total redemption (Call option)*), 9.3 (*Voluntary partial redemption*), 9.4 (*Early redemption due to illegality*), 17.3, 18.19, 19.1, 20.1 and 21.3 shall also be published by way of press release by the Issuer or the Agent, as applicable.

27.2.2 In addition to Clause 27.2.1, if any information relating to the Notes or the Issuer contained in a notice the Agent may send to the Noteholders under these Terms and Conditions has not already been made public by way of a press release, the Agent shall before it sends such information to the Noteholders give the Issuer the opportunity to issue a press release containing such information. If the Issuer does not promptly issue a press release and the Agent considers it necessary to issue a press release containing such information before it can lawfully send a notice containing such information to the Noteholders, the Agent shall be entitled to issue such press release.

## 28. **FORCE MAJEURE AND LIMITATION OF LIABILITY**

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

28.2 A Relevant Party shall have no liability to the Noteholders if it has observed reasonable care. A Relevant Party shall never be responsible for indirect damage with exception of gross negligence and wilful misconduct.

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

28.4 The provisions in this Clause 28 apply unless they are inconsistent with the provisions of the Financial Instruments Accounts Act which provisions shall take precedence.

## 29. **GOVERNING LAW AND JURISDICTION**

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

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

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

Place:

Date:

SVENSK HYPOTEKSPENSION FOND 3 AB (PUBL)

as Issuer

\_\_\_\_\_  
Name:

\_\_\_\_\_

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

Place:

Date:

INTERTRUST CN (SWEDEN) AB

as Agent

\_\_\_\_\_  
Name: