

**TERMS AND CONDITIONS FOR**

**AVANZA BANK AB (PUBL)**

**UP TO SEK 100,000,000**

**TIER 2 SUBORDINATED**

**FLOATING RATE NOTES**

**ISIN: SE0007782537**

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

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# 1 Definitions and construction

## 1.1 Definitions

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

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

“**Adjusted Nominal Amount**” means the Total Nominal Amount less the Nominal Amount of all Notes owned by a Group Company 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, other than a Group Company, 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 a Group Company or an entity referred to in item (i) to vote for such Notes in accordance with the instructions given by a Group Company or an entity referred to in item (i). 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.

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

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

“**Capital Disqualification Event**” means, at any time on or after the Issue Date, there is a change in the regulatory classification of the Notes that would be likely to result in the exclusion of the Notes from the Tier 2 Capital of the Issuer or reclassification of the Notes as a lower quality form of regulatory capital, provided that:

- (a) the Swedish FSA considers such a change to be sufficiently certain; and
- (b) the Issuer demonstrates to the satisfaction of the Swedish FSA that the regulatory reclassification of the Notes was not reasonably foreseeable at the Issue Date,

and provided that such exclusion is not a result of any applicable limitation on the amount of such Tier 2 Capital contained in the Capital Regulations.

“**Capital Regulations**” means, at any time, regulations, directives, guidelines or similar of the EU and its institutions, including the CRD IV any delegated act adopted by the European Commission thereunder, as well as the legal acts, regulations, requirements, guidelines and policies relating to capital adequacy issued by the Swedish Government, the Swedish FSA and/or any European successor in effect.

“**CRD IV**” means the legislative package consisting of the CRD IV Directive, the CRD IV Regulation and any CRD IV Implementing Measures.

“**CRD IV Directive**” means Directive 2013/36/EU on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms of the European Parliament and of the Council of 26 June 2013, as the same may be amended or replaced from time to time.

“**CRD IV Regulation**” means Regulation (EU) No. 575/2013 on prudential requirements for credit institutions and investment firms of the European Parliament and of the Council of 26 June 2013, as the same may be amended or replaced from time to time.

“**CRD IV Implementing Measures**” means any regulatory capital rules, regulations or other requirements implementing (or promulgated in the context of) the CRD IV Directive or the CRD IV Regulation which may from time to time be introduced, including, but not limited to, delegated or implementing acts or regulations (including technical standards) adopted by the European Commission, national laws and regulations, adopted by the Swedish FSA and guidelines issued by the Swedish FSA, the European Banking Authority or any other relevant authority, which are applicable to the Issuer or the Group, as applicable.

“**CSD**” means the Issuer’s central securities depository and registrar in respect of the Notes, from time to time, initially Euroclear Sweden AB, Swedish Reg. No. 556112-8074, P.O. Box 191, 101 23 Stockholm, Sweden.

“**Event of Default**” means an event set forth in Clause 11.1.

“**Final Maturity Date**” means 10 December 2025.

“**Finance Documents**” means these Terms and Conditions and any other document designated as a “*Finance Document*” by the Issuing Agent and the Issuer.

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

“**First Call Date**” means 10 December 2020.

“**Force Majeure Event**” has the meaning set forth in Clause 19.1.

“**Group**” means Avanza Bank Holding AB (publ) and its Subsidiaries from time to time (each a “**Group Company**”).

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

“**Interest**” means the interest on the Notes calculated in accordance with Clauses 4.1 to 4.3.

**“Interest Payment Date”** means 10 December, 10 March, 10 June and 10 September 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 10 March 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).

**“Interest Rate”** means 3 months STIBOR plus 3 per cent. *per annum*.

**“Issue Date”** means 10 December 2015.

**“Issuer”** means Avanza Bank AB (publ), a public limited liability company incorporated under the laws of Sweden with Reg. No. 556573-5668, having its registered address at Regeringsgatan 103, 111 39 Stockholm, Sweden.

**“Issuing Agent”** means Nordea Bank AB (publ), or another party replacing it, as Issuing Agent, in accordance with these Terms and Conditions.

**“Issuing Agent Agreement”** means the issuing agent agreement between the Issuer and the Issuing Agent regarding the assignment as issuing agent.

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

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

**“Noteholders’ Meeting”** means a meeting among the Noteholders held in accordance with Clause 14 (*Noteholders’ Meeting*).

**“Note”** means a debt instrument (Sw. *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.

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

**“Record Date”** means the fifth (5) Business Day prior to (i) an Interest Payment Date, (ii) a Redemption Date, (iii) a date on which a payment to the Noteholders is to be made under Clause 12 (*Distribution of proceeds*), (iv) the date of a Noteholders’ Meeting, or (v) 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 in accordance with Clause 6 (*Redemption of the Notes*).

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

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

**“STIBOR”** means:

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

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

“**Swedish FSA**” means the Swedish financial supervisory authority (Sw. *Finansinspektionen*).

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

“**Tax Event**” means the occurrence of any amendment to, clarification of or change in the laws, treaties or regulations of Sweden affecting taxation (including any change in the interpretation by any court or authority entitled to do so) or any governmental action, on or after the Issue Date and which was not foreseeable at the Issue Date, resulting in a substantial risk that:

- (a) the Issuer is, or becomes, subject to a significant amount of additional taxes, duties or other governmental charges or civil liabilities with respect to the Notes; or
- (b) the treatment of any of the Issuer's items of income or expense with respect to the Notes as reflected on the tax returns (including estimated returns) filed (or to be filed) by the Issuer will not be accepted by any tax authority, which subjects the Issuer to a significant amount of additional taxes, duties or governmental charges.

“**Tier 2 Capital**” means tier 2 capital (Sw. *supplementärt kapital*) as defined in Chapter 4 of the CRD IV Regulation.

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

## 1.2 Construction

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

- (a) any agreement or instrument is a reference to that agreement or instrument as supplemented, amended, novated, extended, restated or replaced from time to time;

- (b) 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;
  - (c) a provision of law is a reference to that provision as amended or re-enacted; and
  - (d) a time of day is a reference to Stockholm time.
- 1.2.2 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 (Sw. *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.
- 1.2.3 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.
- 1.2.4 No delay or omission of the Issuing Agent or of any Noteholder to exercise any right or remedy under the Finance Documents shall impair or operate as a waiver of any such right or remedy.

## **2 Status and Ranking of the Notes**

- 2.1 The Notes are denominated in Swedish Kronor and each Note is constituted by these Terms and Conditions. The Issuer undertakes to make payments in relation to the Notes and to comply with these Terms and Conditions.
- 2.2 By subscribing for Notes, each initial Noteholder agrees that the Notes shall benefit from and be subject to the Finance Documents and by acquiring Notes, each subsequent Noteholder confirms such agreement
- 2.3 The nominal amount of each Note is SEK 1,000,000 (the “**Nominal Amount**”).
- 2.4 Each Note is issued on a fully paid basis at an issue price of 100 per cent of the Nominal Amount.
- 2.5 The Issuer undertakes to repay the Notes, to pay interest and to otherwise act in accordance and comply with these Terms and Conditions.
- 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 The Notes constitute subordinated and unsecured obligations of the Issuer and rank *pari passu* without any preference among themselves. The rights of the Noteholders shall, in the event of the liquidation (Sw. *likvidation*) or bankruptcy (Sw. *konkurs*) of the Issuer, be subordinated in right of payment to the claims of depositors and other unsubordinated creditors of the Issuer but shall rank at least *pari passu* with all other subordinated indebtedness of the Issuer. For the avoidance of doubt, the Noteholders

will, in the event of the liquidation or bankruptcy, rank in priority to any holders of any class of share capital of the Issuer.

- 2.8 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 Purpose and use of proceeds**

The Notes shall constitute Tier 2 Capital of the Issuer and the proceeds from the issue of the Notes shall be used (after deduction has been made for the transaction costs payable by the Issuer to the Issuing Agent and its professional advisors for the services provided in relation to the placement and issuance of the Notes) for general corporate purposes of the Issuer.

### **4 Interest**

- 4.1 Each Note carries Interest at the Interest Rate applied to the Nominal Amount from (but excluding) the Issue Date up to (and including) the relevant Redemption Date.
- 4.2 Interest accrues during an Interest Period. Payment of Interest in respect of the Notes shall be made to the Noteholders on each Interest Payment Date for the preceding Interest Period.
- 4.3 Interest shall be calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis).
- 4.4 If, due to the existence of a Force Majeure Event as described in Clause 19.1 it is not possible to determine the Interest Rate for an Interest Period, the Interest Rate for the preceding Interest Period shall apply. As soon as the obstacle has been removed, the Interest Rate shall be determined for the current Interest Period, which shall apply from the second (2nd) Business Day following such determination until (and including) the last day of such Interest Period.
- 4.5 If the Issuer fails to pay any amount payable by it 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) percentage units higher than the Interest Rate. Accrued default interest shall not be capitalised. No default interest shall accrue where the failure to pay was solely attributable to the CSD, in which case the Interest Rate shall apply instead.

### **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 (Sw. *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 Issuing Agent shall be entitled to obtain information from the debt register (Sw. *skuldbok*) kept by the CSD in respect of the Notes, in order for them to fulfil their duties under these Terms and Conditions.

## **6 Redemption of the notes**

### **6.1 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 together with accrued but unpaid Interest. If the Final Maturity Date is not a Business Day, then the redemption shall occur on the first following Business Day.

### **6.2 Early redemption at the option of the Issuer**

Subject to Clause 6.4 (*Consent from the Swedish FSA*), applicable law and giving notice in accordance with Clause 6.6 (*Notice of early redemption*), the Issuer may redeem all (but not some only) outstanding Notes on (i) the First Call Date or (ii) any Interest Payment Date falling after the First Call Date.

### **6.3 Early redemption upon the occurrence of a Capital Disqualification Event or Tax Event**

If a Capital Disqualification Event or Tax Event occurs prior to the First Call Date, the Issuer may, at its option, but subject to Clause 6.4 (*Consent from the Swedish FSA*), applicable law and giving notice in accordance with Clause 6.6 (*Notice of early redemption*), redeem all (but not some only) outstanding Notes on any Interest Payment Date.

### **6.4 Consent from the Swedish FSA**

A Group Company (other than Avanza Bank Holding AB (the “**Parent**”)), or any other company forming part of the consolidated situation which the Issuer reports to the Swedish FSA, may not redeem or purchase any outstanding Notes prior to the Final Maturity Date without the prior consent of the Swedish FSA.

### **6.5 Early redemption amount**

The Notes shall be redeemed at a price per Note equal to the Nominal Amount together with accrued but unpaid Interest.

### **6.6 Notice of early redemption**

Any redemption in accordance with Clauses 6.2 (*Early redemption at the option of the Issuer*) and 7.3 (*Early redemption upon the occurrence of a Capital Disqualification Event or Tax Event*) shall be made by the Issuer giving not less than thirty (30) Business Days' notice prior to the relevant Redemption Date to the Noteholders and CSD. Any such notice is irrevocable and, upon expiry of the notice period, the Issuer is bound to redeem the Notes.

## **7 Payments in respect of the Notes**

- 7.1 Any payment or repayment under the Finance Documents, 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 and interest 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. 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. Interest shall accrue in accordance with Clause 4.5 during such postponement.
- 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.

## **8 Right to act on behalf of a Noteholder**

- 8.1 If any person other than a Noteholder wishes to exercise any rights under the Finance 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.
- 8.2 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 Finance 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.
- 8.3 The Issuing 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 8.2 and may assume that it has been duly authorised, is valid, has not been revoked or superseded and that it is in full force and effect, unless otherwise is apparent from its face.

## **9 Information to Noteholders**

### **9.1 Information from the Issuer**

The Issuer will 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 120 days after the end of each financial year, its audited consolidated financial statements for that financial year;
- (b) as soon as the same become available, but in any event within 60 days after the end of each quarter of its financial year, its unaudited consolidated financial statements or the year-end report (Sw. *bokslutskommuniké*) (as applicable) for such period;
- (c) as soon as practicable following an acquisition or disposal of Notes by a Group Company, the aggregate Nominal Amount held by Group Companies, or the amount of Notes cancelled by the Issuer; and
- (d) as long as the Notes are admitted to trading on any Regulated Market, any other information required by the Swedish Securities Markets Act (Sw. *lag (2007:582) om värdepappersmarknaden*) and the rules and regulations of the Regulated Market on which the Notes are admitted to trading.

### **9.2 Publication of Finance Documents**

The latest version of these Terms and Conditions (including any document amending these Terms and Conditions) shall be available on the website of the Group.

## **10 Admission to trading**

10.1 The Issuer shall use its best efforts to ensure that the Notes are admitted to trading on Nasdaq Stockholm within thirty (30) days from the Issue Date, but in no case later than sixty (60) days after the Issue Date or, if such admission to trading is not possible to obtain or maintain, admitted to trading on another Regulated Market.

10.2 Following the admission to trading, the Issuer shall use its best efforts 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.

## **11 Acceleration of the Notes**

11.1 The following events or circumstances (each an "Event of Default") shall be an event of default in relation to the Notes:

- (A) the Issuer shall default in the payment of any principal for a period of seven (7) days after the date when due in respect of any such Note which has become due and payable in accordance with any redemption of such Notes; or

- (B) the Issuer shall default for a period of fourteen (14) days in the payment of interest due on any such Note on an Interest Payment Date or any other date on which the payment of interest is compulsory; or
- (C) an order is made or an effective resolution is passed for the winding up or liquidation (Sw. *likvidation*) of the Issuer (except for the purpose of a merger, reconstruction or amalgamation under which the continuing entity effectively assumes the entire obligations of the Issuer under the Notes) or the Issuer is otherwise declared bankrupt (Sw. *konkurs*) or put into liquidation, in each case, by a court or agency or supervisory authority in the Kingdom of Sweden or elsewhere having jurisdiction in respect of the same.

11.2 Any Noteholder may:

- (a) in the case of (A) and (B) above, institute proceedings for the Issuer to be declared bankrupt or its winding-up or liquidation, in each case, in the Kingdom of Sweden and not elsewhere, and prove or claim in the bankruptcy or liquidation of the Issuer; and/or
- (b) in the case of (C) above, prove or claim in the winding up or liquidation or as the case may be, bankruptcy or liquidation of the Issuer, whether in the Kingdom of Sweden or elsewhere and instituted by the Issuer itself or by a third party,

but in either case the Noteholder may claim payment in respect of the Note only in the winding up or liquidation or as the case may be, bankruptcy or liquidation of the Issuer.

- 11.3 In any of the events or circumstances described in Clause 11.1 or Clause 11.2 above, the Issuing Agent may, following the instructions of any Noteholder, by notice to the Issuer, declare such Note to be due and payable, and such Note shall accordingly become due and payable at its total Nominal Amount together with accrued interest to the date of payment but subject to such Noteholder only being able to claim payment in respect of the Note in the winding up or liquidation or, as the case may be, bankruptcy or liquidation of the Issuer.
- 11.4 Any Noteholder may at its discretion institute such proceedings against the Issuer as it may think fit to enforce any obligation, condition, undertaking or provision binding on the Issuer under the Notes (other than, without prejudice to Clause 11.1 or 11.2 above, any obligation for the payment of any principal or interest in respect of the Notes) provided that the Issuer shall not by virtue of the institution of any such proceedings be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it, except with the prior approval of the Swedish FSA.
- 11.5 No remedy against the Issuer, other than as provided in Clause 11.1-11.4 above shall be available to the Noteholders, whether for the recovery of amounts owing in respect of the Notes or in respect of any breach by the Issuer of any of its obligations or undertakings with respect to the Notes.

- 11.6 No Noteholder who in the event of the liquidation or bankruptcy of the Issuer is indebted to the Issuer shall be entitled to exercise any right of set-off or counterclaim against moneys owed by the Issuer in respect of Notes held by such Noteholder.
- 11.7 The Issuer shall as soon as possible notify the Noteholders and the Issuing Agent of the occurrence of an Event of Default.

## **12 Distribution of Proceeds**

12.1 All payments by the Issuer relating to the Notes and the Finance Documents following an acceleration of the Notes in accordance with Clause 11 (*Acceleration of the Notes*) shall be distributed in the following order of priority:

- (a) *first*, in or towards payment *pro rata* of (i) all unpaid fees, costs, expenses and indemnities payable by the Issuer to the Issuing Agent in accordance with these Terms and Conditions or the Issuing Agent Agreement;
- (b) *secondly*, in or towards payment *pro rata* of accrued but unpaid Interest under the Notes (Interest due on an earlier Interest Payment Date to be paid before any Interest due on a later Interest Payment Date);
- (c) *thirdly*, in or towards payment *pro rata* of any unpaid principal under the Notes; and
- (d) *fourthly*, in or towards payment *pro rata* of any other costs or outstanding amounts unpaid under the Finance Documents.

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

- 12.2 If a Noteholder or another party has paid any fees, costs, expenses or indemnities referred to in Clause 12.1(a), such Noteholder or other party shall be entitled to reimbursement by way of a corresponding distribution in accordance with Clause 12.1(a).
- 12.3 If the Issuer shall make any payment under this Clause 12, the Issuer or the Issuing Agent, as applicable, shall notify the Noteholders of any such payment at least fifteen (15) Business Days before the payment is made. Such notice shall specify the Record Date, the payment date and the amount to be paid.

## **13 Decisions by Noteholders**

- 13.1 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 Issuing 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 Finance Documents shall be directed to the Issuing Agent and dealt with at a Noteholders' Meeting.
- 13.2 The Issuing Agent may refrain from convening a Noteholders' Meeting if (i) the suggested decision must be approved by any person in addition to the Noteholders and

such person has informed the Issuing Agent that an approval will not be given, or (ii) the suggested decision is not in accordance with applicable laws.

- 13.3 Only a person who is, or who has been provided with a power of attorney pursuant to Clause 8 (*Right to act on behalf of a Noteholder*) from a person who is registered as a Noteholder on the Record Date prior to the date of the Noteholders' Meeting, may exercise voting rights as a Noteholder at such Noteholders' Meeting, provided that the relevant Notes are included in the definition of Adjusted Nominal Amount.
- 13.4 The Noteholders and the Issuing Agent may attend the Noteholders' Meeting along with its representatives, counsels and assistants. The Noteholders' Meeting can decide that further individuals may attend the Noteholders' Meeting. The Noteholders' Meeting shall be initiated by appointing a chairman for the meeting, a keeper of the minutes and a person to verify the minutes. The chairman shall arrange a voting list specifying the present Noteholders entitled to vote and the Adjusted Nominal Amount represented by each of the Noteholders (the "**Voting List**"). When applying this Clause 13.4, Noteholders who voted through electronic procedure (or equivalent) shall be deemed present at the Noteholders' Meeting. The Voting List shall be approved by the Noteholders' Meeting. The Issuer shall have access to the Voting List and the calculation. The minutes shall be completed promptly and be held available for the Noteholders, the Issuer and the Issuing Agent.
- 13.5 The following matters shall require the consent of Noteholders representing at least ninety (90) per cent. of the Adjusted Nominal Amount for which Noteholders are voting at a Noteholders' Meeting:
- (a) a change to the terms of any of Clause 2.1 and Clause 2.7;
  - (b) a reduction of the premium payable upon the redemption or repurchase of any Note pursuant to Clause 6 (*Redemption of the Notes*);
  - (c) a change to the Interest Rate or the Nominal Amount;
  - (d) a change to the terms for the distribution of proceeds set out in Clause 12 (*Distribution of proceeds*);
  - (e) a change to the terms dealing with the requirements for Noteholders' consent set out in this Clause 13;
  - (f) a change of issuer, an extension of the tenor of the Notes or any delay of the due date for payment of any principal or interest on the Notes;
  - (g) a mandatory exchange of the Notes for other securities; and
  - (h) early redemption of the Notes, other than upon an acceleration of the Notes pursuant to Clause 11 (*Acceleration of the Notes*) or as otherwise permitted or required by these Terms and Conditions.
- 13.6 Any matter not covered by Clause 13.5 shall require the consent of Noteholders representing more than fifty (50) per cent. of the Adjusted Nominal Amount for which Noteholders are voting at a Noteholders' Meeting. This includes, but is not limited to, any amendment to, or waiver of, the terms of any Finance Document that does not require a higher majority (other than an amendment permitted pursuant to Clause 15.1(a) or (b)), and an acceleration of the Notes.

- 13.7 Quorum at a Noteholders' Meeting 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 Clause 13.5, and otherwise twenty (20) per cent. of the Adjusted Nominal Amount attend the meeting in person or by telephone conference (or appear through duly authorised representatives).
- 13.8 If a quorum does not exist at a Noteholders' Meeting the Issuing Agent or the Issuer shall convene a second Noteholders' Meeting (in accordance with Clause 14.1), provided that the relevant proposal has not been withdrawn by the person(s) who initiated the procedure for Noteholders' consent. The quorum requirement in Clause 13.7 shall not apply to such second Noteholders' Meeting.
- 13.9 Any decision which extends or increases the obligations of the Issuer or the Issuing Agent, or limits, reduces or extinguishes the rights or benefits of the Issuer or the Issuing Agent, under the Finance Documents shall be subject to the Issuer's or the Issuing Agent's consent, as appropriate.
- 13.10 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.
- 13.11 If any matter decided in accordance with this Clause 13 would require consent from the Swedish FSA, such consent shall be sought by the Issuer.
- 13.12 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 within the time period stipulated for the consideration to be payable.
- 13.13 A matter decided at a duly convened and held Noteholders' Meeting is binding on all Noteholders, irrespective of them being present or represented at the Noteholders' Meeting. The Noteholders that have not adopted or voted for a decision shall not be liable for any damages that this may cause other Noteholders.
- 13.14 All costs and expenses incurred by the Issuer or the Issuing Agent for the purpose of convening a Noteholders' Meeting, including reasonable fees to the Issuing Agent, shall be paid by the Issuer.
- 13.15 If a decision shall be taken by the Noteholders on a matter relating to the Finance Documents, the Issuer shall promptly at the request of the Issuing Agent provide the Issuing Agent with a certificate specifying the number of Notes owned by Group Companies or (to the knowledge of the Issuer) Affiliates, irrespective of whether such person is directly registered as owner of such Notes. The Issuing Agent shall not be responsible for the accuracy of such certificate or otherwise be responsible to determine whether a Note is owned by a Group Company or an Affiliate.
- 13.16 Information about decisions taken at a Noteholders' Meeting shall promptly be sent by notice to the Noteholders and published on the website of the Issuer, provided that a failure to do so shall not invalidate any decision made or voting result achieved. The

minutes from the relevant Noteholders' Meeting shall at the request of a Noteholder be sent to it by the Issuer.

## **14 Noteholders' Meeting**

- 14.1 The Issuing Agent shall convene a Noteholders' Meeting by sending a notice thereof to each Noteholder no later than five (5) Business Days after receipt of a request from the Issuer or the Noteholder(s) (or such later date as may be necessary for technical or administrative reasons).
- 14.2 The notice pursuant to Clause 14.1 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) and (iv) 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.
- 14.3 The Noteholders' Meeting shall be held no earlier than ten (10) Business Days and no later than twenty (20) Business Days from the notice.
- 14.4 Without amending or varying these Terms and Conditions, the Issuing Agent may prescribe such further regulations regarding the convening and holding of a Noteholders' Meeting as the Issuing Agent may deem appropriate. Such regulations may include a possibility for Noteholders to vote without attending the meeting in person or voting through written or electronic procedure.

## **15 Amendments and Waivers**

- 15.1 The Issuer and the Issuing Agent (acting on behalf of the Noteholders) may agree to amend the Finance Documents or waive any provision in a Finance Document, provided that:
- (a) such amendment or waiver is not detrimental to the interest of the Noteholders, 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 13 (*Decisions by Noteholders*).
- 15.2 The consent of the Noteholders is not necessary to approve the particular form of any amendment to the Finance Documents. It is sufficient if such consent approves the substance of the amendment.
- 15.3 The Issuer shall promptly notify the Noteholders of any amendments or waivers made in accordance with Clause 15.1, setting out the date from which the amendment or waiver will be effective, and ensure that any amendments to the Finance Documents are published in the manner stipulated in Clause 9.2 (*Publication of Finance Documents*). The Issuer shall ensure that any amendments to the Finance Documents are duly registered with the CSD and each other relevant organisation or authority.



- 15.4 An amendment to the Finance Documents shall take effect on the date determined by the Noteholders Meeting, or by the Issuer and the Issuing Agent.

## **16 Appointment and Replacement of the Issuing Agent**

- 16.1 The Issuer appoints the Issuing Agent to manage certain specified tasks under these Terms and Conditions, the Issuing Agent Agreement and in accordance with the legislation, rules and regulations applicable to and/or issued by the CSD and relating to the Notes.
- 16.2 The Issuing Agent may retire from its assignment or be dismissed by the Issuer, provided that the Issuer has approved that a commercial bank or securities institution approved by the CSD accedes as new Issuing Agent at the same time as the old Issuing Agent retires or is dismissed. Should the Issuer want to replace the Issuing Agent, it may convene a Noteholders' Meeting in accordance with Clause 14.1. 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.

## **17 Prescription**

- 17.1 The right to receive repayment of the principal of the Notes shall be prescribed and become void ten (10) years from the 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.
- 17.2 If a limitation period is duly interrupted in accordance with the Swedish Act on Limitations (Sw. *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.

## **18 Notices and Press releases**

### **18.1 Notices**

- 18.1.1 Any notice or other communication to be made under or in connection with the Finance Documents:
- (a) if to the Issuing Agent, shall be given at the address registered with the Swedish Companies Registration Office (Sw. *Bolagsverket*) on the Business Day prior to dispatch or, if sent by email by the Issuer, to such email address notified by the Issuing Agent to the Issuer from time to time;
  - (b) if to the Issuer, shall be given at the address registered with the Swedish Companies Registration Office on the Business Day prior to dispatch or, if sent

by email by the Issuing Agent, to such email address notified by the Issuer to the Issuing Agent from time to time; and

- (c) if to the Noteholders, shall be given at their addresses as registered with the CSD, on the Business Day prior to dispatch, and by either courier delivery or letter for all Noteholders. A notice to the Noteholders shall also be published on the website of the Issuer.

18.1.2 Any notice or other communication made by one person to another under or in connection with the Finance Documents shall be sent by way of courier, personal delivery or letter (and, if between the Issuing Agent and the Issuer, by email) and will only be effective, in case of courier or personal delivery, when it has been left at the address specified in Clause 18.1.1 or, in case of letter, three (3) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 18.1.1 or, in case of email to the Issuing Agent or the Issuer, when received in legible form by the email address specified in Clause 18.1.1.

18.1.3 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.

## 18.2 **Press releases**

If any information relating to the Notes or the Issuer contained in a notice the Issuing Agent may send to the Noteholders under these Terms and Conditions has not already been made public by way of a press release, the Issuing 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 Issuing 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 Issuing Agent shall be entitled to issue such press release.

## 19 **Force Majeure and Limitation of Liability**

19.1 The Issuing Agent shall not be held responsible for any damage arising out of any legal enactment, or any measure taken by a public authority, or war, strike, lockout, boycott, blockade or any other similar circumstance (a "**Force Majeure Event**"). The reservation in respect of strikes, lockouts, boycotts and blockades applies even if the Issuing Agent itself takes such measures, or is subject to such measures.

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

19.3 Should a Force Majeure Event arise which prevents 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.

19.4 The provisions in this Clause 19 apply unless they are inconsistent with the provisions of the Financial Instruments Accounts Act which provisions shall take precedence.

## **20 Governing Law and Jurisdiction**

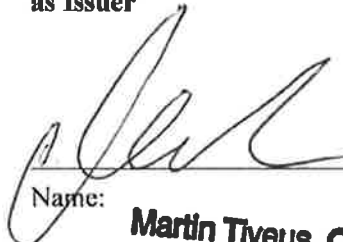
- 20.1 These Terms and Conditions, and any non-contractual obligations arising out of or in connection therewith, shall be governed by and construed in accordance with the laws of Sweden.
- 20.2 The Issuer submits to the non-exclusive jurisdiction of the City Court of Stockholm (Sw. *Stockholms tingsrätt*).
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We hereby certify that the above terms and conditions are binding upon ourselves.

Place: *Stockholm*

Date: *2015-12-04*

**AVANZA BANK AB (PUBL)**  
**as Issuer**

  
Name: **Martin Tiveus, CEO**

  
**Birgitta Hagenfeldt, CFO**