

**CONDITIONS FOR U.S.\$1,000,000,000 4.25 PER CENT. SUBORDINATED NOTES
DUE 2022 (REGULATION S ISIN US65557HAD44; RULE 144A ISIN
US65557FAD87)**

The relevant Pricing Supplement in relation to any Series of Notes will specify specific terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Terms and Conditions, replace and modify the following Terms and Conditions for the purposes of such Notes. The relevant Pricing Supplement will be endorsed upon, or attached to each Note.

Nordea Bank AB (publ) ("**Nordea**" or the "**Issuer**") has established a U.S.\$15,000,000,000 U.S. Medium-Term Note Program (the "**Program**") for the issuance of up to U.S.\$15,000,000,000 in aggregate principal amount of debt instruments (the "**Notes**"). Where a particular Condition (as defined below) is applicable only to certain classes of Notes, "**Notes**" shall be construed in accordance with the relevant Condition.

The Notes are subject to a fiscal and paying agency agreement dated October 7, 2009 (as amended and/or restated and/or replaced from time to time, the "**Agency Agreement**"), between the Issuer, Citibank, N.A., London Branch in its capacity as fiscal agent (the "**Fiscal Agent**," which expression shall include any successor to Citibank, N.A., London Branch in its capacity as such), and Citibank N.A., London Branch acting through its London Branch as registrar (which expression shall include any successor to Citibank, N.A., London Branch in its capacity as such) and the paying agent(s) named therein (the "**Paying Agent(s)**," which expression shall include the Fiscal Agent and any substitute or additional paying agents, the Fiscal Agent and any substitute or additional paying agents appointed in accordance with the Agency Agreement). A copy of the Agency Agreement is available for inspection at the corporate trust office of the Paying Agent. All persons from time to time entitled to the benefit of obligations under any Notes shall be deemed to have notice of and to be bound by all of the provisions of the Agency Agreement insofar as they relate to the relevant Notes.

The Notes are issued in separate series (each, a "**Series**") and the Notes of each Series will all be subject to identical terms whether as to currency, denomination, interest or maturity or otherwise (except issue price, issue date and interest commencement date, which may or may not be identical in connection with further issuances).

Each Series will be the subject of a pricing supplement document (the "**Pricing Supplement**") endorsed upon or attached to each Note a copy of which, in the case of a Series in relation to which application has been made for admission to the Official List of the Irish Stock Exchange, will be filed with the Irish Stock Exchange and will be available for inspection at the corporate trust office of the Fiscal Agent on or before the date of issue of the Notes of such Series. In the case of a Series in relation to which application has not been made for admission to listing, trading and/or quotation on any stock exchange, listing authority and/or quotation system, copies of the Pricing Supplement will only be available for inspection by a holder of such Notes producing evidence to the Issuer and the Fiscal Agent as to its holding of Notes and identity.

References in these Conditions to Notes are to the Notes of the relevant Series.

1. Form and Denomination

(a) Form

The Notes will be issued only in registered form. The Notes will be in substantially the form (subject to amendment and completion) scheduled to the Agency Agreement.

The Notes sold pursuant to Rule 144A under the United States Securities Act of 1933, as amended (the "**Securities Act**") initially will be represented by one or more Notes in registered, global form without interest coupons (collectively, the "**Rule 144A Global Notes**"). The Notes sold pursuant to Regulation S under the Securities Act initially will also be represented by one or more Notes in registered, global form without interest coupons (collectively, the "**Regulation S Global Notes**" and, together with the Rule 144A Global Notes, the "**Global Notes**"). Upon issuance, the Global Notes will be deposited with the Fiscal Agent or the Paying Agent as custodian for The Depository Trust Company ("**DTC**"), in New York, New York, and registered in the name of DTC or its nominee, in each case for credit to an account of a direct or indirect participant in DTC as described below. Beneficial interests in the Rule 144A Global Notes may not be exchanged for beneficial interests in the Regulation S Global Notes at any time except in the limited circumstances described below under Condition 2(c) below.

Except as set forth below, the Global Notes may be transferred, in whole and not in part, only to another nominee of DTC or to a successor of DTC or its nominee. Beneficial interests in the Global Notes may not be exchanged for Notes in definitive form except in the limited circumstances described below.

Notes sold to QIBs in reliance on Rule 144A (including beneficial interests in the Rule 144A Global Notes) will be subject to certain restrictions on transfer and will bear a restrictive legend as described under Condition 2(d) below. In addition, transfers of beneficial interests in the Global Notes will be subject to the applicable rules and procedures of DTC and its direct or indirect participants (including, if applicable, those of Euroclear Bank S.A./N.V. ("**Euroclear**") or Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**"), which may change from time to time).

(b) *Denomination*

Notes will be issued in such denominations as may be specified in the relevant Pricing Supplement, subject to (i) a minimum denomination of U.S.\$200,000 (or, in the case of Notes not denominated in U.S. dollars, the equivalent thereof in such foreign currency, rounded down to the nearest 100,000 units of such foreign currency, but so that in no event will the minimum denomination be lower than €100,000 or its equivalent at the date of issue of the relevant Notes) and integral multiples of U.S.\$1,000 (or, in the case of Notes not denominated in U.S. dollars, 1,000 units of such foreign currency) in excess thereof; and (ii) compliance with all applicable legal and/or regulatory and/or central bank requirements.

(c) *Currency of the Notes*

Unless otherwise indicated in the relevant Pricing Supplement, the Notes will be denominated in U.S. dollars and payments of the principal of and any premium or interest on the Notes will be made in U.S. dollars. If any of the Notes are to be denominated or payable in a currency other than or in addition to U.S. dollars (the "**Foreign Currency Notes**"), additional information pertaining to the terms of such Notes and other matters relevant to the holders thereof will be described in the relevant Pricing Supplement.

For the purposes of these Terms and Conditions (the "**Conditions**"), references to the Notes shall, as the context may require, be deemed to be Global Notes, Rule 144A Global Notes, Regulation S Global Notes or Definitive Registered Notes (as defined herein).

2. **Title, Transfer and Delivery**

(a) *Title to Notes*

Subject to such reasonable procedures as it may prescribe, the Issuer will keep the Note Register for the exchange, registration and registration of transfer of Notes at the designated corporate trust office of the Fiscal Agent in the City of New York, the Fiscal Agent acting as the Issuer's agent for such purposes. References herein to the "**Noteholders**" or "**Holders**" of Notes signify the persons in whose names such Notes are so registered. The Fiscal Agent will keep the Note Register at said office and will make such Note Register available for inspection upon the request of the Issuer. Included in the Note Register will be the name and address of the Holder of each Note, the amount of each Note, notations as to whether such Notes have been paid or canceled, and, in the case of mutilated, destroyed, stolen or lost Notes, whether such Notes have been replaced. In the case of the replacement of any of the Notes, the Fiscal Agent will keep a record of the Note so replaced, and the Note issued in replacement thereof. In the case of the cancellation of any of the Notes, the Fiscal Agent will keep a record of the Note so canceled and the date on which such Note was canceled. The Fiscal Agent and the Issuer may treat the person in whose name the Note is registered as the owner of such Note for all purposes.

(b) *Transfer of Notes*

A Note may, upon the terms and subject to the conditions set forth in the Agency Agreement, be transferred in whole or in part only (provided that such part is, or is an integral multiple of, the minimum denomination specified in the relevant Pricing Supplement) upon the surrender of the Note to be transferred, together with the form of transfer endorsed on it (the "**Certificate of Transfer**") duly completed and executed, at the corporate trust office of the Paying Agent. A new Note will be issued to the transferee and, in the case of a transfer of part only of a Note, a new Note in respect of the balance not transferred will be issued to the transferor.

The following procedures and restrictions with respect to the registration of any transfer of any Note shall apply:

- (i) The Fiscal Agent shall register the transfer of any Note, if the requested transfer (x) is to the Issuer, (y) such transfer is, in the case of Rule 144A Global Notes, at least one year (or such other period as shall constitute the required holding period pursuant to Rule 144A under the Securities Act) after the later of (i) the issue date of such Note (or any predecessor of such Note) and (ii) the sale of such Note (or any predecessor of such Note) by the Issuer or an Affiliate of the Issuer (computed in accordance with paragraph (d) of Rule 144 under the Securities Act) and the Holder of such Note is not at the proposed date of such transfer and was not during the three months preceding such proposed date of transfer an Affiliate of the Issuer, or (z) such transfer is, in the case of Regulation S Global Notes, at least 40 days after the issue date of such Note (or any predecessor of such Note). No further documents, certifications or other evidence need be supplied in respect of any such transfer.
- (ii) The Fiscal Agent shall register the transfer of any Note if the Holder of such Note has properly completed the Certificate of Transfer, or a transfer instrument substantially in the form of such Certificate of Transfer, and has delivered such Certificate of Transfer to the Fiscal Agent.
- (iii) The Fiscal Agent shall register the transfer of a Note to or from the DTC or any other institutional trading system designated by the Issuer in a written notice to the Fiscal Agent. In connection with any such transfer to the DTC for deposit or for deposit in such other institutional trading system, no further documents, certifications or other evidence need be supplied to the Fiscal Agent in respect thereof. In connection with any such transfer out of such other institutional trading system, the Fiscal Agent shall receive such documents, certifications or other evidence from the transferor or transferee as are specified in such written notice.
- (iv) If so directed by the Issuer, the Fiscal Agent shall register the transfer of the Notes, from or through any dealer, placement agent or other person specified by the Issuer which has agreed in writing to offer, sell and effect transfers of Notes only (i) to a prospective purchaser who is such dealer, placement agent or other person has reasonable grounds to believe and does believe is a QIB; or (ii) in an offshore transaction in accordance with Rule 903 or 904 of Regulation S. No further documents, certifications or other evidence need be supplied in respect of any such transfer.
- (v) With respect to any requested transfer of a Note not provided for in clauses (i) through (iv) above, the Fiscal Agent shall not register such transfer except upon the order of the Issuer signed by or on behalf of the Issuer by an authorized officer or a duly appointed attorney-in-fact of the Issuer and then only pursuant to any additional procedures as the Issuer may establish and against surrender of such Note. Such additional procedures may include, without limitation, (x) delivery by the transferor or the proposed transferee of an opinion of counsel reasonably satisfactory to the Issuer to the effect that such transfer may be effected without registration under the Securities Act and (y) the delivery by the proposed transferee of representation letters in form and substance reasonably satisfactory to the Issuer to ensure compliance with the provisions of the Securities Act. It is understood that the issuance of such order by the Issuer shall be in the sole and absolute discretion of the Issuer.
- (vi) Upon receipt of the duly completed Note and any required instruments of transfer, transfer notices or other written statements or documents as described above, the Fiscal Agent shall cancel such Note and register the transfer and complete, authenticate and deliver in the name of the designated transferee or transferees, one or more new Notes of authorized denominations in the principal amount specified on such Note.
- (vii) The Fiscal Agent shall have no liability whatsoever to any party so long as it registers the transfer in accordance with the instructions described herein.

All Notes issued upon any transfer or exchange of Notes shall be valid obligations of the Issuer, evidencing the same debt, and entitled to the same benefits under the Agency Agreement as the Notes surrendered upon such transfer or exchange. Each Note authenticated and delivered upon any transfer or exchange for or in lieu of the whole or any part of any Note shall carry all the rights to interest (including any Arrears of Interest and Additional Interest Amounts), if any, and additional amounts, if

any, in each case accrued and unpaid and to accrue, which were carried by the whole or such part, as the case may be, of such Note.

The Issuer or Fiscal Agent may decline to exchange or register the transfer of any Note during the period of 15 days preceding (i) the due date for any payment of principal of or interest (including Arrears of Interest and Additional Interest Amounts) on or additional amounts with respect to the Notes or (ii) the date on which Notes are scheduled for redemption pursuant to Condition 6.

Transfer, registration and exchange shall be permitted and executed as provided in this Condition 2 without any charge to the Holder other than any taxes or governmental charges payable on transfers or any expenses of delivery by other than regular mail, but subject to such reasonable regulations as the Issuer and the Fiscal Agent may prescribe. Registration of the transfer of a Note by the Fiscal Agent shall be deemed to be the acknowledgment of such transfer on behalf of the Issuer.

Upon the transfer, exchange or replacement of Notes not bearing the Rule 144A Legend (as defined herein), the Fiscal Agent shall deliver Notes that do not bear the Rule 144A Legend. Upon the transfer, exchange or replacement of Notes bearing the Rule 144A Legend, the Fiscal Agent shall deliver only Notes that bear the Rule 144A Legend unless the circumstances contemplated by Condition 2(b)(i)(y) above exist.

(c) *Depository Procedures*

The following description of the operations and procedures of DTC, Euroclear and Clearstream, Luxembourg is provided solely as a matter of convenience. These operations and procedures are solely within the control of the respective settlement systems and are subject to changes by them from time to time. The Issuer and the Dealers take no responsibility for these operations and procedures and urge investors to contact the system of their participants directly to discuss these matters.

DTC has advised the Issuer that DTC is a limited-purpose trust company organized under the laws of the State of New York, a member of the Federal Reserve System, a "banking organization" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provision of Section 17A of the U.S. Securities Exchange Act of 1934, as amended (the "**Exchange Act**"). DTC was created to hold securities for its participating organizations (collectively, the "**Participants**") and to facilitate the clearance and settlement of transactions in those securities between Participants through electronic book-entry changes in the accounts of its Participants. The Participants include securities brokers and dealers (including the agents, banks, trust companies, clearing corporations and certain other organizations). Access to DTC's system is also available to other entities such as banks, brokers, dealers and trust companies, that clear through or maintain a custodial relationship with a Participant either directly or indirectly (collectively, the "**Indirect Participants**"). Persons who are not Participants may beneficially own securities held by or on behalf of DTC only through the Participant or the Indirect Participants. The ownership interests in, and transfers of ownership interests in, each security held by or on behalf of DTC are recorded on the records of the Participant and Indirect Participants.

DTC has also advised the Issuer that, pursuant to procedures established by it, (i) upon deposit of Global Notes, DTC will credit the accounts of Participants designated by the Initial Purchasers with portions of the principal amount of the Global Notes and (ii) ownership of such interest in the Global Notes will be shown on, and the transfer of ownership thereof will be affected only through, records maintained by DTC (with respect to the Participants) or by the Participants and the Indirect Participants (with respect to other owners of beneficial interests in the Global Notes).

Investors in the Global Notes may hold their interest therein directly through DTC, if they are Participants in such system, or indirectly through organizations (including Euroclear and Clearstream, Luxembourg) which are Participants in such system. Euroclear and Clearstream, Luxembourg will hold interests in the Regulation S Global Note on behalf of their participants through customers' securities accounts in their respective names on the books of their respective depositories. All interests in a Global Note, including those held through Euroclear or Clearstream, Luxembourg, may be subject to the procedures and requirements of DTC. Those interests held through Euroclear or Clearstream, Luxembourg may also be subject to the procedures and requirements of such systems. The laws of some states require that certain persons take physical delivery in definitive form of securities that they own. Consequently, the ability to transfer beneficial interests in a Global Notes to such persons will be

limited to that extent. Because DTC can act only on behalf of Participants, which in turn act on behalf of Indirect Participants and certain banks, the ability of a person having a beneficial interest in a Global Note to pledge such interest to persons or entities that do not participate in the DTC system, or otherwise take actions in respect of such interest, may be affected by the lack of a physical certificate evidencing such interest.

Except as described below, owners of interests in the Global Notes registered in the name of DTC or its nominee will not be considered the registered owners or "Holders" thereof under the Agency Agreement for any purpose.

Payments in respect of the principal, premium, if any, and interest on a Global Note registered in the name of DTC or its nominee will be payable to DTC in its capacity as the registered Holder under the Agency Agreement. Under the terms of the Agency Agreement, the Issuer will treat the persons in whose names the Notes, including the Global Notes, are registered as the owners thereof for the purpose of receiving such payments and for any and all other purposes whatsoever. Consequently, neither the Issuer, the Fiscal Agent nor any agent of, the Issuer or the Fiscal Agent has or will have any responsibility or liability for (i) any aspect of DTC's records or any Participants' or Indirect Participants' records relating to or payments made on account of beneficial ownership interests in the Global Notes, or for maintaining, supervising or reviewing any of DTC's records or any Participants' or Indirect Participants' records relating to or payments made on account of beneficial ownership interests in the Global Notes or (ii) any other matter relating to the actions and practices of DTC or any of its Participants or Indirect Participants. DTC has advised the Issuer that its current practice, upon receipt of any payment in respect of securities such as the Notes (including principal and interest), is to credit the accounts of the relevant Participants with the payment on the interest payment date, in amounts proportionate to their respective holdings in the principal amount of the beneficial interests in the relevant security as shown on the records of DTC unless DTC has reason to believe it will not receive payment on such interest payment date. Payments by the Participants and the Indirect Participants to the beneficial owners of Notes will be governed by standing instructions and customary practices and will be the responsibility of the Participants or the Indirect Participants and will not be the responsibility of DTC or the Issuer. Neither the Issuer nor the Paying Agents will be liable for any delay by DTC or any of its Participants in identifying the beneficial owners of the Notes, and the Issuer and the Paying Agents may conclusively rely on and will be protected in relying on instructions from DTC or its nominee for all purposes.

Except for trades involving only Euroclear and Clearstream, Luxembourg participants, interests in the Global Notes are expected to be eligible to trade in DTC's Same Day Funds Settlement System, and secondary market trading activity in such interests will, therefore, settle in immediately available funds, subject in all cases to the rules and procedures of DTC and its Participants.

Subject to the transfer restrictions set forth under "*Transfer Restrictions*," transfers between Participants in DTC will be effected in accordance with DTC's procedures, and will be settled in same day funds, and transfers between participants in Euroclear and Clearstream, Luxembourg will be effected in the ordinary way in accordance with their respective rules and operating procedures.

Subject to compliance with the transfer restrictions applicable to the Notes described herein, cross-market transfers between the Participants in DTC, on the one hand, and Euroclear or Clearstream, Luxembourg participants, on the other hand, will be effected through DTC in accordance with DTC's rules on behalf of Euroclear or Clearstream, Luxembourg, as the case may be, by its respective depository; however, such cross-market transactions will require delivery of instructions to Euroclear or Clearstream, Luxembourg, as the case may be, by the counterparty in such system in accordance with the rules and procedures and within the established deadlines (Brussels time) of such system. Euroclear or Clearstream, Luxembourg, as the case may be, will, if the transaction meets its settlement requirements, deliver instructions to its respective depository to take action to effect final settlements on its behalf by delivering or receiving interests in the relevant Global Note in DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Euroclear participants and Clearstream, Luxembourg participants may not deliver instructions directly to the depositories for Euroclear or Clearstream, Luxembourg.

DTC has advised the Issuer that it will take any action permitted to be taken by a Holder of Notes only at the direction of one or more Participants to whose account DTC has credited the interest in the Global Notes and only in respect of such portion of the aggregate principal amount of the Notes as to

which such Participant or Participants has or have given such direction. However, if there is an Event of Default under the Notes, DTC reserves the right to exchange the Global Notes for Notes in definitive form, and to distribute such Notes to its Participants (as described below).

Although DTC, Euroclear and Clearstream, Luxembourg have agreed to the foregoing procedures to facilitate transfers of interest in the Global Notes among Participants in DTC, Euroclear and Clearstream, Luxembourg, they are under no obligation to perform or to continue to perform such procedures, and such procedures may be discontinued at any time. Neither the Issuer, the Fiscal Agent nor any of their respective agents will have any responsibility for the performance by DTC, Euroclear or Clearstream, Luxembourg or their respective participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

Exchange of Global Notes for Definitive Registered Notes

A Global Note is exchangeable for definitive Notes in registered definitive form ("**Definitive Registered Notes**") if (i) DTC notifies the Issuer that it is unwilling or unable to continue as depositary for the Global Notes or has ceased to be a clearing agency registered under the Exchange Act and, in either case, the Issuer thereupon fail to appoint a successor depositary within 120 days after the date of such notice or; (ii) the Issuer, at their option, notify the Fiscal Agent and the Paying Agent in writing that they elect to cause the issuance of the Definitive Registered Notes or; (iii) DTC so requests after there shall have occurred and continuing an Event of Default with respect to the Notes of such series. In all cases, Definitive Registered Notes delivered in exchange for any Global Note or beneficial interests therein will be registered in the names, and issued in any approved denominations, requested by or on behalf of the depositary in accordance with its customary procedures and will bear the restrictive legend referred to in "Transfer Restrictions," unless the Issuer determines otherwise in compliance with applicable law.

Exchange of Definitive Registered Notes for Global Notes

Registered Notes issued in definitive form that are "restricted securities" within the meaning of Rule 144 under the Securities Act may not be transferred for beneficial interests in any Global Note unless the transferor first delivers to the Fiscal Agent and the Paying Agent a written certificate to the effect that such transfer will comply with the appropriate transfer restrictions applicable to such Notes.

Exchange or Transfer of Definitive Registered Notes

Definitive Registered Notes may be exchanged or transferred by presenting or surrendering such Definitive Registered Notes at the corporate trust office of the Fiscal Agent with a written instruction of transfer in form satisfactory to the Fiscal Agent, duly executed by such Holder or his attorney, duly authorized in writing. If the Notes being exchanged or transferred are "restricted securities," such Holder shall also provide a written certificate to the effect that such transfer will comply with the appropriate transfer restriction applicable to such Notes.

Exchange Among Regulation S Global Note and Rule 144A Global Note

On or prior to a date that is 40 days after the issue date of such Note, beneficial interests in a Regulation S Global Note may be transferred to a person who wishes to hold an interest in a Rule 144 A Global Note only upon receipt by the Fiscal Agent of a written certification from the transferor (in the form set out in the Agency Agreement) to the effect that such transfer is being made to a person whom the transferor reasonably believes is a QIB within the meaning of Rule 144A purchasing for its own account or for the account of a qualified institutional buyer, in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities laws of any state of the United States.

Interests in a Rule 144A Global Note may also be transferred to a person who wishes to hold an interest through a Regulation S Global Note, but only upon receipt by the Fiscal Agent and the Paying Agent of a written certification from the transferor to the effect that such transfer is being made in accordance with Rule 903 or Rule 904 of Regulation S or with Rule 144A (if available) under the Securities Act.

Any interest in either a Rule 144A Global Note or a Regulation S Global Note that is transferred to a person who takes delivery in the form of an interest in the other Global Note will, upon transfer, cease to be an interest in such Global Note and become an interest in the other Global Note and, accordingly,

will thereafter be subject to all transfer restrictions and other procedures applicable to an interest in such other Global Note.

Same Day Settlement and Payment

The Notes represented by the Global Notes will be eligible to trade in DTC's Same Day Funds Settlement System, and any permitted secondary market trading activity in such Notes will, therefore, be required by DTC to be settled in immediately available funds. The Issuer expects that secondary trading in any Definitive Registered Notes will also be settled in immediately available funds.

Because of time zone differences, the securities account of a Euroclear or Clearstream, Luxembourg participant purchasing an interest in a Global Note from a Participant in DTC will be credited, and any such crediting will be reported to the relevant Euroclear or Clearstream, Luxembourg participant, during the securities settlement processing day (which must be a business day for Euroclear and Clearstream, Luxembourg) immediately following the settlement date of DTC. DTC has advised the Issuer that cash received in Euroclear or Clearstream, Luxembourg as a result of sales of interest in a Global Note by or through a Clearstream, Luxembourg participant to a Participant in DTC will be received with value on the settlement date of DTC but will be available in the relevant Euroclear or Clearstream, Luxembourg cash account only as of the business day for Euroclear or Clearstream, Luxembourg following DTC's settlement date.

(d) *Rule 144A Legend*

Upon the transfer, exchange or replacement of the Notes bearing the private placement legend (the "**Rule 144A Legend**") for the purpose of Rule 144A under the Securities Act set forth in the form of the Note scheduled to the Agency Agreement, the Fiscal Agent shall deliver only Notes that also bear such legend unless there is delivered to the Issuer and to the Fiscal Agent such satisfactory evidence, which may include an opinion, reasonably satisfactory to the Issuer, of counsel experienced in giving opinions with respect to questions arising under the securities laws of the United States, that neither the Rule 144A Legend nor the restrictions on transfer set forth therein are required to ensure that transfers thereof comply with the provisions of Rule 144A, Rule 144 or Regulation S under the Securities Act or that such Notes are not "restricted securities" within the meaning of Rule 144 under the Securities Act. The Issuer covenants and agrees that it will not acquire any beneficial interest, and will cause its Banking Affiliates not to acquire any beneficial interest, in any Note bearing the Rule 144A Legend unless it notifies the Fiscal Agent in writing of such acquisition. The Fiscal Agent and all Noteholders will be entitled to rely without further investigation on any such notification (or lack thereof). "**Banking Affiliate**" means for the purpose of this Condition 2(d) any entity controlled, directly or indirectly, by the Issuer, any entity that controls the Issuer, directly or indirectly, or any entity under common control with the Issuer, and which is in each case, a credit institution whose business is to receive deposits or other repayable funds from the public and to grant credits for its own account. For this purpose "**control**" of the Issuer or any entity means ownership of a majority of the voting power of the Issuer or such entity

3. **Status**

(1) **Status—Unsubordinated Notes**

- (a) This Condition 3(1) is applicable in relation to the Notes specified in the relevant Pricing Supplement as being Unsubordinated or not specified as being subordinated (the "**Unsubordinated Notes**").
- (b) The Unsubordinated Notes of each Series constitute unsecured and unsubordinated obligations of the Issuer and rank *pari passu* without any preference among themselves and at least *pari passu* with all other outstanding unsecured and unsubordinated obligations of the Issuer, present and future.

(2) **Status; Conversion and Reconversion—Subordinated Notes**

- (a) This Condition 3(2) is applicable in relation to Notes specified in the relevant Pricing Supplement as being Dated Subordinated Notes, Undated Subordinated Notes or Capital Contribution Securities (each as defined herein, and together, unless the context otherwise requires, the "**Subordinated Notes**").

(b) ***Dated Subordinated Notes***

The Dated Subordinated Notes (being those Notes specified in the relevant Pricing Supplement as being Dated Subordinated and which have a specified maturity) (the "**Dated Subordinated Notes**") constitute and will constitute direct and unsecured obligations of the Issuer and rank and will rank *pari passu* without any preference among themselves. In the event of liquidation or bankruptcy of the Issuer, the rights of Holders of any Dated Subordinated Notes to payments of the outstanding principal amount and any other amounts in respect of the Dated Subordinated Notes (including any accrued and unpaid interest amount or damages awarded for breach of any obligations under these Conditions, if any are payable) shall (i) be subordinated to the claims of all Senior Creditors of the Issuer; (ii) rank at least *pari passu* with the claims of all subordinated creditors of the Issuer which in each case by law rank, or by their terms, are expressed to rank *pari passu* with the Dated Subordinated Notes; and (iii) rank senior to any Junior Securities of the Issuer.

No Holder of Dated Subordinated Notes who shall in the event of the liquidation or bankruptcy of the Issuer be 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 such Dated Subordinated Notes.

(c) ***Undated Subordinated Notes***

The Undated Subordinated Notes (being those Notes specified in the relevant Pricing Supplement as being Undated Subordinated and which do not have a specified maturity) (the "**Undated Subordinated Notes**") constitute and will constitute unsecured, subordinated obligations of the Issuer. The Issuer reserves the right to issue or incur other undated subordinated obligations in the future, provided, however, that any such undated subordinated obligations may not in the event of liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Issuer rank prior to the Undated Subordinated Notes.

In the event of the liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Issuer, the rights of the Holders of any Undated Subordinated Notes to payments on or in respect of such Undated Subordinated Notes, whether or not the whole or any part of the principal amount of the Undated Subordinated Notes (together with accrued but unpaid interest including Arrears of Interest and any Additional Interest Amount (as defined in Condition 4(6)(c)) has been made available to avoid the Issuer being obliged to enter into liquidation and such amount has been converted into conditional capital contributions as described below, provided that the Articles of Association of the Issuer have been amended substantially to the effect set out below, will rank:

- (i) *pari passu* without any preference among the Undated Subordinated Notes;
- (ii) at least *pari passu* with all outstanding undated subordinated obligations of the Issuer whether or not so converted as described below;
- (iii) in priority to payments to holders of all classes of share capital, preference share capital and capital contribution securities (*primärkapitaltillskott*) of the Issuer in their capacity as such holders and any obligation of the Issuer expressed to rank junior to the Undated Subordinated Notes; and
- (iv) junior in right of payment to the payment of any present or future claims of (x) depositors of the Issuer, (y) other unsubordinated creditors of the Issuer, and (z) subordinated creditors of the Issuer in respect of Subordinated Indebtedness having a fixed maturity (including Dated Subordinated Notes).

The Issuer reserves the right to issue or incur other undated subordinated obligations in the future, provided, however, that any such undated subordinated obligations may not in the event of liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Issuer rank prior to the Undated Subordinated Notes.

Utilization and Conversion

To the extent that may be required to avoid the Issuer being obliged to enter into liquidation (*likvidation*), the shareholders of the Issuer, by resolution passed at a general meeting (annual or extraordinary), may decide that the principal amount of the Undated Subordinated Notes (together with Accrued Interest) will be utilized for the purposes of the Issuer avoiding being obliged to enter into liquidation (however any Accrued Interest should be entered as liabilities before they can be appropriated), by writing down the principal amount (together with Accrued Interest) by the amount required to avoid liquidation (*likvidation*) and to restore capital to a level which is equal to the registered share capital of the Issuer and converting such amount (the "**Converted Amount**") into a conditional capital contribution (*villkorat kapitaltillskott*). The rights of the Holders of the Undated Subordinated Notes in respect of the principal amount and Accrued Interest so utilized will thereupon be converted into rights of providers of conditional capital contributions as set out below.

Interest will not accrue on the Converted Amount, but Holders of the Undated Subordinated Notes shall be compensated for loss of interest before payments to shareholders are made, as further described below.

Upon utilization of the Converted Amount (as described above), the Issuer shall give notice to the Fiscal Agent and the Holders of the Undated Subordinated Notes in accordance with the Agency Agreement.

Utilization of the principal amount of the Undated Subordinated Notes (together with Accrued Interest) for the purpose of the Issuer avoiding being obliged to enter into liquidation (*likvidation*) shall be made *pro rata* to the principal amount (and accrued but unpaid interest) of other undated subordinated notes ranking *pari passu* with the Undated Subordinated Notes other than capital contribution securities (*primärkapitaltillskott*) and other undated subordinated debt ranking junior to the Undated Subordinated Notes, and may only be made after utilization (in full) for the same purpose of any capital contribution securities (*primärkapitaltillskott*) or other undated subordinated debt ranking junior to the Undated Subordinated Notes. Utilization of the principal amount of the Undated Subordinated Notes (and Accrued Interest) as aforesaid may only be made provided (a) that the SFSA shall have given its approval thereto and (b) that the Articles of Association of the Issuer shall, in connection with the implementation of such decision, have been amended by the incorporation of a duly registered Article substantially to the following effect (unless the same is provided for under Swedish law or unless the Articles of Association have previously been amended in connection with a prior such utilization of the Undated Subordinated Notes or of other undated subordinated debt for the purpose of avoiding being obliged to enter into liquidation (*likvidation*) and such Article has not since been amended):

"Until an amount equal to the portion of the principal amount of the Undated Subordinated Notes (and of Accrued Interest) which has been converted to a conditional capital contribution (*villkorat kapitaltillskott*) has been reinstated as debt in full in the balance sheet of the Issuer, or such amount has been redeemed (such redemption having been approved by the SFSA) and the Issuer has paid an amount equal to the interest (calculated in accordance with the terms for calculating Arrears of Interest) that would have accrued on the Undated Subordinated Notes in the absence of the conversion of such amount as aforesaid, the Issuer may neither distribute dividends or otherwise make payments to its shareholders (except (i) in respect of claims that, in bankruptcy (*konkurs*) or liquidation (*likvidation*), would have priority in right of payment over undated subordinated obligations, or (ii) in connection with the distribution of assets in the event of merger as provided by law) nor redeem any capital contributions that may have been made by shareholders (*aktieägartillskott*). Notwithstanding the foregoing, the Issuer may, however, make payments to its shareholders, provided that, in connection with such payment, other measures are taken (i) to ensure that neither the share capital

(including restricted reserves) nor the nonrestricted reserves of the Issuer will be reduced as compared with the amount of the share capital (including restricted reserves) and of the non-restricted reserves prior to the payment decision or; (ii) which will otherwise ensure that the interests of the Noteholders are not adversely affected in any respect as a result of such payment to shareholders. In the event of dissolution of the Issuer holders of Undated Subordinated Notes shall be repaid in priority to any security ranking junior to Undated Subordinated Notes. Notwithstanding the conversion of the whole or any part of the portion of the principal amount of the Undated Subordinated Notes to a conditional capital contribution (*villkorat kapitaltillskott*) as described above, in the event of bankruptcy (*konkurs*) or liquidation (*likvidation*) of the Issuer, the rights of the holders of any Undated Subordinated Notes so converted to payments on or in respect of such conditional capital contribution (*villkorat kapitaltillskott*) shall rank in accordance with the subordination provisions applying to the Undated Subordinated Notes immediately prior to such conversion, as set out in the conditions of the Undated Subordinated Notes."

The principal amount of the Undated Subordinated Notes (together with Accrued Interest) may be utilized and converted as described above on one or more occasions.

During any period(s) in which part of the principal amount of the Undated Subordinated Notes has been made available and converted as aforesaid, interest shall accrue on the balance of the principal amount of the Undated Subordinated Notes at the rate of interest as set out under Condition 4(6)(c) below.

Utilization (as described above) of the principal of the Undated Subordinated Notes (and of Accrued Interest) shall not constitute an Event of Default under the Conditions of the Undated Subordinated Notes.

Reconversion and Reinstatement

Reconversion and reinstatement as debt of the portion of the principal amount of the Undated Subordinated Notes (together with Accrued Interest) which has been converted to a conditional capital contribution (*villkorat kapitaltillskott*) and payment of an amount equal to the interest that would have accrued on the Undated Subordinated Notes in the absence of such conversion may only be made out of Available Distribution Funds of the Issuer and subject to a resolution of the shareholders passed at a general meeting.

Reconversion and reinstatement as debt of the portion of the principal amount of the Undated Subordinated Notes (together with Accrued Interest) which has been converted to a conditional capital contribution (*villkorat kapitaltillskott*) shall be made *pro rata* with any amounts converted in respect of other undated subordinated indebtedness ranking *pari passu* with the Undated Subordinated Notes (excluding any indebtedness which constitutes capital contribution securities (*primärkapitaltillskott*) or which is expressed to rank junior to the Undated Subordinated Notes) and prior to reconversion and reinstatement in respect of capital contribution securities (*primärkapitaltillskott*) (or other indebtedness expressed to rank junior to the Undated Subordinated Notes).

Upon reconversion and reinstatement as debt of any portion of the Converted Amount as described above, the Issuer shall give notice to the Fiscal Agent and Holders of Undated Subordinated Notes in accordance with the Agency Agreement.

If and to the extent that the Converted Amount has been reconverted and reinstated as debt in the balance sheet of the Issuer, interest thereon shall start to accrue again, and become payable in accordance with the terms of the Undated Subordinated Notes, as from the date of such reinstatement.

Redemption after Conversion

If the Issuer has utilized the Converted Amount to avoid liquidation and to restore equity to a level that is equal to the registered share capital, on any redemption of the Undated Subordinated Notes (such redemption having been approved by the SFSA), the whole of the original principal amount (together with Accrued Interest) of the Undated Subordinated Notes (and not part only) shall be redeemed and shall be paid in full together with an amount which would otherwise have been payable in respect of interest on the amount so converted had such amount not been so converted.

General

No Holder of Undated Subordinated Notes who shall in the event of the liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Issuer be 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 such Undated Subordinated Notes.

(d) ***Status; Conversion and Reconversion–Capital Contribution Securities***

Ranking

The Capital Contribution Securities (being those specified in the relevant Pricing Supplement as being Capital Contribution Securities and which do not have a specified maturity) (the "**Capital Contribution Securities**") constitute and will constitute unsecured, subordinated obligations of the Issuer.

In the event of the voluntary or involuntary liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Issuer, the rights of the Holders of any Capital Contribution Securities to payments of the principal amount of the Capital Contribution Securities and any other amounts due in respect of the Capital Contribution Securities, whether or not the whole or any part of the principal amount of the Capital Contribution Securities has been made available to avoid the Issuer being obliged to enter into liquidation or to avoid or remedy any breach of Applicable Banking Regulations and such amount has been converted into conditional capital contributions as described below provided that the Articles of Association of the Issuer have been amended substantially to the effect set out in the Conditions, will rank:

- (i) *pari passu* without any preference among the Capital Contribution Securities;
- (ii) at least *pari passu* with any other present or future outstanding capital contribution securities (*primärkapitaltillskott*) (as defined herein) of the Issuer whether or not converted as described below;
- (iii) in priority to payments to holders of all classes of ordinary share capital and preference share capital of the Issuer in their capacity as such holders and any obligation of the Issuer expressed to rank junior to the Capital Contribution Securities; and
- (iv) junior in right of payment to the payment of any present or future claims of (x) depositors of the Issuer, (y) other unsubordinated creditors of the Issuer, and (z) subordinated creditors of the Issuer in respect of Subordinated Indebtedness (other than capital contribution securities (*primärkapitaltillskott*)).

Further Capital Contribution Securities

The Issuer reserves the right to issue other capital contribution securities (*primärkapitaltillskott*) in the future, provided, however, that any such obligations may not in the event of voluntary or involuntary liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Issuer rank prior to the Capital Contribution Securities.

Utilization and Conversion

To the extent that may be required (i) to avoid the Issuer being obliged to enter into liquidation (*likvidation*) or (ii) to avoid or remedy any breach of Applicable Banking Regulations (unless the SFSA has expressly permitted the Issuer not to avoid or remedy such breach through utilization and conversion), the shareholders of the Issuer, by resolution passed at an annual general meeting or an extraordinary general meeting, may decide that the principal amount of the Capital Contribution Securities (together with Accrued Interest, such Accrued Interest to be entered as liabilities before it can be appropriated) will be utilized for the purposes of the Issuer avoiding being obliged to enter into liquidation or avoiding remedying any breach of Applicable Banking Regulations, by writing down the principal amount (together with Accrued Interest) by the amount required and in the case of a Liquidation Avoidance Conversion only, to restore capital to a level which is equal to the registered share capital of the Issuer, and converting such amount (the "**Converted Amount**") into a conditional capital contribution (*villkorat kapitaltillskott*) (i) to avoid liquidation ("**Liquidation Avoidance Conversion**") or (ii) to avoid or remedy any breach of Applicable Banking Regulations ("**Regulatory Breach Avoidance Conversion**"). The rights of the Holders of the Capital Contribution Securities in respect of the principal amount (together with Accrued Interest) so utilized will thereupon be converted into rights of providers of capital contributions as set out below.

Upon utilization of the Converted Amount (as described above), the Issuer shall give notice to the Fiscal Agent and the Holders of the Capital Contribution Securities in accordance with the Agency Agreement.

Interest will not accrue on the Converted Amount but will continue to accrue on the balance of the non-converted amount (if any) unless the SFSA expressly permits interest to accrue on the original principal amount.

Utilization of the Converted Amount for the purpose of the Issuer avoiding being obliged to enter into liquidation or avoiding or remedying any breach of Applicable Banking Regulations shall be made prior to the utilization for the same purpose of undated subordinated debt issued by the Issuer (other than capital contribution securities (*primärkapitaltillskott*)) and shall be made following the utilization for the same purpose of the principal amount (together with accrued interest) of other capital contribution securities (*primärkapitaltillskott*) ranking junior to the Capital Contribution Securities (if any). In the case of any Liquidation Avoidance Conversion, utilization of the Capital Contribution Securities shall be made *pro rata* to the principal amount (together with accrued interest) of other capital contribution securities (*primärkapitaltillskott*) ranking *pari passu* with the Capital Contribution Securities and outstanding at the time of such utilization. In the case of any Regulatory Breach Avoidance Conversion, utilization of the Capital Contribution Securities shall be made *pro rata* to the principal amount (and Accrued Interest) of all capital contribution securities (*primärkapitaltillskott*) permitting a Regulatory Breach Avoidance Conversion. The principal amount of each Capital Contribution Security converted on the date of such utilization and conversion shall be the Converted Amount divided by the number of Capital Contribution Securities outstanding on such date. Utilization of the Converted Amount as aforesaid may only be made provided that: (i) the SFSA shall have given its approval thereto; and (ii) the Articles of Association of the Issuer shall, in connection with the implementation of such decision, have been amended by the incorporation of a duly registered provision substantially to the following effect (unless the same is provided for under Swedish law or unless the Articles of Association have previously been amended in connection with a prior utilization of the Capital Contribution Securities or of other capital contribution securities (*primärkapitaltillskott*) for the purpose of the Issuer avoiding being obliged to enter into liquidation or to avoid or remedy any breach of Applicable Banking Regulations and the Articles of Association have not since been amended):

"Until an amount equal to the Converted Amount has been reinstated as debt in full in the balance sheet of the Issuer, or such amount has been redeemed (such redemption having been approved by the SFSA), the Issuer may neither distribute dividends nor otherwise make payments to its shareholders (except (i) in respect of claims that, in

bankruptcy (*konkurs*) or liquidation (*likvidation*), would have priority in right of payment over capital contribution securities (*primärkapitaltillskott*), or (ii) in connection with the distribution of assets in the event of merger as provided by law) nor redeem any capital contributions that may have been made by shareholders (*aktieägartillskott*). Notwithstanding the foregoing, the Issuer may, however, make payments to its shareholders, provided that, in connection with such payment, other measures are taken (i) to ensure that neither the share capital (including restricted reserves) nor the non-restricted reserves of the Issuer will be reduced as compared to the amount of the share capital (including restricted reserves) and of the non-restricted reserves prior to the payment decision or (ii) which will otherwise ensure that the interests of the holders of the capital contribution securities (*primärkapitaltillskott*) are not adversely affected in any respect as a result of such payment to shareholders. In the event of dissolution of the Issuer, holders of capital contribution securities (*primärkapitaltillskott*) shall be repaid in priority over payments to holders of all classes of shares in the Issuer whether or not whole or any part of the principal amount (together with accrued interest) has been converted into the Converted Amount. Notwithstanding the conversion of the whole or any part of the portion of the principal amount of the capital contribution securities (*primärkapitaltillskott*) to a conditional capital contribution (*villkorat kapitaltillskott*) as described above, in the event of bankruptcy (*konkurs*) or liquidation (*likvidation*) of the Issuer, the rights of the holders of any capital contribution securities (*primärkapitaltillskott*) so converted to payments on or in respect of such capital contribution securities (*primärkapitaltillskott*) shall rank in accordance with the subordination provisions applying to the capital contribution securities (*primärkapitaltillskott*) immediately prior to such conversion, as set out in the conditions of the capital contribution securities (*primärkapitaltillskott*)."

The principal amount of the Capital Contribution Securities (together with any Accrued Interest owing at that time) may be utilized and converted into conditional capital contributions on one or more occasions.

Utilization and conversion of the principal amount (together with Accrued Interest) of the Capital Contribution Securities shall not constitute an Event of Default.

Reconversion and Reinstatement

Reconversion and reinstatement as debt of any portion of the Converted Amount may only be made out of Available Distribution Funds and subject to a resolution of the shareholders passed at a general meeting.

Reconversion and reinstatement shall first be made in respect of undated subordinated debt (other than capital contribution securities (*primärkapitaltillskott*)) issued by the Issuer.

Reconversion and reinstatement as debt of any portion of the Converted Amount shall be made *pro rata* with any amounts converted in respect of other capital contribution securities (*primärkapitaltillskott*) of the Issuer ranking *pari passu* with the Capital Contribution Securities. The principal amount of each Capital Contribution Security reconverted and reinstated as debt on the date of such reconversion and reinstatement shall be the relevant portion of the Converted Amount divided by the number of Capital Contribution Securities outstanding on such date. For the avoidance of doubt, capital contribution securities (*primärkapitaltillskott*) expressed to rank junior to the Capital Contribution Securities shall be reconverted and reinstated as debt only after the Capital Contribution Securities (and any other capital contribution securities (*primärkapitaltillskott*) expressed to rank *pari passu* with the Capital Contribution Securities) have been so reconverted and reinstated.

Upon reconversion and reinstatement as debt of any portion of the Converted Amount as described above, the Issuer shall give notice to the Fiscal Agent and Holders of the Capital Contribution Securities in accordance with the Agency Agreement.

If and to the extent that the Converted Amount has been reconverted and reinstated as debt in the balance sheet of the Issuer, interest thereon shall start to accrue again, and become payable in accordance with the terms of the Capital Contribution Securities, as from the date of such reinstatement.

Redemption after Conversion

If the Issuer has utilized the Converted Amount to meet losses, on any redemption of the outstanding Capital Contribution Securities (such redemption having been approved by the SFSA), the whole of the original principal amount of the Capital Contribution Securities (together with Accrued Interest) (and not part only) shall be redeemed at a redemption price equal to the original principal amount of the Capital Contribution Securities (together with Accrued Interest).

General

No Holder of Capital Contribution Securities who shall in the event of the liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Issuer be indebted to it shall be entitled to exercise any right of set-off or counterclaim against amounts owed by the Issuer in respect of the Capital Contribution Securities held by it.

(3) **Status—Definitions**

For the purposes of these Conditions:

"Accrued Interest" means interest including Arrears of Interest (if applicable or any) and any Additional Interest Amount (if applicable or any) accrued from and including the immediately preceding Interest Payment Date to but excluding the time of utilization.

"Applicable Banking Regulations" means at any time the laws, regulations, requirements, guidelines and policies relating to capital adequacy then in effect in the Relevant Jurisdiction including, without limitation to the generality of the foregoing, CRD IV (as defined, in Condition 6(d)), the SRM Regulation and those regulations, requirements, guidelines and policies relating to capital adequacy adopted by the Competent Authority, from time to time, and then in effect (whether or not such requirements, guidelines or policies have the force of law and whether or not they are applied generally or specifically to the Issuer or to the Issuer and its subsidiaries (the "**Nordea Group**")).

"Available Distribution Funds" (*disponibla vinstmedel*) of the Issuer means, at any time, that amount which, under the laws of the Kingdom of Sweden (including both corporate and bank regulatory laws, rules and regulations relating to minimum capital requirements) from time to time in force, is available as of the end of the immediately preceding fiscal year according to the audited balance sheet of the Issuer for such fiscal year to be distributed by the Issuer to its shareholders (adjusted for any loss incurred thereafter according to the Issuer's semi-annual and interim financial statements). A distribution may, however, not be effected in violation of the Swedish Companies Act (2005:551), and in particular, the provisions set out in Chapter 17 of that Act relating to "value transfers."

"capital contribution securities" (*primärkapitaltillskott*) means any subordinated and undated debt instruments of the Issuer which are recognized as "*primärkapitaltillskott*" from time to time by the SFSA and including (without limitation and for the avoidance of doubt) the Capital Contribution Securities.

"Competent Authority" means any authority having primary responsibility for the prudential oversight and supervision of the Issuer and/or the Nordea Group at the relevant time.

"Junior Securities" means the share capital and any obligation of the Issuer ranking or, expressed to rank, junior to the Dated Subordinated Notes.

"Relevant Jurisdiction" means the jurisdiction in which the Issuer is incorporated at the relevant time.

"Senior Creditors" means creditors of the Issuer (i) who are depositors and/or other unsubordinated creditors of the Issuer; or (ii) who are subordinated creditors of the Issuer (whether in the event of liquidation or bankruptcy of the Issuer or otherwise) other than those whose claims by law rank, or by their terms are expressed to rank, *pari passu* with or junior to the claims of the Holders of the Dated Subordinated Notes.

"SFSA" means the Swedish Financial Supervisory Authority (*Finansinspektionen*) or any successor entity thereto with primary responsibility for regulatory supervision of the Issuer.

"SRM Regulation" means Regulation (EU) No. 806/2014 of the European Parliament and of the Council of 15 July 2014, establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund, as the same may be amended or replaced from time to time.

"Subordinated Indebtedness" means any obligation of the Issuer whether or not having a fixed maturity, which by its terms is, or is expressed to be, subordinated in the event of liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Issuer to the claims of depositors and all other unsubordinated creditors of the Issuer.

4. **Interest**

The Notes may be interest bearing or non-interest bearing, as specified in the relevant Pricing Supplement. In the case of non-interest bearing Notes, a reference price and yield will, unless otherwise agreed, be specified in the relevant Pricing Supplement. The Pricing Supplement in relation to each Series of interest-bearing Notes shall specify which one (and one only) of Conditions 4(1), 4(2), 4(3) or 4(4) shall be applicable provided that Condition 4(5) will be applicable to each Series of interest-bearing Notes as specified therein, save, in each case, to the extent inconsistent with the relevant Pricing Supplement.

(1) **Interest—Fixed Rate**

The Notes in relation to which this Condition 4(1) is specified in the relevant Pricing Supplement as being applicable shall bear interest on its outstanding nominal amount (or if it is a Partly Paid Note, the amount paid up) from and including their date of issue to, but excluding, the date of final maturity thereof (each date as specified in the relevant Pricing Supplement) at the rate or rates per annum specified in the relevant Pricing Supplement. Such interest will be payable in arrear on such dates as are specified in the relevant Pricing Supplement and on the date of final maturity thereof. The amount of interest payable in respect of each Note for any period for which a Fixed Interest Amount is not specified shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product (i) in respect of a Note denominated in U.S. dollars, on the basis of a 360 day year consisting of twelve months of 30 days each and, in the case of an incomplete month, the actual number of days elapsed and (ii) in the case of a Note denominated in a currency other than U.S. dollars, on the basis of the number of days in the relevant period from and including the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to but excluding the relevant payment date divided by (x) in the case of Notes where interest is scheduled to be paid only by means of regular annual payments, the number of days in the period from and including the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to but excluding the next scheduled Interest Payment Date or (y) in the case of Notes where interest is scheduled to be paid other than only by means of regular annual payments, the product of the number of days in the period from and including the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to but excluding the next scheduled Interest Payment Date and the number of Interest Payment Dates that would occur in one calendar year assuming interest was to be payable in respect of the whole of that year; rounding the resulting figure to the nearest sub-unit of the specified currency, as defined in the relevant Pricing Supplement (the **"Specified Currency"**), (half a sub-unit being rounded upwards) and multiplying such rounded figures by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount. For the purposes of this Condition 4, a **"sub-unit"** means, in the case of any currency other than U.S. dollar, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of U.S. dollar, means one cent.

Interest may also be calculated on such other basis as may be specified in the relevant Pricing Supplement.

(2) **Interest—Floating Rate**

- (a) The Notes in relation to which this Condition 4(2) is specified in the relevant Pricing Supplement as being applicable shall bear interest on its outstanding nominal amount (or if it is a Partly Paid Note, the amount paid up) at the rates per annum determined in accordance with this Condition 4(2).
- (b) Such Notes shall bear interest from and including their date of issue to, but excluding, the date of final maturity thereof (each date as specified in the relevant Pricing Supplement). Such interest will be payable on each date (an "**Interest Payment Date**") which falls such period of months as may be specified in the relevant Pricing Supplement after such date of issue or, as the case may be, after the preceding Interest Payment Date. If any Interest Payment Date would otherwise fall on a date which is not a Business Day (as defined in Condition 9), it shall be postponed to the next Business Day unless it would thereby fall into the next calendar month, in which event it shall be brought forward to the preceding Business Day unless it is specified in the relevant Pricing Supplement that if any Interest Payment Date would otherwise fall on the date which is not a Business Day, it shall be postponed to the next Business Day. If such date of issue or any succeeding Interest Payment Date falls on the last Business Day of the month, each subsequent Interest Payment Date shall be the last Business Day of the relevant month. Each period beginning on (and including) such date of issue and ending on (but excluding) the first Interest Payment Date and each period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next Interest Payment Date is herein called an "**Interest Period**."
- (c) The Pricing Supplement in relation to each Series of Notes in relation to which this Condition 4(2) is specified as being applicable shall specify which page (the "**Relevant Screen Page**") on the Reuters Screen or any other information vending service shall be applicable. For these purposes, "**Reuters Screen**" means the Reuter Money 3000 Service (or such other service as may be nominated as the information vendor for the purpose of displaying comparable rates in succession thereto).
- (d) The rate of interest (the "**Rate of Interest**") applicable to such Notes for each Interest Period shall be determined by the Fiscal Agent or such other agent as may be specified in the relevant Pricing Supplement (the "**Determination Agent**") on the following basis:
 - (i) where the Floating Rate Option is based on the London inter-bank offered rate (as defined below, "**LIBOR**") the Determination Agent will determine the rate for deposits (or, as the case may require, the arithmetic mean of the rates for deposits) in the relevant currency for a period of the duration of the relevant Interest Period on the Relevant Screen Page as of 11.00 a.m. (London time) on the second London Banking Day before (or, in the case of Notes denominated in Pounds Sterling, on) the first day of the relevant Interest Period or, in the case of euro-LIBOR, on the second TARGET Settlement Day of the relevant Interest Period (the "**LIBOR Interest Determination Date**");
 - (ii) where the Floating Rate Option is based on the Euro-zone inter-bank offered rate ("**EURIBOR**") the Determination Agent will determine the rate for deposits (or, as the case may require, the arithmetic mean of the rates for deposit) in euro for a period of the duration of the relevant Interest Period on the Relevant Screen Page as of 11.00 a.m. (Brussels time) of the second TARGET Settlement Day before the first day of the relevant Interest Period;
 - (iii) if no such rate for deposits so appears (or, as the case may require, if fewer than two such rates for deposits so appear), the Determination Agent will request appropriate quotations and will determine the arithmetic mean of the

rates at which deposits in the relevant currency are offered by four major banks in the London interbank market (where the Floating Rate Option is LIBOR) or four major banks in the Euro-zone interbank market (where the Floating Rate Option is EURIBOR), selected by the Determination Agent at approximately 11.00 a.m. (London time) (where the Floating Rate Option is LIBOR) or 11.00 a.m. (Brussels time) (where the Floating Rate Option is EURIBOR) on the LIBOR Interest Determination Date to prime banks in the London interbank market (where the Floating Rate Option is LIBOR) or to prime banks in the Euro-zone interbank market (where the Floating Rate Option is EURIBOR) for a period of the duration of the relevant Interest Period and in an amount that is representative for a single transaction in the relevant market at the relevant time;

(iv) if fewer than two rates are so quoted, the Determination Agent will (where the Floating Rate Option is LIBOR) determine the arithmetic mean of the rates quoted by major banks in the Relevant Financial Center, selected by the Determination Agent at approximately 11.00 a.m. (Relevant Financial Center (as defined in Condition 9(e)) time) on the first day of the relevant Interest Period for loans in the relevant currency to leading European banks or (where the Floating Rate Option is EURIBOR) determine the arithmetic mean of the rates quoted by major banks in the Euro-zone inter-bank market selected by the Determination Agent at approximately 11.00 a.m. (Brussels time) on the first day of the relevant Interest Period for loans in the relevant currency to leading European banks in the Euro-zone for a period of the duration of the relevant Interest Period and in an amount that is representative for a single transaction in the relevant market at the relevant time;

(v) where the Floating Rate Option is based on the Federal Funds rate (the "**Federal Funds Rate**") the Determination Agent will determine the rate for deposits (or, as the case may require, the arithmetic mean of the rates for deposits) in the relevant currency for a period of the duration of the relevant Interest Period on the Interest Determination Date for U.S. dollar federal funds as such rate is published in H.15(519) opposite the heading "Federal Funds (Effective)," as such rate is displayed on Reuters (or any successor service) on page FEDFUNDS 1 (or any other page as may replace such page) ("**Reuters Page FEDFUNDS 1**"), or, if such rate does not appear on Reuters Page FEDFUNDS 1 or is not so published by 5:00 p.m., New York City time on the date the Federal Funds Rate is calculated, the rate on such Interest Determination Date for U.S. dollar federal funds as published in H.15 Daily Update, or such other recognized electronic source used for the purpose of displaying such rate, under the caption "Federal Funds (Effective)." If such rate does not appear on Reuters Page FEDFUNDS 1 or is not yet published in H.15(519), H.15 Daily Update or another recognized electronic source by 5:00 p.m. New York City time on the date the Federal Funds Rate is calculated, then the Federal Funds Rate on such Interest Determination Date will be calculated by the Determination Agent and will be the arithmetic mean of the rates for the last transaction in overnight U.S. dollar federal funds arranged by three leading brokers of U.S. dollar federal funds transactions in New York City (which may include the Dealers or their affiliates) selected by the Determination Agent (after consultation with Nordea) prior to 9:00 a.m., New York City time, on such Interest Determination Date; provided, however, that if the brokers so selected by the Determination Agent are not quoting as mentioned in this sentence, the Federal Funds Rate determined as of such Interest Determination Date will be the Federal Funds Rate in effect on such Interest Determination Date, or, if no Federal Funds Rate was in effect on such Interest Determination Date, the rate for the following Interest Period shall be the initial Rate of Interest. Save as set out in the applicable Pricing Supplement, the "**Interest Determination Date**" with respect to the Federal Funds Rate will be the

Federal Funds Rate Business Day immediately preceding the applicable Interest Period and "Federal Funds Rate Business Day" means any day, other than a Saturday or Sunday, that is neither a legal holiday nor a day on which commercial banks are authorized or required by law, regulation or executive order to close in New York City; provided, however, that, with respect to notes denominated in a Specified Currency other than U.S. dollars, it is also not a day on which commercial banks are authorized or required by law, regulation or executive order to close in the Principal Financial Center of the country issuing the Specified Currency. The "**Principal Financial Center**" means the capital city of the country issuing the Specified Currency except, that with respect to U.S. dollars, Canadian dollars, and Swiss francs, the "**Principal Financial Center**" shall be New York City, Toronto, and Zurich, respectively. "**H.15(519)**" means the weekly statistical release designated as such, or any successor publication, published by the Board of Governors of the Federal Reserve System (the "**Board of Governors**"), or its successor, available through the website of the Board of Governors at <http://www.federalreserve.gov/releases/h15/update/h15upd.htm> and "**H.15 Daily Update**" means the daily update of H.15(519) available at the Board of Governors of the Federal Reserve System's Internet web site located at <http://www.federalreserve.gov/releases/h15/update/h15upd.htm>, or any successor site or publication; and

- (vi) where the Floating Rate Option is based on the Prime Rate (the "**Prime Rate**") the Determination Agent will determine the rate for deposits (or, as the case may require, the arithmetic mean of the rates for deposits) in the relevant currency for a period of the duration of the relevant Interest Period on the Interest Determination Date as such rate is published in H.15(519) opposite the caption "Bank Prime Loan" or, if not published by 5:00 p.m., New York City time, on the day that is one New York City Banking Day following such Interest Determination Date, the rate on such Interest Determination Date as published in H.15 Daily Update, or such other recognized electronic source used for the purpose of displaying such rate, opposite the caption "Bank Prime Loan." If such rate is not yet published in H.15(519), H.15 Daily Update or another recognized electronic source by 5:00 p.m. New York City time on the day that is one New York City Banking Day following such Interest Determination Date, then the Prime Rate shall be the arithmetic mean, as determined by the Determination Agent, of the rates of interest publicly announced by three major banks (which may include affiliates of the Dealers) in New York City selected by the Determination Agent (after consultation with Nordea) as the U.S. dollar prime rate or base lending rate in effect for such Interest Determination Date. (Each change in the prime rate or base lending rate of any bank so announced by such bank will be effective as of the effective date of the announcement or, if no effective date is specified, as of the date of the announcement.) If fewer than three major banks (which may include affiliates of the Dealers) so selected in New York City have publicly announced a U.S. dollar prime rate or base lending rate for such Interest Determination Date, the Prime Rate with respect to such Interest Determination Date shall be the rate in effect on such Interest Determination Date, or, if no Prime Rate was in effect on such Interest Determination Date, the rate for the following Interest Period shall be the initial Rate of Interest. Save as set out in the applicable Pricing Supplement, the "**Interest Determination Date**" with respect to the Prime Rate will be the first day of the relevant Interest Period and "**New York City Banking Day**" shall mean any day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the city of New York. As used above, "**H.15(519)**" means the weekly statistical release designated as such, or any successor publication, published by the Board of Governors of the Federal Reserve System (the "**Board of Governors**"), or its successor, available through the website of

the Board of Governors at <http://www.federalreserve.gov/releases/h15/update/h15upd.htm> and "**H.15 Daily Update**" means the daily update of H.15(519) available at the Board of Governors of the Federal Reserve System's Internet web site located at <http://www.federalreserve.gov/releases/h15/update/h15upd.htm>, or any successor site or publication,

and the Rate of Interest applicable to such Notes during each Interest Period will be the sum of the relevant margin (the "**Relevant Margin**") specified in the relevant Pricing Supplement and the rate (or, as the case may be, the arithmetic mean) so determined provided that, if the Determination Agent is unable to determine a rate (or, as the case may be, an arithmetic mean) in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to such Notes during such Interest Period will be the sum of the Relevant Margin and the rate (or, as the case may be, the arithmetic mean) last determined in relation to such Notes in respect of a preceding Interest Period. For the purpose of these Conditions, "**Euro-zone**" means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty on European Union as amended.

- (e) The Determination Agent will, as soon as practicable after determining the Rate of Interest in relation to each Interest Period, calculate the amount of interest (the "**Interest Amount**") payable in respect of the Calculation Amount specified in the relevant Pricing Supplement for the relevant Interest Period. The amount of interest shall be calculated by applying the Rate of Interest for such Interest Period to the Calculation Amount, multiplying the product by the actual number of days in the Interest Period concerned divided by 360 (or, in the case of the Notes denominated in Pounds Sterling, 365 (or, if any portion of such Interest Period falls in a leap year, the sum of (i) the actual number of days in that portion divided by 366 and (ii) the actual number of days in the remainder of such Interest Period divided by 365)) or by such other number as may be specified in the relevant Pricing Supplement, rounding the resulting figure to the nearest sub-unit of the currency in which such Notes are denominated or, as the case may be, in which such interest is payable (one half of any such sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of the relevant Note divided by the Calculation Amount. Where the Specified Denomination of such a Note comprises more than one Calculation Amount, the Interest Amount payable in respect of such Note shall be the aggregate of the amounts (determined in the manner above) for each Calculation Amount comprising the Specified Denomination, without any further rounding. For this purpose, a "**sub-unit**" means, in the case of any currency other than U.S. dollar, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of U.S. dollar, means one cent.

(3) **Interest—Swap-Related (ISDA)**

- (a) The Notes in relation to which this Condition 4(3) is specified in the relevant Pricing Supplement as being applicable shall bear interest at the rates per annum determined in accordance with this Condition 4(3).
- (b) Each such Note shall bear interest from and including its date of issue to, but excluding, the date of final maturity thereof (each date as specified in the relevant Pricing Supplement). Such interest will be payable on such dates and in such amounts as would have been payable (regardless of any event of default or termination event thereunder) by the Issuer had it entered into a swap transaction (to which a Multi-Currency – Cross Border Master Agreement and the 2006 ISDA Definitions (as amended and updated from time to time), each as published by the International Swaps and Derivatives Association, Inc.,) with the Holder of such Notes under which:
 - (i) the Issuer was the Fixed Rate Payer or, as the case may be, the Floating Rate Payer;

- (ii) the Determination Agent was the Calculation Agent;
- (iii) the Effective Date was such date of issue;
- (iv) the principal amount of such Note was the Calculation Amount; and
- (v) and all other terms were as specified in the relevant Pricing Supplement.

(4) **Interest—Other Rates**

- (a) In the case of Dual Currency Notes, the rate or amount of interest payable shall be determined in accordance with the provisions contained in the relevant Pricing Supplement.
- (b) In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified in the relevant Pricing Supplement.
- (c) For Notes other than Dual Currency Notes and Partly Paid Notes, in relation to which this Condition 4(4) is specified in the relevant Pricing Supplement as being applicable, shall bear interest at the rates per annum, or payable in the amounts and in the manner determined in accordance with, the relevant Pricing Supplement.

(5) **Interest—Supplemental Provision**

- (a) Condition 4(5)(b) shall be applicable in relation to the Notes in relation to which Condition 4(2) is specified in the relevant Pricing Supplement as being applicable, Condition 4(5)(c) shall be applicable in relation to all interest-bearing Notes, and Condition 4(5)(d) shall be applicable in relation to Installment Notes.

- (b) *Notification of Rates of Interest, Interest Amounts and Interest Payment Dates*

The Determination Agent will cause each Rate of Interest, floating rate, Interest Payment Date, final day of a calculation period, Interest Amount or floating amount or, as the case may be, Installment Amount determined or calculated by it to be notified to the Issuer and the Fiscal Agent. The Fiscal Agent will cause all such determinations or calculations to be notified to the other Paying Agents as soon as practicable after such determination or calculated but in any event not later than the fourth London Banking Day thereafter and, in the case of Notes admitted to the Official List of the Irish Stock Exchange, cause each such Rate of Interest, floating rate, Interest Amount or floating amount or, as the case may be, Installment Amount to be notified to the Irish Stock Exchange. The Determination Agent will be entitled to amend any Interest Amount, floating amount, Interest Payment Date or last day of a calculation period (or to make appropriate alternative arrangements by way of adjustment) without notice in the event of the extension or abbreviation of the relevant Interest Period or calculation period. For the purposes of these Conditions, "**London Banking Day**" means a day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in London and "**TARGET Settlement Day**" has the meaning set out below.

- (c) The determination by the Determination Agent of all rates of interest, amounts of interest, and Installment Amounts for the purposes of this Condition 4 shall, in the absence of manifest error, be final and binding on all parties.
- (d) Interest shall accrue on the Outstanding Principal Amount of each Note during each Interest Period (as defined in Condition 4(2)(b)) from and including the Interest Commencement Date. Interest will cease to accrue in respect of each installment of principal on, but excluding, the due date for payment of the relevant Installment Amount, unless upon due presentation or surrender thereof (if required), payment in full of the relevant Installment Amount is improperly withheld or refused or default is otherwise made in the payment thereof in which case interest shall continue to

accrue on the principal amount in respect of which payment has been improperly withheld or refused or default has been made (as well after as before any demand or judgment) at the interest rate then applicable or such other rate as may be specified for this purpose in the Pricing Supplement until, but excluding, the date on which, upon due presentation or surrender of the relevant Note (if required), the relevant payment is made or, if earlier (except where presentation or surrender of the relevant Note is not required as a precondition of payment), the seventh day after the date on which the Fiscal Agent having received the funds required to make such payment, gives notice to the Holders of the Notes in accordance with Condition 14 that the Fiscal Agent has received the required funds (except to the extent that there is failure in the subsequent payment thereof to the relevant Holder).

- (e) In the case of partly-paid Notes (other than partly-paid Notes which are non-interest bearing) interest will accrue as aforesaid on the paid-up principal amount of such Notes and otherwise as indicated in the applicable Pricing Supplement.
- (f) For the purposes of these Conditions:

"**Calculation Amount**" has the meaning given in the relevant Pricing Supplement.

"**Day Count Fraction**" means, in respect of the calculation of an amount for any period of time (the "**Calculation Period**"), such day count fraction as may be specified in these Conditions or the relevant Pricing Supplement and:

- (i) if "**Actual/Actual (ICMA)**" is so specified, means:
 - (a) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
 - (b) where the Calculation Period is longer than one Regular Period, the sum of:
 - (A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
 - (B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;
- (ii) if "**Actual/Actual (ISDA)**" is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (iii) if "**Actual/365 (Fixed)**" is so specified, means the actual number of days in the Calculation Period divided by 365;
- (iv) if "**Actual/365 (Sterling)**" is so specified, means the actual number of days in the Calculation Period divided by 365 or, in the case of an Interest Payment date falling in a leap years, 366;

- (v) if "**Actual/360**" is so specified, means the actual number of days in the Calculation Period divided by 360;
- (vi) if "**30/360**," "**360/360**" or "**Bond Basis**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows

$$\text{Day Count Fraction} = \frac{[360x(Y_2 - Y_1)] + [30x(M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"**Y₁**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y₂**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M₁**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M₂**" is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

"**D₁**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

"**D₂**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

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

$$\text{Day Count Fraction} = \frac{[360x(Y_2 - Y_1)] + [30x(M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"**Y₁**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y₂**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M₁**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M₂**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D₁**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

"**D₂**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D2 will be 30; and

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

$$\text{Day Count Fraction} = \frac{[360x(Y_2 - Y_1)] + [30x(M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y₁" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D₁" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D₂ will be 30,

provided, however, that in each such case the number of days in the Calculation Period is calculated from and including the first day of the Calculation Period to but excluding the last day of the Calculation Period;

"Installment Amount" means, in relation to an Installment Note, the amount of each installment as may be specified in, or determined in accordance with the provisions of, the Pricing Supplement. To the extent that an Installment Amount requires determination, such amount may be determined by a Determination Agent (as defined in Condition 4(2)(d));

"Interest Commencement Date" means the date of issue of the Notes (as specified in the Pricing Supplement) or such other date as may be specified as such in the Pricing Supplement; and

"Outstanding Principal Amount" means, in respect of an Installment Note, its principal amount less any principal amount on which interest shall have ceased to accrue in accordance with Condition 4(5)(d) or otherwise as indicated in the Pricing Supplement.

"Regular Period" means:

- (i) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;
- (ii) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "Regular Date" means the day and month (but not the year) on which any Interest Payment Date falls; and
- (iii) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "Regular Date" means the day and month (but not the

year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period.

"**TARGET2**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilizes a single shared platform and which was launched on November 19, 2007.

"**TARGET Settlement Day**" means any day on which TARGET is open for the settlement of payments in euro.

(6) **Deferral of Interest in respect of Undated Subordinated Notes**

(a) This Condition 4(6) is applicable to Notes specified in the relevant Pricing Supplement as being Undated Subordinated Notes.

(b) *Optional Interest Payment Dates*

On any Optional Interest Payment Date (as defined herein), the Issuer may pay (if it so elects) the interest in respect of the Notes from and including the Interest Commencement Date or the previous Interest Payment Date (as specified in the Pricing Supplement) as the case may be, accrued to, but excluding that date, but the Issuer shall not have any obligation to make such payment and any such failure to pay shall not constitute a default by the Issuer for any purpose. Any interest in respect of the Notes not paid on an Optional Interest Payment Date shall, so long as the same remains outstanding, constitute "**Arrears of Interest**" and be payable as outlined below.

An "**Optional Interest Payment Date**" means:

- (i) any Interest Payment Date in respect of which no dividend has been declared, paid or set apart for payment on or with respect to any class of share capital of the Issuer at the most recent annual general meeting of the Issuer immediately prior to such Interest Payment Date; or
- (ii) any Interest Payment Date following the publication of the most recent audited annual accounts of the Issuer which annual accounts disclose an operating loss for the Issuer before extraordinary items, appropriations and tax.

The Issuer will be required to pay interest on the Notes on each Interest Payment Date which is not an Optional Interest Payment Date.

Where the Issuer has specified in the Pricing Supplement that the Undated Subordinated Notes are to be treated as liabilities under IFRS the Issuer will be required to pay interest on the Notes on each Interest Payment Date where the Undated Subordinated Notes would cease to be eligible to qualify (save where such non-qualification is only as a result of any applicable limitation on the amount of such capital) as regulatory capital for the Issuer under Applicable Banking Regulations, and for the avoidance of doubt such Interest Payment Date is not an Optional Interest Payment Date.

(c) *Arrears of Interest*

All Arrears of Interest (together with the corresponding Additional Interest Amount (as defined herein)) may at the option of the Issuer be paid in whole or in part at any time but all Arrears of Interest (together with the corresponding Additional Interest Amount) in respect of all Notes for the time being outstanding shall become due in full on whichever is the earliest of:

- (i) the fourteenth London Banking Day after a dividend is next declared or paid or set apart for payment on or with respect to any class of share capital of the Issuer;

- (ii) the next payment of interest on the Undated Subordinated Notes;
- (iii) the date set for redemption of the Notes; and
- (iv) a decree or order being made by a court or agency or supervisory authority having jurisdiction in respect of the same for the liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Issuer or a resolution being passed for the liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Issuer.

Each amount of Arrears of Interest shall bear interest (as if it constituted the principal of the Notes) at a rate which corresponds to the Rate of Interest from time to time applicable to the Notes and the amount of such interest (the "**Additional Interest Amount**") with respect to Arrears of Interest shall be due and payable pursuant to this Condition 4(6)(c) and shall be calculated by the Agent applying the rate of interest to the amount of the Arrears of Interest and otherwise as provided in the foregoing provision. The Additional Interest Amount accrued up to any Interest Payment Date shall be added, for the purpose only of calculating the Additional Interest Amount accruing thereafter, to the amount of Arrears of Interest remaining unpaid on such Interest Payment Date so that it will itself become Arrears of Interest.

(d) *Notice of Interest Deferral and Payment of Arrears of Interest*

The Issuer shall give not more than 14 nor less than five Business Days' prior notice to the Noteholders in accordance with Condition 14:

- (i) of any Optional Interest Payment Date on which, pursuant to the provisions of Condition 4(6)(b), interest will not be paid; and
- (ii) of any date upon which amounts in respect of Arrears of Interest and/or Additional Interest Amounts shall become due and payable.

(7) **Partial Payment of Arrears of Interest**

In respect of any Notes, if amounts in respect of Arrears of Interest and Additional Interest Amounts are at any time only partially payable:

- (a) all unpaid amounts of Arrears of Interest shall be payable before any Additional Interest Amounts;
- (b) Arrears of Interest accrued for any period shall not be payable until full payment has been made of all Arrears of Interest that have accrued during any earlier period and the order of payment of Additional Interest Amounts shall follow that of the Arrears of Interest to which they relate; and
- (c) the amount of Arrears of Interest or Additional Interest Amounts payable in respect of any Note in respect of any period shall be *pro rata* to the total amount of all unpaid Arrears of Interest or, as the case may be, Additional Interest Amounts accrued in respect of that period to the date of payment.

- (8) In these Conditions, in the case of Notes which are specified in the relevant Pricing Supplement as being Undated Subordinated Notes, references to "**interest**" shall be read to include any Arrears of Interest and Additional Interest Amounts, unless the context requires otherwise.

(9) **Non-Interest Bearing Notes**

If any principal amount or Installment Amount in respect of any Note which is non-interest bearing is not paid when due, interest shall accrue from and including such due date on the overdue amount at a rate per annum (expressed as a percentage per annum) equal to the Amortization/Accrual Yield defined in, or determined in accordance with the provisions of, the Pricing Supplement or at such other rate as may be specified for this purpose in the Pricing Supplement until but excluding the date on which, upon due presentation or surrender of the

relevant Note (if required), the relevant payment is made or, if earlier (except where presentation or surrender of the relevant Note is not required as a precondition of payment), the seventh day after the date on which, the Fiscal Agent, having received the funds required to make such payment, gives notice to the Holders of the Notes in accordance with Condition 14 that the Fiscal Agent has received the required funds, (except to the extent that there is failure in the subsequent payment thereof to the relevant Holder). The amount of any such interest shall be calculated by multiplying the product of the Amortization/Accrual Yield and the overdue sum by the Day Count Fraction as specified for this purpose in the Pricing Supplement.

(10) **Suspension on Payment of Interest in respect of Capital Contribution Securities**

This Condition 4(10) is applicable to Notes specified in the relevant Pricing Supplement as being Capital Contribution Securities.

The Issuer may elect, if so specified in the Pricing Supplement, to cancel any payment of interest other than (subject as provided in the next paragraph) a Mandatory Interest Payment (as defined in this Condition 4(10)) which is otherwise scheduled to be paid on an Interest Payment Date (such cancellation an "**Optional Suspension**") by giving notice of such election, in accordance with the Agency Agreement, to the Fiscal Agent and to Holders of Capital Contribution Securities not more than 14 Business Days nor less than five Business Days prior to the relevant Interest Payment Date. Any Optional Suspension of any payment of interest as described above shall not constitute an event of default.

"**Mandatory Interest Payment**" means, as specified in the Pricing Supplement, a payment of interest (to the extent it is not a Compulsory Cancellation Interest Payment as defined herein) where either sub-paragraphs (i) and (ii) or only sub-paragraph (ii) below shall be applicable to this Condition 4(10) for the purposes of determining the required accounting treatment:

- (i) in respect of which on the relevant Interest Payment Date, the Capital Contribution Securities would cease to be eligible to qualify (save where such non-qualification is only as a result of any applicable limitation on the amount of such capital) as regulatory capital for the Issuer under Applicable Banking Regulations;
- (ii) at any time since the last annual general meeting of the Issuer's shareholders, (a) the Issuer declared or paid a dividend on any share capital of the Issuer in accordance with the Swedish Companies Act, or (b) the Issuer redeemed, repurchased or otherwise acquired any of its share capital (with the exception of repurchases of share capital for the purposes of making shares available to cover any employee stock option program or other similar arrangements).

During any period(s) in which part of the principal amount of the Capital Contribution Securities (together with Accrued Interest as defined in Condition 3(3)) has been utilized and converted in accordance with Condition 3(2)(d) (*Status: Conversion and Reconversion – Capital Contribution Securities*), interest shall accrue on the remaining balance of the original principal amount of then outstanding Capital Contribution Securities at the appropriate rate of interest but no interest shall accrue in respect of the part of the principal amount so utilized and converted (unless the SFSA expressly permits interest to accrue on the original principal amount).

The amount payable in respect of interest in any fiscal year may not exceed the Available Distribution Funds of the Issuer. To the extent that Available Distribution Funds are insufficient to pay or to provide for payment in full of all accrued but unpaid interest on the Capital Contribution Securities and the claims of other capital contribution securities (*primärkapitaltillskott*) of the Issuer ranking *pari passu* with the Capital Contribution Securities, which have fallen or are scheduled to fall due in the same fiscal year of the Issuer, the Issuer will make partial payment of all accrued interest and such other claims *pro rata* to the extent of such Available Distribution Funds and subject to the right above to cancel all such payments on the Capital Contribution Securities.

Additionally, on any Interest Payment Date the Issuer may be required to suspend an interest payment if requested by the SFSA according to the financial and solvency situation of the Issuer ("**SFSA Required Suspension**").

If, and to the extent that, (a) the Issuer elects not to pay as set out above, or (b) Available Distribution Funds are not sufficient to satisfy the payment obligations in full or (c) following a SFSA Required Suspension (together a "**Compulsory Cancellation Interest Payment**"), and the Issuer makes partial payment or does not pay accrued but unpaid interest, the right of Holders of the Capital Contribution Securities to receive accrued interest in respect of any such Interest Period will terminate and the Issuer will have no further obligation to pay such interest or to pay interest thereon, whether or not payments of interest in respect of subsequent Interest Periods are made, and such unpaid interest will not be deemed to have "accrued" or been earned for any purpose. Any Compulsory Cancellation Interest Payment as described above shall not constitute an event of default.

If the Issuer does not have sufficient Available Distribution Funds to pay the accrued interest on the Capital Contribution Securities from time to time or following a SFSA Required Suspension, in accordance with the Agency Agreement, the Issuer shall give notice to the Fiscal Agent and Holders of Capital Contribution Securities stating the amount payable, if any, not more than 14 nor less than five Business Days prior to the relevant Interest Payment Date.

5. **Redenomination and Consolidation**

The Issuer may, without the consent of the Holders of Notes, giving at least 30 days' prior notice to Noteholders, Euroclear, Clearstream, Luxembourg and the Paying Agents, designate a redenomination date (the "**Redenomination Date**"), being a date for payment of interest under the Notes falling on or after the date that the country of origin of the relevant currency becomes one of the countries then participating in the third stage of economic and monetary union pursuant to the Treaty establishing the European Communities, as amended (the "**Treaty**").

"**euro**" means the currency to be introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty.

With effect from the Redenomination Date, notwithstanding the other provisions of the Conditions:

- (a) The Notes shall (unless already so provided by mandatory provisions of applicable law) be deemed to be redenominated in euro in the denomination of euro 0.01 with a principal amount for each Note equal to the principal amount of that Note in the relevant currency, converted into euro at the rate for conversion of the relevant currency into euro established by the Council of European Union pursuant to the Treaty (including compliance with rules relating to rounding in accordance with European Community regulations) provided that, if the Issuer determines, with the agreement of the Fiscal Agent, that the then market practice in respect of the redenomination into euro 0.01 of internationally offered securities is different from the provision specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the Issuer shall promptly notify the Noteholders, the stock exchange (if any) on which the Notes may be listed and the Paying Agents of such deemed amendments.
- (b) All payments in respect of the Notes (other than, unless the Redenomination Date is on or after such date as the relevant currency ceases to be a sub-division of the euro, payments of interest in respect of periods commencing before the Redenomination Date) will be made solely in euro. Such payments will be made in euro by credit or transfer to a euro account (or any other account to which the euro may be credited or transferred) specified by the payee or by check.
- (c) A Note may only be presented for payment on a day on which commercial banks and foreign exchange markets are open in the place of presentation and which is a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer System is open.
- (d) The amount of interest in respect of Notes will be calculated by reference to the aggregate principal amount of Notes presented for payment by the relevant holder and the amount of such payment shall be rounded down to the nearest euro 0.01.

- (e) If interest is required to be calculated for a period of less than one year, it will be calculated on the basis of the actual number of days elapsed divided by 365 (or, if any of the days elapsed fall in a leap year, the sum of (A) the number of those days falling in a non-leap year divided by 365) and (B) the number of those days falling in a leap year divided by 366).
- (f) The amount of interest payable on each Interest Payment Date shall be half the amount which would be payable if interest were calculated for a period of one year and shall be rounded down to the nearest euro 0.01. If interest is required to be calculated for a period of less than half a year, it will be calculated on the basis of the actual number of days elapsed divided by 365 (or, if any of the days elapsed fall in a leap year, the sum of (A) the number of those days falling in a leap year divided by 366 and (B) the number of those days falling in a non-leap year divided by 365).
- (g) Following redenomination of the Notes pursuant to this Condition 5, the amount of interest due in respect of Notes represented by the Global Note will be calculated by reference to the aggregate principal amount of such Notes and the amount of such payment shall be rounded down to the nearest euro 0.01.
- (h) The Issuer may also from time to time, on any interest payment date on giving not less than 30 days' irrevocable notice prior to the relevant interest payment date (or, in respect of non-interest bearing Notes, on any date upon giving not less than 30 days' irrevocable notice) which notice shall detail the manner in which consolidation shall be effected, without the consent of the Holders of the Notes, consolidate the Notes with one or more issues of other notes ("**Other Notes**") issued by it, whether or not originally issued in the relevant currency or euro, provided that such Other Notes have been redenominated into euro (if not originally denominated in euro) and otherwise have, in respect of all periods subsequent to such consolidation, the same or substantially the same terms and conditions as the Notes.
- (i) The Issuer may exercise its right referred to in Condition 5(h) above if it determines, in consultation with the Fiscal Agent, that the Notes and Other Notes which it proposes to consolidate will, with effect from their consolidation:
 - (i) be cleared and settled on an interchangeable basis with the same International Securities Identification Number through each Relevant Clearing System through which the Notes or the relevant Other Notes were cleared and settled immediately prior to consolidation; and
 - (ii) be listed on at least one European stock exchange on which debt obligations issued in the euromarkets are then customarily listed and on which either the Notes or the relevant Other Notes were listed immediately prior to consolidation.

For the purpose of this Condition 5, a "**Relevant Clearing System**" means:

- (i) Euroclear and Clearstream, Luxembourg;
- (ii) any clearing system which is a central securities depository for the Notes or relevant Other Notes; or
- (iii) the principal clearing system (if any) in the country of the original currency of denomination of the Notes or the relevant Other Notes if the Notes or the relevant Other Notes were clearing and settling in such clearing system immediately prior to consolidation.
- (j) Any consolidation of the Notes with Other Notes may involve, *inter alia*, a change of the depository or, as the case may be, the common safe-keeper which holds the Notes and/or the Other Notes on behalf of the clearing system(s) through which the Notes and/or the Other Notes are held and/or the issue of a replacement global note or global notes.

In the case of Conditions 5(h) and 5(i), if the Issuer determines, with the agreement of the Fiscal Agent, that the then market practice in respect of the consolidation of euro denominated internationally offered securities is different from the provisions specified, such provisions shall be deemed to be amended so as to comply with such market practice and the Issuer shall promptly notify the Noteholders, the stock exchange or listing authority (if any) on which the Notes may be listed and the Paying Agents of such deemed amendments.

6. **Redemption and Purchase**

(a) *Redemption at Maturity*

Unless previously redeemed, or purchased and cancelled, Notes shall be redeemed at their principal amount (or at such other redemption amount as may be specified in the relevant Pricing Supplement) (or, in the case of Installment Notes, in the Installment Amounts and in such number of installments as may be specified in or determined in accordance with the provisions of, the Pricing Supplement) on the date or dates (or, in the case of Notes which bear interest at a floating rate of interest, on the date or dates upon which interest is payable) specified in the relevant Pricing Supplement, except for Notes specified in the relevant Pricing Supplement as Undated Subordinated Notes or Capital Contribution Securities which Notes shall have no final maturity.

(b) *Early Redemption for Taxation Reasons – Withholding Tax*

If, in relation to any Series of Notes, as a result of any change in the laws of the Taxing Jurisdiction or of any political subdivision thereof or any authority or agency therein or thereof having power to tax or in the interpretation or administration of any such laws or regulations which becomes effective on or after the date of issue of such Notes or any earlier date specified in the relevant Pricing Supplement on the occasion of the next payment due in respect of such Notes the Issuer would be required to pay additional amounts as provided in Condition 8 (for the purposes of this Condition 6(b), to be interpreted as if references therein to "Sweden" are references to the "Relevant Jurisdiction"), the Issuer may, at its option and with respect to Subordinated Notes, subject to the prior approval of the Competent Authority having given not less than 30 nor more than 60 days' notice (ending, in the case of Notes which bear interest at a floating rate, on a day upon which interest is payable) to the Holders in accordance with Condition 14 (which notice shall be irrevocable) redeem in whole (but not, unless and to the extent that the relevant Pricing Supplement specifies otherwise, in part) the Notes of the relevant Series at its principal amount (or such other redemption amount as may be specified in the relevant Pricing Supplement or at the redemption amount referred to in Condition 6(h), together with accrued interest (if any) thereon.

(c) *Early Redemption of Undated Subordinated Notes or Capital Contribution Securities as a result of an Accounting Event or a Tax Event*

Upon the occurrence of an Accounting Event or a Tax Event (if specified as applicable in the Pricing Supplement), but subject to having received the prior approval of the SFSA, the Issuer may having given not less than 30 days nor more than 60 days' notice to the Holders of Undated Subordinated Notes or Capital Contribution Securities (as applicable) in accordance with the Agency Agreement (which notice shall be irrevocable), redeem all (but not some only) of the outstanding Undated Subordinated Notes or Capital Contribution Securities (as applicable) at any time at a redemption amount equal to their principal amount (or such other redemption amount as may be specified in the relevant Pricing Supplement) together with interest accrued to but excluding the date of redemption, subject to these Conditions.

"Accounting Event" means an opinion of a recognized international accounting firm has been delivered to the Issuer, stating that on or after the Issue Date, the obligations in respect of the Undated Subordinated Notes or Capital Contribution Securities (as applicable) must not or must no longer be recorded as liabilities in the Issuer's consolidated financial statements prepared in accordance with Applicable Accounting Standards; and such categorization cannot be avoided by the Issuer taking reasonable measures available to it (including variation and substitution).

"Applicable Accounting Standards" means International Financial Reporting Standards (IFRS) or any other accounting standards that may replace IFRS for the purposes of preparing the annual consolidated financial statements of the Issuer.

"Tax Event" means the receipt by the Issuer of an opinion of counsel in the relevant Taxing Jurisdiction (experienced in such matters) to the effect that, as a result of (i) any amendment to, clarification of, or change (including any announced prospective change) in, the laws or treaties (or any regulations thereunder) of the Taxing Jurisdiction affecting taxation, (ii) any governmental action or (iii) any amendment to, clarification of, or change in the official position or the interpretation of such governmental action or any interpretation or pronouncement that provides for a position with respect to

such governmental action that differs from the theretofore generally accepted position, in each case, by any legislative body, court, governmental authority or regulatory body, irrespective of the manner in which such amendment, clarification or change is made known, which amendment, clarification, or change is effective or such pronouncement or decision is announced on or after the date of issuance of the Undated Subordinated Notes or Capital Contribution Securities (as applicable), there is more than an insubstantial risk that (A) the Issuer is, or will be, subject to more than a *de minimis* amount of other taxes, duties or other governmental charges or civil liabilities with respect to the Undated Subordinated Notes or Capital Contribution Securities (as applicable) or (B) the treatment of any of the Issuer's items of income or expense with respect to the Undated Subordinated Notes or Capital Contribution Securities (as applicable) as reflected on the tax returns (including estimated returns) filed (or to be filed) by the Issuer will not be respected by a taxing authority, which subjects the Issuer to more than a *de minimis* amount of additional taxes, duties or other governmental charges.

"Taxing Jurisdiction" means the Relevant Jurisdiction or any political subdivision thereof or any authority or agency therein or thereof having power to tax or any other jurisdiction or any political subdivision thereof or any authority or agency therein or thereof, having power to tax in which the Issuer is treated as having a permanent establishment, under the income tax laws of such jurisdiction.

(d) *Early Redemption as a result of a Capital Event*

Upon the occurrence of a Capital Event (as defined herein) but subject to the prior approval of the Competent Authority, the Issuer may, at its option, having given not less than 30 days' nor more than 60 days' notice to the Holders in accordance with Condition 14 (which notice shall be irrevocable), at any time redeem in whole (but not, unless and to the extent the relevant Pricing Supplement specifies otherwise, in part) of the Notes of the relevant Series at its principal amount (or such other redemption amount as may be specified in the relevant Pricing Supplement or at the redemption amount referred to in Condition 6(h)), together with interest (if any) accrued to but excluding the date of redemption.

"Applicable Banking Regulations" has the meaning set out in Condition 3(3).

"Capital Event" means the determination by the Issuer, after consultation with the Competent Authority, that as a result of a change in the law of the Relevant Jurisdiction or Applicable Banking Regulations or any change in the official application or interpretation thereof becoming effective on or after the issue date (the **"Issue Date"**) for the relevant Series (including as a result of the implementation or applicability in the Relevant Jurisdiction of CRD IV on or after the Issue Date), the aggregate outstanding nominal amount of the Notes is fully excluded from inclusion in the Tier 2 capital of the Issuer (other than as a result of any applicable limitation on the amount of such capital as applicable to the Issuer).

"CRD IV" means, taken together, the (i) CRD IV Directive, (ii) CRD IV Regulation and (iii) 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 Implementing Measures" means any regulatory capital rules or regulations, or other requirements, which are applicable to the Issuer or the Nordea Group and which prescribe (alone or in conjunction with any other rules or regulations) the requirements to be fulfilled by financial instruments for their inclusion in the regulatory capital of the Issuer or the Nordea Group (on a solo or consolidated basis, as the case may be) to the extent required by the CRD IV Directive or the CRD IV Regulation, including for the avoidance of doubt any regulatory technical standards released by the European Banking Authority (or any successor or replacement thereof).

"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.

"Tier 2 capital" means tier 2 capital for the purposes of the Applicable Banking Regulations.

(e) *Optional Early Redemption (Call)*

If this Condition 6(e) is specified in the relevant Pricing Supplement as being applicable, then the Issuer may (subject, in the case of Subordinated Notes, to the prior approval of the SFSA), upon the expiry of the appropriate notice and subject to such terms and conditions as may be specified in the relevant Pricing Supplement, redeem in whole (but not, unless and to the extent that the relevant Pricing Supplement specifies otherwise, in part), the Notes of the relevant Series at its principal amount (or such other redemption amount as may be specified in the relevant Pricing Supplement), together with accrued interest (if any) thereon. Notes denominated in Pounds Sterling may not be redeemed prior to one year and one day from the date of issue.

The appropriate notice referred to in this Condition 6(e) is a notice given by the Issuer to the Fiscal Agent and the Holders of the Notes of the relevant Series, which notice shall be signed by two duly authorized officers of the Issuer and shall specify:

- (i) the Series of Notes subject to redemption;
- (ii) whether such Series is to be redeemed in whole or in part only and, if in part only, the aggregate principal amount of the Notes of the relevant Series which are to be redeemed;
- (iii) the due date for such redemption, which shall be not less than 30 days (or such lesser period as may be specified in the relevant Pricing Supplement) after the date on which such notice is validly given and which is, in the case of Notes which bear interest at a floating rate, a date upon which interest is payable; and
- (iv) the amount at which such Notes are to be redeemed, which shall be their principal amount (or such other amount as may be specified in the relevant Pricing Supplement) together with, in the case of Notes which bear interest, accrued interest thereon.

Any such notice shall be irrevocable, and the delivery thereof shall oblige the Issuer to make the redemption therein specified.

(f) *Partial Redemption*

If some only of the Notes of a Series are to be redeemed in part only on any date in accordance with Condition 6(e), the Notes shall be redeemed *pro rata* to their principal amounts, subject always to compliance with all applicable laws, and the rules of each listing authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation and, if applicable, the rules of DTC, Euroclear and Clearstream, Luxembourg (to be reflected in the records of DTC, Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion), and the notice to Holders of Notes referred to in Condition 5(d) shall specify the serial numbers of the Notes so to be redeemed.

(g) *Optional Early Redemption (Put)*

If "Put Option" is specified in the relevant Pricing Supplement as being applicable, then the Issuer shall, upon the exercise of the relevant option by the Holder of any Note (other than holder of a subordinated Note) of the relevant Series, redeem such Note on the date or the next of the dates specified in the relevant Pricing Supplement at its principal amount (or such other redemption amount as may be specified in the relevant Pricing Supplement), together with accrued interest (if any) thereon. In order to exercise such option, the Holder must, not less than forty-five days before the date so specified (or such other period as may be specified in the relevant Pricing Supplement), deposit the relevant Note with the Fiscal Agent together with a duly completed redemption notice in the form which is available from the corporate trust office of the Paying Agent.

(h) *Early Redemption of Non-interest Bearing Notes*

The redemption amount payable in respect of any non-interest bearing Note upon redemption of such Note pursuant to Condition 6(b), 6(c) or 6(d) or, if applicable Condition 6(e) or 6(g) or upon it becoming due and payable as provided in Condition 7 shall be the Amortized Face Amount (calculated as provided below) of such Notes.

- (i) Subject to the provisions of sub-paragraph (ii) below, the Amortized Face Amount of any such Note shall be the sum of (A) the Reference Price specified in the relevant Pricing Supplement and (B) the aggregate amortization of the difference between the principal amount of such Note from its date of issue to the date on which such Note becomes due and payable at a rate per annum (expressed as a percentage) equal to the Accrual Yield specified in the relevant Pricing Supplement compounded annually and the Reference Price. Where such calculation is to be made for a period of less than one year, it shall be made on the basis of a 360 day year consisting of 12 months of 30 days each or such other calculation basis as may be specified in the relevant Pricing Supplement.
- (ii) If the redemption amount payable in respect of any such Note upon its redemption pursuant to Condition 6(b), 6(c) or 6(d) or, if applicable, Condition 6(e) or 6(g), or upon it becoming due and payable as provided in Condition 7 is not paid when due, the redemption amount due and payable in respect of such Note shall be the Amortized Face Amount of such Note as defined in sub-paragraph (i) above, except that sub-paragraph shall have effect as though the reference therein to the date on which the Note becomes due and payable were replaced by a reference to the Relevant Date. The calculation of the Amortized Face Amount in accordance with this sub-paragraph will continue to be made (as well after as before judgment), until the Relevant Date unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the principal amount of such Note.

(i) *Purchase of the Notes*

The Issuer and its subsidiaries (if any) may, subject as provided in Condition 6(k), at any time purchase Notes in the open market or otherwise and at any price.

(j) *Cancellation of Redeemed and Purchased Notes*

All Notes redeemed or purchased in accordance with this Condition 6 will be cancelled and may not be reissued or resold. References in this Condition 6 to the purchase of the Notes by the Issuer shall not include the purchase of Notes in the ordinary course of business of dealing in securities or the purchase of Notes otherwise than as beneficial owner.

(k) *Early Redemption or Purchase of Subordinated Notes only with Prior Approval*

In the case of Notes specified in the relevant Pricing Supplement as being subordinated, the purchase or early redemption or cancellation of such Notes may not be made without the prior approval of, where so required, the Competent Authority.

(l) *Redemption Events in relation to Capital Contribution Securities at the Option of the Bank*

Conditions 6(b), 6(c), 6(d), 6(e), 6(f) and 6(k) shall apply to the Capital Contribution Securities save that, for the purposes of the Capital Contribution Securities:

the words "in whole (but not, unless and to the extent that the relevant Pricing Supplement specifies otherwise, in part), of the Notes of the relevant Series at its principal amount or such other redemption amount as may be specified in the relevant Pricing Supplement" shall be deemed to be deleted and replaced by the words "in whole or, provided that the principal amount of the Capital Contribution Securities has been reinstated as debt in full following utilization and conversion in accordance with Condition 3(2)(d), in part, of the Capital Contribution Securities of the relevant Series at their original principal amount."

(m) *Redemption Events in relation to Undated Subordinated Notes at the Option of the Bank*

Conditions 6(b), 6(c), 6(d), 6(e), 6(f) and 6(k) shall apply to the Undated Subordinated Notes save that, for the purposes of the Undated Subordinated Notes:

the words "in whole (but not, unless and to the extent that the relevant Pricing Supplement specifies otherwise, in part), of the Notes of the relevant Series at its principal amount or such other redemption amount as may be specified in the relevant Pricing Supplement" shall be deemed to be deleted and replaced by the words "in whole or, provided that the principal amount of the Undated Subordinated Notes has been reinstated as debt in full following

utilization and conversion in accordance with Condition 3(2)(d), in part, of the Undated Subordinated Notes of the relevant Series at their original principal amount."

7. **Events of Default**

(1) **Events of Default—Unsubordinated Notes**

- (a) This Condition 7(1) is applicable in relation to the Notes specified in the relevant Pricing Supplement as being Unsubordinated Notes.
- (b) Unless otherwise specified in the Pricing Supplement, the following events or circumstances (each an "**Event of Default**") shall be events of default in relation to the Notes:
 - (i) default is made by the Issuer in the payment of any principal for a period of 7 days or any interest for a period of 14 days in respect of any such Notes, after in each case the date when due; or
 - (ii) default is made by the Issuer in the performance or observance of any other obligation, condition or provision binding on it under any of such Notes and such default continues for 45 days after written notice of such failure has first been given to the Fiscal Agent by the Holder of any such Note at the time outstanding, requiring the Issuer to remedy the same; or
 - (iii) an order is made or an effective resolution is passed for the dissolution or liquidation of the Issuer (except for the purposes of a merger, reconstruction or amalgamation under which the continuing entity effectively assumes the entire obligation of the Issuer under the Notes) or the Issuer is adjudicated or found bankrupt or insolvent by any competent court; or
 - (iv) the Issuer stops payment or (except for the purposes of such a merger, reconstruction or amalgamation as is referred to in sub-paragraph (iii) above) ceases to carry on the whole or substantially the whole of its business, or an encumbrancer takes possession or a receiver is appointed of the whole or any part of the undertaking or assets of the Issuer or a distress of execution is levied or enforced upon or sued out against any of the chattels or property of the Issuer and is not in any such case discharged within 30 days, or any order is made or effective resolution passed by the Issuer applying for or granting a suspension of payments or appointing a liquidator, receiver or trustee of the Issuer or of a substantial part of its undertaking or assets.
- (c) If any Event of Default shall occur in relation to any Series of Notes, any Holder of any Note of the relevant Series may by written notice to the Issuer declare such Note and (if the Note is interest bearing) all interest then accrued on such Note to be forthwith due and payable, whereupon the same shall become immediately due and payable at its principal amount (or, in the case of a Note which is not interest bearing, at the redemption amount referred to in Condition 6(h) or such other amount as may be specified in the relevant Pricing Supplement) without presentment, demand, protest or other notice of any kind, all of which the Issuer will expressly waive, anything contained in such Notes to the contrary notwithstanding, unless prior to the time when the Issuer receives such notice all Events of Default in respect of all the Notes shall have been cured.

(2) **Events of Default—Dated and Undated Subordinated Notes**

- (a) This Condition 7(2) is applicable in relation to the Notes and specified in the relevant Pricing Supplement as being Dated Subordinated Notes or Undated Subordinated Notes.
- (b) If:
 - (i) the Issuer shall, in respect of any Dated Subordinated Note, default in the payment of any principal for a period of 7 days after the date when due, and, in respect of any Undated Subordinated Note, default in the payment of principal for a period of 7 days after the date when due in respect of any Note which has become due and payable in accordance with any redemption of the Notes; or

- (ii) the Issuer shall default for a period of 14 days in the payment of interest due on any Note on an Interest Payment Date (other than on an Optional Interest Payment Date as defined in Condition 4(6)(b) with respect to Undated Subordinated Notes) or any other date on which the payment of interest is compulsory; or
- (iii) an order is made or an effective resolution is passed for the winding up or liquidation 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 or put into liquidation, in each case, by a court or agency or supervisory authority in the Relevant Jurisdiction having jurisdiction in respect of the same,

the Holder of any Note may:

- (x) (in the case of (i) and (ii) above) institute proceedings for the Issuer to be declared bankrupt or its winding-up or liquidation, in each case, in the Relevant Jurisdiction and not elsewhere, and prove or claim in the bankruptcy or liquidation of the Issuer; and/or
- (y) (in the case of (iii) above) prove or claim in the bankruptcy or liquidation of the Issuer, whether in the Relevant Jurisdiction or elsewhere and instituted by the Issuer itself or by a third party but (in either case) the Holder of such Note may claim payment in respect of the Note only in the bankruptcy or liquidation of the Issuer.
- (c) In any of the events or circumstances described in Condition 7(2)(b)(iii) above, the Holder of any Note may, by notice to the Issuer, declare such Note to be due and payable, and such Note shall accordingly become due and payable at its principal amount together with accrued interest to the date of payment but subject to such Holder only being able to claim payment in respect of the Note in the bankruptcy or liquidation of the Issuer.
- (d) The Holder of any Note 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 Conditions 7(2)(b) or 7(2)(c) 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 Competent Authority.
- (e) No remedy against the Issuer, other than as provided in Conditions 7(2)(b), 7(2)(c) and 7(2)(d) above shall be available to the Holders of Notes, 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.

(3) **Events of Default—Capital Contribution Securities**

- (a) This Condition 7(3) is applicable in relation to Notes and specified in the relevant Pricing Supplement as being Capital Contribution Securities.
- (b) Unless otherwise specified in the relevant Pricing Supplement, 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, despite there being Available Distribution Funds available to make such payment, default for a period of 14 days in the payment of interest due on any Capital Contribution Security on an Interest Payment Date or any other date on which the payment of interest is compulsory; or
 - (b) a court or agency or supervisory authority in the Kingdom of Sweden (having jurisdiction in respect of the same) shall have instituted a proceeding or entered a decree or order for the appointment of a receiver or liquidator in any insolvency, bankruptcy (*konkurs*), liquidation (*likvidation*), rehabilitation, readjustment of debt, marshalling of assets and liabilities or similar arrangements involving the Issuer or all

or substantially all of its property and such proceedings, decree or order shall not have been vacated or shall have remained in force, undischarged or unstayed for a period of 60 days (except for the purpose of a merger, reconstruction or amalgamation under which the continuing entity effectively assumes the entire obligation of the Issuer under the Securities); or

- (c) the Issuer shall file a petition to take advantage of any insolvency statute or shall voluntarily suspend payment of its obligations,

then any Holder of Capital Contribution Securities may give notice to the Issuer that the relevant Capital Contribution Security is, and it shall accordingly, subject to the provisions hereof, forthwith become, immediately due and repayable at its principal amount together with interest accrued to the date of repayment.

If a Capital Contribution Security has been declared due and payable under the provisions thereof, the Holder of Capital Contribution Securities may claim payment in respect of the Capital Contribution Securities only in the bankruptcy (*konkurs*) or liquidation (*likvidation*) of the Issuer and may therefore institute such steps, including the obtaining of a judgment against the Issuer for any amount due in respect of the Capital Contribution Securities, as it thinks desirable with a view to having the Issuer declared bankrupt (*konkurs*) or put into liquidation (*likvidation*).

A Holder of Capital Contribution Securities may 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 Securities (other than, without prejudice to the two immediately preceding paragraphs, any obligation for the payment of any principal or interest in respect of the Capital Contribution Securities) 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.

No remedy against the Issuer, other than as provided in the three immediately preceding paragraphs above, or proving or claiming in the liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Issuer in Sweden or elsewhere, shall be available to the Holder of Capital Contribution Securities, whether for the recovery of amounts owing in respect of the Securities or in respect of any breach by the Issuer of any of its obligations or undertakings with respect to the Capital Contribution Securities.

8. **Taxation**

- (a) All amounts payable in cash or in kind (whether in respect of principal, redemption amount, interest, reconversion or otherwise) in respect of the Notes will be made free and clear of and without withholding or deduction for, or on account of, any present or future taxes or duties of whatever nature imposed or levied by or on behalf of Sweden or any political subdivision thereof or any authority or agency therein or thereof having power to tax, unless the withholding or deduction of such taxes or duties is required by law. In that event, the Issuer will pay such additional amounts as may be necessary in order that the net amounts receivable by the Holders after such withholding or deduction shall equal the respective amounts which would have been receivable in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to payment in respect of any Note presented for payment (where presentation is required):
 - (i) in Sweden;
 - (ii) more than 30 days after the Relevant Date, except to the extent that the relevant Holder would have been entitled to such additional amounts on presenting the same for payment on the expiry of such period of 30 days; or
 - (iii) by or on behalf of, a Holder who would not be liable or subject to the withholding or deduction by making a declaration of non-residence or other similar claim for exemption to the relevant tax authority; or
 - (iv) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive; or

- (v) by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note to another Paying Agent in a Member State of the European Union,

and except that no such additional amounts shall be payable in respect of payment in respect of any Note the Holder or a beneficial owner of which is liable to such taxes or duties by reason of his having some connection with Sweden, as the case may be, other than the mere holding of such Note.

Nor will additional amounts be paid with respect to any payment of principal or interest on a Note to any Holder that is a fiduciary or partnership or other than the sole beneficial owner of any such payment to the extent that a beneficiary or settlor with respect to such fiduciary, a member of such partnership or the beneficial owner would not have been entitled to the additional amounts had such beneficiary, settlor, member or beneficial owner been the Holder of such Note. The obligation to pay taxes, duties, assessments and governmental charges shall not apply to (a) any estate, inheritance, gift, sales, transfer, personal property or any similar tax, assessment or other governmental charge or (b) any tax, assessment or other governmental charge which is payable otherwise than by deduction or withholding from payments in cash or in kind of principal, redemption amount, interest, reconversion or otherwise.

- (b) For the purposes of these Conditions, the "**Relevant Date**" means the date on which such payment first becomes due and payable, but if the full amount of the moneys payable has not been received by the Fiscal Agent on or prior to such due date, it means the first date on which the full amount of such moneys has been so received and notice to that effect shall have been duly given to the Holders of the Notes of the relevant Series in accordance with Condition 14.
- (c) Any reference in these Conditions to principal, redemption amount and/or interest in respect of the Notes shall be deemed also to refer to any additional amounts which may be payable under this Condition 8 or any undertaking given in addition thereto or in substitution therefore.
- (d) Notwithstanding anything in this Condition 8 or in Condition 9 to the contrary, the Issuer shall be permitted to withhold and deduct for or on account of any taxes imposed pursuant to sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder, on any amount payable in respect of the Notes and shall not be required to pay any additional amounts in respect of any such taxes.

9. **Payments**

- (a) Payments of amounts (including accrued interest) due on the final redemption of Notes will be made against presentation and, save in the case of a partial redemption by reason of insufficiency of funds, surrender of the relevant Notes at the specified corporate trust office of the Fiscal Agent. If the due date for payment of the final redemption amount of Notes is not a Business Day, the Holder thereof will not be entitled to payment thereof until the next following such Business Day and no further payment shall be due in respect of such delay save in the event that there is a subsequent failure to pay in accordance with these Conditions.
- (b) Payment of amounts (whether principal, interest or otherwise) due (other than in respect of the final redemption of Notes) in respect of the Notes will be paid to the Holders thereof (or, in the case of joint Holders, the first-named) as appearing in the Note Register as of opening of business (New York time) on the fifteenth New York Banking Day before the due date for such payment (the "**Record Date**").
- (c) Notwithstanding the provisions of Condition 9, payments of interest due (other than in respect of the final redemption of Notes) in respect of Notes will be made by a check drawn on a bank in the Relevant Financial Center and posted to the address (as recorded in the Note Register) of the Holder thereof, (or, in the case of joint Holders, the first-named) on the Business Day immediately preceding the relevant date for payment unless prior to the relevant Record Date the Holder thereof (or, in the case of joint Holders, the first named) has applied to the Fiscal Agent and the Fiscal Agent has acknowledged such applications for payment to be made to a designated account (in the case aforesaid, a non-resident account with an authorized foreign exchange bank).
- (d) Payments of amounts due (whether in respect of principal, interest or otherwise) in respect of the Notes denominated in a currency other than U.S. dollar will be made by check drawn on, or by transfer to, an account maintained by the payee with, a bank in the Relevant Financial Center and in respect of a Note

denominated in U.S. dollar by check drawn on, or by transfer to, an U.S. dollar account (or any other account to which euro may be credited or transferred) maintained by the payee with a bank in the principal financial center of any member state of the European Union. Payments will, without prejudice to the provisions of Condition 8, be subject in all cases to any applicable fiscal or other laws and regulations.

(e) For the purposes of these Conditions:

(i) **"Business Day"** means (unless varied or restated in the relevant Pricing Supplement) a day on which commercial banks and foreign exchange markets settle payments in the relevant currency in London and, in the case of Notes, London and:

- (A) in relation to the Notes denominated in euro, which is a TARGET Settlement Day; and
- (B) in relation to the Notes denominated in any other currency, which is a day on which commercial banks and foreign exchange markets settle payments in the relevant currency in the Relevant Financial Center; and
- (C) in relation to payments due upon presentation and/or surrender of any Notes, in the relevant place of presentation and/or surrender; and

(ii) **"Relevant Financial Center"** means:

- (A) in relation to the Notes denominated in Japanese Yen, Tokyo;
- (B) in relation to the Notes denominated in Pounds Sterling, London;
- (C) in relation to the Notes denominated in U.S. dollars, New York City; and
- (D) in relation to the Notes denominated in any other currency, such financial center or centers as may be specified in relation to the relevant currency and for the purposes of the definition of "Business Day" in the 2006 ISDA Definitions (as amended and updated from time to time), as published by the International Swaps and Derivatives Association, Inc.,

and, in all cases, as the same may be modified in the relevant Pricing Supplement.

10. **Prescription**

Claims against the Issuer in respect of Notes will be prescribed unless made within 10 years (or, in the case of claims in respect of interest, five years) after the due date for payment.

11. **The Paying Agents**

The initial Paying Agents are listed in the Agency Agreement. The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent (including the Fiscal Agent) and to appoint additional or other Paying Agents; provided that it will at all times maintain (i) a Fiscal Agent, (ii) a Note Register, (iii) a Paying Agent with an office in the City of New York, (iv) a Paying Agent with an office in London and (v) a Paying Agent in an European Union Member State that will not be obliged to withhold or deduct tax pursuant to the European Council Directive 2003/48/EC or any law implementing or complying with, or introduced to conform to, such Directive. If any such agent (acting through its relevant office) is unable or unwilling to continue to act as Fiscal Agent or Paying Agent, as the case may be, or if the Fiscal Agent or Paying Agent, as the case may be, fails, with respect to the issuance of any Series of Notes, duly to establish the Rate of Interest for any applicable Interest Period or to calculate the Interest Amount, the Issuer shall appoint another leading bank engaged in the New York interbank market (acting through its principal New York Office) to act as such in the Fiscal Agent's or Paying Agent's, as the case may be, place.

12. **Replacement of the Notes**

If any Note is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the corporate trust office of the Fiscal Agent, subject to all applicable laws and the requirements of any stock exchange

and/or listing authority on which the relevant Notes are listed, upon payment by the claimant of all expenses incurred in such replacement and upon such terms as to evidence, security, indemnity and otherwise as the Issuer and the Fiscal Agent may require. Mutilated or defaced Notes must be surrendered before replacements will be delivered.

13. Meetings of Holders

The Agency Agreement contains provisions, which are binding on the Issuer and the Holders of Notes, for convening meetings of the Holders of Notes of any Series to consider matters affecting their interests, including the modification or waiver of the Conditions applicable to any Series of Notes, although, any modification or waiver of the Conditions which affects Subordinated Notes cannot be made without the prior approval of the Competent Authority.

The quorum at any meeting for passing a resolution will be one or more persons present (other than the Issuer or its affiliates) holding or representing a clear majority in principal amount of the Series of Notes for then outstanding or, at any adjourned meeting, one or more persons (other than the Issuer or its affiliates) present whatever the principal amount of the Series of Notes held or represented by him or them or, in the case of a written consent without a meeting, the consent of persons holding or representing a clear majority in principal amount of the Series of Notes for then outstanding except that at any meeting, the business of which includes the modification of certain of the Conditions of the Series of Notes (as further discussed below), the necessary quorum for passing an extraordinary resolution will be one or more persons (other than the Issuer or its affiliates) present holding or representing not less than two-thirds, or at any adjourned meeting not less than one-third, of Holders of Notes present and represented at the meeting.

Modifications of and amendments to the Conditions of a Series of Notes or the Agency Agreement may be effected by the Issuer and the Fiscal Agent, and future compliance with any Notes or the Agency Agreement, or any past default with respect to any Notes or the Agency Agreement, by the Issuer may be waived, with the prior consent of Holders of the Notes representing not less than two-thirds of the principal amount of the Series of Notes then outstanding (excluding any Notes of the Series held by the Issuer or its affiliates), and the Competent Authority with respect to Dated Subordinated Notes, Undated Subordinated Notes and Capital Contribution Securities, in accordance with the procedures set forth in the Agency Agreement, provided that no such modification, amendment or waiver may without the consent of each Noteholder (i) change in the stated maturity of any Note, or the date for any payment on any Note, (ii) with regard to Undated Subordinated Notes and the Capital Contribution Securities, change the terms to the Series of Notes to include a maturity date for the principal amount of the Series of Notes, (iii) reduce the principal amount of any Note or reduce the interest payable thereon, (iv) change any obligations of the Issuer to pay additional amounts, (v) change the place for or coin or currency in which any Note or interest thereon is payable, (vi) impair the right to institute suit for the enforcement of the holder of any Note of any payment thereunder, (vii) reduce the percentage in principal amount of Series of Notes outstanding required for modification or amendment of the Agency Agreement or for waiver of compliance with certain provisions of the Agency Agreement, (viii) reduce the requirements contained in the Agency Agreement for quorum or voting or (ix) modify or affect in any manner adverse to the interests of the holders of any Notes the terms and conditions of the obligations of the Issuer regarding the due and punctual payment of the principal amount and interest with respect to such Notes.

The Fiscal Agent may agree, without the consent of the Noteholders, to any modification of any of the terms of a Series of Notes or of any of the provisions of the Agency Agreement which does not, in the sole opinion of the Issuer, materially adversely affect the interests of the Noteholders or to any modification which is of a formal, minor or technical nature or to correct a manifest error.

Any modification shall be binding on the Noteholders and, unless the Fiscal Agent agrees otherwise, any modification shall be notified by the Issuer to the Noteholders as soon as practicable thereafter in accordance with the Agency Agreement.

14. Notices

(a) To Holders of Notes

Notices to Holders of Notes will be deemed to be validly given if sent by first class mail to them (or, in the case of joint Holders, to the first-named in the Note Register) at their respective addresses as recorded in the Note Register, and will be deemed to have been validly given on the fourth Business Day after the date of such mailing.

Notwithstanding the foregoing, so long as any Notes are represented by a Global Note which is held by or on behalf of DTC for the benefit of participants in DTC, all notices with respect to such Notes shall be sent only to DTC which will communicate such notices to its participants in accordance with its standard and customary procedures in effect at that time, provided that, if the Notes of a Series are listed on a stock exchange then all notices shall also be made in accordance with the standard and customary procedures then in effect at such stock exchange. Any such notice shall be deemed to have been given to the holders of the relevant Notes on the seventh day after the day on which the said notice was given to DTC or as otherwise provided by the applicable rules of a stock exchange.

(b) *To the Issuer*

Notices to the Issuer will be deemed to be validly given if delivered to Smålandsgatan 17, SE-105 71, Stockholm and clearly marked on their exterior "Urgent—Attention: Group Treasury" (or at such other address and for such other attention as may have been notified to the Holders of the Notes in accordance with this Condition 14) and will be deemed to have been validly given at the opening of business on the next day on which the Issuer's principal office is open for business.

15. **Provision of Information**

For so long as any Notes of a Series remain outstanding and are "**restricted securities**" within the meaning of Rule 144(a)(3) under the Securities Act, the Issuer shall, during any period in which it is neither subject to Section 13 or 15(d) under the Exchange Act nor exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act, furnish to any Noteholder of, or beneficial owner of an interest in, such Notes in connection with any resale thereof and to any prospective purchaser designated by such Noteholder or beneficial owner in each case upon request, such information as is required to be provided pursuant to Rule 144A(d)(4) under the Securities Act in order to permit compliance with Rule 144A in connection with the resale of such restricted securities.

16. **Further Issues**

The Issuer may from time to time without the consent of the Holders of any Notes of any Series create and issue further Notes and other debt securities having terms and conditions the same as those of the Notes of such Series or the same except for the amount of the first payment of interest (if any), which may be consolidated and form a single Series with the outstanding Notes of such Series.

17. **Substitution and Variation**

(a)

(i) *Substitution or Variation of Dated Subordinated Notes*

If specified as applicable in the relevant Pricing Supplement, the Issuer may, subject to the approval of the Competent Authority (without any requirement for the consent or approval of the Holders of the Dated Subordinated Notes) and having given not less than 30 nor more than 60 days' notice to the Fiscal Agent (in accordance with the Agency Agreement) and the Holders of the Dated Subordinated Notes (which notice shall be irrevocable), at any time either substitute all (but not some only) of the Dated Subordinated Notes for, or vary the terms of the Dated Subordinated Notes so that they remain or, as appropriate, become, Qualifying Securities provided that such variation or substitution does not itself give rise to any right of the Issuer to redeem the varied or substituted securities that are inconsistent with the redemption provisions of the Dated Subordinated Notes.

"**Qualifying Securities**" means, for the purpose of this Condition 17(a)(i), securities, whether debt, equity, interests in limited partnerships or otherwise, issued directly or indirectly by the Issuer that:

- (a) have terms not materially less favorable to a Holder of the Dated Subordinated Notes, certified by the Issuer acting reasonably, than the terms of the Dated Subordinated Notes, provided that they shall (1) include a ranking at least equal to that of the Dated Subordinated Notes, (2) have at least the same interest rate and the same Interest Payment Dates as those from time to time applying to the Dated Subordinated Notes, (3) have the same redemption rights as the Dated Subordinated Notes, (4) preserve any existing rights under the Dated Subordinated Notes to any accrued interest which has not been paid in respect of the period from (and including) the Interest Payment Date last preceding the date of substitution or variation and (5) are assigned (or maintain) the same credit ratings as were assigned to the Dated Subordinated Notes immediately prior to such variation or substitution; and
- (b) are listed on a recognized stock exchange if the Dated Subordinated Notes were listed immediately prior to such variation or substitution.

(ii) *Substitution or Variation of Undated Subordinated Notes*

If specified as applicable in the relevant Pricing Supplement, the Issuer may, subject to the approval of the SFSA, (without any requirement for the consent or approval of the Holders of the Undated Subordinated Notes) and having given not less than 30 nor more than 60 days' notice to the Fiscal Agent (in accordance with the Agency Agreement) and the Holders of the Undated Subordinated Notes (which notice shall be irrevocable), at any time either substitute all (but not some only) of the Undated Subordinated Notes subject to reinstatement as debt in full following utilization and conversion pursuant to Condition 3(2)(c) for, or vary the terms of the Undated Subordinated Notes so that they remain or, as appropriate, become, Qualifying Securities provided that such variation or substitution does not itself give rise to any right of the Issuer to redeem the varied or substituted securities that are inconsistent with the redemption provisions of the Undated Subordinated Notes.

"Qualifying Securities" means for the purpose of this Condition 17(a)(ii) securities, whether debt, equity, interests in limited partnerships or otherwise, issued directly or indirectly by the Issuer that:

- (a) have terms not materially less favorable to a Holder of the Undated Subordinated Notes, certified by the Issuer acting reasonably, than the terms of the Undated Subordinated Notes, provided that they shall (1) include a ranking at least equal to that of the Undated Subordinated Notes, (2) have at least the same interest rate and the same Interest Payment Dates as those from time to time applying to the Undated Subordinated Notes, (3) have the same redemption rights as the Undated Subordinated Notes, (4) preserve any existing rights under the Undated Subordinated Notes to any accrued interest which has not been paid in respect of the period from (and including) the Interest Payment Date last preceding the date of substitution or variation and (5) are assigned (or maintain) the same credit ratings as were assigned to the Undated Subordinated Notes immediately prior to such variation or substitution; and
- (b) are listed on a recognized stock exchange if the Undated Subordinated Notes were listed immediately prior to such variation or substitution.

(iii) *Substitution or Variation of Capital Contribution Securities*

If specified as applicable in the relevant Pricing Supplement, the Issuer may, subject to the approval of the SFSA, (without any requirement for the consent or approval of the Holders of the Capital Contribution Securities) and having given not less than 30 nor more than 60 days' notice to the Fiscal Agent (in accordance with the Agency Agreement) and the Holders of the Capital Contribution Securities (which notice shall be irrevocable), at any time either substitute all (but not some only) of the Capital Contribution Securities subject to reinstatement as debt in full following utilization and conversion pursuant to Condition 3(2)(d) for, or vary the terms of the Capital Contribution Securities so that they remain or, as appropriate, become, Qualifying Securities provided that such variation or substitution does not itself give rise to any right of the Issuer to redeem the varied or substituted securities that are inconsistent with the redemption provisions of the Capital Contribution Securities.

"Qualifying Securities" means, for the purpose of this Condition 17(a)(iii), securities, whether debt, equity, interests in limited partnerships or otherwise, issued directly or indirectly by the Issuer that:

- (a) have terms not materially less favorable to a Holder of the Capital Contribution Securities, certified by the Issuer acting reasonably, than the terms of the Capital Contribution Securities, provided that they shall (1) include a ranking at least equal to that of the Capital Contribution Securities, (2) have at least the same interest rate and the same Interest Payment Dates as those from time to time applying to the Capital Contribution Securities, (3) have the same redemption rights as the Capital Contribution Securities, (4) preserve any existing rights under the Capital Contribution Securities to any accrued interest which has not been paid in respect of the period from (and including) the Interest Payment Date last preceding the date of substitution or variation and (5) are assigned (or maintain) the same credit ratings as were assigned to the Capital Contribution Securities immediately prior to such variation or substitution; and
- (b) are listed on a recognized stock exchange if the Capital Contribution Securities were listed immediately prior to such variation or substitution.

(b) **Substitution and Variation upon a Redomiciliation Event**

If at any time a Redomiciliation Event occurs (or will, following expiry of the notice period specified below, occur), then the Issuer may, in accordance with Applicable Banking Regulations in the new Relevant Jurisdiction (without any requirement for the consent or approval of the Holders of the Subordinated Notes) and having given not less than 30 nor more than 60 days' notice to the Fiscal Agent (in accordance with the Agency Agreement) and the Holders of the Subordinated Notes (which notice shall be irrevocable and which notice shall expire no later than the date which is 12 months after the date that such Redomiciliation Event becomes effective), at any time either substitute all (but not some only) of the Subordinated Notes for, or vary the terms of the Subordinated Notes so that they remain or, as appropriate, become, Qualifying Securities *provided that* (1) such variation or substitution would not itself give rise to any right of the Issuer to redeem the varied or substituted securities and (2) such variation or substitution would not itself directly lead to a downgrade in any of the credit ratings of the Subordinated Notes as assigned to such Subordinated Notes by any Rating Agency immediately prior to such variation or substitution. For the avoidance of doubt, any such substitution or variation shall not be deemed to be a modification or amendment for the purposes of Condition 13.

For the purpose of this Condition 17(b):

"Qualifying Securities" means securities issued directly or indirectly by the Issuer that:

- (i) have terms not materially less favourable to a Holder of the Subordinated Notes, certified by Issuer acting reasonably following consultation with an investment bank or financial adviser of international standing (which is independent of the Nordea Group and appointed at the Issuer's expense), than the terms of the Subordinated Notes;
- (ii) contain terms such that they comply with the minimum requirements under the Applicable Banking Regulations for inclusion in the Tier 2 Capital of the Issuer or the Nordea Group (as applicable);
- (iii) include a ranking at least equal to that of the Subordinated Notes (or the nearest equivalent in the new Relevant Jurisdiction);
- (iv) have the same interest rate and the same Interest Payment Dates as those from time to time applying to the Subordinated Notes;
- (v) have equivalent redemption rights to the Subordinated Notes;

- (vi) preserve any existing rights under the Subordinated Notes to any accrued interest which has not been paid in respect of the period from (and including) the Interest Payment Date last preceding the date of substitution or variation; and
- (vii) are listed on a recognised stock exchange if the Subordinated Notes were listed immediately prior to such variation or substitution;

"Rating Agency" means any rating agency specified as rating the Subordinated Notes in the applicable Pricing Supplement or any other rating agency of equivalent standing which has assigned a rating to the Subordinated Notes at the request or invitation of the Issuer; and

"Redomiciliation Event" means a change in the Relevant Jurisdiction of the Issuer, including by way of merger, combination or amalgamation of the Issuer with another entity, which results in the primary responsibility for the prudential oversight and supervision of the Issuer (or any successor) being assumed by a different Competent Authority.

18. **Merger Undertaking**

The Issuer may, without the consent of the Holders of Notes, consolidate with, merge or amalgamate into, or transfer all or substantially all of its assets to another entity, provided, that (i) the Issuer is the surviving corporation, or (ii) the surviving, resulting or transferee entity (the **"successor entity"**) becomes liable by operation of law related to universal succession, with such universal succession being confirmed by a legal opinion by an external legal advisor in the jurisdiction of incorporation of the successor entity, for the due and punctual payment of all obligations on all the Notes and the due and punctual performance of all the covenants and obligations of the Issuer under the Notes and the Agency Agreement, or (iii) the successor entity assumes the due and punctual payment of all obligations on all the Notes, and the successor entity shall succeed to, and be substituted for, and may exercise every right and power of the original Issuer in relation to, the due and punctual performance of all the covenants and other obligations of the Issuer under the Notes and the Agency Agreement, by a supplemental agreement satisfactory to the Fiscal Agent, with such assumption being confirmed by a legal opinion from an external legal advisor in the jurisdiction of incorporation of the successor entity to the effect that the obligations of the successor entity are legal, valid and binding, that all consents and approvals as aforesaid have been obtained, and provided, further that, immediately after such event, the Issuer or such successor entity is not in breach of any covenants or obligations under the Notes or the Agency Agreement, provided, however, that nothing herein stated shall prevent the Issuer from selling or conveying all or substantially all of its assets in one transaction or a series of related transactions in connection with any restructuring of the Issuer's assets and/or operations insofar as such transaction or series of related transactions is required and approved by the Competent Authority or other competent regulatory authority or otherwise required by the laws or regulations of the Relevant Jurisdiction.

19. **Law and Jurisdiction**

- (a) The Notes and the Agency Agreement and all matters arising from or with the Notes are governed by, and construed in accordance with, the internal laws of the State of New York, United States, except that, in the case of Notes specified in the relevant Pricing Supplement as being Dated Subordinated Notes, Undated Subordinated Notes or Capital Contribution Securities, the provisions of Condition 3(2) as they apply to such Notes shall be governed by and shall be construed in accordance with the laws of the Relevant Jurisdiction.
- (b) The Issuer has irrevocably designated Nordea Bank Finland Plc, New York Branch, as its authorized agent for service of process in any legal action or proceeding arising out of or relating to the Notes and the Agency Agreement brought in any Federal or State court in the City of New York, New York, and has irrevocably submitted to the jurisdiction of such courts.

20. **Acknowledgement of Bail-in and Loss Absorption Powers**

Notwithstanding and to the exclusion of any other term of the Dated Subordinated Notes or any other agreements, arrangements or understanding between the Issuer and any Holder (which, for the purposes of this Condition 20, includes each holder of a beneficial interest in the Dated Subordinated Notes), by its acquisition of the Dated Subordinated Notes, each Noteholder acknowledges and accepts that any liability arising under the Dated Subordinated Notes may be subject to the exercise of Bail-in and Loss

Absorption Powers by the Relevant Resolution Authority and acknowledges, accepts, consents to and agrees to be bound by:

- (a) the effect of the exercise of any Bail-in and Loss Absorption Powers by the Relevant Resolution Authority, which exercise (without limitation) may include and result in any of the following, or a combination thereof:
 - (i) the reduction of all, or a portion, of the Relevant Amounts in respect of the Dated Subordinated Notes on a permanent basis;
 - (ii) the conversion of all, or a portion, of the Relevant Amounts in respect of the Dated Subordinated Notes into shares, other securities or other obligations of the Issuer or another person, and the issue to or conferral on the Noteholder of such shares, securities or obligations, including by means of an amendment, modification or variation of the terms of the Dated Subordinated Notes;
 - (iii) the cancellation of the Dated Subordinated Notes or the Relevant Amounts in respect of the Dated Subordinated Notes; and
 - (iv) the amendment or alteration of the date for redemption of the Dated Subordinated Notes or amendment of the amount of interest payable on the Dated Subordinated Notes, or the date on which interest becomes payable, including by suspending payment for a temporary period; and
- (b) the variation of the terms of the Dated Subordinated Notes, as deemed necessary by the Relevant Resolution Authority, to give effect to the exercise of any Bail-in and Loss Absorption Powers by the Relevant Resolution Authority.

For the purposes of this Condition 20:

"Bail-in and Loss Absorption Powers" means any loss absorption, write-down, conversion, transfer, modification, suspension or similar or related power existing from time to time under, and exercised in compliance with, any laws, regulations, rules or requirements in effect in the Relevant Jurisdiction, relating to (i) the transposition of the BRRD or the application of the SRM Regulation and (ii) the instruments, rules and standards created under the BRRD or the SRM Regulation, pursuant to which any obligation of the Issuer (or any affiliate of the Issuer) can be reduced, cancelled, modified, or converted into shares, other securities or other obligations of the Issuer or any other person (or suspended for a temporary period);

"BRRD" means Directive 2014/59/EU of 15 May 2014 establishing the framework for the recovery and resolution of credit institutions and investment firms, as the same may be amended or replaced from time to time;

"Relevant Amounts" means the outstanding principal amount of the Dated Subordinated Notes, together with any accrued but unpaid interest and additional amounts due on the Dated Subordinated Notes. References to such amounts will include amounts that have become due and payable, but which have not been paid, prior to the exercise of any Bail-in and Loss Absorption Powers by the Relevant Resolution Authority; and

"Relevant Resolution Authority" means the resolution authority with the ability to exercise any Bail-in and Loss Absorption Powers in relation to the Issuer and/or the Nordea Group.