

CONDITIONS FOR USD 500,000,000 4.625% FIXED RATE RESET SUBORDINATED NOTES DUE 13 SEPTEMBER 2033 (REGULATION S ISIN US65557FAH91, RULE 144A ISIN US65557HAH57)

This general description of the Programme contains the Terms and Conditions of the Notes which (subject to completion of the Pricing Supplement for each Series of such Notes) will be incorporated by reference into each such Note. 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 such Note.

Nordea Bank AB (publ) (“**Nordea**” or the “**Issuer**”) has established a Global Medium-Term Note Programme (the “**Programme**”) for the issuance of up to U.S.\$25,000,000,000 (or its equivalent in another currency calculated as described herein) in aggregate principal amount of debt instruments, including Unsubordinated Notes, Dated Subordinated Notes and Additional Tier 1 Write-Down Notes (each as defined herein) (for the purposes of these Conditions, the Unsubordinated Notes, the Dated Subordinated Notes and the Additional Tier 1 Write-Down Notes are together referred to as the “**Notes**”). The Programme size may be increased from time to time without the consent of the holders of Notes.

The Notes are issued in accordance with and subject to a fiscal and paying agency agreement dated 7 October 2009 (as amended and/or restated and/or replaced from time to time up to the first Issue Date (as defined below) of the relevant Series of Notes, the “**Agency Agreement**”) between the Issuer, Citibank, N.A., London Branch in its capacity as fiscal agent (the “**Fiscal Agent**”), as paying agent (the “**Paying Agent**”) and as registrar (the “**Registrar**”) (each such expression including any successor to Citibank, N.A., London Branch in its capacity as such), Citibank, N.A., acting through its New York branch in its capacity as U.S. paying agent (the “**U.S. Paying Agent**”, which expression includes any successor to Citibank, N.A., acting through its New York branch in its capacity as such) and the paying agent(s) named therein (the “**Paying Agent(s)**”, and which expression shall include the Fiscal Agent, Paying Agent and U.S. Paying Agent and any substitute or additional paying agents appointed in accordance with the Agency Agreement). The Notes have the benefit of a deed of covenant (the “**Deed of Covenant**”) dated 20 February 2018 (as amended and/or restated and/or replaced from time to time up to the first Issue Date of the relevant Series of Notes), executed by the Issuer in relation to the Notes. Copies of the Agency Agreement and the Deed of Covenant are available for inspection at the corporate trust office of the Fiscal Agent. All persons from time to time holding any Notes shall be deemed to have notice of all of the provisions of the Agency Agreement and the Deed of Covenant insofar as they relate to the 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 the 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 Euronext Dublin and admission to trading on the Global Exchange Market, will be filed with Euronext Dublin 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 and any references to Coupons and Receipts, both as defined below, are to Coupons and Receipts relating to Notes of the relevant Series.

1. Interpretation

- (a) In these Conditions the following expressions have the following meanings:

“**Accounting Currency**” means euro or such other primary currency used in the presentation of the Relevant Entity’s accounts from time to time.

“**Additional Tier 1 Capital**” means additional tier 1 capital for the purposes of the Applicable Banking Regulations.

“**Additional Tier 1 Write-Down Notes**” have the meaning given in Condition 4(3)(c).

“**Adjustment Spread**” means either a spread (which may be positive or negative), or the formula or methodology for calculating a spread, in either case, which the Issuer, following consultation with the Independent Adviser and acting in good faith, determines is required to be applied to the Alternative Benchmark Rate to reduce or eliminate, to the fullest extent reasonably practicable in the circumstances,

any economic prejudice or benefit (as the case may be) to Noteholders as a result of the replacement of the original Mid-Swap Floating Leg Benchmark Rate or Reference Rate with the Alternative Benchmark Rate and is the spread, formula or methodology which is (i) formally recommended, or formally provided as an option for parties to adopt, in relation to the replacement of the original Mid-Swap Floating Leg Benchmark Rate or Reference Rate with the Alternative Benchmark Rate by any Relevant Nominating Body; or (ii) failing which, is in customary market usage in the international debt capital market for transactions which reference the original Mid-Swap Floating Leg Benchmark Rate or Reference Rate, where such rate has been replaced by the Alternative Benchmark Rate; or (iii) if no such recommendation or option has been made (or made available), or the Issuer determines there is no such spread, formula or methodology in customary market usage, the Issuer determines, following consultation with the Independent Adviser and acting in good faith, to be appropriate;

“Alignment Event” means, in the opinion of the Issuer, that any modifications to the terms of the Senior Non-Preferred Notes are necessary to reflect the implementation, of or to enable the Senior Non-Preferred Notes to have the benefit of and be subject to, the Creditor Hierarchy Directive as implemented in the Relevant Jurisdiction, including (without limitation) (i) in connection with achieving the lower priority ranking contemplated by Article 108(2) of the BRRD in accordance with Condition 4(2) or (ii) for the purposes of achieving consistent ranking provisions with other Series of Senior Non-Preferred Notes;

“Applicable Banking Regulations” means at any time the laws, regulations, delegated or implementing acts, regulatory or implementing technical standards, rules, requirements, guidelines and policies relating to capital adequacy and/or minimum requirement for own funds and eligible liabilities and/or loss absorbing capacity then in effect in the Relevant Jurisdiction including, without limitation to the generality of the foregoing, CRD IV, the SRM Regulation, BRRD, the Creditor Hierarchy Directive and those regulations, requirements, guidelines and policies relating to capital adequacy and/or minimum requirement for own funds and eligible liability and/or loss absorbing capacity and/or the implementation of the Creditor Hierarchy Directive adopted by the Competent Authority, the Resolution Authority or any other national or European 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 Nordea Group);

“BRRD” means Directive 2014/59/EU of May 15, 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, including without limitation, by the Creditor Hierarchy Directive;

“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:

- (a) in relation to the Notes denominated in euro, which is a TARGET Settlement Day;
- (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 Centre; and
- (c) in relation to payments due upon presentation and/or surrender of any Notes or Coupons, in the relevant place of presentation and/or surrender.

“Business Day Convention”, in relation to any particular date, has the meaning given in the relevant Pricing Supplement and, if so specified in the relevant Pricing Supplement, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

- (a) **“Following Business Day Convention”** means that the relevant date shall be postponed to the first following day that is a Business Day;
- (b) **“Modified Following Business Day Convention”** or **“Modified Business Day Convention”** means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;
- (c) **“Preceding Business Day Convention”** means that the relevant date shall be brought forward to the first preceding day that is a Business Day;
- (d) **“FRN Convention”, “Floating Rate Convention”** or **“Eurodollar Convention”** means that each relevant date shall be the date which numerically corresponds to the preceding such date

in the calendar month which is the number of months specified in the relevant Pricing Supplement as the Specified Period after the calendar month in which the preceding such date occurred provided, however, that:

- (i) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
 - (ii) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and
 - (iii) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and
- (e) **“No Adjustment”** or **“unadjusted”** means that the relevant date shall not be adjusted in accordance with any Business Day Convention.

“Calculation Amount” has the meaning given in the relevant Pricing Supplement, provided that if the Outstanding Principal Amount of each Note is amended in accordance with the Conditions or as otherwise required by then current legislation and/or regulations applicable to the Issuer, the Fiscal Agent shall (i) adjust the Calculation Amount on a pro-rata basis to account for such amendment, as the case may be, and (ii) notify the Holders in accordance with Condition 15 of the details of such adjustment.

“Capital Event” means the determination by the Issuer, after consultation with the Competent Authority, that the Outstanding Principal Amount of the relevant Series of Dated Subordinated Notes or Additional Tier 1 Write-Down Notes, as the case may be, ceases or would be likely to cease to be included in whole or in any part, or count in whole or in any part, towards the Relevant Capital of either the Issuer or the Nordea Group (other than by reason of a full or partial exclusion of the Outstanding Principal Amount of the relevant Series of Dated Subordinated Notes or Additional Tier 1 Write-Down Notes arising (i) (in the case of any Additional Tier 1 Write-Down Notes) as a result of a Write Down and/or (ii) (in any case) by reason of any applicable limit on the amount of such capital under the Applicable Banking Regulations from time to time).

“CET1 Capital” means in respect of either the Issuer or the Nordea Group (as the case may be), at any time, the sum, expressed in the Accounting Currency, of all amounts that constitute common equity tier 1 capital of either the Issuer or the Nordea Group (as the case may be) as at such date, less any deductions from common equity tier 1 capital required to be made as at such date, in each case as calculated by the Issuer in accordance with the Applicable Banking Regulations applicable to either the Issuer on a solo basis or the Nordea Group on a consolidated basis (as the case may be), at such time (which calculation shall be binding on the Holders). For the purposes of this definition, the term “common equity tier 1 capital” shall have the meaning assigned to such term in the Applicable Banking Regulations then applicable to either the Issuer or the Nordea Group (as the case may be).

“CET1 Ratio” means, at any time, the ratio of CET1 Capital of the Relevant Entity, as at such date to the Risk Weighted Assets of the Relevant Entity, as at the same date, expressed as a percentage and, for the avoidance of doubt, on the basis that all measures used in such calculation shall be calculated applying the transitional provisions set out in Part Ten of CRR and applied in accordance with the Applicable Banking Regulations then applicable to the Relevant Entity.

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

“Conditions to Redemption” means the conditions to redemption set out in Condition 6(j) or as otherwise specified in the relevant Pricing Supplement.

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

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

“**CRD IV 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 CRR, including for the avoidance of doubt any regulatory technical standards released by the European Banking Authority (or any successor or replacement thereof).

“**Creditor Hierarchy Directive**” means Directive (EU) 2017/2399 of the European Parliament and of the Council of 12 December 2017 amending Directive 2014/59/EU as regards the ranking of unsecured debt instruments in insolvency hierarchy, or any equivalent legislation;

“**CRR**” 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.

“**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 year, 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

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

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

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

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:

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

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.

“Dated Subordinated Notes” have the meaning given in Condition 4(3)(b).

“Determination Agent” means the Fiscal Agent or such other agent as may be specified in the relevant Pricing Supplement.

“Distributable Items”, at any time, shall have the meaning assigned to such term in CRR as interpreted and applied in accordance with the Applicable Banking Regulations then applicable to the Issuer, unless otherwise specified in the relevant Pricing Supplement.

“First Interest Payment Date” means the date specified in the relevant Pricing Supplement.

“First Margin” means the margin specified as such in the relevant Pricing Supplement.

“First Reset Date” means the date specified in the relevant Pricing Supplement.

“First Reset Period” means the period from (and including) the First Reset Date until (but excluding) the Second Reset Date or, if no such Second Reset Date is specified in the relevant Pricing Supplement, the Maturity Date.

“First Reset Rate of Interest” means, in respect of the First Reset Period and subject to Condition 5(4), the rate of interest determined by the Determination Agent on the relevant Reset Determination Date as the sum of the relevant Mid-Swap Rate and the First Margin.

“Independent Adviser” means an independent financial institution of international repute or other independent financial adviser of recognised standing with relevant experience in the international capital markets, in each case appointed by the Issuer at its own expense.

“Initial Rate of Interest” has the meaning specified in the relevant Pricing Supplement.

“Instalment Amount” means, in relation to an Instalment Note, the amount of each instalment as may be specified in, or determined in accordance with the provisions of, the Pricing Supplement. To the extent that an Instalment Amount requires determination, such amount may be determined by a Determination Agent.

“Interest Amount” means, in relation to a Note and an Interest Period, the amount of interest payable in respect of that Note for that Interest Period.

“Interest Commencement Date” means the Issue Date of the Notes (as specified in the Pricing Supplement) or such other date as may be specified as such in the Pricing Supplement.

“Interest Payment Date” means the First Interest Payment Date and any date or dates specified as such in the relevant Pricing Supplement (each such date a “Specified Interest Payment Date”) and, if a Business Day Convention is specified in the relevant Pricing Supplement:

- (a) as the same may be adjusted in accordance with the relevant Business Day Convention; or
- (b) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Pricing Supplement as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the First Interest Payment Date) or the previous Interest Payment Date (in any other case).

“Issue Date” has the meaning specified in the relevant Pricing Supplement.

“Junior Securities” means the share capital and any obligation of the Issuer ranking or, expressed to rank, junior to the Additional Tier 1 Write-Down Notes.

“Loss Absorbing Instrument” means at any time any instrument (other than the Notes) issued directly or indirectly by the Issuer which at such time (a) qualifies as Additional Tier 1 Capital of the Relevant Entity and (b) which is subject to utilisation and conversion or utilisation and write down (as applicable) of the outstanding principal amount thereof (in accordance with its terms or otherwise) on the occurrence, or as a result, of the Relevant CET1 Ratio falling below a specified level.

“Maturity Date” has the meaning given in the relevant Pricing Supplement.

“Maximum Distributable Amount” means any maximum distributable amount relating either to the Issuer and/or the Nordea Group (as the case may be) required to be calculated in accordance with Article

141 of the CRD IV Directive as transposed or implemented into the law of the Relevant Jurisdiction and in accordance with the Applicable Banking Regulations.

“Maximum Redemption Amount” has the meaning given in the relevant Pricing Supplement.

“Maximum Reinstatement Amount” means, in respect of any Reinstatement, the Relevant Profits multiplied by the sum of the aggregate Original Principal Amount of the Notes and the aggregate initial principal amount of all Written Down Additional Tier 1 Instruments of the Relevant Entity whose Net Profits are the Relevant Profits for the purposes of this calculation, and divided by the total Tier 1 Capital of such Relevant Entity as at the date of the relevant Reinstatement, or any higher amount permissible pursuant to Applicable Banking Regulations in force on the date of the relevant Reinstatement, or as may otherwise be specified in the relevant Pricing Supplement.

“Mid-Swap Maturity” has the meaning given in the relevant Pricing Supplement.

“Mid-Market Swap Rate” means for any Reset Period the mean of the bid and offered rates for the fixed leg payable with a frequency equivalent to the frequency with which scheduled interest payments are payable on the Notes during the relevant Reset Period (calculated on the day count basis customary for fixed rate payments in the Specified Currency, such day count basis as determined by the Determination Agent) of a fixed-for-floating interest rate swap transaction in the Specified Currency which transaction (i) has a term equal to the relevant Reset Period and commencing on the relevant Reset Date, (ii) is in an amount that is representative for a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market and (iii) has a floating leg based on the Mid-Swap Floating Leg Benchmark Rate for the Mid-Swap Maturity (as specified in the relevant Pricing Supplement) (calculated on the day count basis customary for floating rate payments in the Specified Currency, such day count basis as determined by the Determination Agent).

“Mid-Market Swap Rate Quotation” means a quotation (expressed as a percentage rate per annum) for the relevant Mid-Market Swap Rate.

“Mid-Swap Floating Leg Benchmark Rate” means EURIBOR if the Specified Currency is euro or LIBOR for the Specified Currency if the Specified Currency is not euro or the Reference Rate as specified in the relevant Pricing Supplement.

“Mid-Swap Rate” means, in relation to a Reset Determination Date and subject to Condition 5(4)(c), either:

- (i) if Single Mid-Swap Rate is specified in the relevant Pricing Supplement, the rate for swaps in the Specified Currency:
 - (A) with a term equal to the relevant Reset Period; and
 - (B) commencing on the relevant Reset Date, which appears on the Relevant Screen Page; or
- (ii) if Mean Mid-Swap Rate is specified in the relevant Pricing Supplement, the arithmetic mean (expressed as a percentage rate per annum and rounded, if necessary, to the nearest 0.001 per cent (0.0005 per cent being rounded upwards)) of the bid and offered swap rate quotations for swaps in the Specified Currency:
 - (A) with a term equal to the relevant Reset Period; and
 - (B) commencing on the relevant Reset Date,which appear on the Relevant Screen Page,

in either case, as at approximately 11.00 a.m. in the Relevant Financial Centre of the Specified Currency on such Reset Determination Date, all as determined by the Determination Agent.

“Minimum Redemption Amount” has the meaning given in the relevant Pricing Supplement.

“MREL/TLAC Disqualification Event” means the whole or any part of the outstanding aggregate principal amount of the relevant series of Notes at any time is not included in, ceases or (in the opinion of the Issuer) will cease to count towards the Issuer’s and/or the Nordea Group’s eligible liabilities and/or loss absorbing capacity (in each case (i) for the purposes of, and in accordance with, the relevant Applicable Banking Regulations and (ii) for the avoidance of doubt, whether as a result of a Redomiciliation Event or otherwise); provided that an MREL/TLAC Disqualification Event shall not

occur if such whole or part of the outstanding principal amount of the relevant series of Notes is not included in, ceases or (in the opinion of the Issuer) will cease to count towards such eligible liabilities and/or loss absorbing capacity due to the remaining maturity of the Notes being less than the minimum period prescribed by the relevant Applicable Banking Regulations;

“Net Profit” means, (i) in respect of the Issuer, the solo net profit of the Issuer and/or (ii) in respect of the Nordea Group, the consolidated net profit (excluding minority interests) of the Nordea Group (as the case may be), and, in each case, shall be the most recent profits calculated on a statutory basis after the relevant institution or its board of directors has taken a formal decision confirming such final profits of the Issuer or Nordea Group, as applicable.

“Nordea Group” means the Issuer and its subsidiaries.

“Notes Currency” has the meaning given in the relevant Pricing Supplement.

“Original Principal Amount” means, in respect of a Note, the principal amount of the Note as issued on the Issue Date.

“Outstanding Principal Amount” means, (i) in respect of an Instalment Note, its principal amount less any principal amount on which interest shall have ceased to accrue in accordance with Condition 5(5)(d) or otherwise as indicated in the Pricing Supplement; (ii) in respect of a Subordinated Note in respect to which Condition 7(a) is specified in the relevant Pricing Supplement as being applicable, the Original Principal Amount as reduced from time to time by any Write Down Amount and, if Condition 7(b) is specified in the relevant Pricing Supplement as being applicable, as increased from time to time by any Reinstatement Amount and (iii) in respect of a Note other than those specified in (i) or (ii) above, the principal amount of the Note on the Issue Date as reduced by any partial redemption or repurchase from time to time.

“Parity Securities” means any (i) subordinated and undated debt instruments or securities of the Issuer which are recognised as “Additional Tier 1 Capital” of the Issuer, from time to time by the Competent Authority and (ii) any securities or other obligations of the Issuer which rank, or are expressed to rank, on a voluntary or involuntary liquidation or bankruptcy of the Issuer, *pari passu* with the Additional Tier 1 Write-Down Notes.

a **“person”** includes any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organisation, trust, state or agency of a state (in each case whether or not being a separate legal entity) or other legal entity.

“Qualifying Securities” has the meaning given in Condition 18.

“Rate of Interest” means (i) in the case of Notes other than Reset Notes, the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Notes specified in the relevant Pricing Supplement or calculated or determined in accordance with the provisions of these Conditions; and (ii) in the case of Reset Notes, the Initial Rate of Interest, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest, as applicable.

“Rating Agency” means any rating agency specified as rating the Additional Tier 1 Write-Down Notes, the Subordinated Notes or the Senior Non-Preferred Notes, as applicable, in the relevant Pricing Supplement or any other rating agency of equivalent standing which has assigned a rating to the Additional Tier 1 Write-Down Notes, the Subordinated Notes or the Senior Non-Preferred Notes as applicable at the request or invitation of the Issuer;

“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 and/or Resolution Authority, as the case may be;

“Reference Banks” has the meaning given in the relevant Pricing Supplement or, if none, four major banks in the swap, money, securities or other market most closely connected with the relevant Mid- Swap Rate as selected by the Issuer on the advice of an investment bank of international repute.

“Reference Date” means the accounting date as at which the applicable Relevant Profits were determined.

“Reference Rate” has the meaning given in the relevant 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.

“Reinstatement” has the meaning set out in Condition 7(b)(i).

“Reinstatement Amount” means the amount, subject to the Maximum Reinstatement Amount, by which the Outstanding Principal Amount of each Note in effect prior to the relevant Reinstatement, is to be reinstated and written up on the Reinstatement Effective Date on the balance sheet of the Issuer on such date, as specified in the Reinstatement Notice.

“Reinstatement Effective Date” means the date on which the Outstanding Principal Amount of each Note is reinstated and written up on the balance sheet of the Issuer (in whole or in part), as specified in the relevant Reinstatement Notice;

“Reinstatement Procedure” means the procedures set out in Condition 7(b)(ii).

“Reinstatement Notice” means the notice to be delivered by the Issuer to the Holders in accordance with Condition 15 specifying the Reinstatement Amount and the Reinstatement Effective Date.

“Relevant Capital” means, in respect of any Dated Subordinated Notes, Tier 2 Capital and, in the respect of any Additional Tier 1 Write-Down Notes, Tier 1 Capital.

“Relevant CET1 Ratio” means (a) if a Combined Trigger Event is specified as being applicable in the relevant Pricing Supplement, the CET1 Ratio of the Issuer or the Nordea Group and (b) if Group Trigger Event is specified as being applicable in the relevant Pricing Supplement, the CET1 Ratio of the Nordea Group.

“Relevant Entity” means (a) if a Combined Trigger Event is specified as being applicable in the relevant Pricing Supplement, the Issuer or the Nordea Group and (b) if Group Trigger Event is specified as being applicable in the relevant Pricing Supplement, the Nordea Group.

“Relevant Financial Centre” 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 centre or centres 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.

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

“Relevant Nominating Body” means, in respect of a benchmark or screen rate (as applicable): (i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or (ii) any working group or committee sponsored by, chaired

or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof;

“**Relevant Notice**” has the meaning given to it in Condition 4(2);

“**Relevant Profits**” means (a) if a Write Down has occurred following a Combined Trigger Event, the Relevant Profits shall be the lower of the relevant Net Profit of the Issuer and the Nordea Group; and (b) if a Write Down has occurred following a Group Trigger Event, the Net Profits of the Nordea Group.

“**Relevant Screen Page**” means the page, section or other part of a particular information service (or any successor or replacement page, section or other part of a particular information service, including, without limitation, Reuters) specified as the Relevant Screen Page in the relevant Pricing Supplement, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate.

“**Relevant Time**” has the meaning given in the relevant Pricing Supplement.

“**Reset Date**” means the First Reset Date, the Second Reset Date and each Subsequent Reset Date (as applicable), in each case as adjusted (if so specified in the relevant Pricing Supplement) in accordance with Condition 5(1) as if the relevant Reset Date was an Interest Payment Date.

“**Reset Determination Date**” means, in respect of the First Reset Period, the second Business Day prior to the First Reset Date, in respect of the first Subsequent Reset Period, the second Business Day prior to the Second Reset Date and, in respect of each Subsequent Reset Period thereafter, the second Business Day prior to the first day of each such Subsequent Reset Period, or in each case as specified in the relevant Pricing Supplement.

“**Reset Note**” means a Note on which interest is calculated at reset rates payable in arrear on a fixed date or dates in each year and/or at intervals of one, two, three, six or 12 months or at such other date or intervals as may be agreed between the Issuer and the relevant dealer(s) (as indicated in the relevant Pricing Supplement).

“**Reset Period**” means the First Reset Period or a Subsequent Reset Period, as the case may be.

“**Resolution Authority**” means any resolution authority with the ability to exercise any Bail-in and Loss Absorption Powers in relation to the Issuer and/or the Nordea Group or with primary responsibility for the oversight and supervision of the Issuer’s and/or the Nordea Group’s eligible liabilities and/or loss absorbing capacity from time to time;

“**Risk Weighted Assets**” means, at any time, the aggregate amount, expressed in the Accounting Currency, of the risk weighted assets of either the Issuer or the Nordea Group (as the case may be), as at such date, as calculated by the Issuer, on a solo basis in respect of the Issuer or on a consolidated basis in respect of the Nordea Group in accordance with the Applicable Banking Regulations applicable to either the Issuer and/or the Nordea Group (as the case may be), on such date (which calculation shall be binding on the Holders). For the purposes of this definition, the term “risk weighted assets” means the risk weighted assets or total risk exposure amount, as calculated by the Issuer, in accordance with the Applicable Banking Regulations applicable to either the Issuer and/or the Nordea Group (as the case may be).

“**Second Reset Date**” means the date specified in the relevant Pricing Supplement.

“**Senior Creditors**” means creditors of the Issuer (i) who are depositors and/or other unsubordinated creditors of the Issuer; or (ii) who are holders of Senior Non-Preferred Notes (both before and after the giving of the Relevant Notice); (iii) 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.

“**Senior Non-Preferred Notes**” has the meaning given in Condition 4(2).

“**Specified Currency**” has the meaning given in the relevant Pricing Supplement.

“**Specified Period**” has the meaning given in the relevant Pricing Supplement.

“**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 or bankruptcy of the Issuer to the claims of depositors and all other unsubordinated creditors of the Issuer.

“**Subordinated Notes**” have the meaning given in Condition 4(3).

“**Subsequent Margin**” means the margin specified as such in the relevant Pricing Supplement.

“**Subsequent Reset Date**” means the date or dates specified in the relevant Pricing Supplement.

“**Subsequent Reset Period**” means the period from (and including) the Second Reset Date to (but excluding) the next Subsequent Reset Date, and each successive period from (and including) a Subsequent Reset Date to (but excluding) the next succeeding Subsequent Reset Date.

“**Subsequent Reset Rate of Interest**” means, in respect of any Subsequent Reset Period and subject to Condition 5(4)(c), the rate of interest determined by the Determination Agent on the relevant Reset Determination Date as the sum of the relevant Mid-Swap Rate and the relevant Subsequent Margin.

“**TARGET**” means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007.

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

“**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, or change in, the laws or treaties (or any regulations thereunder) of the Taxing Jurisdiction affecting taxation;
- (ii) any governmental action in the Taxing Jurisdiction; or
- (iii) any amendment to, or change in, the official position or the interpretation of such law, treaty (or regulations thereunder) or governmental action or any interpretation, decision or pronouncement that provides for a position with respect to such law, treaty (or regulations thereunder) or governmental action that differs from the theretofore generally accepted position, in each case, by any legislative body, court, governmental authority or regulatory body in the Taxing Jurisdiction, irrespective of the manner in which such amendment, change, action, pronouncement, interpretation or decision is made known,

which amendment or change is effective or such governmental action, pronouncement, interpretation or decision is announced, on or after the Issue Date of the relevant Series of Senior Non-Preferred Notes or Subordinated Notes (as the case may be):

- (A) the Issuer is, or will be, subject to additional taxes, duties or other governmental charges with respect to such Senior Non-Preferred Notes or Subordinated Notes (as the case may be) or is not, or will not be, entitled to claim a deduction in respect of payments in respect of such Senior Non-Preferred Notes or Subordinated Notes (as the case may be) in computing its taxation liabilities (or the value of such deduction would be materially reduced); or
- (B) the treatment of any of the Issuer’s items of income or expense with respect to such Senior Non-Preferred Notes or Subordinated Notes (as the case may be) as reflected on the tax returns (including estimated returns) filed (or to be filed) by the Issuer will not be respected by the taxing authority in the Taxing Jurisdiction, which subjects the Issuer to 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.

“Tier 1 Capital” means tier 1 capital for the purposes of the Applicable Banking Regulations.

“Tier 2 Capital” means tier 2 capital for the purposes of the Applicable Banking Regulations.

a **“Trigger Event”** shall occur if at any time the Issuer, the Competent Authority or any agent appointed for such purpose by the Competent Authority has determined that the CET1 Ratio of (i) either the Issuer on a solo basis or the Nordea Group on a consolidated basis (a **“Combined Trigger Event”**) or (ii) the Nordea Group on a consolidated basis only (a **“Group Trigger Event”**), as specified in the applicable Pricing Supplement, is less than the Trigger Level.

“Trigger Level” has the meaning given in the relevant Pricing Supplement.

“Unsubordinated Notes” have the meaning given in Condition 4(1).

“Write Down” means the write down of the Outstanding Principal Amount of each Note (in whole or in part, as applicable) by writing down such Outstanding Principal Amount (in whole or in part, as applicable) in accordance with the Write Down Procedure.

“Write Down Amount” means the amount by which the Outstanding Principal Amount of each Note is to be written down on the Write Down Effective Date, which shall be:

- (i) the amount (together with the write down on a pro rata basis of the other Notes of the same Series and any utilisation and conversion or utilisation and write down (to the extent possible) of other Loss Absorbing Instruments to be written down or converted concurrently (or substantially concurrently)) that would be sufficient to restore the CET1 Ratio of both the Issuer and the Nordea Group in relation to a Combined Trigger Event or the CET1 Ratio of the Nordea Group only in relation to a Group Trigger Event (as the case may be) to at least the Trigger Level; or
- (ii) if that write down (together with the write down on a pro rata basis of the other Notes of the same Series and any utilisation and conversion or utilisation and write down (to the extent possible) of any other Loss Absorbing Instruments to be written down or converted concurrently (or substantially concurrently)) would be insufficient to restore the CET1 Ratio to the Trigger Level, or the CET1 Ratio is not capable of being so restored, the amount necessary to reduce the Outstanding Principal Amount of such Note to zero, unless the relevant Pricing Supplement specifies “Reinstatement” as applicable to the Notes, in which case, the amount necessary to reduce the Outstanding Principal Amount of such Note to the smallest unit of the Specified Currency of such Note,

provided, however, with respect to each Loss Absorbing Instrument (if any) such pro-rata write down or conversion shall only be taken into account to the extent required to restore the CET1 Ratio of both the Issuer and the Nordea Group (in relation to a Combined Trigger Event) or the CET1 Ratio of the Nordea Group only (in relation to a Group Trigger Event) (as the case may be) to the lower of (a) such Loss Absorbing Instrument’s trigger level, or where there is more than one such trigger level, the highest of such trigger levels as has been triggered thereon and (b) the Trigger Level in respect of which the Combined Trigger Event or Group Trigger Event (as the case may be) has occurred and provided further, however, that to the extent the write down, or, as the case may be, conversion of the principal amount of any Loss Absorbing Instrument is not, or by the relevant Write Down Effective Date will not be, effective for any reason, the ineffectiveness of any such write down or, as the case may be, conversion shall not prejudice the requirement to effect a write down of each Note under this Condition and the amount of any future potential write down or conversion (as the case may be) of such Loss Absorbing Instrument shall not be taken into account in determining, and so shall not reduce, the amount of the write down of the Outstanding Principal Amount of each Note.

“Write Down Effective Date” means the date on which the Write Down shall take place, or has taken place, as applicable.

“Write Down Notice” means the notice to be delivered by the Issuer to the Holders in accordance with Condition 15 specifying (i) that a Trigger Event has occurred and (ii) the Write Down Effective Date or expected Write Down Effective Date.

“Write Down Procedure” means the procedures set out in Condition 7(a)(ii).

“Written Down Additional Tier 1 Instrument” means a Loss Absorbing Instrument (other than the relevant Series of Notes) issued directly or indirectly by the Issuer and qualifying as Additional Tier 1 Capital of the Relevant Entity that, immediately prior to any Reinstatement, has a prevailing principal

amount which is less than its original principal amount due to a write down and that has terms permitting a principal write up to occur on a basis similar to that set out in Condition 7(b) in the circumstances existing on the relevant Reinstatement Effective Date.

(b) In these Conditions:

- (i) if the Notes are Zero Coupon Notes (as specified in the relevant Pricing Supplement), references to Coupons and Couponholders are not applicable;
- (ii) if Talons are specified in the relevant Pricing Supplement as being attached to the Notes at the time of issue, references to Coupons shall be deemed to include references to Talons;
- (iii) if Talons are not specified in the relevant Pricing Supplement as being attached to the Notes at the time of issue, references to Talons are not applicable;
- (iv) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 9 (Taxation), any premium payable in respect of a Note and any other amount in the nature of principal payable pursuant to these Conditions;
- (v) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 9 (Taxation) and any other amount in the nature of interest payable pursuant to these Conditions;
- (vi) if an expression is stated in Condition 1(a) (Interpretation - Definitions) to have the meaning given in the relevant Pricing Supplement, but the relevant Pricing Supplement gives no such meaning or specifies that such expression is “Not Applicable” then such expression is not applicable to the Notes;
- (vii) any reference to the Agency Agreement or Deed of Covenant shall be construed as a reference to the Agency Agreement or Deed of Covenant, as the case may be, as amended and/or supplemented up to (and including) the Issue Date of the Notes;
- (viii) references to any act or statute or any provision of any act or statute shall be deemed also to refer to any statutory modification or re-enactment thereof or any statutory instrument, order or regulation made thereunder or under such modification or re-enactment; and
- (ix) if a Trigger Event is specified in the relevant Pricing Supplement as being a Group Trigger Event, all amounts and ratios to be calculated under these Conditions should be calculated on the basis of the Nordea Group on a consolidated basis only, and should not require any amounts or ratios to be calculated by reference to the Issuer on a solo basis.

2. Form and Denomination

(a) **Form**

Notes are issued in bearer form or registered form, as specified in the relevant Pricing Supplement and are serially numbered. The Notes will be in substantially the form (subject to amendment and completion) scheduled to the Agency Agreement.

(b) **Form of Bearer Notes**

Notes issued in bearer form (“**Bearer Notes**”) will be represented upon issue by a temporary global note (a “**Temporary Global Note**”) or a permanent global Note (a “**Permanent Global Note**” and together with a Temporary Global Note, the “**Global Bearer Notes**”) in substantially the form (subject to amendment and completion) scheduled to the Fiscal Agency Agreement. On or after the date which is forty days after the completion of the distribution of the Notes (the “**Exchange Date**”) of the relevant Series and provided certification as to the beneficial ownership thereof as required by U.S. Treasury regulations (substantially in the form set out in the Temporary Global Note) has been received, interests in the Temporary Global Note may be exchanged for:

- (i) interests in a Permanent Global Note representing the Notes of that Series and in substantially the form (subject to amendment and completion) scheduled to the Fiscal Agency Agreement; or

- (ii) if so specified in the relevant Pricing Supplement, definitive bearer notes (“**Definitive Bearer Notes**”) serially numbered and in substantially the form (subject to amendment and completion) scheduled to the Fiscal Agency Agreement.

If any date on which a payment of interest is due on the Notes of a Series occurs whilst any of the Notes of that Series are represented by the Temporary Global Note, the related interest payment will be made on the Temporary Global Note only to the extent that certification as to the beneficial ownership thereof as required by U.S. Treasury regulations (in the form set out in the Temporary Global Note) has been received by Euroclear Bank SA/NV (“**Euroclear**”) or Clearstream Banking, SA (“**Clearstream, Luxembourg**”) or by any other clearing system to which Notes or any interest therein may from time to time be credited. Payments of principal or interest (if any) on a Permanent Global Note will be made through Euroclear and Clearstream, Luxembourg without any requirement for certification.

Interests in the Permanent Global Note will, unless the contrary is specified in the relevant Pricing Supplement, be exchangeable at the cost and expense of the Issuer, unless otherwise specified in the relevant Pricing Supplement, in whole (but not in part), at the option of the Holder of such Permanent Global Note for Definitive Bearer Notes if (a) Euroclear or Clearstream, Luxembourg or any other relevant clearing system(s) is closed for business for a continuous period of 14 days (other than by reason of public holidays) or announces an intention to cease business permanently or does in fact do so or (b) an Event of Default occurs under Condition 8 in respect of any Note of the relevant Series. Whenever the Permanent Global Note is to be exchanged for Definitive Bearer Notes, the Issuer shall procure the prompt delivery of such Definitive Bearer Notes duly authenticated and with Coupons and Talons attached (if so specified in the relevant Pricing Supplement), in an aggregate principal amount equal to the principal amount of the Permanent Global Note to the Holder of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Fiscal Agent within 30 days of the Holder requesting such exchange.

If default is made by the Issuer in the required delivery of Definitive Bearer Notes and such default is continuing at 5.00 p.m. (London time) on the thirtieth day after the bearer has requested exchange, such Permanent Global Note will become void in accordance with its terms but without prejudice to the rights of the Account Holders (as defined in the Deed of Covenant) with Euroclear and Clearstream, Luxembourg in relation thereto under the Deed of Covenant.

Interest bearing Definitive Bearer Notes will, if so specified in the relevant Pricing Supplement, have attached thereto at the time of their initial delivery coupons (“**Coupons**”), presentation of which will be prerequisite to the payment of interest in certain circumstances specified below provided that interest bearing Definitive Bearer Notes, if so specified in the relevant Pricing Supplement, have attached thereto at the time of initial delivery Coupons and one Talon for further Coupons (a “**Talon**”, together with the Coupons in such case and where the context so permits, the “**Coupons**”) entitling the holder thereof to further Coupons and a further Talon.

Bearer Notes, the principal amount of which is repayable by instalments (“**Instalment Notes**”) have attached thereto at the time of their initial delivery, payment receipts (“**Receipts**”) in respect of the instalments of principal.

(c) ***Form of Registered Notes***

Notes issued in registered form (“**Registered Notes**”) will be in substantially the form (subject to amendment and completion) scheduled to the Fiscal Agency Agreement. Registered Notes will not be exchangeable for Bearer Notes.

The Registered Notes sold pursuant to Rule 144A under the United States Securities Act of 1933, as amended (the “**Securities Act**”) initially will be evidenced by one or more Notes in registered, global form without interest coupons (collectively, the “**Rule 144A Global Registered Notes**”). The Registered Notes sold pursuant to Regulation S under the Securities Act initially will also be evidenced by one or more Notes in registered, global form without interest coupons (collectively, the “**Regulation S Global Registered Notes**” and, together with the Rule 144A Global Registered Notes, the “**Global Registered Notes**” and together with the “**Global Bearer Notes**”, the “**Global Notes**”). Upon issuance, the Global Registered Notes may be deposited with the Fiscal Agent or a 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 Registered Notes may not be exchanged for beneficial interests in the Regulation S Global Registered Notes at any time except in the limited circumstances described below under Condition 3(c) below.

Registered Notes evidenced by a Regulation S Global Registered Note may also be registered in the name of a common depositary (or its nominee) for Euroclear Bank SA/NV (“**Euroclear**”) or Clearstream Banking, SA (“**Clearstream, Luxembourg**”) and/or any other relevant clearing system and the relevant Regulation S Global Registered Note will be deposited on or about its Issue Date with the common depositary.

Except as set forth below, the Global Registered 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 Registered Notes may not be exchanged for Notes in definitive form except in the limited circumstances described below.

Registered Notes sold to QIBs in reliance on Rule 144A (including beneficial interests in the Rule 144A Global Registered Notes) will be subject to certain restrictions on transfer and will bear a restrictive legend as described under Condition 3(d) below. In addition, transfers of beneficial interests in the Global Registered Notes will be subject to the applicable rules and procedures of DTC and its direct or indirect participants (including, if applicable, those of Euroclear or Clearstream, Luxembourg, which may change from time to time).

(d) ***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.

(e) ***Currency of the Notes***

Notes may be denominated in any currency subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.

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

(f) ***Subordinated Notes***

Subordinated Notes may not be issued as Instalment Notes or as Partly Paid Notes.

3. Title, Transfer and Delivery

(a) ***Title to Bearer Notes***

Title to the Bearer Notes, Receipts and Coupons passes by delivery. References herein to the “**Noteholders**” or “**Holders**” of Bearer Notes or of Receipts or Coupons signify the bearers of such Bearer Notes or such Receipts or Coupons.

The Holder of any Bearer Note or Coupon will (except as otherwise required by applicable law or regulatory requirement) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest thereof or therein, any writing thereon, or any theft or loss thereof) and no person shall be liable for so treating such Holder.

(b) ***Title to Registered Notes***

Title to Registered Notes passes by registration in the register (the “**Note Register**”) which is kept by the Registrar as specified in the relevant Pricing Supplement. References herein to the “**Noteholders**” or “**Holders**” of Registered Notes signify the persons in whose names such Notes are so registered.

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. 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 cancelled, 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 cancelled and the date on which such Note was cancelled. The Holder of any Registered Note will (except as otherwise required by applicable law or regulatory requirement) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest thereof or therein, any writing thereon, or any theft or loss thereof) and no person shall be liable for so treating such Holder.

(c) ***Transfer of Registered Notes***

A Registered 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 Registered 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 Fiscal Agent. A new Registered Note will be issued to the transferee and, in the case of a transfer of part only of a Registered Note, a new Registered 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 Registered Note shall apply:

- (i) The Fiscal Agent shall register the transfer of any Registered Note, if the requested transfer (x) is to the Issuer, (y) such transfer is, in the case of Rule 144A Global Registered 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 Registered Note (or any predecessor of such Registered Note) and (ii) the sale of such Registered Note (or any predecessor of such Registered 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 Registered 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 Registered 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 Registered Note if the Holder of such Registered 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 Registered Note to or from the DTC, Euroclear, Clearstream, Luxembourg 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 Euroclear, Clearstream, Luxembourg or 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 Registered 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 Registered 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 Registered 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 authorised 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 Registered 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 Registered Note and any required instruments of transfer, transfer notices or other written statements or documents as described above, the Fiscal Agent shall cancel such Registered Note and register the transfer and complete, authenticate and deliver in the name of the designated transferee or transferees, one or more new Registered Notes of authorised denominations in the principal amount specified on such Registered 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 Registered Notes issued upon any transfer or exchange of Registered Notes shall be valid obligations of the Issuer, evidencing the same debt, and entitled to the same benefits under the Agency Agreement as the Registered Notes surrendered upon such transfer or exchange. Each Registered Note authenticated and delivered upon any transfer or exchange for or in lieu of the whole or any part of any Registered Note shall carry all the rights to interest (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 Registered Note.

The Issuer or Fiscal Agent may decline to exchange or register the transfer of any Registered Note during the period of 15 days preceding (i) the due date for any payment of principal of or interest on or additional amounts with respect to the Registered Notes, (ii) the date on which Registered Notes are scheduled for redemption pursuant to Condition 6, or (iii) if required by the Fiscal Agent, the relevant date on which Registered Notes are scheduled for interest cancellation under Condition 5(7) scheduled for Write Down or Reinstatement pursuant to Condition 7 (*Loss Absorption Mechanism*).

Transfer, registration and exchange shall be permitted and executed as provided in this Condition 3(c) 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 Registered 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 Registered Notes not bearing the Rule 144A Legend (as defined herein), the Fiscal Agent shall deliver Registered Notes that do not bear the Rule 144A Legend. Upon the transfer, exchange or replacement of Registered Notes bearing the Rule 144A Legend, the Fiscal Agent shall deliver only Registered Notes that bear the Rule 144A Legend unless the circumstances contemplated by Condition 3(c)(i)(y) above exist.

(d) ***Rule 144A Legend***

Upon the transfer, exchange or replacement of the Registered 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 Registered 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 Registered 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 3(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

4. Status

The Notes are not, and will not be, secured and are the obligations of the Issuer and not guaranteed by any other entity.

(1) **Status—Unsubordinated Notes**

- (a) This Condition 4(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.
- (c) If Unsubordinated Notes Waiver of Set-Off is stated to be applicable in the relevant Pricing Supplement, no Holder of the Unsubordinated Notes shall be entitled to exercise any right of set-off or counterclaim against moneys owed by the Issuer in respect of such Notes.

(2) **Status—Senior Non-Preferred Notes**

This Condition 4(2) is applicable in relation to Notes specified in the Pricing Supplement as being Senior Non-Preferred Notes (the “**Senior Non-Preferred Notes**”).

The Senior Non-Preferred Notes constitute and will constitute direct and unsecured obligations of the Issuer and rank and will rank *pari passu* without any preference among themselves.

Subject as set out in the sub-paragraph below, in the event of liquidation or bankruptcy of the Issuer, the rights and claims (if any) of holders of any Senior Non-Preferred Notes to payments of the Outstanding Principal Amount and any other amounts in respect of the Senior Non-Preferred 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 depositors and other unsecured, unsubordinated creditors of the Issuer, provided that in each case such claims are not by mandatory provisions of law ranked, or by their terms expressed to rank, *pari passu* with the claims of holders of Senior Non-Preferred Notes; (ii) rank at least *pari passu* with claims in respect of all other Senior Non-Preferred Notes and with the claims of all other creditors of the Issuer which in each case by law rank, or by their terms, are expressed to rank *pari passu* with the claims of holders of Senior Non-Preferred Notes; and (iii) rank senior to any Subordinated Notes, Parity Securities or Junior Securities of the Issuer.

At any time when the Creditor Hierarchy Directive has been implemented in the Relevant Jurisdiction, the Issuer may (but is not obliged), by providing notice (the “**Relevant Notice**”) to the holders in accordance with Condition 14, specify that (subject to the laws of the Relevant Jurisdiction) the Senior Non-Preferred Notes (together with any other outstanding Series of Senior Non-Preferred Notes) shall rank within the class of unsecured debt instruments of the Issuer having the lower priority ranking contemplated by Article 108(2) of the BRRD, as set out in the Creditor Hierarchy Directive with effect from the date specified in such notice (for the avoidance of doubt, should there be any inconsistency between any statutory ranking which may be introduced in the Relevant Jurisdiction in order to implement the provisions of Article 108(2) of BRRD, if any, and the ranking as set out in the sub-paragraph above, such statutory ranking shall prevail).

No Holder of Senior Non-Preferred Notes shall be entitled to exercise any right of set-off or counterclaim against moneys owed by the Issuer in respect of such Senior Non-Preferred Notes.

(3) **Status—Subordinated Notes**

- (a) This Condition 4(3) is applicable in relation to Notes specified in the relevant Pricing Supplement as being Dated Subordinated Notes or Additional Tier 1 Write-Down Notes, respectively (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 and claims (if any) 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 Additional Tier 1 Write-Down Notes, Parity Securities or any Junior Securities of the Issuer.

No Holder of Dated Subordinated Notes 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) *Additional Tier 1 Write-Down Notes*

Ranking

Subject as provided below, the Additional Tier 1 Write-Down Notes (being those specified in the relevant Pricing Supplement as being Additional Tier 1 Write-Down Notes) (the “**Additional Tier 1 Write-Down Notes**”) constitute and will constitute unsecured, subordinated obligations of the Issuer.

In the event of the voluntary or involuntary liquidation or bankruptcy of the Issuer, the rights and claims (if any) of the Holders of any Additional Tier 1 Write-Down Notes to payments of the then Outstanding Principal Amount, as reduced by any relevant Write Down Amount in respect of a Trigger Event which has occurred but in respect of which the Write Down Effective Date has not yet occurred, (if any) of the Additional Tier 1 Write-Down Notes and any other amounts in respect of the Additional Tier 1 Write-Down Notes (including any accrued and uncanceled interest or damages awarded for breach of any obligations under these Conditions, if any are payable), will rank:

- (i) *pari passu* without any preference among the Additional Tier 1 Write-Down Notes;
- (ii) at least *pari passu* with payments to holders of present or future outstanding Parity Securities of the Issuer;
- (iii) in priority to payments to holders of present or future outstanding Junior Securities of the Issuer; 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 Parity Securities and Junior Securities) including, for the avoidance of doubt, Tier 2 Capital instruments.

General

No Holder of Additional Tier 1 Write-Down Notes shall be entitled to exercise any right of set-off or counterclaim against amounts owed by the Issuer in respect of the Additional Tier 1 Write-Down Notes held by it.

5. 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 whether the Fixed Rate Note Provisions, Floating Rate Note Provisions, Reset Note Provisions, Zero Coupon Note Provisions, Index-Linked Note/other variable-linked interest Note Provisions and/or Dual Currency Note Provisions set out below are applicable in respect of such Series provided that Condition 5(5) will be applicable to each Series of interest-bearing Notes as specified therein and Condition 5(8) will be applicable to each Series of Notes in relation to which Floating Rate Note Provisions or Reset Note Provisions are specified in the relevant Pricing Supplement as being applicable, save, in each case, to the extent inconsistent with the relevant Pricing Supplement. In the case of Notes specified in the relevant Pricing Supplement as Additional Tier 1 Write-Down Notes, Condition 5(7) shall apply and the application of any of Conditions 5(1) to 5(5) shall be subject to Condition 5(7).

(1) ***Interest—Fixed Rate Note Provisions***

This Condition 5(1) is applicable to the Notes only if the Fixed Rate Note Provisions are specified in the relevant Pricing Supplement as being applicable. The Notes in relation to which this Condition 5(1) is applicable shall bear interest on its Outstanding Principal Amount (or if it is a Partly Paid Note, the amount paid up) from and including their Issue Date to, but excluding, the date of final maturity thereof (each date as specified in the relevant Pricing Supplement), or, if no Maturity Date is specified, the date of any final redemption at the rate or rates per annum specified in the relevant Pricing Supplement. Such interest will be payable in arrear on each Interest Payment Date as is specified in the relevant Pricing Supplement and on the date of final maturity thereof or, if no Maturity Date is specified, the date of any final redemption. 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, (half a sub-unit being rounded upwards) and multiplying such rounded figures by a fraction equal to the Specified Denomination (as specified in the relevant Pricing Supplement) of such Note divided by the Calculation Amount. For the purposes of this Condition 5, 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 Note Provisions***

- (a) This Condition 5(2) is applicable to the Notes only if the Floating Rate Note Provisions are specified in the relevant Pricing Supplement as being applicable. The Notes in relation to which this Condition 5(2) is applicable (the “**Floating Rate Option**”) shall bear interest on its Outstanding Principal Amount (or if it is a Partly Paid Note, the amount paid up) at the rates per annum determined in accordance with this Condition 5(2).
- (b) Such Notes shall bear interest from and including their Issue Date to, but excluding, the date of final maturity thereof (each date as specified in the relevant Pricing Supplement) or, if no Maturity Date is specified, the date of any final redemption. 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 Issue Date 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, 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 Issue Date 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 Issue Date 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 the Floating Rate Note Provisions or Reset Note Provisions are specified as being applicable shall specify which Relevant Screen Page on the Reuters Screen or any other information vending service shall be applicable. For these purposes, “Reuters Screen” means the Reuters 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 applicable to such Notes for each Interest Period shall be determined by the Determination Agent on the following basis:
- (A) If the Reference Rate is a composite quotation or customarily supplied by one entity, then:
- (i) where the Floating Rate Option is based on the London interbank 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 interbank 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 (the “**EURIBOR Interest Determination Date**”);
 - (iii) where the Floating Rate Option is based on an interbank offered rate in a Relevant Financial Centre specified in the relevant Pricing Supplement other than as set in paragraphs (vi) and (vii) below, 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 the Relevant Time on the Interest Determination Date;
 - (iv) 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 Relevant Financial Centre at approximately the Relevant Time on the first day of the relevant Interest Period to prime banks in the interbank market of the Relevant Financial Centre in each such case 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) if fewer than two rates are so quoted, the Determination Agent will determine the arithmetic mean of the rates quoted by major banks in the Relevant Financial Centre, selected by the Determination Agent at approximately the Relevant Time on the first day of the relevant Interest Period for loans in the relevant currency to leading European banks 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;
 - (vi) 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 recognised 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 recognised 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 authorised 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 authorised or required by law, regulation or executive order to close in the Principal Financial Centre of the country issuing the Specified Currency. The “Principal Financial Centre” 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 Centre**” 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

- (vii) 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 recognised 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 recognised 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

- (B) if Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Pricing Supplement, the Rate of Interest for such Interest Period shall be calculated by the Determination Agent by straight-line linear interpolation by reference to two rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date, where:
- (1) one rate shall be determined as if the relevant Interest Period were the period of time for which rates are available next shorter than the length of the relevant Interest Period; and
 - (2) the other rate shall be determined as if the relevant Interest Period were the period of time for which rates are available next longer than the length of the relevant Interest Period; provided, however, that if no rate is available for a period of time next shorter or, as the case may be, next longer than the length of the relevant Interest Period, then the Determination Agent shall determine such rate at such time and by reference to such sources as it determines appropriate,

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, and as used in this Condition 5 and “**Interest Determination Date**” means (other than in respect of paragraphs (A)(vi) and (vii) above) the date specified as such in the applicable Pricing Supplement.

- (e) The Determination Agent will, as soon as practicable after determining the Rate of Interest in relation to each Interest Period, calculate 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—Other Rates***

- (a) In the case of Dual Currency Notes as specified in the relevant Pricing Supplement, 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 as specified in the relevant Pricing Supplement (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 5(3) 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.

(4) ***Interest—Reset Note Provisions***

- (a) This Condition 5(4) is applicable to the Notes only if the Interest – Reset Note Provisions are specified in the relevant Pricing Supplement as being applicable.
- (b) Such Notes shall bear interest on its Outstanding Principal Amount:
 - (i) from (and including) the Interest Commencement Date specified in the relevant Pricing Supplement until (but excluding) the First Reset Date at the rate per annum equal to the Initial Rate of Interest;
 - (ii) from (and including) the First Reset Date until (but excluding) the Second Reset Date or, if no such Second Reset Date is specified in the relevant Pricing Supplement, the Maturity Date or if no Maturity Date is specified, the date of any final redemption at the rate per annum equal to the First Reset Rate of Interest; and
 - (iii) for each Subsequent Reset Period thereafter (if any), at the rate per annum equal to the relevant Subsequent Reset Rate of Interest,

payable, in each case, in arrear on the date(s) so specified in the relevant Pricing Supplement on an Interest Payment Date (subject to adjustment as described in Condition 5(1)) and on the Maturity Date or, if no Maturity Date is specified, the date of any final redemption if that does not fall on an Interest Payment Date. The Rate of Interest and the Interest Amount payable shall be determined by the Determination Agent, (A) in the case of the Rate of Interest, at or as soon as practicable after each time at which the Rate of Interest is to be determined, and (B) in the case of the Interest Amount in accordance with the provisions for calculating amounts of interest in Condition 5(1).

- (c) If on any Reset Determination Date the Relevant Screen Page is not available or the Mid-Swap Rate does not appear on the Relevant Screen Page, the Determination Agent shall request each of the Reference Banks to provide the Determination Agent with its Mid-Market Swap Rate Quotation as at approximately 11.00 a.m. in the Relevant Financial Centre of the Specified Currency on the Reset Determination Date in question.

If two or more of the Reference Banks provide the Determination Agent with Mid-Market Swap Rate Quotations, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) for the relevant Reset Period shall be the sum of the arithmetic mean (rounded, if necessary, to the nearest 0.001 per cent (0.0005 per cent being rounded upwards)) of the relevant Mid-Market Swap Rate Quotations and the First Margin or Subsequent Margin (as applicable), all as determined by the Determination Agent.

If on any Reset Determination Date only one or none of the Reference Banks provides the Determination Agent with a Mid-Market Swap Rate Quotation as provided in the foregoing

provisions of this paragraph, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) shall be determined to be the Rate of Interest as at the last preceding Reset Date or, in the case of the first Reset Determination Date, the First Reset Rate of Interest shall be the Initial Rate of Interest.

(5) ***Interest—Supplemental Provision***

- (a) Condition 5(5)(b) shall be applicable in relation to the Notes in relation to which Floating Rate Note Provisions or Reset Note Provisions are specified in the relevant Pricing Supplement as being applicable, Condition 5(5)(c) shall be applicable in relation to all interest-bearing Notes, Condition 5(5)(d) shall be applicable in relation to Instalment Notes and Conditions 5(5)(f) and 5(5)(g) shall be applicable in relation to Notes in relation to which Floating Rate Note Provisions are specified in the relevant Pricing Supplement as being applicable.

(b) ***Notification***

Subject to Condition 5(8) below, 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, Instalment Amount or any other rate of interest, interest or reset period to be 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 Euronext Dublin, cause each such Rate of Interest, floating rate, Interest Amount or floating amount or, as the case may be, Instalment Amount to be notified to Euronext Dublin. 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.

- (c) The determination by the Determination Agent of all rates of interest, amounts of interest, and Instalment Amounts for the purposes of this Condition 5 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 5(2)(b)) from and including the Interest Commencement Date. Interest will cease to accrue in respect of each Instalment of principal on, but excluding, the due date for payment of the relevant Instalment Amount, unless upon due presentation or surrender thereof (if required), payment in full of the relevant Instalment 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 15 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) If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Pricing Supplement, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified.
- (g) Unless otherwise specified in the relevant Pricing Supplement or if the Minimum Rate of Interest is specified as being “Not Applicable” in the relevant Pricing Supplement, the Minimum Rate of Interest shall be deemed to be zero.

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

If any principal amount or Instalment 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 Amortisation/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 15 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 Amortisation/Accrual Yield and the overdue sum by the Day Count Fraction as specified for this purpose in the Pricing Supplement.

(7) ***Interest Cancellation in respect of Additional Tier 1 Write-Down Notes***

This Condition 5(7) is applicable to Notes specified in the relevant Pricing Supplement as being Additional Tier 1 Write-Down Notes. The application of any of Conditions 5(1) to 5(5) shall be subject to this Condition 5(7).

(a) ***Interest Payments Discretionary***

Interest on the Additional Tier 1 Write-Down Notes will be due and payable only at the sole discretion of the Issuer, and the Issuer shall have sole and absolute discretion at all times and for any reason to cancel (in whole or in part) any interest payment that would otherwise be payable on any Interest Payment Date. If the Issuer does not make an interest payment on the relevant Interest Payment Date (or if the Issuer elects to make a payment of a portion, but not all, of such interest payment), such non-payment shall evidence the Issuer's exercise of its discretion to cancel such interest payment (or the portion of such interest payment not paid), and accordingly such interest payment (or the portion thereof not paid) shall not be due and payable.

If the Issuer provides notice to cancel a portion, but not all, of an interest payment and the Issuer subsequently does not make a payment of the remaining portion of such interest payment on the relevant Interest Payment Date, such non-payment shall evidence the Issuer's exercise of its discretion to cancel such remaining portion of the interest payment, and accordingly such remaining portion of the interest payment shall also not be due and payable.

(b) ***Restriction on Interest Payments***

- (i) Subject to the extent permitted in paragraph (b)(ii) below, the Issuer shall not make an interest payment on the Notes on any Interest Payment Date (and such interest payment shall therefore be deemed to have been cancelled and thus shall not be due and payable on such Interest Payment Date):
 - (x) if the Issuer has an amount of Distributable Items on such Interest Payment Date that is less than the sum of all distributions or interest payments on all other own funds instruments paid and/or required to be paid in the then financial year; or
 - (y) if and to the extent that such payment would cause a breach of any regulatory restriction or prohibition on payments on Additional Tier 1 Instruments pursuant to Applicable Banking Regulations (including, without limitation, any such restriction or prohibition relating to any Maximum Distributable Amount applicable to the Issuer and/or the Nordea Group).
- (ii) The Issuer may, in its sole discretion, elect to make a partial interest payment on the Notes on any Interest Payment Date, only to the extent that such partial interest payment may be made without breaching the restriction set out in paragraph (b)(i) above.

(c) *Effect of Interest Cancellation*

Interest will only be due and payable on an Interest Payment Date to the extent it is not cancelled in accordance with Condition 5(7)(a) and Condition 5(7)(b). Any interest cancelled (in each case, in whole or in part) in such circumstances shall not be due and shall not accumulate or be payable at any time thereafter nor constitute an Event of Default under Condition 8(2), and Holders shall have no rights thereto or to receive any additional interest or compensation as a result of such cancellation or deemed cancellation.

The Issuer may use such cancelled payments without restriction to meet its obligations as they fall due.

(d) *Notice of Interest Cancellation*

If practicable, the Issuer shall provide notice of any cancellation of interest (in whole or in part) to the Holders on or prior to the relevant Interest Payment Date. If practicable, the Issuer shall endeavour to provide such notice at least five (5) Business Days prior to the relevant Interest Payment Date. Failure to provide such notice will not have any impact on the effectiveness of, or otherwise invalidate, any such cancellation or deemed cancellation of interest, or give Holders any rights as a result of such failure.

(8) ***Benchmark Replacement***

Notwithstanding the foregoing provisions of this Condition 5, if the Issuer (in consultation with the Determination Agent (or the person specified in the applicable Pricing Supplement as the party responsible for calculating the Rate of Interest and the Interest Amount(s))) determines that either (i) the relevant Mid-Swap Floating Leg Benchmark Rate or Reference Rate specified in the relevant Pricing Supplement has ceased (or will, prior to the next Reset Determination Date, LIBOR Interest Determination Date, EURIBOR Interest Determination Date or Interest Determination Date (as applicable) cease) to be published on the Relevant Screen Page as a result of such benchmark ceasing to be calculated or administered, or (ii) it has or will prior to the next Interest Determination Date, LIBOR Interest Determination Date, EURIBOR Interest Determination Date or Reset Determination Date, as applicable, become unlawful for the party responsible therefor to calculate any payments due to be made to any Noteholder using the original Mid-Swap Floating Leg Benchmark Rate or Reference Rate (including, without limitation, under the Benchmarks Regulation (EU) 2016/1011, if applicable), then the following provisions shall apply:

- (i) the Issuer shall use reasonable endeavours to appoint an Independent Adviser for the determination (with the Issuer's agreement) of an alternative rate (the "**Alternative Benchmark Rate**") and an alternative screen page or source (the "**Alternative Relevant Screen Page**") and an Adjustment Spread (if applicable) no later than three (3) Business Days prior to the relevant Reset Determination Date, LIBOR Interest Determination Date, EURIBOR Interest Determination Date or Interest Determination Date (as applicable) relating to the next succeeding Reset Period or Interest Period (as applicable) (the "**IA Determination Cut-off Date**") for purposes of determining the Rate of Interest applicable to the Notes for all future Reset Periods or Interest Periods (as applicable) (subject to the subsequent operation of this Condition 5(8));
- (ii) the Alternative Benchmark Rate shall be such rate as the Independent Adviser and the Issuer acting in good faith agree has replaced the relevant Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable) in customary market usage for the purposes of determining floating rates of interest or reset rates of interest in respect of eurobonds denominated in the Specified Currency, or, if the Independent Adviser and the Issuer agree that there is no such rate, such other rate as the Independent Adviser and the Issuer acting in good faith agree is most comparable to the relevant Mid-Swap Floating Leg Benchmark Rate or Reference Rate, and the Alternative Relevant Screen Page shall be such page of an information service as displays the Alternative Benchmark Rate;
- (iii) if the Issuer is unable to appoint an Independent Adviser, or if the Independent Adviser and the Issuer cannot agree upon, or cannot select, the Alternative Benchmark Rate and Alternative Relevant Screen Page prior to the IA Determination Cut-off Date in accordance with subparagraph (ii) above, then the Issuer (acting in good faith and a commercially reasonable manner) may determine which (if any) rate has replaced the relevant Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable) in customary market usage for purposes of determining floating rates of interest or reset rates of interest in respect of eurobonds

denominated in the Specified Currency, or, if it determines that there is no such rate, which (if any) rate is most comparable to the relevant Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable), and the Alternative Benchmark Rate shall be the rate so determined by the Issuer and the Alternative Relevant Screen Page shall be such page of an information service as displays the Alternative Benchmark Rate; provided, however, that if this sub-paragraph (iii) applies and the Issuer is unable or unwilling to determine an Alternative Benchmark Rate and Alternative Relevant Screen Page prior to the Reset Determination Date or Interest Determination Date (as applicable) relating to the next succeeding Reset Period or Interest Period (as applicable) in accordance with this sub-paragraph (iii), the Mid-Swap Floating Leg Benchmark Rate or Reference Rate applicable to such Reset Period or Interest Period (as applicable) shall be equal to the Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable) most recently published on the Relevant Screen Page for a term equivalent to the relevant Interest Period or Reset Period (as applicable) (though substituting, where a different First Margin, Subsequent Margin or Relevant Margin (as applicable) is to be applied to the relevant Reset Period or Interest Period from that which applied to the last preceding Reset Period or Interest Period, the First Margin, Subsequent Margin or Relevant Margin (as applicable) relating to the relevant Reset Period or Interest Period, in place of the margin relating to that last preceding Reset Period or Interest Period);

- (iv) if an Alternative Benchmark Rate and Alternative Relevant Screen Page is determined in accordance with the preceding provisions, such Alternative Benchmark Rate and Alternative Relevant Screen Page shall be the benchmark and the Relevant Screen Page in relation to the Notes for all future Reset Periods or Interest Periods (as applicable) (subject to the subsequent operation of this Condition 5(8));
- (v) If the Issuer, following consultation with the Independent Adviser and acting in good faith, determines that (A) an Adjustment Spread is required to be applied to the Alternative Benchmark Rate and (B) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Alternative Benchmark Rate for each subsequent determination of a relevant Rate of Interest and Interest Amount(s) (or a component part thereof) by reference to such Alternative Benchmark Rate;
- (vi) if an Alternative Benchmark Rate and/or Adjustment Spread is determined in accordance with the above provisions, the Independent Adviser (with the Issuer's agreement) or the Issuer (as the case may be), may also specify changes to the Day Count Fraction, Business Day Convention, Business Days, Reset Determination Date, Interest Determination Date and/or the definition of Mid-Swap Floating Leg Benchmark Rate or Reference Rate applicable to the Notes, and the method for determining the fallback rate in relation to the Notes, in order to follow market practice in relation to the Alternative Benchmark Rate and/or Adjustment Spread, which changes shall apply to the Notes for all future Reset Periods or Interest Periods (as applicable) (subject to the subsequent operation of this Condition 5(8)); and
- (vii) the Issuer shall promptly following the determination of any Alternative Benchmark Rate and Alternative Relevant Screen Page and Adjustment Spread (if any) give notice thereof and of any changes pursuant to sub-paragraph (vi) above to the Determination Agent, the Fiscal Agent and the Noteholders.

Notwithstanding any other provision of this Condition 5(8), no Alternative Benchmark Rate or Adjustment Spread (as applicable) will be adopted, and no other amendments to the terms of the Notes will be made pursuant to this Condition 5(8), if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to prejudice the qualification of the Notes as:

- (A) in the case of Senior Non-Preferred Notes, eligible liabilities and/or loss absorbing capacity of the Issuer and/or the Nordea Group;
- (B) in the case of Dated Subordinated Notes, Tier 2 Capital of the Issuer and/or the Nordea Group;
or
- (C) in the case of Additional Tier 1 Write Down Notes, Tier 1 Capital of the Issuer and/or the Nordea Group,

or, in the case of Senior Non-Preferred Notes only, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to result in the Resolution Authority treating the next Interest Payment Date as the effective maturity of the Notes, rather than the relevant Maturity Date.

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 Instalment Notes, in the Instalment Amounts and in such number of instalments 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 Additional Tier 1 Write-Down Notes which shall be perpetual and shall have no final maturity.

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

If, in relation to any Series of Notes (unless if specified as not applicable in the Pricing Supplement), as a result of any change in the laws of any 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 Issue Date of such Notes or, in the case of Unsubordinated Notes, 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 9 (a “**Withholding Tax Event**”), the Issuer may, at its option and with respect to any Senior Non-Preferred Notes or Subordinated Notes, subject to the Conditions to Redemption and Condition 6(k) and, if specified as being applicable in the applicable Pricing Supplement in respect of Additional Tier 1 Write-Down Notes, other than when the prevailing Outstanding Principal Amount of a Note is less than the Original Principal Amount, 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 15 (which notice shall be irrevocable, other than in the case of Additional Tier 1 Write-Down Notes) redeem all (but not some only, unless and to the extent that the relevant Pricing Supplement specifies otherwise, in relation to Unsubordinated Notes) the Notes of the relevant Series at its Outstanding 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(i)), together with accrued interest (if any) thereon (in the case of Additional Tier 1 Write-Down Notes, excluding any interest cancelled in accordance with Condition 5(7)).

(c) *Early Redemption of Senior Non-Preferred Notes or Subordinated Notes as a result of a Tax Event*

Upon the occurrence of a Tax Event in respect of any Senior Non-Preferred Notes or Subordinated Notes (unless if specified as not applicable in the Pricing Supplement), but subject to the Conditions to Redemption and Condition 6(k) and, if specified as being applicable in the applicable Pricing Supplement in respect of Additional Tier 1 Write-Down Notes, other than when the prevailing Outstanding Principal Amount of a Note is less than the Original Principal Amount, the Issuer may having given not less than 30 days’ 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 of Additional Tier 1 Write-Down Notes or Dated Subordinated Notes or Senior Non-Preferred Notes in accordance with Condition 15 (which notice shall be irrevocable, other than in the case of Additional Tier 1 Write-Down Notes) redeem all (but not some only) of the outstanding Additional Tier 1 Write-Down Notes, Dated Subordinated Notes or Senior Non-Preferred Notes at any time at a redemption amount equal to their Outstanding 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 (excluding any interest cancelled in accordance with Condition 5(7)).

(d) *Early Redemption of Senior Non-Preferred Notes as a result of an MREL/TLAC Disqualification Event*

Upon the occurrence of an MREL/TLAC Disqualification Event in respect of any Senior Non-Preferred Notes (unless specified as not applicable in the Pricing Supplement but subject to the Conditions to Redemption, the Issuer may, at its option having given not less than thirty days’ nor more than sixty 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 all (but not some only) of the relevant Series of Notes at their Outstanding 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).

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

Upon the occurrence of a Capital Event in respect of any Subordinated Notes (unless specified as not applicable in the Pricing Supplement) but subject to the Conditions to Redemption and Condition 6(k) and, if specified as being applicable in the applicable Pricing Supplement in respect of Additional Tier 1 Write-Down Notes, other than when the prevailing Outstanding Principal Amount of a Note is less than the Original Principal Amount, the Issuer may, at its option, having given not less than 30 days' 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 15 (which notice shall be irrevocable, other than in the case of Additional Tier 1 Write-Down Notes), at any time redeem all (but not some only) of the Dated Subordinated Notes or Additional Tier 1 Write-Down Notes, as the case may be, of the relevant Series at its Outstanding 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(i), together with interest (if any) accrued to but excluding the date of redemption (in the case of Additional Tier 1 Write-Down Notes, excluding any interest cancelled in accordance with Condition 5(7))).

(f) ***Optional Early Redemption (Call)***

If this Condition 6(f) is specified in the relevant Pricing Supplement as being applicable, then the Issuer may (subject, in the case of Subordinated Notes and Senior Non-Preferred Notes, to the Conditions to Redemption and Condition 6(k) and, if specified as being applicable in the applicable Pricing Supplement in respect of Additional Tier 1 Write-Down Notes, other than when the prevailing Outstanding Principal Amount of a Note is less than the Original Principal Amount) upon the expiry of the appropriate notice and subject to such terms and conditions as may be specified in the relevant Pricing Supplement, redeem all (but not some only, unless and to the extent that the relevant Pricing Supplement specifies otherwise, in relation to Unsubordinated Notes), the Notes of the relevant Series at its Outstanding Principal Amount (or such other redemption amount as may be specified in the relevant Pricing Supplement), together with accrued interest (if any) thereon (in the case of Additional Tier 1 Write-Down Notes, excluding any interest cancelled in accordance with Condition 5(7)). Notes denominated in Pounds Sterling may not be redeemed prior to one year and one day from the Issue Date. If any Maximum Redemption Amount or Minimum Redemption Amount is specified in the relevant Pricing Supplement, then the Optional Redemption Amount shall in no event be greater than the maximum or be less than the minimum so specified.

The appropriate notice referred to in this Condition 6(f) is a notice given by the Issuer to the Fiscal Agent and the Holders of the Notes, which notice shall be signed by two duly authorised 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 Outstanding Principal Amount of the Notes 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 Outstanding 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 (in the case of Additional Tier 1 Write-Down Notes, excluding any interest cancelled in accordance with Condition 5(7)).

Other than in respect of any Additional Tier 1 Write-Down Notes, any such notice shall be irrevocable, and the delivery thereof shall oblige the Issuer to make the redemption therein specified.

(g) ***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(f), the Notes shall be redeemed pro rata to their Outstanding Principal Amount, subject always to compliance with all applicable laws, and the rules of each listing authority, stock exchange and/or quotation system (if any) on 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).

(h) ***Optional Early Redemption (Put)***

If “Put Option” is specified in the relevant Pricing Supplement as being applicable to Notes other than Subordinated Notes, then the Issuer shall, upon the exercise of the relevant option by the Holder of any Note (other than a 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 Outstanding 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 any Paying Agent.

(i) ***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) or, if applicable Condition 6(f) or 6(h) or upon it becoming due and payable as provided in Condition 8 shall be the Amortised Face Amount (calculated as provided below) of such Notes.

- (i) Subject to the provisions of sub-paragraph (ii) below, the Amortised 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 amortisation of the difference between the principal amount of such Note from its Issue Date 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) or, if applicable, Condition 6(f) or 6(h), or upon it becoming due and payable as provided in Condition 8 is not paid when due, the redemption amount due and payable in respect of such Note shall be the Amortised 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 Amortised 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.

(j) ***Conditions to Redemption***

In the case of Notes specified in the relevant Pricing Supplement as being Senior Non-Preferred Notes or Subordinated Notes, other than a redemption at maturity in accordance with Condition 6(a), the Issuer may redeem the Notes (and give notice thereof to the Holders) only if such redemption is in accordance with the Applicable Banking Regulations and it has been granted the permission of the Competent Authority (in the case of Subordinated Notes) or the Resolution Authority (in the case of Senior Non-Preferred Notes) (in each such case, if such permission is then required under the Applicable Banking Regulations) and in addition, in the case of Subordinated Notes only:

- (i) on or before such redemption of the Notes, the Issuer replaces the Notes with capital instruments of an equal or higher quality on terms that are sustainable for its income capacity; or
- (ii) the Issuer has demonstrated to the satisfaction of the Competent Authority that its Tier 1 Capital and Tier 2 Capital would, following such redemption, exceed the capital ratios required under CRD IV by a margin that the Competent Authority may consider necessary on the basis set out in CRD IV for it to determine the appropriate level of capital of an institution; and
- (iii) in the case of redemption before five years after the issue date of the Notes:
 - (A) the conditions listed in paragraphs (i) or (ii) above are met; and
 - (B) in the case of redemption due to the occurrence of a Capital Event, (i) the Competent Authority considers such change to be sufficiently certain and (ii) the Issuer demonstrates to the satisfaction of the Competent Authority that the Capital Event was not reasonably foreseeable at the time of the issuance of the Notes; or

- (C) in the case of redemption due to the occurrence of a Withholding Tax Event or Tax Event, the Issuer demonstrates to the satisfaction of the Competent Authority that such Withholding Tax Event or Tax Event is material and was not reasonably foreseeable at the time of issuance of the Notes,

(the “**Conditions to Redemption**”).

(k) ***Trigger Event Post Redemption Notice***

In the case of Notes specified in the relevant Pricing Supplement as Additional Tier 1 Write-Down Notes, if the Issuer has elected to redeem such Notes but prior to the payment of the redemption amount with respect to such redemption, a Trigger Event occurs, the relevant redemption notice shall be automatically rescinded and shall be of no force and effect, no payment of the redemption amount will be due and payable and Write Down shall apply in accordance with Condition 7.

(l) ***Purchase of the Notes***

The Issuer and its subsidiaries (if any) may, if permitted in accordance with the Applicable Banking Regulations, at any time purchase Notes in the open market or otherwise and at any price and, in the case of any Senior Non-Preferred Notes or Subordinated Notes, any such purchases shall be subject to the prior permission of the Competent Authority (in the case of Subordinated Notes) or the Resolution Authority (in the case of Senior Non-Preferred Notes) (in either case, if such permission is then required under the Applicable Banking Regulations).

(m) ***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(m) 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.

7. Loss Absorption Mechanism

This Condition 7 is applicable in relation to the Notes specified in the relevant Pricing Supplement as being Additional Tier 1 Write-Down Notes.

(a) ***Write Down***

(i) ***Write Down Upon Trigger Event***

If a Trigger Event has occurred at any time, the Issuer shall write down the Outstanding Principal Amount of each Note (in whole or in part, as applicable) by writing down such Outstanding Principal Amount (in whole or in part, as applicable) on the Write Down Effective Date in accordance with the Write Down Procedure. Under no circumstances shall such written down Outstanding Principal Amount be reinstated, except where the relevant Pricing Supplement specifies “Reinstatement” as applicable to the Notes and then only to the extent of any Reinstatement. The Write Down shall occur without delay (and within one month or such shorter period as the Competent Authority may require at the latest) upon the occurrence of a Trigger Event.

Upon the occurrence of a Trigger Event, the Issuer shall immediately inform the Competent Authority and shall deliver to the Holders notice in accordance with Condition 15 specifying (i) that a Trigger Event has occurred and (ii) the Write Down Effective Date or expected Write Down Effective Date. Failure to provide such notice will not have any impact on the effectiveness of, or otherwise invalidate, any such Write Down, or give Holders any rights as a result of such failure.

Other than in the case where the relevant Pricing Supplement specifies “Reinstatement” as applicable to the Notes and then only to the extent of any Reinstatement, following a Write Down, no Holder will have any rights against the Issuer with respect to the repayment of any principal amount to the extent so written down or the payment of interest on any principal amount that has been so written down or any other amount on or in respect of any principal amount that has been so written down. Furthermore, any interest on any principal amount that is to be written down on the relevant Write Down Effective Date, in respect of an interest period ending on any Interest Payment Date falling between the date of a Trigger Event and the Write

Down Effective Date shall also be deemed to have been cancelled upon the occurrence of such Trigger Event and shall not be due and payable.

A Trigger Event may occur on more than one occasion and the Outstanding Principal Amount of each Note may be written down on more than one occasion provided that the Outstanding Principal Amount of a Note may never be reduced to below zero unless the relevant Pricing Supplement specifies “Reinstatement” as applicable to the Notes, in which case, the Outstanding Principal Amount of such Note may never be reduced to below the smallest unit of the Specified Currency of such Note.

Any Write Down of a Note shall not constitute an event of default or a breach of the Issuer’s obligations or duties or a failure to perform by the Issuer in any manner whatsoever and shall not, of itself, entitle Holders to petition for the insolvency or dissolution of the Issuer or otherwise.

(ii) *Write Down Procedure*

Write Down Notice

If a Trigger Event has occurred at any time, the Issuer shall deliver a Write Down Notice to the Holders, as soon as reasonably practicable, and in any event not more than five (5) Business Days after such determination.

The Write Down Notice shall be sufficient evidence of the occurrence of such Trigger Event and will be conclusive and binding on the Holders.

Write Down

- (A) On the Write Down Effective Date, the Issuer shall write down an aggregate principal amount of each Note equivalent to the relevant Write Down Amount of each Note by writing down the Outstanding Principal Amount of such Note by the relevant Write Down Amount. The Notes shall be permanently cancelled upon the Outstanding Principal Amount being reduced to zero, unless the relevant Pricing Supplement specifies “Reinstatement” as applicable to the Notes.
- (B) Notwithstanding that certain Loss Absorbing Instruments may be utilised and converted or utilised and written down in full (on a temporary or permanent basis in accordance with their terms), the Issuer will first to the extent possible procure that the outstanding principal amount of each security forming part of any series of Loss Absorbing Instruments to be converted or written down (as the case may be) concurrently (or substantially concurrently) is, or has been, utilised and converted or utilised and written down (in accordance with its terms) on a pro rata basis with the Outstanding Principal Amount of each Note.

Simultaneously with the delivery of the Write Down Notice to the Holders, or as soon as possible thereafter, the Issuer shall procure that a similar notice is, or has been, given in respect of any such Loss Absorbing Instruments (in accordance with their terms).

(b) ***Reinstatement***

If “Reinstatement” is specified as applicable in the relevant Pricing Supplement, then this Condition 7(b) shall apply to the Notes.

(i) *Reinstatement after Write Down*

If a positive Net Profit of both the Issuer and the Nordea Group is recorded at any time while the Outstanding Principal Amount of the Notes is less than the Original Principal Amount of the Notes, the Issuer may, at its sole and absolute discretion, reinstate and write up the Outstanding Principal Amount of the Notes in whole or in part in accordance with the Reinstatement Procedure (a “**Reinstatement**”).

A Reinstatement may occur on more than one occasion provided that the Outstanding Principal Amount of a Note may never exceed its Original Principal Amount.

No Reinstatement may take place if (i) a Trigger Event has occurred in respect of which the Write Down has not occurred, (ii) a Trigger Event has occurred in respect of which Write Down has occurred but the CET1 Ratios of both the Issuer and the Nordea Group (in relation to a

Combined Trigger Event) or the Nordea Group only (in relation to a Group Trigger Event) have not been restored to, or above, the Trigger Level or (iii) the Reinstatement (either alone or together with all simultaneous reinstatements of other Written Down Additional Tier 1 Instruments) would cause a Trigger Event to occur.

(ii) *Reinstatement Procedure*

Reinstatement Notice

If the Issuer exercises such discretion to effect a Reinstatement it shall give notice thereof to Holders specifying the Reinstatement Amount and the Reinstatement Effective Date (the “**Reinstatement Notice**”).

Reinstatement Amount

The Reinstatement Amount shall be set by the Issuer at its discretion, save that it shall, when aggregated together with the reinstatement of the outstanding principal amount of all Equal Trigger Temporary Write Down Instruments and distributions of the kind referred to in Article 141(2) of the CRD IV Directive, be limited to the extent necessary to ensure the Maximum Distributable Amount is not exceeded thereby and provided that the sum of:

- (i) the aggregate amount of the relevant reinstatement on all the Notes (out of the same Relevant Profits);
- (ii) the aggregate amount of any payments of interest in respect of the Notes that were paid on the basis of an Outstanding Principal Amount lower than the Original Principal Amount at any time after the Reference Date;
- (iii) the aggregate amount of the relevant reinstatement on Written Down Additional Tier 1 Instruments at the time of the relevant Reinstatement (out of the same Relevant Profits); and
- (iv) the aggregate amount of any payments of interest or distributions in respect of each Written Down Additional Tier 1 Instruments that were paid on the basis of a prevailing principal amount that is lower than the principal amount it was issued with at any time after the Reference Date,

does not exceed the Maximum Reinstatement Amount.

Effecting the Reinstatement

On the Reinstatement Effective Date and subject to the prior consent of the Competent Authority (to the extent such consent is required by the Applicable Banking Regulations), the Issuer shall cause the Outstanding Principal Amount of each Note to be reinstated and written up by an amount equal to the relevant Reinstatement Amount on a pro rata basis with each Note.

8. **Events of Default**

(1) *Events of Default—Unsubordinated Notes*

- (a) This Condition 8(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(i) 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—Senior Non-Preferred Notes or Subordinated Notes***

- (a) This Condition 8(2) is applicable in relation to the Notes specified in the relevant Pricing Supplement as being Senior Non-Preferred Notes or Subordinated Notes.
- (b) If:
 - (i) the Issuer shall, in respect of any Dated Subordinated Note or Senior Non-Preferred Note, default in the payment of any principal for a period of 7 days after the date when due, and, in respect of any Additional Tier 1 Write-Down Note, default for a period of 7 days in the payment of principal that has become due and payable in accordance with any redemption of such Additional Tier 1 Write-Down Notes; or
 - (ii) the Issuer shall, in respect of any Dated Subordinated Note or Senior Non-Preferred Note, default for a period of 14 days in the payment of interest due on any such Note on an Interest Payment Date or any other date on which the payment of interest is compulsory; or
 - (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 or elsewhere having jurisdiction in respect of the same,

the Holder of any Subordinated Note or Senior Non-Preferred 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 or 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 winding up or liquidation or as the case may be, 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 such Note only in the winding up or liquidation or as the case may be, bankruptcy or liquidation of the Issuer.
- (c) In any of the events or circumstances described in Condition 8(2)(b)(iii) above, the Holder of any Subordinated Note or Senior Non-Preferred 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 Outstanding Principal Amount together with accrued (and uncanceled) interest to the date of payment, but subject to such Holder only being able to claim payment in respect of such Note in the winding up or liquidation or as the case may be, bankruptcy or liquidation of the Issuer and provided that, in respect of any Additional

Tier 1 Write-Down Notes, where any such event occurs after the date on which a Trigger Event occurs but before the relevant Write Down Effective Date, the Holder of any such Notes may only declare such Notes to be due and payable to the extent of its Outstanding Principal Amount (if any) as reduced by the relevant Write Down Amount in respect of such Trigger Event, together with accrued (and uncanceled) interest to the date of payment.

- (d) The Holder of any Subordinated Note or Senior Non-Preferred 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 such Notes (other than, without prejudice to Condition 8(2)(b) or Condition 8(2)(c) above, any obligation for the payment of any principal or interest in respect of such 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 (in the case of Subordinated Notes) or the Resolution Authority (in the case of Senior Non-Preferred Notes) (in either case, if such approval is then required under the Applicable Banking Regulations).
- (e) No remedy against the Issuer, other than as provided in Conditions 8(2)(b), 8(2)(c) and 8(2)(d) above shall be available to the Holders of Subordinated Notes or Senior Non-Preferred Notes, whether for the recovery of amounts owing in respect of such Notes or in respect of any breach by the Issuer of any of its obligations or undertakings with respect to such Notes.

9. Taxation

- (a) All amounts payable in cash or in kind (whether in respect of principal, redemption amount, interest 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 the Relevant Jurisdiction 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, and in relation to a Subordinated Note or Senior Non-Preferred Note, any payment of interest only, 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 the Relevant Jurisdiction;
 - (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,

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 the Relevant Jurisdiction, 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 15.

- (c) Any reference in these Conditions to principal, redemption amount and/or interest in respect of the Notes, other than the Subordinated Notes or Senior Non-Preferred Notes and any reference to interest in respect of Subordinated Notes or Senior Non-Preferred Notes, shall be deemed also to refer to any additional amounts which may be payable under this Condition 9 or any undertaking given in addition thereto or in substitution therefor. For the avoidance of doubt, no additional amounts shall be payable by the Issuer in respect of payments of principal under such Subordinated Notes or Senior Non-Preferred Notes. The mandatory restrictions on interest payments on Additional Tier 1 Write Down Notes under Condition 5(7)(b) shall apply to any additional amounts on Additional 1 Tier Write Down Notes *mutatis mutandis*.
- (d) Notwithstanding anything in Conditions 9 or 10 to the contrary, none of the Issuer, any paying agent or any other person shall be required to pay any additional amounts with respect to any withholding or deduction imposed on or in respect of any Note pursuant to Sections 1471 to 1474 of the U.S. Internal Revenue Code of 1986, as amended (“**FATCA**”), any treaty, law, regulation, intergovernmental agreement implementing legislation or other official guidance enacted by the Relevant Jurisdiction implementing FATCA, or any agreement between the Issuer or any other person making payments on behalf of the Issuer and the United States or any authority thereof implementing FATCA.

10. Payments

(1) *Payments—Bearer Notes*

- (a) This Condition 10(1) is applicable in relation to Bearer Notes.
- (b) Payment of amounts (including accrued interest) due on the redemption of Bearer Notes will be made against presentation and, save in the case of a partial redemption by reason of insufficiency of funds or payment of an Instalment Amount (other than the final Instalment Amount), surrender of the relevant Bearer Notes to or to the order of any of the Paying Agents.

Payment of Instalment Amounts (other than the final Instalment Amount) in respect of an Instalment Note will be made against presentation of the Bearer Note together with (whether applicable) the relevant Receipt and surrender of such Receipt.

The Receipts are not and shall not in any circumstances be deemed to be documents of title and if separated from the Bearer Note to which they relate will not represent any obligation of the Issuer.

Accordingly, the presentation of a Bearer Note without the relative Receipt or the presentation of a Receipt without the Bearer Note to which it appertains shall not entitle the Holder to any payment in respect of the relevant Instalment Amount.

- (c) Payment of amounts due in respect of interest on Bearer Notes will be made:
 - (i) in the case of a Temporary Global Note or Permanent Global Note, against presentation of the relevant Temporary Global Note or Permanent Global Note at the specified office of any of the Paying Agents outside the United States and, in the case of a Temporary Global Note, upon due certification as required therein;
 - (ii) in the case of Definitive Bearer Notes without Coupons attached thereto at the time of their initial delivery, against presentation of the relevant Definitive Notes at the specified office of any of the Paying Agents outside the United States; and
 - (iii) in the case of Definitive Bearer Notes delivered with Coupons attached thereto at the time of the initial delivery, against surrender of the relevant Coupons at the specified office of any of the Paying Agents outside the United States.
- (d) If the due date for payment of any amount due (whether in respect of principal, interest or otherwise) in respect of any Bearer Notes is not a Business Day, then 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.

- (e) Each Definitive Bearer Note initially delivered with Coupons or Receipts attached thereto should be surrendered for final redemption together with all unmatured Coupons or Receipts appertaining thereto, failing which:
- (i) in the case of Definitive Bearer Notes which bear interest at a fixed rate or rates, the amount of any missing unmatured Coupons will be deducted from the amount otherwise payable on such final redemption, the amount so deducted being payable against surrender of the relevant Coupon at the specified office of any of the Paying Agents at any time prior to the tenth anniversary of the due date of such final redemption or, if later, the fifth anniversary of the date of maturity of such Coupon; and
 - (ii) in the case of Definitive Bearer Notes which bear interest at, or at a margin above or below, a floating rate, all unmatured Coupon relating to such Definitive Bearer Notes (whether or not surrendered therewith) shall become void and no payment shall be made thereafter in respect of them.
 - (iii) in the case of Bearer Notes initially delivered with Receipts attached thereto, all Receipts relating to such Bearer Notes in respect of a payment of an Instalment Amount which (but for such redemption) would have fallen due on a date after such due date for redemption (whether or not surrendered therewith) shall become void and no payment shall be made thereafter in respect of them.

(2) ***Payments—Registered Notes***

- (a) This Condition 10(2) is applicable in relation to Registered Notes.
- (b) Payments of amounts (including accrued interest) due on the final redemption of Registered 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 Registered 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.
- (c) 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**”).
- (d) Notwithstanding the provisions of Condition 10(3)(b), payments of interest due (other than in respect of the final redemption of Notes) in respect of Registered Notes will be made by a check drawn on a bank in the Relevant Financial Centre 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 authorised foreign exchange bank).

(3) ***Payments—General Provisions***

- (a) Save as otherwise specified herein, this Condition 10 is applicable in relation to Notes whether in bearer or in registered form.
- (b) Payments of amounts due (whether in respect of principal, interest or otherwise) in respect of Notes denominated in a currency other than euro will be made by check drawn on, or by transfer to, an account maintained by the payee with, a bank in the Relevant Financial Centre and in respect of a Note denominated in euro by check drawn on, or by transfer to, an euro account (or any other account to which euro may be credited or transferred) maintained by the payee with a bank in the principal financial centre of any member state of the European Union.

11. Prescription

- (a) Bearer Notes and the related Coupons will become void unless presented for payment within ten years (or, in the case of Coupons and save as provided in Condition 10(1)(e), five years) after the due date for payment.
- (b) Claims against the Issuer in respect of Registered 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.

12. 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, and (iv) a Paying Agent with an office in London. 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 or London interbank market, as may be applicable (acting through its principal New York or London Office, as the case may be) to act as such in the Fiscal Agent's or Paying Agent's, as the case may be, place.

13. Replacement of the Notes

If any Note, Receipt or Coupon 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.

14. 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. Any modification or waiver of the Conditions which affects Subordinated Notes or Senior Non-Preferred Notes will be effected in accordance with Applicable Banking Regulations.

The quorum at any meeting for passing an Extraordinary 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 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, *provided that* at any meeting, the business of which includes the modification of certain of the Conditions of the Series of Notes (as set out in (i) to (viii) of the paragraph 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, in principal amount of the Series of Notes then outstanding. In addition, modifications or waivers may be approved without a meeting in accordance with the procedures set out in the Agency Agreement.

Modifications of and amendments to the Conditions of a Series of Notes, the Agency Agreement or the Deed of Covenant 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, (a) in the case of such modification, amendment or waiver to be considered at a quorate meeting, by way of Extraordinary Resolution or (b) in the case of a consent without a meeting, with the consent of persons holding or representing not less than two-thirds in principal amount of the Series of Notes (excluding any Notes of the Series held by the Issuer or its affiliates) then outstanding, each in accordance with the procedures set forth in the Agency Agreement, *provided that* no such modification, amendment or waiver may, without (y) in the case of such modification, amendment or waiver to be considered at a quorate meeting, an Extraordinary Resolution or (z) in the case of a consent without a meeting, the consent of persons holding or representing not less than three-quarters in principal amount of the Series of Notes (excluding any Notes of the Series held by the Issuer or its affiliates) then outstanding, each in accordance with the procedures set forth in the Agency Agreement, (i) change in the stated maturity of any Note (if any), or the date for any payment on any Note, (ii) with regard to the Additional Tier 1 Write-Down Notes, change the terms of 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 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, (vi) 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, (vii) reduce the requirements contained in the Agency Agreement for quorum or voting or (viii) 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.

For the purposes of this Condition 14, “**Extraordinary Resolution**” means a resolution passed at a meeting duly convened and held in accordance with these Conditions and the Agency Agreement by a majority of not less than two-thirds of the votes cast.

15. Notices

(a) *To Holders of Bearer Notes*

Notices to Holders of Bearer Notes will, save where another means of effective communication has been specified in the relevant Pricing Supplement, be deemed to be validly given if published in a leading daily newspaper having general circulation in the United Kingdom (which is expected to be the Financial Times) or, in the case of a Temporary Global Note or Permanent Global Note if delivered to Euroclear and Clearstream, Luxembourg for communication by them to the persons shown in their respective records as having interests therein provided that, in the case of Notes admitted to listing and/or trading on any stock exchange, the requirements of such stock exchange or listing authority have been complied with. Any notice so given will be deemed to have been validly given on the date of such publication (or, if published more than once, on the date of first such publication) or, as the case may be, on the fourth Business Day after the date of such delivery.

(b) *To Holders of Registered Notes*

Notices to Holders of Registered 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 Registered Notes are evidenced by (i) a Global Registered 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, or (ii) a Global Registered Note which is held by or on behalf of Euroclear and/or Clearstream, Luxembourg, all notices with respect to such Registered Notes shall be delivered to Euroclear and Clearstream, Luxembourg for communication by them to the persons shown in their respective records as having interests therein, 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, Euroclear or Clearstream, Luxembourg (as the case may be) or as otherwise provided by the applicable rules of a stock exchange.

(c) *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 15) 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.

16. Provision of Information

For so long as any Registered 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 Registered 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.

17. 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.

18. Substitution and Variation

(i) *Substitution or Variation of Senior Non-Preferred Notes and Subordinated Notes*

If this Condition 18(i) is specified as applicable in the relevant Pricing Supplement, if at any time a Withholding Tax Event, a Tax Event, an MREL/TLAC Disqualification Event, a Capital Event or an Alignment Event occurs, or to ensure the effectiveness or enforceability of Condition 20 (*Acknowledgement of Bail-in and Loss Absorption Powers*), the Issuer may, subject to the Applicable Banking Regulations (without any requirement for the consent or approval of the Holders) and having given not less than 30 nor more than 60 days’ notice to the Fiscal Agent (in accordance with the Fiscal Agency Agreement) and the Holders (which notice shall be irrevocable), at any time either (a) substitute all (but not some only) of the Senior Non-Preferred Notes or Subordinated Notes (as applicable) for new Senior Non-Preferred Notes or Subordinated Notes (as applicable), which are Qualifying Securities, or (b) vary the terms of the Senior Non-Preferred Notes or Subordinated Notes (as applicable) so that they remain or, as appropriate, become, Qualifying Securities, provided that, in each case, (i) such variation or substitution does not itself give rise to any right of the Issuer to redeem the varied or substituted securities and (ii) such variation or substitution would not itself directly lead to a downgrade in any of the credit ratings of the Senior Non-Preferred Notes or Subordinated Notes (as applicable) as assigned to such Senior Non-Preferred Notes or Subordinated Notes (as applicable) by any Rating Agency immediately prior to such variation or substitution (unless any such downgrade is solely attributable to the effectiveness and enforceability of Condition 20 (*Acknowledgement of Bail in and Loss Absorption Powers*)) and (iii) such variation or substitution is not materially less favourable to holders (unless any such prejudice is solely attributable to the effectiveness and enforceability of Condition 20 (*Acknowledgement of Bail in and Loss Absorption Powers*)) or, in respect of Additional Tier Write-down Notes only, to the extent that following the Capital Event any substitution or variation and the effect of removing, suspending or reducing the Issuer’s loss of discretion to cancel its obligations to make interest payments under Condition 5(7)(a)). 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 14 (*Meetings of Holders*).

For the purpose of this Condition 18(i) a variation or substitution shall be “**materially less favourable to holders**” if such varied or substituted securities do not:

- (i) include a ranking at least equal to that of the Senior Non-Preferred Notes or Subordinated Notes (as applicable) pursuant to Condition 4(2) or Condition 4(3), as applicable;
- (ii) have the same interest rate and the same interest payment dates as those from time to time applying to the Senior Non-Preferred Notes or Subordinated Notes (as applicable);
- (iii) have equivalent redemption rights as the Senior Non-Preferred Notes or Subordinated Notes (as applicable);
- (iv) have the same currency of payment, maturity, denomination and original aggregate outstanding nominal amount as the Senior Non-Preferred Notes or Subordinated Notes (as applicable) prior to such variation or substitution;

- (v) preserve any existing rights under the Senior Non-Preferred Notes or Subordinated Notes (as applicable) 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; or
- (vi) have a listing on a recognised stock exchange if the Senior Non-Preferred Notes or Subordinated Notes (as applicable) were listed immediately prior to such variation or substitution; and

“**Qualifying Securities**” means securities issued directly or indirectly by the Issuer that contain terms which at such time result in such securities being eligible to qualify towards the Issuer’s and/or the Nordea Group’s eligible liabilities and/or loss absorbing capacity (in the case of Senior Non-Preferred Notes) or Tier 2 Capital (in the case of Dated Subordinated Notes) or Tier 1 Capital (in the case of Additional Tier 1 Write-Down Notes), in each case for the purposes of, and in accordance with, the relevant Applicable Banking Regulations, (in the case of a variation or substitution due to a Withholding Tax Event, Tax Event, MREL/TLAC Disqualification Event, Capital Event or Alignment Event) to at least the same extent as the Notes prior to the relevant Withholding Tax Event, Tax Event, MREL/TLAC Disqualification Event, Capital Event or Alignment Event.

(ii) ***Substitution or Variation of Senior Non-Preferred Notes and Subordinated Notes 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, subject to the Applicable Banking Regulations in the new Relevant Jurisdiction (without any requirements for the consent or approval of the Holders of the Senior Non-Preferred Notes or Subordinated Notes (as applicable)) and having given not less than 30 nor more than 60 days’ notice to the Fiscal Agent (in accordance with the Fiscal Agency Agreement) and the Holders of the Senior Non-Preferred Notes or Subordinated Notes (as applicable) (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 (a) substitute all (but not some only) of the Senior Non-Preferred Notes or Subordinated Notes (as applicable) for new Senior Non-Preferred Notes or Subordinated Notes (as applicable) which are Qualifying Securities (Redomiciliation), or (b) vary the terms of the Senior Non-Preferred Notes or Subordinated Notes (as applicable) so that they remain or, as appropriate, become, Qualifying Securities (Redomiciliation), provided that, in each case, (i) such variation or substitution does not give rise to any right of the Issuer to redeem the varied or substituted securities, (ii) such variation or substitution would not itself directly lead to a downgrade in any of the credit ratings of the Senior Non-Preferred Notes or Subordinated Notes (as applicable) as assigned to such Senior Non-Preferred Notes or Subordinated Notes (as applicable) by any Rating Agency immediately prior to such variation or substitution and (iii) such variation or substitution is not materially less favourable to holders (unless any such prejudice is solely attributable to the effectiveness and enforceability of Condition 20 (*Acknowledgement of Bail in and Loss Absorption Powers*)). 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 14 (*Meetings of Holders*).

For the purpose of this Condition 18(ii) a variation or substitution shall be “**materially less favourable to holders**” if such varied or substituted securities do not:

- (i) include a ranking at least equal to that of the Senior Non-Preferred Notes or Subordinated Notes (as applicable) pursuant to Condition 4(2) or Condition 4(3), as applicable (or the nearest equivalent in the new Relevant Jurisdiction);
- (ii) have the same interest rate and the same interest payment dates as those from time to time applying to the Senior Non-Preferred Notes or Subordinated Notes (as applicable);
- (iii) have equivalent redemption rights as the Senior Non-Preferred Notes or Subordinated Notes (as applicable);
- (iv) have the same currency of payment, maturity, denomination and original aggregate outstanding nominal amount as the Senior Non-Preferred Notes or Subordinated Notes (as applicable) prior to such variation or substitution;
- (v) preserve any existing rights under the Senior Non-Preferred Notes or Subordinated Notes (as applicable) 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; or
- (vi) have a listing on a recognised stock exchange if the Senior Non-Preferred Notes or Subordinated Notes (as applicable) were listed immediately prior to such variation or substitution; and

“Qualifying Securities (Redomiciliation)” means securities issued directly or indirectly by the Issuer that contain terms which at such time result in such securities being eligible to qualify towards the Issuer’s and/or the Nordea Group’s eligible liabilities and/or loss absorbing capacity (in the case of Senior Non-Preferred Notes) or Tier 2 Capital (in the case of Subordinated Notes) or Tier 1 Capital (in the case of Additional Tier 1 Write-Down Notes), in each case for the purposes of, and in accordance with, the relevant Applicable Banking Regulations, to at least the same extent as the Notes prior to the relevant Redomiciliation Event.

19. Law and Jurisdiction

- (a) The Notes, the Deed of Covenant and the Agency Agreement and all non-contractual obligations arising out of or in connection with any of them are governed by English law, except that, in the case of Notes specified in the relevant Pricing Supplement as being Senior Non-Preferred Notes, Dated Subordinated Notes or Additional Tier 1 Write Down Notes, the provisions of Condition 4(2) or 4(3), as applicable, as they apply to such Notes and all non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, the laws of the Relevant Jurisdiction.
- (b) The Issuer irrevocably agrees for the benefit of the Holders of the Notes that the Courts of England shall have jurisdiction to hear and determine any suit, action or proceedings, and to settle any disputes, which may arise out of or in connection with the Notes (including a dispute relating to any non-contractual obligation arising out of or in connection with the Notes) (respectively, **“Proceedings”** and **“Disputes”**) and, for such purposes, irrevocably submits to the jurisdiction of such courts. The Issuer irrevocably waives any objection which it might now or hereafter have to the Courts of England being nominated as the forum to hear and determine any Proceedings and to settle any Disputes and agrees not to claim that any such court is not a convenient or appropriate forum. The submission to the jurisdiction of the Courts of England shall not (and shall not be construed so as to) limit the right of the Holders of the Notes or of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not) if and to the extent permitted by applicable law.
- (c) The Issuer agrees that the process by which any Proceedings in England are begun may be served on it by being delivered to the Issuer at its registered address in London from time to time, being presently at Nordea Bank AB (publ), London Branch, 6th Floor, 5 Aldermanbury Square, London EC2V 7AZ, United Kingdom or, if different, its registered office for the time being or at any address of the Issuer in Great Britain at which process may be served on it in accordance with the Companies Act 2006. If such person is not or ceases to be effectively appointed to accept service of process on behalf of the Issuer, the Issuer shall forthwith appoint a further person in England to accept service of process on its behalf and, failing such appointment within 15 days, any Holder shall be entitled to appoint such a person by written notice addressed to the Issuer and delivered to the Issuer or to the Fiscal Agent. Nothing contained herein shall affect the right to serve process in any other manner permitted by law.

20. Acknowledgement of Bail-in and Loss Absorption Powers

Notwithstanding and to the exclusion of any other term of the 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 Notes), by its acquisition of the Notes, each Noteholder acknowledges and accepts that any liability arising under the 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 Notes on a permanent basis;
 - (ii) the conversion of all, or a portion, of the Relevant Amounts in respect of the 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 Notes;
 - (iii) the cancellation of the Notes or the Relevant Amounts in respect of the Notes; and

- (iv) the amendment or alteration of the perpetual nature of the Notes or amendment of the amount of interest payable on the 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 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.

“Bail-in and Loss Absorption Powers” means any loss absorption, write-down, conversion, transfer, modification, suspension or similar or resolution 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 (as amended or replaced from time to time) or the application of the SRM Regulation (as amended or replaced from time to time) 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).

“Relevant Amounts” means the outstanding principal amount of the Notes, together with any accrued but unpaid interest and additional amounts due on the 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.

“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.