

**VPS TRUSTEE AGREEMENT**

between

**Bank Norwegian AS  
(the “Issuer”)**

and

**Nordic Trustee AS  
(the “VPS Trustee”)**

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SCHEDULE 1 VPS Conditions

THIS VPS TRUSTEE AGREEMENT (the “Agreement”) is entered into on 2 July 2020 between:

- (1) Bank Norwegian AS, Snarøyveien 36, 1364 Fornebu, Norway with registration number 991 455 671 (the “Issuer”); and
- (2) Nordic Trustee AS, Kronprinsesse Märthas plass 1, 0160 Oslo, Norway with registration number 963 342 624 (the “VPS Trustee”).

**WHEREAS:**

- (A) The Issuer has a licence from the Norwegian Financial Supervisory Authority (in Norwegian: *Finanstilsynet*, and hereinafter referred to as “FSAN”) to conduct financing activities as a commercial bank (in Norwegian: *forretningsbank*) under the Norwegian Financial Undertakings Act (in Norwegian: *Lov om finansforetak og finanskonsern (finansforetaksloven) av 10. april 2015 nr. 17*) and appurtenant regulations (as amended from time to time).
- (B) Under a €1,500,000,000 Euro Medium Term Note Programme (as updated and amended from time to time) (the “Programme”), the Issuer may from time to time issue notes (“Notes”) including, but not limited to, Notes in uncertificated book-entry form (“VPS Notes”) to be registered in the Norwegian central securities depository (in Norwegian: *Verdipapirsentralen*, and hereinafter referred to as the “VPS”).
- (C) The Parties agree that, for Issues made from and including the date of this Agreement, this Agreement replaces and supersedes the VPS Trustee Agreement executed by the parties on 20 April 2018.
- (D) This Agreement and the VPS Conditions (as defined below) set out the terms and conditions on which the VPS Trustee has agreed to act as VPS Trustee for VPS Notes issued by the Issuer under the Programme from the date of this Agreement.

**IT IS AGREED:**

**1. INTERPRETATION AND DEFINITIONS**

Capitalised terms used in this Agreement shall have the same meaning as given to such terms in the VPS Conditions, unless otherwise defined herein.

**Business Day:** As defined in the VPS Conditions, or otherwise any day on which the VPS settlement system is open and the relevant currency settlement system is open.

**Dealer:** Any dealer appointed under the Programme from time to time who acts as dealer for an Issue.

**Default Notice:** A written notice to the Issuer as described in Clause 2.5 (*Acceleration of the VPS Notes*).

**Event of Default:** Means any of the events or circumstances specified in the VPS Conditions.

**Exchange:** The Oslo Stock Exchange (*Oslo Børs*), the alternative bond market (Nordic ABM) operated by Oslo Børs, or any other regulated marketplace or facility for trading of

**Exchange:** The Oslo Stock Exchange (*Oslo Børs*), the alternative bond market (Nordic ABM) operated by Oslo Børs, or any other regulated marketplace or facility for trading of securities in Norway or abroad which operates regularly and is recognised and open to the public.

**Final Terms:** The final terms applicable to an Issue (including any pricing supplement, as relevant).

**Issue:** An issue of VPS Notes for which the VPS Trustee has been appointed by the Issuer as trustee pursuant to this Agreement.

**Issue Date:** The date of an Issue.

**Issuer's VPS Notes:** VPS Notes owned by the Issuer, any party who has decisive influence over the Issuer, or any party over whom the Issuer has decisive influence.

For these purposes, "decisive influence" means a person having, as a result of an agreement or through the ownership of shares or interest in another person (directly or indirectly):

- (a) a majority of the voting rights in that other person; or
- (b) a right to elect or remove a majority of the members of the board of directors of that other person.

**Outstanding VPS Notes:** Means VPS Notes to the extent not redeemed or otherwise discharged.

**Relevant Record Date:** Means the date on which a VPS Noteholder's ownership of VPS Notes shall be recorded in the VPS for the purpose of casting a vote with regard to Clause 4 (*VPS Noteholders' Decisions*), being the date falling on the immediate preceding Business Day to the date of that VPS Noteholders' decision being made, or another date as accepted by the VPS Trustee.

**Summons:** Means the call for a VPS Noteholders' Meeting or a Written Resolution as the case may be.

**Voting VPS Notes:** Outstanding VPS Notes less the Issuer's VPS Notes in respect of one or several Issues (as the context requires).

**VPS Agent:** The legal entity appointed by the Issuer to act as its paying agent with respect to the VPS Notes in the VPS.

**VPS Conditions:** Means such terms and conditions as are applicable to any Issue of VPS Notes from time to time, to be attached to this Agreement as Schedule 1.

**VPS Noteholder:** A person who is registered in the VPS as directly registered owner or nominee holder of a VPS Note, subject however to Clause 3.3 (*VPS Noteholders' rights*).

**VPS Noteholders' Meeting:** Meeting of VPS Noteholders of one or several Issues as set forth in Clause 4 (*VPS Noteholders' decisions*).

**VPS Trustee:** Nordic Trustee AS, or any successor, acting for and on behalf of the VPS Noteholders in accordance with this Agreement.

**Written Resolution:** Means a written (or electronic) solution for a decision making among the VPS Noteholders of an Issue, as set out in Clause 4.5 (*Written Resolutions*).

## 2. GENERAL TERMS OF THE VPS NOTES

### 2.1 Conditions precedent

#### 2.1.1 Conditions precedent to the Issue Date

- (a) The VPS Trustee shall have received the following documentation, no later than 2 - two - Business Days prior to the Issue Date:
  - (i) The Final Terms duly signed,
  - (ii) the Issuer's corporate resolution to make the Issue,
  - (iii) confirmation that the relevant individuals are authorised to sign on behalf of the Issuer all relevant documents in relation to the Issue, (certificate of registration, power of authority etc.),
  - (iv) the Issuer's articles of association,
  - (v) to the extent necessary, any public authorisations required for the Issue,
  - (vi) confirmation that the VPS Notes have been registered in the VPS,
  - (vii) confirmation according to Clause 2.1.2(e) (*Confirmation*) if applicable,
  - (viii) any other relevant documentation presented in relation to the Issue, and
  - (ix) any statements (including legal opinions) required by the VPS Trustee regarding documentation in this Clause 2.1 (*Conditions precedent*).
- (b) The VPS Trustee may, in its reasonable opinion, waive the deadline or requirements for the documentation as set forth in this Clause 2.1 (*Conditions precedent*).
- (c) Any Issue is subject to the VPS Trustee's written notice to the Issuer, the Dealers and the VPS Agent that the documents have been controlled and that the required conditions precedent are fulfilled.

#### 2.1.2 Representations and warranties

##### (a) General

The Issuer makes the representations and warranties set out in this Clause 2.1.2 (*Representations and warranties*) to the VPS Trustee (on behalf of the VPS Noteholders) at the Issue Date with reference to the facts and circumstances then existing.

##### (b) Information

All information which has been presented to the VPS Trustee in relation to the Issue is, to the best knowledge of the Issuer, having taken all reasonable measures to ensure the same:

- (i) true and accurate in all material respects as at the date the relevant information is expressed to be given;
  - (ii) does not omit any material information likely to affect the accuracy of the information as regards the evaluation of the VPS Notes in any material respects unless subsequently disclosed to the VPS Trustee in writing or otherwise made publicly known.
- (c) Requirements
- (i) The Issuer has made a valid resolution to make the Issue and the Issue does not contravene any of the Issuer's other obligations.
  - (ii) All relevant regulatory requirements have been fulfilled (e.g. pursuant to the Norwegian Financial Undertakings Act and Securities Trading Act), and any required public authorisation has been obtained.
  - (iii) The Issue is in accordance with the VPS Conditions, except as may be waived or amended pursuant to the Final Terms in respect of such Issue.

(d) No Event of Default

No Event of Default exists or is likely to result from the issuance of the VPS Notes or the entry into, the performance of, or any transaction contemplated by, this Agreement or the VPS Conditions in respect of such Issue.

(e) Confirmation

The VPS Trustee may require a statement from the Issuer confirming the Issuer's compliance with this Clause 2.1.2 (*Representations and warranties*) at the times set out above.

## 2.2 Information covenants

The Issuer undertakes to:

- (a) promptly inform the VPS Trustee in writing of any Event of Default or any event or circumstance which the Issuer understands or could reasonably be expected to understand may lead to an Event of Default, and the steps, if any, being taken to remedy it,
- (b) upon request, provide the VPS Trustee with its annual and interim reports and any other information reasonably required by the VPS Trustee,
- (c) upon request report to the VPS Trustee the principal amount outstanding of the Issuer's VPS Notes,

- (d) provide a copy to the VPS Trustee of any notice to its creditors to be made according to applicable laws and regulations,
- (e) send a copy to the VPS Trustee of notices to the Exchange which have relevance to the Issuer's liabilities pursuant to any Issue, and
- (f) inform the VPS Trustee of changes in the registration of any Issue in the VPS.

### **2.3 Registration of VPS Notes**

The Issuer shall continuously ensure the correct registration of the VPS Notes in the VPS.

### **2.4 Listing and prospectus**

- (a) In the event that any VPS Notes are listed on an Exchange, matters concerning the listing requiring the approval of the VPS Noteholders shall be resolved pursuant to the terms of the VPS Conditions and this Agreement.
- (b) In the event that any VPS Notes are listed on an Exchange, the Issuer shall submit the documents and the information necessary to maintain the listing.

### **2.5 Acceleration of the VPS Notes**

Subject to the VPS Conditions, if an Event of Default has occurred and is not remedied or waived, the VPS Trustee may, in its discretion in order to protect the interests of the VPS Noteholders of any Issue, or upon instruction received from the VPS Noteholders of one or several affected Issues pursuant to Clause 2.6 (*VPS Noteholders' instructions*) below, by serving a Default Notice:

- (a) declare that any Outstanding VPS Note in respect of the affected Issue(s) be forthwith due and payable whereupon the same shall become due and payable at the Early Redemption Amount (as described in the VPS Conditions), together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind.; and/or
- (b) exercise any or all of its rights, remedies, powers or discretions under this Agreement or take such further measures as are necessary to recover the amounts outstanding under the VPS Conditions.

### **2.6 VPS Noteholders' instructions**

The VPS Trustee shall serve a Default Notice pursuant to Clause 2.5 (*Acceleration of the VPS Notes*) if:

- (a) the VPS Trustee receives a demand in writing from VPS Noteholders representing a simple majority of the Voting VPS Notes in an affected Issue, stating that an Event of Default shall be declared for that Issue, and a VPS Noteholders' Meeting has not made a resolution to the contrary; or
- (b) the VPS Noteholders' Meeting, by a simple majority decision among VPS Noteholders in an affected Issue, has approved the declaration of an Event of Default for that Issue.

## **2.7 Indemnification**

The VPS Trustee shall be indemnified by the VPS Noteholders of the relevant Issue(s) for any results (including any expenses, costs and liabilities) of taking action pursuant to Clause 2.6 (*VPS Noteholders' instructions*) or pursuant to the VPS Noteholders' Meeting having declared the VPS Notes to be in default. The VPS Trustee may claim indemnity and security from the VPS Noteholders who put forward the demand in accordance with Clause 2.6 (*VPS Noteholders' instructions*) or voted for the adopted resolution at the VPS Noteholders' Meeting.

## **3. THE VPS NOTEHOLDERS**

### **3.1 Agreement binding on all VPS Noteholders**

- (a) By virtue of being registered in the VPS as a VPS Noteholder (directly or indirectly) in relation to a relevant Issue, the VPS Noteholders are bound by this Agreement including the relevant VPS Conditions, without any further action required to be taken or formalities to be complied with.
- (b) This Agreement and the relevant VPS Conditions shall be publicly available from the VPS Trustee and the Issuer.
- (c) The VPS Trustee is always acting with binding effect on behalf of all VPS Noteholders in a relevant Issue.

### **3.2 Limitation of rights of action**

- (a) No VPS Noteholder is entitled to take any action against the Issuer or any other party in relation to any of the liabilities of the Issuer or any other party under or in connection with the VPS Conditions or this Agreement, other than through the VPS Trustee and in accordance with the VPS Conditions and this Agreement, provided, however, that the VPS Noteholders shall not be restricted from exercising any of their individual rights derived from the VPS Conditions or this Agreement.
- (b) Each VPS Noteholder shall immediately upon request by the VPS Trustee provide the VPS Trustee with any such documents, including a written power of attorney (in form and substance satisfactory to the VPS Trustee), as the VPS Trustee deems necessary for the purpose of exercising its rights and/or carrying out its duties under the VPS Conditions and this Agreement. The VPS Trustee is under no obligation to represent a VPS Noteholder who does not comply with such request.

### **3.3 VPS Noteholders' rights**

- (a) If a beneficial owner of a VPS Note not being registered as a VPS Noteholder wishes to exercise any rights under the VPS Conditions or this Agreement it must obtain proof of ownership of the VPS Notes, acceptable to the VPS Trustee.
- (b) A VPS Noteholder (whether registered as such or proven to the VPS Trustee's satisfaction to be the beneficial owner of the VPS Note as set out in paragraph (a) above) may issue one or more powers of attorney to third parties to represent it in relation to some or all of the VPS Notes held or beneficially owned by such VPS Noteholder. The VPS Trustee shall only have to examine the face of a power of attorney or similar evidence of authorisation that has been provided to it pursuant to this Clause 3.3 (*VPS Noteholders' rights*) and may assume that it is in full force and



effect, unless otherwise is apparent from its face or the VPS Trustee has actual knowledge to the contrary.

#### **4. VPS NOTEHOLDERS' DECISIONS**

##### **4.1 Authority of the VPS Noteholders' Meeting**

- (a) The VPS Noteholders' Meeting may not adopt resolutions which will give certain VPS Noteholders an unreasonable advantage at the expense of other VPS Noteholders.
- (b) Subject to the power of the VPS Trustee to take certain action as set out in Clause 5.1 (*Power to represent the VPS Noteholders*), if a resolution by, or an approval of, the VPS Noteholders is required, such resolution may be passed at a VPS Noteholders' Meeting. Resolutions passed at any VPS Noteholders' Meeting will be binding upon all relevant VPS Noteholders.
- (c) The VPS Noteholders' Meeting will consist of:
  - (i) for purposes of any resolution directly relating to a specific Issue and/or its Final Terms, only the VPS Noteholders holding VPS Notes in that specific Issue; or
  - (ii) for purposes of any resolution directly relating to a version of the VPS Conditions, only the VPS Noteholders holding VPS Notes issued subject to that particular version of the VPS Conditions; or
  - (iii) for purposes of any resolution directly relating to this Agreement, all VPS Noteholders,and the term "Voting VPS Notes" shall be construed accordingly.
- (d) At least 50% of the Voting VPS Notes must be represented at a VPS Noteholders' Meeting for a quorum to be present, unless one of the matters set out in paragraph (f) below is to be discussed, in which case at least two thirds (2/3) of the Voting VPS Notes must be represented at the meeting for a quorum to be present.
- (e) Resolutions will be passed by simple majority of the Voting VPS Notes represented at the VPS Noteholders' Meeting, unless otherwise set out in paragraph (f) below.
- (f) In the following matters, a majority of at least two thirds (2/3) of the Voting VPS Notes represented at the VPS Noteholders' Meeting is required:
  - (i) modification of the Maturity Date (if any) of the VPS Notes specified in the applicable Final Terms or reduction or cancellation of the nominal amount payable upon maturity;
  - (ii) reduction or cancellation of the amount payable or modification of the payment date in respect of any interest in respect of the VPS Notes or variation of the method of calculating the rate of interest in respect of the VPS Notes;
  - (iii) reduction of any Minimum Rate of Interest and/or Maximum Rate of Interest specified in the applicable Final Terms;

- (iv) modification of the currency in which payments under the VPS Notes are to be made;
  - (v) any alteration of this paragraph (f), including modification of the majority required to pass a resolution of any matter listed herein;
  - (vi) the transfer of rights and obligations under the VPS Conditions and this Agreement to another issuer; or
  - (vii) a change of VPS Trustee.
- (g) For the avoidance of doubt, no resolution by the VPS Noteholders shall be required for any actions taken by the Issuer, the VPS Trustee and/or others in accordance with the VPS Conditions in effect from time to time, unless explicitly required thereunder.

#### **4.2 Procedure for arranging a VPS Noteholders' Meeting**

- (a) A VPS Noteholders' Meeting shall be convened by the VPS Trustee upon the request in writing of:
- (i) the Issuer;
  - (ii) VPS Noteholders representing at least 1/10 of the Voting VPS Notes;
  - (iii) the Exchange, if the VPS Notes are listed and the Exchange is entitled to do so pursuant to the general rules and regulations of the Exchange; or
  - (iv) the VPS Trustee.

The request shall clearly state the matters to be discussed and resolved.

- (b) If the VPS Trustee has not convened a VPS Noteholders' Meeting within ten (10) Business Days after having received a valid request for calling a VPS Noteholders' Meeting pursuant to paragraph (a) above, then the requesting party may itself call the VPS Noteholders' Meeting.
- (c) Summons to a VPS Noteholders' Meeting must be sent no later than ten (10) Business Days prior to the proposed date of the VPS Noteholders' Meeting. The Summons shall be sent to all VPS Noteholders registered in the VPS at the time the Summons is sent from the VPS. If the VPS Notes are listed, the Issuer shall ensure that the Summons is published in accordance with the applicable regulations of the Exchange. The Summons shall also be published on the website of the VPS Trustee (alternatively by press release or other relevant information platform).
- (d) Any Summons for a VPS Noteholders' Meeting must clearly state the agenda for the VPS Noteholders' Meeting and the matters to be resolved. The VPS Trustee may include additional agenda items to those requested by the person calling for the VPS Noteholders' Meeting in the Summons. If the Summons contains proposed amendments to the VPS Conditions and/or this Agreement, a description of the proposed amendments must be set out in the Summons.

- (e) Items which have not been included in the Summons may not be put to a vote at the VPS Noteholders' Meeting.
- (f) By written notice to the Issuer, the VPS Trustee may prohibit the Issuer from acquiring or dispose of VPS Notes during the period from the date of the Summons until the date of the VPS Noteholders' Meeting.
- (g) A VPS Noteholders' Meeting may be held on premises selected by the VPS Trustee, or if paragraph (b) above applies, by the person convening the VPS Noteholders' Meeting (however to be held in Oslo). The VPS Noteholders' Meeting will be opened and, unless otherwise decided by the VPS Noteholders' Meeting, chaired by the VPS Trustee (the "**Chairman**"). If the VPS Trustee is not present, the VPS Noteholders' Meeting will be opened by a VPS Noteholder and the Chairman elected by the VPS Noteholders' Meeting.
- (h) Each VPS Noteholder, the VPS Trustee and, if the VPS Notes are listed, representatives of the Exchange, or any person or persons acting under a power of attorney for a VPS Noteholders, shall have the right to attend the VPS Noteholders' Meeting (each a "**Representative**"). The Chairman may grant access to the meeting to other persons not being Representatives, unless the VPS Noteholders' Meeting decides otherwise. In addition, each Representative has the right to be accompanied by an advisor. In case of dispute or doubt with regard to whether a person is a Representative or entitled to vote, the Chairman will decide who may attend the VPS Noteholders' Meeting and exercise voting rights.
- (i) Representatives of the Issuer have the right to attend the VPS Noteholders' Meeting. The VPS Noteholders' Meeting may resolve to exclude the Issuer's representatives and/or any person holding only Issuer's VPS Notes (or any representative of such person) from participating in the meeting at certain times, however, the Issuer's representative and any such other person shall have the right to be present during the voting.
- (j) Minutes of the VPS Noteholders' Meeting must be recorded by, or by someone acting at the instruction of, the Chairman. The minutes must state the number of Voting VPS Notes represented at the VPS Noteholders' Meeting, the resolutions passed at the meeting, and the results of the vote on the matters to be decided at the VPS Noteholders' Meeting. The minutes shall be signed by the Chairman and at least one other person. The minutes will be deposited with the VPS Trustee who shall make available a copy to the VPS Noteholders and the Issuer upon request.
- (k) The VPS Trustee will ensure that the Issuer, the VPS Noteholders and the Exchange are notified of resolutions passed at the VPS Noteholders' Meeting and that the resolutions are published on the website of the VPS Trustee (or other relevant electronically platform or press release).
- (l) The Issuer shall bear the costs and expenses incurred in connection with convening a VPS Noteholders' Meeting regardless of who has convened the VPS Noteholders' Meeting, including any reasonable costs and fees incurred by the VPS Trustee.

#### 4.3 Voting rules

- (a) Each VPS Noteholder (or person acting for a VPS Noteholder under a power of attorney) may cast one vote for each Voting VPS Note owned on the Relevant Record Date, ref. Clause 3.3 (*VPS Noteholders' rights*). The Chairman may, in its sole discretion, decide on accepted evidence of ownership of Voting VPS Notes.
- (b) Issuer's VPS Notes shall not carry any voting rights. The Chairman shall determine any question concerning whether any VPS Notes will be considered Issuer's VPS Notes.
- (c) For the purposes of this Clause 4 (*VPS Noteholders' decisions*), the holder of a VPS Note will be the person evidenced as such by a book entry in the records of the VPS. Where a nominee is so evidenced, it shall be deemed to be the owner of the relevant VPS Notes, unless the beneficial owner of the VPS Notes has proven its ownership of the VPS Notes in accordance with Clause 3.3 (*VPS Noteholders' rights*). If such VPS Noteholder has proven its ownership in accordance with Clause 3.3 (*VPS Noteholders' rights*) and voted directly for any of its nominee registered VPS Notes, the VPS Noteholder's votes shall take precedence over any votes submitted by the nominee for the same VPS Notes.
- (d) Any of the Issuer, the VPS Trustee and any VPS Noteholder has the right to demand a vote by ballot. In case of parity of votes, the Chairman will have the deciding vote.

#### 4.4 Repeated VPS Noteholders' Meeting

- (a) Even if the necessary quorum set out in paragraph (d) of Clause 4.1 (*Authority of the VPS Noteholders' Meeting*) is not achieved, the VPS Noteholders' Meeting shall be held and voting completed for the purpose of recording the voting results in the minutes of the VPS Noteholders' Meeting. The VPS Trustee or the person who convened the initial VPS Noteholders' Meeting may, within ten (10) Business Days of that VPS Noteholders' Meeting, convene a repeated meeting with the same agenda as the first meeting.
- (b) The provisions and procedures regarding VPS Noteholders' Meetings as set out in Clause 4.1 (*Authority of the VPS Noteholders' Meeting*), Clause 4.2 (*Procedure for arranging a VPS Noteholders' Meeting*) and Clause 4.3 (*Voting rules*) shall apply mutatis mutandis to a repeated VPS Noteholders' Meeting, except that a valid resolution may be passed even though less than 50% of the Voting VPS Notes are represented, unless one of the matters referred to in paragraph (f) of Clause 4.1 (*Authority of the VPS Noteholders' Meeting*) is to be discussed, in which case at least one third (1/3) of the Voting VPS Notes must be represented at the repeated VPS Noteholders' Meeting for a quorum to be present. A Summons for a repeated VPS Noteholders' Meeting shall also contain the voting results obtained in the initial VPS Noteholders' Meeting.
- (c) A repeated VPS Noteholders' Meeting may only be convened once for each original VPS Noteholders' Meeting. A repeated VPS Noteholders' Meeting may be convened pursuant to the procedures of a Written Resolution in accordance with Clause 4.5 (*Written Resolutions*), even if the initial meeting was held pursuant to the procedures of a VPS Noteholders' Meeting in accordance with Clause 4.2 (*Procedure for arranging a VPS Noteholders' Meeting*) and vice versa.

#### 4.5 Written Resolutions

- (a) Subject to this Agreement and the VPS Conditions, anything which may be resolved by the VPS Noteholders in a VPS Noteholders' Meeting pursuant to Clause 4.1 (*Authority of the VPS Noteholders' Meeting*) may also be resolved by way of a Written Resolution. A Written Resolution passed with the relevant majority is as valid as if it had been passed by the VPS Noteholders in a VPS Noteholders' Meeting, and any reference in this Agreement or the VPS Conditions to a VPS Noteholders' Meeting shall be construed accordingly.
- (b) The person requesting a VPS Noteholders' Meeting may instead request that the relevant matters are to be resolved by Written Resolution only, unless the VPS Trustee decides otherwise.
- (c) The Summons for the Written Resolution shall be sent to the VPS Noteholders registered in the VPS at the time the Summons is sent from the VPS and published at the VPS Trustee's web site, or other relevant electronic platform or via press release.
- (d) The provisions set out in Clause 4.1 (*Authority of the VPS Noteholders' Meeting*), 4.2 (*Procedure for arranging a VPS Noteholders' Meeting*), Clause 4.3 (*Voting Rules*) and Clause 4.4 (*Repeated VPS Noteholders' Meeting*) shall apply mutatis mutandis to a Written Resolution, except that:
  - (i) the provisions set out in paragraphs (g), (h) and (i) of Clause 4.2 (*Procedure for arranging VPS Noteholders' Meetings*); or
  - (ii) provisions which are otherwise in conflict with the requirements of this Clause 4.5 (*Written Resolutions*),shall not apply to a Written Procedure.
- (e) The Summons for a Written Resolution shall include:
  - (i) instructions as to how to vote to each separate item in the Summons (including instructions as to how voting can be done electronically if relevant); and
  - (ii) the time limit within which the VPS Trustee must have received all votes necessary in order for the Written Resolution to be passed with the requisite majority (the "**Voting Period**"), which shall be at least ten (10) Business Days but not more than 15 Business Days from the date of the Summons.
- (f) Only VPS Noteholders of Voting VPS Notes registered with the VPS on the Relevant Record Date, or the beneficial owner thereof having presented relevant evidence to the VPS Trustee pursuant to Clause 3.3 (*VPS Noteholders' rights*), will be counted in the Written Resolution.
- (g) A Written Resolution is passed when the requisite majority set out in paragraph (e) or paragraph (f) of Clause 4.1 (*Authority of VPS Noteholders' Meeting*) has been achieved, based on the total number of Voting VPS Notes, even if the Voting Period has not yet expired. A Written Resolution may also be passed if the sufficient numbers of negative votes are received prior to the expiry of the Voting Period.

- (h) The effective date of a Written Resolution passed prior to the expiry of the Voting Period is the date when the resolution is approved by the last VPS Noteholder that results in the necessary voting majority being achieved.
- (i) If no resolution is passed prior to the expiry of the Voting Period, the number of votes shall be calculated at the close of business on the last day of the Voting Period, and a decision will be made based on the quorum and majority requirements set out in paragraphs (d) to (f) of Clause 4.1 (*Authority of VPS Noteholders' Meeting*).

## **5. THE VPS TRUSTEE**

### **5.1 Power to represent the VPS Noteholders**

- (a) The VPS Trustee has power and authority to act on behalf of, and/or represent, the VPS Noteholders in a relevant Issue in all matters pertaining to the Issue, including but not limited to taking any legal or other action against the Issuer or others.
- (b) The Issuer shall promptly upon request provide the VPS Trustee with any such documents, information and other assistance (in form and substance satisfactory to the VPS Trustee), that the VPS Trustee deems necessary for the purpose of exercising its and the VPS Noteholders' rights and/or carrying out its duties under this Agreement and the VPS Conditions.
- (c) In order to carry out its functions and obligations under this Agreement and the VPS Conditions, the VPS Trustee will have access to the relevant information regarding ownership of the VPS Notes, as recorded and regulated with the VPS.

### **5.2 The duties and authority of the VPS Trustee**

- (a) The VPS Trustee shall represent the VPS Noteholders in accordance with the VPS Conditions and this Agreement, including, inter alia, by:
  - (i) calculating and, if relevant, adjusting interest on the VPS Notes in accordance with the VPS Conditions and the Final Terms and notify the Issuer, the VPS Agent and the Exchange (to the extent applicable) of the new interest rate applicable for the next interest period;
  - (ii) forwarding any relevant notices or other documentation relating to payments of principal and interest on the VPS Notes;
  - (iii) informing the VPS Noteholders, the VPS Agent, any calculation agent (other than the VPS Trustee) and if relevant the Exchange of relevant information which is obtained or received in its capacity as VPS Trustee which requirement shall not restrict the VPS Trustee from discussing matters of confidentiality with the Issuer;
  - (iv) arranging VPS Noteholders' Meetings (as detailed above); and
  - (v) determining and implementing any measures resolved pursuant to this Agreement or the VPS Conditions.

- (b) The VPS Trustee shall upon receipt of any new VPS Conditions applicable to future VPS Notes from time to time attach such new VPS Conditions to this Agreement as Schedule 1.
- (c) The VPS Trustee is not obligated to assess or monitor the financial condition of the Issuer or take any steps to ascertain whether any Event of Default has occurred, unless to the extent expressly set out in the VPS Conditions or this Agreement. Until it has actual knowledge to the contrary, the VPS Trustee is entitled to assume that no Event of Default has occurred. The VPS Trustee is not responsible for the valid execution or enforceability of this Agreement and the VPS Conditions, or for any discrepancy between the indicative terms and conditions described in any marketing material presented to the VPS Noteholders' prior to issuance of the VPS Notes and the provisions of this Agreement, the VPS Conditions or the Final Terms.
- (d) The VPS Trustee is entitled to take such steps that it, in its sole discretion, considers necessary or advisable to protect the rights of the VPS Noteholders in all matters pursuant to the terms of this Agreement and the VPS Conditions. The VPS Trustee may submit any instructions received by it from the VPS Noteholders to a VPS Noteholders' Meeting before the VPS Trustee takes any action pursuant to the instruction.
- (e) The VPS Trustee is entitled to engage external experts when carrying out its duties under this Agreement and the VPS Conditions.
- (f) The VPS Trustee shall hold all amounts recovered on behalf of the VPS Noteholders on separated accounts.
- (g) The VPS Trustee will ensure that resolutions passed at the VPS Noteholders' Meeting are properly implemented, provided, however, that the VPS Trustee may refuse to implement resolutions that may be in conflict with this Agreement, the VPS Conditions, or any applicable law.
- (h) Notwithstanding any other provision of this Agreement or the VPS Conditions to the contrary, the VPS Trustee is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation.
- (i) If the cost, loss or liability which the VPS Trustee may incur (including reasonable fees payable to the VPS Trustee itself) in:
  - (i) complying with instructions of the VPS Noteholders; or
  - (ii) taking any action at its own initiative,

will not, in the reasonable opinion of the VPS Trustee, be covered by the Issuer or the relevant VPS Noteholders pursuant to paragraphs (e) and (f) of Clause 5.4 (*Expenses, liability and indemnity*), the VPS Trustee may refrain from acting in accordance with such instructions, or refrain from taking such action, until it has received such funding or indemnities (or adequate security has been provided therefore) as it may reasonably require.

- (j) The VPS Trustee shall give a notice to the VPS Noteholders before it ceases to perform its obligations under this Agreement or the VPS Conditions by reason of the non-payment by the Issuer of any fee or indemnity due to the VPS Trustee under this Agreement.

### **5.3 Equality and conflicts of interest**

- (a) The VPS Trustee shall not make decisions which will give certain VPS Noteholders an unreasonable advantage at the expense of other VPS Noteholders. The VPS Trustee shall, when acting pursuant to this Agreement and the VPS Conditions, act with regard only to the interests of the VPS Noteholders and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other person, other than as explicitly stated in this Agreement or the VPS Conditions.
- (b) The VPS Trustee may act as agent, trustee, representative and/or security agent for several bond issues relating to the Issuer notwithstanding potential conflicts of interest. The VPS Trustee is entitled to delegate its duties to other professional parties.

### **5.4 Expenses, liability and indemnity**

- (a) The VPS Trustee will not be liable to the VPS Noteholders for damage or loss caused by any action taken or omitted by it under or in connection with this Agreement or the VPS Conditions, unless directly caused by its gross negligence or wilful misconduct. The VPS Trustee shall not be responsible for any indirect or consequential loss. Irrespective of the foregoing, the VPS Trustee shall have no liability to the VPS Noteholders for damage caused by the VPS Trustee acting in accordance with instructions given by the VPS Noteholders in accordance with this Agreement.
- (b) The VPS Trustee will not be liable to the Issuer for damage or loss caused by any action taken or omitted by it under or in connection with this Agreement or the VPS Conditions, unless caused by its gross negligence or wilful misconduct. The VPS Trustee shall not be responsible for any indirect or consequential loss.
- (c) Any liability for the VPS Trustee for damage or loss is limited to the amount of the Outstanding VPS Notes. The VPS Trustee is not liable for the content of information provided to the VPS Noteholders by or on behalf of the Issuer or any other person.
- (d) The VPS Trustee shall not be considered to have acted negligently if it has:
  - (i) acted in accordance with advice from or opinions of reputable external experts; or
  - (ii) acted with reasonable care in a situation when the VPS Trustee considers that it is to the interests of the VPS Noteholders to delay or perform any action.
- (e) The Issuer is liable for, and will indemnify the VPS Trustee fully in respect of, all losses, expenses and liabilities incurred by the VPS Trustee as a result of negligence by the Issuer (including its directors, management, officers, employees and agents) in connection with the performance of the VPS Trustee's obligations under this Agreement and the VPS Conditions, including losses incurred by the VPS Trustee as a



result of the VPS Trustee's actions based on misrepresentations made by the Issuer in connection with the issuance of the VPS Notes, the entering into or performance under this Agreement and the VPS Conditions, and for as long as any amounts are outstanding under any Issue.

- (f) The Issuer shall cover all costs and expenses incurred by the VPS Trustee in connection with it fulfilling its obligations under this Agreement and the VPS Conditions. The VPS Trustee is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in this Agreement. The annual fee will be determined according to applicable fee structure and terms and conditions presented at the VPS Trustee's web site ([www.trustee.no](http://www.trustee.no)) at the Issue Date, unless otherwise is agreed with the VPS Trustee.
- (g) The Issuer shall on demand by the VPS Trustee pay all costs incurred for external experts engaged after the occurrence of an Event of Default, or for the purpose of investigating or considering (i) an event or circumstance which the VPS Trustee reasonably believes is or may lead to an Event of Default or (ii) a matter relating to the Issuer which the VPS Trustee reasonably believes may constitute or lead to a breach of any of the VPS Conditions or this Agreement or otherwise be detrimental to the interests of the VPS Noteholders under the VPS Conditions or this Agreement.
- (h) Fees, costs and expenses payable to the VPS Trustee which are not reimbursed in any other way due to an Event of Default, the Issuer being Insolvent or similar circumstances pertaining to the Issuer, may be covered by making an equal reduction in the proceeds to the VPS Noteholders hereunder of any costs and expenses incurred by the VPS Trustee in connection therewith.
- (i) As a condition to effecting any instruction from the VPS Noteholders (including, but not limited to, Clause 4.2 (*Procedure for arranging a VPS Noteholders' Meeting*)), the VPS Trustee may require satisfactory security, guarantees and/or indemnities for any possible liability and anticipated costs and expenses from those VPS Noteholders who have given that instruction and/or who voted in favour of the decision to instruct the VPS Trustee.

## 5.5 Replacement of the VPS Trustee

- (a) The VPS Trustee may be replaced according to the procedures set out in Clause 4 (*VPS Noteholders' decisions*), and the VPS Noteholders may resolve to replace the VPS Trustee without the Issuer's approval.
- (b) The VPS Trustee may resign by giving notice to the Issuer and the VPS Noteholders, in which case a successor VPS Trustee shall be elected pursuant to this Clause 5.5 (*Replacement of the VPS Trustee*), initiated by the retiring VPS Trustee.
- (c) If the VPS Trustee is insolvent, or otherwise is permanently unable to fulfil its obligations under this Agreement and the VPS Conditions, the VPS Trustee shall be deemed to have resigned and a successor VPS Trustee shall be appointed in accordance with this Clause 5.5 (*Replacement of the VPS Trustee*). The Issuer may appoint a temporary VPS Trustee until a new VPS Trustee is elected in accordance with paragraph (a) above.

- (d) The change of VPS Trustee's shall only take effect upon execution of all necessary actions to effectively substitute the retiring VPS Trustee, and the retiring VPS Trustee undertakes to co-operate in all reasonable manners without delay to such effect. The retiring VPS Trustee shall be discharged from any further obligation in respect of this Agreement and the VPS Conditions from the change takes effect, but shall remain liable under the same documents in respect of any action which it took or failed to take whilst acting as VPS Trustee. The retiring VPS Trustee remains entitled to any benefits under this Agreement before the change has taken place.
- (e) Upon change of VPS Trustee the Issuer shall co-operate in all reasonable manners without delay to replace the retiring VPS Trustee with the successor VPS Trustee and release the retiring VPS Trustee from any future obligations under this Agreement, the VPS Conditions and any other documents.

## **6. OTHER PROVISIONS**

### **6.1 Amendments**

#### **6.1.1 Amendments**

Amendments of this Agreement may only be made with the approval of the parties to this Agreement, with the exception of amendments related to Clause 5.5 (*Replacement of the VPS Trustee*).

#### **6.1.2 Procedure for amendments**

The Issuer and the VPS Trustee (acting on behalf of the VPS Noteholders) may agree to amend this Agreement or the VPS Conditions or waive a past default or anticipated failure to comply with any provision in the VPS Conditions or this Agreement without prior approval of the affected VPS Noteholders in accordance with Clause 4 (*VPS Noteholders' decisions*), provided that:

- (i) such amendment or waiver is not detrimental to the rights and benefits of the affected VPS Noteholders in any material respect, or is made solely for the purpose of rectifying obvious errors and mistakes; or
- (ii) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority.

#### **6.1.3 Authority with respect to documentation**

If the VPS Noteholders have resolved the substance of an amendment to this Agreement or the VPS Conditions applicable to such VPS Noteholders, without resolving on the specific or final form of such amendment, the VPS Trustee shall be considered authorised to draft, approve and/or finalise (as applicable) any required documentation or any outstanding matters in such documentation without any further approvals or involvement from the VPS Noteholders being required.

#### **6.1.4 Notification and implementation of amendments**

The VPS Trustee shall as soon as possible notify the VPS Noteholders of any proposal to amend this Agreement or the VPS Conditions as per Clause 6.1.2 (*Procedure for amendments*), setting out the date from which the amendment will be effective, unless such notice obviously is unnecessary. The Issuer shall ensure that any amendment to this Agreement or the VPS Conditions is duly registered with the VPS.

## **6.2 The Issuer's purchase of VPS Notes**

The Issuer may purchase and hold VPS Notes and such VPS Notes may be retained, sold or cancelled in the Issuer's sole discretion.

## **6.3 Expenses**

- (a) The Issuer shall cover all its own expenses in connection with this Agreement and the fulfilment of its obligations hereunder, including the preparation of this Agreement, listing of the VPS Notes on the Exchange, and the registration and administration of the VPS Notes in the VPS.
- (b) The expenses and fees payable to the VPS Trustee shall be paid by the Issuer. For Financial Institutions, and Nordic governmental issuers, annual fee will be determined according to applicable fee structure and terms and conditions presented at the VPS Trustee's web site ([www.trustee.no](http://www.trustee.no)) at the Issue Date, unless otherwise is agreed with the VPS Trustee. For other issuers a separate VPS Trustee Agreement will be entered into. Fees and expenses payable to the VPS Trustee which, due to insolvency or similar by the Issuer, are not reimbursed in any other way may be covered by making an equivalent reduction in the payments to the VPS Noteholders.
- (c) Any public fees payable in connection with this Agreement and fulfilling of the obligations pursuant to this Agreement and the VPS Conditions shall be covered by the Issuer. The Issuer is not responsible for reimbursing any public fees levied on the trading of VPS Notes.
- (d) The Issuer is responsible for withholding any withholding tax imposed by relevant law.

## **6.4 Notices**

- (a) Written notices, warnings, summons etc. to the VPS Noteholders made by the VPS Trustee shall be sent via the VPS with a copy to the Issuer and the Exchange. Information to the VPS Noteholders may also be published at a relevant information platform.
- (b) The Issuer's written notifications to the VPS Noteholders shall be sent via the VPS Trustee, alternatively through the VPS with a copy to the VPS Trustee and the Exchange.

## **6.5 Contact information**

The Issuer and the VPS Trustee shall ensure that the other party is kept informed of any changes in its postal address, e-mail address, telephone numbers and contact persons.

## **6.6 Governing law**

This Agreement shall be governed by and construed in accordance with Norwegian law.

## **6.7 Jurisdiction**

- (a) The VPS Trustee and the Issuer agree for the benefit of the VPS Trustee and the VPS Noteholders that the Oslo district court (*Oslo tingrett*) shall have jurisdiction with respect to any dispute arising out of or in connection with this Agreement (a "Dispute"). The Issuer agrees for the benefit of the VPS Trustee and the VPS

Noteholders that any legal action or proceedings arising out of or in connection with this Agreement against the Issuer or any of its assets may be brought in such court and that the Issuer shall be prevented from taking proceedings relating to a Dispute in any other court of law.

- (b) Paragraph (a) above has been agreed for the benefit of the VPS Trustee and the VPS Noteholders only. The VPS Trustee shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the VPS Trustee may also take concurrent proceedings in any number of jurisdictions. Accordingly, it is agreed that the Oslo district court (*Oslo Tingrett*) has non-exclusive jurisdiction to settle any Dispute.

\*\*\*

**SIGNATORIES:**

**The Issuer:**

Bank Norwegian AS

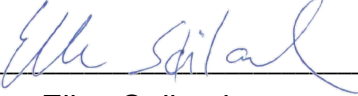
By: \_\_\_\_\_

Name:

Title:

**The VPS Trustee:**

Nordic Trustee AS

By:  \_\_\_\_\_

Name: Ellen Søliland

Title: p.p.

**SIGNATORIES:**

**The Issuer:**

**The VPS Trustee:**

Bank Norwegian AS

Nordic Trustee AS

By: \_\_\_\_\_



By: \_\_\_\_\_

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

TINE GOTTLÖB WOLVE BEKKE

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

Title: \_\_\_\_\_

CEO

Title: \_\_\_\_\_

**SCHEDULE 1**  
**VPS CONDITIONS**

## Terms and Conditions of the VPS Notes

*The following are the Terms and Conditions of the VPS Notes. VPS Notes will not be evidenced by any physical note or document of title other than a statement of account made by the VPS. Ownership of VPS Notes will be recorded and transfer effected only through the book entry system and register maintained by the VPS.*

*Reference should be made to "Form of the Notes" for a description of the content of the Final Terms which will specify which of such terms are to apply in relation to the relevant VPS Notes.*

Each VPS Note will be one of a Series (as defined below) of notes issued under the Programme maintained by Norwegian Finans Holding ASA and Bank Norwegian AS (together, the **Issuers**).

References herein to the Issuer shall be references to whichever of Norwegian Finans Holding ASA and Bank Norwegian AS is specified as such in the applicable Final Terms (as defined below).

Each VPS Note will be issued in accordance with, where the Issuer is specified in the applicable Final Terms as being Norwegian Finans Holding ASA, a VPS agency agreement dated 30 June 2020 between Norwegian Finans Holding ASA and DNB Bank ASA (such agreement as modified and/or supplemented and/or restated from time to time, the **Norwegian Finans Holding ASA VPS Agency Agreement**) or, where the Issuer is specified in the applicable Final Terms as being Bank Norwegian AS, a VPS agency agreement dated 13 March 2009 between Bank Norwegian AS and DNB Bank ASA (such agreement as modified and/or supplemented and/or restated from time to time, the **Bank Norwegian AS VPS Agency Agreement** and, together with the Norwegian Finans Holding ASA VPS Agreement, the **VPS Agency Agreements** and each a **VPS Agency Agreement**). References in the VPS Conditions to the VPS Agency Agreement shall be construed as being a reference to the applicable VPS Agency Agreement entered into by the Issuer specified as such in the applicable Final Terms. DNB Bank ASA is hereinafter referred to as the **VPS Agent** (which expression shall include any successor as VPS Agent) in relation to each VPS Agency Agreement.

References herein to the VPS Notes shall be references to the VPS Notes of this Series and shall mean notes settled through the Norwegian Central Securities Depository, (*Verdipapirsentralen*) (**VPS Notes** and the **VPS**, respectively).

Each VPS Note will have the benefit of, where the Issuer is specified in the applicable Final Terms as being Norwegian Finans Holding ASA, a trust agreement dated 2 July 2020 between Norwegian Finans Holding ASA and Nordic Trustee AS (such agreement as modified and/or supplemented and/or restated from time to time, the **Norwegian Finans Holding ASA VPS Trustee Agreement**) or, where the Issuer is specified in the applicable Final Terms as being Bank Norwegian AS, a trust agreement dated 2 July 2020 between Bank Norwegian AS and Nordic Trustee AS (such agreement as modified and/or supplemented and/or restated from time to time, the **Bank Norwegian AS VPS Trustee Agreement** and, together with the Norwegian Finans Holding ASA VPS Trustee Agreement, the **VPS Trustee Agreements** and each a **VPS Trustee Agreement**). References in the VPS Conditions to the VPS Trustee Agreement shall be construed as being a reference to the applicable VPS Trustee Agreement entered into by the Issuer specified as such in the applicable Final Terms. Nordic Trustee AS is hereinafter referred to as the **VPS Trustee** (which expression shall include any successor as VPS Trustee) in relation to each VPS Trustee Agreement.

Each Tranche of VPS Notes will be created and held in uncertificated book entry form in accounts with the VPS. The VPS Agent will act as agent of the Issuer in respect of all dealings with the VPS in respect of VPS Notes as detailed in the VPS Agency Agreement.

The Final Terms of each Tranche of VPS Notes (or the relevant provisions thereof) are set out in Part A of the Final Terms which complete these Terms and Conditions of the VPS Notes (the **VPS Conditions**). References to the **applicable Final Terms** are to Part A of the Final Terms (or the relevant provisions thereof) which complete the VPS Conditions.

The VPS Trustee acts for the benefit of the holders of the VPS Notes from time to time (the **VPS Noteholders** and the **holders of VPS Notes**), in accordance with the provisions of the VPS Trustee Agreement and the VPS Conditions.

As used herein, **Tranche** means VPS Notes which are identical in all respects (including as to listing and admission to trading) and **Series** means a Tranche of VPS Notes together with any further Tranche or Tranches of VPS Notes which are (i) expressed to be consolidated and form a single series and (ii) identical in all respects (including as to listing and admission to trading) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.



A copy of the VPS Trustee Agreement is available for inspection during normal business hours at the registered office of the VPS Trustee at Kronprinsesse Märthas plass 1, 0160 Oslo, Norway (as at 2 July 2020).

The VPS Noteholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the VPS Trustee Agreement and the Final Terms which are applicable to them. The statements in the VPS Conditions include summaries of, and are subject to, the detailed provisions of the VPS Trustee Agreement.

Words and expressions defined in the VPS Trustee Agreement or used in the applicable Final Terms shall have the same meanings where used in the VPS Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the VPS Trustee Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

## 1. FORM, DENOMINATION AND TITLE

The VPS Notes are in uncertificated book entry form in the currency (the **Specified Currency**) and the denomination(s) (the **Specified Denomination(s)**) specified in the applicable Final Terms.

VPS Notes of one Specified Denomination may not be exchanged for Notes, VPS or otherwise, of another Specified Denomination. VPS Notes will be registered with a separate securities identification code in the VPS.

VPS Notes may not be exchanged for Notes other than VPS Notes, issued by the Issuer, and *vice versa*.

A VPS Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

A VPS Note may be a Senior Preferred Note or a Senior Non-Preferred Note, depending upon the Status of the VPS Notes shown in the applicable Final Terms.

The holder of a VPS Note will be the person evidenced as such by a book entry in the records of the VPS. The Issuer and the VPS Trustee may rely on a certificate of the VPS or one issued on behalf of the VPS by an account-carrying institution as to a particular person being a VPS Noteholder.

Title to the VPS Notes will pass by registration in the VPS between the direct or indirect accountholders at the VPS in accordance with the rules and procedures of the VPS that are in force from time to time. Where a nominee is so evidenced, it shall be treated by the Issuer as the holder of the relevant VPS Note.

Each person (other than Euroclear Bank SA/NV (**Euroclear**) or Clearstream Banking S.A. (**Clearstream, Luxembourg**)) who is for the time being shown in the records of the VPS as the holder of a particular nominal amount of such VPS Notes shall be treated by the Issuer, the VPS Trustee and the VPS Agent, as the holder of such nominal amount of such VPS Notes for all purposes. VPS Notes will be transferable only in accordance with the rules and procedures of the VPS from time to time.

## 2. STATUS OF THE SENIOR PREFERRED VPS NOTES

This **Condition 2** applies only to Senior Preferred VPS Notes and references to **VPS Notes** and **Coupons** in this Condition 2 shall be construed accordingly.

- (a) The VPS Notes and the relative Coupons are direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank *pari passu* among themselves and (save for certain debts required to be preferred by law) equally with all other unsecured obligations of the Issuer, present and future, from time to time outstanding. So long as any of the VPS Notes remains outstanding, the Issuer undertakes to ensure that the obligations of the Issuer under the VPS Notes rank and will rank at least *pari passu* with all other unsecured and unsubordinated obligations (including deposits) of the Issuer and with all its unsecured and unsubordinated obligations under guarantees of obligations of third parties, in each case except for any obligations preferred by mandatory provisions of applicable law.

- (b) **No right of set-off or counterclaim**

This Condition 2(b) applies only where No Right of Set-Off or Counterclaim is specified as being applicable in the applicable Final Terms.

No VPS Noteholder who becomes indebted to the Issuer shall, in the event of a liquidation, dissolution or winding-up of the Issuer by way of public administration, be entitled to exercise any right of set-off or counterclaim against moneys owed by the Issuer in respect of the VPS Notes held by such VPS Noteholder.

### 3. STATUS OF THE SENIOR NON-PREFERRED VPS NOTES

This Condition 3 applies only to Senior Non-Preferred VPS Notes and references to **VPS Notes** and **VPS Noteholders** in this Condition 3 shall be construed accordingly.

- (a) The VPS Notes constitute direct, unconditional and unsecured obligations of the Issuer, and will at all times rank *pari passu* without any preference among themselves.
- (b) **Subject** as set out in Condition 3(c) below, in the event of a liquidation, dissolution or winding-up of the Issuer by way of public administration (except, in any such case, a solvent liquidation, dissolution, or winding-up solely for the purposes of a reorganisation, reconstruction or amalgamation of the Issuer, the terms of which reorganisation, reconstruction or amalgamation have previously been approved by a VPS Noteholders Meeting (as defined in the VPS Trustee Agreement) of the VPS Noteholders and do not provide that the VPS Notes thereby become redeemable or repayable), claims of the VPS Noteholders against the Issuer in respect of or arising under the VPS Notes (including any amounts attributable to the VPS Notes and any damages awarded for breach of any obligations thereunder) shall rank:
- (i) *pari passu* without any preference among themselves;
  - (ii) *pari passu* with claims in respect of Non-Preferred Parity Securities and Statutory Non-Preferred Claims, if any;
  - (iii) in priority to claims in respect of Non-Preferred Junior Securities; and
  - (iv) junior to any present or future claims of Senior Creditors.
- (c) At any time after the Creditor Hierarchy Directive has been implemented in Norway, the Issuer may (but is not obliged to), by providing notice (the **Ranking Notice**) to the VPS Noteholders in accordance with Condition 12, specify that (subject to the laws of Norway) the VPS Notes (together with any other outstanding Series of Senior Non-Preferred VPS 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 the Ranking Notice (for the avoidance of doubt, should there be any inconsistency between any statutory ranking which may be introduced in Norway in order to implement the provisions of Article 108(2) of the BRRD, if any, and the ranking as set out in Condition 3(b) above, such statutory ranking shall prevail).
- (d) **No right of set-off or counterclaim**
- No VPS Noteholder who becomes indebted to the Issuer shall, in the event of a liquidation, dissolution or winding-up of the Issuer by way of public administration, be entitled to exercise any right of set-off or counterclaim against moneys owed by the Issuer in respect of the VPS Notes held by such VPS Noteholder.

### 4. INTEREST

The applicable Final Terms will indicate whether the VPS Notes are Fixed Rate Notes, Floating Rate Notes or Zero Coupon Notes.

(a) **Interest on Fixed Rate Notes**

Each Fixed Rate Note will bear interest on its outstanding nominal amount from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

Except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

As used in the VPS Conditions, **Fixed Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

If interest is required to be calculated for a period other than a Fixed Interest Period, such interest shall be calculated by applying the Rate of Interest to each Specified Denomination, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the

relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

In the VPS Conditions:

**Day Count Fraction** means, in respect of the calculation of an amount of interest in accordance with this Condition 4:

- (i) if “Actual/Actual (ICMA)” is specified in the applicable Final Terms:
  - (A) in the case of VPS Notes where 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 (the Accrual Period) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or
  - (B) in the case of VPS Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
    - (1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; and
    - (2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
- (ii) if “30/360” is specified in the applicable Final Terms, 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 relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360.

**Determination Period** means each period from (and including) a Determination Date to but excluding the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

**sub-unit** means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, means one cent.

(b) **Interest on Floating Rate Notes**

(i) **Interest Payment Dates**

Each Floating Rate Note bears interest on its outstanding nominal amount from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

- (A) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or
- (B) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Interest Payment Date, an **Interest Payment Date**) which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period. In the VPS Conditions, **Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (1) in any case where Specified Periods are specified in accordance with Condition 4(b)(i)(B) above the Floating Rate Convention, such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply *mutatis mutandis* or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls in the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (2) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (3) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (4) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In the VPS Conditions, **Business Day** means:

- (A) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and each Additional Business Centre (other than TARGET2 System (as defined below)) specified in the applicable Final Terms;
- (B) if TARGET2 System is specified as an Additional Business Centre in the applicable Final Terms, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the **TARGET2 System**) is open; and
- (C) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney or Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

(ii) **Rate of Interest**

The Rate of Interest payable from time to time in respect of Floating Rate Notes will be determined in the manner specified in the applicable Final Terms.

(A) *ISDA Determination for Floating Rate Notes*

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this sub-paragraph (A), **ISDA Rate** for an Interest Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes (the **ISDA Definitions**) and under which:

- (1) the Floating Rate Option is as specified in the applicable Final Terms;
- (2) the Designated Maturity is a period specified in the applicable Final Terms;  
and
- (3) the relevant Reset Date is as the day specified in the applicable Final Terms.

For the purposes of this sub-paragraph (A), **Floating Rate, Calculation Agent, Floating Rate Option, Designated Maturity** and **Reset Date** have the meanings given to those terms in the ISDA Definitions.

Unless otherwise stated in the applicable Final Terms the Minimum Rate of Interest shall be deemed to be zero.

(B) *Screen Rate Determination for Floating Rate Notes*

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

- (1) the offered quotation; or
- (2) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate (being either the London interbank offered rate (**LIBOR**), the Euro-zone interbank offered rate (**EURIBOR**), the Copenhagen interbank offered rate (**CIBOR**), the Norwegian interbank offered rate (**NIBOR**) or the Stockholm interbank offered rate (**STIBOR**), as specified in the applicable Final Terms) which appears or appear, as the case may be, on the Relevant Screen Page (or such replacement page on that service which displays the information) as at the Specified Time on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

If the Relevant Screen Page is not available or if, in the case of Condition 4(b)(ii)(B)(1), no offered quotation appears or, in the case of Condition 4(b)(ii)(B)(2), fewer than three offered quotations appear, in each case as at the Specified Time, the Reference Banks Agent shall request each of the Reference Banks to provide the Reference Banks Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Specified Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Reference Banks Agent with offered quotations, the Rate of Interest for the Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of the offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Calculation Agent.

If on any Interest Determination Date one only or none of the Reference Banks provides the Reference Banks Agent with an offered quotation as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Calculation Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Reference Banks Agent by the Reference Banks or any two or more of them, at which such Banks were offered, at approximately the Specified Time on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the London inter-bank market (if the Reference Rate is LIBOR), the Euro-zone inter-bank market (if the Reference Rate is EURIBOR), the Danish inter-bank market (if the Reference

Rate is CIBOR), the Norwegian inter-bank market (if the Reference Rate is NIBOR) or the Swedish inter-bank market (if the Reference Rate is STIBOR) plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Reference Banks Agent with offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately the Specified Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for the purpose) informs the Reference Banks Agent it is quoting to leading banks in the London inter-bank market (if the Reference Rate is LIBOR), the Euro-zone inter-bank market (if the Reference Rate is EURIBOR), the Danish inter-bank market (if the Reference Rate is CIBOR), the Norwegian inter-bank market (if the Reference Rate is NIBOR) or the Swedish inter-bank market (if the Reference Rate is STIBOR) plus or minus (as appropriate) the Margin (if any), provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period).

(iii) **Minimum Rate of Interest and/or Maximum Rate of Interest**

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of Condition 4(b)(iii) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of Condition 4(b)(iii) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(iv) **Reference Rate Replacement**

If:

- (A) Reference Rate Replacement is specified in the applicable Final Terms and Screen Rate Determination is specified in the applicable Final Terms as being applicable; and
- (B) notwithstanding the provisions of Condition 4(b)(ii)4(b)(ii)(B), the Issuer (in consultation with the Calculation Agent) determines that a Benchmark Event has occurred when any Rate of Interest (or component thereof) remains to be determined by reference to the Reference Rate,

then the following provisions shall apply to the VPS Notes:

- (A) the Issuer shall use reasonable endeavours to appoint an Independent Adviser to determine:
  - (1) a Successor Reference Rate; or
  - (2) if such Independent Adviser fails so to determine a Successor Reference Rate, an Alternative Reference Rate,

and, in each case, an Adjustment Spread (if any) (in any such case, acting in good faith and in a commercially reasonable manner) no later than five Business Days prior to the Interest Determination Date relating to the next Interest Period (the **IA Determination Cut-off Date**), for the purposes of determining the Rate of Interest applicable to the VPS Notes for such next Interest Period and for all other future

Interest Periods (subject to the subsequent operation of this Condition 4(b)(iv) during any other future Interest Period(s));

- (B) if the Issuer is unable to appoint an Independent Adviser, or the Independent Adviser appointed by the Issuer fails to determine a Successor Reference Rate or an Alternative Reference Rate (as applicable) prior to the relevant IA Determination Cut-off Date, the Issuer (acting in good faith and in a commercially reasonable manner) may determine:

- (1) a Successor Reference Rate; or
- (2) if the Issuer fails so to determine a Successor Reference Rate, an Alternative Reference Rate,

and, in each case, an Adjustment Spread (if any) no later than three Business Days prior to the Interest Determination Date relating to the next Interest Period (the **Issuer Determination Cut-off Date**), for the purposes of determining the Rate of Interest applicable to the VPS Notes for such next Interest Period and for all other future Interest Periods (subject to the subsequent operation of this Condition 4(b)(iv) during any other future Interest Period(s)). Without prejudice to the definitions thereof, for the purposes of determining any Alternative Reference Rate and/or any Adjustment Spread, the Issuer will take into account any relevant and applicable market precedents as well as any published guidance from relevant associations involved in the establishment of market standards and/or protocols in the international debt capital markets;

- (C) if a Successor Reference Rate or, failing which, an Alternative Reference Rate (as applicable) is determined by the relevant Independent Adviser or the Issuer (as applicable) in accordance with this Condition 4(b)(iv):

- (1) such Successor Reference Rate or Alternative Reference Rate (as applicable) shall be the Reference Rate for all future Interest Periods (subject to the subsequent operation of, and adjustment as provided in, this Condition 4(b)(iv));

- (2) if the relevant Independent Adviser or the Issuer (as applicable):

- (x) determines that an Adjustment Spread is required to be applied to such Successor Reference Rate or Alternative Reference Rate (as applicable) and determines the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to such Successor Reference Rate or Alternative Reference Rate (as applicable) for all future Interest Periods (subject to the subsequent operation of, and adjustment as provided in, this Condition 4(b)(iv)); or

- (y) is unable to determine the quantum of, or a formula or methodology for determining, an Adjustment Spread, then such Successor Reference Rate or Alternative Reference Rate (as applicable) will apply without an Adjustment Spread for all future Interest Periods (subject to the subsequent operation of, and adjustment as provided in, this Condition 4(b)(iv)); and

- (3) the relevant Independent Adviser or the Issuer (as applicable) (acting in good faith and in a commercially reasonable manner) may in its discretion specify:

- (x) changes to the VPS Conditions in order to follow market practice in relation to such Successor Reference Rate or Alternative Reference Rate (as applicable), including, but not limited to (i) the Additional Business Centre(s), Business Day, Business Day Convention, Day Count Fraction, Interest Determination Date, Reference Banks, Specified Time, Additional Financial Centre(s) and/or Relevant Screen Page applicable to the VPS Notes and (ii) the method for determining the fallback to the Rate of Interest in

relation to the VPS Notes if such Successor Reference Rate or Alternative Reference Rate (as applicable) is not available; and

- (y) any other changes which the relevant Independent Adviser or the Issuer (as applicable) determines are reasonably necessary to ensure the proper operation and comparability to the Reference Rate of such Successor Reference Rate or Alternative Reference Rate (as applicable),

which changes shall apply to the VPS Notes for all future Interest Periods (subject to the subsequent operation of this Condition 4(b)(iv)); and

- (4) promptly following the occurrence of a Benchmark Event, the appointment of an Independent Adviser and/or the determination of (i) any Successor Reference Rate or Alternative Reference Rate (as applicable) and (ii) if applicable, any Adjustment Spread, the Issuer shall give notice thereof (including, in the case of the appointment of the Independent Adviser, the name and contact details of such Independent Adviser) and of any changes (and the effective date thereof) pursuant to Condition 4(b)(iv)(C)(3) to the Calculation Agent, the VPS Agent and the VPS Noteholders in accordance with Condition 12.

No consent of the VPS Noteholders or the VPS Trustee shall be required in connection with effecting the relevant Successor Reference Rate or Alternative Reference Rate (as applicable) as described in this Condition 4(b)(iv) or such other relevant changes pursuant to Condition 4(b)(iv)(C)(3), including for the execution of any documents or the taking of other steps by the Issuer or any of the parties to the VPS Agency Agreement or the VPS Trustee Agreement (if required).

Notwithstanding any other provision of this Condition 4(b)(iv), the Calculation Agent is not obliged to concur with the Issuer or the Independent Adviser in respect of any changes or amendments as contemplated under this Condition 4(b)(iv) which would have the effect of (i) exposing the Calculation Agent to any liability or (ii) increasing the obligations or duties, or decreasing the rights or protections, of the Calculation Agent in the Agency Agreement and/or the VPS Conditions.

Notwithstanding any other provision of this Condition 4(b)(iv), if in the Calculation Agent's opinion there is any uncertainty between two or more alternative courses of action in making any determination or calculation under this Condition 4(b)(iv), the Calculation Agent shall promptly notify the Issuer and/or the Independent Adviser thereof and the Issuer shall direct the Calculation Agent in writing as to which alternative course of action to adopt. If the Calculation Agent is not promptly provided with such direction, or is otherwise unable to make such calculation or determination for any reason, it shall notify the Issuer and/or the Independent Adviser (as the case may be) thereof and the Calculation Agent shall be under no obligation to make such calculation or determination and shall not incur any liability for not doing so.

For the avoidance of doubt, if a Successor Reference Rate or an Alternative Reference Rate is not determined pursuant to the operation of this Condition 4(b)(iv) prior to the relevant Issuer Determination Cut-off Date, then the Rate of Interest for the next Interest Period shall be determined by reference to the fallback provisions of Condition 4(b)(ii)4(b)(ii)(B).

Notwithstanding any other provision of this Condition 4(b)(iv) in the case of Restricted Senior Preferred VPS Notes and Senior Non-Preferred VPS Notes no Successor Reference Rate or Alternative Reference Rate (as applicable) will be adopted, and no other amendments to the terms of the VPS Notes will be made pursuant to this Condition 4(b)(iv), if and to the extent that, in the determination of the Issuer, the same could reasonably be expected:

- (A) to prejudice the qualification of the VPS Notes as MREL Eligible Liabilities; and
- (B) to result in the Relevant Regulator treating the next Interest Payment Date as the effective maturity of the VPS Notes, rather than the relevant Maturity Date.

In the VPS Conditions:



**Adjustment Spread** means a spread (which may be positive or negative) or formula or methodology for calculating a spread, which the relevant Independent Adviser or the Issuer (as applicable) determines is required to be applied to a Successor Reference Rate or an Alternative Reference Rate (as applicable) in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to VPS Noteholders as a result of the replacement of the Reference Rate with such Successor Reference Rate or Alternative Reference Rate (as applicable) and is the spread, formula or methodology which:

- (A) in the case of a Successor Reference Rate, is formally recommended in relation to the replacement of the Reference Rate with such Successor Reference Rate by any Relevant Nominating Body; or
- (B) in the case of a Successor Reference Rate for which no such recommendation has been made or in the case of an Alternative Reference Rate, the relevant Independent Adviser or the Issuer (as applicable) determines is recognised or acknowledged as being in customary market usage in international debt capital markets transactions which reference the Reference Rate, where such rate has been replaced by such Successor Reference Rate or Alternative Reference Rate (as applicable); or
- (C) if no such customary market usage is recognised or acknowledged, the relevant Independent Adviser or the Issuer (as applicable) in its discretion determines (acting in good faith and in a commercially reasonable manner) to be appropriate;

**Alternative Reference Rate** means the rate that the relevant Independent Adviser or the Issuer (as applicable) determines has replaced the Reference Rate in customary market usage in the international debt capital markets for the purposes of determining floating rates of interest in respect of notes denominated in the Specified Currency and of a comparable duration to the relevant Interest Periods, or, if such Independent Adviser or the Issuer (as applicable) determines in its discretion is most comparable to the Reference Rate;

**Benchmark Event** means:

- (A) the Original Reference Rate ceasing to exist or be published; or
- (B) a public statement by the administrator of the Original Reference Rate that it will, by a specified date within the following six months, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or
- (C) a public statement by the supervisor or the administrator of the Original Reference Rate that the Original Reference Rate has been or will, by a specified date within the following six months, be permanently or indefinitely discontinued; or
- (D) a public statement by the supervisor or the administrator of the Original Reference Rate that means the Original Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, in each case within the following six months; or
- (E) it has become unlawful for the Calculation Agent, the Issuer or any other party to calculate any payments due to be made to any VPS Noteholder using the Original Reference Rate;

**Independent Adviser** means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer under Condition 4(b)(iv);

**Original Reference Rate** means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof) on the VPS Notes;

**Relevant Nominating Body** means, in respect of a reference rate:

- (A) the central bank for the currency to which such reference rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of such reference rate; or

- (B) 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 such reference rate relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of such reference rate, (c) a group of the aforementioned central banks or other supervisory authorities, or (d) the Financial Stability Board or any part thereof; and

**Successor Reference Rate** means the rate that the relevant Independent Adviser or the Issuer (as applicable) determines is a successor to or replacement of the Reference Rate which is formally recommended by any Relevant Nominating Body. **Determination of Rate of Interest and calculation of Interest Amounts**

The Calculation Agent will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Calculation Agent will calculate the amount of interest (the **Interest Amount**) payable on the Floating Rate Notes in respect of each Specified Denomination for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest to each Specified Denomination, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

**Day Count Fraction** means, in respect of the calculation of an amount of interest for any Interest Period:

- (A) if “Actual/365” or “Actual/Actual” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (B) if “Actual/365 (Fixed)” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (C) if “Actual/365 (Sterling)” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (D) if “Actual/360” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (E) if “30/360”, “360/360” or “Bond Basis” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

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

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

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

“M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

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

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

- (F) if “30E/360” or “Eurobond Basis” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{\lfloor 360 \times (Y_2 - Y_1) \rfloor + \lfloor 30 \times (M_2 - M_1) \rfloor + (D_2 - D_1)}{360}$$

where:

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

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

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

“M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

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

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

- (G) if “30E/360 (ISDA)” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{\lfloor 360 \times (Y_2 - Y_1) \rfloor + \lfloor 30 \times (M_2 - M_1) \rfloor + (D_2 - D_1)}{360}$$

where:

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

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

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

“M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

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

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

(vi) **Linear Interpolation**

Where Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified as applicable in the applicable Final Terms) or the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the applicable Final Terms), one of which shall be determined as if

the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period provided however that if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

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

(vii) **Notification of Rate of Interest and Interest Amounts**

The Calculation Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, the VPS Agent, the VPS Trustee and any stock exchange on which the relevant Floating Rate Notes are for the time being listed and notice thereof to be published in accordance with Condition 12 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the VPS Noteholders in accordance with Condition 12. For the purposes of this paragraph(vii), the expression **London Business Day** means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London. The notification of any rate or amount, if applicable, shall be made to the VPS in accordance with and subject to the VPS rules and regulations for the time being in effect.

(viii) **Determination or Calculation by the VPS Trustee**

If for any reason at any relevant time the Calculation Agent defaults in its obligation to determine the Rate of Interest, the VPS Trustee shall determine the Rate of Interest at such rate as, in its absolute discretion (having such regard as it shall think fit to the foregoing provisions of this Condition 4(b)(viii), but subject always to any Minimum Rate of Interest or Maximum Rate of Interest specified in the applicable Final Terms), it shall deem fair and reasonable in all the circumstances or, as the case may be, the VPS Trustee shall calculate the Interest Amount(s) in such manner as it shall deem fair and reasonable in all the circumstances and each such determination or calculation shall be deemed to have been made by the Calculation Agent.

(ix) **Certificates to be final**

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4, by the Calculation Agent, shall (in the absence of wilful default, bad faith, manifest error or proven error) be binding on all parties and (in the absence of wilful default or bad faith) no liability shall attach to the Calculation Agent or the VPS Trustee (if applicable) in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(c) **Accrual of interest**

Each VPS Note (or in the case of the redemption of part only of a VPS Note, that part only of such VPS Note) will cease to bear interest (if any) from the date for its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

- (i) the date on which all amounts due in respect of such VPS Note have been paid; and
- (ii) five days after the date on which the full amount of the moneys payable in respect of such VPS Note has been received by the VPS Agent and notice to that effect has been given to the VPS Noteholders in accordance with Condition 12.

(d) **Calculation Agent**

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

## 5. PAYMENTS

### (a) Method of payment

Subject as provided below:

- (i) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney or Auckland, respectively); and
- (ii) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee.

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 7 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 7) any law implementing an intergovernmental approach thereto.

### (b) Payments in respect of VPS Notes

Payments of principal and interest in respect of VPS Notes and notification thereof to VPS Noteholders will be made to the VPS Noteholders shown in the records of the VPS and will be effected through and in accordance with and subject to the rules and regulations from time to time governing the VPS. The VPS Agent and the Calculation Agent act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any VPS Noteholder. The Issuer reserves the right at any time with the approval of the VPS Trustee to vary or terminate the appointment of the VPS Agent or the Calculation Agent and to appoint additional or other agents, provided that the Issuer shall at all times maintain (i) a VPS Agent authorised to act as an account operating institution with the VPS, (ii) one or more Calculation Agent(s) where the VPS Conditions so require, and (iii) such other agents as may be required by any other stock exchange on which the VPS Notes may be listed in each case.

Notice of any such change or of any change of any specified office shall promptly be given to the VPS Noteholders in accordance with Condition 12.

### (c) Payment Day

If the date for payment of any amount in respect of any VPS Note is not a Payment Day, the holder thereof shall not be entitled to payment of the relevant payment due until the next following Payment Day and shall not be entitled to any interest or other payment in respect of any such delay. For these purposes, **Payment Day** means any day which (subject to Condition 8) is:

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:
  - (A) London; and
  - (B) any Additional Financial Centre (other than TARGET2 System) specified in the applicable Final Terms;

- (C) if TARGET2 System is specified as an Additional Financial Centre in the applicable Final Terms, a day on which the TARGET2 System is open; and
  - (ii) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than the place of presentation, London and any Additional Financial Centre and which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney or Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open.
- (d) **Interpretation of principal and interest**
- Any reference in the VPS Conditions to principal in respect of the VPS Notes shall be deemed to include, as applicable:
- (i) the Final Redemption Amount of the VPS Notes;
  - (ii) the Early Redemption Amount of the VPS Notes;
  - (iii) the Optional Redemption Amount(s) (if any) of the VPS Notes;
  - (iv) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 6(i)); and
  - (v) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the VPS Notes.

Any reference in the VPS Conditions to interest in respect of the VPS Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 7.

## 6. REDEMPTION AND PURCHASE

### (a) Redemption at maturity

Unless previously redeemed or purchased and cancelled as specified below or (if applicable, pursuant to Condition 6(k) substituted, each VPS Note will be redeemed by the Issuer at its Final Redemption Amount specified in the applicable Final Terms in the relevant Specified Currency on the Maturity Date specified in the applicable Final Terms.

### (b) Redemption for tax reasons

Subject, if applicable to the provisions of Condition 6(f), the VPS Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this VPS Note is not a Floating Rate Note) or on an Interest Payment Date (if this VPS Note is a Floating Rate Note), on giving not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms to the VPS Agent and in accordance with Condition 12, the VPS Noteholders (which notice shall be irrevocable), if:

- (i) on the occasion of the next payment date due under the VPS Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction (as defined in Condition 7) or any change in application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of VPS Notes; and
- (ii) such obligation cannot be avoided by the Issuer taking reasonable measure available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the VPS Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition 6(b), the Issuer shall deliver to the VPS Agent to make available at its specified office to the VPS Noteholders (i) a certificate signed by two Directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (ii) an opinion of independent legal advisers of recognised

standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

VPS Notes redeemed pursuant to this Condition 6(b) will be redeemed at their Early Redemption Amount referred to in Condition 6(f) below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

(c) **Redemption at the option of the Issuer (Issuer Call)**

If Issuer Call is specified as being applicable in the applicable Final Terms, subject, if applicable, to the provisions of Condition 6(j), the Issuer may, having given not less than the minimum period of notice nor more than the maximum period of notice specified in the applicable Final Terms to the VPS Noteholders in accordance with Condition 12 (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the VPS Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms.

If **Sterling Make-Whole Redemption Amount** is specified in the applicable Final Terms as the Optional Redemption Amount, the Optional Redemption Amount shall be equal to the higher of (i) 100 per cent. of the principal amount outstanding of the VPS Notes to be redeemed or (ii) the principal amount outstanding of the VPS Notes to be redeemed multiplied by the price, as reported to the Issuer by the Financial Adviser, at which the Gross Redemption Yield on such VPS Notes on the Reference Date is equal to the Gross Redemption Yield (determined by reference to the middle market price) at the Quotation Time specified in the applicable Final Terms on the Reference Date of the Reference Bond, plus the Redemption Margin, all as determined by the Financial Adviser.

If **Non-Sterling Make-Whole Redemption Amount** is specified in the applicable Final Terms as the Optional Redemption Amount, the Optional Redemption Amount shall be an amount calculated by the VPS Agent equal to the higher of (i) 100 per cent. of the principal amount outstanding of the VPS Notes to be redeemed or (ii) the sum of the present values of the principal amount outstanding of the VPS Notes to be redeemed and the Remaining Term Interest on such VPS Note (exclusive of interest accrued to the date of redemption) discounted to the date of redemption on an annual basis at the Reference Bond Rate, plus the Redemption Margin.

In this Condition 6(c):

**FA Selected Bond** means a government security or securities selected by the Financial Adviser as having an actual or interpolated maturity comparable with the remaining term of the VPS Notes that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities denominated in the same currency as the VPS Notes and of a comparable maturity to the remaining term of the VPS Notes;

**Financial Adviser** means a financial adviser selected by the Issuer;

**Gross Redemption Yield** means, in respect of a security, the gross redemption yield for such security, expressed as a percentage and calculated by the Financial Adviser on the basis set out by the United Kingdom Debt Management Office in the paper Formulae for Calculating Gilt Prices from Yields page 5, Section One: Price/Yield Formulae Conventional Gilts; Double-dated and Undated Gilts with Assumed (or Actual) Redemption on a Quasi-Coupon Date (published 08/06/1998 and updated on 15/01/2002 and 16/03/2005 (as amended and supplemented from time to time)) on a semi-annual compounding basis (converted to an annualised yield and rounded up (if necessary) to four decimal places) or on such other basis as the Issuer may approve;

**Redemption Margin** shall be as set out in the applicable Final Terms;

**Reference Bond** shall be as set out in the applicable Final Terms or shall be the FA Selected Bond;

**Reference Bond Price** means, with respect to any date of redemption, (A) the arithmetic average of the Reference Government Bond Dealer Quotations for such date of redemption, after excluding the highest and lowest such Reference Government Bond Dealer Quotations, or (B) if the Calculation Agent obtains fewer than four such Reference Government Bond Dealer Quotations, the arithmetic average of all such quotations;

**Reference Bond Rate** means, with respect to any date of redemption, the rate per annum equal to the annual or semi-annual yield (as the case may be) to maturity or interpolated yield to maturity (on the relevant day count basis) of the Reference Bond, assuming a price for the Reference Bond (expressed as a percentage of its nominal amount) equal to the Reference Bond Price for such date of redemption;

**Reference Date** will be set out in the relevant notice of redemption;

**Reference Government Bond Dealer** means each of five banks selected by the Issuer, or their affiliates, which are (A) primary government securities dealers, and their respective successors, or (B) market makers in pricing corporate bond issues;

**Reference Government Bond Dealer Quotations** means, with respect to each Reference Government Bond Dealer and any date for redemption, the arithmetic average, as determined by the Calculation Agent, of the bid and offered prices for the Reference Bond (expressed in each case as a percentage of its nominal amount) at the Quotation Time specified in the applicable Final Terms on the Reference Date quoted in writing to the Calculation Agent by such Reference Government Bond Dealer; and

**Remaining Term Interest** means, with respect to any VPS Note, the aggregate amount of scheduled payment(s) of interest on such VPS Note for the remaining term of such VPS Note determined on the basis of the rate of interest applicable to such VPS Note from and including the date on which such VPS Note is to be redeemed by the Issuer pursuant to this Condition 6(c).

All notifications, opinions, determinations, certifications, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 6(c) by the Calculation Agent, shall (in the absence of wilful default, bad faith, manifest error or proven error) be binding on all parties and (in the absence of wilful default or bad faith) no liability shall attach to the Calculation Agent or in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

In the case of a partial redemption of VPS Notes, the VPS Notes to be redeemed (**Redeemed VPS Notes**) will be selected in accordance with the rules and procedures of the VPS in the relation to such VPS Notes, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the **Selection Date**).

(d) **Redemption upon MREL Disqualification Event**

This Condition 6(d) applies only to Senior Preferred VPS Notes and Senior Non-Preferred VPS Notes, in each case, only where this Condition 6(d) is specified as being applicable in the applicable Final Terms and references to **VPS Notes** and **VPS Noteholders** in this Condition 6(d) shall be construed accordingly.

Subject, if applicable, to the provisions of Condition 6(j), the VPS Notes may be redeemed at the option of the Issuer, in whole, but not in part, at any time (in the case of all VPS Notes other than Floating Rate VPS Notes) or on any Interest Payment Date (in the case of Floating Rate VPS Notes) on giving not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms to the Agent and, in accordance with Condition 12, the VPS Noteholders (which notice shall be irrevocable) if a MREL Disqualification Event has occurred.

Prior to the publication of any notice of redemption pursuant to this Condition 6(d), the Issuer shall deliver to the Agent to make available at its specified office to the VPS Noteholders a certificate signed by two Directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that a MREL Disqualification Event has occurred.

Notes redeemed pursuant to this Condition 6(d) will be redeemed at their Early Redemption Amount referred to in Condition 6(f) together (if appropriate) with interest accrued to (but excluding) the date of redemption.

(e) **Redemption at the option of the VPS Noteholders (Investor Put)**

This Condition 6(e) is only applicable to Senior Preferred VPS Notes which are not Restricted Senior Preferred VPS Notes and references to **VPS Notes** in this Condition 6(e) shall be construed accordingly.

If Investor Put is specified as being applicable in the applicable Final Terms, upon the holder of any VPS Note giving to the Issuer in accordance with Condition 12 not less than the minimum notice period nor more than the maximum period of notice specified in the applicable Final Terms, the Issuer will, upon the expiry of such notice, redeem such VPS Note on the Optional Redemption Date and at



the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date.

To exercise the right to require redemption of the VPS Notes, the holder of the VPS Notes must, within the notice period, give notice (the **Put Notice**) to the VPS Agent of such exercise in accordance with the standard procedures of the VPS from time to time.

Any Put Notice given by a holder of any VPS Note pursuant to this Condition 6(e) shall be irrevocable except where prior to the due date of redemption an Event of Default shall have occurred and be continuing in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this paragraph and instead to declare such Note forthwith due and payable pursuant to Condition 9 or Condition 10 (as applicable).

(f) **Early Redemption Amounts**

For the purpose of Condition 6(b), Condition 6(d), Condition 9 and Condition 10:

- (i) each VPS Note (other than a Zero Coupon Note) will be redeemed at its Early Redemption Amount; and
- (ii) each Zero Coupon Note will be redeemed at an amount (the **Amortised Face Amount**) calculated in accordance with the following formula:

$$\text{Early Redemption Amount} = \text{RP} \times (1 + \text{AY})^y$$

where:

**RP** means the Reference Price;

**AY** means the Accrual Yield expressed as a decimal; and

**y** is the Day Count Fraction specified in the applicable Final Terms which will be either (i) 30/360 (in which case the numerator will be equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the VPS Notes to (but excluding) the date fixed for redemption (or as the case may be) the date upon which such VPS Note becomes due and repayable and the denominator will be 360) or (ii) Actual/360 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the VPS Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such VPS Note becomes due and repayable and the denominator will be 360) or (iii) actual/365 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of VPS Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such VPS Note becomes due and repayable and the denominator will be 365).

(g) **Purchases**

Subject, if applicable to the provisions of Condition 6(j), the Issuer or any subsidiary of the Issuer may at any time purchase VPS Notes at any price in the open market or otherwise. Such VPS Notes may be held, reissued, resold or, at the option of the Issuer, cancelled by causing such VPS Notes to be deleted from the records of the VPS.

(h) **Cancellation**

All VPS Notes purchased by or on behalf of the Issuer or any of its Subsidiaries may be cancelled by causing such VPS Notes to be deleted from the records of the VPS.

All VPS Notes which are redeemed will forthwith be cancelled in the same manner. Any VPS Notes so cancelled may not be reissued or resold and the obligations of the Issuer in respect of any such VPS Notes shall be discharged.

(i) **Late payment on Zero Coupon Notes**

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 6(a), 6(b), 6(c) or 6(e) above or upon its becoming due and repayable as provided in Condition 9 or Condition 10, as the case may be, is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 6(f)(ii) above as though the references therein to the date fixed for the

redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

- (i) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (ii) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the Agent and notice to that effect has been given to the VPS Noteholders in accordance with Condition 12.

(j) **Regulatory Consent**

This Condition 6(j) applies to (i) Senior Preferred VPS Notes where Regulatory Consent is specified as being applicable in the applicable Final Terms (**Restricted Senior Preferred VPS Notes**); and (ii) Senior Non-Preferred VPS Notes.

In the case of Restricted Senior Preferred VPS Notes and Senior Non-Preferred VPS Notes, no early redemption in any circumstances, purchase under Condition 6(g), or substitution or variation under Condition 6(k) shall take place without the prior written permission of the Relevant Regulator (in each case, if, and to the extent, then required by the Relevant Regulator and by the Applicable MREL Regulations). For the avoidance of doubt, redemption of Senior Preferred VPS Notes and Senior Non-Preferred VPS Notes under Condition 6(a) or repayment pursuant to Condition 9 or Condition 10, as the case may be, shall not require the consent of the Relevant Regulator.

(k) **Substitution or Variation**

This Condition 6(k) applies only where it is specified as being applicable in the applicable Final Terms and references to **VPS Notes** and **VPS Noteholders** in this Condition 6(k) shall be construed accordingly.

If at any time a MREL Disqualification Event occurs and is continuing, or in order to ensure the effectiveness and enforceability of Condition 18, the Issuer may, subject to the provisions of Condition 6(j) (without any requirement for the consent or approval of the VPS Noteholders) on giving not less than 30 nor more than 60 days' notice to the Agent and, in accordance with Condition 12, the VPS Noteholders (which notice shall be irrevocable) either substitute all (but not some only) of the VPS Notes for, or vary the terms of the VPS Notes (including changing the governing law of Condition 17, from English law to Norwegian law) so that they remain or, as appropriate, become, Qualifying MREL Securities (as defined below), provided that such substitution or variation does not itself give rise to any right of the Issuer to redeem the substituted or varied securities that are inconsistent with the redemption provisions of the VPS Notes.

Prior to any such substitution or variation of the VPS Notes, the Issuer shall deliver to the Agent a certificate in the form described in the definition of Qualifying MREL Securities in accordance with the provisions thereof.

**7. TAXATION**

(a) **Gross-up**

Subject as provided in Condition 7(b) below, all payments of principal and interest in respect of the VPS Notes by or on behalf of the Issuer will be made 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 any Tax Jurisdiction unless such withholding or deduction is required by law. In such event, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the VPS Notes after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the VPS Notes in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any VPS Note:

- (i) presented for payment in Norway;
- (ii) the holder of which is liable for such taxes in respect of such VPS Note by reason of his having some connection with a Tax Jurisdiction other than the mere holding of such VPS Note; or
- (iii) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on

presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 5(c)).

As used herein:

**Tax Jurisdiction** means Norway or any political subdivision or any authority thereof or therein having power to tax (in the case of payments by the Issuer); and

**Relevant Date** means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the VPS Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the VPS Noteholders in accordance with Condition 12.

(b) **Senior Non-Preferred VPS Notes and Restricted Gross-Up Senior Preferred VPS Notes**

This Condition 7(b) shall only apply to (i) Senior Preferred VPS Notes where Restricted Gross-Up Senior Preferred VPS Notes is specified as being applicable in the applicable Final Terms; and (ii) Senior Non-Preferred VPS Notes.

Notwithstanding the remainder of Condition 7(a), the obligation to pay additional amounts under Condition 7(a) will be limited to payments of interest.

**8. PRESCRIPTION**

The VPS Notes will become void unless presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 18) therefor.

**9. EVENTS OF DEFAULT AND ENFORCEMENT RELATING TO SENIOR PREFERRED VPS NOTES WHERE APPLICABLE**

This Condition 9 shall apply only to Senior Preferred VPS Notes where Unrestricted Events of Default is specified as being applicable in the applicable Final Terms and references to **VPS Notes** and **VPS Noteholders** in this Condition 9 shall be construed accordingly.

If any one or more of the following events (each an **Event of Default**) shall occur and be continuing with respect to any VPS Note:

- (a) if default is made in the payment in the Specified Currency of any principal or interest due in respect of the VPS Notes or any of them and in the case of interest that default continues for a period of seven days or more; or
- (b) if the Issuer fails to perform or observe any of its other obligations under the VPS Conditions and (except in any case where the failure is incapable of remedy when no such continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 30 days next following the service by the VPS Trustee on the Issuer of notice requiring the same to be remedied; or
- (c) any payment obligation under any indebtedness (including deposits) of the Issuer becomes due and repayable prematurely by reason of an event of default (howsoever described) or the Issuer fails to make any payment in respect of any indebtedness (including deposits) within 30 days of the due date for payment (or within the applicable grace period, if such period is longer than 30 days) or any security given by the Issuer for any indebtedness (including deposits) becomes enforceable or if default is made by the Issuer in making any payment due under any guarantee and/or indemnity given by it in relation to any obligation of any other person for 30 days (or within the applicable grace period, if such period is longer than 30 days), PROVIDED that no such event shall constitute an Event of Default unless the indebtedness (including deposits) or other relative liability either alone or when aggregated with other indebtedness (including deposits) and/or liabilities relating to all (if any) other events which shall have occurred and be outstanding shall amount to at least €10,000,000 (or its equivalent in any other currency) and PROVIDED further that, for the purposes of this Condition 9(c), the Issuer shall not be deemed to be in default with respect to any such indebtedness (including deposits), guarantee or indemnity if it shall be contesting in good faith by appropriate means its liability to make payment thereunder; or

- (d) if any order is made by any competent court or resolution passed for the winding up or dissolution of the Issuer, save for the purposes of reorganisation on terms approved by a VPS Noteholders Meeting (as defined in the VPS Trustee Agreement) of the VPS Noteholders; or
- (e) if the Issuer ceases or threatens to cease to carry on the whole or a substantial part of its business, save for the purposes of reorganisation on terms approved by a VPS Noteholders Meeting of the VPS Noteholders, or the Issuer stops or threatens to stop payment of, or is unable to, or admits inability to, pay, its debts (or any class of its debts) as they fall due, or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law, or is adjudicated or found bankrupt or insolvent; or
- (f) if (A) proceedings are initiated against the Issuer under any applicable liquidation, insolvency, composition, reorganisation or other similar laws, or an application is made for the appointment of an administrative or other receiver, manager, administrator or other similar official, or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to the Issuer, or in relation to the whole or a substantial part of the undertaking or assets of the Issuer, or an encumbrancer takes possession of the whole or a substantial part of the undertaking or assets of the Issuer, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or a substantial part of the undertaking or assets of the Issuer and (B) in any case (other than the appointment of an administrator) is not discharged within 14 days; or
- (g) if the Issuer initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors),

then the VPS Trustee may, by written notice to the Issuer declare any VPS Notes to be forthwith due and payable whereupon the same shall become forthwith due and payable at the Early Redemption Amount (as described in Condition 6(f)), together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind.

#### **10. EVENTS OF DEFAULT RELATING TO SENIOR PREFERRED VPS NOTES, WHERE APPLICABLE, AND SENIOR NON-PREFERRED VPS NOTES**

This Condition 10 shall apply to (i) Senior Preferred VPS Notes unless Unrestricted Events of Default is specified as being applicable in the applicable Final Terms; and (ii) Senior Non-Preferred VPS Notes and references to **VPS Notes** and **VPS Noteholders** in this Condition 10 shall be construed accordingly.

If any one or more of the following events (each an **Event of Default**) shall occur and be continuing with respect to any VPS Note:

- (a) if any order is made by any competent court or resolution passed by any competent authority for the winding up or dissolution of the Issuer, save for the purposes of reorganisation on terms approved by a VPS Noteholders Meeting of the VPS Noteholders; or
- (b) if the Issuer initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors),

then the VPS Trustee may, by written notice to the Issuer declare any VPS Notes to be forthwith due and payable whereupon the same shall become forthwith due and payable at the Early Redemption Amount (as described in Condition 6(f)), together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind.

#### **11. TRANSFER AND EXCHANGE OF VPS NOTES**

- (a) **Transfers of Interests in VPS Notes**

Settlement of sale and purchase transactions in respect of VPS Notes will take place two Oslo Business Days after the date of the relevant transaction. VPS Notes may be transferred between accountholders at the VPS in accordance with the procedures and regulations, for the time being, of the VPS. A transfer of VPS Notes which is held in the VPS through Euroclear or Clearstream, Luxembourg is only possible by using an account operator linked to the VPS.

(b) **Registration of transfer upon partial redemption**

In the event of a partial redemption of VPS Notes under Condition 6, the Issuer shall not be required to register the transfer of any VPS Note, or part of a VPS Note, called for partial redemption.

(c) **Costs of registration and administration of the VPS Register**

VPS Noteholders will not be required to bear the costs and expenses of effecting any registration, transfer or administration in relation to the VPS Register, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

**12. NOTICES**

Notices to the VPS Noteholders shall be valid if the relevant notice is given to the VPS for communication by it to the VPS Noteholders and, so long as the VPS Notes are listed on a stock exchange, the Issuer shall ensure that notices are duly published in a manner which complies with the rules of such exchange. Any such notice shall be deemed to have been given on the date two days after delivery to the VPS.

**13. MEETINGS OF VPS NOTEHOLDERS AND MODIFICATION**

(a) **Provisions with respect to Holders of VPS Notes**

The VPS Trustee Agreement contains provisions for convening meetings of the VPS Noteholders to consider any matter affecting their interests, including sanctioning by a majority of votes (as more fully set out in the VPS Trustee Agreement) a modification of the VPS Notes or any of the provisions of the VPS Trustee Agreement (or, in certain cases, sanctioning by a majority of two thirds of votes). Such a meeting may be convened by the Issuer, the VPS Trustee, the Exchange or by VPS Noteholders holding not less than 10 per cent. of the Voting VPS Notes. (For the purpose of this Condition 13, **Voting VPS Notes** means the aggregate nominal amount of the total number of VPS Notes not redeemed or otherwise deregistered in the VPS, less the VPS Notes owned by the Issuer, any party who has decisive influence over the Issuer or any party over whom the Issuer has decisive influence.)

The quorum at a meeting for passing a resolution is one or more persons holding not less than 50 per cent. in aggregate nominal amount of the Voting VPS Notes or at any adjourned meeting one or more persons being or representing holders of Voting VPS Notes whatever the nominal amount of the VPS Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the VPS Notes, the VPS Trustee Agreement (including modifying the date of maturity of the VPS Notes or any date for payment of interest thereof, reducing or cancelling the amount of principal or the rate of interest payable in respect of the VPS Notes or altering the currency of payment of the VPS Notes), the quorum shall be one or more persons holding or representing not less than two-thirds in aggregate nominal amount of the outstanding Voting VPS Notes, or at any adjourned such meeting one or more persons holding or representing not less than one third in aggregate nominal amount of the Voting VPS Notes. A resolution passed at any meeting of the VPS Noteholders shall be binding on all the VPS Noteholders, whether or not they are present at such meeting.

(b) **Modification**

The VPS Trustee Agreement provides that:

- (i) in order to make the following amendments, a majority of at least two-thirds of the votes cast in respect of Voting VPS Notes is required:
  - (A) modification of the Maturity Date of the VPS Notes specified in the applicable Final Terms, or reduction or cancellation of the nominal amount payable upon maturity;

- (B) reduction or calculation of the amount payable, or modification of the payment date in respect of any interest in respect of the VPS Notes or variation of the method of calculating the rate of interest in respect of the VPS Notes;
  - (C) reduction of any Minimum Rate of Interest and/or Maximum Rate of Interest specified in the applicable Final Terms;
  - (D) modification of the currency in which payments under the VPS Notes are to be made;
  - (E) modification of the majority requirement to pass a resolution in respect of the matters listed in this paragraph (i);
  - (F) any alteration of Clause 4.1(f) of the VPS Trustee Agreement (which sets out the matters for which a majority of two-thirds of votes is required);
  - (G) the transfer of rights and obligations under the VPS Conditions and the VPS Trustee Agreement to another Issuer; and/or
  - (H) a change of VPS Trustee;
- (ii) save as set out in Condition 13(b)(i) above, the VPS Trustee, without providing prior written notice to, or consultation with, the VPS Noteholders may make decisions binding on all affected VPS Noteholders relating to the Final Terms, the VPS Conditions/or and the VPS Trustee Agreement provided that such decision is either (x) not detrimental to the rights and benefits of the affected VPS Noteholders in any material respect, (y) made solely for rectifying obvious errors and mistakes, or (z) required to be made pursuant to law, court order or other administrative decision. The VPS Trustee shall as soon as possible notify the affected VPS Noteholders of any proposal to make such amendments, setting out the date from which the amendment will be effective, unless such notice obviously is unnecessary.

#### **14. VPS TRUSTEE**

The VPS Trustee Agreement contains provisions for the indemnification of the VPS Trustee and for its relief from responsibility, including provisions relieving it from taking action unless indemnified and/or secured to its satisfaction. VPS Noteholders are deemed to have accepted and will be bound by the VPS Conditions and the terms of the VPS Trustee Agreement.

#### **15. FURTHER ISSUES**

The Issuer shall be at liberty from time to time without the consent of the VPS Noteholders to create and issue further notes having terms and conditions the same as the VPS Notes or the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue and so that the same shall be consolidated and form a single Series with the outstanding VPS Notes.

#### **16. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this VPS Note, but this does not affect any right or remedy of any person which exists or is available apart from the Contracts (Rights of Third Parties) Act 1999.

#### **17. GOVERNING LAW AND SUBMISSION TO JURISDICTION**

##### **(a) Governing law**

The VPS Notes (and any non-contractual obligations arising out of or in connection with the VPS Notes) are governed by, and shall be construed in accordance with, English law, save as to Conditions 2, 3, 11, 12, 13, 14 and 15 (and any non-contractual obligations arising out of or in connection with such conditions) which are governed by and shall be construed in accordance with Norwegian law.

The VPS Trustee Agreement and VPS Agency Agreement are governed by and shall be construed in accordance with Norwegian law.

VPS Notes must comply with the Norwegian Act of 15 March 2019 no. 64 on Central Securities Depositories (the “CSD Act”) (Nw. *verdipapirsentralloven*), which implements Regulation (EU) No. 909/2014 () into Norwegian law, and, to the extent applicable the Norwegian Act of 5 July 2002 No. 64 on the Registration of Financial Instruments, as amended from time to time, and the holders of VPS Notes will be entitled to the rights and are subject to the obligations and liabilities which arise under these Acts and any related regulations and legislation.

(b) **Submission to jurisdiction**

- (i) Subject to Condition 17(b)(iii) below, the English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the VPS Notes, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the VPS Notes (a **Dispute**) and all Disputes will be submitted to the exclusive jurisdiction of the English courts.
- (ii) For the purposes of this Condition 17(b), each of the Issuer and the VPS Trustee (or alternatively any holders of VPS Notes or Coupons) taking proceedings in relation to any Dispute waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.
- (iii) This Condition 17(b)(iii) is for the benefit of the VPS Trustee (on behalf of the holders of VPS Notes) only. To the extent allowed by law, the VPS Trustee (on behalf of the holders of VPS Notes) may, in respect of any Dispute or Disputes, take (i) proceedings in any other court with jurisdiction; and (ii) concurrent proceedings in any number of jurisdictions.

(c) **Appointment of Process Agent**

The Issuer irrevocably appoints Intrust Advisory Limited at its registered office at 4<sup>th</sup> Floor, Portman House, 2 Portman Street, London, W1H 6DU, United Kingdom. as its agent for service of process in any proceedings before the English courts in relation to any Dispute, and agrees that, in the event of Intrust Advisory Limited being unable or unwilling for any reason so to act or ceasing to be registered in England, it will immediately appoint another person as its agent for service of process in England in respect of any Dispute. The Issuer agrees that failure by a process agent to notify it of any process will not invalidate service. Nothing herein shall affect the right to serve process in any other manner permitted by law.

**18. CONTRACTUAL RECOGNITION OF NORWEGIAN STATUTORY LOSS ABSORPTION POWERS**

Notwithstanding and to the exclusion of any other term of the VPS Notes or any other agreements, arrangements or understanding between the Issuer and any VPS Noteholder (which, for the purposes of this Condition 18, includes each holder of a beneficial interest in the VPS Notes), by its acquisition of any VPS Note, each VPS Noteholder acknowledges and accepts that any liability arising under the VPS Notes may be subject to the exercise of Norwegian Statutory Loss Absorption Powers by the Relevant Resolution Authority and acknowledges, accepts, consents to and agrees to be bound by:

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

**19. DEFINITIONS**

In the VPS Conditions the following words shall have the following meanings:

**Agency Agreement** means an amended and restated agency agreement dated 2 July 2020 between the Issuer and the agents named therein, as amended and/or supplemented and/or restated from time to time;

**Applicable MREL Regulations** means, at any time, the laws, regulations, requirements, guidelines and policies then in effect in Norway giving effect to any MREL Requirement or any successor regulations then applicable to the Issuer and/or the Group, including, without limitation to the generality of the foregoing, CRD IV, the BRRD and those regulations, requirements, guidelines and policies giving effect to any MREL Requirement or any successor regulations then in effect (whether or not such requirements, guidelines or policies have the force of law and whether or not they are applied generally or specifically to the Issuer and/or the Group);

**BRRD** means Directive 2014/59/EU of the European Parliament and of the Council on resolution and recovery of credit institutions and investment firms dated 15 May 2014 and published in the Official Journal of the European Union on 12 June 2014 (or, as the case may be, any provision of Norwegian law transposing or implementing such Directive), as amended or replaced from time to time (including, without limitation, by the Creditor Hierarchy Directive);

**Calculation Agency Agreement** in relation to any Series of VPS Notes means an agreement in or substantially in the form of Schedule 1 to the Agency Agreement;

**Calculation Agent** means, in relation to the VPS Notes of any Series, the person appointed as calculation agent in relation to the VPS Notes by the Issuer pursuant to the provisions of a Calculation Agency Agreement (or any other agreement) and shall include any successor calculation agent appointed in respect of the VPS Notes;

**Calculation Amount** has the meaning given in the relevant Final Terms;

**CRD IV** means, as the context requires, any or any combination of the CRD IV Directive, the CRR and any CRD IV Implementing Measures;

**CRD IV Directive** means Directive 2013/36/EU of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms dated 26 June 2013 and published in the Official Journal of the European Union on 27 June 2013 (or, as the case may be, any provision of Norwegian law transposing or implementing such Directive), as 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 and which prescribe (alone or in conjunction with any other rules, regulations or other requirements) the requirements to be fulfilled by financial instruments for their inclusion in the regulatory capital of the Issuer (on a non-consolidated or consolidated basis) to the extent required by the CRD IV Directive or the CRR, including for the avoidance of doubt and without limitation any regulatory technical standards released from time to time 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 575/2013 of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms dated 26 June 2013 and published in the Official Journal of the European Union on 27 June 2013, as amended or replaced from time to time;

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

**Exchange** means, for the purpose of the VPS Conditions, the securities exchange or other reputable marketplace for securities, on which the VPS Notes are listed, or where the Issuer has applied for listing of the VPS Notes, as specified in the applicable Final Terms;

**Fixed Rate Note** means a VPS Note on which interest is calculated at a fixed rate payable in arrear on one or more Interest Payment Dates in each year as may be agreed between the Issuer and the relevant Dealer, as indicated in the applicable Final Terms;

**Floating Rate Note** means a VPS Note on which interest is calculated at a floating rate, payable in arrear on one or more Interest Payment Dates in each year as may be agreed between the Issuer and the relevant Dealer, as indicated in the applicable Final Terms;



**Group** means the Issuer and its subsidiaries;

**Interest Commencement Date** means, in the case of interest bearing VPS Notes, the date specified in the applicable Final Terms from and including which the VPS Notes bear interest, which may or may not be the Issue Date;

**Issue Date** means, in respect of any VPS Note, the date of issue of the VPS Note;

**MREL Disqualification Event** means the determination by the Issuer that, as a result of a change in any Applicable MREL Regulations or any change in the official application or interpretation thereof becoming effective on or after the Issue Date of the first Tranche of the VPS Notes, the VPS Notes will be fully excluded or partially excluded from the “eligible liabilities” (or any equivalent or successor term) available to meet any MREL Requirement (however called or defined by then Applicable MREL Regulations) if the Issuer and/or the Group is then or, as the case may be, will be subject to such MREL Requirement, provided that a MREL Disqualification Event shall not occur where such exclusion is or will be caused by (1) the remaining maturity of the VPS Notes being less than any period prescribed by any applicable eligibility criteria under the Applicable MREL Regulations, or (2) any applicable limits on the amount of “eligible liabilities” (or any equivalent or successor term) permitted or allowed to meet any MREL Requirement(s) being exceeded;

**MREL Eligible Liabilities** means “eligible liabilities” (or any equivalent or successor term) which are available to meet any MREL Requirement (however called or defined by then Applicable MREL Regulations) of the Issuer and/or the Group under Applicable MREL Regulations;

**MREL Requirement** means the minimum requirement for own funds and eligible liabilities which is or, as the case may be, will be applicable to the Issuer and/or the Group;

**NFSA** means the Financial Supervisory Authority of Norway (*Finanstilsynet*);

**Non-Preferred Junior Securities** means all classes of share capital of the Issuer and any obligations of the Issuer ranking or expressed to rank junior to the Senior Non-Preferred VPS Notes;

**Non-Preferred Parity Securities** means any unsecured obligations of the Issuer which rank, or are expressed to rank, *pari passu* with the Senior Non-Preferred VPS Notes;

**Norwegian Statutory Loss Absorption Powers** means any write-down, conversion, transfer, modification, suspension or similar or related power existing from time to time under, and exercised in compliance with, any laws, regulations, rules or requirements in effect in the Kingdom of Norway, relating to (i) the transposition into Norwegian law of the BRRD (or, as the case may be, any provision of Norwegian law transposing or implementing such Directive) as amended or replaced from time to time and (ii) the instruments, rules and standards created thereunder, 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);

**Oslo Business Days** means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in Oslo;

**outstanding** means, in relation to the VPS Notes of any Series, all the VPS Notes issued other than:

- (a) those VPS Notes which have been redeemed and cancelled pursuant to the VPS Conditions;
- (b) those VPS Notes in respect of which the date for redemption in accordance with the VPS Conditions has occurred and the redemption moneys (including all interest (if any) accrued to the date for redemption and any interest (if any) payable under the VPS Conditions after that date) have been duly paid to or to the order of the VPS Agent in the manner provided in the VPS Conditions and the VPS Agency Agreement (and where appropriate notice to that effect has been given to the Noteholders in accordance with the VPS Conditions) and remain available for payment of the relevant VPS Notes;
- (c) those VPS Notes which have been purchased and cancelled in accordance with the VPS Conditions; and
- (d) those VPS Notes in respect of which claims have become prescribed under the VPS Conditions;

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

- (a) other than in the case of a change to the governing law of Condition 18 to Norwegian law in order to ensure the effectiveness and enforceability of Condition 18 have terms not materially less favourable to the VPS Noteholders as a class than the terms of the VPS Notes (as reasonably determined by the Issuer, and provided that a certification to such effect of two authorised Directors of the Issuer shall have been delivered to the Agent not less than five Business Days prior to (i) in the case of a substitution of the VPS Notes, the issue of the relevant securities or (ii) in the case of a variation of the VPS Notes, such variation, as the case may be), and, subject thereto, they shall (1) have a ranking at least equal to that of the VPS Notes prior to such substitution or variation, as the case may be, (2) have at least the same interest rate and the same Interest Payment Dates as those from time to time applying to the VPS Notes prior to such substitution or variation, as the case may be, (3) have the same redemption rights as the VPS Notes prior to such substitution or variation, as the case may be, (4) comply with the then current requirements in relation to “eligible liabilities” (or any equivalent or successor term) provided for in the Applicable MREL Regulations, (5) preserve any existing rights under the VPS Notes to any accrued interest which has not been paid in respect of the period from (and including) the Interest Payment Date last preceding the date of substitution or variation, as the case may be, or, if none, the Interest Commencement Date, and (6) where VPS Notes which have been substituted or varied had a published rating from the Rating Agency immediately prior to such substitution or variation, such Rating Agency has ascribed, or announced its intention to ascribe, an equal or higher published rating to the relevant Qualifying MREL Securities; and
- (b) are listed on a recognised stock exchange, if the VPS Notes were listed immediately prior to such substitution or variation, as selected by the Issuer;

**Rating Agency** means S&P Global Ratings or its successor;

**Reference Bank** means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in the case of a determination of CIBOR, the principal Copenhagen office of four major banks in the Danish inter-bank market, in the case of a determination of NIBOR, the principal Oslo office of four major banks in the Norwegian inter-bank market and, in the case of a determination of STIBOR, the principal Stockholm office of four major banks in the Swedish inter-bank market, in each case selected by the Calculation Agent or as specified in the applicable Final Terms;

**Reference Banks Agent** means an independent investment bank, commercial bank or stockbroker appointed by the Issuer;

**Relevant Amounts** means the outstanding principal amount of the VPS Notes, together with any accrued but unpaid interest and additional amounts due on the VPS Notes and any other amounts which may otherwise be or become payable at any time in connection with the VPS Notes. References to such amounts will include (but are not limited to) amounts that have become due and payable, but which have not been paid, prior to the exercise of any Norwegian Statutory Loss Absorption Powers by the Relevant Resolution Authority;

**Relevant Date** means the date on which a payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the VPS Noteholders in accordance with Condition 12;

**Relevant Regulator** means the NFSA and any successor or replacement thereto, or other authority having primary responsibility for the prudential oversight and supervision of the Issuer and/or (in the case of Restricted Senior Preferred VPS Notes and Senior Non-Preferred VPS Notes) the Relevant Resolution Authority (if applicable), in any case as determined by the Issuer;

**Relevant Resolution Authority** means the (or each) resolution authority with the ability to exercise any Norwegian Statutory Loss Absorption Powers in relation to the Issuer;

**Relevant Screen Page** means the page, section or other part of a particular information service (including, without limitation, the Reuters Money 3000 Service) specified as the Relevant Screen Page in the applicable Final Terms, 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;

**Senior Creditors** means (a) depositors of the Issuer and (b) all unsubordinated creditors of the Issuer (including, *inter alios*, holders of Senior Preferred VPS Notes other than creditors in respect of any Non-Preferred Parity Securities and any Statutory Non-Preferred Claims, if any);

**Specified Time** means 11.00 a.m. (London time, in the case of a determination of LIBOR, Brussels time, in the case of a determination of EURIBOR, Copenhagen time, in the case of a determination of CIBOR, or Stockholm time, in the case of a determination of STIBOR) or 12.00 p.m. (Oslo time, in the case of a determination of NIBOR);

**Statutory Non-Preferred Claims** means, upon Norway adopting legislation introducing a senior non-preferred ranking class as prescribed by Article 108(2) of the BRRD (as amended by Directive (EU) 2017/2399 of the European parliament and the Council of 12 December 2017 amending the BRRD as regards the ranking of unsecured debt instruments in insolvency hierarchy), unsecured claims resulting from debt instruments that meet the following conditions:

- (i) the original contractual maturity of the debt instruments is at least one year;
- (ii) the debt instruments contain no embedded derivatives and are not derivatives themselves; and
- (iii) the relevant contractual documentation and, where applicable, the prospectus related to the issuance explicitly refer to the lower ranking under this paragraph (iii); and

**Treaty** means the Treaty on the Functioning of the European Union, as amended.