



TERMS AND CONDITIONS FOR

SVENSK HYPOTEKSPENSION FOND 4 AB (PUBL)

**SEK 2,250,000,000 – MORTGAGE BACKED FIXED RATE
NOTES**

ISIN: SE0013513371

SELLING RESTRICTION

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

PRIVACY NOTICE

The Issuer and the Agent may collect and process personal data relating to the Noteholders, the Noteholders' representatives or agents, and other persons nominated to act on behalf of the Noteholders pursuant to the Transaction Documents (name, contact details and, when relevant, holding of Notes). The personal data relating to the Noteholders is primarily collected from the registry kept by the CSD. The personal data relating to other persons is primarily collected directly from such persons.

The personal data collected will be processed by the Issuer and the Agent for the following purposes:

- (a) to exercise their respective rights and fulfil their respective obligations under the Transaction Documents;
- (b) to manage the administration of the Notes and payments under the Notes;
- (c) to enable the Noteholders' to exercise their rights under the Transaction Documents; and
- (d) to comply with their obligations under applicable laws and regulations.

The processing of personal data by the Issuer and the Agent in relation to items (a) - (c) is based on their legitimate interest to exercise their respective rights and to fulfil their respective obligations under the Transaction Documents. In relation to item (d), the processing is based on the fact that such processing is necessary for compliance with a legal obligation incumbent on the Issuer or Agent. Unless otherwise required or permitted by law, the personal data collected will not be kept longer than necessary given the purpose of the processing.

Personal data collected may be shared with third parties, such as the CSD, when necessary to fulfil the purpose for which such data is processed.

Subject to any legal preconditions, the applicability of which have to be assessed in each individual case, data subjects have the rights as follows. Data subjects have right to get access to their personal data and may request the same in writing at the address of the Issuer and the Agent, respectively. In addition, data subjects have the right to (i) request that personal data is rectified or erased, (ii) object to specific processing, (iii) request that the processing be restricted and (iv) receive personal data provided by themselves in machine-readable format. Data subjects are also entitled to lodge complaints with the relevant supervisory authority if dissatisfied with the processing carried out.

The Issuer's and the Agent's addresses, and the contact details for their respective Data Protection Officers (if applicable), are found on their websites www.shpfond4.se and www.intertrustgroup.com.

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1. DEFINITIONS AND CONSTRUCTION

1.1 Definitions

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

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

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

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

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

“**Additional Interest**” has the meaning set forth in Clause 9.3.2.

“**Additional Loan**” means additional loan advances made to the Borrowers under the Transferred Promissory Notes in the Portfolio in accordance with Clause 13.2 (*Additional Loan Promissory Notes*).

“**Additional Loan Cap**” means SEK 465,419,960.

“**Additional Loan Promissory Note**” means a Promissory Note evidencing an Additional Loan made by the Originator pursuant to the Mortgage Sale Agreement and these Terms and Conditions.

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

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

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

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

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

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

“**Back-up Facilitator**” means the Parent in its capacity as back-up facilitator under the Servicing Agreement.

“**Back-up Facilitator Fee**” has the meaning set forth in the Servicing Agreement.

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

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

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

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

“**Cash Pool**” means the arrangement between the Issuer and the Parent under which the Issuer may lend excess liquidity to the Parent on a short-term basis, such amount being repayable (in part or in full) by the Parent to the Issuer on demand.

“**Change of Control Event**” means the Issuer ceasing to be a (directly or indirectly) wholly-owned Subsidiary of the Parent otherwise than with the consent of the Noteholders in accordance with Clause 18.4.2.

“**Closing Settlement Agreement**” means the agreement between, *inter alios*, the Issuer, the Shareholder, SHP Fond 3, SHP Fond 2, the Issuing Agent and the Agent regarding the actions and transactions that shall take place by and between the relevant parties on or before the Issue Date in order for the Issuer to acquire the Initial Portfolios and issue the Notes, and for SHP Fond 3 to redeem the SHP Fond 3 Notes.

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

“**Collateral Test**” means that the value of Eligible Collateral shall be at least equal to 100 per cent. of the Total Nominal Amount (including accrued Senior Interest, capitalised as well as not yet capitalised).

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

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

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

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

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

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

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

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

“Custodian” means Intertrust (Sweden) AB, Swedish Reg. No. 556625-5476, or another party replacing it, as Custodian, in accordance with the Transaction Documents.

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

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

“Debt Register” means the debt register (*skuldbok*) kept by the CSD in respect of the Notes in which (i) an owner of Notes is directly registered or (ii) an owner’s holding of Notes is registered in the name of a nominee.

“Deferred Interest” has the meaning set out in Clause 9.3.1.

“Distribution Account” means the Issuer’s bank account with the Account Bank, or another pledged account into which amounts are set aside on each Waterfall Date (i) to cover accrued and unpaid Senior Interest to be paid on the next Interest Payment Date in accordance with Clause 14.1.4(g), and (ii) to cover any repayments to be made on the next Interest Payment Date subject to and in accordance with Clause 10.3 (*Partial redemption*) and Clause 14.1.4(i).

“Eligible Collateral” means the sum of (i) the aggregate value of the outstanding balance (including accrued interest, capitalised as well as not yet capitalised) of Transferred Promissory Notes, and (ii) cash held on the Collection Account, the Reserve Account or invested in Eligible Securities.

“Eligible Securities” means any SEK-denominated securities which are (i) scheduled to mature before the next Interest Payment Date, with a yield equal to or higher than zero (0) and which are either rated at least BBB or F2 by Fitch, or AA- or F1+ equivalent by Moody’s Investor Service or Standard & Poor’s Financial Services LLC, or (ii) money market funds which are rated AAmmf by Fitch.

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

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

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

“Excess Consideration” means the interest rate per annum that is equal to (i) 3.243 per cent. plus (ii) an interest rate equal to the average between the bid and offer rates for thirty (30) year STIBOR 3 month interest-rate swaps in Swedish Kronor, as displayed on ICAP plc’s website at our about 11.00 a.m. on the fifth (5) Business Day before the Step-up Date, rounded up to two decimal places minus (iii) the Fixed Interest Rate.

“Expense Account” means the Issuer’s bank account with the Account Bank, or another account into which amounts set aside on each Waterfall Date to cover expected fees, taxes and Permitted Costs shall be deposited in accordance with Clause 14.1.4(e).

“Final Maturity Date” means the first Interest Payment Date falling after the forty-eighth (48th) anniversary of the Issue Date, i.e. 21 December 2067.

“Financial Indebtedness” means any indebtedness for or in respect of:

- (a) moneys borrowed (including under any bank financing or Market Loan);
- (b) the amount of any liability under any finance leases (a lease which in accordance with the Accounting Principles is treated as an asset and a corresponding liability);
- (c) receivables sold or discounted (other than on a non-recourse basis, provided that the requirements for de-recognition under the Accounting Principles are met);
- (d) any other transaction (including the obligation to pay deferred purchase price) having the commercial effect of a borrowing or otherwise being classified as borrowing under the Accounting Principles;
- (e) the marked-to-market value of derivative transactions entered into in connection with protection against, or benefit from, fluctuation in any rate or price (if any actual amount is due as a result of a termination or a close-out, such amount shall be used instead);
- (f) any counter-indemnity obligations in respect of guarantees or other instruments issued by a bank or financial institution; and
- (g) without double-counting, liabilities under guarantees or indemnities for any of the obligations referred to in paragraphs (a) to (f) above.

“Financial Instruments Accounts Act” means the Swedish Central Securities Depositories and Financial Instruments Accounts Act (*lag (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument*).

“First Call Date” means 22 January 2024.

“Fitch” means Fitch Ratings Ltd.

“Fixed Interest Rate” means 1.50 per cent. per annum.

“Force Majeure Event” has the meaning set forth in Clause 26.1.

“**Group**” means the Parent and its Subsidiaries and their affiliates from time to time (each a “**Group Company**”).

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

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

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

“**Initial Sellers**” means SHP Fond 2 and SHP Fond 3.

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

- (a) the party is, or is deemed for the purposes of any applicable regulation to be, insolvent, or admits inability to pay its debts as they fall due, in each case within the meaning of Chapter 2, Sections 7-9 of the Swedish Bankruptcy Act (*konkurslagen (1987:672)*) or suspends making payments on any of its debts;
- (b) by reason of actual financial difficulties the party commences negotiations with all or substantially all of its creditors with a view to rescheduling any of its indebtedness (including company reorganisation under the Swedish Company Reorganisation Act (*lag (1996:764) om företagsrekonstruktion*));
- (c) the party is subject to resolution in accordance with the provisions of the Swedish Resolution Act (*lag (2015:1016) om resolution*);
- (d) the party is subject to an involuntary winding-up, dissolution or liquidation;
- (e) any corporate action, legal proceedings or other procedure or step, other than vexatious or frivolous and as disputed in good faith and discharged within twenty (20) Business Days, is taken in relation to:
 - (i) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation of the party;
 - (ii) a composition, compromise, assignment or arrangement with any creditor of the party; or
 - (iii) the appointment of a liquidator, administrator or other similar officer in respect of the party or any of its assets; or
- (f) any attachment, sequestration, distress or execution, or any analogous process in any jurisdiction, affects any asset of the party and is not discharged within twenty (20) Business Days or any Security over any asset of the party is enforced.

“**Intercreditor Agreement**” means the intercreditor agreement dated on or before the Issue Date between the Shareholder (in its capacity as Manager and Servicer under the Mortgage Sale Agreement and as Original Additional Loan Owner), SHP Fond 2 (in its capacity as Seller under the Mortgage Sale Agreement and as Original Additional Loan Owner), SHP Fond 3 (in its capacity as Seller under the Mortgage Sale Agreement), the Parent (in its capacity as Back-Up Facilitator and Interim Servicer), the Custodian, the

Agent and the Issuer, relating to the ranking of the Secured Obligations and the distribution of Proceeds.

“**Interest**” means the interest on the Notes calculated in accordance with Clauses 9.1 to 9.2.

“**Interest Payment Date**” means the 21st of each month or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention. The first Interest Payment Date for the Notes shall be 21 February 2020 and the last Interest Payment Date shall be the relevant Redemption Date.

“**Interest Period**” means (i) in respect of the first Interest Period, the period from (but excluding) the Issue Date to (and including) the first Interest Payment Date, and (ii) in respect of subsequent Interest Periods, the period from (but excluding) an Interest Payment Date to (and including) the next succeeding Interest Payment Date (or a shorter period if relevant). An Interest Period shall not be adjusted due to an application of the Business Day Convention.

“**Interim Servicer**” means the Parent in its capacity as interim servicer of the Portfolio in accordance with the Servicing Agreement.

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

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

“**Issue Date**” means 17 December 2019.

“**Issuer**” means Svensk Hypotekspension Fond 4 AB (publ), a public limited liability company incorporated under the laws of Sweden with Reg. No. 559215-5195.

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

“**Issuing Agent**” means, initially, DNB Bank ASA, Sweden Branch and thereafter each other party appointed as Issuing Agent in accordance with these Terms and Conditions and the CSD Regulations.

“**Liquidity Account**” means the Issuer’s bank account with the Account Bank, or another account into which any excess liquidity may be set aside on each Waterfall Date pursuant to Clause 14.1 (*Distribution of Proceeds prior to Acceleration of the Notes*).

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

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

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

“**Market Loans**” means bonds, notes or other debt securities (however defined) which are or are intended to be quoted, listed, traded or otherwise admitted to trading on a Regulated Market or an organised trading facility (as defined in Directive 2014/65/EU on markets in financial instruments).

“**Merger**” means a merger between the Parent and the Shareholder, with the Parent as the surviving entity.

“**Minimum Reserve Amount**” means an amount in cash equal to 0.50 per cent. of the total outstanding balance (including accrued interest, capitalised as well as not yet capitalised) of Transferred Promissory Notes, which will be held on the Reserve Account.

“**Mortgage Sale Agreement**” means the mortgage sale agreement entered into on or before the Issue Date between the Originator, each of the Sellers, the Issuer (as Purchaser) and the Agent, regarding the sale of the Portfolio.

“**New Custodian**” has the meaning set forth in Clause 12.5.

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

“**New Manager**” has the meaning set forth in Clause 12.5.

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

“**New Servicer**” has the meaning set forth in Clause 12.5.

“**Nominal Amount**” means in respect of each Note the Initial Nominal Amount, less the aggregate amount by which that Note has been redeemed in part pursuant to Clause 10.3 (*Partial redemption*).

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

“**Note**” means a debt instrument (*skuldförbindelse*) for the Nominal Amount and of the type set forth in Chapter 1 Section 3 of the Financial Instruments Accounts Act and which are governed by and issued under these Terms and Conditions, with ISIN SE0013513371.

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

“**Noteholders’ Meeting**” means a meeting among the Noteholders held in accordance with Clauses 18.1 (*Request for a decision*), 18.2 (*Convening of Noteholders’ Meeting*) and 18.4 (*Majority, quorum and other provisions*).

“**Original Additional Loan Owners**” means the Shareholder and SHP Fond 2.

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

“**Parent**” means Nordax Bank AB (publ), Swedish Reg. No. 556647-7286, Gävlegatan 22, 113 30 Stockholm, Sweden.

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

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

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

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

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

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

“**Record Date**” means the fifth (5) Business Day prior to (i) an Interest Payment Date, (ii) a Redemption Date, (iii) a date on which a payment to the Noteholders is to be made under Clause 14 (*Distribution of proceeds*), (iv) the date of a Noteholders’ Meeting, or (v) another relevant date, or in each case such other Business Day falling prior to a relevant date if generally applicable on the Swedish bond market.

“**Redemption Date**” means the date on which the relevant Notes are to be redeemed or repurchased in accordance with Clause 10 (*Redemption and repurchase of the Notes*).

“**Refinancing**” has the meaning set forth in Clause 16.11 (*Financial indebtedness*).

“**Relevant Party**” has the meaning set forth in Clause 26 (*Force majeure*).

“**Regulated Market**” means any regulated market (as defined in Directive 2014/65/EU on markets in financial instruments).

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

“**Reserve Account**” means the Issuer’s bank account with the Account Bank, or another pledged account into which the Minimum Reserve Amount shall be set aside prior to or on

the Issue Date and thereafter be replenished on each Waterfall Date in accordance with Clause 14.1 (*Distribution of Proceeds prior to Acceleration of the Notes*).

“Revolving Conditions” has the meaning set forth in Clause 13.1 (*Revolving Conditions*).

“Revolving Portfolio” means (i) the Promissory Notes listed in Schedule 2 (*List of Revolving Portfolio Promissory Notes*) to the Mortgage Sale Agreement, and (ii) any RPAL Promissory Notes, except (in the case of each of (i) and (ii)) for any Repaid Promissory Notes.

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

“RPAL Promissory Notes” means a Promissory Note evidencing an additional loan advance made to Borrowers under a Revolving Portfolio Promissory Note before such Revolving Portfolio Promissory Note is purchased by the Issuer.

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

“Secured Parties” means the Noteholders and the Agent (including in its capacity as Agent under the Agency Agreement), the Custodian, the Manager, the Servicer, the Interim Servicer, the Back-up Facilitator and any Standby Servicer.

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

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

“Security Documents” means the Share Pledge Agreement, the Promissory Notes Pledge Agreement and the Account Pledge Agreement and any other document designated by the Issuer and the Agent as a Security Document.

“Security Providers” means the Issuer and the Shareholder, or any other security provider under a Security Document.

“Seller” means each Initial Seller, each Revolving Seller and each New Loan Seller as defined in the Mortgage Sale Agreement.

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

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

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

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

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

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

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

“SHP Fond 2” Svensk Hypotekspension Fond 2 AB, Swedish Reg. No. 556788-8200, c/o Svensk Hypotekspension AB, Medborgarplatsen 3, 118 26 Stockholm, Sweden.

“SHP Fond 3” means Svensk Hypotekspension Fond 3 AB (publ), Swedish Reg. No. 559017-2440, c/o Svensk Hypotekspension AB, Medborgarplatsen 3, 118 26 Stockholm, Sweden.

“SHP Fond 3 Notes” means all outstanding mortgage backed fixed rate notes issued by SHP Fond 3 on 9 February 2016.

“Standby Servicer” means the party appointed as standby servicer in accordance with the Servicing Agreement, in the event the Shareholder shall cease to be a wholly-owned Subsidiary of the Parent.

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

“Step-Up Date” means the first Interest Payment Date falling three (3) months after the First Call Date.

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

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

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

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

“Transaction Documents” means these Terms and Conditions, the Security Documents, the Intercreditor Agreement, the Mortgage Sale Agreement, the Agency Agreement, the Management Agreement, the Servicing Agreement, the Custody Agreement, the Bank Account Agreement, the VAT Letter Agreement and any other document designated by the Issuer and the Agent as a Transaction Document.

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

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

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

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

“**Waterfall Dates**” means the sixth (6th) Business Day of each calendar month of each year. The first Waterfall Date shall be 10 February 2020.

“**Written Procedure**” means the written or electronic procedure for decision making among the Noteholders in accordance with Clauses 18.1 (*Request for a decision*), 18.3 (*Instigation of Written Procedure*) and 18.4 (*Majority, quorum and other provisions*).

1.2 Construction

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

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

1.2.2 In the event of a Merger, all references to Svensk Hypotekspension AB in any of its capacities under the Transaction Documents shall be construed as references to the Parent.

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

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

- 1.2.5 A notice shall be deemed to be sent by way of press release if it is made available to the public within Sweden promptly and in a non-discriminatory manner.
- 1.2.6 No delay or omission of the Agent or of any Noteholder to exercise any right or remedy under the Transaction Documents shall impair or operate as a waiver of any such right or remedy.
- 1.2.7 The selling restrictions, the privacy notice and any other information contained in this document before the table of contents section do not form part of these Terms and Conditions and may be updated without the consent of the Noteholders and the Agent.

2. STATUS OF THE NOTES

- 2.1 The Notes are denominated in Swedish Kronor and each Note is constituted by these Terms and Conditions. Subject to Clause 2.2, the Issuer undertakes to make payments in relation to the Notes and to comply with these Terms and Conditions.
- 2.2 Notwithstanding the above payment undertaking, all payments in respect of the Notes will only be made if and to the extent that the cash flow of the Issuer so permits and be subject to and made in accordance with Clause 14 (*Distribution of Proceeds*). The Noteholders' right to receive payment of the Excess Consideration (if any) is always subordinated to the right to receive payment in full of the Total Nominal Amount and the Senior Interest.
- 2.3 By subscribing for Notes, each initial Noteholder agrees that the Notes shall benefit from and be subject to the Transaction Documents and by acquiring Notes, each subsequent Noteholder confirms such agreement.
- 2.4 The maximum Total Nominal Amount of the Notes on the Issue Date will be the lower of (i) SEK 2,250,000,000 and (ii) the Transfer Purchase Price for the Initial Portfolios under the Mortgage Sale Agreement rounded down to the nearest SEK 1,000,000. The initial nominal amount of each Note is SEK 2,000,000 (the "**Initial Nominal Amount**"). All Notes are issued on a fully paid basis at an issue price of 100 per cent. of the Initial Nominal Amount rounded down to the nearest SEK 1,000,000.
- 2.5 The Notes constitute direct, general, secured and, subject to Clauses 3 (*Limited Recourse*) and 9.3 (*Deferred Interest*), unconditional obligations of the Issuer and shall at all times rank *pari passu* and without any preference among them. The Notes are obligations solely of the Issuer and are not obligations of, or guaranteed by the Shareholder or the Parent or any other person who is a party to a Transaction Document.
- 2.6 The Notes are freely transferable but the Noteholders may be subject to purchase or transfer restrictions with regard to the Notes, as applicable, under local regulation to which a Noteholder may be subject. Each Noteholder must ensure compliance with such restrictions at its own cost and expense.
- 2.7 No action is being taken in any jurisdiction that would or is intended to permit a public offering of the Notes or the possession, circulation or distribution of any document or other material relating to the Issuer or the Notes in any jurisdiction other than Sweden, where action for that purpose is required. Each Noteholder must inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Notes.

3. LIMITED RECOURSE

3.1 Notwithstanding any other provision of any Transaction Document, all obligations of the Security Providers to the Noteholders are limited in recourse to the Transaction Security and no Noteholder will have any claim, by operation of law or otherwise against, or recourse to, any of the Security Providers' other assets. If:

- (a) there is no Transaction Security remaining which is capable of being realised or otherwise converted into cash;
- (b) all amounts available from the Transaction Security have been applied to meet or provide for the relevant obligations specified in, and in accordance with, the provisions of the Transaction Documents; and/or
- (c) there are insufficient amounts available from the Transaction Security to pay the Noteholders in full, in accordance with the provisions of the Transaction Documents,

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

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

4. USE OF PROCEEDS

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

5. CONDITIONS FOR DISBURSEMENT

5.1 The Issuer shall provide to the Agent, no later than 08.45 a.m. on the Issue Date, the following:

- (a) a copy of the Closing Settlement Agreement signed by the relevant parties thereto;
- (b) evidence that the Transaction Documents will be duly executed by the relevant parties thereto on or about the Issue Date;
- (c) a copy of a resolution from the board of directors of each of the Issuer, the Shareholder, SHP Fond 2 and SHP Fond 3 approving the terms of the Transaction Documents (including, with respect to the Issuer, the issue of the Notes), and resolving to enter into such documents and any other documents necessary in connection therewith; and
- (d) evidence that the person(s) who will sign the Transaction Documents and any other documents in connection therewith on behalf of each of the Issuer, the Shareholder, SHP Fond 2 and SHP Fond 3 is/are duly authorised to do so.

5.2 The Agent shall confirm to the Issuing Agent when it is satisfied that the conditions in Clause 5.1 have been fulfilled (or amended or waived in accordance with Clause 19 (*Amendments and waivers*)). The Issue Date shall not occur unless the Agent makes such confirmation to the Issuing Agent no later than 09.45 a.m. on the Issue Date.

- 5.3 Following receipt by the Issuing Agent of (i) the confirmation in accordance with Clause 5.2, and (ii) a conditions precedent satisfaction letter under and in accordance with the Closing Settlement Agreement, the Issuing Agent shall settle the issuance of the Notes and procure that payments are made in accordance with the Closing Settlement Agreement.

6. NOTES IN BOOK-ENTRY FORM

- 6.1 The Notes will be registered for the Noteholders on their respective Securities Accounts and no physical notes will be issued. Accordingly, the Notes will be registered in accordance with the Financial Instruments Accounts Act. Registration requests relating to the Notes shall be directed to an Account Operator. The Debt Register shall constitute conclusive evidence of the persons who are Noteholders and their holdings of Notes.
- 6.2 Those who according to assignment, Security, the provisions of the Swedish Children and Parents Code (*föräldrabalken (1949:381)*), conditions of will or deed of gift or otherwise have acquired a right to receive payments in respect of a Note shall register their entitlements to receive payment in accordance with the Financial Instruments Accounts Act.
- 6.3 The Issuer and the Agent shall at all times be entitled to obtain information from the Debt Register. For the purpose of carrying out any administrative procedure that arises out of the Transaction Documents, the Issuing Agent shall be entitled to obtain information from the Debt Register.
- 6.4 The Issuer, the Agent and the Issuing Agent may use the information referred to in Clause 6.3 only for the purposes of carrying out their duties and exercising their rights in accordance with the Transaction Documents (including the Agency Agreement) and shall not disclose such information to any Noteholder or third party unless necessary for such purposes.

7. RIGHT TO ACT ON BEHALF OF A NOTEHOLDER

- 7.1 If any person other than a Noteholder wishes to exercise any rights of a Noteholder under the Transaction Documents, it must obtain a power of attorney or other authorisation from the Noteholder or a successive, coherent chain of powers of attorney or authorisation starting with the Noteholder and authorising such person.
- 7.2 A Noteholder may issue one or several powers of attorney or other authorisations to third parties to represent it in relation to some or all of the Notes held by it. Any such representative may act independently under the Transaction Documents in relation to the Notes for which such representative is entitled to represent the Noteholder.
- 7.3 The Agent shall only have to examine the face of a power of attorney or other authorisation that has been provided to it pursuant to Clause 7.2 and may assume that such document has been duly authorised, is valid, has not been revoked or superseded and that it is in full force and effect, unless otherwise is apparent from its face or the Agent has actual knowledge to the contrary.
- 7.4 These Terms and Conditions shall not affect the relationship between a Noteholder who is the nominee (*förvaltare*) with respect to a Note and the owner of such Note, and it is the responsibility of such nominee to observe and comply with any restrictions that may apply to it in its capacity.

8. PAYMENTS IN RESPECT OF THE NOTES

- 8.1 Subject to and in accordance with Clause 9.3 (*Deferred interest*) and Clause 14 (*Distribution of proceeds*), any payment or repayment under the Terms and Conditions, shall be made to such person who is registered as a Noteholder on the Record Date prior to an Interest Payment Date or other relevant payment date, or to such other person who is registered with the CSD on such Record Date as being entitled to receive the relevant payment, repayment or repurchase amount.
- 8.2 If a Noteholder has registered, through an Account Operator, that principal, interest or any other payment shall be deposited in a certain bank account, such deposits will be effected by the CSD on the relevant payment date. In other cases, payments will be transferred by the CSD to the Noteholder at the address registered with the CSD on the Record Date. However, Interest only accrues up to and including the relevant payment date. Should the CSD, due to a delay on behalf of the Issuer or some other obstacle, not be able to effect payments as aforesaid, the Issuer shall procure that such amounts are paid to the persons who are registered as Noteholders on the relevant Record Date as soon as possible after such obstacle has been removed.
- 8.3 If, due to any obstacle for the CSD, the Issuer cannot make a payment or repayment, such payment or repayment may be postponed until the obstacle has been removed.
- 8.4 If payment or repayment is made in accordance with this Clause 8, the Issuer and the CSD shall be deemed to have fulfilled their obligation to pay, irrespective of whether such payment was made to a person not entitled to receive such amount.
- 8.5 The Issuer is not liable to gross-up any payments under the Transaction Documents by virtue of any withholding tax, public levy or the similar.

9. INTEREST

9.1 Accrual of Interest

- 9.1.1 From (but excluding) the Issue Date up to (and including) the Step-up Date or (if earlier) the relevant Redemption Date, the Notes carry interest at the Fixed Interest Rate.
- 9.1.2 From (but excluding) the Step-up Date up to (and including) the relevant Redemption Date, the Notes carry interest at the Fixed Interest Rate plus the Excess Consideration.
- 9.1.3 Senior Interest accrues during an Interest Period. Subject to Clause 9.3 (*Deferred Interest*) and funds being available on the Distribution Account following application of Clause 14 (*Distribution of proceeds*) below, payment of Senior Interest in respect of the Notes shall be made to the Noteholders from the Distribution Account on each Interest Payment Date for the preceding Interest Period to the extent of such available funds (split *pro rata* in the case of a partial payment).
- 9.1.4 Excess Consideration accrues during an Interest Period and is capitalised on each Interest Payment Date. Any capitalised Excess Consideration will thereafter carry interest at the Fixed Interest Rate plus the Excess Consideration. Payment of any accrued Excess Consideration, including any interest accrued on capitalised Excess Consideration pursuant to the above, will be made immediately after the Total Nominal Amount and accrued Senior Interest (including Deferred Interest and Additional Interest) have been paid in full. If payment of the Excess Consideration cannot be made through the CSD, the Issuer shall procure that such payment is made through the Issuing Agent or otherwise.

9.2 Calculation of Interest

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

9.3 Deferred Interest

9.3.1 To the extent that funds available to the Issuer to pay Senior Interest on the Notes on an Interest Payment Date are insufficient to pay the full amount of such interest, payment of the shortfall (“**Deferred Interest**”) will not then fall due but will instead be deferred until the first Interest Payment Date thereafter on which funds are available to the Issuer following application of Clause 14 (*Distribution of proceeds*) to fund the payment of such Deferred Interest to the extent of such available funds (split *pro rata* in the case of a partial payment).

9.3.2 Such Deferred Interest will accrue interest (“**Additional Interest**”) at the rate of Senior Interest applicable from time to time to such Notes and payment or application of any Additional Interest will also be deferred until the first Interest Payment Date thereafter on which funds are available following application of Clause 14 (*Distribution of proceeds*) to the Issuer to pay such Additional Interest to the extent of such available funds (split *pro rata* in the case of a partial payment).

9.3.3 Payment of any amounts of Deferred Interest and Additional Interest shall not be deferred beyond the Final Maturity Date or beyond any earlier date on which the Notes fall to be redeemed in full in accordance with Clause 10 (*Redemption and Repurchase of the Notes*) and any such amount which has not then been paid in respect of the Notes shall thereupon become due and payable in full.

9.3.4 Payments of any amounts of Deferred Interest and Additional Interest shall be made to such person who is registered as a Noteholder on the Record Date prior to the Interest Payment Date falling immediately after the Issuer has notified the Noteholders in accordance with Clause 15.1.2 that payment of such Deferred Interest and Additional Interest shall be made.

9.4 Default Interest

If, subject to Clause 9.3 (*Deferred Interest*) and Clause 14 (*Distribution of proceeds*), the Issuer fails to pay any amount payable by it in respect of the Notes on its due date, default interest shall accrue on the overdue amount from (but excluding) the due date up to (and including) the date of actual payment at a rate which is two (2) per cent. higher than the aggregate of the relevant interest rate. The default interest shall not be capitalised but be payable to each person who was a Noteholder on the Record Date for the original due date. If such payment cannot be made through the CSD, the Issuer shall procure that such payment is made through the Issuing Agent or otherwise. No default interest shall accrue where the failure to pay was solely attributable to the Agent or the CSD or due to insufficient funds being available for distribution in accordance with Clause 14 (*Distribution of proceeds*), in which case the relevant interest rate shall apply instead.

10. REDEMPTION AND REPURCHASE OF THE NOTES

10.1 Redemption at maturity

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

10.2 Voluntary total redemption (call option)

10.2.1 The Issuer may redeem all, but not some only, of the outstanding Notes in full at an amount per Note equal to the Nominal Amount plus accrued and unpaid Interest:

- (a) at any time when the Nominal Amount is less than twenty (20) per cent. of the Initial Nominal Amount;
- (b) at any time from and including the First Call Date; or
- (c) provided that the redemption is financed by way of an issue of Market Loans by any Group Company, at any time from and including the first Business Day falling three (3) months prior to the First Call Date.

10.2.2 Redemption in accordance with Clause 10.2.1 shall be made by the Issuer on a date determined by the Issuer giving not less than twenty (20) and not more than forty (40) Business Days' notice to the Noteholders and the Agent, in each case calculated from the effective date of the notice. The notice from the Issuer shall specify the Redemption Date and also the Record Date on which a person shall be registered as a Noteholder to receive the amounts due on such Redemption Date. The notice is irrevocable but may, at the Issuer's discretion, contain one or more conditions precedent that shall be satisfied prior to the Record Date. Upon fulfilment of the conditions precedent (if any), the Issuer shall redeem the Notes in full at the applicable amount on the specified Redemption Date.

10.3 Partial redemption

10.3.1 Prior to the First Call Date, and provided that there are no Revolving Portfolio Promissory Notes available for purchase in the Revolving Portfolio, the Issuer may, at the option of the Issuer, apply all or part of the funds available for this purpose pursuant to Clause 14 (*Distribution of proceeds*) in repayment of the Nominal Amount outstanding under the Notes.

10.3.2 Prior to the First Call Date, and provided that (i) any of the Revolving Conditions is not met and a breach of such condition is not capable of remedy, or (ii) that a purchase of Promissory Notes in accordance with Clause 13 (*Purchase of Additional Loan Promissory Notes, Revolving Portfolio Promissory Notes and New Promissory Notes*) would give rise to a licensing requirement under the Swedish Banking and Financing Business Act (*lag (2004:297) om bank- och finansieringsrörelse*) in respect of the Issuer, the Issuer shall apply all funds available for this purpose pursuant to Clause 14 (*Distribution of proceeds*) in repayment of the Nominal Amount outstanding under the Notes.

10.3.3 From (and including) the First Call Date, the Issuer shall apply all funds available for this purpose pursuant to Clause 14 (*Distribution of proceeds*) in repayment of the Nominal Amount outstanding under the Notes.

10.3.4 Partial redemption of the Notes in accordance with Clauses 10.3.1 to 10.3.3 shall be made by the Issuer on an Interest Payment Date. In case of partial redemption in accordance with Clauses 10.3.1 to 10.3.3, all outstanding Notes shall be partially repaid by way of reducing the Nominal Amount of each Note *pro rata*. The applicable amount shall be an even amount in Swedish Kronor rounded down to the nearest SEK 1,000 and paid to the person who is registered as a Noteholder on the Record Date prior to the relevant Redemption Date.

10.4 **Early redemption due to illegality (call option)**

10.4.1 The Issuer may redeem all, but not some only, of the outstanding Notes at an amount per Note equal to the Nominal Amount together with any accrued and unpaid Interest on a Redemption Date determined by the Issuer if it is or becomes unlawful for the Issuer to perform its obligations under the Transaction Documents.

10.4.2 The Issuer may redeem the relevant Notes if, as a result of any change in, or amendment to, regulations in Sweden, or any change in the interpretation or application of such regulations, which amendment or change is effective on or after the Issue Date, the Issuer has incurred or suffered or will incur or suffer (i) a substantial decrease in revenue or (ii) a substantial additional or increased cost (and any obligation to pay such additional or increased cost cannot be avoided by reasonable measures available to the Issuer). The Notes shall be redeemed at an amount per Note equal to the Nominal Amount together with any accrued and unpaid Interest.

10.4.3 The Issuer may give notice of any redemption pursuant to Clause 10.4.1 and any redemption pursuant to Clause 10.4.2 no later than twenty (20) Business Days after having received actual knowledge of any event specified therein (after which time period such right shall lapse). The notice from the Issuer is irrevocable, shall specify the Redemption Date and also the Record Date on which a person shall be registered as a Noteholder to receive the amounts due on such Redemption Date. The Issuer shall redeem the Notes in full at the applicable amount on the specified Redemption Date.

11. **TRANSACTION SECURITY**

11.1 As continuing Security for the due and punctual fulfilment of the Secured Obligations the Issuer:

- (a) grants to the Secured Parties as represented by the Agent, on or before the Issue Date, the Transaction Security (other than the Security created under the Share Pledge Agreement); and
- (b) shall procure that the Shareholder grants to the Secured Parties as represented by the Agent (other than the Manager and/or the Servicer, for as long as the Shareholder is acting in that capacity), on or before the Issue Date, a pledge over all the shares in the Issuer in accordance with the Share Pledge Agreement.

11.2 The Transaction Security shall be provided pursuant to, and subject to the terms of, the Security Documents entered into or to be entered into between the Issuer or the Shareholder (as applicable) and the Agent, acting on behalf of the Secured Parties. The Agent shall hold the Transaction Security on behalf of the Secured Parties in accordance with the Security Documents.

11.3 The Agent may (without first having to obtain the Noteholders' consent) consent to a purchase of any Transferred Promissory Note by the Originator in accordance with the

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

- 11.4 Unless and until the Agent has received instructions from the Noteholders in accordance with Clause 18 (*Decisions by Noteholders*), the Agent shall (without first having to obtain the Noteholders' consent) be entitled to enter into agreements with the Issuer, the Shareholder or a third party or take any other actions, if it is, in the Agent's opinion, necessary for the purpose of maintaining, altering, releasing or enforcing the Transaction Security, creating further Security for the benefit of the Secured Parties or for the purpose of settling the Noteholders', the Issuer's or the Shareholder's rights to the Transaction Security, in each case in accordance with the terms of the Transaction Documents.
- 11.5 For the purpose of exercising the rights of the Secured Parties, the Agent may instruct the CSD in the name and on behalf of the Issuer to arrange for payments to the Secured Parties under the Transaction Documents and change the bank account registered with the CSD and from which payments under the Notes are made to another bank account. The Issuer shall immediately upon request by the Agent provide it with any such documents, including a written power of attorney (in form and substance satisfactory to the Agent and the CSD), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under this Clause 11.5.

- 11.6 The Agent shall be entitled to release all Transaction Security when it is satisfied of the full discharge of the Secured Obligations.

12. MANAGEMENT, SERVICING AND CUSTODY

- 12.1 The Manager shall, in accordance with the Management Agreement and the Bank Account Agreement, perform certain cash management and administrative services in respect of the Transferred Promissory Notes and the Notes on behalf of the Issuer and the Agent.
- 12.2 The Servicer shall, in accordance with the Servicing Agreement, perform certain functions in relation to the servicing of the Transferred Promissory Notes on behalf of the Issuer and the Agent.
- 12.3 The Custodian shall, in accordance with the Custody Agreement, act as custodian in respect of Transferred Promissory Notes, the Collateral and other loan documentation on behalf of the Issuer and the Agent.
- 12.4 In accordance with the Servicing Agreement, a Standby Servicer shall be appointed if the Shareholder ceases to be a wholly-owned Subsidiary of the Parent, unless Fitch confirms that such reduction in ownership would not in itself impact the rating of the Notes.
- 12.5 If the Agent is entitled to terminate the Custody Agreement, Management Agreement or the Servicing Agreement (in accordance with the respective terms thereof), as the case may be, but if the Agent decides not to exercise such right, the Agent shall promptly obtain the instructions of the Noteholders in accordance with Clause 18 (*Decisions by Noteholders*). If the Agent decides to terminate such agreement, the Agent shall promptly do so and appoint a new Custodian (the "**New Custodian**"), a new Manager (the "**New Manager**") or a new Servicer (the "**New Servicer**"), as the case may be, and in accordance with the provisions of the Custody Agreement, Management Agreement and the Servicing Agreement.

- 12.6 Upon the termination of the Servicing Agreement, the Back-up Facilitator shall use commercially reasonable efforts to identify and propose a New Servicer to the Agent. If a New Servicer is not appointed within forty-five (45) days from the servicing of a notice of a Servicer Termination Event, the Interim Servicer shall carry out the obligations of the Servicer under the Servicing Agreement until a New Servicer has been appointed.
- 12.7 Upon termination of the Custody Agreement, Management Agreement or the Servicing Agreement, as the case may be, the Issuer shall use its reasonable endeavours to assist the Agent in appointing a New Custodian, New Manager and/or New Servicer in accordance with the provisions of the Custody Agreement, Management Agreement and the Servicing Agreement and the Issuer shall execute such documents and take such action as the New Custodian, New Manager and/or New Servicer may reasonably require for the purpose of vesting in such New Custodian, New Manager and/or New Servicer the same rights, powers and obligations of the Custodian, Manager and/or the Servicer as they have under the Custody Agreement, Management Agreement or the Servicing Agreement, as the case may be. Unless the Agent decides otherwise, and if a Standby Servicer has been appointed in accordance with Clause 12.4 and the Servicing Agreement, the Standby Servicer shall become New Servicer in the place of the Servicer.
- 12.8 The New Custodian, New Manager or the New Servicer, as the case may be, shall take instructions from the Agent and be given all necessary powers of attorney and other support from the Issuer to be able to perform its duties. The New Custodian shall be entitled to the Custodian Fee, the New Manager shall be entitled to the Manager Fee and the New Servicer shall be entitled to the Servicer Fee, as the case may be.

13. **PURCHASE OF ADDITIONAL LOAN PROMISSORY NOTES, REVOLVING PORTFOLIO PROMISSORY NOTES AND NEW PROMISSORY NOTES**

13.1 **Revolving Conditions**

- 13.1.1 Subject to Clause 13.1.2, the Issuer may purchase (i) Additional Loan Promissory Notes pursuant to Clause 13.2.3, (ii) Revolving Portfolio Promissory Notes (including related RPAL Promissory Notes) pursuant to Clause 13.3, or (iii) New Promissory Notes pursuant to Clause 13.3 provided that the following conditions (the “**Revolving Conditions**”) are satisfied at the relevant Purchase Date:
- (a) no Event of Default is continuing;
 - (b) the Originator has not failed to purchase any Non-Eligible Promissory Note from the Issuer pursuant to the Mortgage Sale Agreement;
 - (c) the aggregate amount of the recovery shortfall (i.e. the amount that has not been repaid) for Transferred Promissory Notes under which the related Collateral has been enforced does not exceed SEK 100,000,000;
 - (d) the Originator has not been fined or otherwise found guilty by any governmental authority or court of law of engaging in misselling (*vilseledande marknadsföring*) or similar practices, provided that the relevant conduct does not relate to an isolated incident and that such decision or ruling can reasonably be expected to affect the validity or effectiveness of a substantial number of Transferred Promissory Notes;

- (e) the relevant Transfer Purchase Price for the purchased Promissory Note(s) is funded from balances standing to the credit of the Collection Account and the Liquidity Account and excess liquidity available in the Cash Pool; and
 - (f) Security is granted over the Promissory Note and the related Collateral pursuant to the Security Documents.
- 13.1.2 The Issuer is only permitted to purchase Additional Loan Promissory Notes, Revolving Promissory Notes (including related RPAL Promissory Notes) and New Promissory Notes in accordance with Clause 13.1.1 prior to the First Call Date and only on one (1) occasion each calendar year, provided always that such purchase does not give rise to a licensing requirement under the Swedish Banking and Financing Business Act (*lag (2004:297) om bank- och finansieringsrörelse*) in respect of the Issuer.
- 13.2 **Additional Loan Promissory Notes**
 - 13.2.1 If the Issuer receives a request from a Borrower to make an Additional Loan in respect of a Transferred Promissory Note, the Issuer may, and only in accordance with this Clause 13.2 (*Additional Loan Promissory Notes*), the Mortgage Sale Agreement, any applicable law and the Credit Policy, request the Originator to agree to an Additional Loan in respect of such Transferred Promissory Note.
 - 13.2.2 For the avoidance of doubt, the Issuer is not permitted to make any Additional Loans in respect of a Transferred Promissory Note in its own name.
 - 13.2.3 Prior to the First Call Date and provided that the Revolving Conditions are satisfied, the Issuer shall use its best efforts, in accordance with the terms of the Mortgage Sale Agreement, to purchase from the relevant Seller the Additional Loan Promissory Notes originated by the Originator pursuant to Clause 13.2.1 above, provided that, at the relevant Purchase Date:
 - (a) the aggregate amount of the Additional Loan Promissory Notes and RPAL Promissory Notes to be purchased by the Issuer does not exceed the Additional Loan Cap; and
 - (b) if the Transferred Promissory Note(s) in respect of which the Additional Loan is made originally formed part of the Initial Portfolios or was purchased from the Revolving Portfolio, the Initial and Revolving Eligibility Criteria are met in respect of such Transferred Promissory Note(s) together with the Additional Loan having been made at the time of disbursement of the Additional Loan; or
 - (c) if the Transferred Promissory Note(s) in respect of which the Additional Loan is made was originally a New Promissory Note purchased by the Issuer, the New Eligibility Criteria is met in respect of such Transferred Promissory Note(s) together with the Additional Loan having been made at the time of disbursement of the Additional Loan.
 - 13.2.4 If the conditions in Clause 13.2.3 are not satisfied, and the Issuer is unable to purchase an Additional Loan Promissory Note from the relevant Seller, the Originator may, at the option of the Originator, purchase the relevant Transferred Promissory Note(s) in respect of which the relevant Additional Loan was made from the Issuer in accordance with and subject to the Mortgage Sale Agreement.

13.3 **Purchases of Revolving Portfolio Promissory Notes and New Promissory Notes**

- 13.3.1 Prior to the First Call Date and provided that the Revolving Conditions are satisfied, the Issuer shall use its best efforts to, pursuant to the terms of the Mortgage Sale Agreement:
- (a) provided that no Additional Loan Promissory Notes are available for purchase pursuant to Clause 13.2.3, purchase Revolving Portfolio Promissory Notes (including related RPAL Promissory Notes), which meet the Initial and Revolving Eligibility Criteria, from the Revolving Portfolio; and,
 - (b) when no more Additional Loan Promissory Notes are available for purchase pursuant to Clause 13.2.3 and no more Revolving Portfolio Promissory Notes (including related RPAL Promissory Notes) are available for purchase pursuant to paragraph (a), purchase New Promissory Notes which meet the New Eligibility Criteria.
- 13.3.2 A Revolving Portfolio Promissory Note which has related RPAL Promissory Note(s) shall only be purchased by the Issuer in accordance with Clause 13.3.1 provided that such purchase would not cause the Additional Loan Cap to be exceeded.

14. **DISTRIBUTION OF PROCEEDS**

14.1 **Distribution of Proceeds prior to Acceleration of the Notes**

- 14.1.1 The Issuer shall ensure that all Proceeds and any yield and other proceeds obtained from holding or selling Eligible Securities are paid into the Collection Account.
- 14.1.2 Should the amount available for distribution pursuant to Clause 14.1.4 not be sufficient to cover the payment obligations set out in paragraphs (a)–(i) of Clause 14.1.4 the Issuer shall, prior to the relevant Waterfall Date, sell all, or such part of the Eligible Securities which generate sufficient sales proceeds in order for the Issuer to be able to make the payments under paragraphs (a)–(i) of Clause 14.1.4, and the proceeds shall be deposited on the Collection Account.
- 14.1.3 If the amount available on the Collection Account (after a sale of Eligible Securities in accordance with Clause 14.1.2) is not sufficient to cover the payment obligations set out in paragraphs (a)–(k) of Clause 14.1.4 the Issuer shall, on the relevant Waterfall Date, to the extent necessary withdraw available amounts in the Cash Pool. If the amounts available in the Cash Pool are not sufficient to cover the payment obligations set out in paragraphs (a)–(e) of Clause 14.1.4 the Issuer shall, on the relevant Waterfall Date, to the extent necessary withdraw available amounts on the Reserve Account.
- 14.1.4 Unless the Notes have been accelerated in accordance with Clause 17 (*Acceleration of the Notes*), all balances standing to the credit of the Issuer Bank Accounts (other than the Reserve Account, subject to Clause 14.1.3) as at the last day of each Collection Period, shall, subject to the provisions of the Management Agreement, on the following Waterfall Date be transferred to the Collection Account and distributed in the following order of priority, in accordance with the instructions of the Manager (unless the Agent has served a Control Notice, in which case the Agent shall give such instructions):
- (a) *first*, to pay any Agency Fee and any indemnities payable by the Issuer to the Agent in accordance with the Agency Agreement (other than any indemnity given for liability against the Noteholders) that falls due on or about such Waterfall Date;

- (b) *secondly*, to pay taxes which fall due on or about such Waterfall Date;
- (c) *thirdly*, to pay the Servicer Fee, the Manager Fee, the Custodian Fee, the Back-up Facilitator Fee, the Interim Servicer Fee, and any Standby Servicer Fee, which fall due on or about such Waterfall Date *pro rata*;
- (d) *fourthly*, to pay the Permitted Costs which fall due on or about such Waterfall Date;
- (e) *fifthly*, to credit the Expense Account with an amount equal to the aggregate of the amount of Agency Fee, Servicer Fee, Manager Fee, Custodian Fee, Back-up Facilitator Fee, Interim Servicer Fee, any Standby Servicer Fee, Permitted Costs and taxes, in each case, expected to be incurred prior to the next Waterfall Date;
- (f) *sixthly*, to replenish the Reserve Account up to the Minimum Reserve Amount;
- (g) *seventhly*, accrued and unpaid Senior Interest on the Notes to be paid on the next Interest Payment Date shall be deposited on the Distribution Account;
- (h) *eighthly*, until the Step-Up Date and provided that the Revolving Conditions are satisfied, and only to the extent the Collateral Test will be met after distributions have been made in accordance with this Clause 14.1.4, to pay the Additional Purchase Price which falls due on or about such Waterfall Date;
- (i) *ninthly*, until the Total Nominal Amount has been repaid in full, to deposit the amount to be applied *pro rata* in repayment of all or part of the Total Nominal Amount on the following Interest Payment Date in accordance with and subject to Clause 10.3 (*Partial redemption*) on the Distribution Account;
- (j) *tenthly*, until the Total Nominal Amount has been repaid in full, to replenish the Collection Account or to be invested in Eligible Securities, in each case so that the Collateral Test is met;
- (k) *eleventh*, after the Total Nominal Amount has been repaid in full, any remaining funds shall be used to pay any accrued and unpaid Excess Consideration; and
- (l) *twelfth*, at the option of the Issuer, to be kept on the Collection Account until the next Waterfall Date or to be invested in Eligible Securities or, provided that the Revolving Conditions are met, to be transferred to the Liquidity Account to be lent to the Parent in the Cash Pool.

14.1.5 The obligation to make payments pursuant to Clause 14.1.4 above shall include any amounts which have been deferred (including any amounts owing under conditional shareholders contributions which have been granted by the Shareholder by converting any part of the Additional Purchase Price).

14.2 **Distribution of Proceeds following Acceleration of the Notes**

14.2.1 If and when the Notes have been accelerated in accordance with Clause 17 (*Acceleration of the Notes*), all balances standing to the credit of the Issuer Bank Accounts, the amounts available in the Cash Pool, all other Proceeds and any yield and other proceeds obtained from holding or selling Eligible Securities shall be distributed in the following order of priority, in accordance with the instructions of the Agent:

- (a) *first*, in or towards payment *pro rata* of (i) any unpaid Agency Fee, costs, expenses and indemnities payable by the Issuer to the Agent in accordance with the Agency Agreement and the Transaction Documents (other than any indemnity given for liability against the Noteholders), (ii) other costs, expenses and indemnities relating to the acceleration of the Notes, the enforcement of the Transaction Security or the protection of the Noteholders' rights as may have been incurred by the Agent, (iii) any costs incurred by the Agent for external experts that have not been reimbursed by the Issuer in accordance with Clause 20.2.6, and (iv) any costs and expenses incurred by the Agent that have not been reimbursed by the Issuer in accordance with Clause 18.4.12, together with default interest in accordance with Clause 9.4 (*Default Interest*) on any such amount calculated from the date it was due to be paid or reimbursed by the Issuer;
- (b) *secondly*, in or towards payment *pro rata* of all unpaid Servicer Fee, the Manager Fee, the Custodian Fee, the Back-up Facilitator Fee, the Interim Servicer Fee, any Standby Servicer Fee, together with default interest in accordance with Clause 9.4 (*Default Interest*) on any such amount calculated from the date it was due to be paid or reimbursed by the Issuer;
- (c) *thirdly*, in or towards payment of all unpaid Permitted Costs due to the Secured Parties in respect of the Secured Obligations;
- (d) *fourthly*, in or towards payment *pro rata* of any accrued but unpaid Senior Interest, Deferred Interest and any Additional Interest;
- (e) *fifthly*, in or towards payment *pro rata* of any unpaid Nominal Amount;
- (f) *sixthly*, in or towards payment of all unpaid Permitted Costs not included in paragraph (c) above;
- (g) *seventhly*, in or towards payment of any accrued and unpaid Excess Consideration; and
- (h) *eighthly*, in or towards payment of all unpaid Additional Purchase Price (including any amounts owing under conditional shareholders contributions which have been granted by the Shareholder by converting any part of the Additional Purchase Price).

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

- 14.2.2 If a Noteholder or another party has paid any fees, costs, expenses or indemnities referred to in Clause 14.2.1(a), such Noteholder or other party shall be entitled to reimbursement by way of a corresponding distribution in accordance with Clause 14.2.1(a).
- 14.2.3 Funds that the Agent receives (directly or indirectly) in connection with the acceleration of the Notes or the enforcement of the Transaction Security constitute escrow funds (*redovisningsmedel*) and must be held on a separate bank account on behalf of the Noteholders and the other interested parties. The Agent shall arrange for payments of such funds in accordance with this Clause 14.2 as soon as reasonably practicable.
- 14.2.4 If the Issuer or the Agent shall make any payment under this Clause 14.2, the Issuer or the Agent, as applicable, shall notify the Noteholders of any such payment at least ten (10) Business Days before the payment is made. The notice from the Issuer shall specify the

Redemption Date and also the Record Date on which a person shall be registered as a Noteholder to receive the amounts due on such Redemption Date. Notwithstanding the foregoing, for any Interest due but unpaid, the Record Date specified in Clause 8.1 shall apply and for any partial redemption in accordance with Clause 10.3 (*Partial redemption*) due but not made, the Record Date specified in Clause 10.3.4 shall apply.

- 14.2.5 In the event of bankruptcy of the Issuer, the Noteholders' right to payment shall (including but not limited to for the purpose of Chapter 5 Section 10 of the Swedish Bankruptcy Act) be subject to the condition that claims with better priority pursuant to this Clause 14.2 have been, or will be, fully paid as a result of payments or distributions in connection with the bankruptcy.

15. INFORMATION TO NOTEHOLDERS

15.1 Information from the Issuer

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

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

- 15.1.2 The Issuer shall provide to the Noteholders no later than five (5) Business Days before an Interest Payment Date, (i) an Investor Report, (ii) a specification of payments to be made to the Noteholders on the next Interest Payment Date (including information on any payments of Deferred Interest and Additional Interest pursuant to Clause 9.3 (*Deferred Interest*) to be made on such Interest Payment Date), (iii) a specification of the Total Nominal Amount, calculated for the next Interest Payment Date and (iv) a specification of the Senior Interest and Excess Consideration (if any), calculated for the next Interest Payment Date (including information on any deferral of interest pursuant to Clause 9.3 (*Deferred Interest*)).

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

15.2 Information from the Agent

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

information (save for that any delay in disclosing an Event of Default shall be dealt with in accordance with Clause 17.4).

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

15.3 **Information among the Noteholders**

Subject to applicable regulations, the Agent shall promptly upon request by a Noteholder forward by post any information from such Noteholder to the Noteholders which relates to the Notes. The Agent may require that the requesting Noteholder reimburses any costs or expenses incurred, or to be incurred, by it in doing so (including a reasonable fee for its work).

15.4 **Availability of Transaction Documents**

- 15.4.1 The latest version of these Terms and Conditions (including any document amending these Terms and Conditions) shall be available on the websites of the Issuer and the Agent.
- 15.4.2 The latest versions of the Transaction Documents shall upon written request be made available by the Agent to any person by way of email or at the office of the Agent. The Agent may require that the requesting person reimburses any costs or expenses incurred, or to be incurred, by it in doing so (including a reasonable fee for its work).

16. **GENERAL UNDERTAKINGS**

16.1 **Authorisations**

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

16.2 **Restrictions on activities:**

The Issuer shall not:

- (a) engage in any activity whatsoever which is not incidental to or necessary in connection with any of the activities in which the Transaction Documents provide or envisage that the Issuer will engage in;
- (b) enter into any agreements or commitments not contemplated in the Transaction Documents;
- (c) have any Subsidiaries; or
- (d) have any employees or hire any consultants (other than, for the avoidance of doubt, external advisers or experts).

16.3 **Dealings with related parties**

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

16.4 **Expense Account**

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

16.5 **Reserve Account**

16.5.1 For as long as no Event of Default is continuing, and provided that the balance standing to the credit of the Expense Account is not sufficient, the balance standing to the credit of the Reserve Account may to the extent necessary be used by the Manager to pay any Agency Fee, Servicer Fee, Manager Fee, Custodian Fee, Back-up Facilitator Fee, Interim Servicer Fee, any Standby Servicer Fee, taxes or Permitted Costs that become due and payable between any two successive Waterfall Dates.

16.5.2 For as long as no Event of Default is continuing, if the balance standing to the credit of the Reserve Account exceeds the Minimum Reserve Amount, such excess shall be transferred to the Collection Account on the following Waterfall Date and be distributed in accordance with Clause 14.1 (*Distribution of Proceeds prior to Acceleration of the Notes*).

16.6 **Collection Account**

Subject to Clause 13 (*Purchase of Additional Loan Promissory Notes, Revolving Portfolio Promissory Notes and New Promissory Notes*), the Issuer may instruct the Manager to use the balance standing to the credit of the Collection Account to pay the Transfer Purchase Price for the Issuer's purchase of Promissory Notes under the Mortgage Sale Agreement on any date (including a date which is not a Waterfall Date), provided that the amount standing to the credit of the Issuer Bank Accounts (other than the Reserve Account) for distribution pursuant to Clause 14.1.4 after such purchase will be sufficient to cover the payment obligations set out in paragraphs (a)–(h) of Clause 14.1.4 on the Waterfall Date falling immediately after the date such purchase is made.

16.7 **Liquidity Account and Cash Pool**

16.7.1 Provided that the Revolving Conditions are met, the Issuer may, at the option of the Issuer, use the balance standing to the credit of the Liquidity Account to be lent to the Parent in the Cash Pool. The Issuer may in its sole discretion ask the Parent to repay any loan(s) under the Cash Pool to the Liquidity Account at any time.

16.7.2 The Issuer may use the amount standing to the credit of the Liquidity Account and excess liquidity available in the Cash Pool to pay the Transfer Purchase Price for the Issuer's purchase of Promissory Notes under the Mortgage Sale Agreement on any date (including a date which is not a Waterfall Date), subject to and in accordance with Clause 13 (*Purchase of Additional Loan Promissory Notes, Revolving Portfolio Promissory Notes and New Promissory Notes*).

16.8 Collateral Test

The Issuer shall ensure that the Collateral Test is met on each Calculation Date.

16.9 Eligible Securities

For as long as no Event of Default is continuing, the Issuer may:

- (a) use the balance standing to the credit of the Collection Account to purchase Eligible Securities, provided that:
 - (i) purchased Eligible Securities shall be kept on the Custodial Account, and
 - (ii) any yield and other proceeds obtained from holding Eligible Securities shall be deposited on the Collection Account; and
- (b) sell Eligible Securities provided that the proceeds obtained from such sale shall be deposited on the Collection Account.

16.10 Equity Financing

The Issuer shall on the Issue Date have an original equity of SEK 100,000,000 consisting of SEK 500,000 in registered share capital (*bundet eget kapital*) and SEK 99,500,000 of free equity (*fritt eget kapital*).

16.11 Financial indebtedness

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

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

16.12 Negative pledge

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

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

16.13 Distributions

16.13.1 The Issuer shall not (except as expressly permitted by the Transaction Documents):

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

16.13.2 Notwithstanding Clause 16.13.1, the Issuer shall be entitled to:

- (a) lend excess liquidity to the Parent in the Cash Pool in accordance with the provisions set out in these Terms and Conditions;
- (b) give group contribution (*koncernbidrag*) by way of distributions to the Shareholder and/or the Parent and make dividend payments provided that in each case (i) no cash or other funds are transferred from the Issuer to the Shareholder and/or the Parent as a result thereof (i.e. the group contributions or dividends are merely accounting measures) and (ii) any claims on the Issuer are subordinated pursuant to the Intercreditor Agreement; and
- (c) repay any conditional shareholders contributions which have been granted by the Shareholder by converting of any part of the Additional Purchase Price pursuant to the Mortgage Sale Agreement.

16.14 Admission to trading

16.14.1 The Issuer shall use its best efforts to ensure that the Notes are admitted to trading on the Regulated Market of Nasdaq Stockholm within three (3) months after the Issue Date or, if such admission to trading is not possible to obtain or maintain, admitted to trading on another Regulated Market.

16.14.2 Following an admission to trading, the Issuer shall use its best efforts to maintain it for as long as any Notes are outstanding, or if such admission to trading is not possible to maintain, admitted to trading on another Regulated Market. The Notes are however not required to be admitted to trading on a Regulated Market from and including the last day on which the admission to trading reasonably can, pursuant to the then applicable regulations of the Regulated Market and the CSD, subsist.

16.15 Undertakings relating to the Agency Agreement

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

- (a) pay fees to the Agent;
- (b) indemnify the Agent for costs, losses and liabilities;
- (c) furnish to the Agent all information requested by or otherwise required to be delivered to the Agent; and

- (d) not act in a way which would give the Agent a legal or contractual right to terminate the Agency Agreement.

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

16.16 CSD related undertakings

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

17. ACCELERATION OF THE NOTES

17.1 The Agent is entitled to, and shall following a demand in writing from a Noteholder (or Noteholders) representing at least fifty (50) per cent. of the Adjusted Nominal Amount (such demand shall, if made by several Noteholders, be made by them jointly) or following an instruction given pursuant to Clause 17.6, on behalf of the Noteholders (i) by notice to the Issuer (an “**Enforcement Notice**”), declare all, but not some only, of the outstanding Notes due and payable together with any other amounts payable under the Transaction Documents, immediately or at such later date as the Agent determines, and (ii) exercise any or all of its rights, remedies, powers and discretions under the Transaction Documents, if:

(a) Non-payment

The Issuer does not pay on the due date any amount payable by it under these Terms and Conditions (subject to Clause 9.3 (*Deferred interest*) and despite funds being available for distribution in accordance with Clause 14 (*Distribution of Proceeds*), unless the non-payment:

- (i) is caused by technical or administrative error; and
- (ii) is remedied within ten (10) Business Days from the due date.

(b) Other obligations

The Issuer (i) does not comply with any terms of or acts in violation of any Transaction Document to which it is a party (other than those terms referred to in paragraph (a) above) and (ii) such non-compliance is materially prejudicial to the interests of the Noteholders (as determined by the Agent (acting reasonably)), unless the non-compliance:

- (i) is capable of remedy; and
- (ii) is remedied within thirty (30) Business Days of the earlier of the Agent giving notice and the Issuer becoming aware of the non-compliance.

(c) Shareholder obligations

The Shareholder does not comply with any term of the VAT Letter Agreement or the Share Pledge Agreement unless the non-compliance:

- (i) is capable of remedy; and

- (ii) is remedied within thirty (30) days of the earlier of the Agent giving notice and the Shareholder becoming aware of the non-compliance.

(d) **Insolvency**

An Insolvency Event occurs, in respect of the Issuer.

(e) **Change of Control**

A Change of Control Event occurs.

(f) **Tax**

The Issuer incurs Swedish corporate tax in excess of SEK 10,000,000 (the “**Tax Amount**”), unless (i) such tax is neutralised by means of group contributions (*koncernbidrag*) or (ii) the Shareholder provides additional subordinated funding as a shareholder’s contribution (*aktieägartillskott*) to the Issuer in an amount sufficient to meet such tax liabilities in full to the extent that they exceed the Tax Amount.

(g) **Invalidity**

Any Transaction Document becomes invalid, ineffective or varied (other than in accordance with the provisions of the Transaction Documents), and such invalidity, ineffectiveness or variation is materially prejudicial to the interests of the Noteholders.

- 17.2 The Agent may not accelerate the Notes in accordance with Clause 17.1 by reference to a specific Event of Default if it is no longer continuing or if it has been decided, on a Noteholders Meeting or by way of a Written Procedure, to waive such Event of Default (temporarily or permanently).
- 17.3 The Issuer shall immediately notify the Agent (with full particulars, including, but not limited to, what steps have been taken to remedy it) upon becoming aware of the occurrence of any event or circumstance which constitutes an Event of Default, or any event or circumstance which would (with the expiry of a grace period, the giving of notice or any combination of any of the foregoing) constitute an Event of Default, and shall provide the Agent with such further information as it may reasonably request in writing following receipt of such notice.
- 17.4 The Agent shall notify the Noteholders of the occurrence of an Event of Default within five (5) Business Days of the date on which the Agent received actual knowledge of that an Event of Default has occurred and is continuing. Notwithstanding the aforesaid, the Agent may postpone a notification of an Event of Default (other than in relation to payments) up until the time stipulated in Clause 17.5 for as long as, in the reasonable opinion of the Agent, such postponement is in the interest of the Noteholders as a group. The Agent shall always be entitled to take the time necessary to determine whether an event constitutes an Event of Default.
- 17.5 The Agent shall, within twenty (20) Business Days of the date on which the Agent received actual knowledge of that an Event of Default has occurred and is continuing, decide if the Notes shall be so accelerated. If the Agent decides not to accelerate the Notes, the Agent shall promptly seek instructions from the Noteholders in accordance with Clause 18 (*Decisions by Noteholders*).

- 17.6 If the Noteholders instruct the Agent to accelerate the Notes, the Agent shall promptly declare the Notes due and payable and take such actions as may, in the opinion of the Agent, be necessary or desirable to enforce the rights of the Noteholders under the Transaction Document, unless the relevant Event of Default is no longer continuing.
- 17.7 If the right to accelerate the Notes is based upon a decision of a court of law, an arbitral tribunal or a government authority, it is not necessary that the decision has become enforceable under any applicable regulation or that the period of appeal has expired in order for cause of acceleration to be deemed to exist.
- 17.8 In the event of an acceleration of the Notes in accordance with this Clause 17, the Issuer shall redeem all Notes at an amount per Note equal to the Nominal Amount plus accrued and unpaid Interest.

18. DECISIONS BY NOTEHOLDERS

18.1 Request for a decision

- 18.1.1 A request by the Agent for a decision by the Noteholders on a matter relating to the Transaction Documents shall (at the option of the Agent) be dealt with at a Noteholders' Meeting or by way of a Written Procedure.
- 18.1.2 Any request from the Issuer or a Noteholder (or Noteholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount (such request shall, if made by several Noteholders, be made by them jointly) for a decision by the Noteholders on a matter relating to the Transaction Documents shall be directed to the Agent and dealt with at a Noteholders' Meeting or by way of a Written Procedure, as determined by the Agent. The person requesting the decision may suggest the form for decision making, but if it is in the Agent's opinion more appropriate that a matter is dealt with at a Noteholders' Meeting than by way of a Written Procedure, it shall be dealt with at a Noteholders' Meeting.
- 18.1.3 The Agent may refrain from convening a Noteholders' Meeting or instigating a Written Procedure if (i) the suggested decision must be approved by any person in addition to the Noteholders and such person has informed the Agent that an approval will not be given, or (ii) the suggested decision is not in accordance with applicable regulations.
- 18.1.4 The Agent shall not be responsible for the content of a notice for a Noteholders' Meeting or a communication regarding a Written Procedure unless and to the extent it contains information provided by the Agent.
- 18.1.5 Should the Agent not convene a Noteholders' Meeting or instigate a Written Procedure in accordance with these Terms and Conditions, without Clause 18.1.3 being applicable, the Issuer or the Noteholder(s) requesting a decision by the Noteholders may convene such Noteholders' Meeting or instigate such Written Procedure, as the case may be, instead. The Issuer or the Issuing Agent shall upon request provide the convening Noteholder(s) with the information available in the Debt Register in order to convene and hold the Noteholders' Meeting or instigate and carry out the Written Procedure, as the case may be. The Issuer or Noteholder(s), as applicable, shall supply to the Agent a copy of the dispatched notice or communication.
- 18.1.6 Should the Issuer want to replace the Agent, it may (i) convene a Noteholders' Meeting in accordance with Clause 18.2 (*Convening of Noteholders' Meeting*) or (ii) instigate a Written Procedure by sending communication in accordance with Clause 18.3 (*Instigation of Written Procedure*), in both cases with a copy to the Agent. After a request from the

Noteholders pursuant to Clause 20.4.3, the Issuer shall no later than ten (10) Business Days after receipt of such request (or such later date as may be necessary for technical or administrative reasons) convene a Noteholders' Meeting in accordance with Clause 18.2.1. The Issuer shall inform the Agent before a notice for a Noteholders' Meeting or communication relating to a Written Procedure where the Agent is proposed to be replaced is sent and supply the Agent a copy of the dispatched notice or communication.

- 18.1.7 Should the Issuer or any Noteholder(s) convene a Noteholders' Meeting or instigate a Written Procedure pursuant to Clause 18.1.5 or 18.1.6 then the Agent shall no later than five (5) Business Days' prior to dispatch of such notice or communication be provided with a draft thereof. The Agent may further append information from it together with the notice or communication, provided that the Agent supplies such information to the Issuer or the Noteholder(s), as the case may be, no later than one (1) Business Day prior to the dispatch of such notice or communication.

18.2 Convening of Noteholders' Meeting

- 18.2.1 The Agent shall convene a Noteholders' Meeting by way of notice to the Noteholders as soon as practicable and in any event no later than five (5) Business Days after receipt of a complete notice from the Issuer or the Noteholder(s) (or such later date as may be necessary for technical or administrative reasons).
- 18.2.2 The notice pursuant to Clause 18.2.1 shall include (i) time for the meeting, (ii) place for the meeting, (iii) a specification of the Record Date on which a person must be registered as a Noteholder in order to be entitled to exercise voting rights, (iv) a form of power of attorney, and (v) the agenda for the meeting. The reasons for, and contents of, each proposal as well as any applicable conditions and conditions precedent shall be specified in the notice. If a proposal concerns an amendment to any Finance Document, such proposed amendment must always be set out in detail. Should prior notification by the Noteholders be required in order to attend the Noteholders' Meeting, such requirement shall be included in the notice.
- 18.2.3 The Noteholders' Meeting shall be held no earlier than ten (10) Business Days and no later than thirty (30) Business Days after the effective date of the notice.
- 18.2.4 Without amending or varying these Terms and Conditions, the Agent may prescribe such further regulations regarding the convening and holding of a Noteholders' Meeting as the Agent may deem appropriate. Such regulations may include a possibility for Noteholders to vote without attending the meeting in person.

18.3 Instigation of Written Procedure

- 18.3.1 The Agent shall instigate a Written Procedure by way of sending a communication to the Noteholders as soon as practicable and in any event no later than five (5) Business Days after receipt of a complete communication from the Issuer or the Noteholder(s) (or such later date as may be necessary for technical or administrative reasons).
- 18.3.2 A communication pursuant to Clause 18.3.1 shall include (i) a specification of the Record Date on which a person must be registered as a Noteholder in order to be entitled to exercise voting rights, (ii) instructions and directions on where to receive a form for replying to the request (such form to include an option to vote yes or no for each request) as well as a form of power of attorney, and (iii) the stipulated time period within which the Noteholder must reply to the request (such time period to last at least ten (10) Business Days and not longer than thirty (30) Business Days from the effective date of the

communication pursuant to Clause 18.3.1). The reasons for, and contents of, each proposal as well as any applicable conditions and conditions precedent shall be specified in the notice. If a proposal concerns an amendment to any Finance Document, such proposed amendment must always be set out in detail. If the voting is to be made electronically, instructions for such voting shall be included in the communication.

- 18.3.3 If so elected by the person requesting the Written Procedure and provided that it is also disclosed in the communication pursuant to Clause 18.3.2, when consents from Noteholders representing the requisite majority of the total Adjusted Nominal Amount pursuant to Clauses 18.4.2 and 18.4.3 have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 18.4.2 or 18.4.3, as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

18.4 **Majority, quorum and other provisions**

- 18.4.1 Only a Noteholder, or a person who has been provided with a power of attorney or other authorisation pursuant to Clause 7 (*Right to act on behalf of a Noteholder*) from a Noteholder:

- (a) on the Business Day specified in the notice pursuant to Clause 18.2.1, in respect of a Noteholders' Meeting, or
- (b) on the Business Day specified in the communication pursuant to Clause 18.3.1, in respect of a Written Procedure,

may exercise voting rights as a Noteholder at such Noteholders' Meeting or in such Written Procedure, provided that the relevant Notes are included in the Adjusted Nominal Amount. Each whole Note entitles to one vote and any fraction of a Note voted for by a person shall be disregarded. Such Business Day specified pursuant to paragraph (a) or (b) above must fall no earlier than one (1) Business Day after the effective date of the notice or communication, as the case may be.

- 18.4.2 The following matters shall require the consent of Noteholders representing at least sixty-six and two thirds ($66\frac{2}{3}$) per cent. of the Adjusted Nominal Amount for which Noteholders are voting at a Noteholders' Meeting or for which Noteholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 18.3.2:

- (a) any transactions or agreements relating to matters in which the Manager, the Servicer or the Shareholder (or another parent company of the Issuer) or any of their respective affiliates has a conflicting interest with the Issuer;
- (b) any transactions or agreements between the Issuer on the one side and the Manager, the Servicer or the Shareholder (or another parent company of the Issuer) or any of their respective affiliates on the other side, except as contemplated by the Transaction Documents;
- (c) any consent to a change in the control of the Issuer resulting in that the Issuer ceasing to be a (directly or indirectly) wholly-owned Subsidiary of the Parent;
- (d) changes to the Eligibility Criteria, the Credit Policy and the Collection Policy, which in the Agent's opinion are materially prejudicial to the interest of the Noteholders;

- (e) appointment of a New Custodian, appointment of a New Manager or a New Servicer (other than the Interim Servicer) on terms to be approved by the Noteholders (unless the terms of the new Custody Agreement, new Management Agreement or new Servicing Agreement, as the case may be, are on substantially the same terms as in the Custody Agreement, Management Agreement or the Servicing Agreement, as the case may be, existing on the Issue Date, in which case the Agent may appoint any appropriate third party as such New Custodian, New Manager or New Servicer);
- (f) replacement of the Account Bank other than as permitted by the Transaction Documents; and
- (g) transfer of ownership of shares in the Issuer.

18.4.3 The following matters shall require the consent of Noteholders representing at least eighty (80) per cent. of the Adjusted Nominal Amount for which Noteholders are voting at a Noteholders' Meeting or for which Noteholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 18.3.2:

- (a) the issue of any Notes after the Issue Date (for the avoidance of doubt, for which consent shall be required at each occasion such Notes are issued);
- (b) a change to the terms of any of Clause 2.1, and Clauses 2.5 to 2.7;
- (c) a change to the Interest Rate, Excess Consideration (other than as a result of a replacement of STIBOR) or the Nominal Amount (other than as a result of an application of Clause 10.3 (*Partial redemption*));
- (d) a change to the terms for the distribution of proceeds set out in Clause 14 (*Distribution of proceeds*);
- (e) a change to the terms dealing with the requirements for Noteholders' consent set out in this Clause 18.4 (*Majority, quorum and other provisions*);
- (f) a change of Issuer, an extension of the tenor of the Notes or any delay of the due date for payment of any Nominal Amount or Interest on the Notes;
- (g) a release of the Transaction Security, except in connection with (i) the repayment of any Transferred Promissory Note, (ii) a purchase of any Transferred Promissory Note by the Originator in accordance with the Mortgage Sale Agreement and with the consent of the Agent, (iii) a substitution of Borrower or Collateral under the loans evidenced by the Transferred Promissory Notes made in accordance with the Servicing Agreement and with the consent of the Agent, or (iv) a redemption of the Notes in accordance with Clause 10 (*Redemption and Repurchase of the Notes*);
- (h) a mandatory exchange of the Notes for other securities;
- (i) early redemption of the Notes, other than upon an acceleration of the Notes pursuant to Clause 17 (*Acceleration of the Notes*) or as otherwise permitted or required by these Terms and Conditions; and
- (j) changes to the Articles of Association of the Issuer, including a change to the business of the Issuer.

- 18.4.4 Any matter not covered by Clauses 18.4.2 and 18.4.3 shall require the consent of Noteholders representing more than 50 per cent. of the Adjusted Nominal Amount for which Noteholders are voting at a Noteholders' Meeting or for which Noteholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 18.3.2. This includes, but is not limited to, any amendment to, or waiver of, the terms of any Transaction Document that does not require a higher majority (other than an amendment permitted pursuant to Clause 19.1(a) or (b)), an acceleration of the Notes, or the enforcement of any Transaction Security.
- 18.4.5 All decisions regarding the transactions contemplated by, and taken in accordance with, these Terms and Conditions shall be deemed approved and consented to by the Shareholder in its capacity as the sole shareholder of the Issuer (unless the Shareholder is under a legal or similar obligation to act otherwise).
- 18.4.6 Quorum at a Noteholders' Meeting or in respect of a Written Procedure only exists if a Noteholder (or Noteholders) representing at least fifty (50) per cent. of the Adjusted Nominal Amount in case of a matter pursuant to Clauses 18.4.2 and 18.4.3 and otherwise twenty (20) per cent. of the Adjusted Nominal Amount:
- (a) if at a Noteholders' Meeting, attend the meeting in person or by other means prescribed by the Agent pursuant to Clause 18.2.4 (or appear through duly authorised representatives); or
 - (b) if in respect of a Written Procedure, reply to the request.
- If a quorum exists for some but not all of the matters to be dealt with at a Noteholders' Meeting or by a Written Procedure, decisions may be taken in the matters for which a quorum exists.
- 18.4.7 If a quorum does not exist at a Noteholders' Meeting or in respect of a Written Procedure, the Agent or the Issuer shall convene a second Noteholders' Meeting (in accordance with Clause 18.2.1) or initiate a second Written Procedure (in accordance with Clause 18.3.1), as the case may be, provided that the person(s) who initiated the procedure for Noteholders' consent has confirmed that the relevant proposal is not withdrawn. For the purposes of this Clause 18.4.7, the date of request of the second Noteholders' Meeting pursuant to Clause 18.2.1 or second Written Procedure pursuant to Clause 18.3.1, as the case may be, shall be deemed to be the relevant date when the quorum did not exist. The quorum requirement in Clause 18.4.6 shall not apply to such second Noteholders' Meeting or Written Procedure.
- 18.4.8 Any decision which extends or increases the obligations of the Issuer or the Agent or any third party which is a party under the Transaction Documents, or limits, reduces or extinguishes the rights or benefits of the Issuer or the Agent or any third party which is a party under the Transaction Documents, under the Transaction Documents shall be subject to the Issuer's or the Agent's or the relevant third party's consent, as applicable.
- 18.4.9 A Noteholder holding more than one Note need not use all its votes or cast all the votes to which it is entitled in the same way and may in its discretion use or cast some of its votes only.
- 18.4.10 The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any owner of Notes (irrespective of whether such person is a Noteholder) for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Noteholders that consent at the relevant Noteholders'

Meeting or in a Written Procedure within the time period stipulated for the consideration to be payable or the time period for replies in the Written Procedure, as the case may be.

- 18.4.11 A matter decided at a duly convened and held Noteholders' Meeting or by way of Written Procedure is binding on all Noteholders, irrespective of them being present or represented at the Noteholders' Meeting or responding in the Written Procedure. The Noteholders that have not adopted or voted for a decision shall not be liable for any damages that this may cause the Issuer or the other Noteholders.
- 18.4.12 All costs and expenses incurred by the Issuer or the Agent for the purpose of convening a Noteholders' Meeting or for the purpose of carrying out a Written Procedure, including reasonable fees to the Agent, shall be paid by the Issuer.
- 18.4.13 If a decision is to be taken by the Noteholders on a matter relating to the Transaction Documents, the Issuer shall promptly at the request of the Agent provide the Agent with a certificate specifying the number of Notes owned by the Issuer or (to the knowledge of the Issuer) Affiliates as per the Record Date for voting, irrespective of whether such person is a Noteholder. The Agent shall not be responsible for the accuracy of such certificate or otherwise be responsible for determining whether a Note is owned by the Issuer or an Affiliate.
- 18.4.14 Information about decisions taken at a Noteholders' Meeting or by way of a Written Procedure shall promptly be sent by notice to each person registered as a Noteholder on the date referred to in Clause 18.4.1(a) or 18.4.1(b), as the case may be, and also be published on the websites of the Issuer and the Agent, provided that a failure to do so shall not invalidate any decision made or voting result achieved. The minutes from the relevant Noteholders' Meeting or Written Procedure shall at the request of a Noteholder be sent to it by the Issuer or the Agent, as applicable.

19. AMENDMENTS AND WAIVERS

- 19.1 The Issuer and the Agent (acting on behalf of the Noteholders) may, with the prior consent of any third party which is a party to such Transaction Document (if any) agree in writing to amend and waive any provision in a Transaction Document or any other document relating to the Notes, provided that the Agent is satisfied that such amendment or waiver:
 - (a) is not detrimental to the interest of the Noteholders as a group, or is made solely for the purpose of rectifying obvious errors and mistakes;
 - (b) is required by any applicable regulation, a court ruling or a decision by a relevant authority; or
 - (c) has been duly approved by the Noteholders in accordance with Clause 18 (*Decisions by Noteholders*) and it has received any conditions precedent specified for the effectiveness of the approval by the Noteholders.
- 19.2 Any amendments to the Transaction Documents shall be made available in the manner stipulated in Clause 15.4 (*Availability of Transaction Documents*). The Issuer shall ensure that any amendments to the Transaction Documents are duly registered with the CSD and each other relevant organisation or authority. The Issuer shall promptly publish by way of press release any amendment or waiver made pursuant to Clause 19.1(a) or (c) in each case setting out the amendment in reasonable detail and the date from which the amendment or waiver will be effective.

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

20. THE AGENT

20.1 Appointment of the Agent

- 20.1.1 By subscribing for Notes, each initial Noteholder appoints the Agent to act as its agent in all matters relating to the Notes, the Transaction Security and the Transaction Documents, and authorises the Agent to act on its behalf (without first having to obtain its consent, unless such consent is specifically required by these Terms and Conditions) in any legal or arbitration proceedings relating to the Notes held by such Noteholder including the winding-up, dissolution, liquidation, company reorganisation (*företagsrekonstruktion*) or bankruptcy (*konkurs*) (or its equivalent in any other jurisdiction) of the Issuer and any legal or arbitration proceeding relating to the perfection, preservation, protection or enforcement of the Transaction Security. By acquiring Notes, each subsequent Noteholder confirms such appointment and authorisation for the Agent to act on its behalf.
- 20.1.2 Each Noteholder shall immediately upon request provide the Agent with any such documents, including a written power of attorney (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Transaction Documents. The Agent is under no obligation to represent a Noteholder which does not comply with such request.
- 20.1.3 The Issuer shall promptly upon request provide the Agent with any documents and other assistance (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Transaction Documents.
- 20.1.4 The Agent is entitled to fees for all its work in such capacity and to be indemnified for costs, losses and liabilities on the terms set out in the Transaction Documents or the Agency Agreement and the Agent's obligations as Agent under the Transaction Documents are conditioned upon the due payment of such fees and indemnifications.
- 20.1.5 The Agent may act as agent or trustee for several issues of securities issued by or relating to the Issuer and other Group Companies notwithstanding potential conflicts of interest.

20.2 Duties of the Agent

- 20.2.1 The Agent shall represent the Noteholders in accordance with the Transaction Documents, including, *inter alia*, holding the Transaction Security pursuant to the Security Documents on behalf of the Noteholders and, where relevant, enforcing the Transaction Security on behalf of the Noteholders. The Agent is not responsible for the execution or enforceability of the Transaction Documents or the perfection of the Transaction Security.
- 20.2.2 When acting pursuant to the Transaction Documents, the Agent is always acting with binding effect on behalf of the Noteholders. The Agent is never acting as an advisor to the Noteholders or the Issuer. Any advice or opinion from the Agent does not bind the Noteholders or the Issuer.
- 20.2.3 When acting pursuant to the Transaction Documents, the Agent shall carry out its duties with reasonable care and skill in a proficient and professional manner.

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- 20.2.4 The Agent is always entitled to delegate its duties to other professional parties and to engage external experts when carrying out its duties as agent, without having to first obtain any consent from the Noteholders or the Issuer. The Agent shall however remain liable for any actions of such parties if such parties are performing duties of the Agent under the Transaction Documents.
- 20.2.5 The Agent shall treat all Noteholders equally and, when acting pursuant to the Transaction Documents, act with regard only to the interests of the Noteholders as a group and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other person, other than as explicitly stated in the Transaction Documents.
- 20.2.6 The Issuer shall on demand by the Agent pay all costs for external experts engaged by it (i) after the occurrence of an Event of Default, (ii) for the purpose of investigating or considering (A) an event or circumstance which the Agent reasonably believes is or may lead to an Event of Default or (B) a matter relating to the Issuer or the Transaction Documents which the Agent reasonably believes may be detrimental to the interests of the Noteholders under the Transaction Documents, and (iii) in connection with any Noteholders' Meeting or Written Procedure, or (iv) in connection with any amendment (whether contemplated by the Transaction Documents or not) or waiver under the Transaction Documents. Any compensation for damages or other recoveries received by the Agent from external experts engaged by it for the purpose of carrying out its duties under the Transaction Documents shall be distributed in accordance with Clause 14 (*Distribution of proceeds*).
- 20.2.7 The Agent shall, as applicable, enter into agreements with the CSD, and comply with such agreement and the CSD Regulations applicable to the Agent, as may be necessary in order for the Agent to carry out its duties under the Transaction Documents.
- 20.2.8 Other than as specifically set out in the Transaction Documents, the Agent shall not be obliged to monitor (i) whether any Event of Default has occurred, (ii) the performance, default or any breach by the Issuer or any other party of its obligations under the Transaction Documents, or (iii) whether any other event specified in any Transaction Document has occurred. Should the Agent not receive such information, the Agent is entitled to assume that no such event or circumstance exists or can be expected to occur, provided that the Agent does not have actual knowledge of such event or circumstance.
- 20.2.9 Notwithstanding any other provision of the Transaction Documents to the contrary, the Agent is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any regulation.
- 20.2.10 If in the Agent's reasonable opinion the cost, loss or liability which it may incur (including reasonable fees to the Agent) in complying with instructions of the Noteholders, or taking any action at its own initiative, will not be covered by an expected distribution of Proceeds in accordance with Clause 14 (*Distribution of proceeds*), the Agent may refrain from acting in accordance with such instructions, or taking such action, until it has received such funding or indemnities (or adequate Security has been provided therefore) as it may reasonably require save that the Agent shall always notify the Noteholders about the occurrence of an Event of Default in accordance with Clause 17.4.
- 20.2.11 The Agent shall give a notice to the Noteholders (i) before it ceases to perform its obligations under the Transaction Documents by reason of the non-payment by the Issuer of any fee or indemnity due to the Agent under the Transaction Documents or the Agency Agreement or (ii) if it refrains from acting for any reason described in Clause 20.2.10.

20.3 **Liability for the Agent**

- 20.3.1 The Agent will not be liable to the Noteholders for damage or loss caused by any action taken or omitted by it under or in connection with any Transaction Document, unless directly caused by its negligence or wilful misconduct. The Agent shall never be responsible for indirect or consequential loss.
- 20.3.2 The Agent shall not be considered to have acted negligently if it has acted in accordance with advice from or opinions of reputable external experts provided to the Agent or if the Agent has acted with reasonable care in a situation when the Agent considers that it is detrimental to the interests of the Noteholders to delay the action in order to first obtain instructions from the Noteholders.
- 20.3.3 The Agent shall not be liable for any delay (or any related consequences) in crediting an account with an amount required pursuant to the Transaction Documents to be paid by the Agent to the Noteholders, provided that the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.
- 20.3.4 The Agent shall have no liability to the Issuer or the Noteholders for damage caused by the Agent acting in accordance with instructions of the Noteholders given in accordance with the Transaction Documents.
- 20.3.5 Any liability towards the Issuer which is incurred by the Agent in acting under, or in relation to, the Transaction Documents shall not be subject to set-off against the obligations of the Issuer to the Noteholders under the Transaction Documents.

20.4 **Replacement of the Agent**

- 20.4.1 Following the Step-Up Date and subject to Clause 20.4.6, the Agent may resign by giving notice to the Issuer and the Noteholders, in which case the Noteholders shall appoint a successor Agent at a Noteholders' Meeting convened by the retiring Agent or by way of Written Procedure initiated by the retiring Agent.
- 20.4.2 Subject to Clause 20.4.6, if the Agent is insolvent, the Agent shall be deemed to resign as Agent and the Issuer shall within ten (10) Business Days appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- 20.4.3 A Noteholder (or Noteholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount may, by notice to the Issuer (such notice shall, if given by several Noteholders, be given by them jointly), require that a Noteholders' Meeting is held for the purpose of dismissing the Agent and appointing a new Agent. The Issuer may, at a Noteholders' Meeting convened by it or by way of Written Procedure initiated by it, propose to the Noteholders that the Agent be dismissed and a new Agent appointed.
- 20.4.4 If the Noteholders have not appointed a successor Agent within ninety (90) days after (i) the earlier of the notice of resignation was given or the resignation otherwise took place or (ii) the Agent was dismissed through a decision by the Noteholders, the Issuer shall within thirty (30) days thereafter appoint a successor Agent which shall be an independent financial institution or other reputable company with the necessary resources to act as agent in respect of Market Loans.

- 20.4.5 The retiring Agent shall, at its own cost, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Transaction Documents.
- 20.4.6 The Agent's resignation or dismissal shall only take effect upon the earlier of (i) the appointment of a successor Agent and acceptance by such successor Agent of such appointment and the execution of all necessary documentation to effectively substitute the retiring Agent, and (ii) the period pursuant to Clause 20.4.4 (ii) having lapsed.
- 20.4.7 Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of the Transaction Documents but shall remain entitled to the benefit of the Transaction Documents and remain liable under the Transaction Documents in respect of any action which it took or failed to take whilst acting as Agent. Its successor, the Issuer and each of the Noteholders shall have the same rights and obligations amongst themselves under the Transaction Documents as they would have had if such successor had been the original Agent.
- 20.4.8 In the event that there is a change of the Agent in accordance with this Clause 20.4, the Issuer shall execute such documents and take such actions as the new Agent may reasonably require for the purpose of vesting in such new Agent the rights, powers and obligation of the Agent and releasing the retiring Agent from its further obligations under the Transaction Documents (including the Agency Agreement). Unless the Issuer and the new Agent agree otherwise, the new Agent shall be entitled to the same fees and the same indemnities as the retiring Agent.

21. THE CSD

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

22. THE ISSUING AGENT

- 22.1 The Issuer shall when necessary appoint an Issuing Agent to manage certain specified tasks under these Terms and Conditions and in accordance with the legislation, rules and regulations applicable to and/or issued by the CSD and relating to the Notes. The Issuing Agent shall be a commercial bank or securities institution approved by the CSD.
- 22.2 The Issuer shall ensure that the Issuing Agent enters into agreements with the CSD, and comply with such agreement and the CSD Regulations applicable to the Issuing Agent, as may be necessary in order for the Issuing Agent to carry out its duties relating to the Notes.
- 22.3 The Issuing Agent will not be liable to the Noteholders for damage or loss caused by any action taken or omitted by it under or in connection with any Transaction Document,

unless directly caused by its gross negligence or wilful misconduct. The Issuing Agent shall never be responsible for indirect or consequential loss.

23. NO DIRECT ACTIONS BY NOTEHOLDERS

- 23.1 A Noteholder may not take any steps whatsoever against the Issuer or with respect to the Transaction Security to enforce or recover any amount due or owing to it pursuant to the Transaction Documents, or to initiate, support or procure the winding-up, dissolution, liquidation, company reorganisation or bankruptcy in any jurisdiction of the Issuer in relation to any of the obligations and liabilities of the Issuer under the Transaction Documents. Such steps may only be taken by the Agent.
- 23.2 Clause 23.1 shall not apply if the Agent has been instructed by the Noteholders in accordance with the Transaction Documents to take certain actions but fails for any reason to take, or is unable to take (for any reason other than a failure by a Noteholder to provide documents in accordance with Clause 20.1.2), such actions within a reasonable period of time and such failure or inability is continuing. However, if the failure to take certain actions is caused by the non-payment by the Issuer of any fee or indemnity due to the Agent under the Transaction Documents or the Agency Agreement or by any reason described in Clause 20.2.10, such failure must continue for at least forty (40) Business Days after notice pursuant to Clause 20.2.11 before a Noteholder may take any action referred to in Clause 23.1.
- 23.3 The provisions of Clause 23.1 shall not in any way limit an individual Noteholder's right to claim and enforce payments which are due by the Issuer to some but not all Noteholders.

24. PRESCRIPTION

- 24.1 The right to receive repayment of the principal of the Notes shall be prescribed and become void ten (10) years from the relevant Redemption Date. The right to receive payment of Interest (excluding any capitalised interest) shall be prescribed and become void three (3) years from the relevant due date for payment. The Issuer is entitled to any funds set aside for payments in respect of which the Noteholders' right to receive payment has been prescribed and has become void.
- 24.2 If a limitation period is duly interrupted in accordance with the Swedish Act on Limitations (*preskriptionslag (1981:130)*), a new limitation period of ten (10) years with respect to the right to receive repayment of the principal of the Notes, and of three (3) years with respect to receive payment of interest (excluding capitalised interest) will commence, in both cases calculated from the date of interruption of the limitation period, as such date is determined pursuant to the provisions of the Swedish Act on Limitations.

25. COMMUNICATIONS AND PRESS RELEASES

25.1 Communications

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

- (b) if to the Issuer, shall be given at the address specified on its website www.shpfond4.se on the Business Day prior to dispatch or, if sent by email by the Agent, to the email address notified by the Issuer to the Agent from time to time; and
 - (c) if to the Noteholders, shall be given at their addresses registered with the CSD on a date selected by the sending person which falls no more than five (5) Business Days prior to the date on which the notice or communication is sent, and by either courier delivery (if practically possible) or letter for all Noteholders. A Notice to the Noteholders shall also be published on the websites of the Issuer and the Agent.
- 25.1.2 Any notice or other communication made by one person to another under or in connection with the Transaction Documents shall be sent by way of courier, personal delivery or letter, or, if between the Issuer and the Agent, by email, and will only be effective, in case of courier or personal delivery, when it has been left at the address specified in Clause 25.1.1 or, in case of letter, three (3) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 25.1.1, or, in case of email, when received in readable form by the email recipient.
- 25.1.3 Any notice or other communication pursuant to the Transaction Documents shall be in English. However, financial reports published pursuant to Clause 15.1.1 (a) and (b) may be in Swedish.
- 25.1.4 Failure to send a notice or other communication to a Noteholder or any defect in it shall not affect its sufficiency with respect to other Noteholders.
- 25.2 **Press releases**
 - 25.2.1 Any notice that the Issuer or the Agent shall send to the Noteholders pursuant to Clauses 10.2 (*Voluntary total redemption (Call option)*), 10.3 (*Partial redemption*), 10.4 (*Early redemption due to illegality*), 17.3, 18.4.14, 18.2.1, 18.3.1 and 19.2 shall also be published by way of press release by the Issuer.
 - 25.2.2 In addition to Clause 25.2.1, if any information relating to the Notes or the Issuer contained in a notice the Agent may send to the Noteholders under these Terms and Conditions has not already been made public by way of a press release, the Agent shall before it sends such information to the Noteholders give the Issuer the opportunity to issue a press release containing such information. If the Issuer does not promptly issue a press release and the Agent considers it necessary to issue a press release containing such information before it can lawfully send a notice containing such information to the Noteholders, the Agent shall be entitled to issue such press release.
- 26. **FORCE MAJEURE**
 - 26.1 Neither the Agent nor the Issuing Agent (each a “**Relevant Party**”) shall be held responsible for any damage arising out of any legal enactment, or any measure taken by a public authority, or war, strike, lockout, boycott, blockade, natural disaster, insurrection, civil commotion, terrorism or any other similar circumstance (a “**Force Majeure Event**”). The reservation in respect of strikes, lockouts, boycotts and blockades applies even if the Agent or the Issuing Agent itself takes such measures, or is subject to such measures.

- 26.2 Should a Force Majeure Event arise which prevents the Agent or the Issuing Agent from taking any action required to comply with these Terms and Conditions, such action may be postponed until the obstacle has been removed.
- 26.3 The provisions in this Clause 26 apply unless they are inconsistent with the provisions of the Financial Instruments Accounts Act which provisions shall take precedence.
- 27. GOVERNING LAW AND JURISDICTION**
- 27.1 These Terms and Conditions, and any non-contractual obligations arising out of or in connection therewith, shall be governed by and construed in accordance with the laws of Sweden.
- 27.2 The Issuer submits to the non-exclusive jurisdiction of the City Court of Stockholm (*Stockholms tingsrätt*).
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We hereby certify that the above terms and conditions are binding upon ourselves.

Place: *Stockholm*

Date: *12 December 2019*

SVENSK HYPOTEKSPENSION FOND 4 AB (PUBL)

as Issuer



Name: *Arash Bigloo*

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

Place: *Stockholm*

Date: *12 December 2019*

INTERTRUST (SWEDEN) AB
as Agent


Name: **Mia Fogelberg**


Kristofer Nivenius